



Legislation Text

File #: 21-0291, **Version:** 1

Air Quality Management District (AQMD) recommending the Board, acting as the AQMD Board of Directors, approve amendments to the Drive Clean program that:

- 1) Increase the Plug in Hybrid Electric Vehicle (PHEV) minimum all electric range (AER) eligibility requirement from 23 miles to 30 miles, and
- 2) Increase the amount of time allowed between the pre-approval and the vehicle purchase/lease dates.

FUNDING: 100% State Surcharge Fees.

DISCUSSION / BACKGROUND

On February 10, 2020, the California Air Resources Board (CARB) approved changes to the Clean Vehicle Rebate Program (CVRP). Those changes included (1) using the United States Environmental Protection Agency (U.S. EPA) AER determination instead of the CARB Urban Dynamometer Driving Schedule (UDDS) determination as a metric for PHEV eligibility as AER information is more readily available to consumers, and (2) increasing PHEV electric range threshold to 30 miles AER. Because of differences in the way the AER and UDDS values are derived, an AER of 30 miles is equivalent to a UDDS of 45 miles. These changes become effective on April 6, 2021.

AQMD proposes making the same change to the EDC Drive Clean vehicle incentive program. The current Drive Clean PHEV electric range eligibility threshold of 35 miles UDDS (23 miles AER) will be replaced with a new threshold of 30 miles AER (45 miles UDDS). This will result in several, currently available PHEVs with shorter electric ranges being ineligible for the Drive Clean program.

Establishing consistent eligibility requirements for the CVRP and the Drive Clean programs will simplify the decision making process for consumers and encourage them to consider PHEVs with higher electric ranges. Restricting the use of available motor vehicle emission reduction funds for PHEVs with higher electric ranges improves the program's cost effectiveness. This requirement would become effective on April 6, 2021, and apply to applications received on or after that date.

The number of electric vehicle models being produced by automobile manufacturers is increasing. For new models the time delay between ordering and receiving the vehicle can be lengthy. AQMD proposes that the requirement to purchase a vehicle within 2 months of pre-approval be extended to within 3 months of pre-approval. This requirement would also become effective on April 6, 2021, and apply to applications received on or after that date.

ALTERNATIVES

Alternatives the Board may take in lieu of approving the recommendations include:

- 1) Not approving the recommended changes to the Drive Clean program. This alternative would result in EDC AQMD Drive Clean! Program having a different PHEV electric range requirement than the State CVRP program and the program's cost effectiveness would remain the same. Not extending the pre-approval to purchase period could effect eligibility for a small percentage of applicants.
- 2) Establishing a different PHEV electric range requirement and/or a different pre-approval to

purchase period duration. The effects of this alternative would vary depending upon the changes.

PRIOR BOARD ACTION

- 1) 4/1/14, Item 15, Legistar File 11-1429: The Board approved the implementation of the Drive Clean electric vehicle purchase/lease incentive program and authorized the use of AB2766 motor vehicle emission reduction funds for the program.
- 2) 3/8/16, Item 40, Legistar File 11-1429: The Board amended the program by eliminating the Highway 50 HOV lane commute eligibility requirement citing higher participation and greater motor vehicle emission reductions.
- 3) 3/10/20, Item 13, Legistar File 20-0129: The Board made the following amendments to the Drive Clean program:
 - a) Restrict eligibility of PHEVs to those with an electric range of ≥ 35 miles UDDS (23 miles AER);
 - b) Restrict eligibility of PHEVs and EVs to those with a base MSRP of $\leq \$60,000$;
 - c) Reduce the incentive amount from \$1,000 to \$599;
 - d) Require vehicle purchase within 2 months of receiving pre-approval;
 - e) Require the submittal of all documentation within 3 months after vehicle purchase; and
 - f) Limit the number of incentives available per household to one.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

N/A

CAO RECOMMENDATION / COMMENTS

Approve as recommended.

FINANCIAL IMPACT

N/A

CLERK OF THE BOARD FOLLOW UP ACTIONS

Forward signed copy of minute order to AQMD.

STRATEGIC PLAN COMPONENT

Healthy Communities

CONTACT

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