



**CALIFORNIA
CLEAN FUEL
REWARDSM**

ANNUAL REPORT 2021



PREPARED BY SOUTHERN CALIFORNIA EDISON

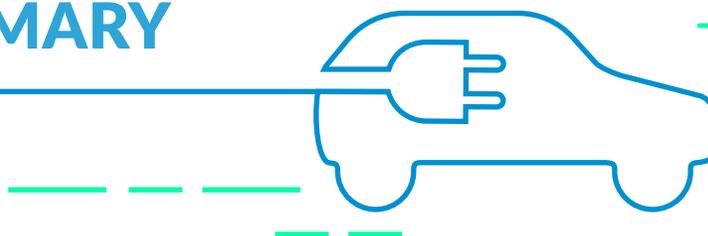
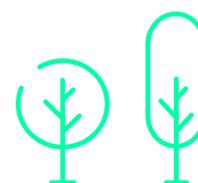
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EXECUTIVE SUMMARY



The state of California has set ambitious targets to reduce its greenhouse gas emissions to pre-1990 levels and to put millions of electric vehicles on the road by 2030. As part of this effort, the California Air Resources Board (CARB) created the Low Carbon Fuel Standard (LCFS) Regulation to drive the adoption of cleaner transportation fuels. Through the LCFS Regulation, CARB mandated the creation of the California Clean Fuel Reward (CCFR), with the stated objective of reducing the price of EVs to all Californians.

Since its official launch in late 2020, the CCFR program has rewarded nearly 200,000 electric-vehicle customers in the State of California—a consumer group that continues to grow year over year—demonstrating an ever-strengthening desire for greener and more economical modes of transportation. After quickly reaching the 100,000-customers-rewarded milestone in July 2021, by year end the total amount of customers rewarded nearly doubled to 197,000. In 2021 alone, the program enrolled 486 new retailers, rewarded 193,000 California EV customers, paid \$269.3 million in total rewards with an average reward amount of \$1,393, and saved 599,200 metric tons of CO₂.

Throughout 2021, many significant milestones were achieved, and critical improvements were made to the program, including robust retailer education, direct-to-consumer marketing, and the launch of a pilot program to reach underserved communities.

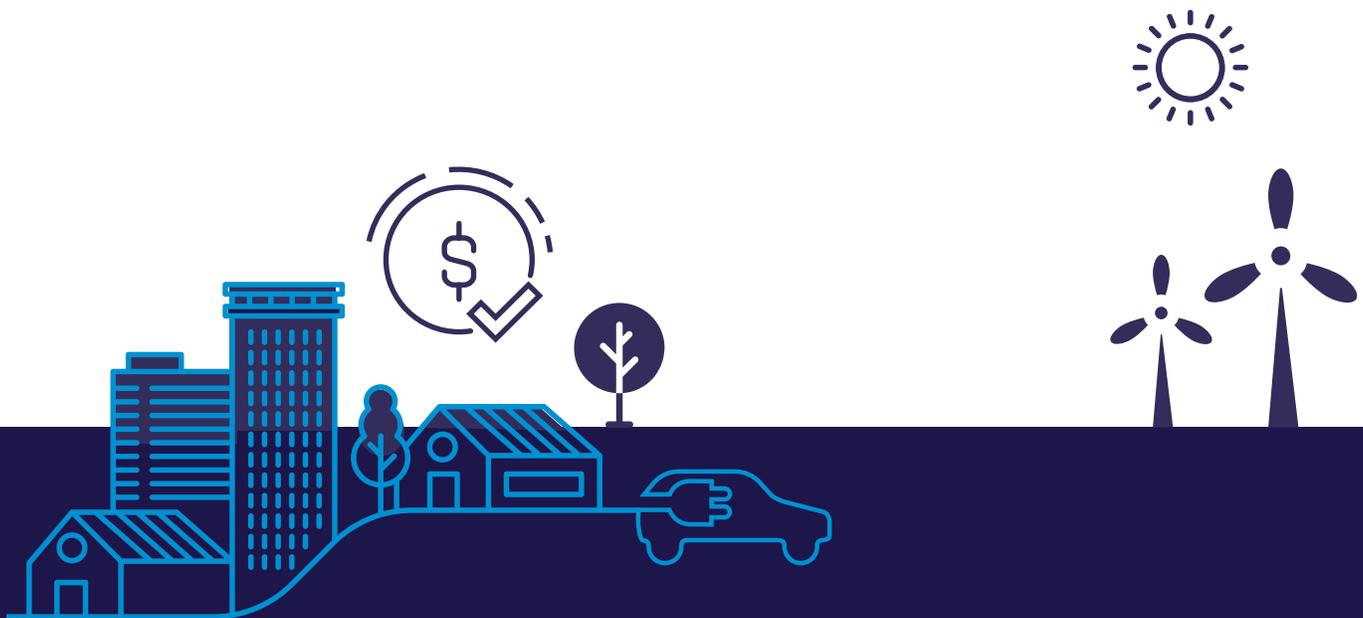
As part of the program launch strategy, retailers were given access to a variety of educational resources designed to help their retail teams start selling more EVs. These included emails, marketing assets, a point-of-sale portal, an on-demand training video library, and job aids. In addition, live 30-minute training webinars for retail management teams were offered to help increase program adoption.

In 2021, the retailer marketing webinars were rolled out en masse, becoming a critical driver of CCFR execution at retail throughout the state. In addition, the CCFR retailer training program was enhanced with the addition of a twice-monthly text messaging campaign to keep retailers informed of timely and relevant EV sales tips and tools to support their ongoing efforts.

To help drive customer awareness of the CCFR program with in-market EV consumers, a robust customer-focused marketing campaign was launched to create awareness of the reward and drive customers to contact or visit enrolled retailers. This included display ads, Connected TV (CTV)/pre-roll video, paid search, and direct mail/email marketing released at strategic times through the year. Spanish and Chinese languages were also used in the communications to broaden the program's appeal and help reach California's diverse population. In 2021, the CCFR consumer marketing campaign achieved 557.6 million impressions, 2.2 million clicks, 133.4 million video views, and distributed 150,000 direct mail pieces and 300,000 emails.

Another core component of the customer awareness campaign was a Community Outreach Pilot program. Launched in late 2021, the mission of the pilot is to understand how to best accelerate EV adoption in California by ensuring equitable participation in underserved communities, beginning with three geographical areas of focus: Los Angeles County, Inland Empire, and San Joaquin Valley. Outreach strategies include social media marketing, community event participation, product demonstrations, designated community-focused Customer Advocates, phone-bank support, EV car-sharing vouchers, and opinion surveys. The pilot is currently ongoing with the intent to scale across additional underserved communities in the coming years.

2021 was also a year of learning and preparation for the long-term stability of the program. As part of that sustainment strategy, around the one-year anniversary of the program, the maximum reward amount was reduced from \$1,500 to \$750. Despite that reduced incentive, program momentum remains strong. In addition, the program completed its first, third-party independent audit review and continues the constant rigor involved with ensuring validations are as robust as possible.



01 BACKGROUND

01 BACKGROUND

The following milestone dates outline the history and formation of the CCFR program.

September 27, 2018

Transportation electrification is essential to achieving California's greenhouse gas (GHG) reduction targets. The CCFR program was conceived with the stated goal of accelerating electric vehicle (EV) adoption by offering a simplified and consistent EV reward on all new vehicle purchases or leases. CARB adopted amendments to LCFS Regulation (17 CCR§ 95480 *et seq.*) that mandated that utilities contribute a certain percentage of their LCFS credit revenue to a statewide program. To that end, electric utilities, in collaboration with CARB, the California Public Utilities Commission (CPUC), and automakers, created a statewide, electric utility operated, point-of-sale reward program for the purchase of new qualifying plug-in hybrid (PHEV) or battery electric vehicles (BEV). As discussed below, Southern California Edison Company (SCE) currently administers the program on behalf of all participating electric utilities.

The regulation defines a progressive reward offered on any plug-in, light-duty vehicle starting with a battery size greater than 5 kWh, with the full reward amount available on vehicles with batteries larger than 16 kWh. Light-duty vehicles are defined as all on-road vehicles with a gross vehicle weight rating (GVWR) less than 8,500 pounds.

April 2, 2019

Southern California Edison (SCE) submitted Advice Letter 3982-E to the CPUC requesting authorization to act as the interim CCFR administrator for three years and to work with the other utility sponsors to establish a CCFR Governance Agreement that would define the rules of operation for the program. Later in 2022, SCE plans to submit another Advice Letter to request Commission approval to continue its administration for another three-year term.

Fall 2019

A group of more than 20 utilities from across the state negotiated the Governance Agreement for the CCFR. The document defines the roles and responsibilities of several committees, including the Steering Committee: a body made up of voting representatives from each of the five large utilities in the state and one representative each for the smaller and medium utilities in the northern and southern parts of the state, and non-voting representatives from CARB and the Program Administrator. The Steering Committee was given approval authority for all vendor selections, invoices, and setting the reward amount. The Governance Agreement further stipulated that the Administrator would use third-party implementers to facilitate the program, and that at least one of these implementers would be an audit firm, with no affiliation to any participating utility, to perform annual audits of the program.

The Governance Agreement places additional requirements on the participating utilities, outside of the LCFS regulation, to set a regular and recurring schedule for the utilities to contribute LCFS credit proceeds to the program.

A final version of the CCFR Governance Agreement was filed with the CPUC by SCE in supplemental advice letter 4090-E-A on December 20, 2019.

March 3, 2020

After approval of the Governance Agreement via a disposition from the CPUC Energy Division, the program's implementation began when the five large electric distribution utilities (EDUs), Pacific Gas & Electric, Southern California Edison, Los Angeles Department of Water and Power, San Diego Gas and Electric, and Sacramento Municipal Utility District, executed the Statewide Clean Fuel Reward Governance Agreement. Shortly thereafter, the governing Steering Committee was formed with representatives of the large five EDUs as well as representatives of the Northern and Southern publicly owned utilities (POUs). This enabled the program to develop and issue requests for third-party implementer proposals and establish a program funds account to receive and hold utility deposits.

November 17, 2020

After two years of collaboration with CARB, the California Public Utilities Commission, and electric utilities throughout the state, the CCFR program was officially launched on November 17, 2020, providing an instant reward of up to \$1,500 at the point of sale for the purchase of an eligible new plug-in light-duty vehicle at a participating retailer. Quick speed-to-market was required to aid consumers in a time of increasing financial need during the COVID-19 pandemic.



CCFR GUIDING PRINCIPLES

Southern California Edison's Advice Letter from April 2019 laid out a set of 12 guiding principles for the CCFR that SCE and the other utilities continue to rely on when making programmatic decisions.

- 1 Accelerate the sale of PEVs with an instant reduction in price to all PEV purchases in California at the point of sale or lease.
- 2 Mitigate the risk of a waitlist or program insolvency.
- 3 Maximize the CCFR, including by stacking the CCFR with other state, local, and federal incentives, while minimizing the amount of LCFS revenue expended on administration and marketing.
- 4 Implement the program consistent with an equity-based framework, consistent with CARB direction.
- 5 Maximize dealer [retailer] participation.
- 6 Promote transparency to all vested stakeholders by, among other things, publishing the CCFR amount at the time of sale.
- 7 Provide continuity, certainty, and simplicity in the CCFR program for California's PEV purchasers and minimize changes to the CCFR amount.
- 8 Launch the program as soon as possible by ensuring sufficient, fair, and timely contributions for startup costs using existing LCFS funds.
- 9 Facilitate the collection of data on PEV sales in the state for grid planning, rate enrollment, and other good utility practices.
- 10 Create a Steering Committee of utilities with appropriate decision-making authority and create a supporting advisory committee comprised of stakeholders.
- 11 Develop robust risk mitigation and fraud management policies.
- 12 Support utility cobranding and marketing of the statewide program, as well as complementary utility-specific programs.

The following sections of this report provide detail and insight regarding the implementation of the CCFR program, a presentation of program results during calendar year 2021, an overview of the new initiatives and resources launched, and a discussion of lessons learned and future direction.

02

IMPLEMENTATION

02 IMPLEMENTATION

While 2020 was a year focused on technical setup and systems building, 2021 was all about raising awareness, increasing enrollment, and flawless execution. That shift in focus required a robust marketing and education strategy aimed at supporting both retailers and customers.

MARKETING, EDUCATION, AND OUTREACH

Customer Marketing

Immediately following the successful launch of the CCFR program, a need was identified to educate EV customers across California about the reward, ensure that they properly considered its financial benefit during their EV purchase journey, and drive them to contact enrolled retailers. Through data and analysis, target audiences—or personas—were developed to further refine messaging and reach the right people at the right time.

Using the established CCFR branding, display ads, CTV/pre-roll video, paid search ads, and direct mail/email were released at key times throughout the year. Mindful of California’s diverse population, Spanish and Chinese languages were used in these communications, along with English.

In year one, the CCFR consumer marketing campaign achieved:

- 557.6 million impressions
- 2.2 million clicks
- 133.4 million video views
- 150,000 direct mail pieces
- 300,000 emails

A vertical paid search advertisement in Chinese. At the top is the California Clean Fuel Reward logo. Below it, the headline reads "欢迎迈入电动时代。" (Welcome to the electric era). The sub-headline says "选择符合条件的电动汽车, 看看您可节省多少钱。" (Choose a qualifying electric vehicle, see how much you can save). A prominent blue button at the bottom says "立即省钱" (Save now).

Paid Search Ad (Chinese)

A vertical direct mail piece in Spanish. It features the California Clean Fuel Reward logo and a QR code. The headline is "MANTÉNGASE CONECTADO" (Stay connected). The text below says "Compre o arriende un vehículo eléctrico elegible y ahorre hasta \$1,500.*" (Buy or rent an eligible electric vehicle and save up to \$1,500.*). At the bottom, there is a graphic of a hand plugging a charging cable into a car.

Direct Mail (Spanish)

An email newsletter layout. The header says "GET PLUGGED IN" and "Buy or lease a qualifying electric vehicle, and save up to \$750.*" with a "SEE HOW TO SAVE" button. Below is a 3-step process: 1. Find the qualifying EV, 2. Visit a participating retailer, 3. Negotiate your best deal. A section titled "IT'S NEVER BEEN EASIER TO SAVE." follows. Then, "EV IS FOR EVERYONE." with sub-sections for "EXCITING ADVANCEMENTS", "MORE CHOICES", and "SIGNIFICANT SAVINGS". A "GET STARTED" button is at the bottom.

Email

Community Outreach Partner Pilot

Program leadership understands that in order to reach the level of EV adoption necessary in the state to reach carbon neutrality goals, all customers and communities must be factored into ME&O efforts. To help all potential EV customers in every community in the state of California get engaged with CCFR, the Community Outreach Partner Pilot (CPOP) was designed to determine the best ways for CCFR to engage with all communities and to ensure equitable program participation. Three underrepresented communities were chosen as the areas of focus for the duration of the pilot, including Los Angeles County, Inland Empire, and San Joaquin Valley. The program provides resources, tools, and content to these communities in support of the overall CCFR program goal of 24% of customers rewarded by the program being in underserved communities.

The pilot will track the progress and results toward achieving two core goals:

Awareness & Education

Educating equity audiences about the benefits of EVs and increasing their awareness of the CCFR program.

Consideration

Increasing consideration of EV ownership and/or purchasing a CCFR-eligible vehicle.

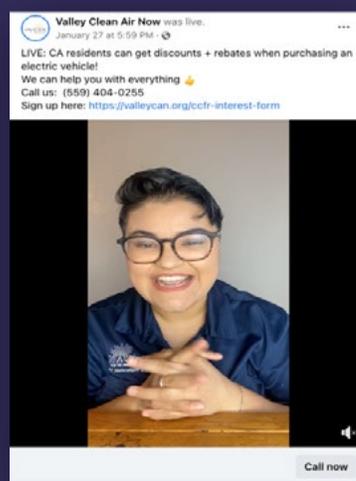
The CPOP program launched in December 2021 and will run through mid-2022. Core elements of the December launch activity included message development and testing, Facebook posts, and online/phone-capture of customer information via intake forms.

Throughout the pilot, ongoing outreach elements include expanded social media advertising, live in-market events, enhanced phone-bank inquiry response and customer support, and in-the-field Customer Advocates to support consumers throughout the research and purchase processes.

At the end of the pilot, the CPOP team will submit a report with the final pilot results and findings along with a set of recommendations for the successful implementation of a future statewide CCFR community outreach program.



Facebook Ad



Facebook Live



Live Event

Training

While the marketing teams focused on customer-engagement efforts, the training team focused their efforts on retailer engagement. The team had three main objectives for 2021: staff and execute an outreach effort to secure retailer enrollments; create a blended learning approach to educate retailers from the initial program launch through program implementation and sustainment, and help enrolled retailers improve their EV sales performance through EV education of their sales teams (e.g., business development center, sales, internet).

Staff and Execute Outreach Effort to Secure Retailer Enrollment

As a result of the robust launch and outreach effort, retailer enrollment surpassed 1,000 by April 2021. As new brands entered the market (e.g., Mazda and Subaru), the training team conducted outreach at the Original Equipment Manufacturer (OEM) level to enlist them in encouraging enrollment in the program. Both Mazda and Subaru now have a majority of their retailers enrolled and actively participating in the reward program. The expected potential of new retailer enrollments in 2022 is 300 or greater with the addition of Mercedes-Benz, Cadillac, Lexus, and Genesis.

Create Blended Learning for Retailers

The training team implemented a blended training approach that aligns with the three stages of the retailer learning journey, including enrollment support, retailer-specific training, and sustainment/ongoing support. Training developed for each stage of the journey enhanced the retailers' understanding of the CCFR program and drove implementation and long-term adoption of the program into their internal sales processes.



Stage 1: Enrollment Support

Upon enrollment, participating retailers have access to a comprehensive curriculum that includes live, instructor-led training webinars, five training videos, and complementary job aids focused on the essentials of program implementation. In short, each enrolled retailer has adequate self-serve training deliverables in several modalities to implement the program successfully from the start.

Highlights from 2021 include:

- Delivery of 129 live webinars (management and sales teams) to 331 attendees (representing a 50% or greater attendance rate)
- Addition of three new videos for management and sales, including a Spanish version for sales
- Creation of new job aids to address retailer processes

Retail Training Video Library

Retail Job Aids

Stage 2: Retailer-Specific Training

Retailer participation includes a dedicated Retail Consultant who provides two training touchpoints per year, per enrolled dealership. For 2021, the ongoing training support focused on improving overall program implementation in the dealership, with an emphasis on critical program steps and integration into existing dealership processes.

Primary objectives for the retailer-specific training include delivery of the website search analysis report, and a review of program performance metrics.

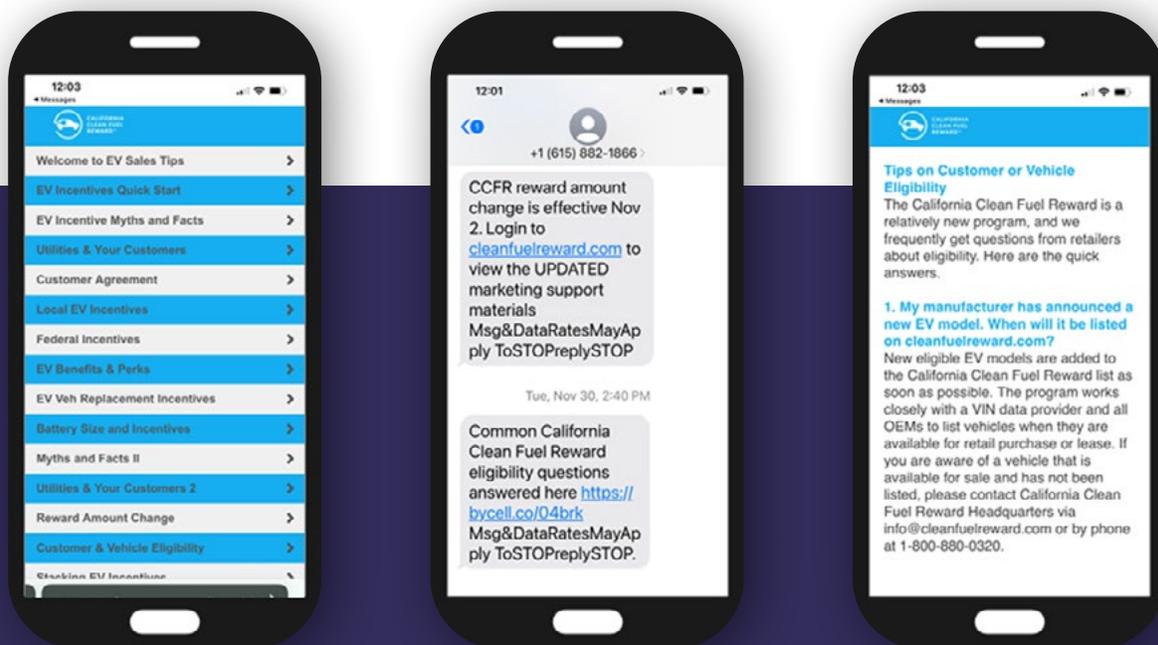
Highlights from 2021 include:

- Over 2,400 retailer contacts
- 129 live webinars to 331 attendees (50% attendance rate)
- 791 virtual retailer meetings
- 1,274 website and search analysis retailer reports
- 52 OEM field meetings

Stage 3: Sustainment/Ongoing Support

To enhance awareness of the program and create a channel for immediate reinforcement, the training team implemented a mobile text-based communications platform. The platform delivers a learning sustainment campaign that reinforces and extends the program elements and processes beyond the traditional channels. It also provides a means to house deliverables that can be accessed by retail sales team members who do not have immediate access to the retailer training portal.

Retail team members can opt-in to receive timely program updates and EV sales tips sent directly to their mobile phones. Participants can choose to receive program news and updates and/or enroll to receive EV sales tips and gain access to the library of program resources, including downloadable job aids. In 2021, 523 participants opted-in to receive program-related text messages.



Educate Retailer Sales Teams on EVs to Improve Sales

The training team worked diligently to enhance EV sales performance by focusing the retail sales team on all aspects of the EV lifestyle. The goal is to make it possible for sales and business development center (BDC) consultants to have conversations on the topics that are important to today's EV buyer. This is different than traditional OEM training, which focuses on product knowledge and competitive advantages in the market.

Highlights from 2021 include:

- Virtual meetings made it difficult for the training team to connect with larger sales teams; however, 87% of the virtually conducted meetings included a sales manager/team touchpoint.
- Trainers were asked to participate in Friday sales team meetings to review the program and deliverables available.
- Sales team contact resulted in the creation of several new deliverables for the new program year.

Customer Surveys

With hundreds of thousands of EV customers engaging in the program, there is opportunity to gather relevant information post-sale to help understand program implementation as well as customer EV patterns around charging and vehicle usage. A post-purchase customer survey was designed and developed in collaboration with the EDUs and is deployed weekly to customers who received the reward to request a customer's feedback on the CCFR program and capture their vehicle preferences and other important information.

As of 12/31/21:

- 195,395 surveys sent
- 40,578 total responses
- Overall purchase experience is very high at 4.56 on a 5-point scale (5 = Excellent)

Q7: Overall Purchase Experience

Please rate your overall experience with your electric vehicle purchase.

Average rating
4.56

Breakdown of ratings

Number of responses for each rating value
1 = Poor, 5 = Excellent

Rating	Share	Responses
5	67.0%	27,229
4	24.8%	10,063
3	6.1%	2,492
2	1.3%	524
1	0.8%	330

In addition to asking customers for their perceptions of the overall experience, several other questions were asked to understand more about the purchase reasoning and usage of new EV owners.

Q2: Reason for new vehicle

Which of the following best describes your new vehicle purchase or lease?

	Reason for new vehicle?	Responses	%
1.	Replacement for another household vehicle	32,782	80.7%
2.	An additional vehicle to my household	6,366	15.7%
3.	First ever vehicle acquired by my household	1,487	3.7%

Q3: Type of vehicle replaced

[If replacing another vehicle] Please describe the vehicle you replaced

	Type of vehicle replaced	Responses	%
1.	Gasoline	23,665	72.2%
2.	All-battery electric (uses electricity only)	3,429	10.5%
3.	Conventional hybrid (uses gasoline only)	2,833	8.6%
4.	Plug-in hybrid (uses electricity and/or gasoline)	2,379	7.3%
5.	Diesel	334	1.0%
6.	Hydrogen fuel-cell	111	0.3%
7.	Compressed natural gas	24	0.1%

Q4: Previous EVs owned

How many passenger electric vehicles has your household purchased or leased before this recent acquisition? Please include info on battery electric vehicles (BEVs) and plug-in hybrid electric vehicles (PHEVs) only.

	Previous EVs	Responses	%
1.	0	24,735	63.2%
2.	1	8,488	21.7%
3.	2	3,234	8.3%
4.	3+	2,691	6.9%

Q5: Current EVs owned

Including this most recent acquisition, how many passenger electric vehicles does your household currently own, in total? Please include info on battery electric vehicles (BEVs) and plug-in hybrid electric vehicles (PHEVs) only. (Exclude motorcycles, ATVs, RVs, etc. or any vehicles not currently registered.)

	Current EVs	Responses	%
1.	1	30,998	79.2%
2.	2	6,612	16.9%
3.	3	1,016	2.6%
4.	4+	522	1.3%

Reason for Vehicle Purchase

In total, most people bought their EV to replace another household vehicle (80.7%) or as an added household vehicle (15.7%). Just 3.7% are first-time car buyers. Of those replacing another vehicle, 72.2% replaced a gasoline-powered vehicle.

Previous or Current EV Owners

Most respondents (63.2%) are purchasing/leasing an EV for the first time. This vehicle is the only EV for 79.2% of respondents.

First-Time EV Owners

The top two brands for which customers were most likely to be first-time EV owners (based on a significant number of survey responses) are Toyota (68.0%) and Tesla (66.5%).

	OEM	Responses	First-Time EV Owner	Owns Multiple EVs
1.	Tesla	26,186	66.5%	19.3%
2.	Toyota	2,829	68.0%	17.9%
3.	Chevrolet	1,750	47.1%	24.9%
4.	Ford	1,397	61.8%	20.8%
5.	Volkswagen	1,369	61.7%	20.7%
6.	BMW	1,066	54.0%	25.0%
7.	Hyundai	1,033	69.2%	17.6%
8.	Volvo	989	63.1%	23.4%
9.	Audi	964	64.2%	20.3%

Influential Factors

Test Drive (48.3%) and other EV owners (45.8%) were by far the two most influential factors for customers when deciding whether to acquire an EV. The third most influential category was Original Equipment Manufacturer (OEM) website (28.5%).

PROGRAM OVERALL													
Responses	Dealer	Electric Utility	Employer	News	Nonprofit	OEM Website	Online Forum	Shopping Tools	Other	Other EV Owner	Social Media	Test Drive	3rd Party Review
40,578	10.3%	15.2%	2.8%	9.4%	1.4%	28.5%	16.4%	24.6%	13.2%	45.8%	14.5%	48.3%	27.4%

Across all factors, reducing environmental impact and vehicle performance were the most influential reasons to purchase an EV 4.5 out of 5 (5 = extremely important).

PROGRAM OVERALL						
Responses	Money Overall	Fuel Costs	Environmental Impact	HOV Lanes	Parking Incentives	
40,578	4.0	4.3	4.5	3.3	2.6	

PROGRAM OVERALL					
Responses	Vehicle Performance	Vehicle Style/Comfort	Latest Tech	Knowledgeable Dealer	Rental/Share
40,578	4.4	4.2	3.9	2.9	1.9

Financial incentives proved to be influential as well as the importance of CCFR averaged 3.9, with Clean Vehicle Rebate Project (CVRP) and Federal Tax incentives close behind at 3.8. (5 = extremely important).

PROGRAM OVERALL					
Responses	CCFR	CVRP	Fed Tax	OEM/Dealer	Other Local
40,578	3.9	3.8	3.8	3.3	2.8

Q22: Workplace charging

Does your workplace have places to charge your electric vehicle (EV)? (Please consider your regular place of work vs. any work location due to COVID-19 considered temporary only.)

Does your workplace have charging places	Share	Responses
Yes, and I must pay to charge.	17.2%	6,984
Yes, and I can charge for free.	18.5%	7,520
No	35.9%	14,592
I'm not sure whether EV charging is available.	6.2%	2,508
I work from home or I don't work so this question doesn't apply to me.	22.2%	9,034

Q32: On average, how many miles do you drive your EV each day to work?

Average daily miles for work	Share
More than 80	7.4%
51 to 80	11.9%
21 to 50	32.7%
Up to 20	48.0%

Q33: On average, how many miles do you drive your EV each day not for work

Average daily miles for non-work	Share
Up to 20	72.4%
21 to 50	21.6%
51 to 80	4.2%
More than 80	1.8%

New EV Charging

Most respondents (86.2%) charge their EV at home. Three out of ten respondents (30.3%) have solar panels that produce electricity at their residence. And just over one third (35.7%) have the option to charge at their workplace, 17.2% for a fee, and 18.5% for free (noting 22.2% do not work or work from home).

New EV Driving

Almost half of respondents (48%) drive 20 miles or less each day for work. Just 7.4% drive more than 80 miles for work. Seven of ten (72.4%) drive 20 miles or less of non-work driving each day.

Results from the survey will be closely monitored in the coming months/years to understand if there are market shifts or other changes in customer behavior as the program progresses.

Participating Electric Distribution Utilities Support

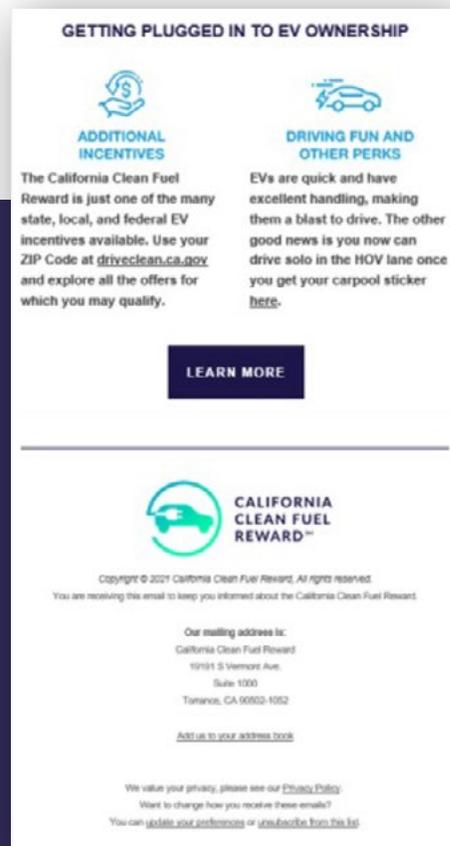
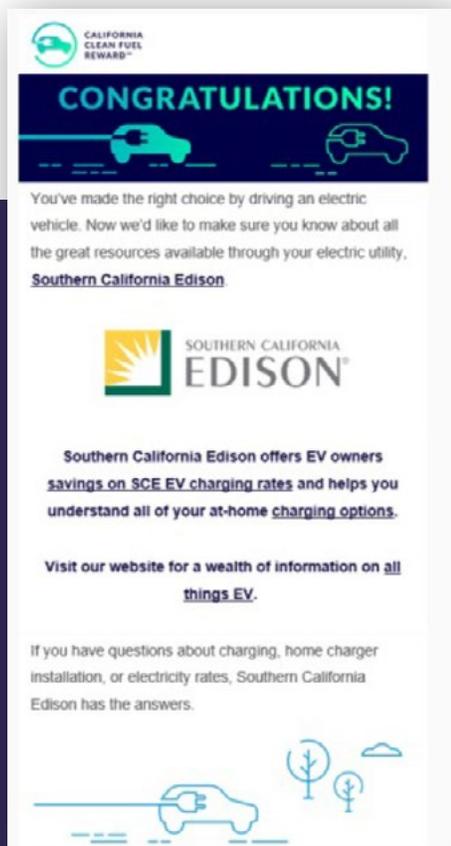
One of the most unique aspects of the CCFR program is the involvement of and partnership with the electric distribution utilities (EDU) in California. Three objectives were implemented in 2021 to support the EDUs in strengthening their relationships with customers and retailers in their territories:

- 1 Provide information about the participating EDUs to customers and retailers who visit the CCFR website.
- 2 Connect the customer with their EDU after purchasing/leasing an eligible vehicle and receiving the reward.
- 3 Empower EDUs to seamlessly continue building a relationship with EV customers and retailers in their territories.

To help meet these objectives, three corresponding solutions were deployed: a co-branded, post-sale rate-education email sent to customers who received the reward; a retailer rate-education flyer for use in dealerships; and an EDU-only web portal, with access to EDU-specific marketing assets, job aids, a co-branded email template, a participating retailer list, and a list of the customers in their territories.

Co-Branded Post-Sale EV Education Email

EV education emails are deployed monthly, on behalf of each EDU, to customers in their territory who have received the reward. Customers to receive timely and useful EV information from their EDU including additional programs, special EV rates, or other ways the EDU can support EV ownership.



Retailer Customer Education Flyer

The Retailer Customer Education Flyer is an additional asset developed to support EDU education and EDU involvement. The flyer is available for participating retailers to download from their portal and provide to customers at the time of sale.

The content directs customers to the CCFR website, reminds them of the many benefits of EV ownership, and highlights that their EDU has useful and important information for them now that they own an EV. The flyer is available in English, Spanish, and Chinese.

CALIFORNIA CLEAN FUEL REWARD™

CONGRATULATIONS!

You've made the right choice by choosing an electric vehicle and taking advantage of the California Clean Fuel Reward. Now we'd like to make sure you know about all the great resources available for EV owners.

Visit cleanfuelreward.com for details on your electric utility's EV programs, other EV incentives, and special offers just for EV owners.

GET PLUGGED IN TO THE EV LIFE

Ask your electric utility about EV charging rates, rebates on home chargers, or access to exclusive parking spots and charging stations in your town.

ADDITIONAL INCENTIVES

California Clean Fuel Reward is just one of the many state, local, and federal EV incentives available. Enter your ZIP Code at driveclean.ca.gov and explore all the offers for which you may qualify.

DRIVING FUN AND OTHER PERKS

EVs are quick and have excellent handling, making them a blast to drive. Plus, you can now drive solo in the HOV lane with your carpool sticker.

BEGIN ENJOYING THE MANY BENEFITS OF EV OWNERSHIP

cleanfuelreward.com

EDU Portal

One of the most useful aspects of this program for EDUs is the EDU portal. The portal is a secure, login-required site that provides valuable assets and content for EDUs, such as brand style guidelines; marketing assets including templates to market the program on the EDU's website or via outbound communications (e.g., email, social media, display ads, print ads, and web banner templates), a job aid to help navigate the portal; customer download capability, and the most current Participating Retailer list.

CALIFORNIA CLEAN FUEL REWARD™

Your EDU Name

HOME CUSTOMERS RETAILERS MARKETING JOB AID PROFILE FAQ SIGN OUT

MARKETING SUPPORT

There are a number of resources to help retailers and partners promote the benefits of California Clean Fuel Reward to their customers, whether it be for email, social media, or a branded display.

LEARN MORE >

DOWNLOADABLE JOB AID

Download a job aid that you can use to introduce new users to the EDU portal and its features.

DOWNLOAD NOW >

CALIFORNIA CLEAN FUEL REWARD™

Your EDU Name

HOME CUSTOMERS RETAILERS MARKETING JOB AID PROFILE FAQ SIGN OUT

Home > Marketing Support > Marketing Assets

MARKETING ASSETS

Make sure all your California Clean Fuel Reward marketing communications are brand compliant by using the following items.

CALIFORNIA CLEAN FUEL REWARD™

REWARD AMOUNT CHANGE

Beyond the marketing, outreach, and training efforts launched or enhanced in 2021, one big change to the program had the potential to influence program outcomes more than any other—the reward amount change.

While it was anticipated that a reduction in the reward amount from the \$1,500 maximum was probable after a year, the impacts of the global pandemic were, and continue to be, both longer lasting and different than the program anticipated prior to the launch of CCFR.

2021 presented challenges to the CCFR that were working in opposition: general travel continued to be depressed, which both reduced the amount of LCFS credits being generated by electric vehicle charging and the demand for LCFS credits to offset the sale of more carbon-intense fuels (a reduction in program revenues), yet consumer demand for new electric vehicles was higher than anticipated by most market analysts.

The result was that the program experienced an apparent cashflow shortfall that required changes be made to keep the program within its statutory obligations and to ensure a stable reward amount for future customers.

The Steering Committee approved the reduction of the maximum reward from \$1,500 to \$750, effective 11/2/21. This date was chosen to align with the first day of the November automotive sales cycle.

Reward amounts are calculated as follows:

BATTERY CAPACITY (kWh)	PROGRAM REWARD CALCULATION (Based on \$750)	PROGRAM REWARD AMOUNT
Capacity greater than or equal to 16 kWh	100% x \$750.00	\$750.00
Capacity greater than 5 kWh and less than 16 kWh	(Capacity - 5) 38.9 + 11 x 61.1 = Reward Percentage	Example
<i>Example: Capacity of 8.8 kWh</i>	38.9 + (8.8 - 5) = 60% x \$750.00	\$450.05
Capacity exactly 5 kWh	38.9% x \$750.00	\$291.75
Capacity less than 5 kWh	0% x \$750.00	\$ 0.00

This significant programmatic change required many aspects of the implementation to be updated to ensure that all program participants and stakeholders had the correct information. Communication objectives included overly communicating with all audiences before the change to minimize confusion and complaints among retailers, OEMs, EDUs, and customers; and optimizing efforts by incorporating insights from other change-oriented programs as well as reviewing functionality in advance of the updates.

Communication Strategies by Audience Type

Three core audience groups were identified as needing tailored communication strategies to best support them through the reward amount change. The three groups included retailers, customers, and key stakeholders. The strategies developed to support them included:

Retailers

- Inform the entire retail audience of the reward change; ensure awareness with consistent reminders leading up to the launch date.
- Prepare retailers for the change with “readiness” details and messaging for their salesforce to relay to their customers.
- Ensure retailers have received the message by monitoring their acknowledgment on the retailer portal.

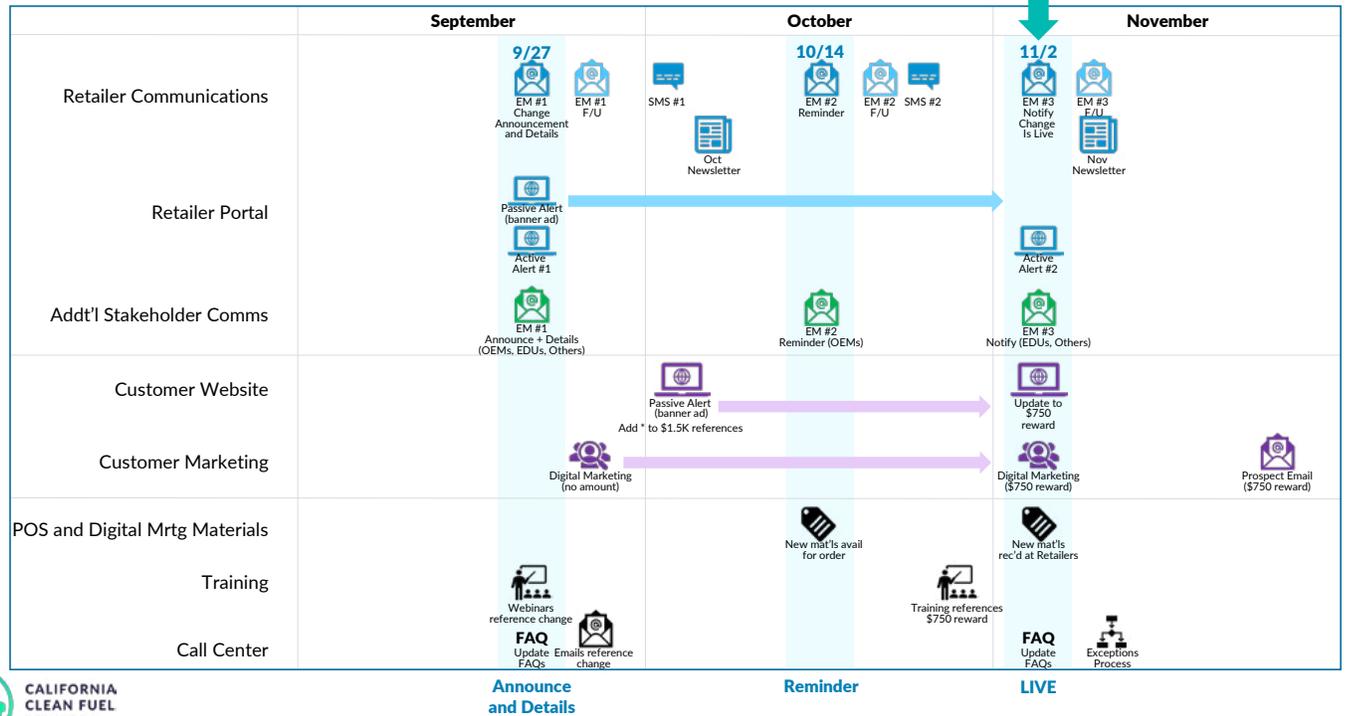
Customers

- Make sure customers are aware of the impending reward change with clear references on the website.
- Minimize confusion by incorporating the change message one month in advance.
- Direct customers to contact their participating retailer for more details.
- Remove references to the reward amount in consumer facing marketing in the weeks leading up to the change.
- Update third-party websites and incentive stackers with the correct dollar amount.

Key Stakeholders

- Provide a means to support OEM and retailer members, including messaging and FAQs.
- Inform OEM field teams of the reward change through consistent reminders.
- Keep teams informed of communications to retailers and how OEM teams can support.
- Inform EDUs of the reward change, provide any updated assets as needed, and keep them updated on OEM/retailer efforts.
- Inform additional stakeholders of the reward change, including key partners and third-party sites that are promoting the reward. More than 20 third-party sites were contacted to update their CCFR content to reflect the new reward amount.

REWARD CHANGE MASTER PLAN



Despite the potential upheaval that the reward change might have caused, only a limited number of amount change inquiries were received from both customers and retailers. Out of the many thousands of customers impacted by the change, only 32 calls were received prior to the change, and only five after the change went into effect. The retailer calls have only been either technical in nature, or simply seeking to understand the reason for the change.

OPERATIONS, AUDITING, AND MONITORING

Operations

As with any major program, operational processes are key to ensuring the program runs smoothly and allows for quickly identifying and resolving issues. Ongoing review and analysis of processes and procedures are a core part of the program, and improvements are incorporated as needed. In addition, the program has implemented systems to ensure all stakeholders are supported throughout the process.

The program experienced a wide range of both retailer enrollment and claim-volume submissions throughout 2021, which led to occasionally unpredictable turnaround times to review and validate submissions. Program analysis determined that quarter-end and year-end claim volumes were typically higher than normal. However, inventory issues in the automotive industry also led to fluctuations. The operations team continues to monitor volumes to adjust validation staffing levels and works with OEMs to advise on future expectations.

Operational enhancements such as staffing adjustments, machine learning, and a digital auditing experience have also increased efficiency, while continuing to mitigate risk. In addition, supplemental post-sale validations support operational efforts by providing more ways to corroborate claims.

Auditing

In support of the CCFR Guiding Principle to “Develop robust risk mitigation and fraud management policies,” and the operational rigor to ensure validations are as robust as possible, an independent auditor was engaged for the CCFR program to review and assess the operating effectiveness of controls in place through the first six months of the program.

The interim audit report was distributed in October 2021 and covered activities through April 2021. Specific areas of focus included the retailer enrollment process; retailer reward and reimbursement processes; program metrics definition, monitoring, and reporting; implementer, financial institution, and program administrator billing and invoicing; segregation of duties and approvals of system access; accuracy and validity of program expenses; and completeness and existence of account balances.

The program operations team continues to use the feedback in the audit report to refine and improve program processes. The [**final Interim Audit report**](#) is included on the CCFR website.

Going forward, the CCFR program will be audited annually at the end of each fiscal year.

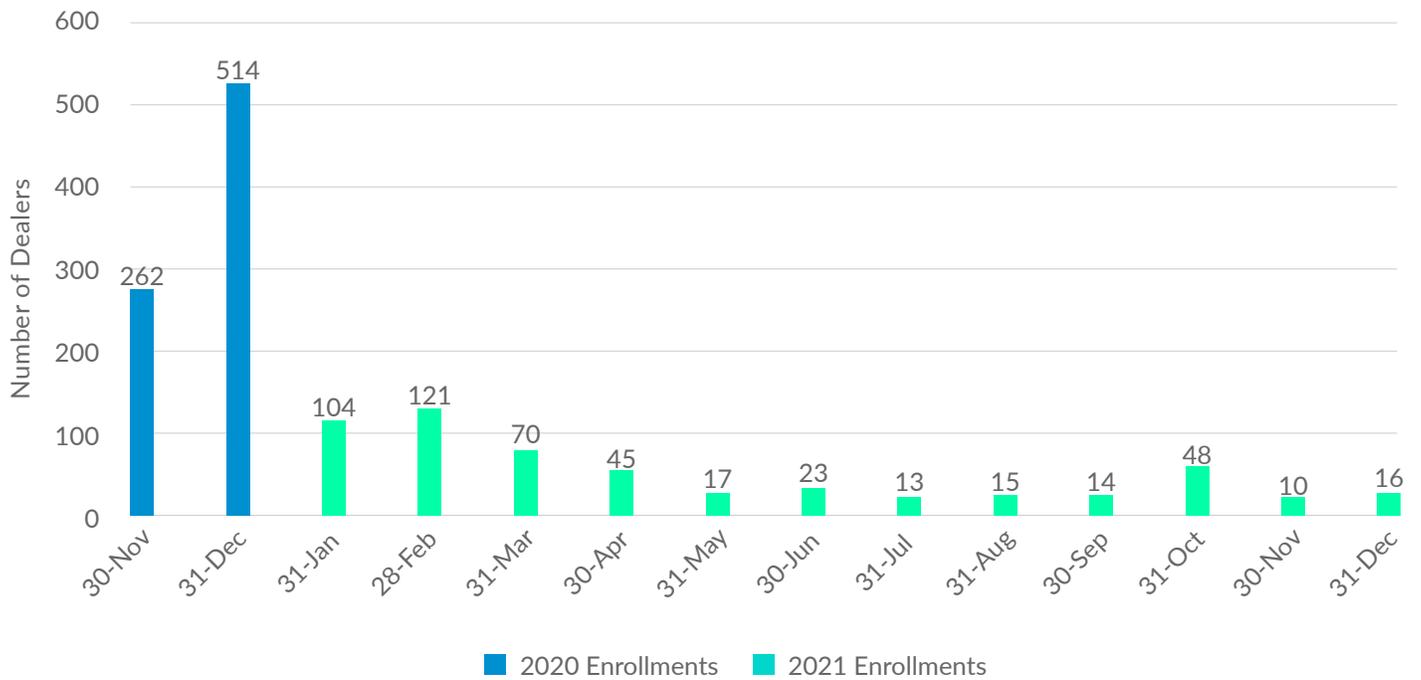
03 RESULTS

03 RESULTS

Data contained in this report represents activity through the end of 2021. For current information, please visit www.cleanfuelreward.com.

RETAILER ENROLLMENT

The bulk of new retailer enrollments in the program occurred in November and December of 2020, with another 25% joining in Q1 2021. New enrollments continued throughout 2021 at a steady pace with a slight uptick in October, echoing the enrollment levels seen in early Q2.



RETAILER ENROLLMENT BY BRAND

The CCFR retailer footprint for California now includes most new vehicle dealerships within the state.

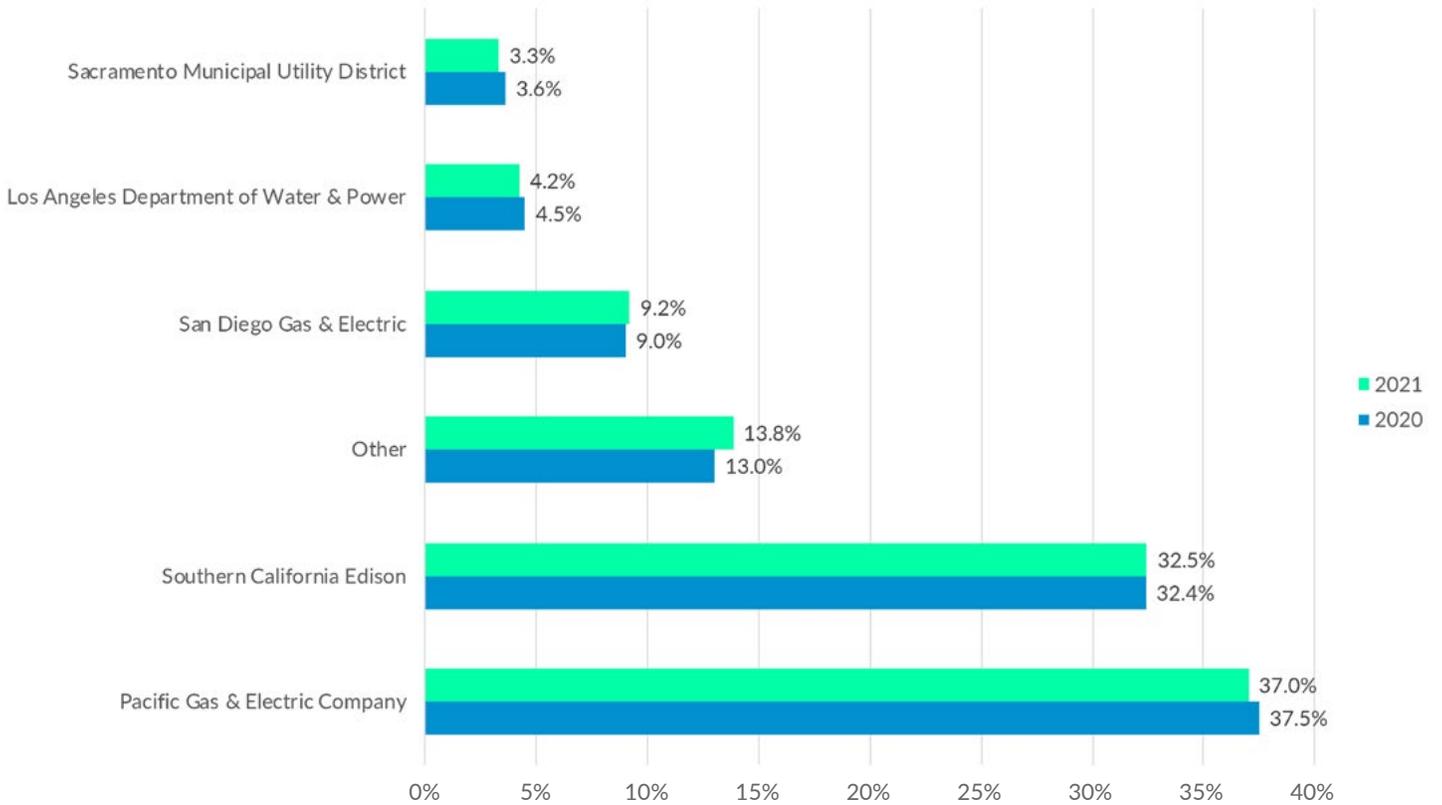
OEM	LISTINGS
Chrysler Dodge Jeep Ram	236
Ford	124
Toyota	117
Chevrolet	109
Nissan	89
Honda	86
Hyundai	70
Volkswagen	61
Kia	58
BMW	51
Mazda	49
Audi	41
Subaru	30
Porsche	29
Volvo	26
Land Rover	25
Jaguar	24
Lincoln	20
Cadillac	17
Harley-Davidson	17
Mitsubishi	17
MINI	16
Mercedes-Benz	15
Zero	13
FIAT®	12
Lexus	10
GMC	4
Polestar	4
Energica	3
Vespa	2
Arcimoto	1
Bentley	1
ElectraMeccanica	1
Karma	1
Livewire	1
Lucid	1
Tesla	1



Distribution of CCFR-enrolled retailers throughout California

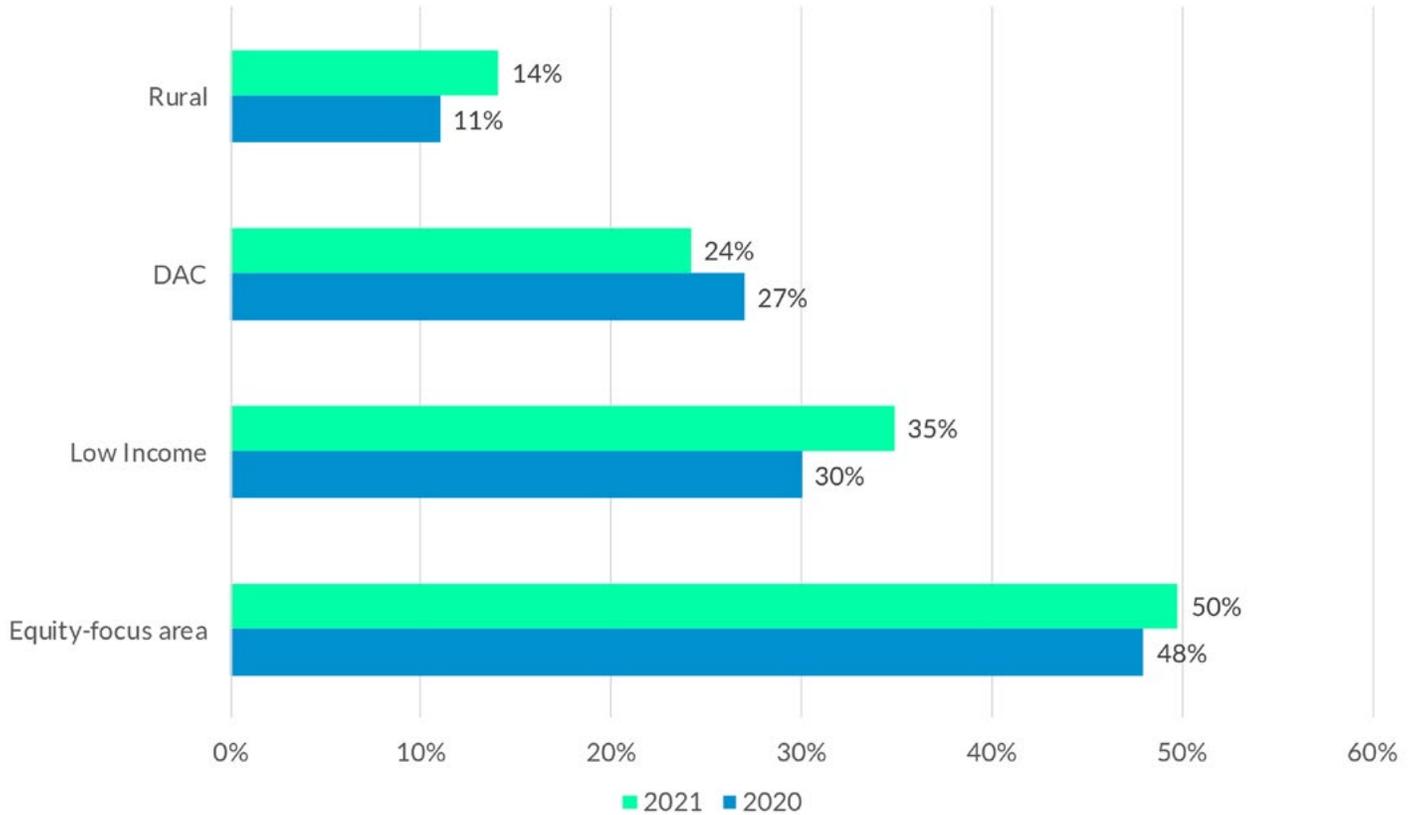
RETAILER ENROLLMENT BY EDU TERRITORY

To ensure that the CCFR continues to reach retailers in different EDU territories, final tallies for retailer enrollments by EDU are consistent with the percentages seen at year end 2020.



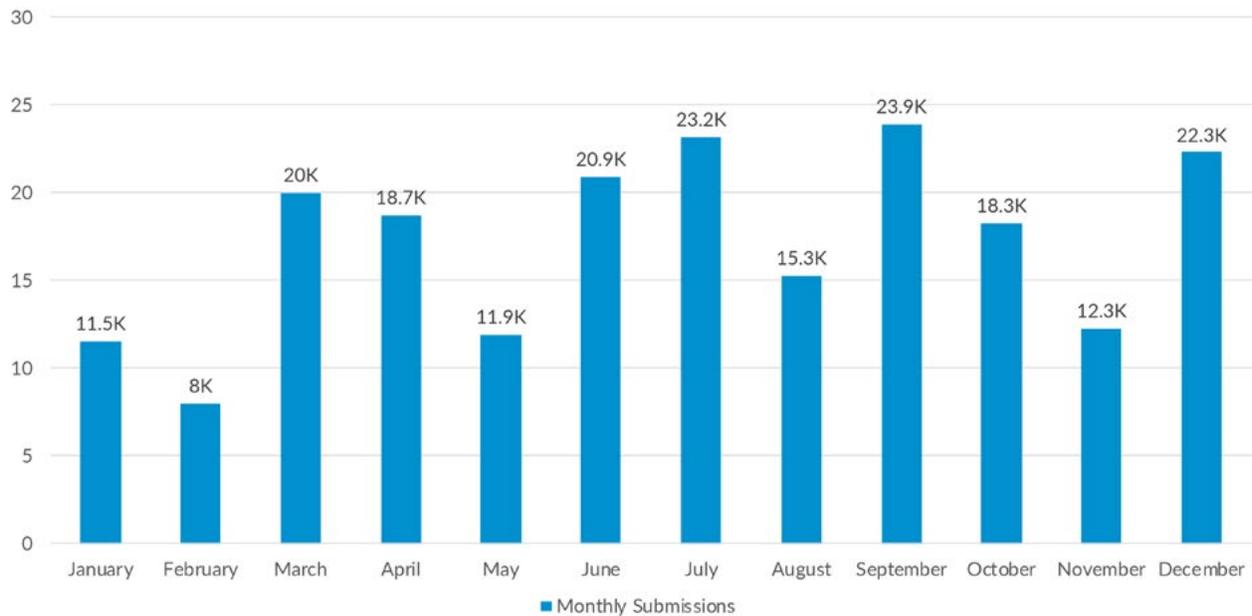
RETAILER ENROLLMENT DISPERSION IN UNDERSERVED COMMUNITIES

The number of enrolled retailers by equity area in 2021 was consistent with the proportions established during 2020, with only small variations in the total. Now, fully half of the enrolled retailers serve equity areas, with the largest increase occurring in dealerships serving low-income communities (35% from 30%).

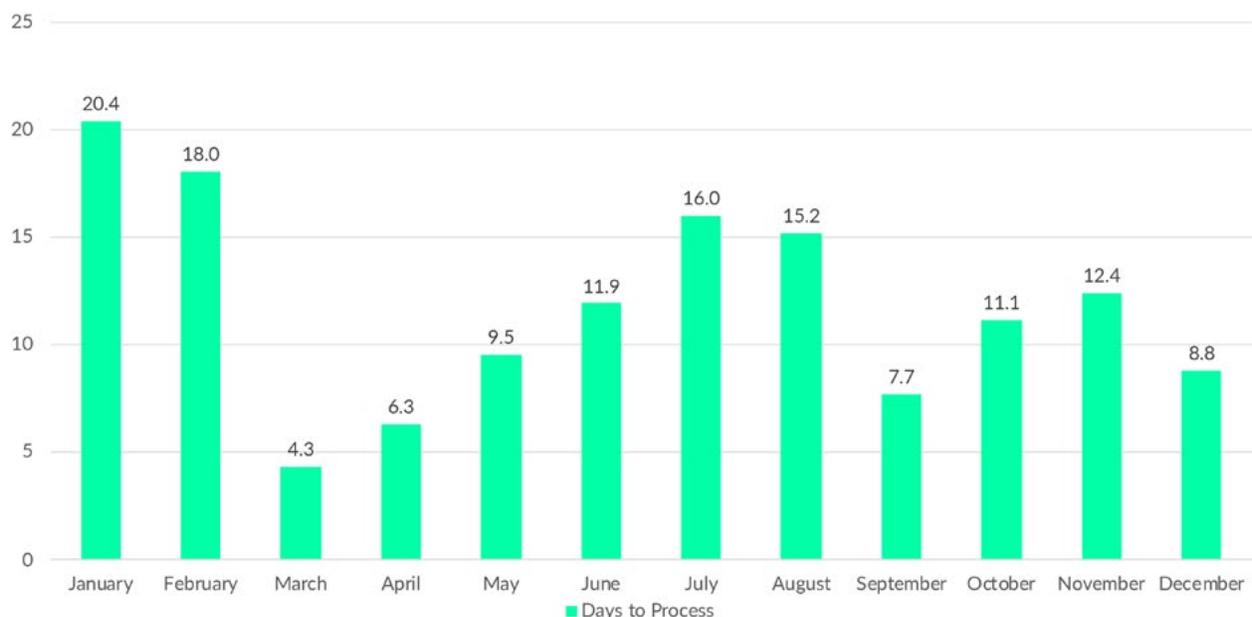


CUSTOMERS REWARDED

Although there were spikes in claims submissions at the end of each quarter, overall volume for the duration of 2021 was steady and significant. Processing times varied mostly at the beginning of the program as the team managed the influx of 2020 reward claims and new submissions during Q1. Average processing times fluctuated in response to volume.



At the beginning of the program, the team was still learning processing times—around 19 days average. By the end of the year, even with significant volume in December, processing times were half what they were at the beginning of the year.

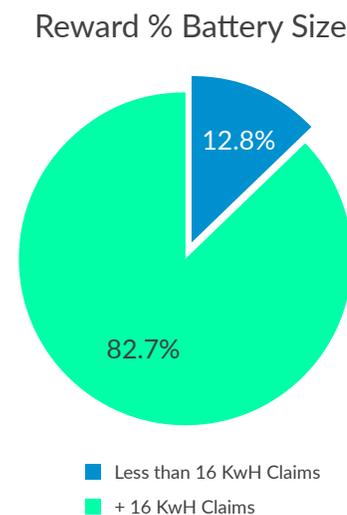
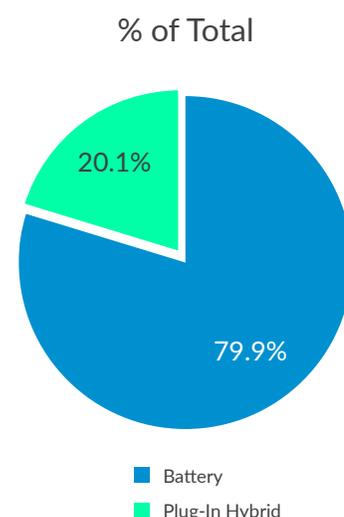


REWARDS ISSUED BY AUTOMOTIVE MAKE AND MODEL

Since 2020, the list of vehicles purchased by rewarded customers has more than doubled with new PHEV and BEV models such as the Volkswagen ID.4, Jeep Wrangler 4xe, and Ford Mustang Mach-E launching at an ever-increasing rate. Although Tesla represented the bulk of the claims during both 2020 and 2021, other makes and models made significant headway. During several months of 2021 the combined sales of other makes eclipsed the monthly sales of Tesla. The overwhelming majority of sales were for full battery-electric vehicles.

MAKE/ MODEL	REWARDED CUSTOMERS
Tesla	119,241
Model Y	60,399
Model 3	52,822
Model S	5,081
Model X	939
Toyota	15,118
Prius Prime	9,157
RAV4 Prime	5,961
Chevrolet	8,332
Bolt EV	7,519
Bolt EUV	813
BMW	7,270
3 Series	2,155
X5	1,875
X3	1,299
5 Series	1,130
i3	782
7 Series	28
i8	1
Volvo	6,110
XC90	3,270
XC40	1,308
XC60	1,180
S60	274
V60	48
S90	30
Audi	5,476
e-tron	2,767
Q5	2,352
e-tron GT	124
A7	116
RS e-tron GT	50
e-tron Sportback	49
A8 L	18
Volkswagen	5,127
ID.4	5,102
e-Golf	25
Ford	5,098
Mustang Mach-E	4,863
Escape Plug-In Hybrid	182
Fusion Energi	53
Hyundai	4,326
Kona EV	2,348
Ioniq Plug-In Hybrid	790
Ioniq Electric	527
Santa Fe Plug-In Hybrid	378
Tucson Plug-In Hybrid	259
Kona Electric	24
Jeep	3,683
Wrangler 4xe	2,643
Wrangler Unlimited 4xe	1,040
Nissan	3,158
LEAF	3,158
Kia	3,018
Niro EV	2,092
Niro Plug-In Hybrid	734
Sorento Plug-In Hybrid	191
Optima Plug-In Hybrid	1

MAKE/ MODEL	REWARDED CUSTOMERS
Porsche	2,492
Taycan	2,097
Cayenne	294
Panamera	101
Chrysler	1,791
Pacifica Hybrid	1,791
Polestar	776
2	774
1	2
Honda	632
Clarity Plug-In Hybrid	632
MINI	503
Hardtop 2 Door	468
Countryman Plug-In Hybrid	35
Subaru	367
Crosstrek	367
Zero	241
SR/S	58
S	47
SR/F	37
FXE	23
DS	20
DSR	18
SR	16
FX	12
DSR/BF	6
FXS	3
DSR Black Forest	1
Lincoln	155
Aviator	133
Corsair	22
Jaguar	149
I-PACE	149
Mitsubishi	105
Outlander PHEV	105
Land Rover	85
Range Rover	43
Range Rover Sport	42
Mazda	71
MX-30 EV	71
ElectraMeccanica	47
SOLO	47
Arcimoto	46
FUV	46
Energica	24
Eva	20
Ego	4
Harley-Davidson	18
LiveWire	18
Lucid	16
Air	16
LiveWire	14
One	14
Mercedes-Benz	3
GLC	2
EQS	1
Bentley	1
Bentayga	1



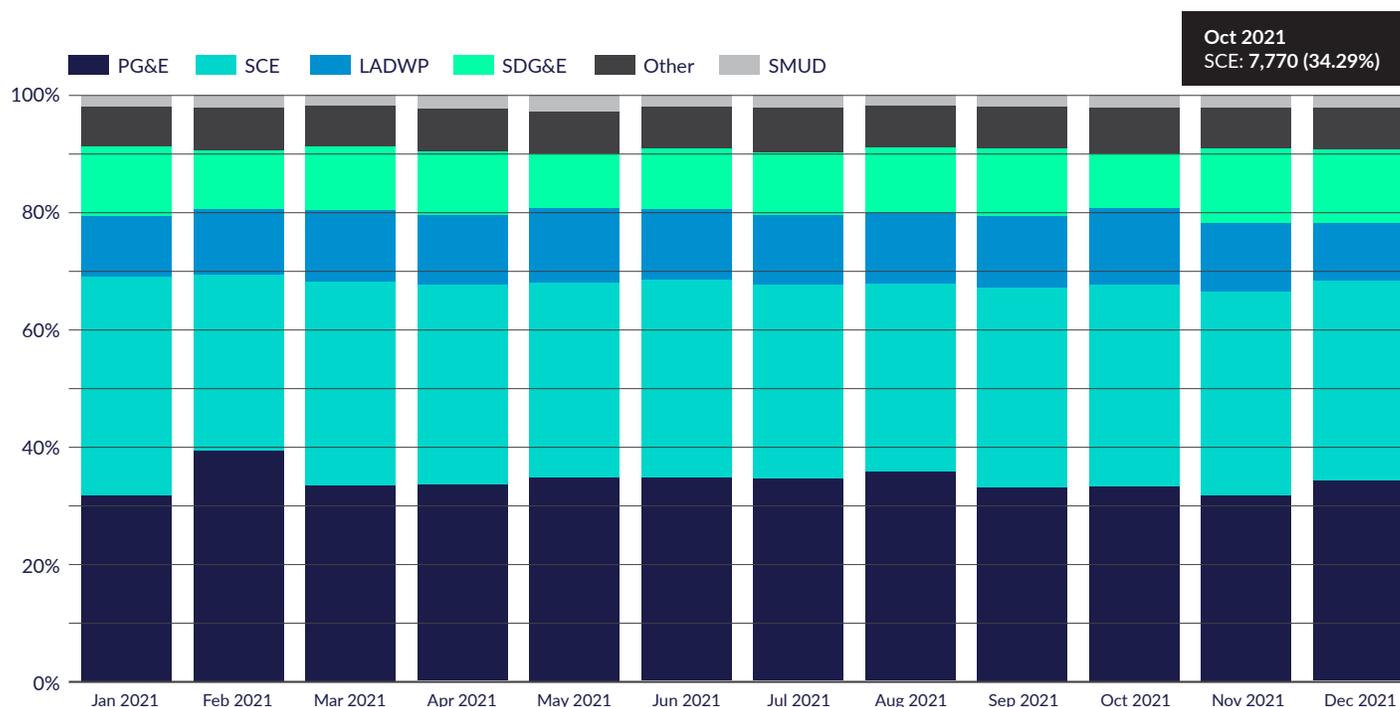
PERCENTAGE OF REWARDS ISSUED BY AUTOMOTIVE MAKE AND MODEL

Tesla's share of total rewards decreased (64.7% in 2021 vs 86.2% in 2020). However, sales of the lower priced Model 3 and Model Y were brisk, making up 58.5% of all customers rewarded. We will continue to track this shift in the OEM landscape during 2022 as more electric vehicles come to market.

MAKE/ MODEL	REWARDED CUSTOMERS	MAKE/ MODEL	REWARDED CUSTOMERS
Tesla	61.63%	Porsche	1.29%
Model Y	31.22%	Taycan	1.08%
Model 3	27.30%	Cayenne	0.15%
Model S	2.63%	Panamera	0.05%
Model X	0.49%	Chrysler	0.93%
Toyota	7.81%	Pacifica Hybrid	0.93%
Prius Prime	4.73%	Polestar	0.40%
RAV4 Prime	3.08%	2	0.40%
Chevrolet	4.31%	1	0.00%
Bolt EV	3.89%	Honda	0.33%
Bolt EUV	0.42%	Clarity Plug-In Hybrid	0.33%
BMW	3.76%	MINI	0.26%
3 Series	1.11%	Hardtop 2 Door	0.24%
X5	0.97%	Countryman Plug-In Hybrid	0.02%
X3	0.67%	Subaru	0.19%
5 Series	0.58%	Crosstrek	0.19%
i3	0.40%	Zero	0.12%
7 Series	0.01%	SR/S	0.03%
i8	0.00%	S	0.02%
Volvo	3.16%	SR/F	0.02%
XC90	1.69%	FXE	0.01%
XC40	0.68%	DS	0.01%
XC60	0.61%	DSR	0.01%
S60	0.14%	SR	0.01%
V60	0.02%	FX	0.01%
S90	0.02%	DSR/BF	0.00%
Audi	2.83%	FXS	0.00%
e-tron	1.43%	DSR Black Forest	0.00%
Q5	1.22%	Lincoln	0.08%
e-tron GT	0.06%	Aviator	0.07%
A7	0.06%	Corsair	0.01%
RS e-tron GT	0.03%	Jaguar	0.08%
e-tron Sportback	0.03%	I-PACE	0.08%
A8 L	0.01%	Mitsubishi	0.05%
Volkswagen	2.65%	Outlander PHEV	0.05%
ID.4	2.64%	Land Rover	0.04%
e-Golf	0.01%	Range Rover	0.02%
Ford	2.63%	Range Rover Sport	0.02%
Mustang Mach-E	2.51%	Mazda	0.04%
Escape Plug-In Hybrid	0.09%	MX-30 EV	0.04%
Fusion Energi	0.03%	ElectraMeccanica	0.02%
Hyundai	2.24%	SOLO	0.02%
Kona EV	1.21%	Arcimoto	0.02%
Ioniq Plug-In Hybrid	0.41%	FUV	0.02%
Ioniq Electric	0.27%	Energica	0.01%
Santa Fe Plug-In Hybrid	0.20%	Eva	0.01%
Tucson Plug-In Hybrid	0.13%	Ego	0.00%
Kona Electric	0.01%	Harley-Davidson	0.01%
Jeep	1.90%	LiveWire	0.01%
Wrangler 4xe	1.37%	Lucid	0.01%
Wrangler Unlimited 4xe	0.54%	Air	0.01%
Nissan	1.63%	LiveWire	0.01%
LEAF	1.63%	One	0.01%
Kia	1.56%	Mercedes-Benz	0.00%
Niro EV	1.08%	GLC	0.00%
Niro Plug-In Hybrid	0.38%	EQS	0.00%
Sorento Plug-In Hybrid	0.10%	Bentley	0.00%
Optima Plug-In Hybrid	0.00%	Bentayga	0.00%

REWARDED CUSTOMERS BY EDU TERRITORY

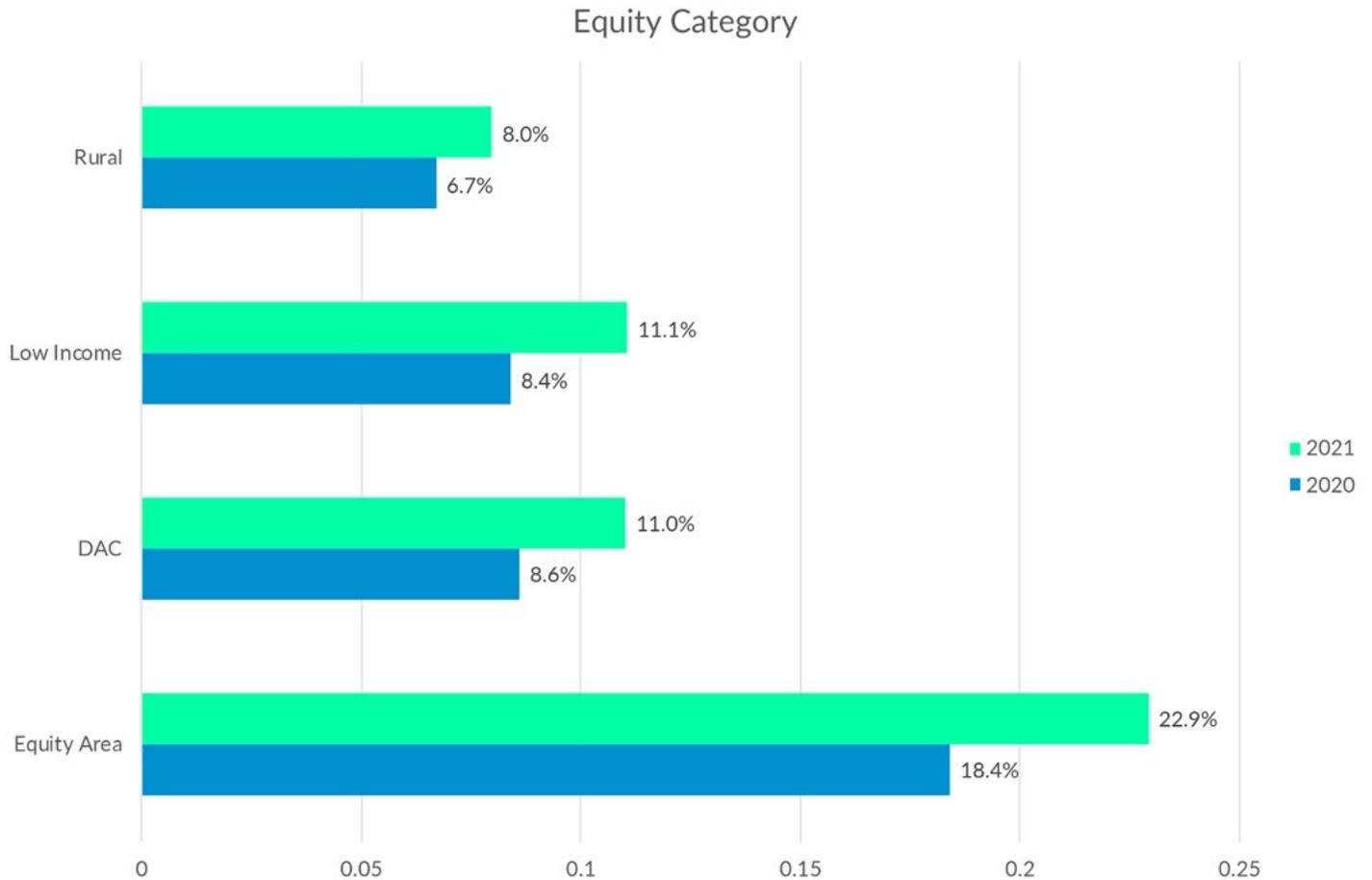
EDU territories continued to fluctuate for both CCFR and the overall market during 2021, while the percentage of customers rewarded by EDU stayed mostly steady, with PG&E losing a couple of percentage points to SCE and LADWP. The first chart below shows the trends in EDU reward share by month while the second chart shows the total percentage of customers rewarded in 2021 by EDU.



EDU	% OF CUSTOMERS REWARDED	CVRP % BENCHMARK
Pacific Gas & Electric Company	34.3%	39.8%
Southern California Edison	33.4%	31.1%
Los Angeles Department of Water & Power	12.0%	10%
San Diego Gas & Electric	10.7%	10.5%
Sacramento Municipal Utility District	2.5%	2.1%
Medium and Small POUs	7.2%	6.6%

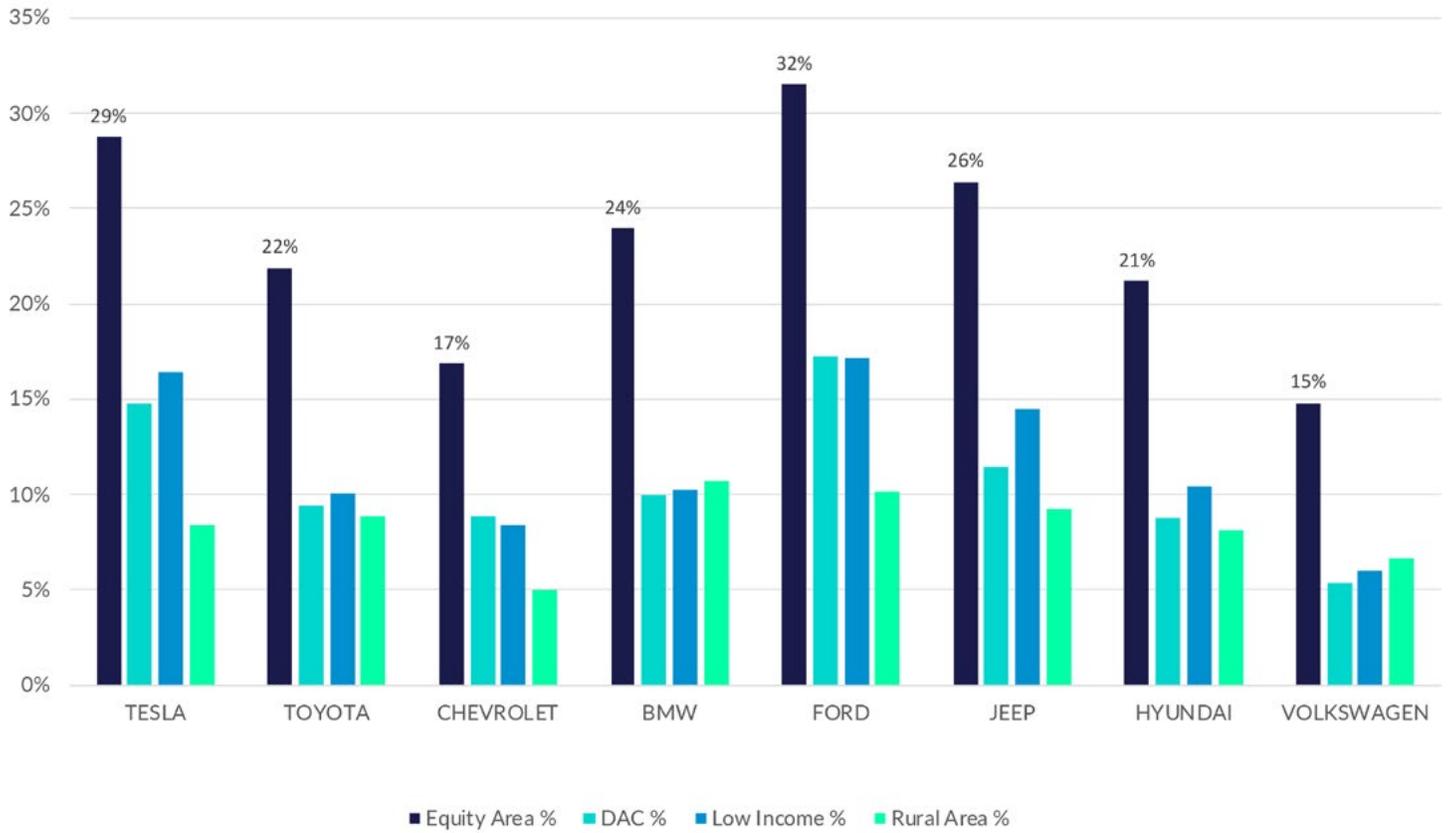
DISPERSION OF REWARDED CUSTOMERS IN UNDERSERVED COMMUNITIES

Although there was a noticeable increase in rewards across all equity areas for 2021, significant room for improvement remains. This ongoing need has driven the creation of the CPOP pilot that launched at the end of the year.



DISPERSION OF REWARDED CUSTOMERS IN UNDERSERVED COMMUNITIES BY OEM

All OEMs that had at least 1,000 claims in underserved communities in 2021 are presented in the chart below.



04 2021 PROGRAM FINANCIALS

04 2021 PROGRAM FINANCIALS

LINE NO.	METRIC	ESTIMATED AMOUNT	ACTUAL AMOUNT
1	Deposits	\$168,925,238	\$137,861,673
2	Rewards Paid	\$254,837,534	\$269,186,441
3	Total Administrative and Marketing, Education & Outreach (ME&O) Costs	\$13,939,567	\$13,786,171
	3a Program Administrator Costs	Data Redacted for Confidentiality Purposes	
	3b Program Implementer Costs		
	3c Program Auditor Costs		
	3d Consumer-Facing ME&O Costs		
4	Administrative Costs, % of Deposits	8%	10%
5	Startup Costs	\$1,382,861	\$1,286,739
6	Total Program Expenditures	\$270,159,962	\$284,259,351

COST DETAIL

2021 represents the first full year of normal operating costs since the CCFR program launched on November 17, 2020. The 2021 estimated budget was presented to, and approved by, the CCFR Steering Committee at the beginning of the calendar year. 2021 presented several challenges for the CCFR program; most notably a 18% shortfall in expected deposits that was driven by a combination of slower than expected post-pandemic recovery in generated LCFS credits, and a precipitous drop in LCFS credit prices in the last six months of the year.

There were additional expected startup costs that carried over into the 2021 calendar year, which are described in further detail below. These were lower than planned, largely due to the continuing public health situation in 2021, and the inability to host an in-person launch event.

1. Deposits

Deposits into the program in 2021 were primarily the mandated, periodic, quarterly deposits from the large EDUs with additional startup contributions from opt-in medium EDUs in January. As mentioned above, deposits into the program were 18% below expectations, primarily for two reasons: lower than expected LCFS credit generation, and a coincident decrease in LCFS credit prices.

LCFS credits generated for the program result from metered EV driving in the EDUs territories. The program's financial modeling took measures into account for reductions in driving as a result of the pandemic behavior changes in early 2020. It was able to predict within less than +/-5% for each quarter impacted by 2020 metered EV driving the actual credits generated. It was assumed that the observed increases in general driving across the state in the first half of 2021 was uniform across vehicle types. However, it turned out that metered EV driving remained depressed well into the second half of 2021. Due to the reporting and deposit cycle of the LCFS system, this was not apparent until the utilities received their July 2021 deposit of credits, which are generated from driving in the first quarter of the year. Additionally, this receipt of fewer-than-expected credits in Q3 of 2021 coincided with the beginning of a sharp decline in LCFS credit prices that decreased the average credit price by more than 20% in fewer than five months. As a result, a surplus against expected deposits after the first two deposits of 2021 turned into a shortfall entirely in the last two deposits of the year. This was the largest driving factor for the change in the reward amount in November 2021.

Looking forward, 2022 marks the first year that the opt-in medium EDUs will be required to deposit their periodic annual contributions to the CCFR program at the end of March, with additional startup contributions from the small EDUs required at the end of January 2023.

2. Rewards Paid

The program reimbursed automotive retailers for 5% more reward claims in 2021 than anticipated. Some of this was due to a carryover in claims from 2020 that were not processed until early 2021 as the program operations were coming online. Most of this increase in reward claims, however, was driven by the stellar growth of the EV market in 2021, both inside and outside of California.

3. Total Program Administrator Costs

The LCFS Regulation states that "Administrative Costs, excluding startup costs, to support any Clean Fuel Reward program funded by LCFS credit proceeds may not exceed 10% of LCFS credit proceeds contributed to the Clean Fuel Reward program annually."¹ SCE sought to further define this in Advice Letter 3982-E and proposed that it be allowed to serve as the "administrator to pay ME&O and administrative costs under rules established by the Steering Committee, including the fees charged by all third-party Implementer(s), at an amount not to exceed 10% of the total annual LCFS statewide CFR program revenue"² and that this cap would "include other administrative costs besides those of the third-party implementers, including, but not necessarily limited to, SCE's program administration costs."³ The Commission agreed and found that "a 10% program budget cap on administrative and ME&O spending is reasonable if it includes all IOU [investor-owned utility] administrative costs related to the CCFR program."⁴ The 10% cap is applied to the rollup of these costs, which are described in more detail below.

- A. Program Administrator Costs are defined as costs incurred by SCE to support the administration of the CCFR program including, but not limited to program management, data analytics, reward and invoice processing, cash account management, internal audit support, and procurement activities. These were slightly lower in 2021 than expected.

¹ §95483(c)(1)(A)(4) of the LCFR Regulation, at page 33.

² SCE Advice Letter 3928-E, at page 22.

³ Ibid.

⁴ Resolution E-5015, Findings and Conclusions 20, at page 33.

- B. Program Implementer Costs represent costs incurred by the program implementer to manage the program website and retailer portal, process reimbursement claims, manage ongoing program and retailer support activities, and to develop and execute retailer outreach and education activities. These were slightly higher than expected in 2021 due to unexpected work around website updates and customer support and, mostly, the additional work needed to change the reward amount in November 2021.
- C. Program Auditor Costs are costs associated with paying the program's third-party external auditing firm to examine the program's processes and perform annual and interim audits. These were higher than expected in 2021 due to the timing of audit cycles in the program, requiring that a second audit be initiated almost as soon as the first interim audit was completed. However, the increased Program Auditor Costs in 2021 were mostly offset by the lower-than-expected Program Administrator costs.
- D. Consumer-Facing ME&O Costs are for activities that are directed at consumers to increase consumer awareness about the program and electrification in general. These costs are separate from the retailer-focused ME&O activities that are built into Line Item 3. These costs were lower than expected in 2021 as the Consumer-Facing ME&O activities were voluntarily scaled back in the second half of the year to help maintain the 10% administrative cap requirement once a deposit shortfall was anticipated.

4. Administration Costs, % of Deposits

§95483(c)(1)(A)(4) of the LCFS Regulation states that the Total Administrative Costs (Item 3 above) for the CCFR program in any year cannot exceed 10% of the total annual deposits into the program (Item 1 above). This section of the Regulation further delineates that startup costs (see Item 5 below) are separate from Total Administrative Costs and are not subject to the 10% administrative cap.

5. Startup Costs

The same section further defines startup costs as "those costs associated with setting up the program and incurred prior to issuing rewards."⁵ For CCFR, all of SCE's procurement activities, initial account set up, and program management, as well as the program implementer's costs for developing the program website and portal, program brand elements, and initial retailer enrollment activities occurred before November 17, 2020. However, there were additional activities such as the development and deployment of point-of-sale kits for the dealers, Program Auditor onboarding, and legal review of the program agreements which, while the work was executed prior to the launch of the CCFR, were not invoiced until January 2021. These costs are included here and were slightly lower than expected given that an in-person launch event was not possible in November 2020.

Data Redacted for Confidentiality Purposes

⁵ §95483(c)(1)(A)(4) of the LCFR Regulation, at page 33.

05 LEARNINGS AND OPPORTUNITIES

05 LEARNINGS AND OPPORTUNITIES

2021 LEARNINGS

Reward Change

A key operational learning from 2021 includes giving retailers, EDUs, and other stakeholders as much advance notice as possible prior to a reward change so that they can ensure all personnel are notified. Starting communications more than a month prior to the change resulted in very few retailer complaints/questions. In addition, being prepared with FAQs and processes for handling requests was very effective.

Another key learning was that, while the many factors that contribute to the sustainability of the reward amount are well known to the Program Administrative team, the interplay between market factors contributing to the reward had not been effectively communicated to other program stakeholders, such as the Advisory Committee. For example, many stakeholders were caught off guard that the program generated lower revenues in 2021 than expected since the assumed relationship was that Californians were driving more and thus generating more credits for the program. While this was not a completely inaccurate assumption, it also didn't account for differences in driving behavior between EV drivers and non-EV drivers that existed in early 2021, nor did it account for coincidental steep declines in the value of LCFS credits due to (mostly) non-EV-related changes in the market. The key takeaway was that there is a benefit to keeping the larger CCFR stakeholder group more broadly aware of these influencing factors.

To ensure more consistent visibility into the factors influencing the reward amount, the Program Administrative team implemented a more regimented schedule and format for various levels of financial analysis. These analyses coincide with the availability of different datasets as well as the schedule of Steering Committee and Advisory Committee meetings such that the best available information can be shared with all key stakeholders.

As part of this process, the Program Administrative team also learned from the Advisory Committee that a slightly lower yet more stable reward was more desirable than setting the reward as high as possible with the risk of having to adjust down in the near-to-mid-future. This was a good learning, particularly in the context of the first year of the program where the Financial Forecasting Subcommittee recommended to the Steering Committee that the initial reward amount be as high as practicable to kickstart EV sales after the large impacts of COVID, knowing that there was a potential for downward adjustments in the future. Public discussions around the initial reward amount were sparse on specific values (to avoid the potential for influencing sales prior to the Program Launch Date), but it is possible that a more open discussion in mid-2020 may have led to a slightly more conservative initial reward amount.

On the retailer side, the CCFR Training and Consulting team delivered two virtual meetings to all enrolled retailers in the first year of the program. These activities brought several key learnings to light, including:

- The virtual aspect of our touchpoints limited the ability to engage with the sales teams in most stores:
 - Most of our meeting contacts were with leadership and the claims administrator/business office, but scheduling and engaging a store’s entire sales team virtually was very difficult.
- Attendance at our live webinars fell off sharply within the first half of the program year:
 - These webinars were originally intended to deliver program awareness and training for retail managers and sales teams after enrollment. The content of the live webinars was generic and focused on understanding the basics of the program. Once retailers were engaged and working the program (making claims), attendance at the live webinars dwindled to single digits.
- The training team can and should play an important role in program communications and in ensuring that the right individuals are receiving the right messages:
 - Consultants can serve as a valuable connector—between OEMs and retailers, between sales team and EV buyers, and between retailers and EDUs.

Reward Vehicles by Underserved Community Type

While improvements in the number of EVs purchased by customers living in underserved communities were noticed from 2020 to 2021, it was observed that preferences for EV models were not consistent across the different subsets of underserved communities. For example, the Tesla Model 3 was purchased at above-market-average rates by customers living in low-income communities but at below-market-average rates by customers living in rural communities. The Chevrolet Bolt, Ford Mustang Mach-E, and Toyota Prius Prime and RAV4 Prime models were purchased at above-average rates in all underserved communities.

While this may be mostly informational at this point, the variety of new EV models scheduled for release in 2022 and 2023 may illuminate difference in purchasing preference based on more geographical or demographical considerations. Just as the CPOP seeks to understand the best messaging tactics for engaging underserved customers, there is an opportunity in the future as new options become available to understand which types of vehicle models most appeal to different individuals in different communities and to leverage that information to accelerate EV adoption.

2022 GOALS

To ensure a successful program now and in the future, three focus areas were identified for 2022, each with goals that are critical to the long-term success of the program:

- 1 Claims Processing/Customer Support
- 2 Training Curriculum/Consultants
- 3 Program Communications

For each of these focus areas, learnings from the past year will be applied to continue to refine and ensure continued program success.

Claims Processing/Customer Support

The goal is to provide an excellent experience to key stakeholders such as retailers and customers.

How:

- Maintain and monitor claims auditing processing times and adjust staffing as needed to meet goals.
- Review current operational processes and standardize key processes and reporting.

Training Curriculum/Consultants

The goal is to create next-level launch deliverables and get to the right audience with the right message.

How:

- Move the training from deliverables that focus on “how to use” the program—to consultation around the EV buyer experience in the retail environment, with a special focus on top-of-mind topics for EV buyers at the time of purchase, including charging, battery warranties, maintenance, roadside assistance, owner apps, etc.
- Leverage timely communications avenues, both synchronous (such as live stakeholder meetings) and asynchronous (such as the CCFR newsletter), to share a wealth of performance data, including program metrics and benchmarks, consumer survey results, website assessments and search results, as well as current training offerings like on-demand videos, consultant training, and sales tips via text messaging (the newsletter has received an impressive average open rate of 38%!).



Program Communications

The goal is to keep audiences engaged with the program and deliver the right message to the right audience at the right time.

How:

- Develop and deploy a retailer survey to understand overall program opinions, gain feedback on current communications, gain preferences for future communications, understand program use and opinions by retailer role/function, and capture contact information for possible employee adds to communications.
- Keep CCFR top-of-mind with all partners/stakeholders by developing ongoing email communications at important milestones.
- Complement communications with training touchpoints.



06 DEFINITIONS

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TERM	DEFINITION
BEV	Battery Electric Vehicle
BDC	Business Development Center
CARB	California Air Resources Board
CCFR; CCFR Program	California Clean Fuel Reward Program (i.e., the point-of-purchase incentive for electric vehicles)
CPOP	Community Outreach Partner Pilot
CPUC	California Public Utilities Commission
DAC	Disadvantaged Community (see additional information below)
EDU	Electric Distribution Utility—a complete list of participating EDUs is listed in AL 4090
EV	Electric Vehicle
GHG	Greenhouse Gas
GVWR	Gross Vehicle Weight Rating
LCFS	Low Carbon Fuel Standard
LI	Low-Income Community (see additional information below)
Maritz	Maritz Automotive, the third-party implementer of the CCFR program
ME&O	Marketing, Education, and Outreach
OEM	Original Equipment Manufacturer
PHEV	Plug-In Hybrid Electric Vehicle
Program	See CCFR
Program Administrator	Authorized Administrator of the CCFR Program, which shall be SCE for at least the first three years of the program
Retailer	A new car dealer, either online-based or with a physical storefront, that is enrolled in the CCFR program to receive reward reimbursements
Reward	Point-of-purchase amount offered through the program
SCE	Southern California Edison
Steering Committee	Governing body of the Clean Fuel Reward Program

DEFINED EQUITY CATEGORIES

§95483(c)(1)(A)(6)(a) of the LCFS Regulation determines that special equity considerations should be given to underserved Californians through LCFS programs and defines these Californians as “disadvantaged communities and/or low-income communities and/or rural areas or low-income individuals eligible under California Alternative Rates for Energy (CARE) or Family Electric Rate Assistance Program (FERA) or the definition of low-income in Health and Safety code section 50093 or the definition of low-income established by a POU’s governing body.”⁹ Each of the categories being considered in this report have unique characteristics:

Disadvantaged Communities (DAC): these are census tracts located in disadvantaged geographical regions as defined by the CalEnviroScreen 3.0 modeling. “CalEnviroScreen is a screening tool that evaluates the burden of pollution from multiple sources in communities while accounting for potential vulnerability to the adverse effects of pollution. CalEnviroScreen ranks census tracts in California based on potential exposures to pollutants, adverse environmental conditions, socioeconomic factors, and prevalence of certain health conditions. Data used in the CalEnviroScreen model come from national and state sources.”¹⁰ While many DACs are often low-income communities, they are not always the same.

Low-Income Communities: are census tracts with median household incomes at or below 80% of the statewide median income or with median household incomes at or below the threshold designated as low income by the Department of Housing and Community Development's list of state income limits adopted pursuant to Section 50093.¹¹

Rural Areas: means a census tract with at least 75% of its population identified as rural by the latest U.S. Census data.¹²

⁹ §95483(c)(1)(A)(6)(a) at page 35

¹⁰ <https://oehha.ca.gov/calenviroscreen/calenviroscreen-faqs>

¹¹ California Health and Safety Code §39713(d)(2)

¹² §95481 (a) (133)

07 APPENDIX

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REWARDED CUSTOMERS BY EDU TERRITORY

EDU	CLAIMS PAID	CLAIMS SHARE %
Pacific Gas & Electric Company	66,473	34.27%
Southern California Edison	64,648	33.41%
Los Angeles Department of Water & Power	23,210	12.03%
San Diego Gas & Electric	20,562	10.65%
Sacramento Municipal Utility District	4,796	2.48%
City of Anaheim Public Utilities Department	1,661	0.85%
Glendale Water & Power	1,521	0.78%
Silicon Valley Power	1,145	0.59%
Pasadena Water & Power	1,102	0.56%
City of Palo Alto	956	0.49%
City of Riverside	904	0.47%
Roseville Electric	851	0.44%
Modesto Irrigation District	823	0.43%
Burbank Water & Power	754	0.39%
Imperial Irrigation District	668	0.36%
Alameda Municipal Power	560	0.29%
City of Cerritos	451	0.23%
Other	405	0.21%
Turlock Irrigation District	403	0.21%
Merced Irrigation District	199	0.10%
Azusa Light & Water	169	0.09%
Moreno Valley Electric Utility (MVU)	166	0.08%
Redding Electric Utility	162	0.09%
Liberty Utilities	128	0.07%
Lodi Electric Utility	103	0.05%
City of Healdsburg	89	0.05%
Colton Electric Utility Department	85	0.04%

EDU	CLAIMS PAID	CLAIMS SHARE %
Truckee Donner Public Utilities District	84	0.04%
Lathrop Irrigation District	69	0.03%
City of Lompoc Electric Division	45	0.02%
City of Industry	42	0.02%
City of Banning Electric Department	39	0.02%
PacifiCorp	36	0.02%
Bear Valley Electric Service	31	0.02%
City of Vernon Municipal Light Department	26	0.02%
City of Corona Department of Water & Power	25	0.01%
Rancho Cucamonga Municipal Utility	24	0.01%
City of Ukiah Electric Utility	23	0.01%
Plumas-Sierra Rural Electric Cooperative	13	0.01%
City of Shasta Lake	12	0.01%
Anza Electric Cooperative, Inc.	8	0.01%
City of Pittsburg	8	0.00%
Trinity Public Utilities District	4	0.00%
Gridley Electric Utility	3	0.00%
City of Needles	1	0.00%
Kirkwood Meadows Public Utility District	1	0.00%
Biggs Municipal Utilities	1	0.00%
Surprise Valley Electrification Corporation	1	0.00%
Lassen Municipal Utility District	1	0.00%
Shelter Cove Resort Improvement District	1	0.00%
Port of Oakland	1	0.00%



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