



Foothill Transit



August 19, 2025

The Honorable Gavin Newsom
Governor, State of California
1021 O Street, Suite 9000
Sacramento, CA 98514

The Honorable Mike McGuire
President pro Tempore, California State Senate
1021 O Street, Suite 8518
Sacramento, CA 95814

The Honorable Robert Rivas
Speaker, California State Assembly
1021 O Street, Suite 8330
Sacramento, CA 95814

Dear Governor Newsom, Senate President pro Tem McGuire and Speaker Rivas:

Re: Support for Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) Funding

On behalf of the undersigned organizations, we write to respectfully request the Legislature support critical funding for the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP), administered by the Air Resources Board, to ensure California can improve air quality from the heavy-duty transit sector and meet its decarbonization goals. HVIP offers incentives for the purchase of zero- and near-zero-emission trucks and buses for private fleets and transit agencies. It is technologically neutral between hydrogen fuel cell and battery electric vehicles. The investments made by HVIP help clean air pollution from diesel trucks in highway corridors and transit buses in urban locales, both major health problems in California that fall disproportionately on disadvantaged communities.

We are environmental organizations, transit districts, hydrogen businesses, and air quality districts who strongly encourage allocations to HVIP continue in the 2025-26 budget year. This request takes two forms:

- 1) Protect and maintain funding coming to the program from the settlements and unused vouchers from being moved to other programs;
- 2) **Provide additional funding of \$175 million** from the Greenhouse Gas Reduction Fund (GGRF) so the program can continue to operate at its historic levels.

We recommend sustained investment in zero-emission vehicles and infrastructure through a multi-year continuous appropriation that will align long-term market signals with state goals. **A combined initial outlay of \$500 million (including money from the settlements of emissions violations and return of unused vouchers and an additional \$175 million from the GGRF) is our request.** With uncertainty around

major federal programs, strong commitment and funding at the state level is even more critical. This appropriation is necessary to catalyze private investment and put California on a path to achieve its ambitious ZEV goals and creating immediate positive air quality impacts.

CARB has shown there is significant need for multiple types of investments in heavy duty transportation due to California exceeding air pollution limits:

<https://ww2.arb.ca.gov/sites/default/files/2024-10/FY%202024-25%20Funding%20Plan%20Appendix%20D.pdf> A funding level of \$500 million would put the program back on track and be in line with its historic average.

We recognize this is a difficult budget year; we ask that the legislature signal its commitment to this important program amidst the choices it has to make.

Sincerely,

Tim McRae
California Hydrogen Business Council

Bill Magavern
Coalition for Clean Air

Michele Canales
Union of Concerned Scientists

Alberto Ayala
Sacramento Metropolitan AQMD

Eugen Litvinov
Hyundai

Dan Raudebaugh
Center for Transportation and the Environment

Dave Best
Bayotech

Patrick O. Fiedler
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KTC

Nicolas Pocard
Ballard Power Systems

Salvador Llamas
AC Transit

Oliver Steinig
Robert Bosch LLC

Greg Heinlein
Utility Global

Cc: Senator Scott Wiener, Chair, Senate Budget & Fiscal Review Committee
Ben Allen, Chair, Senate Budget Subcommittee #2 Resources, Environmental
Protection & Energy
Assemblymember Jesse Gabriel, Chair, Assembly Budget Committee
Assemblymember Steve Bennett, Chair, Assembly Budget Subcommittee #4
Climate Crisis, Resources, Energy & Transportation
Assemblymember Lori Wilson, Chair, Assembly Transportation Committee