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December 8, 2025  
California Air Resources Board (CARB)  
Clean Transportation Incentives Division  
1001 I Street  
Sacramento, CA 95814

**Re: Charge Ahead California Comments on the Draft Fiscal Year 2025-2026 Funding Plan Workshops for Clean Transportation Incentives**

**Introduction**

Thank you for the opportunity to provide written comments on the Fiscal Year (FY) 2025-2026 Funding Plan workshops for the Low Carbon Transportation Incentives (LCTI). We understand the time and dedication the California Air Resources Board (CARB) staff brings to this process, and we deeply appreciate your efforts. Even though the comment period for this topic has been pushed back to 2026, we hope this letter will guide CARB's decisions once the comment period re-opens. Given the critical budget deficit, and reckless federal funding and policy attacks on zero emission transportation investments, it is imperative that CARB target its investments to ensure we're maximizing benefits with limited dollars.

For the first time in the more than half-century of the Clean Air Act, Congress has attempted to take away California's rights to choose clean vehicle standards that protect their citizens from dangerous air pollution. The unprecedented and unlawful use of the Congressional Review Act to rescind Advanced Clean Trucks, Heavy Duty Omnibus, and Advanced Clean Cars II, and the lengthy legal fight over this, will undoubtedly have an impact on the progress timelines set to clean up toxic pollution, lower greenhouse gases, and protect public health.

Even more so, the US EPA is poised to reverse decades of proven climate science with its proposal to reconsider the 2009 endangerment finding.<sup>1</sup> And now in another attack on

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<sup>1</sup> California Air Resources Board, "CARB Executive Officer rips U.S. EPA on proposal to reverse decades of proven climate science," August 20, 2025, <https://ww2.arb.ca.gov/news/carb-executive-officer-rips-u-s-epa-proposal-reverse-decades-proven-climate-science>

California's vehicle pollution standards, the US EPA proposed to partially reject approval of CARB's Clean Truck Check, the heavy-duty inspection and maintenance (HD/IM) program, blocking its application to trucks registered outside the state or country.<sup>2</sup> These pointed assaults on zero emission vehicle (ZEV) standards and programs make it even more pivotal that California maintains its momentum for a healthy, equitable, zero-emission future.

In response to federal actions threatening to overturn California's authority to cut vehicle emissions, Governor Gavin Newsom signed Executive Order N-27-25 on June 12, 2025, strengthening the state's commitment to transportation climate goals and public health. CARB has clearly identified supporting ZEV market deployment incentive and rebate programs as a priority strategy in the ZEV Forward report to the Governor.<sup>3</sup>

In 2023, California surpassed the 1.5 million electric vehicles (EV) threshold,<sup>4</sup> outpacing Assembly Bill (AB) 1275 (de Leon, 2014) and Governor Brown's Executive Order for 1.5 million EVs by 2025. As the state continues to charge ahead towards its next target of 5 million by 2035, we generally request that CARB:

- 1) In absence of a funding plan release, give communities and advocates clear, written direction and confirmation on funding priorities, funding sources, and amounts for the Low Carbon Transportation Incentives (LCTI).
- 2) Given the budget deficit, prioritize investments that continue to improve access and affordability for households in priority populations to ensure these communities aren't left behind in this period of influx. For example, this could look like incentivizing the used electric vehicle market.
- 3) Given the limited funds for ZEV advancements, engage in transparency through program reporting, and share clear and accurate results and outcomes, especially on how programs are impacting disadvantaged communities.
- 4) Engage in deeper storytelling; use results and outcomes to elevate compelling regional stories and on-the-ground successes in order to encourage ongoing state funding for electrification, and combat the federal criticism around electric vehicles.

Low-income communities of color continue to face the combined burdens of poverty and pollution, including the high costs of transportation and gas prices. Recent reports<sup>5</sup> indicate that these communities are not fully benefiting from current transportation investments. CARB must

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<sup>2</sup> Bloomberg Law, "Trump Moves to Scrap California's Truck-Inspection Requirements," Bloomberg Law, August 27, 2025, <https://news.bloomberglaw.com/environment-and-energy/trump-moves-to-scrap-californias-truck-inspection-requirements>

<sup>3</sup> California Air Resources Board, "August 2025 Report to the Governor in Response to Executive Order on ZEV Deployment," August 2025, [https://www2.arb.ca.gov/sites/default/files/2025-08/August%202025%20Report%20to%20the%20Governor%20in%20Response%20to%20Executive%20Order%20on%20ZEV%20Deployment%20FINAL\\_0.pdf](https://www2.arb.ca.gov/sites/default/files/2025-08/August%202025%20Report%20to%20the%20Governor%20in%20Response%20to%20Executive%20Order%20on%20ZEV%20Deployment%20FINAL_0.pdf)

<sup>4</sup> Office of Governor Gavin Newsom, "California Surpasses 1.5 Million ZEVs — Goal Two Years Ahead of Schedule," California Governor's Office, April 21, 2023, <https://www.gov.ca.gov/2023/04/21/california-surpasses-1-5-million-zevs-goal-two-years-ahead-of-schedule/>

<sup>5</sup> UCLA Luskin Center for Innovation, "California's Clean-Vehicle Transition Is Not So Equitable Yet," June 24, 2024, <https://innovation.luskin.ucla.edu/2024/06/24/californias-clean-vehicle-transition-is-not-so-equitable-yet/>

do more to ensure these communities, as well as other vulnerable groups like small fleet owners, are accessing these low carbon incentives and vehicles.

## **Medium-Heavy Duty Vehicle Programs**


### **General Requests**

We echo the requests of our colleagues at the Natural Resources Defense Council and the Coalition for Clean Air for CARB to take action to improve pricing transparency for zero-emission trucks.<sup>6</sup> Greater visibility into vehicle pricing data is essential to ensure equitable access and informed participation across fleets of all sizes, particularly small operators and community-based organizations. Transparent pricing data would also help advocates, policymakers, and industry stakeholders better advocate for affordable vehicles, potentially increasing the reach of CARB’s incentive programs.

In addition, we recommend that CARB revise its “Heavy-Duty Investment Strategy and Priorities” document to include more program-specific funding data. As shown in the existing program categories—such as “Demos & Pilots,” “Market Momentum Technologies,” and “Market Equity”—the descriptions are too broad and lack sufficient detail for advocates to determine the exact funding allocations for each Medium- and Heavy-Duty LCTI program. Clearer delineation of funding needs and outcomes for each specific program would enhance transparency, accountability, and strategic alignment across CARB’s clean transportation portfolio.

<b>Fiscal Year (FY) 2025-26 Heavy-Duty Investment Priorities</b>			
Project Type	FY 2026-27 (million)	FY 2027-28 (million)	FY 2028-29 (million)
Demos & Pilots	\$325-\$515	\$360-\$480	\$300-\$400
	ZE line-haul rail, ZE/AT aviation, AT OGV, ZE/hybrid heavy marine, ZE heavy specialty and off-road equipment, ZE ecosystems		
Market Momentum Technologies	\$4,000-\$4,200	\$3,900-\$4,100	\$3,800-\$4,000
	ZE heavy specialty and off-road equipment, ZE switcher rail, ZE light marine, volume ZE trucks, ZE school/transit, temp. fueling, ZE ecosystems	ZE heavy specialty and off-road equipment, ZE light marine, volume ZE trucks, ZE school/transit, ZE ecosystems	ZE heavy specialty and off-road equipment, ZE light marine, volume ZE trucks, ZE school/transit, ZE light aviation, ZE ecosystems
Market Equity	\$650-\$700	\$620-\$680	\$590-\$650
	ZE drayage/small fleets, ZE forklifts, ZE school/transit, financing and insurance assistance, secondary market support, ZE ag and construction		
Total Funding	\$4,975-\$5,415*	\$4,880-\$5,260*	\$4,690-\$5,050*

\*Not an exhaustive list of technologies or applications that could be funded. Total funding recommendations are reflective of ideal appropriations.

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Heavy-Duty Investment Priorities organized by Project Type

We also call for alignment between CARB’s Heavy-Duty Vehicle programs and the updated California Clean Fuels Reward (CFR) initiative, administered by SoCal Edison, to ensure

<sup>6</sup> “Price Transparency Letter to CARB,” November 2025, [https://docs.google.com/document/d/13Zcq7xmIzmXvKQ\\_LF5zXgkDT7vzDwFeGUbV5bv8XdN0/edit?tab=t.0](https://docs.google.com/document/d/13Zcq7xmIzmXvKQ_LF5zXgkDT7vzDwFeGUbV5bv8XdN0/edit?tab=t.0)

<sup>7</sup> California Air Resources Board, “FY 2025-26 August Workshop — Presentation,” Slide 33, August 2025, <https://ww2.arb.ca.gov/sites/default/files/2025-08/FY2025-26AugustWorkshop.pdf>

consistency in funding distribution. More specifically, funding Class 2b zero-emission work pickup trucks through the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) should only be allowed if reserved exclusively for state and local public agencies, tribes, and non-profit organizations. This targeted approach would ensure that public and community-serving institutions are prioritized in receiving funding for smaller fleet transitions. At the same time, we strongly support incentive stacking between the CFR and HVIP programs for Class 8 trucks only, which can accelerate the adoption of zero-emission heavy-duty vehicles in freight and drayage operations—sectors that contribute significantly to pollution in frontline and disadvantaged communities.

### *Innovative Small e-Fleets (ISEF)*

CARB must significantly improve public data reporting and transparency within the ISEF program. Advocates, community partners, and fleet operators need clear, accessible information on how program funds are being allocated and utilized in order to effectively participate in future policy and budget discussions. At present, there is a notable gap in public clarity regarding the flow and use of ISEF funding.

For example, during the June 2025 Funding Plan workshops, CARB reported that \$70 million had been allocated to ISEF to date.<sup>8</sup> However, CARB’s own Outcome and Results webpage for the ISEF Program indicates that at least \$147 million has been dedicated to the program thus far—a discrepancy that requires clarification.<sup>9</sup> This lack of alignment between internal presentations and public-facing data makes it difficult to evaluate the program’s effectiveness, equity, and overall fiscal importance in future advocacy efforts.

**Innovative Small E-Fleet Pilot Project (ISEF)**

**Status:**

- Closed
- Continued focus on small fleets & innovation

**Allocation to Date:** \$70 million  
**Projects Funded:** 118 vouchers

**Staff Proposals:**

- \$5 million of Air Quality Improvement Program appropriation

**Continue Exploring:**

- Used Truck Voucher Pilot Concept
- Fleet Management Assistance
- Insurance

Incentives for small fleets to access zero-emission technologies

Provides fleets innovative solutions: all-inclusive leases, truck-as-a-service, and other mechanisms

CARB

+ CALIFORNIA HVIP

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June 17, 2025 Evening Community Meeting: ISEF Allocation to Date \$70 million (Slide 43)

<sup>8</sup> California Air Resources Board, “June 17, 2025 Evening Community Meeting: Clean Transportation Incentives for a Cleaner California,” Slide 43, June 2025, <https://ww2.arb.ca.gov/sites/default/files/2025-06/June%2017%2C%202025%20ECM%20Slides%201.1.pdf>

<sup>9</sup> California Air Resources Board, “Outcomes and Results — Innovative Small E-Fleet Pilot Program,” accessed October 22, 2025, <https://ww2.arb.ca.gov/our-work/programs/innovative-small-e-fleet-pilot-program/outcomes-and-results-innovative-small-e>

## Outcomes and Results for the Innovative Small E-Fleet Pilot Program

### Innovative Small E-Fleet Pilot Program

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ISEF emissions reductions are not calculated separately from the Clean Truck and Bus (HVIP) project and are included in the Cumulative Outcomes for HVIP, which can be found on the [HVIP Outcomes and Results](#) page.

#### Project Statistics

Current statistics as of August 2025

ISEF vouchers are still in processing for the 2024-2025 Fiscal Year. In the fourth year of this pilot program, the following vouchers were requested:

- 108 unique small fleets requested vouchers for FY 2024-25
- 67% of vouchers requested were for trucks domiciled in disadvantaged communities
- Average fleet size for participants was 6 vehicles
- \$25M allocated for Fiscal Year 2020-21, an additional \$10M was allocated from broader HVIP to meet the demand by small fleets
- \$33M allocated for Fiscal Year 2022-23, was reserved exclusively for innovative solutions such as short-term leases, rentals, and truck-as-a-service through approved ISEF providers, an additional \$50M was allocated from broader HVIP to further fund ISEF vouchers for small fleets' standard purchase requests
- \$14.3M allocated for Fiscal Year 2023-24
- \$14.97M allocated for Fiscal Year 2024-25

Outcome and Results webpage for ISEF: Project Statistics show much more than \$70M allocated to date

To ensure accountability and inform future budget advocacy, CARB should publish detailed, regularly updated public data on ISEF funding. This should include information by fiscal year, the exact funding amount allocated per year, the number of vouchers distributed, vouchers redeemed, and the percentage of funds benefiting disadvantaged communities. The HVIP Voucher Map is a great resource, and should continue to be updated in parallel with CARB's webpages.<sup>10</sup> ISEF data transparency would not only enhance public trust, but also help advocates and small fleet operators better understand how well the program is reaching its intended equity and emissions-reduction goals.

We support CARB continuing to explore and advance the Used Truck Voucher Pilot concept and adding this concept to the implementation manual in 1-2 years time, as shared in the ISEF New Options Workgroup. We would encourage accelerating this effort if possible. This pilot represents an important opportunity to support small fleet operators and independent truck drivers who face barriers to purchasing new zero-emission vehicles and could benefit from access to affordable, cleaner used trucks. Additionally, CARB should provide clarity on the specific use of the current \$5 million allocated to the ISEF program this year. It remains unclear whether these funds will be directed toward maintaining the status quo of existing ISEF operations or if they will be used to initiate the Used Truck Pilot concept. Greater transparency on this point is essential to ensure that limited public resources are being strategically invested in program innovations that expand access, equity, and emissions reductions for small fleets and disadvantaged communities.

### Hybrid Truck and Bus Voucher Incentive Program (HVIP)

CARB should provide clarification on the status and relationship between HVIP and the Zero-Emission School Bus and Infrastructure (ZESBI) program. Specifically, it remains unclear whether the \$25 million HVIP Transit set-aside funded through the Hino settlement will be reallocated to support ZESBI or if ZESBI will not receive any dedicated funding at this time.

<sup>10</sup> Data from Clean Truck and Bus Voucher Incentive Project (HVIP), "Impact: Deployed-Vehicle Mapping Tool," accessed October 22, 2025 <https://californiahvip.org/impact/#deployed-vehicle-mapping-tool>

In addition, we would like to offer several comments and recommendations on proposed HVIP policy changes. We support incorporating total cost of ownership (TCO) into the process for determining voucher amounts, as this would better reflect the real-world economics of vehicle deployment costs and promote more equitable access for smaller fleets. We also support increasing incentives for zero-emission transit buses, which play a crucial role in reducing emissions and improving air quality in frontline communities.

We further support CARB's truck testing requirements for HVIP vehicle eligibility, as these standards ensure that only verified, high-performing trucks receive limited public funding. However, we do not support incentives for renewable natural gas (RNG) trucks, given that RNG or methane-burning trucks perpetuate pollution burdens in communities already overexposed to toxic transportation emissions. The Greenlining Institute and Earthjustice, with many sign-on supporters, submitted a comment letter further emphasizing opposing the RNG concept.<sup>11</sup> Finally, we support reinstating a manufacturer cap within HVIP to limit the number of vouchers that can go to any single company. This safeguard would help prevent market concentration and ensure more equitable access to funding across multiple purchasers. This would help address concerns that, in the most recent funding rounds, a disproportionate share of vouchers went to Tesla semis.

#### *Sustainable Heavy-Duty Initiative for Future Technology (SHIFT)*

CARB must enhance transparency and public accessibility of data for the SHIFT program. The program's webpage and public reporting tools need to be updated to reflect accurate, up-to-date information, including how much funding has been allocated in each fiscal year and how these funds are being distributed across awarded projects each year.

Currently, the SHIFT website notes that "\$424 million benefitting priority populations,"<sup>12</sup> but it remains unclear what direct and meaningful benefits these investments are providing to those communities. Advocates, community organizations, and policymakers need more clear data to assess how funds are tangibly improving conditions for frontline, disadvantaged, and low-income communities—whether through cleaner air, workforce opportunities, or infrastructure investments, it would be helpful to mention, at a high level, the benefit of each project.

CARB's website also references ongoing efforts to improve transparency through "Socioeconomic Benefits" reporting, noting that the agency, in partnership with its third-party administrator EPRI, is working to enhance data collection and evaluation for program participants. While this is a positive step, the timing and accessibility of this data remain critical. Since SHIFT is receiving new funding this year—and given the heightened fiscal situation where every dollar matters—CARB should ensure that socioeconomic benefit data is published live and accessible to the public. Real-time transparency would, again, help the public evaluate

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<sup>11</sup> "No to Funding Renewable Natural Gas Incentives: Additional Stakeholder Requests - Incentives for Renewable Natural Gas Trucks Concept," October 2025, <https://docs.google.com/document/d/16T2pdm55O30ltZg-CccMTx3HXPgOwH-HQcbwfAdql6E/edit?tab=t.0#heading=h.d4eev7estmey>

<sup>12</sup> California Air Resources Board, "Outcomes — Sustainable Heavy-Duty Initiatives," accessed October 22, 2025, <https://www2.arb.ca.gov/our-work/programs/sustainable-heavy-duty-initiatives-future-technology/outcomes-sustainable-heavy>



whether SHIFT funding is achieving its goals of advancing zero-emission technologies while also delivering equitable, meaningful benefits to California's most impacted communities.

### Zero Emission Truck Pilot Project

Although the Zero Emission Truck Pilot Project<sup>13</sup> did not receive funding this year, we strongly encourage CARB to explore ways to revise and strengthen the pilot to accelerate the removal of older, high-polluting diesel trucks from California's roads. This program can help close the dirty-diesel loophole, and target retirement of heavy-duty diesel trucks after 13 years of service rather than the current 18-year threshold. Trucks newer than 13 years old have lower emissions due to having on-board diagnostics. Allowing this program to target older heavy-duty diesel trucks and incentivize the transition of these trucks would be an impactful action to address the most harmful tailpipe emissions.

## **Individual & Community Mobility Incentives**

### Statewide Clean Mobility Options (CMO)

Though we are deeply concerned that proposed funding for the Statewide Clean Mobility Options (CMO) program is currently set at \$0, we strongly support the proposed policy changes that would strengthen the program's equity focus and effectiveness, including:

1. Increasing the maximum grant amount (previously capped at \$1.8 million),
2. Modifying the application process from a first-come, first-served model to a needs-based approach,
3. Clarifying project eligibility criteria to ensure that at least 51% of the project area lies within low-income or disadvantaged community census tracts, and
4. Extending the grant agreement term to allow projects sufficient time to plan, implement, and sustain mobility programs.

However, these policy improvements will only be meaningful if the program is adequately funded. It is unfortunate that the proposed funding is zero, and in the future, when possible, we'd like to respectfully request that CARB prioritize new funding for the Clean Mobility Options program to ensure continued support for community-led zero-emission mobility projects that reduce pollution, increase accessibility, and promote climate resilience across California's most impacted neighborhoods.

### Clean Mobility in Schools

We are also concerned that proposed funding for the Clean Mobility in Schools program is set at \$0 in the upcoming cycle. This program has demonstrated strong potential to improve air quality

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<sup>13</sup> California Air Resources Board, "About the Zero-Emission Truck Loan Pilot," accessed November 17, 2025 <https://ww2.arb.ca.gov/our-work/programs/zero-emission-truck-loan-pilot/about>

and student health outcomes while fostering environmental education and engagement among youth. We support CARB's commitment to evaluate student population and demographic criteria to ensure the program reaches more underserved students in low-income and disadvantaged communities.

We also request greater clarity on the future direction of the CMiS program, including when CARB intends to issue another solicitation.

#### *Sustainable Transportation Equity Project (STEP)*

We are disappointed that no funding is currently proposed for STEP. We support CARB's stated intention to refine program priorities for the next solicitation and urge that this process meaningfully engage community-based organizations, tribes, and local governments who have participated in or been impacted by prior STEP projects.

#### *Planning and Capacity Building*

We support the draft policy changes for the Planning and Capacity Building program, though we remain concerned that proposed funding is currently \$0. For the upcoming Request for Applications, we support CARB's proposal to prioritize: First-time applicants, Tribal and rural capacity-building efforts, and School districts planning zero-emission deployments or otherwise working to support under-resourced student populations.

Additionally, we strongly request that CARB remove any language in contracts that requires tribes to relinquish their tribal sovereignty as a condition of participation. Upholding sovereignty is fundamental to equitable partnership and consistent with the state's commitment to environmental justice and self-determination for tribal nations.

### **Light-Duty and Mobility Programs**

#### *Drive Clean Assistance Program (DCAP) and Statewide Clean Cars 4 All (CC4A)*

We support efforts to align the Statewide CC4A program with the Regional Clean Cars 4 All programs, as better program coordination streamlines administration, ensures consistency in eligibility criteria, and enhances accessibility for participants statewide.

We additionally recommend CARB strengthen and expand incentives for used electric vehicles, specifically to benefit disadvantaged communities and moderate-to-low income earners, in order to keep up momentum in the zero-emission transition.

#### *Regional Clean Cars 4 All*

We also support continued program alignment across regions to promote transparency, consistency, and equitable access to incentives statewide. However, we encourage CARB to work closely with community-based implementers and air districts to ensure that administrative processes remain flexible and responsive to local needs.



## Access Clean California

Access Clean California offers a comprehensive overview of the full landscape of clean transportation incentives and helps connect communities who might otherwise be overlooked or unable to navigate these resources on their own. External evaluations of a program's success often focus exclusively on the “end-goal” of getting people into electric vehicles, however for the communities that go through the ACC program, they are often involved in a multi-year process of education, improved access, infrastructure development, financial counseling, and other services. We urge CARB to consider how current “end-goal” metrics for ACC may inadvertently undervalue critical early-stage engagement work like awareness-building, outreach, and education. We respectfully request that CARB continue to value, measure, and invest in early-stage efforts to ensure that underserved communities can meaningfully participate and benefit from the state’s clean transportation programs.

## **Conclusion**

In the absence of a released Funding Plan, we urge CARB to provide communities and advocates with clear, written direction and confirmation on funding priorities, sources, and amounts for the LCTI programs. Amid a challenging budget year, it is critical that the agency prioritize investments that expand access and affordability for households in priority populations, ensuring that these communities are not left behind during this pivotal period of transition. Given the limited resources available to advance zero-emission vehicle adoption, CARB must also uphold transparency through consistent, clear program reporting and the public release of accurate data and outcomes, particularly regarding the tangible benefits delivered to disadvantaged and frontline communities. By maintaining equity, clarity, and accountability at the center of its decisions, CARB can strengthen trust with communities and ensure that every dollar invested delivers the maximum social, environmental, and public health impact. Additionally, we see an important opportunity for CARB to deepen the impact of its programs by expanding its storytelling efforts to better highlight community experiences and outcomes. At a time when the narrative around electric vehicles is under attack and criticism, strong regional stories and real-world examples would help legislators continue to invest state dollars in electrification.

Sincerely,

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Environment California

**Chris Chavez**  
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