STATE OF CA-CAL 3-AIR RESOURCE

Moderator: Bryan Lange

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12:00 pm CT

Coordinator: Thank you for standing by. At this time, all participants are in a listen-only mode until the question- an- answer session of today's conference. At that time, you may press Star 1 on your phone to ask a question. I would like to inform all parties that today's conference is being recorded. If you have any objections, you may disconnect at this time. I will now turn the conference over to Niki Okuk. Thank you. You may begin.

Niki Okuk: Hi, good morning everyone. And thank you for joining us today for this CORE clean off-road voucher incentive project workgroup call. We're happy that you're here today. I know some of you are online looking at the slides. If you would like to download the slides they are also available on the Web site which is californiacore.org. Under contact us, we have an event section and in the event is this workgroup call listed where you can download both the agenda and the slides or you can follow up online with the Go To Webinar link that we sent out earlier. However, keep in mind that the Go to Webinar will not have any audio. The only way to access audio is through this moderated phone call line which you're listening to me on now.

As a reminder, this line is going to be recorded and it is also going to be transcribed.

I’m joined today by my colleagues with CARB and at CALSTART. My name again is Niki Okuk. And I am the Program Manager Clean Off Roach Voucher Incentive Project with CALSTART, its administrator. I'd like to go ahead and let the rest of my CALSTART team introduce themselves. (Tom)?

Tom Brotherton: Hi, this is Tom Brotherton. I oversee the incentive projects. CALSTART which includes HVIP and CORE.

Niki Okuk: And (John). (John) must be on mute. Okay, we'll go ahead and let the CARB team introduce themselves. (Eloy) would you like to introduce your team?

(Eloy Florez): Sure, I'll start off. My name's (Eloy Florez). I'm lead staff for the Clean Off Rock Voucher Incentive Project. I'd like to welcome all of you to today's workshop given the circumstances. So I really thank all of you for taking time out of your day. Wherever you may be, I hope you're safe.

I'll turn it over now to (David Chen). (David Chen), are you there?

(David Chen): Oh, I was on mute. I'm sorry. This is (David Chen). I’m Section Manager here at CARB. My section is responsible for managing the CORE project. (Tess)?

(Tess Secat): My name is (Tess Secat), and I'm the Heavy Duty Off-Road Strategies Branch Chief and CORE is one of the projects that we're doing.

(Tom Brotherton): (Matt Deener).

(Matt Deener): Good morning This is (Matt Deener). I'm one of the staff members charged with reviewing the CORE equipment eligibility applications for the CORE program.

(Tom Brotherton): He's a little modest. He's actually the gatekeeper for all our applications. So he's the gentleman handling all those applications you folks are sending in. (David Igus).

(David Igus): Hey, this is (David Igus) And I'm also one of the staff just helping out with various aspects of the CORE program.

(Tom Brotherton): And we have a couple other staff who are assisting us from other divisions. We mirror the HVIP program so closely. We've asked our friend in the HVIP program to sit along with us. (Peter)?

(Peter Christianson): Good morning. I’m (Peter Christianson). I’m the manager over the HVIP program as well as California's Volkswagen Environmental Mitigation Trust.

(Tom Brotherton): Anybody else on the (unintelligible) with us that I may have missed? All right, I'll turn it back over to Niki. Sorry, go ahead.

Niki Okuk: No, I was only saying yes. I think that's everyone today. So the next, I have our agenda here. We're going to go over the current status of the CORE project, the remaining funding, and a summary of the results thus far. We also have a few proposed changes from staff after reviewing the implementation manual and the conversation with stakeholders. And lastly, we'd really like to open this up for discussion because we have a forum from which we get to hear from our stakeholders and learn about how they're interacting with the program and their vision for how the program benefits them to deploy this type of equipment moving forward.

So as an overview of CORE, I think most of the people that are on this call are probably very familiar with the project so far. So we're going to keep it brief. Just as a reminder, the CORE is a voucher incentive program. So it is first come, first serve. There is no application deadline. It remains open until all funds have been exhausted.

A voucher is set aside upon the kind of request. That means that your funding is set aside for you until it is redeemed and the equipment is delivered. And we include several (unintelligible) incentives for equipment that is deployed in pollution overburden communities defined as (DAC). And the map for that is available on the Californiacore.org Web site. It includes areas a little bit greater than were previously included in HVIP. So it includes some areas that are designated in red on the map and then also our (AB 1550) low-income communities throughout the state with 10% enhancements on their vouchers.

We also include some funding for infrastructure, typically things after step out So no trenching or installation, but for the basic charging infrastructure required to operate this equipment, there are vouchers available for that as well. So as of 3/24, there was $18.7 million in remaining funding. We had begun the program with $41 million. And $8 worth of terminal tractors which were waitlisted on HVIP were migrated over. And from what was remaining, almost half of the funds have been deployed and they've been across a variety, excuse me. I moved to the next slide.

They've been across a variety of categories including terminal tractors as well as transportation refrigeration units and mobile power units and ground power units. However, we have not seen any requests thus far in the large forklift category. The airport ground support equipment category which includes cargo loaders, aircraft hubs. We have not seen any in the rail care mover category. Nor have seen any in container handling which would include reach stackers or Gantry crane.

So we'd like to discuss that with everyone that's on the line a little bit later. We're interested in hearing what may be the barriers to entry. What may be delaying folks in their applications? If there's questions regarding what is an eligible type of equipment, we're very interested to hear from our stakeholders about what may be holding them back from participating in the project thus far.

This slide is a graphic really to help us understand how voucher incentive projects fit into the overall funding structure of CARB and the low carbon transportation funding. So in the very beginning, when technology is just being vetted, it can go through demos and pilots. After that when it's really ready for commercial application, then it enters in the programs like HVIP and CORE. And this means that a piece of technology is really ready for prime time and it should be able to fulfill your needs as an operator in a variety of locations and duty cycles.

However, we understand that even at this early stage of the market, this equipment can be much more expensive than is traditional internal combustion countertypes. And for that reason, we have created this voucher incentive program which really discounts the cost of that equipment right at the sticker price, right at the purchase point.

After when the equipment may be more advanced and reaching more of a cost parody and that equipment can then begin to replace the equipment that's in your fleets today, it can move into other funding programs including Volkswagen mitigation trust, the (unintelligible) program, (AB617) and others. And these will actually help you to start turning over your fleets into alternative fuel vehicles. They do have required scrappage. So one of the major differences between a voucher incentive program which is for this early market deployment and HVIP and CORE and later funding types is the fact that you would not need to retire or scrap any equipment to participate in HVIP or CORE.

So as you know, CORE launched recently. We spent much of the last year conducting meetings like this many of which were in person and many of which I think the participants we have today were engaged in. We heard from over 100 stakeholders at those workgroups. We had close to 40 one-on-one calls with a variety of OEMs and end-users and dealers to try to help us understand and craft and design this program in a way that would facilitate its objectives.

We only launched in January and we had over 100 attendees at that launch event down in the Port of San Diego. And I'm glad to say that once we accepted the first batch of applications for eligible equipment and posted those online, we very quickly started getting vouchers requested and deployed almost, as I mentioned 50% of the available funding.

This is a summary of the participants we have on our call today. So I'm glad to say that as we have in the past, we have quite a variety and diversity of stakeholders here to speak to the program including manufacturers, dealers, community members, end-users, OEM, policymakers and other stakeholders. So I hope that we get to hear all of those voices later today.

Okay, so there are a few items that we've already noticed in the implementation manual could use some clarification.

(Tom Brotherton): Did we lose Niki? I think we have lost Niki if you can bear with us here through. She may be trying to tie back in. While we're waiting, any questions on any of the presentation that we've seen so far? Moderator, could you open the line for any questions at this time?

Coordinator: If anyone would like to ask a question, please press Star 1 on your touchtone phone. You will be prompted to record your name. Please announce your name clearly in order to be introduced with your question. Once again, Star 1 to ask a question. First question is from (Robert). Your line is open.

(Robert): Thanks everyone. (Eloy), (Robert Kelch) and I wondered. Niki gave us the breakdown on it looks like about $23 million has been used up in funds so far. I imagine she was going to give us a breakdown on what areas those funds were consumed with.

(Eloy Florez): I think she may be able to, but if you go back into the slides, you'll notice that yard trucks have become fully impacted. And as we mentioned early on in this process, we had mentioned that we were going to be covering some waitlisted vehicles from HVIP that were transitioning into CORE. We also saw a significant amount of purchases come in, in the TRU category. Anticipate that category also to continue to grow. And we also see some purchases come in, in stored power, in mobile stored power in our mobile power unit component.

I don't know how much in-depth she'll do into that, but that's pretty much where there - if you look at the, that particular slide. And that information is also visible on the CORE Web site by visiting the category caps and or the button that says categories on there.

(Robert): Okay, thanks. I don't know if anybody else is having trouble, (Eloy), but I haven't been able to download the, Niki's presentation at all. It's spinning out of control.

(Eloy Florez): Okay, I apologize for that.

(Tess Secat): (Robert), this is (Tess) and I was just able to download it. So it's coming slowly.

(Robert): Okay, it's probably just my slow computer then.

(Eloy Florez): I will you that - and I'm noticing as well that the PowerPoint is running about roughly 20 seconds behind Niki's presentation. So I imagine that there's quite a few folks out there who are also doing activities as this. And the nation's bandwidth is being stretched to its limits at this point. Again, I do appreciate everyone's patience and working with us. Our intent was to have this meeting in via phone conference from the get-go. Never anticipating that we were going to be in the situation that we are now.

So do appreciate everyone's patience and working with us as we work through some of these technical glitches. Any other questions?

Coordinator: Next up is (Briana Lyon). Your line is open.

(Briana Lyon): Hi, this is (Briana Lawrence) from GNA and I have a very similar question to (Robert). I love the slide where it showed how much spending had been requested per equipment type. Did you say that is already available on the Web site?

(Robert): Yes, ma'am. So if you go to Californiacore.org and then in the - where it shows the funding amounts.

(Briana Lawrence): Okay.

(Robert): You'll see there's a little tab right below that one. You can go ahead and click on that, and that should be able to show you what the funding caps are or the funding limits are in each of the categories.

(Briana Lawrence): But I meant was are you able to see how much funding has already been requested for a particular project type just to get visibility into what categories may already be maxed out like yard tractors?

(Robert): Yes, that's where you'll be able to see it. So each of the funding categories is identified in and represent and each cap is represented and shows where it's at.

(Briana Lawrence): Perfect, thank you so much.

(Robert): No worries. Niki, are you back on with us yet?

Niki Okuk: Yes, I am.

(Robert): Okay, I'm going - I don't know if we have any additional questions. If you mind if we continue to take questions or actually let's revert back to the presentation. Let Niki finish up and then we'll continue the Q&A afterwards. Niki, go ahead.

Niki Okuk: Thank you so much. Yes, and we mentioned, on the Californiacore.org Web site there is a ticker. Under then the ticker there is a button for technology caps. And when you select that you can go to a page that has a table that tells you how much the caps are to be released and how much funding has been requested in each.

So I had just begun to talk about a few of the proposed changes that the team would like to address. At this time, I would like to turn it over to some of my CARB colleagues who I know have been working on these issues. That would include either (David Igus) or (Matt Deener). (Matt) perhaps has been working more - the most closely with this battery capacity clarification issue and perhaps you can explain the changes that we propose to make.

(Matt Deemer): Sure, Niki. Can everybody hear me?

Man: Yes.

(Matt Deener): Okay, so during the course of the review, a number of applications where battery capacity was an important part of determining voucher amount. We recognized that we had not defined what we meant by battery capacity as this can be measured in a number of ways as, you know, available, usable, nominal and number of discussions points we ended up deciding that in the interest of fairness that we would go with the nominal or rated capacity before any battery management system will be put on, you know, the available capacity for end-users. That would be the amount that we would be paying on. And that affected trucks, the mobile power systems, in those categories so far.

The other categories we've been requesting clarification from manufacturers to identify what their nominal and usable capacity is. But because those categories are not structured in such a way that we're paying extra or on a per-kilowatt hour basis. They're not impacted in the same light.

Niki Okuk: Would we like to open this topic up for discussion or input from the audience?

(Matt Deener): Let's go ahead and do that. Moderator, could you open up for questions and comments.

Coordinator: Certainly, it is Star 1 if anyone would like to have a comment or a question. And I do have a couple left over from that first session. First up is (John Thornton), Your line is open.

(John Thornton): Thank you. I just was asking if there's another place to find the slides. I cannot access the California CORE Web site. Maybe everybody else is on there too, to download it. It's with the latency of the webinar.

Niki Okuk: I think to simplify it for everyone, we'll go ahead and email them out to the mailing list after the call.

(John Thornton): Okay, thank you.

Coordinator: Up next is (Steph). Your line is open.

(Steph): Hi, everybody. This is (Steph) from (Unintelligible) Power. I had two quick questions and a comment on the battery capacity. My first question is, what time will the August 3rd funds be released? Is it 10:00 a.m. Pacific again?

Eloy Florez: We're still - you want to take that Niki? Or you want me to take it?

Niki Okuk: No, you can go ahead (Eloy).

Eloy Florez: Okay, hi (Stephanie). Hope you're safe and well.

(Steph): Thank you.

Eloy Florez: We're still evaluating demand in the other categories and we - once we've made a determination as to when we will open the remaining funds if there are any. We will obviously make sure that those folks who are on our mailing list and participating in the program have received notification of the programmatic changes. As of right now, we're shooting for August. Will it change? I don't know yet. But again, we're evaluating demand in all the categories and while we - some of them show zero, we do know that there are folks who are actively considering purchases. And we want to make sure that through this current crisis, that those folks who are considering purchases are, you know, going to be forward with those before we make any dramatic changes.

(Steph): Okay, maybe as a follow up question to that. Is there currently a waitlist for say the categories that have run out?

Eloy Florez: We have a contingency list, but we're considering - but our - and the same thing with a - but we're considering just restarting applications. So one of the things that we want to do is just again evaluate demand. Any significant changes that we do make, we will work with all stakeholders before we make any - before - so that you're notified of this change. Sorry about that.

(Steph): Okay, good to know. And my last quick comment is that at Trent Power, we would support the use of advertiser-rated battery capacity to be consistent.

Eloy Florez: Thank you.

(Steph): Thank you.

Coordinator: Up next is (Eric Swanson). Your line is open.

(Eric Swanson): Hello, this is (Eric Swanson) with (Calmar). And I guess I would echo (Steph)'s comment about using the rated or nominal battery capacity. And that's what we find most of our customers are interested knowing. They want to know the rated battery capacity, not necessarily the usable.

Eloy Florez: Great, thank you for your comment, (Eric). Hope you're safe, thank you.

(Eric Swanson): Sure, yes thank you.

Coordinator: Up next is (Jason Dake). Your line is open.

(Jason Dake): Hi, this is (Jason Dake) from OGB. I'm just - I had a question on the August 3rd opening date. There was some conversations we had previous about leasing opportunities for OEMs and the like. Is there any intent that would be addressed before that August 3rd date or is that going to be addressed at a later time?

Eloy Florez: We're looking at - we're aware of the comment. We're looking at perhaps doing another workshop or workgroup like this in - before August 3rd. You know, we - and we would probably announce modifications or changes at that time.

(Jason Dake): Thank you.

Eloy Florez: You got it. Thank you for the comment. Thanks for coming out.

Coordinator: Up next is (Vincent). Your line is open.

(Vincent): Hi, this is (Vincent Poliki) from (BYD). I heard part of the comment about doing another round of applications and I'm not sure I was following. Could you provide more information about that?

Eloy Florez: With regard to waitlisted vehicles or contingency vehicles?

(Vincent): Yes.

Eloy Florez: Yes, currently the implementation manual allows us to keep or restart any waitlist. It is our intent to also consider that for the contingency list. We're looking at a possibility of doing that. So that there's a clean restart so to speak. But we don't know exactly if that's going to be - if that's something that we'll do at this time. So any significant changes or any changes to that component would be - we'd work with stakeholders prior to making any changes. And have a similar workgroup like this to formally announce that process.

(Vincent): Is there anybody on the waitlist would get kicked off the waitlist and we'd start over?

Eloy Florez: Potentially but we don't know that yet.

(Vincent): Okay, that will create uncertainty for anybody that's on the waitlist for sure.

Man: Yes, and that's one of the things that we're looking at. But it's a consideration but we're looking at all options. It's just an idea. It's not necessarily something that we do. And anything that we did do, we would do in consultation with our stakeholders such as yourself, prior to making and seek your advice and also work with our grantee, CALSTART to make a - before we made any type of determination.

(Vincent): Thanks.

Coordinator: Up next is (Rajib Shaw). Your like is open.

(Rajib Shaw): Hey, yes this is (Rajib Shaw) from (Free Wire Technology). It's just kind of a couple comments to follow on the other. At (Free Wire) we also have seen that our customers are most interested in sort of our rated or nominal capacity. So we would kind of support that as what's used for the calculation of the voucher. And then I think that the approach that you guys are laying out with respect to having another workshop sometime before August to kind of reassess things and get further input makes a lot of sense.

I know we and a lot of the other folks on the call are being impacted by the pandemic that is - that the world if facing right now. And so kind of seeing how things play out with that and how that might be impacting some of the purchases and redemption of vouchers, you know, kind of letting the dust settle to that before you make wholesale changes on caps and other things we think makes a lot of sense.

Man: Thank you so much for your comment and participation.

Coordinator: There are no other questions at this time.

Niki Okuk: Excellent, thank you. (Unintelligible).

Woman: Sure yes, I think we've gotten some good feedback on the battery capacity clarification issue. The next issue is actually very specific to airplane cargo loaders and I'm not sure if we have any stakeholders from that segment online now. If we do thought, I'd be interested in hearing what you have to say regarding the classification of cargo loaders. I think it was (David Igus) on the CARB team who had been working specifically on this. If you have anything to add before we open it up to questions, we'll see if we have any participants. Otherwise, we'll try to touch base with those stakeholders one-on-one at a later date.

(David Igus): Oaky, this is (David Igus) and I think, you know, whether or not we have participants on the call, at least I can quickly elaborate a little bit on what this was. But right now, the IM has the weight of the actual tug as the metric by which we would evaluate if a tug is allowed into the program. And from - we wanted to know if it made more sense to adjust that. So that the weight of the aircraft that the tug is capable of pulling will be the metric that we would go by. So if there's anyone on the call, feel free to weigh in. Otherwise, we'll have to reach out to individual stakeholders on this one.

Coordinator: It is Star 1 if you'd like to have you line opened.

Niki Okuk: All right, if there are no questions regarding…

Coordinator: One moment please. I did have someone just pop up. Let me get their name. (Allison) from FedEx, your line is open.

(Allison): Thank you. I would say that it would be a lot clearer if you use the weight of the aircraft between different types of batteries and the configuration of the tugs themselves. The weight of the tug itself isn't really a good yardstick for those. If you…

((Crosstalk))

(Allison): … at the difference between a traditional-looking aircraft tug and the cradle type, the weights are vastly differently. And so when we talk about widebody tugs, that's in reference to the aircraft. So if it can pull that aircraft, that's really what the critical component of our decision-making is.

Man: Okay, that's great feedback. So you know - and we've done a little bit of research on our end about this, but do you happen to have sort of an industry standard for what a widebody aircraft tug is defined as?

(Allison): Well, widebody basically means there are more than one aisle in the aircraft. So Triple 7 is a widebody aircraft. Some of the older models would be the MD11s, DC10s. And I cannot remember right off the top of my head what the Airbus nomenclature is. But sort of by definition, it's that there's going to be two aisles, but there's a fairly major gap there in weight of the aircraft between a single aisle and double aisle.

Man: Okay would it - so is weight still the best way to define it? I mean we could, you know, now that you mention it. It's possible to do it based on the defining by the aisles. Or we could, you know, find that stopping point where the breaking point for the weight as well. Whichever may be more consistent.

(Allison): I will promise to give you more feedback on that later. Aircraft design is not really my field. And so I will get in touch with like our aircraft engineering group and see if they have some guidance on what a good metric and cutline would be.

Man: Okay, that would be great. Thank you.

(Allison): You're welcome.

Coordinator: And there are no other questions or comments.

Niki Okuk: Thank you. Over the course of the last month or so, it's come to our attention that there were a few small, grammatical and topographical errors in the implementation manual. So we're going to take this opportunity to go ahead and correct them. I don't think that I need to enumerate them unless there's one in particular that any member of the CARB team would like to point out. I do know that there was some appendices that were potentially mislabeled and so we'll make sure to get those corrected. And the new implementation manual be uploaded to the Web site shortly.

It should not impact, however, your applications or your dealer enrollment. Is there any other comment from the team regarding the changes that we made to the IM and the grammatically or topographical category?

Okay, I will move onto sort of heart of this discussion and why I think all the stakeholders are here today is because there's a few more topics that are of much more interest. I already heard the potential category funding caps being adjusted, either a change in their percent or timeline. We also heard earlier from another stakeholder was interested in the ability for OEMs to potentially act as a renter or a leaser of their own equipment.

So I'll try to run through these. We have plenty of time left on this call today. So we will get lots of space and time for our stakeholders to have input on each one of these topics. The very first one has to do with multi-sourced funding. So following the lead of our colleagues in HVIP, we would like to establish an MSRP minimum procedure which would essentially indicate that whenever funding is combined with multiple funding sources, so suppose you're receiving some federal (unintelligible) funding or you're receiving some local air district funding, and you're going to be combining it with your CORE voucher, we would like for each one of those funding types to be used to their maximum capacity and then CORE would be the very last funding type. And the voucher could be adjusted in order to ensure that the total funding does not exceed the actual price of the equipment.

With the team likely to read through all of these questions or take comments and questions after each one?

Man: Niki, I think we'll go one through one, but adding onto this. This is going to be uniform with our other incentive projects as they're doing similar - they're processing in a similar manner. But we can go ahead and open up for questions on this if that's - if there's a question on it.

Coordinator: And the first question comes from (Jason Dake). Your line is open.

Man: Hey (Jason), we can't hear you, bud.

(Jason Dake): Sorry, I had it on mute. The - you detailed a question saying that there can be stacking but you would like for the non-CORE stacking to be maximized before the CORE voucher comes into play. And you said it can't exceed the price of the vehicle or the equipment. When you said exceed the price, were you including tax and some of the ancillary costs associated with it or just the base price of the vehicle or equipment?

Man: I don't believe CORE can pay for taxes, one. And so one of the things that this also creates for us is we'll probably be modifying the language so that the base voucher amount can be less than what is currently listed in the IM. So we would make exceptions to that when there's additional funding for that particular project.

((Crosstalk))

Woman: … encounter exactly that question. We can turn it over to either (Tom) or (Peter) to address how funding is combined when each funding source has a different criteria of what they cover and do not cover. (Tom) are you able to address that?

Man: (Tom) is actually - his phone actually dropped as well. He's in a -

(Peter Christianson): This is (Peter). I can take a start at that.

Man: Thank you, (Peter).

(Peter Christianson): Yes, and I'll just give you an example that's not particularly relevant to CORE but from the HVIP program side. You were right (Eloy). First, we don't cover any taxes. So the calculation when we're talking about combing funding does not include taxes. Probably the most straightforward example is on the - in HVIP on the transit bus side. When folks are looking at other funding programs like the I believe it's the LCTOPs, the low carbon transit operations program that's operated through CAL STA. That funding program can provide up to 100% of cost of the transit bus.

So especially given the fiscal crisis that HVIP is in, any time we're facing limited funding opportunities, we look to the other funding program like LCTOP to fund the maximum amount possible. So in that case, it's - it really does come down to LCTOP funding the full cost of the bus and not having the opportunity with HVIP. But in the case where a different funding program maxes out at less than that, and there's an opportunity for cofounding in those situations and a lot of cases it's local funding that's available may be from a local air district or maybe from a port or some other source like that.

(Jason Dake): Okay.

Coordinator: There are no other questions at this time.

Niki Okuk: Great, thank you. So this is the time that we had reserved to speak a little bit about the category (unintelligible). As all of you know, the category for yard trucks was over-subscribed very quickly. And that is not actually entirely due to bringing over the HVIP waitlist because the HVIP waitlist taken from the original source of funding and then the categories were divided among those six groups.

But very quickly the yard trucks sort or revealed their very high demand for this funding. So within the first day that category became over-subscribed and as (Eloy) mentioned, we've been keeping a contingency list of all of the voucher requests that came in after they reached their cap. So that contingency list is waiting and pending until the release of the category caps which was originally planned to happen on August 3rd.

However, because there has been concern from stakeholders that there are timelines regarding the delivery of these yard trucks that there are potential cofounding that may not be available later. They're asking whether or not the yard truck could have more funds allocated because there is such a high demand in that category especially considering there are several other categories of equipment which have not even received approved equipment.

So I'd like to open the floor to a discussion now regarding maybe why and when there are other categories that have not expressed as much demand and also to those who are interested in seeing a lot of funding for yard trucks increase either bay an increase in percentage available to them now or potentially moving the date of August 3rd somewhat sooner and releasing more funds to the yard trucks. And to that, I'll open it up.

First, I think to my colleagues on the line if they'd like to add anything to that description of the situation and then open it up to questions and comments.

Man: I just want to reiterate that we're monitoring the equipment purchases as they come in, voucher requests and things like that. So we won't be doing anything significant without going - coming back to this workgroup and all our stakeholders. But we'd like to get your feedback on the current situation. We can open it up to questions.

Coordinator: Thank you. It's Star 1 if you'd like to have your line opened. And first up is (Robert Pelch). Your line is open.

(Robert Pelch): Oh, thanks. (Eloy), can you hear me okay?

Eloy Florez: Absolutely, (Robert).

(Robert Pelch): Oh, good. To the previous bullet point, one thing we want to keep in mind when (Peter) was talking is we've - in TRUs, we've got an infrastructure load ahead of delivering our units. And we've got some customers right now that have - are looking at, for instance, charge ready funding in utilities. But that funding is six months out. We've got people who have (Carl Moyer) funding, but that funding is also a period of time out.

And so they're relying right now on these voucher infrastructure funds to be used immediately. If we want to start delivering these TRUs in 12 weeks, we don't have a lot of time to get the infrastructure done right now. So to try to use someone else's funds would slow up any deliveries we've got in TRU's by, you know, several months.

We, you know, we haven't had the benefit - go ahead.

Eloy Florez: No, well on that note, it would - the issue that (Peter) was referencing was only if the applicant applied for funding from other sources. Now I'm sure that - if you're referencing the same situation, but we - those conditions or those - the items that (Peter) was referencing were only before those situations where someone applied and is receiving funding from multiple sources.

(Robert Pelch): Right, and so I guess that was my point. Was that everybody is applying for everything they can if they're a visionary. And they want to move forward on zero-emission. And so right now in our TRU category, the voucher funding for the infrastructure is important to get moving fairly quick, to move units out. And so I would urge you not to slow up the delivery of the TRUs into the marketplace because we're trying to get stuff out there May and June already.

So as to our category, we fully expect to consume everything that's been allotted into our category. You know, in TRU world, we've been working for the last couple years getting people ready for zero-emissions TRUs in all the demos that we've done, we've been 100% successful and they've all results din vouchers to this date.

The problem that we run into is twofold. One is you have a sector of people that either is a visionary and believes in zero-emission. Or you have people that are comfortable in using diesel and not moving forward and taking any risk. And so the CARB regulation on TRUs has a lot to do with that. And I don't know if it was because of coronavirus or particular matter concerns, but last week CARB did move forward on a little tougher regulations on TRUs.

Well that has increased the urgency for our sector. And I would urge you not to cut us off. This is our day in the sun, no pun intended. And we've got dozens and dozens of people right now signing up and it's just taken us some time to get this done. But we fully well expect to consume every dollar that's in that category for us.

Eloy Florez: Thank you so much for your comment.

(Robert Pelch): Thank you.

Coordinator: Up next is (Ethan Garber). Your line is open.

(Ethan Garber): Yes, hi. I’m calling from Convoy Solutions. We install some of that TRU infrastructure that the gentleman speaking before me was just referring to. And we shared his concern that there's a long lead time. It's taken many years to get here. There's some very virtual vendors in this space and customers that have taken several years to get to this point to be ready to pull the trigger. And to move the goalpost on the TRU funding for a sector that's already more mature would create unnecessary or we'd prefer avoidable changes in that category. We're very committed to this.

We also aspire to absorb a meaningful portion of that remaining funding that the other gentleman mentioned. So at least you can see there's competitive landscape. I believe there's some other vendors on the call too from the same space. So we fell really strongly about that moving August to something sooner to enable access to these funds would be a big mistake. We think there's some very good things on the horizon with some very big carriers.

(Robert Pelch): Thank you.

Eloy Florez: Thank you so much for your comments. I really appreciate it.

Coordinator: Up next is (Wayne Matheson). Your line is open.

(Wayne Matheson): Hi, this is (Wayne Matheson), RNGV. Really appreciate all the efforts in having this dialogue right now. We're in the terminal tracker space and as Niki had highlighted before, there are customers that we have who are interested now in proceeding who have both timelines for receiving trucks as well as additional funding that is places those orders in jeopardy if we wait until the August timeframe to start accepting those orders and building those trucks.

So we believe that since in that space that the vehicles are commercially deployed and that we are able to build those trucks now. That we would like to be able to accept those orders and commence building those trucks for customers who did not make it in before the segment was oversubscribed.

Eloy Florez: Thank you, (Wayne).

Coordinator: Up next is (Allison Bird). Your line is open.

(Allison Bird): Okay, so I think one of the things that you're seeing is how close to commercial ready this different types of equipment are. I know that we have one vendor that we work closely with that is working through the process to get their equipment qualified. But from an airline perspective, there's no way that we're going to take money for a widebody electric tug if we have to scrap the one we're currently using because they're just not enough experience out there with them for us to feel that they're reliable to move our planes every time we need it to move.

And so I think that it will be a while before you see anything like an oversubscription in that widebody aircraft tracker category.

Eloy Florez: Right, (Allison) was it?

(Allison Bird): Yes.

Eloy Florez: Just real quick, that's one of the neat things about CORE is there isn't a scrappage requirement. So you do not need to destroy any existing equipment to receive voucher funding through CORE.

(Allison Bird): Okay, so I thought that somebody said that in the earlier briefing they said that. And I was like I don't remember that. But the fact still is that, you know, you're not seeing the equipment qualified within the program yet. So I guess I would hesitate to say go ahead and take money from the widebody category. That might get me crucified by some of my peers. But as long as, you know, as long as in the next cycle that money was replenished I think it, you know, is counterproductive to sit on it when you don't even have equipment qualified. I would be much more reluctant to say that about the cargo loader category though.

Eloy Florez: Understood, thank you so much for your comment.

(Allison Bird): Sure.

Coordinator: Up next is (Michael Marzol). Your line is open.

(Michael Marzol): Hi, this is (Mike) from (XL Lifts). I'm the forklift category and I just want to make a couple comments, first on the funding. We're one of the categories that have not submitted any vouchers like the two earlier callers briefly stated that due to the coronavirus and some situations that have occurred that I would strongly recommend that we absolutely hold off until an August reevaluation on the funding. Now obviously in the forklift category, we deal with the ports. We deal with the shipyards. We deal with the cruise lines. And multiple other facets that have been directly affected by this - by the economy and what has happened with the coronavirus. I can tell you we have a number of customers out there that literally put even the voucher program on hold in the port sector until they see what happens with the economy and how we rebound from it.

So again, I'd just like to really emphasize that we need to have a little bit of patience before we start taking funds from the other categories until we see what goes on with the local economy. Then the other, now this is more of a question on the application process. In the forklift industry, we have two large capacity Wiggins (unintelligible) have been approved.

And we also have a smaller capacity and a midrange capacity that is an application process right now. I guess my question is, on the application process, and I know because of the last few weeks everything got sort of turned upside down. On the application process on the equipment, what are we looking at on the approval or them getting pushed through during this time? Is there a long list? Is - so possibly if I can get just some information on that, that would be great.

Because we do have a couple forklift in the application process right now. And I just want to see with this going situation, ongoing situation has this really backed up the application process for equipment as well?

((Crosstalk))

Eloy Florez: Thanks for your comment, (Mike). I know you’ve had some candid conversations with us. I'm going to turn it over to (Matt) who's handling the application process for us. Go ahead, (Matt). Sorry about that.

(Matt Deener): So this is (Matt). You know, without speaking to the number and the categories and, you know, applications that are, you know, in progress. I can't speak to those. But (unintelligible) reserves, you know, 30 days from the time application is submitted to, you know, review it, we're trying to work through those as diligently and expediently as possible. There are a number that I'm working through to try to get approved in short order and another that I'm still looking through and asking for stakeholders to revise and add additional information. So that is where we currently stand on that.

Man: Okay, that helps out. Thank you (Matt).

Coordinator: And up next is (Eric Swanson). Your line is open.

(Eric Swanson): Hello, this is (Eric Swanson). Maybe I can initially agree with (Wayne) from ORGB about maybe moving the date up or consideration, you know, moving the date up, August 3 date up for the terminal tractors. I know that CALMAR had a number of units in the HVIP funding that we were not able to build and complete last year and so I'm sure that those were rolled over into CORE. And depending upon the build schedule here later on in the year, of course I think everybody knows how the economy is right now. You know, there may be - we may be looking at having to roll those over into being built into the 2021 timeframe.

And I guess another comment as well as I'm sure that some of you are aware is it doesn't make just terminal tractors. I can only speak for the terminal tractors, the vision at least that's what I've been involved with. But I will be passing along to our other divisions for the fork trucks and reach stackers and some of that other equipment as far as CALMAR making applications into those category types at least to maybe have folks be available to use some of that funding.

Eloy Florez: Great, thank you so much.

Coordinator: Up next is (Rajib Shaw). Your line is open.

(Rajib Shaw): Hi, this is (Rajib) from (Free Wire Technologies) again and I totally respect and appreciate some of the challenges with oversubscription and not wanting to kind of hold things up that I'm hearing from the TRU segment. I would just again say it's a little premature. The program is, you know, a little over a month old and I think a reassessment at a six month, you know, sort of milestone in the program would make a lot more sense.

That said, I would definitely urge you folks if you're considering kind of earlier than that adjusting the caps to allow for more funding to go to the TRUs that you make sure that there's at least for the categories that are getting subscribed maybe are not yet oversubscribed that, you know, that there is some sort of allocation there that you can feel confident that those categories can keep drawing down funds. If not and kind of if there's any kind of funding that's sort of, you know, you're robbing Peter to pay Paul type of thing, I think it should come form categories that haven't had any funding drawn down yet. If that makes any sense. Anyway, that's just kind of echoing my earlier comment. I think I do think it's a little premature to talk about sort of adjusting the cap.

Eloy Florez: Thank you, Mr. (Shaw).

Coordinator: Up next is (Yo Clat). Your like is open.

(Yo Clat): Hi, good morning. To echo (Rajib)'s resentiment actually. It's an interesting idea to treat technology sectors that haven't had any subscriptions a little differently from ones that it's just taking them a little bit more time to fill out and we would support something like that. But we would definitely pose an acceleration of the listing of the funding caps. Some technology sectors that were eligible for HVIP were very familiar with the process and I'm hearing and ourself included, it's just taking a little bit longer. Not that there's no interest. We just needed time and, you know, in light of what's going on now it would seem that there should be mor time not less time. And we've been relying on that six-month timeframe now. So, you know, those are our comments. And we appreciate the work that CALSTART and CARB are doing. It's been a very well done program.

Eloy Florez: Thank you, sir. We appreciate you working with us and correspodneing with us. Thank you.

Coordinator: Up next is (unintelligible). Your line is open.

Man: Hello, can you guys hear me?

Eloy Florez: Yes, sir.

Man: Hi, (unintelligible) from (King Coal Tower). We're a UK-based refrigerating company. We make (unintelligible). Looking into potentially selling in California with the CORE program itself. I had three questions. One is in terms of eligibility. Do we need to be in kind of try a little demo in California specifically to be eligible or can we use testing from the UK or European pilot? The second question is do we need (unintelligible) use manufacturers in California to be eligible? And the third one is a bit more broader and it's basically do you expect to turn this program for second funding? Not in August, but you allocate funds for the next year and maybe the year after that? Thank you.

Eloy Florez: Thank you so much for joining us on the call. So the criteria for participation is listed in the IM. I'd recommend if you haven't had the chance, but in short from a high level, we seek equipment that is commercially available, has a support infrastructure in California. Meaning there's a service availability for that equipment here. And it does not need to be manufactured in California. The, as far as data to prove commercial availability, commercial viability, that's part of the application process. And (Matt), I don't know if you want to chime in on any of this. I'll let you - I can let you take some of it if you'd like.

(Matt Deener): No, I agree with (Eloy) that, you know, we've outlined the categories and the requests for information. I encourage every interested manufacturer to reach out if they have questions before, during the application process.

Eloy Florez: In the IM, there's Appendix A, Sections A and B or Attachment A, Sections A and B that kind of directly address the application process. While I wouldn't want you to necessarily focus in on that particular spot because the entire document is important, that generally guides the application process. Now this isn't a demonstration or a pilot program. It is a commercial program. We do have other programs that will fund that could potentially fund commercial or pilot programs. And I'll just steer you over to the CARBs funding, the funding potion of the CARBs Web site for that if this particular product is not in the commercial phase just yet. Thank you for your comment.

Man: Thanks guys. In terms of the IM, I had a look at the appendix and particular the testament (unintelligible) and results and we are a commercial state. The questions I had next I suppose is the kind of testing you recommend is more focused on battery technology whereas ours tends to be more cryogenic TIUs. So are there any specific tests that we need to do to become eligible? Because I don't think what's listed relevant to us.

(Matt Deener): So this is (Matt). I can speak to that a little bit. The request is not prescriptive. It's more of an information ask for us to understand what a manufacturer is bringing a zero-emission product to market is doing whether that's, you know, manufacturer using batteries or a manufacturer using, you know, a cryogenic system as you described your product utilizes to inform us of what is standard in your industry in terms of performance, safety, or other testing. So we have an awareness and knowledge of what is typical in that space. So again, it's not prescriptive, it's more of an information gathering question.

Man: Okay, great. Thank you.

Coordinator: Next up is (Nunden). Your line is open.

(Nunden): Hi, this is (Nunden) with the (Global Railcar Mover Group) track mobile effort. Regarding funding, we have not submitted any vouchers, but I would request not taking any funding from any category with the economy with the way it is. We request you to keep the August timeframe.

Eloy Florez: Excellent, thank you, sir. Thank you so much for your comment.

(Nunden): Thank you.

Coordinator: And there are no further questions or comments at this time.

Eloy Florez: Great, Niki, you want to take this over?

Niki Okuk: Sure. So one of the other questions that we received from our stakeholders had to do with the process to add or remove eligible equipment type. Actually when the question came in, it asks about the process to add or remove eligible equipment. So just to review that briefly, the eligible equipment application is outlined within the implementation manual and can be submitted at any time So there is no deadline in order to submit your application to make your equipment eligible and (Matt) would be in charge of that.

However we and looking at the question realize that perhaps the question meant more the category type, so opening up to different technology types, potentially hybrid or I think we heard from a fellow earlier that has a cryogenic nitrogen solution for TRUs, potentially opening up to other types of equipment that may include off-road in a construction category. So if there's a colleague from the CARB side who'd like to address how new or different technologies or equipment types may be added to the CORE program in the future, please do so. Thank you.

Eloy Florez: So we are - part of our process is tied to the funding plan for this particular program. And in that particular - or I'm sorry, the both the funding plan and the legislative requirements for these dollars. And part of that is - requires us to stay focused in the freight sector. We have made some changes for future, for the - in the '18-'19 funding plan that may allow us to explore other pieces of equipment that may handle both material and things like that. And so we're looking at a potential of expanding those particular equipment types.

But again, CORE is intended to accelerate commercial technologies that haven't necessarily achieved a significant market foothold. And as you guys may have been hearing, there is an application process and many of you have, manufacturers, have had the opportunity to review that and submit your applications based on those requirements. (Matt), I don't know if you want to add anything to that particular comment.

(Matt Deener): No, not at this time.

Eloy Florez: Any questions on that?

Niki Okuk: (Unintelligible).

Coordinator: It's Star 1 if anyone has a question. I'm showing no questions at this time.

Eloy Florez: Great, thank you.

Niki Okuk: The next item was regarding a procedure for OEMs, that's original equipment manufacturers, to purchase CORE equipment using a CORE voucher for the purchase of leasing or renting. So at this time we have a provision within the CORE project to allow manufacturers to purchase one unit per year of their own equipment using the CORE voucher incentive project. These requests are evaluated on a case-by-case basis and are usually accompanied by a request for some additional pricing and cost information.

However, if the OEM would like to purchase multiple units for leasing and rental at this time we advise them to use a dealer or a financier in order to create a lease agreement for their customer. In fact the implementation manual outlines specifically that dealer and leasing company should not have shared ownership or shared control with the original equipment manufacturer. Did I phrase that correctly, (Eloy)?

Eloy Florez: I think you did. And, you know, the intent there was to ensure that all parties had an opportunity to take advantage of the funds and allow everyone, you know, that didn't turn into a funding pot for any on particular company or entity to develop a dealer lot if you will of loaner equipment. But, you know, we recognize that many of you utilize your self-purchased equipment to get (unintelligible) to the potential purchasers and skeptics. You know, the folks that are difficult to change their mind. You know, at least they show me what you can, you know, I don't believe it until - one year. I'm not going to believe it. And so we realize there's value to that.

But because of the limited amount of funds that we have, we didn't want to lock up all these funds into a situation where, you know, I think right now we have maybe 10 different manufacturers and if we were to allow say, you know, three self-purchases that would have eaten up a significant amount of money as it was for each of those manufacturers. So that's why we currently have the number at one. But, you know, we're interested in feedback and, you know, as Niki mentioned, we do - the IM clearly allows for leasing through a third party for a customer. But not a direct lease. We'll go ahead and open it up to questions and comments now.

Coordinator: All right, currently we have (Robert Pelch). Your line is open.

Eloy Florez: (Robert)?

(Robert Pelch): Yes, thanks. Can you hear me okay, Niki?

Niki Okuk: Yes.

(Robert Pelch): So I would encourage opening that category up just a little bit. As a manufacturer we did just apply for one unit and we relied on our dealer POM to do so. But the demand for demos has been larger then we thought it would be for people to place orders. So I would encourage you, you know, we love our friends over in the yard tractors, but there's 80 TRUs for every yard tractor out there. So we've got a problem on our hands to try to get a beachhead created on TRUs and a very small demo fleet. We're not asking for a lot, but a very small demo fleet would really increase how many demos per week we could do.

And so I know PLM will probably chime in on that, but that's something we've been dealing with over the last 30 days trying to close the vouchers. That's it. Thanks.

Eloy Florez: Thanks (Robert).

Niki Okuk: Question (Robert). So for these and this is for everybody, but for demo fleets like this where the manufacturer would be the owner of them, how are the usage for these sort of demos? Because that would hopefully the vouchers have the same sort of usage expectations as the other transactions.

Eloy Florez: If we can have (Robert) reopen his line. Star 1, (Robert).

Coordinator: And (Robert)'s line is opened up.

(Robert Pelch): Okay, can you hear me now?

Eloy Florez: Yes.

(Robert Pelch): So for us as a manufacturer to have one unit, the reason we added that was we expected that the one demo unit with PLM would be enough. But we've got such a demand for demos and for people wanting to see a route perform hauling food at least for a few days before they place the order for multiple units, we've got more demand for demos that we expected to. So I would ask that certainly, you know, one for us and one for our dealer PLM is a start. But there's so many more demos that we're trying to schedule that we really need, you know, just two or three more, not a lot more. Just two or three more would really accomplish closing in a lot of vouchers. And really beyond the vouchers, once we're going to be like the HVIP, the yard guys are. They've had the benefit of having a year or two or three of the HVIP funds and look at the demand they've created. I mean TRUs are going to be the same way. We're having this conversation a year from now where we're going to be oversubscribed and waitlist.

So we would urge you to just maybe open up a little bit and allow the dealer to maybe add a couple more demo units so that we can get more demos done quickly. That's it.

Coordinator: And up next is (Johnny Wisheart). Your line is open.

(Johnny Wisheart): Hi, this is (Jody Wisheart). I'm with PLM (unintelligible) Leasing and we are the AEM dealer that (Robert) was referring to. We submitted for rental trailers which I think going forward for our demonstrations we are seeking our potential customers to pay in for those demonstration trailers. Excuse me. So they will be treated like a rental trailer. We have rental trailers throughout the United States that our customers pay for. So if that's a solution if it's no opened up to additional demonstration trailers which are traditionally given free of use to customers. We submitted for rental trailers where we retained ownership and it is a limited use, but the potential end customer does pay for the use of the equipment.

I think that was going to be a fair workaround. The only issue was going to be how to continually submit the ultimate end-customer, end-user back for review and to ensure that they are compliant with all of these requirements of the program.

Eloy Florez: Great, thank you.

Niki Okuk: (Unintelligible) can address (Tess) this question which was, whether or not these rental units would perform 800 hours per year of use as is expected to other units?

(Tess Secat): Our rental unit tends to run about 500 hours annually. So I think that 800 hours is really pretty low on a refrigerated trailer. So that wasn't a real concern of ours. Across a multiple rental users, they would easily obtain that level of use.

(Jody Wisheart): Thank you.

Coordinator: Up next is (Michael Marzol). Your line is open.

(Michael Marzol): I strongly disagree with using the CORE funds for a manufacturer to create a demo unit. The money, you know, the way I look at it is to help offset our customers, the end-user for the price that - to get it to more of a reasonable price for them. And if we're having our manufacturers who obviously it costs them, you know, what we end up selling to the dealers and the dealers end up selling to the customers, obviously their cost is a lot more than the what the street market value is. And if the manufacturer, I think it's their responsibility to have their own demo. If they want - choose to do a demo.

Or since it's a commercialized product and it's already out in the field, maybe setting up situations with their dealers that they can go visit other customers to take a look and inspect the vehicles. But again, even for a dealer for instance, I am buying my own forklift with my money to use as a demo to take around. And the money that's in that program should be strictly used for the customers to offset their costs for it. And it shouldn’t be used to help a manufacturer or dealer buy a demo. I just strongly disagree with it. And when the demo is done, they're going to end up selling it anyway at the full retail price. It just doesn't make sense. Thank you.

((Crosstalk))

Coordinator: Up next is (Jason Dake). Your line is open.

(Jason Dake): Two points, one on the comment right preceding mine. I can tell you from personal experience that the demo units are very beneficial to an OEM and they should be allowed because we're talking about getting technology adopted by the general population. And one of the main ways to get over the hump is to basically allow for the demos to happen. But disregarding that, my main focus on asking question or commenting was on the earlier comment about allowing multiple demos to an OEM and dealers. I think the best way to do it is to follow the HVIP model. And treat an OEM and their dealers as one entity. And allow two demo units per OEM. And they can transfer those to dealers or do whatever they want but allow two per OEM and their dealers as a combined entity between those two.

And that would allow for a good demo fleet available to each OEM and still limit the amount. So you're not oversubscribing to OEMs or dealers to purchase units themselves. And have the same requirements that were in HVIP to say if you do sell this unit, you aren't allowed to necessary purchase another demo unit. You have to reapply and explain why you no longer have your original demo unit. So it doesn't become like a, you know, a floating floor model. It actually is a demonstration unit that's going to customers for them to try the technology and decide whether or not they want to adopt it.

But I feel very strongly that changing from one to two but keeping the (unintelligible) that are in place now that say an OEM and their dealers are considered the same entity for the purposes of demo units but allow each OEM to have two. I think that would be beneficial to spurring adoption. Thank you.

Eloy Florez: Thank you.

Coordinator: Up next is (Rajib Shaw). Your line is open.

(Rajib Shaw): Yes, just a quick comment and a point of clarification. But just to echo the last comment. We've seen just from our own experience with demo units, for sort of a new technology that is - that we're trying to get sort of more massively accepted and adopted has been really invaluable in kind of just getting customers, you know, proving our product and the use case to some of our customers. And I feel like, you know, seem of the concerns that were raised by one of the previous comments could - are addressed by the program requirements around usage assuming that those apply equally to these demo units being sold.

And perhaps if there's a question about, concern about resale, you could put some limitation on the units being resold for some period of time. But then my point of clarification was just if you have two different types of eligible equipment and you're a single manufacturer, you could buy under the current framework one of each unit as a demo, right?

Man: Correct. So you can buy one unit.

(Rajib Shaw): But one unit total between the two different pieces of eligible equipment or one unit of each, you know, qualifying piece of equipment?

Man: If you had multiple pieces, I think at this time, it's one unit. So you'd have to decide which one it is.

(Rajib Shaw): Got it. Okay, I would just weigh in that maybe at least loosening it to one of each eligible type might be useful just so if you want to be setting up the demo, you kind of want to have each product configuration available.

Man: Thank you so much for your comment.

Coordinator: Up next is (Robert Pelch). Your line is open.

(Robert Pelch): Yes, thanks. Can you hear me okay, Niki? So just on TRUs, what makes them a little different animal is food is very critical. And so for people to make a decision to move forward to put their $50,000 worth of food and haul it 300 miles away to, you know, our grocery stores right now and the fast food places that we're all relying on, it's a more critical application than a forklift or a yard tractor to where you've got your foot. You've got - you just cannot have any mistakes on that. And so the demos are even more important for TRUs.

And the other thing that's important to remember here's a - we're on a timeline here when we're trying to move 50,000 TRUs in the state of California toward zero-emission over the next four years. So the effort is very intense and it's going to take a very intense effort on our part, fleets parts and on the state's part to implement what we want to try to get done. Thank you.

Eloy Florez: Thank you.

Coordinator: And up next is (Michael Marzol). Your line is open.

(Michael Marzol): Hi, this is (Mike) again from (XL Lifts). (Robert) and (John) I don't disagree with any of you guys or the whole group on having demo units and what that would do to help move this program along. The issue I have is that we only have $18 million left in the fund. If this was an ongoing program where that pot of money was going to get refueled every year and it would be an ongoing CORE program, I absolutely would support a demo program. But because we only have $18 million left in funding, that needs to be given to the customers and the end-users to use that money to purchase equipment that is much more expensive than our older conventional equipment. But again, thank you guys.

Coordinator: There are no other questions.

Eloy Florez: Thank you, guys. I know that it is, you guys know what we're up again. You know, we want to try to make all of you happy in some way, shape or form and, you know, we take your comments and try construct and build a program that fits everybody. And, you know, internally we've thought of a few things that, you know, that we might share. That, we can possibly share and perhaps a system that isn't necessarily dedicated to a one particular unit or maybe say a dollar amount based on the base voucher amount or a percentage of some sort. But those are alternatives and those are things that we're thinking. And, of course, we won't make any changes without coming back to the group. But we thank you all for those comments. Niki, I'll turn it back over to you.

Niki Okuk: Thank you. So one of the final points that we've heard some feedback from our stakeholders on had to do with minimum hour requirement of use. Many of the categories far exceeded, as we've heard on the call today, but there have been a few who have said there are vocations or possible duty cycles or equipment types that would struggle to meet this 800 minimum use requirement. So at this time I'd like to open it up so that we could hear from our stakeholders whether or not you feel that this may be holding some applicants back from participating in the project and why. Thank you.

Coordinator: It is Star 1 if anyone would like to have their line opened. (Rajib Shaw), your line is open.

(Rajib Shaw): Hey, I've raised this one to (Matt). But just for the mobile power unit category, kind of tying hours of usage to just when the system is powered on probably is actually makes it a little too easy to comply. We would respectfully submit that you tie it to kind of the energy being delivered since really these mobile power units operation is really functioning when energy is being delivered for whatever application it could be at an airport, a port, et cetera.

Niki Okuk: Thank you.

Coordinator: I have no one else at this time.

Eloy Florez: I do want to reiterate something, Niki, on that 800 hours. You know, it is our intent - we understand that there's going to be some equipment categories that are going to far exceed and some that may not necessarily get there. And part of the process, part of the participation process in recording that is to allow us to develop appropriate minimum usages, minimum usage numbers as folks participate. So I don't want anybody to feel that they have to get to that 800 hours but at the same time, you know, you think you're sitting about the, you know, 25 or 50 hours then, yes, then maybe there would be some issues there. But, you know, generally if we want folks to feel comfortable with the program. We try to put some details in there to let us know why you wouldn’t be able to meet those 800 hours, but definitely that's our target goal is to have equipment being used - equipment that we're finding that is being utilized to its maximum potential and capability. Thank you.

Niki Okuk: Thank you, everyone. That's an additional half an hour left on the time what we've scheduled for this call. At this time, I'd like to open it up for questions and comments from all participants regarding any topic of interest to you.

Coordinator: And it's Star 1 if anyone would like to have their line opened. One moment, please. (Rajib Shaw), your line is open.

(Rajib Shaw): I’m back. Just one last comment from me. This is administrative request for sort of relief. We recently got an email on one of the voucher requests that we submitted. This is a request from my sales team really. I think you guys are requiring wet signatures on the CORE terms and conditions. And it's just, I think, so many of us are working from home right now and we have, you know, maybe it's a bit more difficult right now to kind of do the wet signature thing when you're not in an office and have all the supplies, et cetera. DocuSign and other sort of online e-signature services have been pretty broadly accepted. I'm just wondering if there's any way. I don't know ,if it's, you know, a statutory requirement for these agreements to be in wet signature, but if there's any way even temporarily while we're under shelter at home and kind of dealing with the pandemic whether digital signatures could suffice.

Eloy Florez: Mr. (Shaw), thank you so much for bringing this up. You're right. This was something that we probably should have discussed a little bit more. But we're still - we're working on some details for everybody and we'll probably come up with a, I don't want to say a FAQ sheet, but some type of guidance document to release out to participants. But yes, we are allowing for scanned signatures and other non-wet signature methods especially given the current situation. You know, there's a whole bunch of questions as to how long this virus lives on paper and plastic and who knows what. And we certainly don't want to be a conduit for that.

But I would like the group to - those participating here to rest assured that we are working on a process right now. And we will allow for scanned signatures as a potential solution. Just keep an eye out for your email box from - that will detail those - that information unless CALSTART, are you guys already accepting digital signatures?

Woman: No, everybody (unintelligible) inbox early next week we'll be releasing guidance on loosening some of the deadlines for turning in documents. And allowing for scanned or digital signatures and (unintelligible) finalize the policy on potentially using something like DocuSign in the future.

(Rajib Shaw): Much appreciated. On behalf of my sales team, we thank you.

Coordinator: Up next is (Wayne Matheson). Your line is open.

(Wayne Matheson): Hello again, yes., this is (Wayne Matheson). I wanted to just raise an awareness on the redemption program for a moment. I know we're focused very much on applications. But I know with everyone working from home, really working hard and trying to do the best things that they can, some of the compliance items where there has been to our customers' understanding resolution. But we haven't gotten information back into the system. That CARB hasn’t been able to get systems updated, think truckers indoors. That it's slowing down the redemption process. And I don't know whether it's appropriate to have some type of relief or escalation or just something so that we can make sure that our customers can bring the vehicles into service and know that we'll properly get through the redemption process.

Man: I'm sorry. The concern was with the reporting process indoors? You broke up in a couple of spots.

(Wayne Matheson): Yes, a customer would say I've gotten my exception cleared up. This was a truck that I had brought out of service and I provided the proper documentation back to CARB. But it's not updated in the system yet. And therefore we cannot proceed with the redemption. And in some cases the customer says until I know that all that's been cleared, I don't want to bring the truck in service finally because they don't want to be in a situation where somehow the redemption doesn't happen and then we're looking at the customer to pay for the price including the voucher because something wasn't cleared up to someone's satisfaction.

So again this is not a case where I'm asking for relief on someone being out of compliance. It's really more of some help that when CARB has information back that it's reviewed timely and that the systems are updated or there's some other type of communication that allowed the redemption to proceed.

Eloy Florez: I see, thank you. The - our process for evaluating complaint fleets remains intact. It is a little bit slower than it was before. But we will take that into consideration and work with the team to see if there's anything we can do to alleviate that concern.

(Wayne Matheson): If it's helpful to provide specific examples offline, if you have my (unintelligible) or if there's somebody I should reach out to, whatever help you could provide would be very much appreciated.

Eloy Florez: Thank you, sir.

(Wayne Matheson): Thank you.

Coordinator: Up next, I'm sorry. Up next is (Allison).

(Allison): Hi yes, I was - hi, this is (Allison).

Eloy Florez: Go ahead.

(Allison): Yes, this is (Allison) from (unintelligible) services. In regard to mobile railcar movers, I just wanted to advocate for some flexibility with the operating hours. The number 800 it almost seems a little bit arbitrary and we wouldn't want any end-user to feel obligated to, you know, run their equipment without need just to meet some requirement. So with that in mind, about, you know, giving out all of the proprietary information of how people work at their facilities. I’m not sure what else you can say to that effect.

Eloy Florez: (Allison), what company were you with again? I'm sorry.

(Allison): I’m with KEW Grant Services.

Man: Okay, what…

((Crosstalk))

(Allison): Oh, I'm sorry.

Eloy Florez: Oh, I was going to ask, do your clients have any suggestions as to what would be a more appropriate number for railcar movers?

(Allison): At this time, we don't have a general estimate. We would just appreciate in the program guidance that there is some kind of flexibility with the number requirement or maybe I don't know that's something you could have monitored. You have GPS requirements, something to think about.

Eloy Florez: We tried to detail, I'll use a term specific offramps for those pieces of equipment that might not make the 800 hours. Part of it was that, you know, to allow us to develop an appropriate number for those folks - for those pieces of equipment that didn't make it. So you participated and said, have, you know, we didn’t make it to 800 hours. We made it to, you know, 500 or 400 whatever the case may be. And that we saw uniformity in those particular pieces of equipment throughout that specific spectrum and then okay, yes. These particular pieces of equipment have a minimum usage of, you know, 500 hours or whatever the case may be. And we would utilize that information to develop that baseline.

So I would suggest that if you do have clients that interested in participating, not to necessarily fear that minimum 800 hours but maybe we can try to craft some additional details in that particular portion that might satisfy or might alleviate some concerns.

(David Igus): Can I also ask, this is (David). Do you have any suggestions for a way to sort equitably evaluate equipment categories in a way that allows us to determine what is an appropriate amount of hours? And I guess, you know, I'd be curious, feedback from - this could be a question for the entire group though. But if there are exemptions to be make for a particular equipment categories, ideas for ways to sort of do that in a fair manner.

Coordinator: And are you ready for the next question or comment?

Eloy Florez: I think so, but if (Catherine) if you're still listening, if you can chime back in to respond to (David)'s question, that would be great. We'd love to hear back from you. Or maybe if you'd like to set up a direct meeting with us after this. Go ahead with the next question.

Coordinator: That comes from (Briana Lyons). Your line is open.

(Briana Lyons): Hi there. This is (Bri) form GNA. I have a question about leasing. The manual explains how leases shorter than 36 months and longer than 36 months are treated in regard to who's listed as the purchaser. And for shorter leases the elector is listed as a purchaser and they're held liable for the lessee's compliance of all the requirements. And I think I'm just looking for some insight into why that changes and why the lessee is listed as a purchaser for leases above 36 months and why the lessor can't remain the purchaser and liable for those requirements.

Eloy Florez: I'll do my best to answer this. Some of our other funding programs are set up by - set up in that manner. It is and generally that cutoff time has been the moment that - has been utilized as the moment of fleet, I'll use the term, fleet ownership and the lessor time is true rental piece and that's so the program duration is 36 is three years. And so it would be assumed that a person who leased it for three years was basically owning in our eyes, that particular piece of equipment. And (David) or tested, if you want to add to that comment, you're welcome to. Or (Peter).

Man: (Eloy), I think you covered it pretty well. I think basically it's, you know, it's really important that the responsibility to use that equipment in California to achieve the emission reductions is fulfilled. You know, and with the three-year ownership requirement, excuse me, a three-year lease requirement or three-year usage requirement if that is going to be one entity, the leasing entity or the lessor, can fulfill that and they're the ones that should ultimately agree to that requirement. But if there are multiple parties that are going to be part of that usage during the three-year requirement, then I think by definition you have to have the leasing company agree to those requirements and fulfill those requirements.

(Briana Lyons): Yes, absolutely. I think it would just be more clear maybe from a legal perspective that the purchaser who is the lessor remains the lessor and they would still make sure that the operator, the lessee, is meeting those requirements and there are some other programs that have longer reporting periods than three years. And, you know, those will require that the purchaser and the lessor are the signatory and the applicant and I just wanted to get your feedback and we can take this offline too. Thank you.

Eloy Florez: Thank you for your comment.

Coordinator: I have no questions or comments at this time.

Niki Okuk: I have a comment. Sorry this is Niki with CALSTART and I received via email that the participant is having some trouble using the Star 1 feature. So I'll go ahead and read the comment. Okay, so this is in regard to the forklift category. So we currently now have a zero-emission power train working in the 36,000 pound lift capacity, but we're discovering interest in similar equipment that would use the same battery electric power train but would not qualify for an incentive at all or might not qualify for a similar incentive to what has been approved in one capacity. Perhaps some consideration should be given to industrial trucks or forklifts of a certain power level, gross vehicle rate or emission saving as measured by the horsepower of the diesel engines being replaced.

So I believe what they're saying is that they have the opportunity to replace diesel forklifts. However, the lift capacity would be so low as to not make it into the CORE project as it stands now. But perhaps there could be some other way to categorize it that would take into consideration certain power levels, vehicle weights or emission savings as measured by the horsepower of the diesel engine being replaced.

Eloy Florez: Well thank you for your question. I hope you can hear me. Unfortunately, the minimum capacity right now and the way we've set up requires us to go with a minimum 8,000 pound capacity for a forklift. We can continue the discussion directly if you have additional questions and maybe that's something that didn’t get conveyed in your email. But as it stands right now, it's commercial-ready, 800 minimum capacity if I understood that correctly. If I didn’t, I apologize.

Niki Okuk: Yes, thank you. So that was question was from (Bruce Farber) of (Wiggins Lift). And it is my understanding that the CORE Voucher Incentive Program is intended to incentivize products which have not already reached sort of a mass market broad application. And through our research we found that the lift capacity under 8,000 pounds there were already multiple models available with a zero-emission option and that they're readily adapted by end-users without a voucher.

And so that's why they were not included in this funding cycle. If you have - if you believe that's not an accurate assessment, interested in hearing your feedback. And feel free to chat on the webinar if you're unable to use the audio capacity within this conference calls.

With that, I'm going to do a couple of items of housekeeping. So as I mentioned at the beginning of this call, you can go to Californiacore.org where you can find the ticker which is updated daily. And will tell you what available funding is there. By clicking into the equipment category caps you can see a breakdown of what has been requested in each category. Also keep an eye on your inbox because next week we're going to be releasing some guidelines on how to (unintelligible) to participate in the project even during the COVID-19 crisis. We will be extending some deadlines for your paperwork to be turned in both on the voucher request and the voucher redemption side and we will be accepting some form of digital signature either as a scan, Adobe signature or eventually hopefully some sort of DocuSign.

I will email around the PowerPoint slides and agenda from this call and some notes will be uploaded early next week. A transcription of this call will be available as well as the findings of the group from your feedback today. Are there any other points of order from the leaders on this call today?

Eloy Florez: I would like to thank all of you for taking time out of your day to join us on the call. I realize that we - the gravity of the global situation that we're obviously all in this together. But, you know, our processes move forward as best we can. We want to make ourselves available to you. We're still available to discuss your concerns. This is (Eloy Florez). I'll pass out my email address for those of you who may not have it. It's Eloy, E-L-O-Y dot Florez, F-L-O-R-E-Z at ARB dot CA dot gov. And we have also a general email box for CORE which is CORE@arb.ca.gov and you guys are also welcome to visit the Californiacore.org Web site.

I'll turn it over to (Tess) our branch chief if she wants to make any comments. Or (David Chen), my supervisor.

(Tess Secat): No, I found the workgroup very useful. I think continue to contact Eloy and Niki in order to make the CORE IM and the CORE program to continue to improve. This is the first launch of the program and so we have such a wide gamut of off-road equipment and their mission commercial readiness that I'd like to be able to include those nuances in market support. So we need more information to do that. Thank you for participation. It's great.

Eloy Florez: Thank you. (Matt Deener) is the, we call him the gatekeeper. He's the gentleman reviewing applications. And so (Matt), give you any comments for the folks listening.

(Matt Deener): I'd just like to thank everybody who's submitted applications and encourage all manufacturers interested to reach out with any questions in advance of your submittal. And look forward to working with all of you.

Niki Okuk: Great, thank you so much everybody for your participation today. And feel free to reach to us with any further questions or comments. Have a wonderful day everyone.

Eloy Florez: Thank you, guys. Verizon, if you could stay on the call with us.

Coordinator: Thank you. That does conclude today's conference. We appreciate your participation, and you may disconnect at this time. Speakers it will be just one moment for your post-conference.

Eloy Florez: Great.

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