

Zero Emission School Bus & Infrastructure

ZESBI Eligible Costs

Last Updated: January 2026



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1. Introduction

The Zero-Emission School Bus and Infrastructure (ZESBI) incentives project pairs zero-emission (ZE) school bus vehicle incentives through the California Air Resources Board (CARB), with charging infrastructure incentives and associated costs through the California Energy Commission (CEC). The policies, requirements and incentive structures for ZE school bus incentives are outlined in [CARB’s ZESBI Implementation Manual](#), whereas the policies, requirements and incentive structures for infrastructure and school transportation program incentives are outlined in [CEC’s ZESBI Implementation Manual](#).

All costs must be incurred and invoiced within the Incentive Recipient’s ZESBI Agreement Term.

2. Eligible ZE School Bus Costs

Maximum Zero-Emission School Bus Incentives are intended to cover nearly, if not all of, the full cost of a new ZE school bus. Maximum ZE School Bus Incentives may also cover taxes and other costs related to the purchase of the eligible ZE school bus, up to the maximum incentive amount awarded.

2.1. ZE School Bus Costs

Cost Type	Description
ZE School Bus	<ul style="list-style-type: none"> • New, medium or heavy-duty, ZESBI-funded ZE school bus(es), • See a list of ZESBI eligible vehicles, labeled with the blue “Set-Aside/ZESBI” banner, in the HVIP Vehicle Catalogue linked here. • New ZE school buses must be purchased from an HVIP approved dealer. A listing of approved dealers is available here.
Wheelchair Lifts	<ul style="list-style-type: none"> • Incentive Recipients may receive an additional \$15,000 plus-up for the purchase of an eligible school bus equipped with a wheelchair lift.
Taxes	<ul style="list-style-type: none"> • Taxes related to the purchase of the new ZESBI-funded ZE school bus.

Cost Type	Description
Shipping and Delivery Fees	<ul style="list-style-type: none"> Shipping and delivery fees related to the purchase of the new ZESBI-funded ZE school bus.
Document Preparation Fees	<ul style="list-style-type: none"> Document preparation fees related to the purchase of the new ZESBI-funded ZE school bus.
Recycling Fees	<ul style="list-style-type: none"> Recycling fees listed on the purchase order of the new ZESBI-funded ZE school bus.
California Tire Fees	<ul style="list-style-type: none"> Tire fees related to the purchase of the new ZESBI-funded ZE school bus.
DMV Filing Fees	<ul style="list-style-type: none"> DMV filing fees related to the purchase of the ZESBI-funded ZE school bus.

2.2. Eligible Infrastructure Costs

Maximum Infrastructure Incentives must be used to deploy chargers that support ZESBI-funded ZE school buses. “Procurement” and “Installation” costs, as shown below, must be fully covered before “Other Costs” become eligible.

This is not a comprehensive list. If an Incentive Recipient would like to cover a cost not listed in this resource, they will need to seek individual approval from the Implementer (CALSTART) prior to incurring the cost. Please reach out to ZESBI Staff at schoolbusteam@calstart.org.

2.2.1. Procurement Costs

Cost Type	Description
Electric Vehicle Supply Equipment (EVSE)	<ul style="list-style-type: none"> EVSE, including Level 2 charger and direct current fast chargers (DCFC). See a list of eligible EVSE in the linked Approved Product List.
Network and Software	<ul style="list-style-type: none"> A one-time network and software cost (includes Charging Station Management Systems) for up to six years after commissioning of the ZESBI-funded chargers, if it is invoiced for within the Agreement Term.

Cost Type	Description
Vehicle-to-Grid (V2G)	<ul style="list-style-type: none"> Equipment capable of V2G bidirectional charging (eligible but not required).
ZE Mobile Chargers	<ul style="list-style-type: none"> An Applicant must provide sufficient information as to why a mobile charger is needed (example: utility delay). A mobile charger cannot replace a permanent charger(s). An Applicant must be able to verify that costs for permanent chargers and installation will be fully covered before spending incentives on a mobile charger. Non-zero-emission generators are not allowed for the purpose of powering mobile chargers procured with ZESBI incentives.
Warranty	<ul style="list-style-type: none"> Baseline warranty included with EVSE or extended warranty covering both parts and labor for up to six years after commissioning of the chargers if it is invoiced for before the end of the Agreement Term.
EVSE Service Agreements	<ul style="list-style-type: none"> Standard or extended EVSE service agreements that cover operations and maintenance support for up to six years following system commissioning.
Sales Tax	<ul style="list-style-type: none"> Sales tax related to the purchase of procurement costs up to the Maximum Infrastructure Incentives amount.
Shipping	<ul style="list-style-type: none"> Shipping costs for the EVSE.

2.2.2. Installation Costs

Cost Type	Description
Project Management	<ul style="list-style-type: none"> See note about soft costs below.
Site Design	<ul style="list-style-type: none"> See note about soft costs below.
Site Upgrades	<ul style="list-style-type: none"> Transformers, breakers, stub outs, switchgear, meter mains, and circuit breaker panels. Utility service upgrades and stub outs are allowable for future EVSEs.

Cost Type	Description
	<ul style="list-style-type: none"> ○ Utility programs that reimburse service upgrades and integration costs may be utilized for ZESBI projects but are not eligible to be reimbursed with ZESBI incentives.
Technical Assistance	<ul style="list-style-type: none"> ● Consulting services for vehicle/charging selection, infrastructure design, electric utility connections, fleet operation and maintenance.
Sales Tax	<ul style="list-style-type: none"> ● Related to the purchase of installation costs up to the Maximum Infrastructure Incentives amount.
Mobilization and Demobilization	<ul style="list-style-type: none"> ● To mobilize crews, equipment, and materials.
Commissioning	<ul style="list-style-type: none"> ● Fee to commission charging stations, including testing charger functionality to confirm successful commissioning
Construction and Installation Materials	<ul style="list-style-type: none"> ● Materials such as but not limited to bollards and temperature fencing.

2.2.3. Other Costs

Incentives for eligible “Other Costs” are limited to a single invoice, which must be submitted after site commissioning is complete. Monthly service and permitting fees are not eligible for reimbursement through ZESBI.

Cost Type	Description
ZE Distributed Energy Resources (ZE DER)	<ul style="list-style-type: none"> ● Such as battery energy storage systems (BESS) and/or solar photovoltaics (PV).
Sales Tax	<ul style="list-style-type: none"> ● Related to the purchase of other costs up to the Maximum Infrastructure Incentives amount.

2.2.4. Soft Costs

Soft costs are defined as costs associated with constructing an infrastructure site that do not go directly toward the purchase of equipment and are eligible for incentives through ZESBI. Incentive Recipient personnel costs and permitting fees are not eligible soft costs and are ineligible for reimbursement. Incentives for soft costs are limited to the following categories:

- 1) Labor costs related to construction paid at applicable prevailing wage rates.
- 2) Labor costs related to project design and project management.
- 3) Architectural, design, or legal fees for infrastructure planning.

Eligible soft costs will be paid on a quarterly reimbursement basis for costs deemed necessary and reasonable through supported invoices and relevant supporting documentation. Labor rates must be in compliance with applicable regulations, including but not limited to prevailing wage.

“Soft Costs” have the following documentation requirements for reimbursement:

- Subcontractor and capital costs shall be itemized on the invoice and supported by relevant documentation such as a subcontractor invoice, receipt, or other pertinent third-party provided documentation verifying amounts billed.
- CEC and its Implementer may, in their sole discretion, require additional documentation to ensure requirements have been met. Additionally, in the event that funding from other sources beyond ZESBI becomes available, CEC or its Implementer may require additional documentation to comply with specific requirements of the new funding source.

3. School Transportation Program Incentives Cost

For all Incentive Recipients, up to 10 percent of their Total ZESBI Award is considered the Incentive Recipient’s Maximum School Transportation Program (STP) Incentives amount. An Incentive Recipient has the option of spending its Maximum STP Incentives toward eligible STP and/or infrastructure costs (as outlined in [Section 6 Eligible Infrastructure Costs of the CEC ZESBI IM](#)) not fully covered by its infrastructure incentives. Maximum Infrastructure Incentives must be expended first before any STP incentives can be used toward eligible infrastructure costs.

Incentive Recipients may request a portion of their STP Incentives after they submit

their vehicle purchase order and receive approval from ZESBI staff for Application Part C - Step 2. The remaining balance of STP Incentives will become available once all infrastructure invoices have been submitted. CALSTART will notify Incentive Recipients of their eligible STP Incentives and/or Incentive Recipients can check their ZESBI Application Portal to see their current eligible balance.

STP incentives should supplement, not supplant, expenses from an Incentive Recipient’s school transportation department. All project costs must be incurred and invoiced for within the Incentive Recipient’s Agreement Term.

Below is a list of eligible costs that could be covered by STP incentives. This list is not comprehensive. If an Incentive Recipient would like to cover a cost not listed, the Incentive Recipient will need to seek individual approval from the Implementer prior to incurring the cost. Please reach out to schoolbusteam@calstart.org.

Cost Type	Description
Fleet Transition Plans	<ul style="list-style-type: none"> Plans for transitioning a fleet of vehicles to zero-emission models.
Charger Repairs	<ul style="list-style-type: none"> Purchase and installation of replacement parts.
Transportation Department Buildings	<ul style="list-style-type: none"> Flood Lights. Office Equipment (Computers, Printers, Software). Security Cameras and Systems.
Transportation Department Electrical System	<ul style="list-style-type: none"> Electrical System Upgrades to Transportation Yards (transformers, breakers, stub outs).
Transportation Department ZE Workforce Training	<ul style="list-style-type: none"> Incentive Stipends for Completion of the CEC’s Electrical School Bus Training Program. <ul style="list-style-type: none"> Maximum amount per person will be determined at a later date. Note, Incentive Recipients cannot receive incentives from both ZESBI and the CEC’s Electric School Bus Training Program for the same training. Refer to CEC ZESBI IM Section 5.3 Combining Other Funds with

Cost Type	Description
	<p>ZESBI for more details on combining ZESBI funds</p> <ul style="list-style-type: none"> • Maintenance Equipment Used for Training. • Technician Staff Training (Beyond Electric School Bus Training Program). • Cost of EVITP certification training course for a district employee that will be the Installation Partner for the project
Transportation Shop Equipment	<ul style="list-style-type: none"> • Auto Repair Machinery for ZE School Buses. <ul style="list-style-type: none"> ○ Tire Balancer ○ General Tools • Auto Repair Tools for ZE School Buses. • EVSE/Diagnostic Equipment. • High Voltage Safety Equipment/ Supplies for ZE School Buses.
Transportation Vehicles (Owned & Operated by the Incentive Recipient)	<ul style="list-style-type: none"> • Automotive Parts for ZE School Buses. <ul style="list-style-type: none"> ○ School Bus Lift • Automotive Tires for ZE School Buses. • Charging Management/V2G Management Services. • ZE Maintenance Contracts. • ZE School Bus Repairs (outside warranty).
Transportation Yards	<ul style="list-style-type: none"> • New Fencing/Refencing. • New Pavement/Repavement.
Preventative Maintenance for EVSE	<ul style="list-style-type: none"> • Eligible STP cost for at least the term of the agreement or at most six years after commissioning.

Proof of costs will be required for STP incentive reimbursement requests, and may include, but not be limited to, certifications, a signed attestation, scope of work, contract, and invoice. The Implementer and CEC retain the sole discretion to determine the eligibility of STP costs, with the authority to declare any cost as ineligible at any time pursuant to applicable laws, regulations, and the guidance within the CEC ZESBI IM. CEC and its Implementer may, in their sole discretion, require additional documentation to ensure requirements have been met. Additionally, in the event that funding from other sources beyond ZESBI becomes

available, CEC or its Implementer may require additional documentation to comply with specific requirements of the new funding source. See [CEC ZESBI IM Section 5.3 Combining Other Funds with ZESBI](#) for more information.