Energy Program

Washington Green Transportation Program
Moving forward with Washington's public fleets

THE BUSINESS CASE FOR ELECTRIC SCHOOL BUSES

EPA Clean School Bus Rebate Program 2024

Table 4: Maximum Funding Amount per Replacement School Bus

School District Prioritization Status	Replacement Bus Fuel Type and Size					
	ZE – Class 7+	ZE – Class 3-6	CNG– Class 7+	CNG – Class 3-6	Propane – Class 7+	Propane – Class 3-6
Buses serving school districts that meet one or more prioritization criteria	Up to **$325,000** (Bus + Charging Infrastructure)	Up to **$245,000** (Bus + Charging Infrastructure)	Up to **$45,000**	Up to **$30,000**	Up to **$35,000**	Up to **$30,000**
Buses serving school districts that are not prioritized	Up to **$170,000** (Bus + Charging Infrastructure)	Up to **$115,000** (Bus + Charging Infrastructure)	Up to **$30,000**	Up to **$20,000**	Up to **$25,000**	Up to **$20,000**

Source: https://www.epa.gov/system/files/documents/2024-09/420b24044.pdf

EPA Priority Districts Map

OSPI Depreciation with ESBs

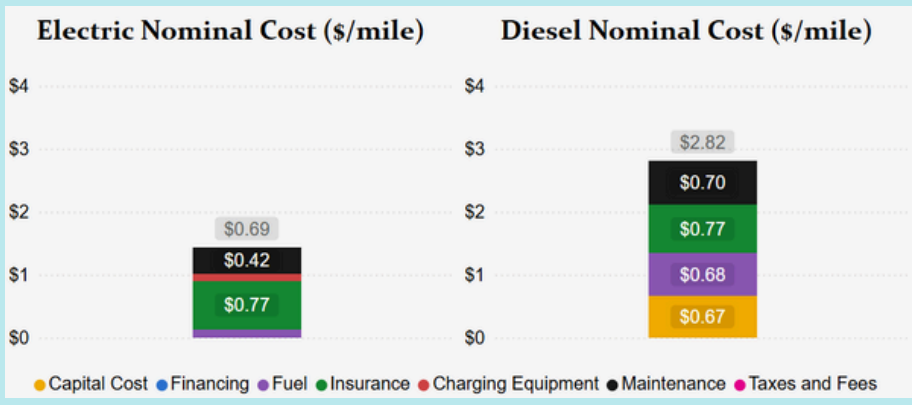
By utilizing Transportation Vehicle Funds (TVFs) and grant money, school districts can acquire expensive electric school buses (ESBs) at a significantly reduced cost. Once the bus is purchased, they can immediately begin receiving depreciation reimbursements for the full price of the bus– allowing districts to secure these vehicles for a fraction of the cost while benefitting from the reimbursements over time.

Total Cost of Ownership Math

Based off a $400,000 ESB MSRP

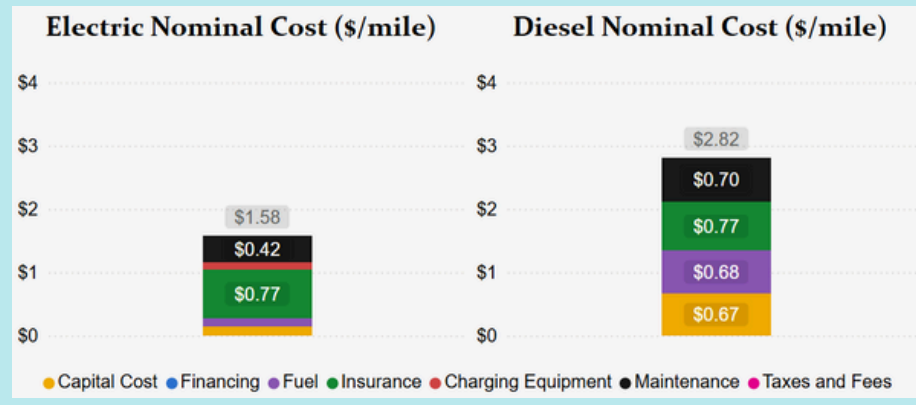
With EPA CSB Rebate (Priority District)

Cost of new Bus ($400,000 MSRP)
EPA Priority Grant (Up to $325,000)
Deduct IRA Tax Credit ($40,000)
Total TVF Needed: $35,000



With EPA CSB Rebate (Non-Priority District)

Cost of new Bus ($400,000 MSRP)
EPA Non-Priority Grant (Up to $170,000)
Deduct IRA Tax Credit ($40,000)
Total TVF Needed: $190,000



See the math for yourself! WRI Electric School Bus Total Cost of Ownership Calculator

$40,000 IRA Tax Credit

Commercial fleets and tax-exempt organizations purchasing qualified clean vehicles may be eligible for a clean vehicle tax credit. The maximum credit is $40,000 for vehicles over 14,000 pounds. The credit amount is the lesser of:

- 15% of the purchase price for plug-in hybrid vehicles
- 30% of the purchase price for full battery or fuel cell EVs
- The incremental cost of the vehicle, based on when it's placed in service (see Notice 2023-9 for 2023, and Notice 2024-5 for 2024).

There is no limit on the number of credits an organization can claim.

Summary

By receiving the EPA CSB Rebate and the IRA Tax Credit, school districts can afford new ESBs with around just $30,000 in TVFs. Districts can then immediately begin to receive depreciation reimbursements from OSPI based off the cost of the vehicle. This allows districts to secure these vehicles for a fraction of the cost while benefiting from the reimbursements over time.

Washington's Green Transportation Program is here to help your transition

For the first 10 school districts that reply, we are available to help with your grant applications. Contact us at JamesB@energy.wsu.edu or ReznickM@energy.wsu.edu