

EXHIBIT A SCOPE OF WORK

PURPOSE

The purpose of this Interagency Agreement is to transfer funds from the California Energy Commission's (Energy Commission) Alternative and Renewable Fuel and Vehicle Technology Program (ARFVTP) to the California Air Resources Board's (ARB) Hybrid Truck and Bus Voucher Incentive Project (HVIP). These funds will be used to add additional incentives under the HVIP for eligible battery electric freeway-capable vehicles. Funds for this program will be used to amend the Implementation Manual for the FY 2010-2011 HVIP (Manual), administer and fund the rebate program as it pertains to the Energy Commission funding, report voucher data as it pertains to the Energy Commission funding, and provide a Final Report. In December of 2010, the ARB selected, through a competitive solicitation, CALSTART as the Grantee to administer the HVIP under Grant Agreement No. G10-AQIP-01.

BACKGROUND

Assembly Bill 118 (Núñez, Chapter 750, Statutes of 2007), created the Alternative and Renewable Fuel and Vehicle Technology Program (ARFVTP). The statute, subsequently amended by AB 109 (Núñez, Chapter 313, Statutes of 2008), authorizes the Energy Commission to enter into interagency agreements to develop and deploy alternative and renewable fuels and advanced transportation technologies to help attain the state's climate change policies. The Energy Commission has an annual program budget of approximately \$100 million and provides financial support for projects that:

- Develop and improve alternative and renewable low-carbon fuels;
- Optimize alternative and renewable fuels for existing and developing engine technologies;
- Produce alternative and renewable low-carbon fuels in California;
- Decrease, on a full fuel cycle basis, the overall impact and carbon footprint of alternative and renewable fuels and increase sustainability;
- Expand fuel infrastructure, fueling stations, and equipment;
- Improve light-, medium-, and heavy-duty vehicle technologies;
- Retrofit medium- and heavy-duty on-road and non-road vehicle fleets;
- Expand infrastructure connected with existing fleets, public transit, and transportation corridors; and
- Establish workforce training programs, conduct public education and promotion, and create technology centers.

Under the ARFVTP, the Energy Commission must provide preference to those projects that maximize the goals of the ARFVTP. This Interagency Agreement with ARB will provide eligibility for funding of programs and projects that accelerate the commercialization of vehicles and alternative and renewable fuels including buy-down programs through near-market and market-path deployments, advanced technology warranty or replacement insurance, development of market niches, and supply-chain development.

The purpose of HVIP is to accelerate the California deployment of hybrid and zero-emission medium- and heavy-duty vehicles by providing funds to reduce the cost of those vehicles for truck and bus fleets that purchase and operate the vehicles in California.

TASKS

Task 1: Amend and publish the 2010-2011 HVIP Manual and Update ARB and HVIP Websites

The goal of this task is to amend and publish the Manual and update the ARB and HVIP websites to provide instructions to the Grantee on the use of the Energy Commission funds. ARB's Manual shall act as the guidelines for this program.

Task 1.1: Convene HVIP Work Group

The goal of this task is to convene the HVIP Work Group to obtain input on a definition of "manufactured or assembled in California."

ARB shall:

- Notice and convene a meeting of the HVIP Work Group to obtain input on a definition of "manufactured or assembled in California."
- Draft a definition of "manufactured or assembled in California" based on input from the meeting and in consultation with the CCM. Based on comments from the CCM, provide a final definition of "manufactured or assembled in California."

Deliverables:

- Notice of HVIP Work Group meeting
- Definition of "manufactured or assembled in California"

Task 1.2: Amend the Manual

The goal of this task is to amend the Manual.

ARB shall:

- Amend the Manual as follows:
 - **Section 2.6 Vehicle Voucher Amounts**
Change the following paragraph:

"Eligible hybrid and zero-emission vehicles may receive an HVIP voucher for up to the funding amounts identified in Table 2. These voucher amounts correspond to approximately one-half of the incremental cost of a hybrid truck or bus."

To:

"Eligible hybrid and zero-emission vehicles may receive an HVIP voucher for up to the funding amounts identified in the Base Incentive column in Table 2. These voucher amounts correspond to approximately one-half of the

incremental cost of a hybrid truck or bus. In addition to the base incentive, eligible Battery Electric vehicles capable of freeway operation may receive additional funds for up to the funding amounts identified in the Additional Incentive column in Table 2.”

Add another column listing the Additional Incentive amounts and a footnote describing eligibility and source of funds as shown below:

Table 2: Eligible Truck and Bus Voucher Amounts

Gross Vehicle Weight in Pounds (lbs)		Base Incentive ¹	Additional Incentive (Battery Electric Vehicles Only) ^{4,5}
8,501 – 10,000 lbs ²	Plug-in Hybrid	\$10,000	\$0
	Zero-Emission	\$15,000	\$0
10,001 – 14,000 lbs		\$15,000 ³	\$10,000
14,001 – 19,500 lbs		\$15,000 ³	\$20,000
19,501 – 33,000 lbs		\$20,000	\$25,000
33,001 – 38,000 lbs		\$25,000	\$25,000
> 38,000 lbs		\$30,000	\$30,000

1 The first HVIP-eligible vehicle purchased by a fleet and ARB-certified hybrid vehicles above 14,000 lbs are each eligible for an additional \$5,000 voucher.

2 This weight category includes plug-in hybrid and zero-emission vehicles only.

3 Zero-emission commercial vehicles in this weight category are eligible for \$20,000

4 The California Energy Commission is providing funds from the Alternative and Renewable Fuel and Vehicle Technology Program established under Assembly Bill 118 (Núñez, Chapter 750, Statutes of 2007) to match ARB’s Base Incentive for eligible Battery Electric Vehicles capable of freeway operation. Total funds expended under this category are subject to availability under ARB’s Interagency Agreement with the California Energy Commission.

5 Vehicles manufactured or assembled in California qualify for a 20 percent higher incentive in each category. For example, an eligible 13,000 lbs battery electric vehicle would qualify for a \$12,000 incentive; an eligible 16,500 lbs battery electric vehicle would qualify for a \$24,000 incentive; an eligible 33,000 lbs battery electric vehicle would qualify for a \$30,000 incentive; and an eligible 48,000 lbs battery electric vehicle would qualify for a \$36,000 incentive.

o **Section 2.7 Opportunities for Additional Vehicle Cost Buy-Down**

ARB shall add text and an example on the additional incentive for Battery Electric vehicles provided from the Energy Commission’s ARFVTP funds.

o **Section 5 Definitions**

ARB shall add the following definitions:

“Battery Electric Vehicle” for the purposes of the additional incentive from the Energy Commission means a zero-emission vehicle that operates solely by use of a battery or battery pack, or that is powered primarily through the use of an electric battery or battery pack but uses a flywheel or capacitor that also stores energy produced by the electric motor or by regenerative braking to assist in vehicle operation. Recharge energy must be drawn from a source off the vehicle, such as residential electric service.

“Manufactured or assembled in California.” ARB shall use the approved definition from Task 1.1.

- **APPENDIX A: HVIP Vehicle Eligibility List**

ARB shall add an additional column listing the Additional Incentive amounts for all eligible Battery Electric freeway-capable vehicle models and a footnote describing eligibility and source of funds, using the language provided in footnote 4 of Section 2.6. ARB shall update this list as new vehicles become eligible during the term of this Interagency Agreement.

- Update the rest of the Manual where applicable.
- Provide a copy of the amended Manual to the Energy Commission Contract Manager (CCM) within 10 days of amending the Manual.

Deliverable:

- Copy of Amended Manual

Task 1.3: Amend the Grant Agreement

The goal of this task is to amend the Grant Agreement to allow for the incorporation of funding from this Interagency Agreement.

ARB shall:

- Amend the Grant Agreement as necessary to incorporate funding from this Interagency Agreement and to ensure that the Grantee will carry out the requirements of this Interagency Agreement.
- Provide a copy of the amended Grant Agreement to the CCM.

Deliverable:

- Copy of Amended Grant Agreement

Task 1.4: Amend the Websites and Acknowledge Energy Commission Funding

The goal of this task is to amend the ARB and HVIP Websites to conform to changes in the Manual and to provide written acknowledgement on the websites that Energy Commission funds have been provided for this program.

ARB shall:

- Amend the ARB and HVIP websites as follows:
 - Update the websites as necessary to reflect the changes in the Manual.
 - Provide written acknowledgement on the ARB and HVIP websites that Energy Commission funds have been provided for the HVIP.
 - Post the amended Manual on ARB and HVIP websites.
- Provide electronic links to the amended websites via e-mail to the CCM.

- Provide to the CCM printouts of the ARB and HVIP web pages showing the written acknowledgement of Energy Commission funding.

Deliverables:

- Electronic Links to Amended Website Pages
- ARB and HVIP Webpage Printouts of Acknowledgement

Task 2: Administer Rebate Disbursement Program

The goal of this task is to ensure that vehicle rebates are disbursed and status reports are provided to the Energy Commission regarding the funds and rebate disbursement.

ARB shall administer vehicle rebates in accordance with the Manual, and in conjunction with the Air Quality Improvement Program (AQIP) Guidelines, which identify the minimum requirements for administration, implementation, and oversight of the HVIP. In accordance with the Manual and the Grant Agreement, a maximum 5 percent of the funding from this Interagency Agreement may be used for administrative costs by the Grantee.

Task 2.1: Status Reports

The goal of this task is to provide Status Reports to the Energy Commission as they apply to only the Energy Commission funding for this Interagency Agreement. The Status Reports shall provide information specific to the reporting period, and shall also include cumulative information for all previous reporting periods.

ARB shall:

- Submit the Status Reports as a Microsoft Word or Microsoft Excel document and include, at a minimum, the following information in each report:
 - Number of voucher request forms received
 - Number and amount of vouchers awarded broken out by GVWR, vehicle type, fleet type (public or private), and California air basin
 - Grantee's administrative cost summaries
 - Remaining funding available
 - Identified problems or concerns
- Transmit Status Reports via e-mail to the CCM within 10 days after ARB receives and approves the status report from the Grantee.
- Submit the first Status Report as required by the Manual and in accordance with the schedule in the Grant Agreement.

Deliverables:

- Status Reports

Task 2.2: Establish Separate Tracking Process for Energy Commission Funds

The goal of this task is to establish a process for tracking Energy Commission funds under this program.

ARB shall:

- Require Grantee to separately track Energy Commission funds, including amounts received and payments made on behalf of the Energy Commission.
- Require Grantee to provide a description of the accounting process used.

Deliverable:

- Description of Accounting Process

Task 3: Final Report

The goal of this task is to summarize the results of the program and Energy Commission funding in a final report to the Energy Commission.

ARB shall deliver the Final Report to the CCM as an electronic Microsoft Word file (.doc), or Excel (.xls) file. Additionally, ARB shall deliver to the CCM a hardcopy of the final version of each written deliverable, printed on 8 ½” by 11” paper, as a clean copy in black ink, readable if printed in black and white.

ARB shall:

Prepare a final report after all funds have been expended under this Interagency Agreement. This report must document all vehicles paid for by the program (which may be provided as summaries of previously submitted Quarterly Status Reports) and fulfillment of all project commitments.

Deliverable:

- Final Report (no draft)

DELIVERABLES AND DUE DATES SCHEDULE

Task Number	Deliverable	Due Date
1.1	Notice of HVIP Work Group Meeting	10 days before HVIP Work Group meeting
	Definition of “manufactured or assembled in California”	Within 30 days of HVIP Work Group meeting
1.2	Copy of Amended Manual	Within 10 days of amending the Manual
1.3	Copy of Amended Grant Agreement	Within 30 days of execution of this Interagency Agreement
1.4	Electronic Links to Amended Website Pages	Within 10 days of amending the Grant Agreement.
	ARB and HVIP Webpage Printouts of Acknowledgement	
2.1	Quarterly Status Reports	Within 10 working days after ARB receives and approves the status report from the Grantee
2.2	Description of Accounting Process	Within 30 days of execution of this Interagency Agreement
3	Final Report	April 29, 2013