



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

AGENDA: 4

Transportation Fund for Clean Air Regional Fund Policies & Evaluation Criteria Commencing Fiscal Year Ending 2025

Policy, Grants, and Technology Committee Meeting
May 15, 2024

Linda Hui
Supervising Staff Specialist, Strategic Incentives
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Action Item



The Committee will consider recommending the Board of Directors:

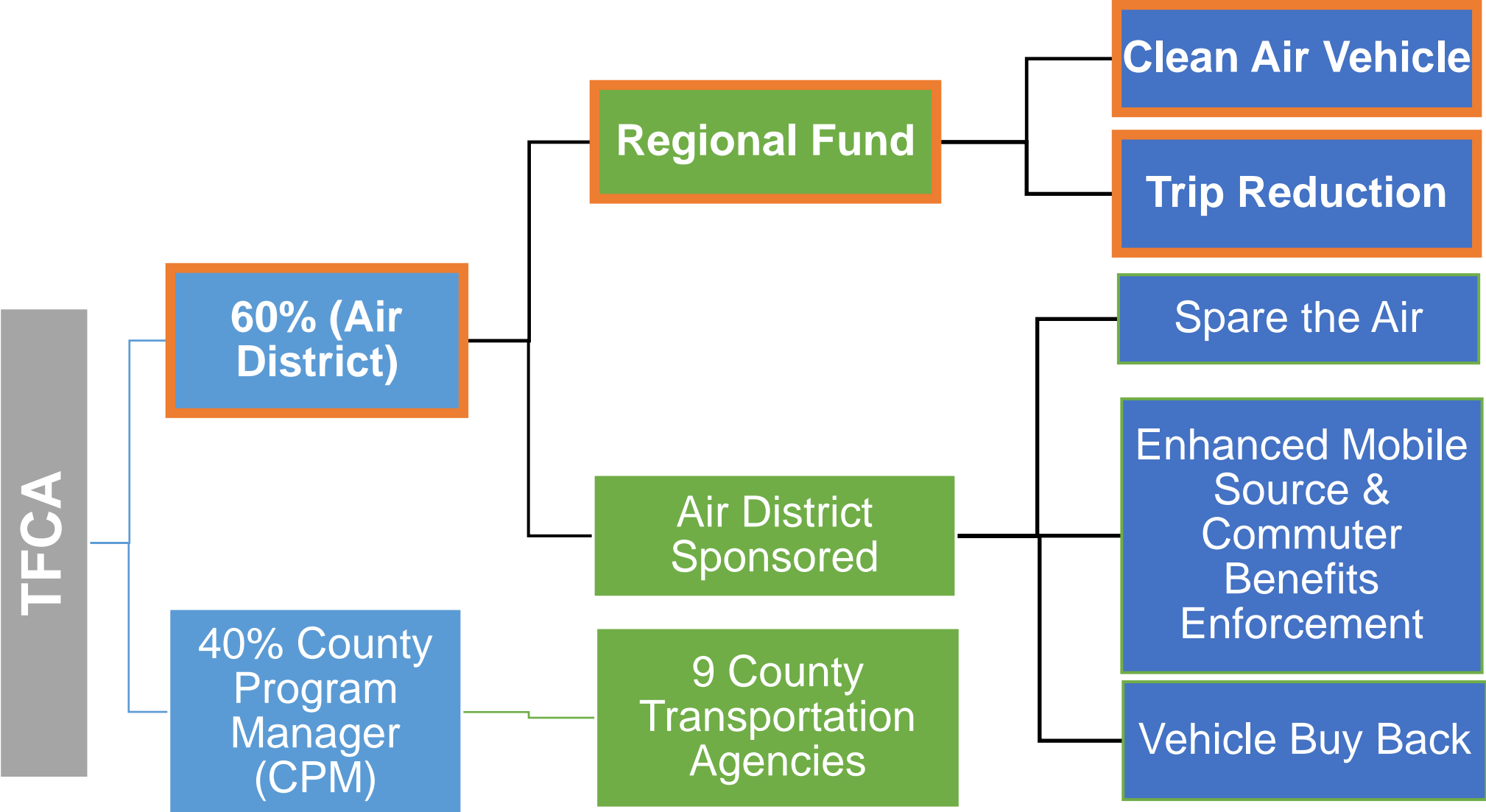
Approve the proposed updates to the Transportation Fund for Clean Air (TFCA) Regional Fund Policies and Evaluation Criteria Commencing Fiscal Year Ending (FYE) 2025.

Outline



- Background
- Public Outreach Process
- Proposed Updates to TFCA Policies
- Recommendations

TFCA Background



Public Outreach Process

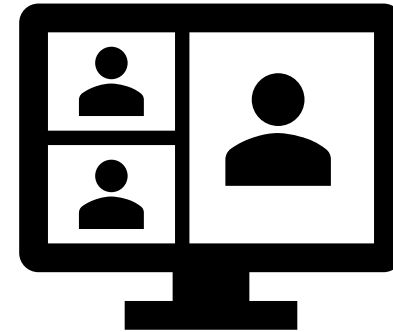


Public Comment Period: February 29, 2024, to April 5, 2024

- Email notifications:
1,700+ stakeholders



- Webinar:
March 14, 2024



Proposed Updates



- Increase the maximum cost-effectiveness for On-Road Zero- and Partial- Zero Emissions Vehicles to \$522,000 (**policy #23**).
- Revert the amount of time in which a grantee must commence a project from 24 to 12 months (**policy #8**).

Proposed Updates (cont.)



- Allow for upgrades from a Class III or a Class II (non-buffered) to Class II buffered bike line as an eligible project category (**policy #32**).
- Update the evaluation criteria to prioritize projects in communities identified through the Assembly Bill (AB) 617 process, or that benefit Priority Populations as defined by Senate Bill (SB) 535 disadvantaged communities, AB 1550 low-income communities, and low-income households.

Recommendation



The Committee will consider recommending the Board of Directors:

Approve the proposed updates to the Transportation Fund for Clean Air Regional Fund Policies and Evaluation Criteria Commencing FYE 2025.



BAY AREA
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AGENDA: 5

Projects and Contracts with Grant Awards Over \$500,000 & Solicitation for Electric Charging Infrastructure

**Policy, Grants, and Technology Committee Meeting
May 15, 2024**

**Chad White
Supervising Staff Specialist, Strategic Incentives
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Presentation Outcome



Action item for the Committee to consider :

Recommend the Board of Directors:

1. Approve recommended projects with proposed grant awards over \$500,000 as shown in Attachment 1;
2. Authorize the Executive Officer/APCO to enter into all agreements necessary to accept, obligate, and expend this funding, and to execute grant agreements and amendments for the projects; and
3. Approve the process and selection criteria for the competitive solicitation for electric charging infrastructure for medium- and heavy-duty vehicles and equipment.

Presentation Outline



- Background and funding sources
- Proposed Projects with Grants Over \$500k
- Status of incentive funding in Fiscal Year Ending (FYE) 2024
 - Funds available and awarded as of 4/16/24
 - Community benefits as of 4/16/24
- Competitive Infrastructure Solicitation - Proposed Process and Selection Criteria
- Recommendations

CMP/MSIF, CAP, and FARMER



Carl Moyer
Program
(CMP)

Funding Agricultural
Replacement Measures
for Emission
Reductions **(FARMER)**

Community Air
Protection **(CAP)**
Incentives

Mobile
Source
Incentive
Fund
(MSIF)

California Air Resources Board
\$104.6 Million (M)

DMV Fees
\$11.2 M

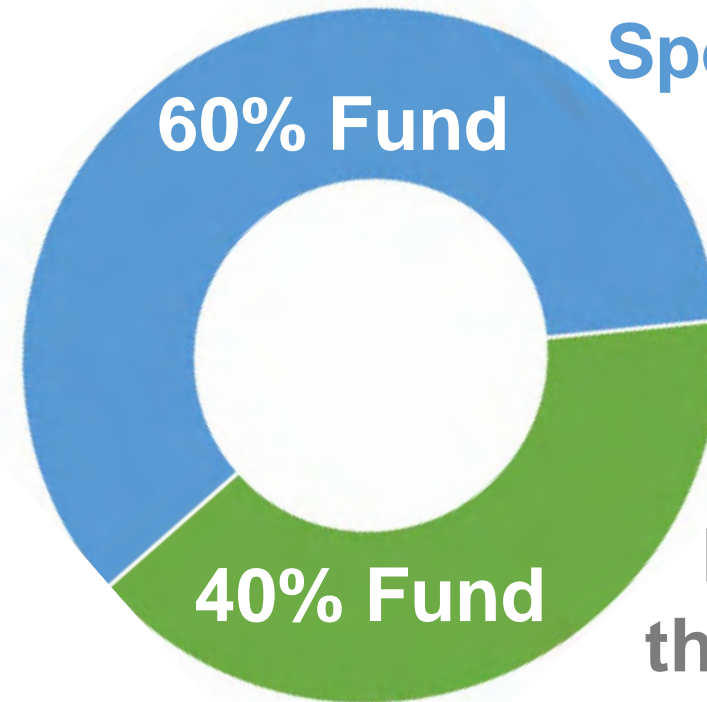
Transportation Fund for Clean Air (TFCA)



- Statutory authority set forth in California Health and Safety Code Sections 44241 and 44242.
- Funding provided by a \$4 surcharge on motor vehicles.
- \$29.5 M available for distribution through 60% Fund in FYE 2024.



**Regional Fund
& Air District-
Sponsored**



**Passed
through to
Counties**

Proposed Projects



Recommend \$8,503,300 in awards for four projects that will:

- Replace four older diesel agricultural tractors with the cleanest available diesel engines.
- Replace five pieces of older diesel construction equipment with the cleanest available diesel engines.
- Repower two older marine engines to the cleanest available diesel engines.

Emissions Reductions

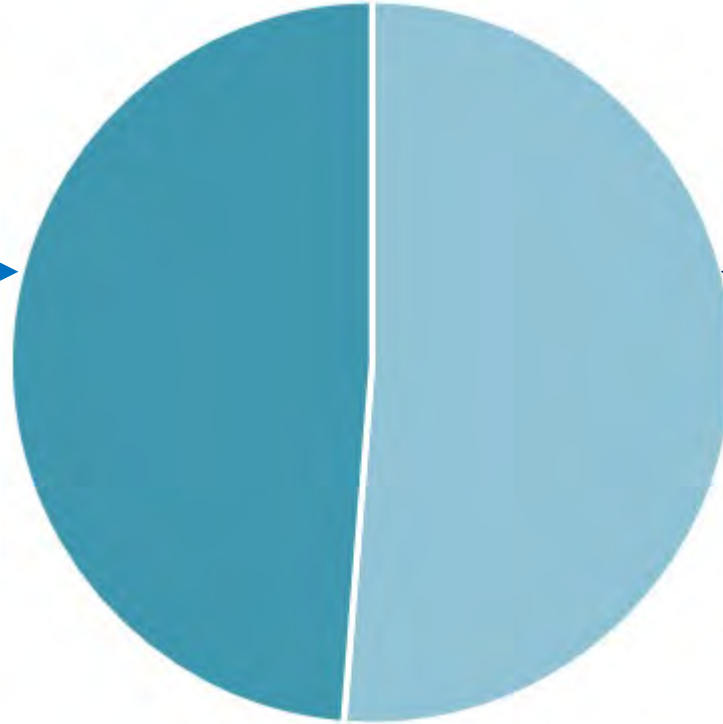
- Over 49.2 tons per year of criteria pollutants.



Incentive Funds Awarded & Remaining since July 2023



\$70.4 M
Available
to Award in
FYE 2024



\$74.9 M
Awarded,
Allocated,
& Recommended



List of all projects is
shown in Attachment 3

Updated as of 4/16/2024

Funds Awarded by Project Category since July 2023



Total = \$74.9 M



**Light-duty
Infrastructure
and Cars**

**Trucks
&
Buses**

**School
Buses**

**Off-road
Equipment**

**Marine
& Rail**

**Air District
Sponsored**

\$7.1 M

\$20.1 M

\$11.2 M

\$14.0 M

\$20.1 M

\$2.4 M

Updated as of 4/16/2024

Funds Awarded by County since July 2023



\$74.9 M

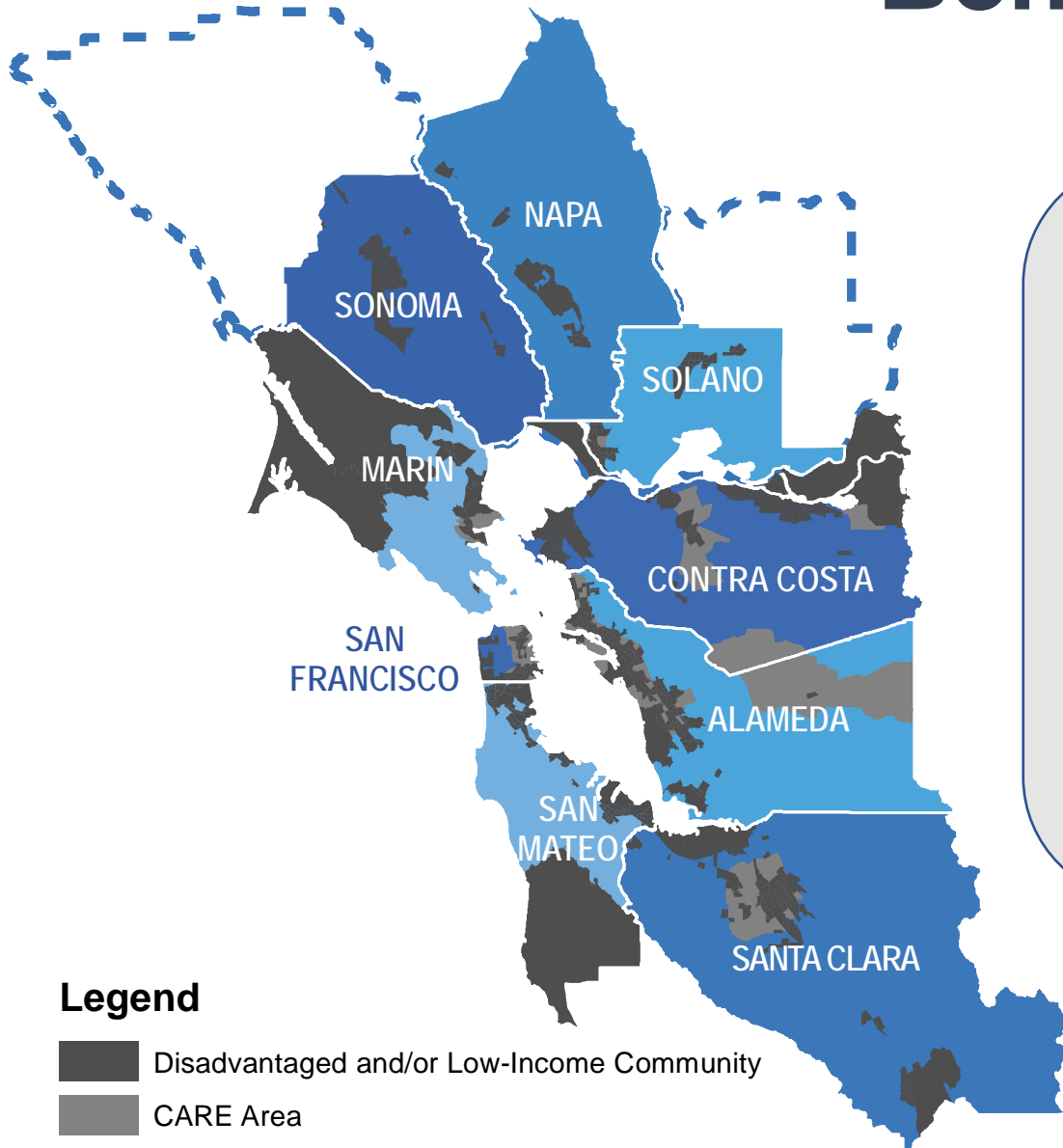
Total Funds Awarded

Projects estimated to achieve emissions reductions of *148.2 tons/year, including nitrogen oxides (NOx), reactive organic gases (ROG), particulate matter (PM)

*Reductions from regional allocations not reported

COUNTY	FUNDS AWARDED	
Alameda	\$ 37.5 M	50.0 %
Contra Costa	\$ 7.9 M	10.6 %
Marin	\$ 0.5 M	0.6 %
Napa	\$ 6.1 M	8.1 %
San Francisco	\$ 3.5 M	4.8 %
San Mateo	\$ 5.5 M	7.3 %
Santa Clara	\$ 8.8 M	11.7 %
Solano	\$ 1.6 M	2.1 %
Sonoma	\$ 3.5 M	4.8 %

Benefits to Priority Areas since July 2023



~\$61.2 M to projects benefitting Priority Areas

- AB 617 Selected Communities
- Disadvantaged communities
- Low-income communities
- Community Air Risk Evaluation (CARE) areas

Total Awards = \$74.9 M
~\$3.1 M allocated to regional grants

Infrastructure Solicitation Background



- Goal:** Fund permanent new infrastructure installations or expansions to existing infrastructure that will:
- Spur deployment of zero-emission vehicles and equipment in the Bay Area
 - Expedite air quality improvements in Priority Areas
 - Be placed into service by **early 2027**
- Propose \$35 M available for public and private applicants.
 - Projects must meet California Air Resources Board (CARB)-adopted Carl Moyer Program Guidelines and the proposed selection criteria.
 - Solicitation would be planned to be open in Summer 2024.

Infrastructure Solicitation Eligible Categories



Electric charging infrastructure that supports:



On-Road Vehicles

- Transit Buses
- School Buses
- Medium- and Heavy-duty Trucks

Off-road Equipment

- Agricultural Equipment
- Construction Equipment
- Forklifts
- Cargo Handling Equipment

Marine & Locomotives

Infrastructure Solicitation Proposed Process



- Open a competitive solicitation for 6-8 weeks, with the potential to extend, if needed.
- After solicitation closes, review applications for completeness and basic eligibility according to the Carl Moyer Program Guidelines.
- Rank projects that meet the basic eligibility requirements.
- Bring to the Board the ranking list and recommendation to award funding to the highest ranked projects.

Infrastructure Solicitation Proposed Selection Criteria



- Sites will be evaluated ***competitively*** based on the following criteria:
 - Statement of Need
 - Readiness Criteria (minimum 2)
 - Potential Impact of Grant (\$ requested/kW available for charging)
 - Oversubscribed/Tiebreaker: proximity to sensitive receptors
- At least 80% of the funds will be awarded to projects that support vehicles/equipment that operate in Priority Communities.

Actions Requested



Action item *for the Committee to consider:*

Recommend the Board of Directors:

1. Approve recommended projects with proposed grant awards over \$500,000 as shown in Attachment 1.
2. Authorize the Executive Officer/APCO to enter into all agreements necessary to accept, obligate, and expend this funding, and to execute grant agreements and amendments for the projects.
3. Approve the process and selection criteria for the competitive solicitation for electric charging infrastructure for medium- and heavy-duty vehicles and equipment.



BAY AREA
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AGENDA: 6

State Legislative Update

**Policy, Grants, and Technology Committee Meeting
May 15, 2024**

**Alan Abbs
Legislative Officer
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Presentation for Information Only



No action required.

Presentation Outline



Updates provided for the following:

- Air District Sponsored and Co-Sponsored Bills
 - Assembly Bill (AB) 1465, AB 2298, Senate Bill (SB) 382, and SB 1095.
- Other Bills of Interest
 - AB 817, AB 1894, AB 2522, AB 2760, AB 2851, AB 2958, SB 537, SB 674, SB 1031, SB 1158, SB 1193, and SB 1298.
- Fiscal Year (FY) 2024-25 State Budget



Air District Sponsored and Co-Sponsored Bills

AB 1465 (Wicks)



Nonvehicular air pollution: civil penalties.

AB 1465 triples the penalties for air pollution violations if a Title V source, as defined, discharges one or more specified air contaminants.

AB 1465 (Wicks) (cont.)



Nonvehicular air pollution: civil penalties.

- Passed the referred Committees and Floor in the Assembly.
 - Natural Resources (4/17/23) | Judiciary (4/25/23) | Appropriations (5/10/23) | Assembly Floor (6/1/23)
- Passed the referred Committees in the Senate.
 - Environmental Quality (7/5/23) | Senate Judiciary (7/11/23)
- Ordered to the inactive file on September 6, 2023, and may be taken up at a later date. Last location was the Senate Floor.
- Position: Sponsor

AB 2298 (Hart, et al.)



Coastal resources: voluntary vessel speed reduction and sustainable shipping program.

AB 2298 will require the State to coordinate with important stakeholders, such as federal and local agencies, nonprofits, and the marine industry, to expand the current *Protecting Blue Whales and Blue Skies* voluntary vessel speed reduction program into a statewide voluntary vessel speed reduction program.

AB 2298 (Hart, et al.) (cont.)



Coastal resources: voluntary vessel speed reduction and sustainable shipping program.

- Double-referred to the Assembly Water, Parks, and Wildlife Committee and the Assembly Natural Resources Committee.
 - Water, Parks, and Wildlife (3/15/24): Passed | Vote: 13-0
 - Natural Resources (4/5/24): Passed | Vote: 10-0
- Next Step: Awaiting the Assembly Appropriations Committee Suspense File results.

Position: Co-Sponsor

SB 382 (Becker)



Single-family residential property: disclosures.

SB 382 requires sellers of single-family residential properties to provide prospective buyers with a notice stating that it may be advisable to obtain an inspection of the home's electrical systems, and a list of the various safety risks and other potential concerns arising from substandard, recalled, or faulty wiring and limited electrical capacity.

SB 382 (Becker) (cont.)



Single-family residential property: disclosures.

- Passed the referred Committees and Floor in the Senate.
 - Labor, Public Employment and Retirement (4/26/23) | Appropriations (5/8/23) | Judiciary (1/11/24) | Senate Floor (1/18/24)
- Next Step: Referred to the Assembly Judiciary Committee.
 - Hearing date has not been set.
- Staff has been working with the Author's office on amendments to include additional disclosures related to the purchase of zero-emission appliances for replacement purposes.
- Position: Proposed Sponsor/Co-Sponsor

SB 1095 (Becker)



Cozy Homes Cleanup Act: building standards: gas-fuel-burning appliances.

SB 1095 would make specified changes to the Manufactured Housing Act, State Housing Law, and the Davis-Sterling Common Interest Development Act to facilitate the installation of electric water heaters, space heating systems, and appliances in manufactured homes, mobilehomes, and homes within a common interest development, as specified. The bill would also require the Department of Housing and Community Development to develop and revise related rules and regulations by July 1, 2026, as specified.

SB 1095 (Becker) (cont.)



Cozy Homes Cleanup Act: building standards: gas-fuel-burning appliances.

- Double-referred to the Senate Housing Committee and Senate Judiciary Committee.
 - Housing (3/19/24): Passed | Vote: 7-1
 - Judiciary (4/2/24) : Passed | Vote: 11-0
- Next Step: Awaiting the Senate Appropriations Committee Suspense File results.
- Position: Sponsor



Other Bills of Interest

AB 817 (Pacheco)



Open meetings: teleconferencing: subsidiary body.

AB 817 allows, until January 1, 2026, a subsidiary body of a local agency to teleconference without meeting all of the teleconferencing requirements of the Ralph M. Brown Act. Builds on pandemic-era rules to boost accessibility to local civic leadership opportunities.

AB 817 (Pacheco) (cont.)



Open meetings: teleconferencing: subsidiary body.

- Passed the referred Committee and Floor in the Assembly.
 - Local Government (1/10/24) | Assembly Floor (1/25/24)
- Next Step: Double-referred to the Senate Local Government Committee and the Senate Judiciary Committee.
 - Hearing date has not been set.

Position: Support

AB 1894 (Ta)



Nonvehicular air pollution: civil penalties.

AB 1894 would require an air district to allow small business, as defined, a minimum of 30 days, and up to 60 days, to rectify a violation before the air district can issue a Notice of Violation.

AB 1894 (Ta) (cont.)



Nonvehicular air pollution: civil penalties.

- Double-referred to the Assembly Natural Resources Committee and the Assembly Judiciary Committee.
- The bill was set to be heard in Assembly Natural Resources but was canceled at the request of the author.
- Failed to meet the deadline for fiscal bills to get out of their referred policy committees. This bill is dead.

Position: Oppose

AB 2522 (Carrillo)



South Coast Air Quality Management District: district board: compensation.

AB 2522 doubles per diem compensation of South Coast Air Quality Management District (SCAQMD) board members, from \$100/day up to \$1,000/month to \$200/day up to \$2,000/month and authorizes the SCAQMD board to increase these amounts going forward up to the greater of 5% per year or the rate of inflation, not exceeding 10%.

Staff Note: AB 2522 is in the process of being amended to expand the bill from being a SCAQMD specific bill to include other air districts.

AB 2522 (Carrillo) (cont.)



South Coast Air Quality Management District: district board: compensation.

- Passed the referred Committees and Floor in the Assembly.
 - Natural Resources (4/8/24) | Assembly Floor - Consent (4/18/24)
- Next Step: Double-Referred to the Senate Environmental Quality Committee and the Senate Local Government Committee.
 - Hearing date has not been set.
- Position: Support

AB 2760 (Muratsuchi)



Lower Emissions Equipment at Seaports and Intermodal Yards Program.

AB 2760 enacts, until January 1, 2032, the Lower Emissions Equipment at Seaports and Intermodal Yards Program at the Air Resources Board to approve as covered equipment applicable cargo handling equipment that will reduce cumulative emissions at seaports and intermodal yards in the state.

AB 2760 (Muratsuchi) (cont.)



Lower Emissions Equipment at Seaports and Intermodal Yards Program.

- Double-referred to the Assembly Natural Resources Committee and the Assembly Transportation Committee.
 - Transportation (4/15/24): Passed | Vote: 15-0
 - Natural Resources (4/22/24): Passed | Vote: 11-0
- Next Step: Awaiting a hearing in the Assembly Appropriations Committee.

Position: None

AB 2851 (Bonta)



Metal shredding facilities: fence-line air quality monitoring.

AB 2851 requires the Department of Toxic Substances Control, in consultation with local air districts, to develop requirements for facility-wide fence-line air quality monitoring at metal shredding facilities, as specified.

AB 2851 (Bonta) (cont.)



Metal shredding facilities: fence-line air quality monitoring.

- Double-referred to the Assembly Environmental Safety and Toxic Materials Committee and the Assembly Natural Resources Committee.
 - Environmental Safety and Toxic Materials (4/9/24) – Passed | Vote: 5-2
 - Natural Resources (4/22/24) – Passed | Vote: 8-2
- Next Step: Awaiting a hearing in the Assembly Appropriations Committee.

Position: Support

AB 2958 (Calderon)



State Air Resources Board: board members: compensation.

AB 2958 would repeal the prohibition on compensation of the members of the state board from air districts and would provide for the per diem amount for all members of the state board.

AB 2958 (Calderon) (cont.)



State Air Resources Board: board members: compensation.

- Referred to the Assembly Natural Resources Committee.
 - Natural Resources (4/8/24): Passed | Vote: 10-0
- Next Step: Awaiting the Assembly Appropriations Committee Suspense File results.

Position: Support

SB 537 (Becker)



Open meetings: multijurisdictional, cross-county agencies: teleconferences.

SB 537 allows multi-jurisdictional, cross-county local agencies with appointed members to teleconference without meeting all of the teleconferencing requirements of the Ralph M. Brown Act. Encourages public participation by allowing some multijurisdictional boards to choose to allow members to convene remotely when they have greater barriers to attend in-person.

SB 537 (Becker) (cont.)



Open meetings: multijurisdictional, cross-county agencies: teleconferences.

- Passed the referred Committees and Floor in the Senate.
 - Governance and Finance (4/19/23) | Judiciary (5/2/23) | Senate Floor (5/30/23)
- Passed the referred Committee in the Assembly.
 - Local Government (7/12/23)
- Ordered to the inactive file on September 14, 2023, and may be taken up at a later date. Last location was the Assembly Floor.

Position: Support

SB 674 (Gonzalez)



Air pollution: refineries: community air monitoring systems: fence-line monitoring systems.

SB 674 makes several changes to the fence-line monitoring system program for communities and petroleum refineries, including expanding the program to include monitoring for biofuel refineries and additional pollutants, applying to contiguous or adjacent refinery-related facilities, increasing the standards for data quality, and providing enhanced processes for notifying affected communities.

SB 674 (Gonzalez) (cont.)



Air pollution: refineries: community air monitoring systems: fence-line monitoring systems.

- Passed the referred Committees and Floor in the Senate.
 - Environmental Quality (3/29/23) | Judiciary (4/18/23) | Senate Floor (5/22/23)
- Passed the referred Committees in the Assembly.
 - Natural Resources (6/26/23) | Judiciary (7/11/23) | Appropriations (8/23/23)
- Ordered to the Inactive File on September 14, 2023, and may be taken up at a later date. Last location was the Assembly Floor.

Position: Support

SB 1031 (Wiener)



**San Francisco Bay area: local revenue measure:
transportation improvements.**

SB 1031 authorizes the Metropolitan Transportation Commission to propose new taxes, allocate new revenue and issue bonds for specified transportation projects, and requires the State Transportation Agency to consider transit agency consolidation within the San Francisco Bay area.

SB 1031 (Wiener) (cont.)



San Francisco Bay area: local revenue measure: transportation improvements.

- Double-referred to the Senate Transportation Committee and the Senate Revenue and Taxation Committee.
 - Transportation (4/23/24): Passed | Vote: 11-4
 - Revenue and Taxation (4/24/24): Passed | Vote: 6-1
- Next Step: Awaiting a hearing in the Senate Appropriations Committee.
- Position: None

SB 1158 (Archuleta)



Carl Moyer Memorial Air Quality Standards Attainment Program.

SB 1158 would extend the time air districts have to disburse Carl Moyer Program funds from four to six years.

SB 1158 (Archuleta) (cont.)



Carl Moyer Memorial Air Quality Standards Attainment Program.

- Double-referred to the Senate Environmental Quality Committee and the Senate Transportation Committee.
 - Environmental Quality (3/20/24): Passed | Vote: 5-0
 - Transportation (4/23/24): Passed | Vote: 15-0
- Next Step: Set for a hearing in the Senate Appropriations Committee on May 6, 2024.

Position: Support

SB 1193 (Menjivar)



Airports: leaded aviation gasoline.

SB 1193 would prohibit airport operators and aviation fuel establishments from selling leaded aviation gasoline, phasing out its use beginning January 1, 2027. The bill would also require the Department of Transportation (Caltrans), in consultation with specified state entities, to develop and publish guidance for airport operators to minimize environmental and public health impacts of lead exposure, and require airport operators to submit plans to Caltrans to implement those best practices, as specified.

SB 1193 (Menjivar) (cont.)



Airports: leaded aviation gasoline.

- Referred to the Senate Transportation Committee.
 - Transportation (4/9/24): Passed | Vote: 11-3

Next Step: Awaiting the Senate Appropriations Committee
Suspense File results.

Position: Support

SB 1298 (Cortese)



Certification of thermal powerplants: data centers.

SB 1298 would increase the size of backup power plants that the California Energy Commission can grant a “small power plant exemption” from environmental review from 100 megawatts to 150 megawatts.

SB 1298 (Cortese) (cont.)



Certification of thermal powerplants: data centers.

- Referred to the Senate Energy, Utilities, and Communications Committee.
 - Energy, Utilities, and Communications (4/16/24): Passed | Vote: 14-0
- Next Step: Set for a hearing in the Senate Appropriations Committee on May 6, 2024.

Position: Oppose Unless Amended



State Budget Update FY 2024-25

State Budget Update



Staff will provide a verbal update on the status of the May Revision to the Governor's proposed FY 2024-25 State Budget.

Upcoming Deadlines:

May 14 – Release of the May Revision (May Revise) to the proposed FY 2024-25 State Budget.

June 12 – The Senate and Assembly budget bills must be in print.

June 15 – The Senate and Assembly must vote on and pass their proposed budget bill to meet the state's constitutional deadline.

July 1 – The budget bill must be signed by the Governor.

Note: After July 1, the Legislature may pass budget amendments and other changes to the adopted budget package.



Questions / Discussion