Implementation Manual

Appendix G: Zero Emission School Bus & Infrastructure Incentives Second Solicitation

Implementation Manual for Zero-Emission School Bus and Infrastructure (ZESBI) Project Second Solicitation Administered by the California Air Resources Board

For ZESBI infrastructure requirements, please see the ZESBI CEC Second Solicitation Implementation Manual



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Implementation Manual

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Key Terms

Administrator

For the purposes of ZESBI, the term "administrator" means the entity selected by California Air Resources Board (CARB) via competitive solicitation to administer the Clean Truck and Bus Voucher Incentive Project (HVIP), including ZESBI.

Applicant

An eligible Local Education Agency (LEA) who has applied for but has not yet been awarded a ZESBI grant.

California Charter School

A California public school providing instruction in grades K-12 created or organized by teachers, parents, community leaders, or a community-based organization that is included in the list of public charter schools maintained by the California Department of Education online at: https://www.cde.ca.gov/ds/si/cs/

Clean Truck Check Program

Clean Truck Check (formally known as the heavy-duty vehicle inspection and maintenance regulation) applies to most diesel and alternative fuel heavy-duty vehicles with a Gross Vehicle Weight Rating (GVWR) over 14,000 pounds that operate on California public roads, including school buses.[1] Zero-emission vehicles and gasoline powered vehicles are exempt from Clean Truck Check Requirements. Fleets were required to report vehicles to the **Clean Truck Check Reporting System (CTC-VIS)** by January 31, 2024, and will be required to submit passing emissions compliance tests with deadlines starting January 1, 2025.

Disadvantaged Community (DAC)

Areas disproportionately affected by environmental pollution and other hazards that can lead to negative public health effects, exposure, or environmental degradation. Areas with concentrations of people that are of low income, high unemployment, low levels of home ownership, high rent burden, or low levels of educational attainment, as defined by CalEPA. Disadvantaged Communities are identified on the California Climate Investments Priority Populations Map.[2]

Fleet Size

The count of all vehicles with a GVWR greater than 8,500 pounds under common ownership or control, including unregistered and inoperable vehicles. Unredeemed HVIP vouchers count toward this total.

Grantee

A ZESBI applicant who has been awarded a ZESBI grant.

HVIP Approved Dealer

The vendor of the complete vehicle or vendor that sells and installs engines in existing vehicles and

[1] California Code of Regulations Title 13, Chapter 3.7
[2] California Climate Investments Priority Populations 2023: https://gis.carb.arb.ca.gov/portal/apps/experiencebuilder/experience/?id=6b4b15f8c6514733972cabdda3108348

includes dealers or manufacturers that sell new medium- or heavy-duty vehicles directly to a vehicle purchaser.

Local Educational Agency (LEA)

A local educational agency means any of the following:

1. A County Office of Education (COE) that contracts with a private contractor for the maintenance and operation of its school buses.
2. A School District, County Office of Education, or Charter school, with ownership of title for a school bus or school buses.
    - Excluding a charter school classified as a non-classroom-based charter school as the 2021-22 fiscal year second principal apportionment certification pursuant to Section 47612.5 of the Education Code.
3. A school district or charter school, that contracts with a County Office of Education or private contractor for the maintenance and operation of its school buses.
    - Excluding a charter school classified as a non-classroom-based school as of the 2021-22 fiscal year second principal apportionment certification pursuant to Section 47612.5 of the Education Code.
4. A joint powers authority (JPA) currently operating home-to-school transportation programs on behalf of school districts, county offices of education, or charter schools.
    - Excluding charter schools classified as a non-classroom-based charter school as of the 2021-22 fiscal year second principal apportionment certification pursuant to Section 47612.5 of the Education Code.

Low-income Community (LIC)

Census tracts with median household incomes at or below 80 percent of the statewide median income or with median household incomes at or below the threshold designated as low income by the Department of Housing and Community Development's list of state income limits. Low-income Communities are identified on the California Climate Investments Priority Populations Map.[3]

New Zero-Emission School Bus

The zero-emission school bus described in section 4.3 that is purchased with ZESBI funds.

Old School Bus

An internal combustion engine school bus owned by the local educational agency applying to ZESBI that meets the eligibility requirements of section 4.1, and will be scrapped.

Private School

Any school not under the exclusive control of the officers of the public schools. Per article 9, Section 8 of the California Constitution, no public money shall ever be appropriated to support private schools.

Purchaser

An Applicant eligible to move on to Application Part C for the selection of their new zero-emission

[3] California Climate Investments Priority Populations 2023: https://gis.carb.arb.ca.gov/portal/apps/experiencebuilder/experience/?id=5dc1218631fa46bc8d340b8e82548a6a&page=Priority-Populations-4_0

school bus.

Rural School District

A school district with a school locale code of 31, 32, 33, 41, 42, or 43, as classified by the National Center for Education Statistics (NCES).[4]

Small School District

A school district with fewer than 2,501 units of average daily attendance using the most recently reported annual data in the California Longitudinal Pupil Attendance Data System (CALPADS).

Standard HVIP

The Clean Truck and Bus Voucher Incentive Project, or HVIP, offers point-of-sale discounts on zero-emission truck and bus purchases for commercial fleets. Standard HVIP is the original HVIP program that is open to all vocations and does not require scrappage of an existing vehicle. The funding offered for new zero-emission school buses through the Zero-Emission School Bus and Infrastructure grants is administered as a set-aside within HVIP.

Truck and Bus Regulation

The Truck and Bus Regulation requires heavy-duty diesel vehicles, including school buses, that operate in California to reduce toxic air contaminants emissions from their exhaust. All diesel-fueled school buses with a Gross Vehicle Weight Rating (GVWR) over 14,000 pounds must have a Level 3 particulate matter (PM) filter, the highest level verified retrofit, or an original equipment manufacturer (OEM) PM filter that most commonly comes installed on 2007 model year and newer engines. There is a limited exception for Level 2 PM filters installed before December 31, 2005. School buses operating less than 1,000 miles per calendar year are exempt from the PM filter requirements of the regulation. Reporting is not required for school buses, but recordkeeping is required to demonstrate compliance.[5]

Unduplicated Pupil Count (UPC)

Unduplicated pupils include students who (1) are English learners, or (2) meet income or categorical eligibility requirements for free or reduced-price meals under the National School Lunch Program, or (3) are foster youth. "Unduplicated count" means that each pupil is counted only once even if the pupil meets more than one of these criteria as defined in Section 42238.02 of the Education Code.[6]

1 Introduction

1.1 Background

The Zero-Emission School Bus and Infrastructure (ZESBI) incentive project pairs zero-emission school bus vehicle incentives through the California Air Resources Board (CARB), with charging infrastructure incentives through the California Energy Commission (CEC).

[4] National Center for Education Statistics 2005-06 PDF: Common Core of Data (CCD) - Local Education Agency (School District) Locale Code Files
[5] California Code of Regulations Title 13, Chapter 1, Section 2025(k)`
[6] California Education Code Section 42238.02 California Education Code Section 42238.02 - California Attorney Resources - California Laws (onecle.com)

1.2 Objectives and Priorities

The ZESBI project provides incentives for LEAs to replace heavy-duty internal combustion engine (ICE) school buses with new zero-emission school buses. Additional incentives are provided for the installation of charging or fueling infrastructure and related activities.

- Compared to Standard HVIP, ZESBI requires scrappage of an old ICE school bus and offers higher incentive amounts.

The policies and requirements in the Standard HVIP Implementation Manual (IM) apply to ZESBI incentive funding, however in instances where policies and requirements differ, those outlined in this appendix take precedence for ZESBI.

The policies and requirements for infrastructure and school transportation program incentives administered by CEC are outlined in a separate IM, however, please note that ZESBI Applicants must request at least one charger per ZESBI-funded zero-emission school bus as outlined in Section 2.2.

2 Eligibility

2.1 Eligible Applicants

All Applicants must serve students within the K-12th grade levels.

Eligible entities include:

- California Public School Districts
- California Public Charter Schools*
- California Joint Power Authorities (JPAs)
- California County Offices of Education (COEs)

***Charter schools classified as a non-classroom-based charter school as of FY 2021-22 are not eligible entities.**

Please note that Private Schools are not an eligible entity.

Public school districts in California that own their own school buses are eligible to participate. This includes public school districts that own their school buses but contract with a County Office of Education or private contractor for maintenance and operations. Where two or more public school districts have formed a Joint Powers Authority (JPA), and the JPA holds ownership of the school buses, the JPA is eligible to participate. JPAs may use their highest priority criteria school district to serve as the basis for eligibility. Public charter schools that own their own school buses and County Offices of Education that own their own school buses are also eligible to participate.

2.2 Infrastructure Requirement for Eligibility

ZESBI Applicants must request at least one charger per ZESBI-funded zero-emission school bus in Application Part A. Vehicle-only applications, infrastructure-only applications, and applications without at least one charger per ZESBI-funded zero-emission school bus are not permitted. Applicants may request more chargers than vehicles, however this will be reviewed and awarded depending on funding availability. The Administrator and CARB reserve the right to modify

application requirements to ensure all funds are disbursed.

3 Incentive Structure and Prioritization

3.1 Incentive Amounts

Incentive amounts, as shown in Table 1 below; intend to cover nearly, if not all of, the full cost of a new zero-emission school bus. Incentive amounts may cover taxes and other costs related to the purchase of the eligible zero-emission school bus, up to the maximum incentive amount.

Table 1: Maximum Incentive Amounts

School Bus Type	Baseline Vehicle Incentive	School Bus Incentive Increase*	Wheelchair Lift Incentive	Total Maximum
Type A	$280,000	$40,000*	$15,000	$335,000
Type C	$340,000	$40,000*	$15,000	$395,000
Type D	$360,000	$40,000*	$15,000	$415,000

*** All school buses are eligible for a $40,000 School Bus Incentive Increase which does not contribute to the calculation of Maximum School Transportation Program Incentives. See "School Bus Incentive Increase" below for additional details.**

Eligible Plus-up

As shown in Table 1, ZESBI recipients may receive an additional $15,000 incentive for the purchase of an eligible school bus equipped with a wheelchair lift.

School Bus Incentive Increase

As of spring 2026, all approved applications in ZESBI are eligible to receive up to $40,000 in additional funding for each zero-emission (ZE) school bus as a one-time School Bus Incentive Increase. This additional $40,000 per vehicle incentive award shall be treated as a separate award and shall not be included in or contribute to the calculation of any other incentive awards under the Agreement, including the Maximum School Transportation Program Incentives. The additional funds can only be used toward the purchase of an eligible ZE school bus or associated eligible costs listed in this IM. The additional funds cannot be used to increase the number of ZE School Buses in a ZESBI Application.

To receive the school bus incentive increase, LEAs may be required to sign an Addendum to their Incentive Recipient Agreement acknowledging receipt of these funds.

Ineligible Plus-ups

Incentive amounts for ZESBI funding are not eligible for Standard HVIP plus-ups or eligible to combine with other HVIP funding types. For information about Standard HVIP and other funding types in HVIP, see www.californiahvip.org/IM and http://www.californiahvip.org/funding.

Eligible Costs include:

- Zero-emission school bus

- Taxes
- Tariffs
- Shipping and delivery fees
- Document preparation fees
- Recycling fees
- California tire fees
- DMV filing fees

Ineligible Costs include, but are not limited to:

- Training
- Extended warranties
- Scrappage fees
- Local governmental agencies incentive fees
- Any price increases after initial purchase order is submitted, excluding price increases from tariffs.
- Maintenance and repairs needed for the new zero-emission school bus(es)
- Cost of delayed payments to Approved HVIP dealers for school buses

3.2 Applicant Prioritization

Applications will be reviewed on a first-come, first-served basis based on the timestamp of Application Part A submission. Funding will be allocated based on timestamp and agency discretion. The timestamp for an application that is missing materials or otherwise deemed incomplete will not be recorded until all application materials are submitted. Funding may be awarded once all required documentation is received and approved by the ZESBI team.

3.3 Determining Grantees

Applications will be accepted until all available funding is awarded or ZESBI otherwise determines to close ZESBI to new applications. Grantees will be awarded funding once all required documentation is submitted, and the Administrator has reviewed and approved the application information as outlined in Section 5. Funding will be allocated based on timestamp of Application Part A and agency discretion.

3.4 Waitlist

When available funding is fully subscribed, ZESBI has sole discretion to permit a waitlist. If funding becomes available, waitlisted Applicants will be reviewed in the order in which their application is received.

Waitlisted Applicants are not guaranteed funding, nor is there a guarantee funding will become available. Funding availability is based on demand, and any cancellations during the funding process. If additional funding from other sources becomes available, ZESBI may use it to fund the ZESBI waitlist at its sole discretion.

Applicants on the waitlist are subject to the IM and the Grant Agreement that are in place at the time they are offered ZESBI funding, not the version in place at the time the waitlist request is initially created (if different).

4 School Bus Requirements

4.1 Old School Bus Eligibility Requirements

Participation in ZESBI requires the scrappage of an old school bus for each new school bus that is awarded. The old school bus can be any internal combustion engine using any fuel type. The eligibility requirements for the old school bus(es) are:

- The school bus chassis must be a 2010 model year or older. The school bus chassis age is verified by the model year listed on the DMV Registration Form.
- The school bus must be Applicant owned. The school bus cannot have a lienholder listed on the DMV Registration Form.
- The school bus must have a Gross Vehicle Weight Rating (GVWR) greater than 10,000 pounds. School bus(es) with a GVWR of exactly 10,000 pounds or less than 10,000 pounds are not eligible.
- The school bus must have a current California Highway Patrol Safety Certification (CHP 292 or equivalent) at the time of Application Part A submission. A non-certified school bus will not be able to continue within the application process.
- Diesel-fueled school bus(es), that are greater than 14,000 pounds GVWR, must be compliant with the California Truck and Bus Regulation in order to receive a full incentive amount. In cases where the old school bus is not compliant, a $20,000 incentive deduction will be applied per non-compliant school bus. Review the School Bus Fact Sheet on the Truck & Bus Regulation for detailed information: **ww3.arb.ca.gov/msprog/onrdiesel/documents/fsschoolbus.pdf**
    - Applicants must provide a self-certification that the school bus(es) is/are compliant. To maintain compliance with the CA Truck and Bus Regulation, school buses must have a diesel particulate filter (DPF) installed or operate less than 1,000 miles per calendar year (low use).

4.2 Old School Bus Scrappage Requirements

Scrappage and submission of documentation of the old school bus(es) being scrapped can occur after the grant agreement has been fully executed and must occur within 12 months of new school bus delivery. If the Grantee does not scrap the old school bus and submit all required scrappage documentation within 12 months, CARB may require the repayment of previously disbursed funds.

Proof of scrappage utilizes a Dismantle Certification Form and requires supporting documentation. The Dismantle Certification Form will require the following documentation to be considered a complete submittal:

- A copy of the DMV Dismantler's Notice of Acquisition/Report of Vehicles to be Dismantled (REG 42) or a DMV Junk Slip and Certificate of Destruction from the entity destroying the school bus. A Certification of Destruction template can be found on the HVIP website.
- Photographs documenting proper school bus chassis and school bus engine destruction:

- Vehicle Identification Number (VIN) plate;
- Engine plate depicting engine serial number;
- Photograph(s) depicting the method used to scrap the non-engine portion of the school bus (chassis). To dismantle the school bus chassis means to punch, crush, stamp, hammer, shred or otherwise render permanently and irreversibly incapable of functioning as originally intended.
- Photograph(s) depicting the method used to scrap the engine portion of the school bus. To dismantle the engine portion, either a 3-inch hole must be cut into the engine block, or the engine block must be crushed and rendered permanently and irreversibly incapable of functioning as originally intended. Any other methods of engine block scrappage must obtain approval in writing from CARB or its Administrator prior to using the proposed scrappage method.

CARB or its Administrator may, in their sole discretion, require additional documentation to ensure scrappage requirements have been met. Additionally, if funding from other sources becomes available, CARB or its Administrator may require additional documentation to comply with specific requirements of the new funding source (such as Diesel Emissions Reduction Act funding).

4.3 New Zero-Emission School Bus Requirements

The new school buses must be zero-emission and meet all HVIP eligibility requirements included in the IM. The new school bus(es) must:

- Have a GVWR greater than 10,000 pounds.
- Not have any fossil fuel fired heaters installed on the bus.
- Each school bus must be capable of vehicle-to-grid (V2G) bi-directional charging and discharging via use of type 1 combined charging system (CCS) at a minimum of 60 kW. Eligible school buses may also use North American Charging Standards (NACS), at a minimum of 60 kW.
- Each school bus must be capable of bidirectional charging via Direct Current (DC) pins using application layer messages described in ISO 15118-20. This includes the communication messages and sequence requirements for bidirectional power transfer specified in ISO 15118-20.
- The school bus must be designed so that no hardware or firmware changes are necessary to allow the bus to immediately serve demand that is independent of the utility grid (e.g. vehicle-to-load functions that are "islanded" or electrically separated from the utility system).
- The school bus must be able to receive a remote update enabling grid-interconnected V2G functions (e.g. vehicle-to-building functions connected to the utility system), upon completion of applicable requirements for safe electrical interconnection.

More information about the HVIP eligibility process is at **www.californiahvip.org/dealers**. Purchasers can discern whether a specific HVIP-eligible school bus is included as ZESBI eligible by viewing the indication on each bus's listing at **www.californiahvip.org/vehicle-category/school-bus**. A purchaser intending to purchase a school bus that is not indicated as ZESBI eligible, may instead participate in Standard HVIP on a first-come, first-served basis, including utilizing the voucher amounts and rules included in the Standard HVIP IM.

5 Application Process

LEAs will submit their application through an online application process. Applicants will complete a single application to apply for the vehicle funding administered by CARB and the infrastructure, and school transportation funding administered by CEC. While this IM focuses on the application requirements for the school bus purchase, CARB and CEC have worked together to develop a simple, streamlined application process to simultaneously apply for both funding for the school bus, and associated infrastructure. This IM focuses on the application steps and requirements for the zero-emission school bus purchase. Application steps and requirements for infrastructure funding can be found in CEC's Second Solicitation ZESBI IM.

All Applicants will be required to register and create an account to apply using Application Part A. Applicants with an approved Application Part A who are notified of reserved funding will move on to provide additional documentation in Application Part B. Once the old school bus documentation is approved and compliance with applicable regulations has been verified, Applicants will continue to Application Part C. In Application Part C, Applicants will select their new zero-emission school bus(es) and sign an Incentive Recipient Agreement. After the funding contract has been fully executed, Applicants may submit a purchase order for the new zero-emission school bus(es).

Please refer to the graphic on the ZESBI website for a visual representation of the application process.

5.1 Application Period

Prior to the application open date, ZESBI will allow a pre-application period. During the pre-application period, prospective applicants can fill out, upload and save required application information but will not be able to submit the application until the application acceptance period opens. Applications will be accepted starting at least two weeks after the pre-application period and will be awarded based on both a first-come, first-served and agency discretion basis until the ZESBI team deems necessary. Application timestamp will be based on complete Application Part A submission, should documentation be missing or incomplete, the application timestamp will be updated to the date and time of receipt of acceptable documentation.

5.2 Registration

Applicants will be required to create an account in the online ZESBI Application Portal prior to submitting Application Part A (current ZESBI applicants may use their existing accounts). In order to create an account, Applicants will be required to provide an email address and create a password. The Applicant will be able to verify application submission within the ZESBI Application Portal and track application progress.

5.3 Application Part A

Application Part A is the first step of the application process. Submission of Application Part A will be done via the ZESBI Application Portal. In Application Part A, Applicants must list their contact information, projected quantity of vehicles they plan to purchase, and provide information on the old school bus(es), including the number of school buses they intend to scrap.

The information provided on Application Part A cannot change after the initial application period has ended. The old school bus(es) included on Application Part A cannot be substituted. Applicants must answer questions related to charging infrastructure, both existing and planned, for the new school bus(es).

The Applicants must submit the following information:

- A Letter of Intent signed by an authorized representative stating the Applicant's intent to purchase zero-emission school bus(es).
- A current copy of the DMV Registration for each old school bus included in Application Part A.
- A current copy of the CHP Safety Certification (CHP 292) or equivalent for each old school bus included in Application Part A. The old school buses must have a current, unexpired, CHP 292 or equivalent at time of application submittal.

Please note that the Applicant will be required to provide additional information related to the infrastructure portion of their grant as described in the CEC Second Solicitation ZESBI IM.

5.4 Application Part B

During the Application Part B process, Applicants will have 30 calendar days to, submit Application Part B, and includes responding to Application Part B corrections within 30 calendar days of notification. Application Part B submittals will be reviewed in the order received.

Approval of late Application Part B submittals is at the discretion of CARB or its administrators.

Applicants must provide the following Application Part B documentation to the ZESBI team for review:

- **Board Resolution:** The ZESBI School Board Resolution template must be completed, approved, and signed by a school district or governing board. If the ZESBI School Board Resolution template cannot be utilized, a School Board Resolution must:
    - provide authorization to participate in the ZESBI project,
    - identify an individual authorized to implement and administer the project,
    - specify ZESBI funding,
    - cannot be dated prior to October, 1, 2026.
- **A copy of the current DMV registration with no lienholder listed.**
- **A photograph of the school bus manufacturer's ID tag(s).** The photograph(s) must legibly depict the VIN and GVWR.
- **A photograph of the school bus engine plate.** The photograph must legibly depict the engine serial number.
- **A photograph of the engine block.**
- **A photograph of the side profile of the bus.**
- **California Truck and Bus Regulation Compliance Self-Certification Form.** Only applicable to diesel-fueled school bus(es), greater than 14,000 pounds GVWR, to be scrapped, not the entire fleet.
- **Clean Truck Check Certificate.** Applicants that own vehicles subject to Clean Truck Check are required to submit their Clean Truck Affirmation of Fleetwide Compliance which can be

obtained through the Clean Truck Check Reporting Database (CTC-VIS).

***The Applicant will be required to provide additional information related to the infrastructure portion of their grant as described in the CEC Second Solicitation ZESBI IM.**

5.5 Application Part C

At this stage, Applicants will select eligible new zero-emission school bus(es) from the HVIP catalog and may complete additional requirements related to the infrastructure portion of their grants as described in the CEC Second Solicitation ZESBI IM. Applicants are not required to select a like-for-like replacement school bus. Applicants can choose any school bus in the HVIP catalog that meets the requirements for ZESBI funding. The new zero-emission school bus must be purchased from an HVIP approved dealer. A listing of approved dealers is available at: https://californiahvip.org/dealerlist/.

If an Applicant selects a new school bus manufacturer that exceeds the HVIP Manufacturer Cap threshold at any time prior to signing the Grant Agreement, CARB may, at its sole discretion, allow or require Applicants to change their new school bus manufacturer on a Case-by-Case basis.

6 Additional Funding Opportunities & Procurement Contracts

6.1 Combining with Other Funding Sources

ZESBI funding may be combined or "stacked" with other eligible public incentives, where applicable, to further support fleet purchase decisions. Multiple ZESBI funding incentives may not be applied or "stacked" for the same vehicle. To stack eligible public incentives, the Purchaser must ensure that all of the ZESBI and respective public incentive program's requirements and policies are met, that each incentive program is not paying for the same costs, and that the total sum of incentives does not exceed the total cost of the vehicle.

Generally, funds administered by local air districts or local municipalities, such as AB 923 funds, may be combined with ZESBI funding. Some federal funding may be stacked with ZESBI. If an Applicant chooses to stack with another incentive program, the LEA is responsible for ensuring that the other incentive program allows stacking with ZESBI and that all requirements of ZESBI and the other program are met.

Examples of stackable local, state, and federal programs include:

- Federal Diesel Emissions Reduction Act Grants; Clean School Bus Grants or Rebates; Clean Heavy-Duty Vehicles Program
- AB 923 Funds
- Sacramento Metropolitan AQMD's Sacramento Emergency Clean Air & Transportation Grant Program (SECAT)
- South Coast AQMD's Mobile Source Air Pollution Reduction Review Committee (MSRC) grants
- Bay Area AQMD's Mobile Source Incentive Fund and Transportation Fund for Clean Air
- Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program)
- Community Air Protection Incentives to Reduce Emissions in AB 617 Communities

Incentive programs that MAY NOT be combined with ZESBI funding includes, but not limited to, the following:

- Standard Clean Truck and Bus Voucher Incentive Project (HVIP)
- HVIP Public School Bus Set-Aside & EnergIIZE Joint Application
- California Climate Investments (CCI)*
- Volkswagen Environmental Mitigation Trust for California (VW Mitigation Trust)

*Community Air Protection Incentives are the only California Climate Investment Program that may be stacked with ZESBI.

6.2 Statewide Procurement Contract

ZESBI participants are encouraged to review the Department of General Services (DGS) Statewide Procurement Contract (Bulletin #: K-73-23). The Statewide Procurement Contract includes zero-emission school buses Type A, Type A with a cutaway chassis, Type C and Type D. Use of the DGS Statewide Procurement Contract is encouraged, but not required to receive ZESBI funding. To learn more about this opportunity, please go to: **https://californiazesbi.org/wp-content/uploads/2026/03/DGS-Statewide-Contract-Guide-1.pdf**

7 Grantee Duties and Responsibilities

7.1 General Responsibilities

The Grantee is responsible for the following:

- Selecting a school bus that meets their needs, ordering the school bus from an HVIP approved dealer and ensuring the purchase order contains the necessary provisions specified in section 7.2.
- Coordinating with the HVIP approved dealer and charging system providers to ensure that the selected new zero-emission school bus is compatible with planned and/or existing infrastructure.
- Responding to requests for information and documentation from CARB or its Administrator within 10 business days.
- Coordinating directly with the HVIP approved dealer on the timeline for school bus deliveries.
- Promptly notifying CARB or its Administrator if the point of contact for the application changes.
- Notifying CARB or its Administrator if it has received or expects to receive other incentive funding for the scrappage of the same old school bus or purchase of the same new school bus.
- Coordinating with its local electric utility provider to prepare for the installation of infrastructure.
- Completing the Scrappage and Data Collection Responsibilities after the new zero-emission school bus is delivered.

- Coordinating with CHP to ensure that the new zero-emission school bus is inspected and receives a CHP 292 or equivalent within 30 calendar days of the delivery of the new school bus.
- Coordinating with the HVIP approved dealer to rectify any issues with the new school bus in a timely fashion.
- Paying the HVIP approved dealer the amount due within 60 calendar days of the new, zero-emission school bus passing CHP certification.
- Notifying CARB or its Administrator if it no longer wishes to participate in the ZESBI project.

7.2 Grant Agreement/Purchase Order

Upon approval of Application Part C, a grant agreement will be issued to the Grantee. After the grant agreement is fully executed, the Grantee will have 10 business days to sign and submit a purchase order or other binding agreement for the new school bus(es). All purchase orders submitted must include the following:

- The make and model of each zero-emission school bus, including if the school bus is equipped with a wheelchair lift.
- The itemized cost of each school bus.
- The grant award amount applied to each school bus.
- The agreed upon delivery date for each new zero-emission school bus.
- A liquidated damages clause for late deliveries, as follows, "For every date after [insert delivery date agreed upon by the Grantee and HVIP approved dealer], in which a school bus has not been delivered as specified in the contract, [HVIP approved dealer name] shall be liable to [Grantee name] for the liquidated damages in the amount of $100 per day per school bus purchased with funds from ZESBI."
- A liquidated damages clause for zero-emission school buses that do not pass CHP inspections as follows: "Should the school bus fail its CHP inspection after delivery, for every date after delivery until the date the repaired school bus is returned to the [Grantee name], the [HVIP approved dealer name] shall be liable to [Grantee name] in the amount of $100 per day per school bus purchased with funds from ZESBI."
- Acknowledgement that the amount due on the purchase order is due within 60 days after the new zero-emission school bus has passed CHP inspection. Purchase orders that allow payment after 60 days of the new zero-emission school bus passing CHP inspection are acceptable if both the Grantee and HVIP approved dealer agree upon the terms of extended repayment.
- Upon submission of a purchase order and signature of grant agreement, a deduction of $20,000 will be applied to any incentive for any old school bus that is not compliant with the California Truck and Bus Regulation.

7.3 Non-Responsive Applicant/Grantee

If at any stage in the ZESBI application or funding process, an Applicant/Grantee ceases to respond to CARB or its Administrators regarding missed deadlines, for a period beyond 30 days, funding

may be cancelled and reallocated to another Applicant/Grantee.

7.4 Required New Vehicle Delivery Timeline

The new vehicle must be delivered within 540 days of the purchase order, and the Grantee must submit an initial request for payment within 45 calendar days of vehicle delivery. CARB or its Administrator will review requests for extensions on a case-by-case basis and may approve such requests using its sole discretion.

7.5 Redemption Process

In addition to adhering to redemption requirements detailed in the Standard HVIP IM, the following are required for ZESBI participants:

- The new school bus must be delivered, and CHP certified. Proof of CHP Certification of the new school bus is required within 30 calendar days of vehicle delivery.
- If the new school bus is equipped with a wheelchair lift, a photograph of the wheelchair lift will be required.
- Additional documentation may be required prior to incentive redemption, at the discretion of CARB or its Administrators.
- The old school bus(es) must be dismantled and required documentation provided within 12 months of the new school bus delivery date. Failure to scrap the old school bus(es) constitutes a material breach of the grant agreement such that CARB, or its Administrator, may recapture funds.
- All HVIP Terms and Condition requirements must be met.

7.6 Data Collection Responsibilities

Telematics reporting requirements are the same as Standard HVIP as described in the Standard HVIP IM. In addition, there will be a data collection requirement of a minimum of 12 months, or until the old, replaced school bus is scrapped, whichever is later. Reporting will be submitted on a quarterly basis, consisting of:

- Vehicle Miles Traveled (VMT)
- Repair downtime (downtime days/total in service days)
- General reason for downtime
- (Optional) Discharge of electricity using the V2G capability of the school bus

Additionally, the grantee will be required to participate in periodic program reporting to provide feedback on the performance of the new zero-emission school bus and the Grantee's overall experience with ZESBI.

If a Grantee fails to submit the required quarterly reporting or periodic program reports, they may be ineligible for additional HVIP vouchers while this information remains outstanding.

8 Personally Identifiable Information and Applicant/Grantee Privacy and Conditions of Use

All information associated with ZESBI funding, including Applicant/Grantee name and address, contact information, and sales transaction are public information and subject to release. Additionally, the VIN of the old school bus and new zero-emission school bus may be shared with other funding entities as necessary to determine compliance with co-funding requirements.

Any information or data that contains Personally Identifiable Information (PII) should only be reported in aggregate, with PII removed, or only retained for contact purposes. For more information, please visit CARB's website for **Privacy and Conditions of Use**.