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### Overview

The STEPS Scenarios are used as a basis for estimating transition costs to introduce new vehicles and fuel types, while aiding in their cost competitiveness with current vehicle technologies.

**Key Findings**

- Only a modest fee is required to fund the CVRP, up to $200 million.
- An average fee of $150 per car can be sufficient to fund the rebates.
- Fee structures that exempt low-emitting cars, low-income households, or both result in higher fees.
- Fee levels will need to evolve to generate increased revenue over time.
- It is assumed that fees below $300 will not impact purchasing decisions.

### STEPS Scenarios

**Scenarios 1 & 2:**
- All incomes pay a fee.
- S1 Fee Begins: 177 g/mi.
- S2 Fee Begins: 250 g/mi.

**Scenarios 3 & 4:**
- Incomes of $75,000 play a role.
- S3: Income > $75k pay a fee.
- S4: Income > $75k and emit > 400 g/mi pay a fee.

**Scenarios 5 & 6:**
- MSRP of $16,000 play a role.
- S5: MSRP > $16K pay a fee.
- S6: MSRP > $16K and emit > 400 g/mi pay a fee.

### CVRP Funding Goals

- STEPS Scenarios require generating $200 million in revenue.
- Assumption of a minimum fee of $100 assessed for qualifying vehicles.

### STEPS Scenarios Summary

- Toyota Prius hybrid is the lowest emitter, at 177 g CO₂/mile.

### Average fee per vehicle per annual household income

- The STEPS Scenarios will continue with:
  - Projecting the California market out to 2025, accounting for 15% ZEV market shares.
  - Estimating required funding for the next 10 years.
  - Evaluating fee structures to generate revenue that can fund the program for the next 10 years.
  - Analyzing market effects:
    - How vehicle purchases will shift towards purchasing ZEVs.
    - How the rebate fund will increase as ZEV sales increase.
    - How to meet the ZEV sales targets.

### Distribution of sales, broken out by new car body types by household income group (left) and as percentages for each group (right)

- Households with $100k - $150k income purchase the majority of new vehicles.
- Distribution of sales remains stable across income categories.
- Slight trend toward increased SUV sales and decreased sedan sales as income grows.