

INCENTIVES PROGRAMS | OCTOBER 2025

HVIP – FY24-25 Innovative Small E-Fleets (ISEF)



ISEF helps small fleets transition to zero-emission trucks with increased funding for flexible leases, rentals, vehicle-as-a-service models, and subscription packages. Straight purchases and long-term leases fall under standard HVIP.

The FY24-25 program opens October 21, 2025 with a \$30M budget. Providers may include TaaS, fleet management, or CaaS companies, but only HVIP-approved Dealers can request vouchers. A "Purchase Plus" option allows direct purchases bundled with approved services when standard HVIP is closed (requires one year of CA registration).

Eligibility & Funding Amounts

1 For Fleets

- **California-operated fleet with 20 or fewer vehicles:** GVWR >8,500 lbs; includes registered non-operational units; excludes off-road/junk/dismantled
- Annual revenue **≤ \$15 million** (non-profits and government agencies exempt)
- Each small fleet can request up to 5 **vouchers per funding year**

2 For Providers

- Must submit a Provider Eligibility Application to CARB, including contact information and a description of the proposed innovative project framework (ease of use, comprehensive service offering, and pricing transparency)
- **30 voucher soft cap per provider** allowed during first 90 days after opening (cap lifted afterward); cannot reserve more than 30% of ISEF funding in first 30 days)
- Providers must ensure vehicles operate in California as required under the HVIP Implementation Manual and must report all required activity to CARB for three years of operation.
- Vouchers are valid for 18 months from issuance.

Vehicles & Voucher Amounts

- *Eligible for Class 4–6 zero-emission vehicles listed in the HVIP Eligible Vehicle Catalog*
- *Voucher Amounts are equal to twice the HVIP Base Voucher and are similarly capped at 90% of the vehicle cost (minus taxes, fees, registration, etc.)*

Vehicle Class	ISEF Base Voucher
4 & 5	\$130,000
6	\$160,000

Voucher Submission Process

An HVIP approved dealer completes an initial voucher request in the Voucher Processing Center on behalf of the Provider for the small fleet. Provider contact information must be listed on the voucher request and the eligible small fleet end user must be identified.

Voucher requests must include all required documentation showing compliance with all California laws and regulations. In addition, all fleets must submit a public attestation to CARB that they are in full compliance with Assembly Bill 794.

An individual purchase order between the Dealer and the Provider must be submitted for each small fleet customer. While a small fleet must be identified at the time of application, a separate executed final agreement between the Provider and small fleet is not required at the time of the voucher request but is needed prior to redemption. Once the HVIP approved dealer submits the voucher request with all required documentation, it is considered complete and ready for review. Once submitted, voucher requests follow standard HVIP processing. HVIP administrators will work directly with the Dealer to gather any additional information required.”

Telematics & Reporting

Providers must submit all required reports for at least three years, such as the annual usage survey and questionnaire. In addition, Providers must track users to reasonably ensure that funded vehicles are with small fleet operators at least 200 days per year.

In situations where an approved provider solution allows for frequent fleet turnover, such as a short-term rental, Providers may submit a report every 6 months that discloses the fleet and service use of the vehicles - this is in lieu of requiring pre-approval of all domicile address changes as outlined in the HVIP IM.

Provider Service Agreement Requirements

A service agreement between the Provider and the small fleet will be required before redemption. Service agreements must include, at a minimum, the following details:

- *Vehicle quantity and description (must match voucher request)*
- *Lease/rental term – The agreement must demonstrate how the incentive is being passed down to the small fleet, and must denote that a voucher was received for the vehicles.*
- *Fees associated with rental, lease and transportation as a service (maintenance, fueling fees, infrastructure, telematics fees, etc.).*
- *Vehicle domicile address (must match voucher request)*
- *Responsible party for insurance*
- *Any complimentary services offered*