

Clean Air Fund Advisory Committee Meeting Summary

February 22, 2016

- I. Call to Order: The meeting was called to order at 5:05 p.m. by Steve DeGeorge.
- II. Approve summary of the January 17, 2013 meeting: Mr. DeGeorge moved and Mr. Kromka seconded approval. The Committee approved the summary without any changes.
- III. Public Comment: There was no public comment on items not related to the agenda.
- IV. Staff Report: There was no staff report.
- V. Old Business:

The Clean Air Fund permanent endowment is approximately \$831,056. The Ventura County Community Foundation Endowment funds are professionally managed in a diversified portfolio, which is up about \$100,000 since 2013, despite having granted \$32,000 since then.

1. 2001/2002 Ventura County Fire Department Grant: Available funds for projects are approximately \$124,821, which does not include \$150,000 set aside for the Ventura County Fire Department Burn Building Training center, which was approved in 2001/2002 but never built. Since the fire department never built the training center in the past fourteen years, staff asked the Committee to recommend that the Board cancel the grant and reallocate the funds for future projects. The Committee's vote for this recommendation was unanimous.
2. Low Rolling Resistance Tire Voucher Project Status Report: This grant to incentivize the purchase of aftermarket low rolling resistance (fuel efficient) tires for passenger vehicles and light duty trucks started in October 2011 and ended in 2014. During that time, staff issued 111 vouchers, and each voucher is worth \$50 off the purchase of a set of four tires. Excess funds from the grant were returned to Ventura County Community Foundation.

VI. New Business:

Committee Member Neiswender requested that APCD institute a new incentive program to scrap junk vehicles to get old polluting vehicles off the road. Staff will research the currently available programs including those offered by the State of California, and bring this information back for the next meeting.

1. Proposed Project: Electric Vehicle Purchase Voucher Program

The proposed project is a new county EV purchase voucher program to encourage the purchase or lease of EVs from local dealerships to Ventura County residents only. Similar grant programs are currently being offered by the San Joaquin Valley APCD, Apple Valley AQMD, and the City of Riverside. The proposed budget for this program is \$120,000, which includes approximately 35 vouchers worth \$2,200 each and 35 vouchers worth \$1,100 each for a total of 70 plug-in EVs for purchase or lease. This will leave approximately

\$4,500 for printing vouchers, administrative costs, and advertising costs. APCD staff has contacted all Ventura County auto dealers offering EVs costing less than \$50,000 and requested that the dealers provide a matching dealer discount in the form of a lower sales price. These dealer discounts will effectively double the amount of available incentive funds and would be in addition to any manufacturer, state, and federal incentive programs.

Thus far, APCD has commitments from the following Ventura County auto dealers:

1. Fiat of Thousand Oaks (\$2,200 discount for the Fiat 500E battery EV)
2. Mercedes-Benz of Oxnard (\$2,200 discount from the B250 EV)
3. Neftin Volkswagen in Thousand Oaks (\$1,100 discount from the e-Golf EV)
4. Smart Center of Oxnard (\$1,100 discount from the Smart EV)
5. Team Nissan of Oxnard (\$2,200 from the Nissan Leaf)
6. Kemp Ford in Thousand Oaks (\$1,100 each for the Focus EV and Energi plug-in hybrids)
7. Steve Thomas BMW in Camarillo (\$2,200 for i3 EV and \$1,100 for i3 plug-in hybrid)
8. Chevrolet of Simi Valley (\$1,100 each for the Spark EV and Volt plug-in hybrid).

APCD will open a purchase order with participating dealerships, and will pay monthly invoices to them for vouchers redeemed at the time of sale.

Public Comments: The EV drivers attending the meeting provided comments on the staff proposal summarize as follows:

1. APCD should follow the incentive model developed by San Joaquin Valley APCD, which provide rebates directly to Ventura County residents who purchase their EV anywhere in the state. This allows EV drivers to get their best deal anywhere in the state.
2. APCD should only incentivize the Battery EVs and not the plug-in hybrids because they provide more emission reductions.
3. APCD should not work directly with local car dealerships because the matching dealer discounts are illusory and they are not really interested in selling EVs.
4. APCD should encourage Ventura County residents to bypass car dealerships in favor of the Direct to Consumer vehicles, such as the Tesla.

Staff and Committee Response to Comments:

1. APCD staff summarized many potential problems with the SJVUAPCD rebate model including 1) potential income tax liability for consumers (their rebate application requires that Tax ID numbers be provided. 2) Potential problem of disappointing consumers who purchase vehicle but are unable to get their rebate because the program budget was just depleted. 3) Administrative requirements for the rebate program are much more difficult because you have to provide purchase orders, write checks, and issue IRS 1099 Tax forms for 80 consumers vs 10 dealerships. 4) The SJVUAPCD program has no matching requirement from the car dealerships, so your 100% leverage disappears (an important selection criteria), 5) Another important selection criteria is the ability to provide a local jobs benefit, and

supporting local dealerships with additional vehicle sales will help local employment.

2. Although Plug-in Hybrids do not provide as much emission reduction benefit as Battery EVs, there is still some benefit. In fact, the proposed program takes this into account by offering half the voucher amount or \$1,100 for Plug-in Hybrids vs. \$2,200 vouchers for Battery EVs. The Committee amended the staff proposal so that the focus of the program would be on Battery EVs as a response to this comment. It was felt that we should also encourage the purchase of plug-in hybrids as a bridge for consumers not ready for BEVs because of range anxiety, the need for long trip vehicles, or just getting used to the new technology.
3. Staff believes that the local dealer matching discounts required to participate in the program are real because many of the dealers have refused to participate in the program claiming that it would impact their profit margins. These dealer discounts are provided in addition to the manufacturer discount, state, and federal incentives. This match requirement effectively doubles the funds available for vouchers, and this leverage is one of the key criteria for selecting projects.
4. Staff contacted the nearest Tesla showroom in Chatsworth to see if they might be interested in participating in this voucher program. According to their salesmen, they had a banner sales month this past December because of the new state law effective January 1, 2016, which disqualifies EV owners from the state incentive if their single income is over \$250,000 or dual income over \$500,000. Over 90 percent of Tesla buyers earn too much to qualify for the state incentive. The Tesla salesmen indicated that they would not be interested in our program because their corporate policy does not allow any additional discounting, and their customers would not be influenced by the proposal. Staff's proposal focuses on the Electric Vehicles that cost less than \$50,000 in order to be more aligned with the state legislature's concern about subsidies for high income earners.

Mr. King proposed an amendment to staff proposal that would require that 70 percent of the vouchers issued would be used for purchasing Battery EVs while the remaining 30 percent would be used for Plug-in Hybrid Vehicles. Mr. King moved and Mr. Montoya seconded the motion to fund this project. The committee unanimously approved recommending funding of this project by the Board. (Note: Since this new amendment impacted the funding distribution, staff has determined that the related budget for the program should be increased to \$122,000 instead of \$120,000, and will request that the Board approve this higher amount.)

1. Nomination of New Committee Member: James Reach

The Committee nominated James Reach as a new member of the Clean Air Fund Advisory Committee.

VII. Adjournment: The meeting was adjourned at 6:30 p.m.

Prepared by:

Stan Cowen, Air Pollution Control District Staff

		Electric Vehicle Purchase Voucher Program		
Member	Attendance	Moved	Second	Vote
Bayman	E			
DeGeorge	P			Y
King	P	X		Y
Kromka	P			Y
Montoya	P		X	Y
Neiswender	P			Y
Stubblefield	P			Y

Attendance - P(present),A(absent),E(excused)

Vote - Y(yes), N(no), A(abstain)

APCD Staff:

Chuck Thomas

Stan Cowen

Guests:

James Reach (Tesla Owner)

Gene Rubin (EV Enthusiast)

Larry Young (EV Owner)

Kent Bullard (Leaf Owner)

Ron Merkord (EV Advocates of Ventura County)