

\$27 Million Available for Zero-Emission Trucks in California

August 11, 2020

Pittsburgh, PA

EmTech Law Blog

(by [Gina Falaschi](#))



Significant funding will soon be available in California to support the expansion of zero-emission trucks in the heaviest weight class that has previously relied on diesel engine technologies. On August 18, 2020, California will start to parcel out \$27 million in funding from the Volkswagen (VW) Environmental Mitigation Trust program to replace higher polluting trucks with zero-emission vehicles.

The VW Environmental Mitigation Trust provides about \$423 million for California to mitigate the excess nitrogen oxide emissions caused by VW's use of emissions defeat devices in certain of its diesel passenger vehicles. The trust is a component of partial settlements with VW and provides earmarked funding opportunities for actions like "scrap and replace" projects for the heavy-duty sector, including on-road freight trucks, transit and shuttle buses, school buses, forklifts and port cargo handling equipment, commercial marine vessels, and freight switcher locomotives. As required by the settlement, California developed a Beneficiary Mitigation Plan that was approved by the trustee in June 2018.

As part of the Beneficiary Mitigation Plan, \$90 million was made available for the Zero-Emission Class 8 Freight and Port Drayage Trucks category to replace freight trucks (including drayage), waste haulers, dump trucks, and concrete mixers. The first \$27 million installment of the total \$90 million has been approved and [applications for funding](#) will be available on August 18. Eligible applicants will be awarded funding on a first-come, first-served basis.

To qualify, existing vehicles must be powered by engine built in model years 1992 to 2012, in compliance with all applicable regulations, and scrapped in exchange for a zero-emission replacement vehicle certified or approved by the California Air Resources Board or eligible under the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project. Applicants must be able to prove ownership for at least one year, and the old and new vehicles must operate within California at least 75% of the time. Applicants granted an award must submit annual usage reports for the term of the contract.

Maximum funding will not exceed \$200,000 per eligible replacement vehicle and funding is available for both public and private entities. Non-government entities, however, may only receive an incentive up to 75% of the cost of the vehicle, while government-owned vehicles are eligible for 100% of the cost up to the \$200,000 cap.

VW Environmental Mitigation Trust funding for this and other projects, in California and in many other states, promotes the development of and investment in cleaner transportation technologies and the infrastructure that supports them. While the total \$90 million is simply a drop in the bucket when it comes to meeting California's goal of phasing out diesel trucks completely by 2045 under its newly passed Advanced Clean Trucks regulation, it is a start.

Tags: [Funding](#), [Vehicles](#), [Zero-Emission](#)

Babst | Calland
Attorneys at Law

PITTSBURGH, PA | CHARLESTON, WV | HARRISBURG, PA | STATE COLLEGE, PA | WASHINGTON, DC