



May 20, 2022

Liane Randolph, Chair
California Air Resources Board (CARB)
1001 "I" Street
Sacramento, CA 95814

Re: Concerns about current concepts for statewide expansion of Clean Cars 4 All

Dear Chair Randolph,

We, on behalf of the Charge Ahead California campaign, are writing to express our significant concerns about CARB's current concepts for statewide expansion of the Clean Cars 4 All program. Charge Ahead was the legislative sponsor of SB 1275 (De Leon, 2014), which created the framework for CARB's suite of climate equity programs.

Our priority is to ensure that the maximum amount of available climate program funding is spent within disadvantaged and low-income communities in a way that respects local needs and builds long-term health and economic improvements. The climate equity programs, including Clean Cars 4 All and Clean Vehicle Assistance Program, remain top priorities for Charge Ahead as they are important tools in meeting California's electric vehicle deployment targets, as well as our climate and air quality commitments.

Our concerns about CARB's proposal for a statewide Clean Cars 4 All program that is jointly administered with Clean Vehicle Assistance Program are included below:

- Statewide Clean Cars 4 All would eliminate the requirement that customers live in disadvantaged communities (DAC) as designated by CalEnviroScreen, without an alternative mechanism to ensure that funds go to the most impacted communities.
 - If DAC requirement is dropped, the likely result is that incentives will flow to areas with lower environmental and socioeconomic impacts, and to customers who are able to afford the \$5,000-\$10,000 premium currently being charged for used ZEVs. CARB staff has stated that extremely affluent areas would be eligible under the currently envisioned statewide program.

- Statewide Clean Cars 4 All would be available in all ZIP codes not currently served by Clean Cars 4 All, which would result in two different Clean Cars 4 All programs, with different guidelines, being simultaneously offered in the five air districts that currently offer Clean Cars 4 All.
 - The resulting customer confusion would have significant long-term impact on the existing Clean Cars 4 All programs.
 - Further, as currently envisioned, the air districts would be limited to only serving disadvantaged communities within their jurisdiction, while the statewide program would serve all other areas in the state.
- The Request for Proposals (RFP) to resume the Clean Vehicle Assistance Program, which was expected to be issued in Q1 2022, has now been combined with statewide Clean Cars 4 All. This will create major challenges in how one administrator would relaunch Clean Vehicle Assistance Program, which has significant programmatic changes, while the guidelines for statewide Clean Cars 4 All are being formulated.
- While CARB is rapidly moving forward with statewide expansion and the joint solicitation, longstanding issues with the current Clean Cars 4 All program remain unaddressed. Specifically, the question of federal taxability of Clean Cars 4 All grants and the potential for participants to receive a surprise tax bill has not been resolved.
 - Another longstanding issue with the current Clean Cars 4 All program is community engagement. The current vision for statewide expansion will increase centralization of the program, making high-quality, on-the-ground community engagement with hard-to-reach populations even more difficult.

We believe there are simple solutions to avoid these potentially significant challenges for both programs:

- Continue the DAC residency requirement for Clean Cars 4 All, as per the intent of SB 1275, Charge Ahead California initiative.
- Decouple the Clean Vehicle Assistance Program and Statewide Clean Cars 4 All RFPs and expedite the CVAP RFP so that program can relaunch as soon as practicable and allow the program to focus on developing and implementing a need-based approach.

Lastly, if this proposal is in response to proposals within the State Budget, we suggest that it is premature to make these large policy changes prior to the conclusion of the budget process. While we support the Governor's plan to accelerate clean transportation funding and support statewide expansion of Clean Cars 4 All, we do not support allocating \$250 million to the future statewide Clean Cars 4 All and only \$50 million to existing Clean Cars 4 All programs. CARB does not currently have the infrastructure to implement the statewide Clean Cars 4 All program and expend all these funds in an intentional way that targets disadvantaged communities and low-income households; therefore, we request that the amounts be reversed, with \$250 million for the existing five air districts and \$50 million for statewide expansion.

Expansion of Clean Cars 4 All must be consistent with the requirement to prioritize Californians with the highest barriers to clean transportation. We also want to ensure that Clean Cars 4 All expansion does not displace current community-based partnerships. We are committed to

working collaboratively with CARB, as well as the Legislature and Governor's administration, to ensure that the climate equity programs maximize the potential benefits within the communities that most need the help.

Thank you for your consideration of these critical issues.

Sincerely,

Chris Chavez
Coalition for Clean Air

Román Partida-López
The Greenlining Institute

Bahram Fazeli
Communities for a Better Environment

Laura Deehan
Environment California

Miles Muller
Natural Resources Defense Council

Cc:

The Office of Governor Gavin Newsom
The Office of Speaker of the State Assembly Anthony Rendon
The Office of the State Senate President Pro Tempore Toni Atkins
State Senate Committee on Budget and Fiscal Review
State Assembly Committee on Budget
State Senate Committee on Transportation
State Assembly Committee on Transportation