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RULE SUMMARY: Attached referenced document; added end note. Changed eligible vehicle requirement from 4 wheels to 3.

CHANGES TO RULE:

340-270-0030

Definitions and Abbreviations

- (1) "Area median income" means the median income for the metropolitan statistical area in which a household is located or, if the household is not located within a metropolitan statistical area, for the metropolitan statistical area in closest proximity to the location of the household, as determined by the Housing and Community Services Department, adjusted for household size.¶¶
- (2) "Charge Ahead rebate" means a rebate for the purchase of a new or used light-duty zero-emission vehicle with an electrochemical storage capacity issued through the Charge Ahead Program.¶¶
- (3) "DEQ" is the Oregon Department of Environmental Quality or a contractor selected by DEQ.¶¶
- (4) "Eligible vehicle" means a motor vehicle that:¶¶
 - (a) Qualifies as a:¶¶
 - (A) Light-duty zero-emission vehicle with an electrochemical energy storage capacity;¶¶
 - (B) Plug-in hybrid electric vehicle;¶¶
 - (C) Neighborhood electric vehicle; or¶¶
 - (D) Zero-emission motorcycle;¶¶
 - (b) Is new, or has been previously used only as a dealership floor model or test-drive vehicle;¶¶
 - (c) Has not previously been registered in Oregon;¶¶
 - (d) Is constructed entirely from new parts that have never been the subject of a retail sale;¶¶
 - (e) Has a base manufacturer's suggested retail price of less than \$50,000;¶¶
 - (f) Is covered by a manufacturer's express warranty on the vehicle drive train, including the applicable energy storage system or battery pack, for at least 24 months from the purchase or lease date; and¶¶
 - (g) Is certified by the manufacturer to comply with all applicable federal safety standards issued by the National

Highway Traffic Safety Administration for new motor vehicles and new motor vehicle equipment.¶

(5) "Lease date" means the day that the lease agreement is signed.¶

(6) "Light-duty zero-emission vehicle" means a motor vehicle that:¶

(a) Has a gross vehicle weight rating of 8,500 pounds or less;¶

(b) Is capable of travelling at a speed of 55 miles per hour or more;¶

(c) Has at least ~~four~~three wheels; and¶

(d) Is powered:¶

(A) Primarily by an electric battery and may or may not use a flywheel energy storage device or a capacitor that also stores energy to assist in vehicle operation;¶

(B) By polymer electrolyte membrane fuel cells or proton exchange membrane fuel cells that use hydrogen fuel and oxygen from the air to produce electricity; or¶

(C) Primarily by a zero-emission energy storage device that provides enough power for the vehicle to travel 75 miles or more using only electricity and may or may not use a backup alternative power unit that does not operate until the energy storage device is fully depleted.¶

(7) "Low income household" means a household with income less than or equal to 80 percent of the area median income.¶

(8) "Moderate income household" means a household with income less than or equal to 120 percent and greater than 80 percent of the area median income.¶

(9) "Motor vehicle" has the meaning given that term in ORS 801.360.¶

(10) "Neighborhood electric vehicle" means a motor vehicle that:¶

(a) Is powered using an electric battery;¶

(b) Has a gross vehicle weight not exceeding 3,000 pounds;¶

(c) Is capable of traveling at a speed of up to 25 mph; and¶

(d) Has at least four wheels.¶

(e) DEQ will require certification to zero-emission standards in California Code of Regulations Title 13, section 1962.2 to show a vehicle meets these specifications.¶

(11) "Person" means a person as defined in ORS 174.100 or a public body as defined in ORS 174.109.¶

(12) "Plug-in hybrid electric vehicle" means a motor vehicle that:¶

(a) Has zero evaporative emissions from its fuel system when operating as an electric vehicle;¶

(b) Has an onboard electrical energy storage device with useful capacity of 10 or more miles of urban dynamometer driving schedule range, as described by the United States Environmental Protection Agency in 40 CFR 600.116-12, on electricity alone;¶

(c) Is equipped with an onboard charger;¶

(d) Is rechargeable from an external connection to an off-board electrical source;¶

(e) Meets the super ultra-low emission vehicle standards for exhaust emissions, as certified to standards in California Code of Regulations, Title 13, section 1961(a)(4) (2003);¶

(f) Has a warranty of at least 15 years and 150,000 miles on emission control components;¶

(g) Is capable of travelling at a speed of 55 miles per hour or more;¶

(h) Has an on-board internal combustion engine; and¶

(i) Has at least ~~four~~three wheels.¶

(13) "Purchase date" means the day that the purchase and sales agreement is signed.¶

(14) "Used electric vehicle" means a light-duty zero-emission vehicle that:¶

(a) Would have been eligible for the standard rebate at the time of its original sale or lease had the rebate program in OAR 340-270-0010 to -0500 existed or;¶

(b) Is a direct model predecessor of an eligible vehicle as defined in OAR 340-270-0030(4)(a)(A).¶

(15) "Vehicle dealer" means:¶

(a) A person engaged in business in this state that has been issued a vehicle dealer certificate under ORS 822.020; or¶

(b) A person engaged in business in another state that would be subject to ORS 822.005 if the person engaged in

business in this state.¶¶

(c) It does not include a person who:¶¶

(A) Conducts an event that lasts less than 7 consecutive days, for which the public is charged admission and at which otherwise eligible vehicles are sold at auction; or¶¶

(B) Sells an otherwise eligible vehicle at auction at an event as described in (A).¶¶

(16) "Zero-emission motorcycle" means a motor vehicle that:¶¶

(a) Has zero evaporative emissions from its fuel system;¶¶

(b) Is capable of attaining a speed of 55 miles per hour or more;¶¶

(c) Is designed to travel on two wheels; and¶¶

(d) Is powered by electricity.¶¶

(e) DEQ will require documentation of the following as proof that a motorcycle meets these specifications:¶¶

(A) Successful completion of the most current California Zero-Emission Motorcycle Evaluation Procedure, as defined in California's Implementation Manual for the Clean Vehicle Rebate Project; and¶¶

(B) Issuance of a "pass" determination and verification that the vehicle meets the specified range and acceleration requirements by the California Air Resources Board.¶¶

(17) "Zero-emission vehicle" means a motor vehicle that that is certified to zero-emission standards in California Code of Regulations, Title 13, section 1962.2.¶¶

[NOTE: [View a PDF of California Implementation Manual by clicking on "Tables" link below.](#)]

Statutory/Other Authority: ORS 468.020, 2017 Or. Law Ch. 750 Sec. 148-157, House Bill 4059 (2018), Sec. 18-21

Statutes/Other Implemented: 2017 Or. Law Ch. 750 Sec. 148-157, House Bill 4059 (2018), Sec. 18-21

RULE ATTACHMENTS DO NOT SHOW CHANGES. PLEASE CONTACT AGENCY REGARDING CHANGES.



State of Oregon Department of Environmental Quality

OAR 340-270-0030

**California Implementation Manual
for the Clean Vehicle Rebate Project**

IMPLEMENTATION MANUAL FOR THE CLEAN VEHICLE REBATE PROJECT (CVRP)

July 31, 2018



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A. INTRODUCTION AND OVERVIEW

In 2007, Governor Schwarzenegger signed into law the *California Alternative and Renewable Fuel, Vehicle Technology, Clean Air, and Carbon Reduction Act of 2007* (AB 118, Statutes of 2007, Chapter 750). AB 118 created the Air Quality Improvement Program (AQIP), a voluntary incentive program administered by the California Air Resources Board (CARB or Board), to fund clean vehicle and equipment projects, air quality research, and workforce training.

As required in Health and Safety Code (HSC) Section 44274(a), the Board adopted regulatory guidelines in 2009 for AQIP. The Guidelines for the AB 118 Air Quality Improvement Program (Guidelines) define the overall administrative requirements and policies and procedures for program implementation based on the framework established in statute. Central to the Guidelines is the requirement for a Board-approved annual funding plan developed with public input. The funding plan is each year's blueprint for expending AQIP funds appropriated to the CARB in the annual State Budget. The funding plan focuses AQIP on supporting development and deployment of the advanced technologies needed to meet California's longer-term, post 2020 air quality goals.

In 2012, the legislature passed and Governor Brown signed into law 3 bills – AB 1532 (Pérez, Chapter 807), Senate Bill (SB) 535 (de León, Chapter 830), and SB 1018 (Budget and Fiscal Review Committee, Chapter 39) – that established the Greenhouse Gas Reduction Fund (GGRF) to receive Cap-and-Trade auction proceeds and to provide the framework for how the auction proceeds will be administered to further the purposes of AB 32. Cap-and-Trade auction proceeds have been appropriated to CARB for Low Carbon Transportation projects that reduce greenhouse gas (GHG) emissions, with an emphasis on investments that benefit the State's disadvantaged communities. Per statute these funds must be used to further the purposes of Assembly Bill 32 (AB 32; Nunez, Chapter 488, Statutes of 2006). The Low Carbon Transportation investments build upon and greatly expand existing advanced technology, clean transportation programs, which provide mobile source incentives to reduce criteria pollutant, air toxic, and GHG emissions.

On December 2017, CARB approved the Fiscal Year 2017-18 Funding Plan for Low Carbon Transportation Investments and Air Quality Improvement Program (FY 2017-18 Funding Plan)¹. On September 2017, the Legislature approved \$140 million in Cap-and-Trade auction proceeds for CVRP. Of the \$140 million, CARB allocated \$60 million to cover the remaining FY 2016-17 demand, and the other \$80 million will cover the FY 2017-18 rebates.

CVRP is intended to encourage and accelerate zero- and near-zero-emission, on-road light-duty vehicle deployment and technology innovation. This project provides rebates

¹ The approved FY 2017-18 Funding Plan is available at: <http://www.arb.ca.gov/msprog/aqip/fundplan/fundplan.htm>

to qualified individuals, businesses, public agencies and entities, and nonprofit organizations for the purchase or lease of eligible vehicles. CVRP benefits the citizens of California by providing immediate air pollution emission reductions while stimulating development and deployment of the next generation of zero-emission and plug-in hybrid electric light-duty vehicles. It is administered and implemented through a partnership between CARB and a Project Administrator (Administrator), selected via a competitive CARB grant solicitation. The majority of project funds are for rebates for purchasers or lessees of new, eligible on-road vehicles.

The CVRP Terms and Conditions in conjunction with the Guidelines, and the Funding Plan identify the minimum requirements for implementing CVRP. The Implementation Manual for the Clean Vehicle Rebate Project (Implementation Manual) provides necessary definitions, explanations, and processes associated with those minimum requirements. The Implementation Manual may be periodically updated as needed to clarify project requirements and improve project effectiveness. The Implementation Manual, including any updates, will be posted on the CVRP webpage at CleanVehicleRebate.org.

Note to Applicants: At the time an applicant submits a signed application for a rebate, the most current CVRP Implementation Manual available, as well as the Terms and Conditions signed by the consumer, will apply. Both the Terms and Conditions and Implementation Manual in place at the time of application will determine an applicant's eligibility for the program. These governing documents are updated several times every year to accommodate operational process changes and may impact the applicant's eligibility for the program. Note that CVRP reserves the right to update the Implementation Manual and the Terms and Conditions outside of the scheduled updates. The next scheduled updates to CVRP governing documents can be found in the CVRP FAQs at CleanVehicleRebate.org/faqs.

This document constitutes the Implementation Manual for CVRP. Definitions of key program parameters are located in Section E of this manual.

1. CVRP Project Overview

CVRP enables the purchaser or lessee of an eligible vehicle to receive a rebate of up to \$7,000 for fuel-cell electric vehicles (FCEVs), up to \$4,500 for all-battery electric vehicles (BEVs), up to \$3,500 for plug-in hybrid electric light-duty vehicles (PHEVs), and up to \$900 for zero-emission motorcycles (ZEMs) based on income and contingent upon availability of funds. The intent of the CVRP for public fleets incentive is to provide rebates for the purchase of eligible vehicles by public fleets. Except for Rebate Now applicants and public fleets submitting a "Pre-Acquisition Application", a consumer may apply for the rebate after taking possession of and registering the eligible vehicle or, if leased, after obtaining registration on the eligible vehicle. With the introduction of CVRP Rebate Now, a California resident may apply for a rebate before purchasing or leasing a vehicle. After being preapproved, the applicant may purchase or lease an eligible vehicle from a participating dealership and apply the preapproved rebate

amount toward the purchase or lease. The rebate payment is then sent directly to the dealership. The applicant may instead choose to purchase or lease their eligible vehicle at any current participating dealership and receive their rebate by check. Rebate Now is currently only available as a pilot to San Diego County residents. Applications are available online via the CVRP website, by contacting the Administrator directly by email at cvrp@energycenter.org or calling (866) 984-2532.

The CVRP for public fleet incentive offers an application process for fleets which allows agencies to reserve funds in advance of taking possession of an eligible vehicle. Applicants must certify intent to acquire an eligible vehicle and provide proof of acquisition in order to reserve rebate funds. Applications are available online via the CVRP for public fleets webpage, <http://www.CleanVehicleRebate.org/fleet> housed on the CVRP website or by contacting the Administrator directly by email at publicfleets@energycenter.org or calling (858) 634-4733.

Information about CVRP is available to the public and other interested parties via the CVRP website. The CVRP website, [CleanVehicleRebate.org](http://www.CleanVehicleRebate.org), is operated and maintained by the Administrator, and includes an up-to-date list of eligible vehicles, rebate amounts for each vehicle, online rebate applications, all supporting documentation and forms applicable to CVRP, a real-time running total of available funds remaining in the program, as well as the amount of rebates approved and issued by vehicle type. This website allows the program to be “user-friendly” while providing project transparency.

Key milestones for CVRP development and implementation for FY 2017-18 are identified in Table 1.

Table 1: CVRP Development and Implementation Timeline for FY 2017-18

Action Item	Date or Time Period
Selection of Rebate Administrator.	November 2016
FY 2017-18 vehicle funding becomes available. Online applications available at the CVRP website.	January 2018
CVRP Rebate Now Pilot Launch.	January 2018
CVRP Implementation Manual updated.	January 2018
CVRP Public Fleet Terms & Conditions updated.	March 2018
CVRP Public Fleet Implementation Manual updated.	June 2018
CVRP Implementation Manual updated.	July 2018

*This timeline may be changed and Implementation Manual updated at CARB’s sole discretion.

B. VEHICLE ELIGIBILITY

1. Vehicle Categories

This section discusses the categories of vehicles eligible for grant funding under CVRP and the specific criteria that a vehicle model must meet to be considered eligible. Aftermarket PHEV and BEV conversions are not eligible for CVRP funding. Vehicle models will be approved by CARB on a model-year basis and placed on a List of Eligible Vehicle Models for rebates. A continuously updated list of eligible vehicles and rebate amounts will be maintained on the designated CVRP website. Vehicle manufacturers must submit a Vehicle Eligibility Application to CARB to have their vehicles considered for rebate eligibility. The vehicle manufacturer is responsible for providing all the required documentation described on the application. CARB will coordinate with vehicle manufacturers to request any additional documentation needed for eligibility determinations. CARB is responsible for providing the Administrator the current List of Eligible Vehicle Models and the corresponding rebate amounts.

There are three major categories of vehicles eligible for grant funding under CVRP: (a) light-duty zero-emission vehicles, (b) light-duty plug-in hybrid electric vehicles, and (c) zero-emission motorcycles.

i. Light-Duty Zero-Emission Vehicles (ZEVs)

Vehicles in the ZEV category include electric-drive, all-battery electric vehicles (BEVs) and fuel-cell electric vehicles (FCEVs) up to 8,500 pounds gross vehicle weight rating (GVWR). For the purposes of CVRP, ZEVs are categorized as defined in the California Zero-Emission Vehicle Regulation Sections 1962 and 1962.1, Title 13, California Code of Regulations (CCR). The range-extended battery electric vehicle (BEVx) is a regulatory vehicle category that was approved by the Board in January 2012 and included as a zero-emission vehicle type for CVRP in June 2012 as part of the FY 2012-13 AQIP Funding Plan approval. In the FY 2016-17 Funding Plan, the BEVx continues to be an approved zero-emission vehicle type for CVRP. The funding provided by the California Energy Commission will be used for light-duty ZEVs capable of freeway operation and certified for four or more passengers.

ii. Light-Duty Plug-in Hybrid Electric Vehicles (PHEVs)

PHEVs are hybrid electric vehicles that have zero-emission vehicle range capability, an on-board electrical energy storage device, and an on-board charger, and are rechargeable from an external connection to an off-board electrical source. Rebate-eligible PHEVs include only those meeting Super Ultra Low Emission Vehicle (SULEV) tailpipe-emission standards, have a 15-year 150,000 mile warranty on emission-control components, and have zero evaporative emissions from its fuel system. As of November 1, 2016, all eligible PHEVs must have greater than or equal to twenty miles of Urban Dynamometer Driving Schedule (UDDS) range on electricity alone. The funding provided by the

California Energy Commission will be used for light-duty PHEVs capable of freeway operation and certified for four or more passengers.

iii. Zero-Emission Motorcycles (ZEMs)

Vehicles in the ZEM category include zero-emission vehicles designed to travel on three wheels and two-wheel electric motorcycles meeting the provisions of CVC Section 400 and the ZEM evaluation procedures.

2. Vehicle Eligibility Criteria

Vehicles must meet the following criteria to be eligible for a rebate:

i. Be new:

With the exception of vehicles described in Section 2(a)(i), the vehicle must be a new vehicle as defined in CVC Section 430.² The Original Equipment Manufacturer (OEM) or its authorized licensee must manufacture the vehicle. Vehicles considered new vehicles solely for determination of compliance with state emissions standards pursuant to Health and Safety Code, Article 1.5, Prohibited Transactions, (Sections 43150-43156) and CVC Section 4000.2, Registration of Out-of-State Vehicles, are not eligible vehicles. The vehicle must have an odometer reading of less than 7,500 miles at the time of purchase.

- i. If the vehicle is not new, is pre-owned, has been re-leased, is the subject of a lease assumption without prior approval from the Administrator or has been transferred into California after previously having been registered out-of-state, the vehicle is not eligible for a rebate through CVRP. If the required supporting documentation does not satisfactorily prove that the vehicle is new, other documentation may be requested to satisfy this requirement, at the Administrator's discretion.

Vehicles previously used as dealership floor models and test drive vehicles are eligible for the rebate only if the vehicles have **not** been previously registered. The Administrator will use specific procedures when processing rebate applications for floor model, test drive, unwind and rollback vehicles.

ii. Rollback and Unwind Vehicle Provision

A "rollback" occurs when a buyer purchases or leases a vehicle then returns it shortly after purchase, or when a buyer's financing is disapproved. An "unwind" occurs when an Application for Registration of New Vehicle is

² Per Section 430 of the California Vehicle Code, a "new vehicle" is a vehicle constructed entirely from new parts that have never been the subject of a retail sale, or registered with the California Department of Motor Vehicles, or registered with the appropriate agency or authority of any other state, District of Columbia, territory or possession of the United States, or foreign State, province, or country.

completed, but the sale was not consummated and the buyer never took delivery. Vehicles determined by the Administrator to be unrebated rollback or unwind vehicles will be eligible to receive a rebate. However, additional documentation from the dealership may be required.

ii. Be CARB approved/certified and purchased or leased in California:

With the exception of ZEMs, the vehicle model must be certified by CARB as a new, zero-emission or PHEV as defined in the California ZEV Regulation, Section 1962.1(d)(5)(A), Title 13, CCR for 2009 and subsequent model years. The manufacturer must also certify that the vehicle model complies with all applicable federal safety standards for new motor vehicles and new motor vehicle equipment issued by the National Highway Traffic Safety Administration (NHTSA). Federal Motor Vehicle Safety Standards are found in Title 49 of the Code of Federal Regulations (CFR) Part 571. If a written statement and documentation have been previously provided to CARB in the course of applying for the CARB certification of the vehicle model, no additional written statement is required. In addition, vehicles may not be purchased or leased outside of California.

iii. Meet prescribed performance, emissions, and service thresholds:

- i. PHEVs** must meet the Transitional Zero-Emission Vehicle definition in the California ZEV Regulation Section 1962.2(c) Title 13, CCR, including SULEV, evaporative emissions, onboard diagnostics, extended warranty, zero-emission Vehicle Miles Traveled (VMT), and advanced componentry Partial Zero-Emission Electric Vehicle (PZEV) allowance standards as defined in Section 1962.1(c). PHEVs purchased on or after November 1, 2016 must have greater than or equal to twenty miles of Urban Dynamometer Driving Schedule (UDDS) range on electricity alone.
- ii. ZEMs** must meet the “Zero-Emission Motorcycle” definition in Section D of this Implementation Manual, successfully complete the Zero-Emission Motorcycle Evaluation Procedure, have sealed batteries (if lead-acid), and be covered by a minimum level of after sales service as described below.
 - a)** Successful completion of the Zero-Emission Motorcycle Evaluation Procedure means that a recognized third-party vehicle standards organization has evaluated ZEM using specific procedures and CARB has verified that ZEM meets the specified range and acceleration requirements.
 - b)** Each manufacturer must demonstrate to CARB that they have a program to offer convenient and time-sensitive warranty and maintenance service to the vehicle owner. An acceptable service program will have readily available parts, trained service technicians, and the ability to either send a

technician to an owner's home, or pick up and transport the vehicle to an authorized repair facility.

iv. Warranty Provisions

The vehicle drive train, including applicable energy storage system or a battery pack, must be covered by a manufacturer warranty. Prior to approving a vehicle model for addition to the List of Eligible Vehicles, CARB may request that the manufacturer provide copies of representative vehicle and battery warranties and a description of the manufacturer's plans to provide warranty and routine vehicle service. Warranty provisions must meet the following requirements:

- i. ZEVs** must have, at a minimum, a warranty of 36 months; the first 12 months of the coverage period shall be a full warranty. If the warranty for the remaining 24 months is prorated, the percentage of the battery pack's original value to be covered or refunded must be at least as high as the percentage of the prorated coverage period still remaining. For the purpose of this computation, the age of the battery pack must be expressed in increments no larger than three months.
- ii. PHEVs** must meet the extended warranty requirements applicable to PZEVs as described in Section 1962.1(c)(2)(D), Title 13, CCR.
- iii. ZEMs** must have, at a minimum, a warranty of 24 months. At least four months of the first 12 months of the coverage period shall be a full warranty; the remainder of the first 12 months and all of the second 12 months of the coverage period may be covered under optional (available for purchase) extended warranties and may be prorated. If the extended warranty is prorated, the percentage of the battery pack's original value to be covered or refunded must be at least as high as the percentage of the prorated coverage period remaining. For this computation, the age of the battery pack must be expressed in intervals no larger than three months. Alternatively, a manufacturer may cover 50 percent of the original value of the battery pack for the full period of the extended warranty.

3. Development of List of Eligible Vehicle Models

The CVRP List of Eligible Vehicle Models will be periodically updated as manufacturers submit applications and vehicle models are approved. In order for a vehicle to be eligible for a rebate, the vehicle manufacturer must submit to CARB the Vehicle Eligibility Application and all supporting documentation. CARB will work with the vehicle manufacturer to ensure that all the required documentation is received and request any additional information needed to make an eligibility determination. If the vehicle meets the eligibility requirements set forth in Section B(2) of this Implementation Manual, then CARB will add the vehicle to the List of Eligible Vehicle Models, calculate the rebate amount, and provide the updated list to the Administrator. Excluding PHEVs, new

model years of vehicles already approved for CVRP eligibility can be rebated prior to the new model year being added to the List of Eligible Vehicle Models. Model years of vehicles not previously approved for CVRP eligibility can be rebated once the new model and model year is added to the List of Eligible Vehicle Models.

4. Eligibility Based on Income

Senate Bill 1275 (2014) (also known as Charge Ahead California) required CVRP to implement eligibility criteria based on income. As part of the approved FY 2015-16 Funding Plan several changes to CVRP were made based on income:

- Income cap for higher-income consumers
- Increased rebate levels for low- and moderate-income consumers

Income eligibility requirements apply to rebate applications for vehicles purchased or leased on or after March 29, 2016. Both the Terms and Conditions and Implementation Manual in place at the time of application will determine the applicant's eligibility for the program. These governing documents are updated several times every year and changes may impact how an applicant's income is calculated, and therefore the applicant's eligibility for the program.

For the purposes of CVRP, an applicant's most recent federal tax return (as reflected on their IRS tax transcript or other proof of income documentation as determined by the Administrator) may be used to help calculate gross annual income. Note that these tax documents only reflect taxable income and not gross annual income (as defined by CARB). Since tax documents may not demonstrate the complete picture for gross annual income, other proof of income documentation may be requested. CVRP considers an applicant's most recent federal tax return to be the one most recently required to be filed by the IRS. For example, CVRP began requesting tax transcripts for tax year 2016 after the tax filing deadline in April 2017.

If an applicant has filed their taxes for a tax year before CVRP switches to requesting it in April, the applicant may request that CVRP evaluate that tax year. For example, an applicant who had already filed their 2016 taxes in February of 2017 may request that CVRP evaluate their tax transcript for tax year 2016.

Gross income includes, but is not limited to the following:

Wages, unemployment, workers' compensation, Social Security, Supplemental Security Income, public assistance, veterans' payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts, educational assistance, alimony, child support, assistance from outside the household, and other miscellaneous sources.

The Administrator will review the following sections of an applicant's federal tax return

as reflected on their IRS tax transcript to determine gross annual income:

- On IRS Form 1040: Sum of Lines 7-21 (in some circumstances the Sum of Lines 7-21 may not equal Line 22 in determining Gross Income)
Note: Net operating losses carried over from previous years are not included in this calculation. If line 21 is negative, the corresponding “Statement” filed with your 1040 must be provided.
- On IRS Form 1040A: Sum of Lines 7-14
- On IRS Form 1040EZ: Line 4

In some situations, more documentation will be requested at the discretion of the Administrator if tax transcripts do not appear to reflect gross annual income as defined by the Implementation Manual. An example is when an applicant’s gross annual income as reflected on recent taxes is less than the down payment of the vehicle to be rebated.

For applicants who have not filed a tax return, documentation will be required to calculate income. Examples of additional documentation that may be required includes W2s, bank statements, etc. Filing an extension for the tax year being requested is not considered filing for the purposes of CVRP income calculations. In these cases, additional documentation will be requested to evaluate the applicant’s income for that non-filing year.

i. Income Cap for Higher-Income Consumers

For consumers who purchase their vehicle on or after November 1, 2016, SB 859 has reduced the maximum income eligibility levels to qualify for a rebate to the following thresholds:

- \$150,000 for single filers (includes married filing separately)
- \$204,000 for head-of-household filers
- \$300,000 for joint filers (includes qualifying widow(er) with dependent child and married filing jointly)

The income cap applies to all eligible vehicle types except FCEVs.

For a vehicle purchased on or after January 1, 2018, the Department of Motor Vehicles cannot issue a clean air decal to an applicant who **has received** a consumer rebate, nor can an applicant participate in both the Clean Air Decal Program and the Clean Vehicle Rebate Project, pursuant to *California Vehicle Code (CVC) §5205.5*, unless the income restrictions for tax returns fall below: \$150,000 for a single person, \$204,000 for a head-of-household, and \$300,000 for a joint tax return.

In other words, for higher-income consumers that purchase or lease a BEV or PHEV that do not qualify for a CVRP rebate, your qualification for the Clean Air Decal should be unaffected. Higher-income consumers that purchase or lease a

FCEV, and thus, are currently exempt from the income caps listed above, will not receive a rebate if they have received a Clean Air Decal, and vice versa.

ii. Increased Rebate Levels for Low- and Moderate-Income Consumers

For consumers who purchased their vehicle on or after November 1, 2016, rebate amounts will be increased by \$2,000 per rebate for consumers with household incomes less than or equal to 300 percent of the federal poverty level. Applicants who are claimed as dependents are not eligible for increased rebates regardless of their income. Increased rebate amounts are available for FCEVs, BEVs, and PHEVs.

For the purposes of CVRP, a household includes all family members or other unrelated persons, including the rebate applicant, who reside together and share common living expenses. Income verification is completed for all members of the household ages 17 years and older. Roommates who do not have a lease separate from the applicant are considered part of the applicant's household.

The household size and gross annual household income that is reported on the application should reflect the income when the vehicle was purchased or leased. Income verification is based upon the information from an applicant's most recent tax filing. We recognize that this may not always align with what is reported on the application, however this is the calculation that will be used to confirm eligibility in the program.

5. Vehicle Rebate Amounts for Individuals, Businesses, and Public Entities

CARB establishes a rebate amount for each eligible vehicle model up to the maximum rebate amount for that vehicle type listed in Table 2. Specific rebate amounts for each eligible vehicle model will be included in the List of Eligible Vehicle Models and available on the project website. Table 2 summarizes the maximum per vehicle rebate amount.

Table 2: CVRP Maximum Rebate Amounts

	Filing Status	Gross Annual Income Level	Vehicle Type			
			FCEVs	BEVs	PHEVs	ZEMs
Increased Rebates for Low/Moderate Income	Gross annual household income ≤ 300 percent of the federal poverty level* (FPL)		\$7,000	\$4,500	\$3,500	Not Eligible
Standard Rebate	Individual	300% of FPL to \$150K	\$5,000	\$2,500	\$1,500	\$900
	Head-of-Household	300% of FPL to \$204K				
	Joint	300% of FPL to \$300K				
Increased Rebates for Public Fleet Vehicles in Disadvantaged Communities	Vehicles must a) be domiciled at a facility within the boundaries of a ZIP code containing at least one underserved community ³ census tract; or b) meet other criteria as defined by ARB's Interim Guidance to Agencies Administering Greenhouse Gas Reduction Fund Monies (http://www.arb.ca.gov/cc/capandtrade/auctionproceeds/535investments.htm)		\$7,000	\$4,500	\$3,500	Not Eligible
Income Cap	Individual	> \$150K	\$5,000	Not Eligible		
	Head-of-Household	> \$204K				
	Joint	> \$300K				

Federal poverty level is updated annually, usually in the first calendar quarter of the year. CVRP applies the update on July 1 of that year to all applications received on or after that date. The current levels can be found at <https://aspe.hhs.gov/poverty-guidelines>.

Combining Vehicle Rebates with Other Incentives

Participation in CVRP does not preclude a vehicle purchaser or lessee from combining CVRP rebates with other incentive opportunities. Rebates could be combined with federal, state, or local agency incentives as well as Administrator match funding, if available, to help further buy-down an eligible vehicle's cost.

The California Air Decal Program which issues high-occupancy vehicle (HOV) decals, also known as the Clean-Air vehicle (CAV) decal, cannot be combined with the CVRP rebate unless the income restrictions for tax returns fall below: \$150,000 for a single person, \$204,000 for a head-of-household, and \$300,000 for a joint tax return.

³ Disadvantaged community census tracts are identified by CalEPA and maps are available at: <http://oehha.ca.gov/ej/ces2.html> . For maps of ZIP codes containing disadvantaged community census tracts, please refer to: <http://arb.ca.gov/auctionproceeds>.

6. Reduced Ownership Period Provisions Specific to Rental and Car Share Fleets

Rental and car share fleets provide a unique opportunity for introducing eligible vehicles to a large consumer base. Because vehicles are typically circulated out of the fleets in less than the 30-month ownership/lease period required under CVRP, provisions are warranted to allow these vehicles to be rebated. Rental and car share vehicles are rebate-eligible if retained in California for a minimum of one year (twelve consecutive months) but less than 30 months. Vehicles must be available for rent from a California rental location for the minimum twelve consecutive month term. Rental fleets and car share fleets are subject to a limit of 20 rebated vehicles per calendar year. **Please note: Public Fleets are not eligible for the reduced-ownership provision.** See Section B(7) for more detailed information regarding the maximum number of rebates per entity.

Vehicles rebated under the reduced-ownership provision for rental and car share fleets are eligible for the rebate amounts identified in Table 3. Rental or car share fleets that own and operate vehicles in California for a minimum of 30 months are eligible for the vehicle's maximum rebate amount identified in Table 2.

Table 3: Rebate Amounts for Rental and Car Share Fleets Under the Reduced Ownership Provision

Vehicle Type	Maximum Rebate Amount Under Reduced Ownership
Fuel-Cell Electric Vehicle	\$2,000
All-Battery or Range-Extended Electric Vehicle	\$1,000
Plug-in Hybrid Electric Vehicle	\$600
Zero-Emission Motorcycle	\$360

7. Maximum Rebates per Entity

Except for rental, public, and car share fleets, no single entity is eligible to receive more than two CVRP rebates either via direct purchase and/or lease as of January 1, 2015. All rebates issued prior to this date do **not** count toward the two-rebate limit. Traditional rental car fleets and car share fleets are capped at 20 rebates per calendar year. Public fleets are limited to 30 rebates per calendar year. Table 4 summarizes the maximum number of rebates per entity.

Table 4: Maximum Number of Rebates per Entity

Consumer Type	Maximum Number of Rebates
Individual or Business	2 total*
Public Fleet	30 per calendar year
Rental Fleet	20 per calendar year
Car Share Fleet	20 per calendar year

*Individuals or businesses that have met the rebate limit with non-fuel cell vehicles may apply for one additional rebate for a FCEV.

i. Taxpayer Identification Number (TIN) Requirements

For the purposes of CVRP, vehicles under common ownership or fiduciary control of a fleet – including, but not limited to, entities sharing a common Taxpayer Identification Number (TIN) – are considered part of a single fleet even if they are part of different subsidiaries, divisions, or other organizational structure of a company, government agency, or other entity. All entities, other than individuals, are required to disclose their TIN at the time of rebate application. CARB or its designee may seek financial reimbursement and/or civil and criminal penalties from a vehicle purchaser/lessee for non-disclosure or inaccurate disclosure of its TIN or other information relating to common ownership or fiduciary control of the purchasing entity.

ii. Unique Identifier for Individuals

All individuals are required to disclose their California driver’s license number at the time of rebate application and to provide a legible copy of their California driver’s license as part of the supporting documentation. This number is used to uniquely identify an individual and to enforce the maximum rebate limit for individuals as described in Table 4. CARB or its designee may seek financial reimbursement and/or civil and criminal penalties from a vehicle purchaser/lessee for non-disclosure or inaccurate disclosure of their California driver’s license number. Individuals who do not have a California driver’s license will be required to provide an alternate unique identifier as approved by the Administrator.

8. Distribution of Rebates

Rebates will be distributed on a first-come, first-served basis contingent upon funding availability. Available rebate funds will be reserved by the Administrator following submission of an online application at the CVRP website or upon receipt of a mailed application. CVRP for public fleets applicants may scan and e-mail supporting documentation to publicfleets@energycenter.org. Applicants without internet access can contact the Administrator to receive a rebate application by mail. After an application is accepted by the Administrator, the required supporting documentation (outlined in Section C(3)) must be submitted by the purchaser or lessee to the

Administrator within 14 calendar days (if mailed, submittal date will be determined by U.S. mail postmark). The supporting documentation should be scanned and submitted through the CVRP website. Applicants without internet access may mail the supporting documentation to the Administrator.

Ownership of the vehicle will be demonstrated by providing documentation as approved by the Administrator. With the exception of vehicles purchased under the special provisions of Section B(5), owned and leased vehicles must be operated and registered in California for a minimum of 30 consecutive months from the purchase or lease date (see Section C(1) for more information).

For all rebates issued, the rebate for an eligible vehicle will be issued to the qualified recipient in a single allotment. The distribution of this rebate will be made within 90 calendar days of application approval, contingent upon availability of funds. Rebate checks must be cashed within six months of the date on the check. Checks not cashed within this timeframe will be cancelled, and the rebate amount returned to the project.

Applicants can choose to begin the rebate process either before or after the purchase or lease of an eligible vehicle:

CVRP Rebate Now Pre-Purchase Applications

Prior to the purchase of an eligible vehicle, an applicant can submit an application to get preapproved for a rebate. After getting preapproved, the applicant will have 14 days to complete the purchase or lease of their eligible vehicle. The applicant will have a one-time option to extend their preapproval for an additional 14 days beyond the initial expiration date. This option will be presented to the applicant via email if their rebate has not been claimed after ten days. The applicant will have the opportunity to log in to their account and claim their extension. If the rebate has not been claimed before the expiration date, the rebate will expire, the reserved funds will be released to the program and the applicant will have to reapply for a rebate.

Once an applicant has been preapproved, they have the discretion to choose whether to apply the rebate to the price of their purchase at a participating dealership or receive the rebate by check. Participating dealerships are subject to change without notice.

Post-Purchase Applications

The purchaser or lessee must submit a rebate application within 18 months after the date of purchase/lease to be eligible for a rebate. **Note: While an applicant has 18 months to submit their application, eligibility for the program is determined by the Implementation Manual and Terms and Conditions in place at the time of application.** For the purposes of CVRP, the date of purchase is the day of sale. A sale is deemed completed when the purchaser of the vehicle has executed and signed a purchase contract or security agreement. For the purposes of CVRP, a vehicle is deemed to be leased on the date upon which the lease of the vehicle commences, as specified in a signed lease agreement. For Tesla and other vehicles ordered without a

- iii. When submitting a rebate application post-purchase, be a purchaser or lessee of a new, eligible vehicle and submit a CVRP application within 18 months of the vehicle purchase or lease date and prior to exhaustion of available rebate funds.
 - iv. Purchase or lease an eligible vehicle. A vehicle obtained as a gift or a prize is not eligible for a rebate.
 - i. If applying the preapproved rebate to the price of your vehicle, purchase at a currently participating dealership. The Administrator will transfer the entirety of rebate funds to that dealership. The dealership will then complete the submission of the required documents, including a complete copy of the purchase/lease agreement and the registration paperwork.
 - v. Retain ownership of the vehicle in California for a minimum of 30 consecutive months immediately after the vehicle purchase or lease date (only rental and car share vehicles are eligible for a reduced ownership provision if retained in California for a minimum of twelve consecutive months but less than 30 consecutive months).
 - i. Rebate recipients who do not retain the eligible vehicle for the full 30-month ownership or lease period will be required to reimburse CARB all or part of the original rebate amount. See Section C(4).
 - ii. Vehicle purchasers or lessees are required to notify the Administrator, to arrange for early termination of vehicle ownership in advance of intent to sell or terminate a lease prior to the required 30-month ownership period, by calling (866) 984-2532 or by emailing cvrp@energycenter.org for CVRP, or for CVRP for public fleets by calling (858) 634-4733 or emailing publicfleets@energycenter.org.
- iii. Public fleet rebate recipients:**
- a) must notify the Administrator within 6 months of any change in vehicle domicile location occurring during the required 30-month ownership term. If vehicles are moved to ineligible locations, a partial return of rebate funds may be required.
 - b) For the Increased Incentive for public fleets: Own and operate an eligible vehicle for the required 30-month ownership term, in accordance with the following criteria for benefiting a disadvantaged community, a vehicle must:
 1. Be domiciled at a facility within the boundaries of a disadvantaged community census tract, (an eligibility map is provided on the CVRP for Public Fleets webpage, <https://CleanVehicleRebate.org/eng/fleet>), or
 2. Meet other criteria as defined by ARB's Interim Guidance to Agencies Administering Greenhouse Gas Reduction Fund Monies (www.arb.ca.gov/cc/capandtrade/auctionproceeds/535investments.htm)

).

- vi.** Register the new vehicle with the California DMV for a minimum of 30 consecutive months from the original purchase or lease date for use in California. Registration must be issued in the same name that the vehicle is purchased/leased under. CVRP Rebate Now applicants must be the first registered owner of the vehicle. Any government owned vehicle not registered with the California DMV is still required to operate within California for 30 consecutive months immediately after the vehicle purchase or lease date. Rental and car share purchasers or lessees must register the vehicle with the California DMV and operate the vehicle for a minimum of 12 consecutive months after vehicle purchase or lease date under the reduced-ownership provision or for at least 30 months in order to receive full rebate amounts. Planned non-operation (PNO) registrations are not acceptable. Vehicles that have PNO registrations are not eligible for the rebate.
- vii.** Submit the signed application form and all required supporting documentation within 14 calendar days of application submittal as specified in Section C(3) of this Implementation Manual. For CVRP Rebate Now applicants, this timeframe applies both when initially submitting your application and for submission of the remaining documentation if choosing to self-claim the rebate funds or after vehicle acquisition for public fleets that have submitted a “pre-acquisition” application.
- viii.** For public fleets, submit annual vehicle usage reports to the Administrator for all rebated vehicles for a period of at least 30 months. Required data may include but is not limited to mileage reporting, annual fuel use by fuel type and percentage of operation within underserved communities.
- ix.** Not make or allow any modifications to the vehicle’s emissions control systems, hardware, software calibrations, or hybrid system (Violation, CVC 27156).
- x.** Commit that any emission reductions generated by the purchased vehicle will not be used as marketable emission reduction credits, to offset any emission reduction obligation of any person or entity, or to generate a compliance extension or extra credit for determining regulatory compliance.
- xi.** Be available for follow-up inspection if requested by the Administrator, CARB, or CARB’s designee for the purposes of project oversight and accountability.
- xii.** Rebate checks must be cashed within six months of the date on the check. Checks not cashed within this timeframe will be cancelled and the rebate amount returned to the project.

The vehicle purchaser or lessee is responsible for ensuring the accuracy of the information on all rebate applications and required documentation submitted to the Administrator. Submission of false information on any required documents may be

considered a criminal offense and is punishable under penalty of perjury under the laws of the State of California. CARB or its designee may recoup the CVRP funds which were received based upon misinformation or fraud, or for which the dealership, manufacturer, or vehicle purchaser or lessee is in significant or continual non-compliance with this Implementation Manual or State law. CARB also retains the authority to prohibit any entity from participating in CVRP due to non-compliance with project requirements or fraud.

Rebate applications that have been denied or cancelled by the Administrator may be appealed within 10 days of the date of the cancellation. If the only basis for an appeal is that the applicant disagrees with the policies set forth in the CVRP Terms and Conditions and the Implementation Manual, there is no basis for an appeal. A formal letter of appeal must be postmarked within 10 days of a cancelled application and addressed to the following:

CVRP Appeals
MSCD 5th Floor
1001 I St., P.O. Box 2815
Sacramento, CA 95812

2. Research Participation

CARB reserves the right to request participation from rebate recipients in ongoing research efforts that support the CVRP and AQIP goals as well as CARB Research Division efforts. The Administrator shall administer vehicle owner surveys to rebate recipients to collect data and other information pertaining to CVRP-eligible vehicle ownership. CARB will coordinate with the Administrator to identify survey parameters and determine the most effective mechanism for obtaining information.

3. Supporting Documentation

After submitting a rebate application, if the purchaser or lessee does not submit the required supporting documentation within the specified 14 calendar days, the funds will be released back to the project and the purchaser or lessee will be required to submit a new rebate application. For CVRP Rebate Now applicants claiming the rebate directly, required supporting documentation for the vehicle must be submitted within 14 calendar days of rebate claim.

The supporting documentation should be scanned and submitted securely through the CVRP website. CVRP for public fleets applicants may scan and e-mail supporting documentation to publicfleets@energycenter.org. Applicants without internet access may mail the supporting documentation to the Administrator. If mailed, submittal date will be determined by U.S. mail postmark. For security purposes, supporting documents that are sent on removable media (flash drives, CDs, DVDs, etc.) will not be accepted.

Because of security and privacy concerns, emailing is not recommended and applicants are strongly encouraged to submit supporting documentation via secure document upload on the CVRP website. However, applicants may email their supporting documentation to cvrp@energycenter.org with the understanding that they accept all risk associated with emailing these documents.

The Administrator will select a subset of applications for income verification. Failure to provide documentation for income verification will result in the application being cancelled and no rebate issued. The Administrator reserves the right to select an application for income verification at any time during the application process.

Once the Administrator has verified the documentation meets program requirements, a rebate check will be issued to the vehicle purchaser or lessee.

Required documentation will include, at a minimum, the following:

- a.** For applicants who request applications by phone, a complete application with signature and date. For online applicants, a scanned copy of the submitted application signed by the vehicle purchaser, lessee, or authorized representative.
- b.** Proof of temporary or permanent vehicle registration for the vehicle listed in the application. For CVRP Rebate Now applicants, this will be required after vehicle purchase or lease. The applicant's name must be on the registration, and the registration must be current (not expired). Other acceptable forms of proof of registration include the following:
 - i.** A copy of the Application for New Vehicle Registration submitted by the dealer to the DMV if submitted within one year of sale/lease.
 - ii.** A copy of a temporary operating permit if accompanied by a receipt of payment for DMV registration fees.
 - iii.** Local, state, and federal agencies and entities may submit other documents with the prior approval of the Administrator.

Unacceptable forms of proof of registration include the following:

- i.** A DMV file copy.
 - ii.** An expired registration.
 - iii.** A PNO registration.
- c.** A complete copy of the sales or lease contract. A complete contract is executed and signed. It includes an itemization of credits, discounts, and incentives received, if applicable, and all information needed to process the application. The applicant's name must be on the purchase or lease contract. For CVRP

Rebate Now applicants, this will be required after vehicle purchase or lease.

- d. For individuals, a legible copy of their current (not expired) California driver's license. This is used to uniquely identify the applicant, prove California residency, and to enforce the maximum rebate limit for individuals (see Section 6, Table 4).
- i. Individuals who do not have a California driver's license will be required to provide a legible copy of a current alternate unique identifier as approved by the Administrator. They must also provide proof of California residency in the form of a utility or cable bill from within the last 3 months, a copy of the current DMV registration of another vehicle in the name of the purchaser or lessee (Note: a PNO is not acceptable to meet this requirement), a signed, dated, and notarized residential rental agreement, or other valid form of California residency as approved by CARB.
- e. For businesses, a copy of the formation document filed with the California secretary of state, California business license, California business tax paid certificate, or other documentation as approved by the Administrator. Sole proprietorships and DBA's (Doing Business As; also, called fictitious business name, assumed business name, or trade name) cannot apply as a business and must instead apply as an individual. Documentation linking the individual to the DBA will be required.
- f. For ZEMs, evidence of maintenance free batteries (and sealed if lead-acid), and a 24-month warranty.
- g. Applicants selected for income verification must submit IRS Form 4506-T, Request for Transcript of Tax Return as proof of income. Alternate proof of income, such as a transcript obtained by the applicant directly from the IRS, may be submitted as approved by the Administrator. In some situations, more documentation will be requested at the discretion of the Administrator if tax transcripts do not appear to reflect gross annual income.

For applicants selected for income verification and whose most recent tax year transcripts are not available, additional documentation will be required to verify compliance with current income requirements. An IRS Form 4506-T will be used to confirm non-filing for the most recent tax year and to request the tax transcript for the year previous to the most recent tax year to be used as an income benchmark. At that time additional supporting documents will be required to create a complete financial picture for the most recent tax year. Additional documents may include, but are not limited to paystubs, bank account statements, business bank account statements, brokerage account statements and/or summary of benefits.

- i. Increased rebate applicants selected for income verification must submit:

- One completed Household Summary Form
- A completed IRS Form 4506-T for **every** household member age 17 and older
- Additional documentation may be requested to provide complete details on income and household size

If an applicant participates in one or more of the public assistance programs on CVRP's Categorical Eligibility list, they may also submit documentation confirming their current participation for consideration by the Administrator. Note that depending on the program, documentation required may vary.

h. Required documentation for public fleet pre-acquisition reservations will include the following:

- i.** If the vehicle has not been ordered, an official agency vehicle acquisition plan including specified eligible vehicles and/or a resolution from the applicant's governing body (i.e. City Council or County Board of Supervisors), or other documentation signed by a duly authorized official with authority to make financial decisions, authorizing the submittal of the application. Documentation must either:
 - ii.** indicate the planned vehicle domicile location to confirm that the disadvantaged community eligibility criteria will be met; or
 - iii.** provide justification that meets other criteria as defined by ARB's Interim Guidance to Agencies Administering Greenhouse Gas Reduction Fund Monies (see Section C (1)(f)).
- iv.** If the vehicle has been ordered and/or paid for by the acquiring agency, a copy of the purchase order, invoice or other documentation confirming the vendor has received the order and/or payment.

For Increased Incentives: Documentation must either:

- v.** indicate the planned vehicle domicile location to which the vehicle will be delivered; or
- vi.** provide justification that meets other criteria as defined by ARB's Interim Guidance to Agencies Administering Greenhouse Gas Reduction Fund Monies (see section C (1)(f)) to confirm that the disadvantaged community eligibility criteria will be met.
- vii.** In either case, a CVRP for public fleet pre-acquisition application form signed by an authorized representative of applicant agency will also be required.

4. Vehicle Ownership Provision

With the exception of vehicles purchased or leased under the special provisions in Section B(5), vehicle purchasers and lessees participating in CVRP are required to keep the vehicle and meet all applicable project requirements for a minimum 30-month period after the vehicle purchase or lease date.

If a manufacturer defect or other unforeseen circumstances require the replacement of a CVRP rebated vehicle with another vehicle of the same technology type (FCEV, BEV, PHEV, etc.) or upgrade (e.g., replace PHEV with BEV), the Administrator, in conjunction with CARB, has discretion to allow updated information to be provided with no return of CVRP rebate funds. Lease transfers or lease assumptions are not allowed.

Resale of a vehicle or return of a leased vehicle to a dealer may be allowed within this 30-month period if necessitated by unforeseen or unavoidable circumstances. To employ this provision, contact the Administrator to initiate this process. If the vehicle is resold or returned, the vehicle purchaser or lessee must refund promptly to the Administrator a prorated portion of their rebate, in an amount equivalent to the original rebate amount divided by 30 months and then multiplied by the number of months remaining in the original 30-month period (rounded to the nearest month):

(Original Rebate Amount ÷ 30 Months) x (30 – months since vehicle purchase or lease date)

The Administrator will follow specific procedures when managing vehicles that received a rebate at the time of original sale or lease and have since been sold or returned to the dealer prior to the 30-month ownership commitment (see Attachment A).

Purchasers or lessees who must resell a vehicle or return a leased vehicle to a dealer due to unforeseen or unavoidable circumstances such as military duty or a totaled vehicle may be exempt from returning the prorated rebate amount. Military duty exemptions will be approved by CARB on a case-by-case basis.

CARB verifies vehicle ownership through periodic checks of Vehicle Identification Numbers (VINs) in the California DMV database. If a vehicle purchaser or lessee sells or returns the rebated vehicle to the dealer and does not receive prior approval, CARB or its designee reserves the right to recoup CVRP funds from the original vehicle purchaser identified on the rebate form and may pursue other remedies available under the law for unauthorized early termination of vehicle ownership.

D. CVRP REBATE NOW PARTICIPATING DEALERSHIP RESPONSIBILITIES AND REQUIREMENTS

Dealerships participating in CVRP Rebate Now will apply a customer's preapproved

CVRP rebate amount to the purchase or lease of an eligible vehicle. In return, the dealership may claim the rebate to be paid by the Administrator if all requirements are met. In order to participate in CVRP Rebate Now, a dealership will need to complete an application with the Administrator, agree to the dealership Terms and Conditions and provide accounting information in order to receive payment. To obtain this documentation, please contact the CVRP Dealership team at (866) 926-2877 or dealership@energycenter.org.

Dealerships will receive reimbursement on vehicles if they follow program guidelines as outlined in the Implementation Manual and Terms and Conditions when completing the sale.

1. Purchase/Lease Requirements

In order to receive rebate funds for an eligible vehicle, the following requirements in the purchase or lease agreement must be met.

- a) The name of the purchaser or lessee matches the name of the CVRP preapproved rebate holder.
- b) The correct rebate amount for the customer and vehicle is applied to the purchase or lease and clearly shown in line 6F of the 553-CA form or equivalent.
- c) In case of lease, the lease term is 30 months or greater.
- d) The agreement is complete, executed and signed.

2. Pricing

In addition to the customer's preapproved rebate amount, all other applicable discounts and incentives, such as manufacturer and dealer discounts, available to customers shall also be made available by the participating dealership. This in no way limits the dealership or the customer from further negotiations on the price of the vehicle. The dealership may grant additional negotiated discounts or incentives.

3. Applying the CVRP Rebate to the Contract

The full amount of the customer's preapproved amount must be clearly listed on the purchase/lease agreement. The Administrator must be able to determine that the customer received the full value of their preapproved rebate.

In the case of either a purchase or lease, the customer's full preapproved CVRP rebate amount for the vehicle shall be applied to the down payment of the vehicle.

4. Vehicle Eligibility

The rebate can only be applied to the sale or lease of CVRP eligible vehicles. Eligible vehicles must meet requirements that include, but are not limited to, the following:

- a)** Be on the list of eligible vehicles located at: CleanVehicleRebate.org/eligible-vehicles.
- b)** Be new as defined in the California Vehicle Code (CVC) Section 430 and manufactured by the original equipment manufacturer (OEM) or its authorized licensee. Vehicles considered new vehicles solely for determination of compliance with state emissions standards are not eligible.
- c)** Be registered as new in California upon purchase or lease to the preapproved rebate applicant.
- d)** Have an odometer reading below 7,500 miles at the time of purchase or lease.

5. Registration Requirements

An Application for Registration of New Vehicle must be provided as proof of registration and must meet these requirements:

- a)** The registered owner name/lessee matches the name of the CVRP preapproved rebate holder.
- b)** The form is complete and signed.

In cases of eligible rollbacks and unwinds, a Used Vehicle Dealer Notice/Temporary Identification may be submitted accompanied by the associated statement of facts, but the dealership must verify in advance that the vehicle has not been previously rebated. Additional documentation for the vehicle status as a rollback or unwind may be required. Failure to confirm the eligibility of an unwind or rollback may result in rebate funds not being disbursed to the dealership.

6. Steps Required for Application and Rebate Approval

Dealerships participating in CVRP Rebate Now must agree to follow the process below in providing rebates to preapproved CVRP applicants, and in both claiming and receiving those rebates.

- a)** Confirm the customer's preapproved rebate status and amount by:
 - i.** Requesting the customer's CVRP application number.
 - ii.** Logging into the CVRP website at

www.cleanvehiclerebate.org/dealer/login using the application number and other required login credentials.

- iii. Confirming the customer's application status is "Preapproved."
- iv. Confirming the Rebate Now applicant name matches the name of the customer.

After completing the above process, note the preapproved rebate amounts per vehicle type shown on the customer's online application page to be used in completing the sale.

- b) Prepare a purchase or lease agreement that meets all requirements in the "Vehicle Eligibility" and "Purchase/Lease Requirements" Sections D(1)-D(3).
- c) Ask for and receive the customer's verbal agreement to allow the dealership to claim the preapproved rebate amount.
- d) Once purchase/lease terms are finalized but before customer signature, click the "Claim Rebate" button on the online application page and agree to the Rebate Claim Terms and Conditions provided.
- e) Provide all vehicle information required on the online vehicle claim form.
- f) Within the timeline provided on the rebate claim confirmation page, submit legible copies of all required supporting documentation.
- g) If contacted by the program administrator to correct or clarify submitted information, provide requested information within the timeline given.

7. Dealership Rebate Payment

In order to participate in CVRP preapproval, a dealership must provide Automated Clearing House (ACH) payment information to the program administrator and agree to receive all rebate payments by ACH.

If the dealership rebate claim application meets all requirements, the CVRP program administrator will pay the rebate amount to the dealership by ACH. ACH payments are initiated within seven calendar days of claim approval, and are generally received by the dealership one to three days later.

8. Funding Availability

Rebate funds are reserved at the time of customer application for CVRP preapproval, and therefore funds are guaranteed for all preapproved rebates that meet the requirements outlined in Section D.

If CVRP funds are depleted, consumers will be unable to submit new preapproval applications through the CVRP website until more funds are available. Only consumers with existing preapproved applications at the time that funds are depleted will be able to proceed with the preapproved rebate process at the dealership. During any period in which CVRP funds are depleted, dealerships will continue to follow the same process described in Section D(6), “Steps Required for Application and Rebate Approval”; no additional validation will be required to ensure that funds have been reserved for Rebate Now applicants and are available for payment to the dealership.

9. Unwinds, Rollbacks, and Returns

In the event of an unwind, rollback, or return of a rebated vehicle, the dealership must notify the program administrator by emailing cvrp@energycenter.org with details of the change in the status of the purchase or lease within three business days. If the rebate payment to the dealership for the vehicle has already been initiated, then the administrator will provide instructions to repay the rebate funds. If the rebate payment has not yet been initiated, it will be canceled since the purchase or lease agreement that the rebate was included in is no longer in effect.

10. Consumer-Claimed Rebates

Customers preapproved for CVRP rebates have the option to either allow the dealership to claim their rebate amount, as described above, or to claim the rebate funds and request check payment directly to the customer after purchase. If a customer indicates to the dealership at any point in the sale process that they prefer to claim the rebate and receive the payment directly, the dealer shall not proceed with the rebate claim process.

11. Termination

The program administrator may terminate a dealership’s participation in CVRP Rebate Now if the dealership does not follow the program requirements described in the terms and conditions.

E. DEFINITIONS

“**CARB-certified**” means a vehicle that has been certified as a ZEV or a Transitional Zero Emission Vehicle and issued an Executive Order by CARB in accordance with the provisions of the California ZEV Regulation (Section 1962(e), Title 13, CCR).

“**Battery Electric Vehicle (BEV)**” means any vehicle that operates solely by use of a battery, or that is powered primarily through the use of an electric battery but uses a

flywheel or capacitor that also stores energy to assist in vehicle operation.

“**BEVx**” means a vehicle powered predominantly by a zero-emission energy storage device, able to drive the vehicle for more than 75 all-electric miles, and also equipped with a backup auxiliary power unit (APU), which does not operate until the energy storage device is fully depleted, and meeting requirements in subdivision 1962.1(d)(5)(G), Title 13, CCR Section 1962.1(i)(12).

“**Business**” means an enterprise, organization, or association entered into for common purpose. Businesses include, but are not limited to, limited liability companies or partnerships, cooperatives, sole proprietorships, corporations, S corporations, not-for-profit and non-profit organizations, associations, and investor owned utilities. Businesses are delineated by Taxpayer Identification Number (TIN). Vehicles owned by a business are considered part of a single business even if they are part of different subsidiaries, divisions, or other organizational structures. For the purposes of CVRP, franchises, divisions or subsidiaries doing business under a common name will be considered one entity, even if they do not share a TIN, at the discretion of the CARB.

“**Car share fleet**” is a vehicle fleet solely composed of car sharing vehicles. These vehicles are under common ownership or fiduciary control, including, but not limited to, entities sharing a common Taxpayer Identification Number (TIN). For CVRP purposes, even if a car share fleet is composed of vehicles that are part of different subsidiaries or divisions of an organization, including but not limited to entities sharing a common Taxpayer Identification Number (TIN), it is considered a single fleet. The organization owning the rebated car sharing vehicles must own and operate the car sharing program and use the rebated vehicles exclusively for car sharing purposes.

“**Car sharing**” means a model of vehicle rental where users can rent vehicles for short periods of time and users are members that have been pre-approved to drive.

“**Consumer Claimed Rebates**” are CVRP Rebate Now rebates for preapproved applicants that are claimed by the applicant after the purchase/lease of their eligible vehicle.

“CVRP Rebate Now” is the option to get preapproved for a CVRP rebate prior to purchasing or leasing an eligible vehicle.

“**Dealer Claimed Rebates**” are CVRP Rebate Now rebates for preapproved applicants that are claimed by the dealership at the time of sale and applied to the applicant’s purchase or lease.

“**Fleet**” means vehicles under common ownership or fiduciary control, including, but not limited to, entities sharing a common Taxpayer Identification Number (TIN). Vehicles are considered part of a single fleet even if they are part of different subsidiaries, divisions, or other organizational structures of a company, government agency, or other entity.

“Floor Model/Test Drive Vehicle” is provided by original equipment manufacturers to car dealerships for the purpose of test drives and other customer interactions. California dealerships may temporarily operate a floor model or test drive vehicle on public roads with “dealer” license plates for the purpose of test drives. Use of floor model or test drive vehicles on public roads with “dealer” license plates does not require vehicle registration with the California Department of Motor Vehicles (DMV).

“Fuel-Cell Electric Vehicle (FCEV)” means a vehicle that is powered by a group of individual fuel cells, known as a fuel-cell stack. The stack is designed to contain enough cells to provide the necessary power for the automotive application. A fuel-cell stack produces power as long as fuel is available, similar to a conventional engine, but does so electrochemically rather than with combustion. The electricity generated by the fuel-cell stack powers the electric motor that propels the vehicle.

“Gross annual household income” includes the gross annual income of the applicant and all other individuals in the household, ages 17 years and older, regardless of whether or not they are related to the rebate applicant.

“Gross annual income” is determined by the amount reported on the applicant’s federal tax return:

- Lines 7-21 on IRS Form 1040 (in some circumstances the Sum of Lines 7-21 may not equal Line 22 in determining Gross Income)
- Lines 7-14 on IRS Form 1040A
- Line 4 on IRS Form 1040EZ

Note: Net operating losses carried over from previous years are not included in this calculation. If line 21 on your 1040 is negative, the corresponding “Statement” filed with your 1040 must be provided.

“Gross income” includes, but is not limited to the following: wages, unemployment, workers’ compensation, Social Security, Supplemental Security Income, public assistance, veterans’ payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts, educational assistance, alimony, child support, assistance from outside the household, and other miscellaneous sources.

“Gross Vehicle Weight Rating (GVWR)” means the vehicle weight described on the original manufacturer Line Setting Ticket provided to the vehicle dealer.

“Household” includes all family members or other unrelated persons, including the rebate applicant, who reside together and share common living expenses.

“Participating Dealership” refers to a dealership that is eligible to receive reimbursement from CVRP after applying rebate funds directly to the purchase or lease

price of a Rebate Now applicant. Dealerships complete enrollment and training with the Administrator before being listed as a participating dealership.

“Plug-in Hybrid Electric Vehicle (PHEV)” (in some cases referred to as an Extended Range Electric Vehicle, Transitional Zero-Emission Vehicle, or E-REV) means a hybrid electric vehicle which:

- i. has zero-emission vehicle range capability,
- ii. has an on-board electrical energy storage device with useful capacity greater than or equal to ten miles of Urban Dynamometer Driving Schedule (UDDS) range on electricity alone,
- iii. is equipped with an on-board charger, and
- iv. is rechargeable from an external connection to an off-board electrical source.

“Preapproval” is the process by which an applicant reserves and is preapproved for a rebate prior to purchasing or leasing an eligible vehicle through the CVRP Rebate Now option. A Rebate Now applicant may apply their preapproved rebate amount directly to the price of an eligible vehicle at the time of purchase or lease at a participating dealership, or choose to receive the preapproved rebate by check after purchase or lease.

“Public entity” as defined in California Government Code Section 811.2 includes the state, the Regents of the University of California, the Trustees of the California State University and the California State University, a county, city, district, public authority, public agency, and any other political subdivision or public corporation in the State. For non-California public entities (e.g., federal, tribal, international), an analogous definition applies.

“Public fleet” means a fleet under ownership of a public entity.

“Rollback/Unwind Vehicle” is a vehicle returned to a dealership shortly after being purchased and operated by a buyer. Rollbacks can occur if a buyer’s financing is rejected. An unwind occurs when an Application for Registration of New Vehicle is completed, but the sale of the vehicle was not consummated and the buyer never took delivery.

“Rental fleet” means a fleet categorized under the North American Industry Classification System (NAICS) as an establishment engaged in renting passenger cars without drivers, generally for short or long periods of time (2007 NAICS code 532111 and 532112).

“Zero-Emission Motorcycle (ZEM)” means either a fully-enclosed zero-emission vehicle designed to travel on three wheels or a two-wheeled electric motorcycle. ZEMs must meet the provisions of CVC Section 400 and be freeway capable.

“Zero-Emission Vehicle (ZEV)” means any vehicle certified to zero-emission standards.

Attachment A

Procedures for Authorizing Early Lease/Ownership Termination of Rebated Vehicles

This document provides the necessary steps involved for the Rebate Administrator (Administrator) and the California Air Resources Board (CARB) to follow if notified of the resale or lease termination of a Clean Vehicle Rebate Project (CVRP) rebated vehicle.

Step One: Notify the Administrator of Vehicle Resale/Lease Termination Request

If CARB is notified of vehicle resale or lease termination request, CARB will contact the Administrator with the applicant's email and contact information and a brief description of the request for processing.

Step Two: The Administrator Documents Vehicle Resale/Lease Termination Request

Once notified by a rebate recipient of interest in reselling/terminating the lease on a CVRP funded vehicle, the Administrator will document the case on a resale/lease termination request form:

1. Applicant contact information
2. Date when the individual applied for CVRP
3. Original rebate amount received
4. Vehicle Identification Number
5. Reason for vehicle resale/lease termination
6. Status of vehicle resale/lease termination
7. Odometer reading on date of resale/lease termination
8. Prorated rebate amount using the formula below:

$(\text{Original Rebate Amount} \div 30 \text{ Months}) \times (30 - \text{months since vehicle purchase or lease date})$

Step Three: Administrator Review and Rule on Vehicle Resale/Lease Termination Request

The Administrator will review the resale/lease termination request and any supporting documentation, and inform the individual of their decision within 10 working days.

Step Four: The Administrator Notifies Applicant Ruling

The Administrator will communicate their decision to the individual requesting resale/lease termination, including instructions for refunding the prorated amount of the rebate to the Administrator if the resale/lease termination request is granted. Refunded rebates will be added back into the rebate funding pool.

Step Five: The Administrator Notifies CARB of Applicant Refund or a Non-

Responsive Rebate Recipient

Once the prorated rebate amount is refunded back to CVRP, the Administrator will inform CARB, through program reporting. Additionally, the Administrator will provide monthly status reports until the refund is received. If the individual requesting resale/lease termination is unresponsive and fails to return the prorated rebate amount within 30 calendar days of initial ruling notification, the Administrator shall notify CARB and provide the individual's information outlined in Step Two.

Step Six: Coordination with Enforcement of CVRP Ownership Terms

CARB program staff is responsible for coordination with staff conducting periodic VIN checks of the DMV database for ownership compliance. Individuals that received resale/lease termination approval from CARB will not be in violation of the CVRP ownership terms.

Attachment B

Procedures for Floor Model/Test Drive and Rollback/Unwind Vehicle Eligibility

This document provides the steps necessary for the Administrator and the California Air Resources Board (CARB) to manage Clean Vehicle Rebate Project (CVRP) rebate applications for floor model, test drive, rollback, and unwind vehicles. Note: Vehicles that already received a rebate are not eligible for another rebate, unless the full amount of the original rebate was returned.

Step One: Definitions

Floor Model/Test Drive Vehicles

Floor model or test drive vehicles are provided by original equipment manufacturers to car dealerships for the purpose of test drives and other customer interactions. California dealerships may temporarily operate a floor model or test drive vehicle on public roads with “dealer” license plates for the purpose of test drives. Use of floor model or test drive vehicles on public roads with “dealer” license plates do not require vehicle registration with the California Department of Motor Vehicles (DMV).

Rollback/Unwind Vehicles

A rollback is a vehicle returned to a dealership shortly after being purchased or leased and operated by a buyer. An unwind occurs when an Application for Registration of New Vehicle is completed, but the sale or lease of the vehicle was not consummated and the buyer never took delivery.

Step Two: Review of Vehicle Supporting Documents

The Administrator will review the supporting documents within the rebate application to ensure the application meets all program requirements. A California vehicle sales or lease contract will indicate if a vehicle is new or used.

2.1 Floor Model/Test Drive Documentation: Per the California DMV’s Vehicle Registration Procedures Manual, a new vehicle operated as a floor model or test drive vehicle (referred to as “demonstrator” vehicles by the California DMV) is classified to be a used vehicle when subsequently sold to a retail buyer. However, when sold to the retail buyer, floor model or test drive vehicles must be registered with the California DMV as a new vehicle through the use of the *Application for Registration of a New Vehicle* (California DMV Form 397). The sale or lease contract and the proof of temporary or permanent vehicle registration should reflect these DMV requirements. The Administrator may require documentation showing that the dealership is attesting to the fact that the car is an unregistered floor model or test drive vehicle (demo vehicle).

2.2 Rollback/Unwind Documentation: Per the California DMV's Vehicle Registration Procedures Manual, rollback and unwind vehicles occur when they have been registered by the original purchaser through the use of the Application for Registration of New Vehicle (California DMV Form 397). The Administrator requires documentation showing that the dealership is attesting to the fact that the car is either a rollback or unwind vehicle.

Step Three: Determining Vehicle Eligibility

Based on the supporting documents provided with the rebate application, the Administrator, with input from CARB, will determine whether the applicant is eligible for the CVRP rebate.

3.1 Floor Model/Test Drive Eligibility: A floor model or test drive vehicle which was not previously registered, has an odometer reading of less than 7,500 miles at the time of purchase, and meets all other CVRP vehicle eligibility criteria, is eligible for the CVRP rebate. Per Section 2(a) of the CVRP Implementation Manual, a floor model or test drive vehicle which has previously been registered does not meet the CVRP vehicle eligibility criteria, thus is not eligible for the CVRP rebate.

3.2 Rollback/Unwind Eligibility: A rollback or unwind vehicle has previously been registered with the California DMV; however, the sale or lease was never completed. The vehicle was either returned or never delivered, and must have an odometer reading of less than 7,500 miles at the time of purchase. These vehicles' eligibility will be determined on a case by case basis after reviewing the supporting documentation.

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