

Item #21
June 12, 2013
Energy Commission Business Meeting

Vehicle Buy-Down Incentive Reservations
Totaling \$5,252,000.00
for
Natural Gas and Propane Vehicles
(PON-11-603)

GREENKRAFT INC. (OEM - Greenkraft Inc.) (BDIR-12-25),
AMERICAN HONDA MOTOR COMPANY INC. (OEM – Honda) (BDIR-12-26),
PETERBILT MOTORS COMPANY (OEM – PETERBILT) (BDIR-12-27),
GRECH MOTORS, LLC (OEM – Grech Motors, LLC) (BDIR-12-28)
BONANDER BUICK-GMC (OEM – General Motors) (BDIR-12-29),
AMERICAN CHEVROLET (OEM – General Motors) (BDIR-12-30),
CREATIVE BUS SALES, INC. (OEM – Starcraft Bus) (BDIR-12-31),
CREATIVE BUS SALES, INC. (OEM – EIDorado National) (BDIR-12-32),
BIG VALLEY FORD, INC. (OEM – Ford Motor Company) (BDIR-12-33),
ISUZU COMMERCIAL TRUCK OF AMERICA, INC. (OEM – Isuzu) (BDIR-12-34),
GALPIN MOTORS, INC dba GALPIN FORD (OEM – Ford Motor
Company) (BDIR-12-35),
HARPER MOTORS (OEM – Ford Motor Company) (BDIR-12-36),
A-Z BUS SALES, INC. (OEM – Micro Bird, Inc.) (BDIR-12-37),
A-Z BUS SALES, INC. (OEM – Blue Bird Corporation) (BDIR-12-38),
TOM’S TRUCK CENTER NORTH COUNTY LLC dba CARMENITA TRUCK CENTER
(OEM – Ford Motor Company) (BDIR-12-39),
and
A-Z BUS SALES, INC. (OEM – Collins Bus Corporation) (BDIR-12-40)

On January 31, 2012, the Energy Commission released Program Opportunity Notice (PON) PON-11-603 that makes funding available from the Alternative and Renewable Fuel and Vehicle Technology Program established by Assembly Bill 118 (Núñez, Chapter 750, Statutes of 2007) for buy-down incentives for specific classes of natural gas and propane on-road vehicles. The buy-down incentives will reduce the high initial price of natural gas and propane vehicles to assist public and private fleets operators and individual consumers in making the decision to purchase vehicles powered by non-petroleum, lower-carbon, alternative fuels.

The buy-down incentives are available only for new on-road natural gas and propane vehicles that meet all emission requirements of the Air Resources Board and that are

fully warranted by the original equipment manufacturer. Purchasers must register the eligible vehicle(s) in California and agree to operate the eligible vehicle(s) on the designated fuel in California (at least 90 percent of the time) for a period of 3 years. The buy-down incentives may be used in conjunction with vehicle purchase incentives available from other entities. Incentives are available at varying levels depending on the class of vehicle.

The PON is open to original equipment manufacturers (OEMs) on a first-come, first-served basis and the Energy Commission began accepting reservations on February 8, 2012. OEMs may designate California dealers and distributors to apply for the buy-down incentives on their behalf.

The incentive reservation and payment process is simple and efficient, designed to minimize staff workload and create an easy and transparent process for buying down vehicles. The OEM or designated dealer/distributor submits a reservation form and any additional required documentation. These forms are screened for completeness and taken to the Commission for its approval to encumber the funds. Once approved, the applicant may begin selling eligible vehicles at a reduced price to reflect the incentive payment. Upon sale, the applicant submits a payment claim form and documents verifying the sale. Upon approval by the Commission Incentive Manager, the applicant receives a check for the incentive amount. The reservation terminates by its own terms after 120 days or when the incentives are expended, whichever occurs first.

The Chief Counsel's Office has reviewed this PON to determine what level of environmental review is necessary under the California Environmental Quality Act (CEQA) and recommends including a finding that the PON and incentives distributed under it are "not a project" and therefore not subject to environmental review.

- a. GREENKRAFT INC. (OEM - Greenkraft Inc.) (BDIR-12-25), in the amount of \$400,000 for the buydown of 20 natural gas vehicles of 14,001 to 26,000 pounds gross vehicle weight and \$884,000 for the buydown of 34 natural gas vehicles of 26,001 pounds gross vehicle weight and greater (fuel tank capacity less than 190 LNG or 90 DGE), for a total reservation amount of \$1,284,000.
- b. AMERICAN HONDA MOTOR COMPANY INC. (OEM – Honda) (BDIR-12-26), in the amount of \$198,000 for the buydown of 66 natural gas vehicles of up to 8,500 pounds gross vehicle weight.
- c. PETERBILT MOTORS COMPANY (OEM – PETERBILT) (BDIR-12-27), in the amount of \$208,000 for the buydown of eight natural gas vehicles of 26,001 pounds gross vehicle weight and greater (fuel tank capacity less than 190 LNG or 90 DGE).
- d. GRECH MOTORS, LLC (OEM – Grech Motors, LLC) (BDIR-12-28), in the amount of \$224,000 for the buydown of seven natural gas vehicles of 26,001 pounds gross vehicle weight and greater (fuel tank capacity less than 190 LNG or 90 DGE).

- e. BONANDER BUICK-GMC (OEM – General Motors) (BDIR-12-29), in the amount of \$20,000 for the buydown of two propane vehicles of 14,001 to 26,000 pounds gross vehicle weight.
- f. AMERICAN CHEVROLET (OEM – General Motors) (BDIR-12-30), in the amount of \$20,000 for the buydown of two propane vehicles of 14,001 to 26,000 pounds gross vehicle weight.
- g. CREATIVE BUS SALES, INC. (OEM – Starcraft Bus) (BDIR-12-31), in the amount of \$400,000 for the buydown of 40 propane vehicles of 14,001 to 26,000 pounds gross vehicle weight.
- h. CREATIVE BUS SALES, INC. (OEM – El Dorado National) (BDIR-12-32), in the amount of \$200,000 for the buydown of 20 propane vehicles of 14,001 to 26,000 pounds gross vehicle weight.
- i. BIG VALLEY FORD, INC. (OEM – Ford Motor Company) (BDIR-12-33), in the amount \$48,000 for the buydown of eight propane vehicles of 8,501 to 14,000 pounds gross vehicle weight and \$150,000 for the buydown of 15 propane vehicles of 14,001 to 26,000 pounds gross vehicle weight, for a total reservation amount of \$198,000.
- j. ISUZU COMMERCIAL TRUCK OF AMERICA, INC. (OEM – Isuzu) (BDIR-12-34), in the amount of \$200,000 for the buydown of 20 propane vehicles of 14,001 to 26,000 pounds gross vehicle weight.
- k. GALPIN MOTORS, INC dba GALPIN FORD (OEM – Ford Motor Company) (BDIR-12-35), in the amount of \$150,000 for the buydown of 25 propane vehicles of 8,501 to 14,000 pounds gross vehicle weight and \$120,000 for the buydown of 12 propane vehicles of 14,001 to 26,000 pounds gross vehicle weight, for a total reservation amount of \$270,000.
- l. HARPER MOTORS (OEM – Ford Motor Company) (BDIR-12-36), in the amount of \$60,000 for the buydown of 6 propane vehicles of 14,001 to 26,000 pounds gross vehicle weight.
- m. A-Z BUS SALES, INC. (OEM – Micro Bird, Inc.) (BDIR-12-37), in the amount of \$280,000 for the buydown of 14 propane school buses of 14,000 pounds gross vehicle weight and greater.
- n. A-Z BUS SALES, INC. (OEM – Blue Bird Corporation) (BDIR-12-38), in the amount of \$1,160,000 for the buydown of 58 propane school buses of 14,000 pounds gross vehicle weight and greater.
- o. TOM'S TRUCK CENTER NORTH COUNTY LLC dba CARMENITA TRUCK CENTER (OEM – Ford Motor Company) (BDIR-12-39), in the amount of \$30,000 for the buydown of three propane vehicles of 14,001 to 26,000 pounds gross vehicle weight.
- p. A-Z BUS SALES, INC. (OEM – Collins Bus Corporation) (BDIR-12-40), in the amount of \$500,000 for the buydown of 25 propane school buses of 14,000 pounds gross vehicle weight and greater.