

Voucher Incentives for Cleaner Trucks: A New York Case Study

NEDC Steering Committee
Thursday, June 21 2018



**Truck Voucher
Incentive Program**

Connecting Technologies and Applications



What is a VIP?

- Mechanism to distribute clean vehicle funds
- Provides immediate reimbursement
- Reduces upfront costs to fleets
- Brings automakers into new markets
- Accelerates cleaner deployment of medium- and heavy-duty vehicles



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How Does a VIP Work?

- Manufacturer or authorized dealer applies to list vehicles for voucher eligibility and website listing
- Vendor selling approved vehicle applies to be approved voucher recipient
- Fleet purchases an eligible vehicle from an eligible vendor with voucher amount factored in
- Vendor works with Voucher Processing Center to process voucher request
- Once vehicle is delivered and all documentation is submitted, vendor is reimbursed



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New York Truck VIP (NYT-VIP)

- \$19 Million Incentive Program
 - Alternative Fuel Vehicles
 - Diesel Emission Control Devices
 - Separate statewide (electric vehicle) and citywide (AFV) funds
- CMAQ Funded Program
- Partnership between NYSERDA, NYSDOT, NYCDOT and CALSTART
- Current funding round ends June 30th, 2018



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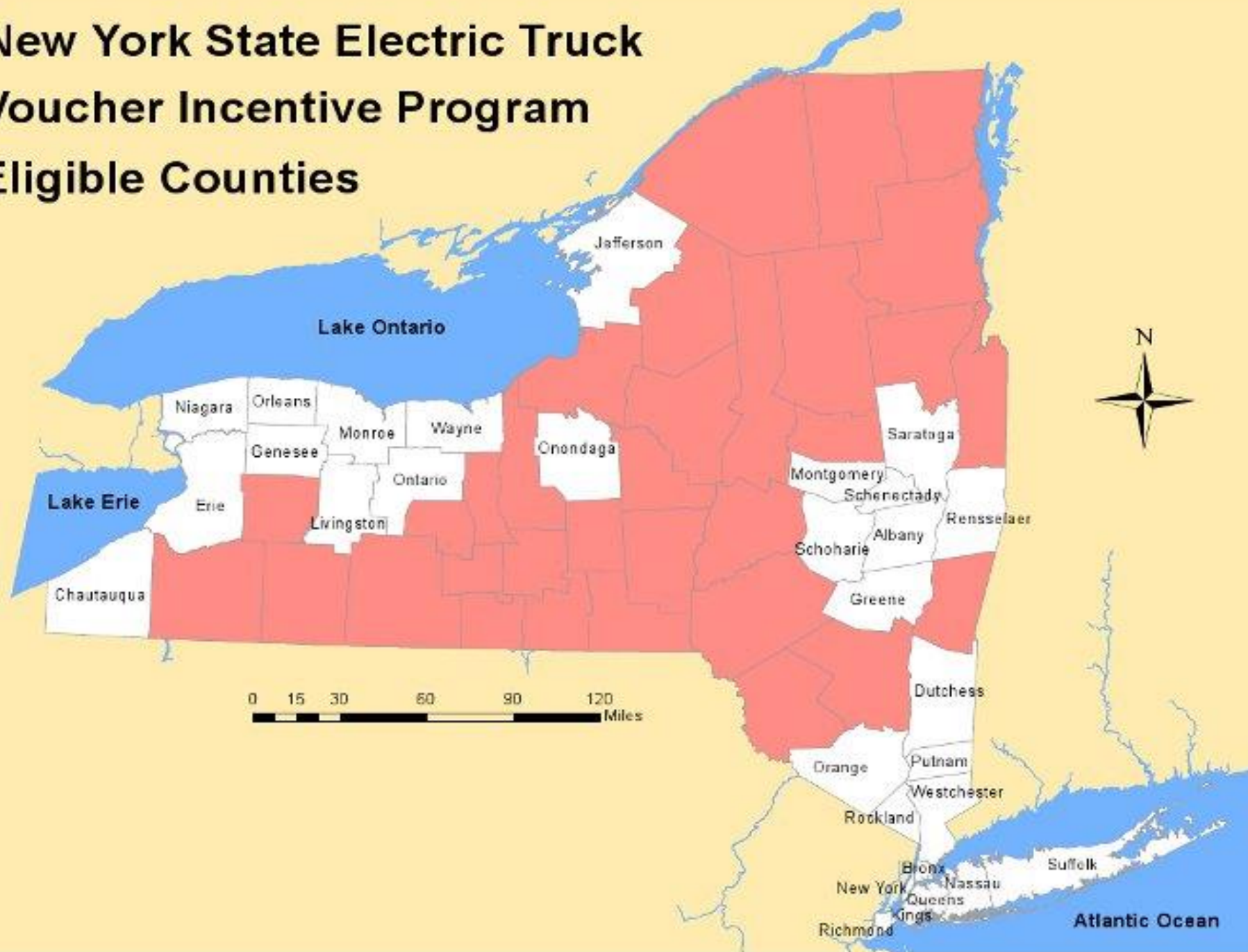
NYT-VIP (continued)

- \$9 million for EVs, \$10 million for AFVs
- 80% of incremental cost, up to \$150,000
- Vehicle Classes 3-8 (GVWR 10,001 lbs. and higher)
- Private, public and non-profit fleets
- First-come, first-served!
- EVs: 70% time in 30 Non-Attainment NY Counties
- AFVs: 70% time in NYC



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New York State Electric Truck Voucher Incentive Program Eligible Counties



Rubber Meets Road: DHL EVs

- 22 all-electric (BEV) cargo vans used in NYC
- Zenith Motors creates opportunities for electrification
- NYT-VIP creates flexibility to right-size vehicles and range for fleet needs



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Rubber Meets Road: Verizon Hybrids

- 238 hybrid-electric vans replace gasoline-powered NYC fleet
- Produced by XL and funded by NYT-VIP
- Verizon chief sustainability officer: “And with the addition of these hybrid vehicles, our fleet is as efficient as ever as we continue to use less fuel year after year.”



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Other Jurisdictions: California HVIP

- California's HVIP program uses CA AB32 Cap and Trade auction revenues to fund \$180 million in vouchers
- Facilitated purchase of more than 2,700 M-HDVs among 1,000 fleets
- Different design elements:
 - Class 2 vehicles eligible, cap set at \$110,000
 - Escalators for vehicles domiciled in disadvantaged communities



Other Jurisdictions: Chicago

- Drive Clean Chicago allocated \$10 million in CMAQ funding for electric and hybrid M-HDVs
- Vehicles must operate in 6-county area
- All funding for vehicles has been allocated
- Different design elements:
 - Class 2 vehicles eligible
 - EV charging stations are eligible for funding



Funding for VIPs

- Various sources can help states and localities fund clean vehicle voucher programs
 - Volkswagen Appendix D (Mitigation Trust) Settlement
 - Federal: Congestion Mitigation and Air Quality (CMAQ, USDOT), Diesel Emissions Reduction Act (DERA, USEPA)
 - State or Regional Cap and Trade (California, RGGI)
 - Other: Bond measures?
- Funding should be reliable, long-term, and have clearly stated terms and conditions



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Discussion

- We want to hear from you!
- Regional workshops being planned for early Fall 2018
 - Harness experiences as voucher administrator to inform program design for new infusions of clean vehicle funding
 - Explore mechanisms for disbursing VW funds, including DERA option
 - How to maximize usefulness for states that have already released VW Mitigation Plans, or are close?



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Get Involved in VIP!

<https://truck-vip.ny.gov>

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