



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
MOBILE SOURCE COMMITTEE

COMMITTEE MEMBERS

SCOTT HAGGERTY - CHAIR
JOHN AVALOS
CAROLE GROOM
NATE MILEY
JAN PEPPER

DAVID CANEPA – VICE CHAIR
TOM BATES
DAVID E. HUDSON
KAREN MITCHOFF

THURSDAY
JANUARY 28, 2016
9:30 A.M.

7TH FLOOR BOARD ROOM
939 ELLIS STREET
SAN FRANCISCO, CA 94109

AGENDA

1. **CALL TO ORDER - ROLL CALL – PLEDGE OF ALLEGIANCE**

The Committee Chair shall call the meeting to order and the Clerk of the Boards shall take roll of the Committee members. The Committee Chair shall lead the Pledge of Allegiance.

2. **PUBLIC COMMENT PERIOD**

(Public Comment on Non-Agenda Items Pursuant to Government Code § 54954.3) Members of the public are afforded the opportunity to speak on any agenda item. All agendas for regular meetings are posted at District headquarters, 939 Ellis Street, San Francisco, CA, at least 72 hours in advance of a regular meeting. At the beginning of the regular meeting agenda, an opportunity is also provided for the public to speak on any subject within the Committee's subject matter jurisdiction. Speakers will be limited to three (3) minutes each.

This meeting will be webcast. To see the webcast, please visit <http://www.baaqmd.gov/The-Air-District/Board-of-Directors/Agendas-and-Minutes.aspx> at the time of the meeting.

Staff/Phone (415) 749-

3. **APPROVAL OF THE MINUTES OF DECMEBER 2, 2015** Clerk of the Boards/5073

The Committee will consider approving the attached draft minutes of the Mobile Source Committee meeting of December 2, 2015.

4. **PROJECTS AND CONTRACTS WITH PROPOSED GRANT AWARDS OVER \$100,000**

K. Schkolnick/5070

kschkolnick@baaqmd.gov

The Committee will consider recommending Board of Directors approval of Carl Moyer Program and Transportation Fund for Clean Air projects requesting grant funding in excess of \$100,000, and authorization for the Executive Officer/APCO to execute grant agreements for the recommended projects.

5. **ELECTRIC VEHICLE CHARGING STATION DEMONSTRATION PROGRAM**

K. Schkolnick/5070

kschkolnick@baaqmd.gov

The Committee will consider recommending Board of Directors approval of award of Transportation Fund for Clean Air funds for the projects that are recommended and on the contingency list, and authorization for the Executive Officer/APCO to execute all contracts for these projects.

6. **COMMERCIAL LAWN AND GARDEN EQUIPMENT REPLACEMENT PROGRAM**

K. Schkolnick/5070

kschkolnick@baaqmd.gov

The Committee will consider recommending Board of Directors approval of allocating remaining funds from the ConocoPhillips-funded Carbon Offset Fund Program to implement a commercial lawn and garden equipment replacement program, authorization for the Executive Officer/APCO to execute grant agreements up to \$100,000 for eligible projects.

7. **COMMITTEE MEMBER COMMENTS**

Any member of the Board, or its staff, on his or her own initiative or in response to questions posed by the public, may: ask a question for clarification, make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter or take action to direct staff to place a matter of business on a future agenda. (Gov't Code § 54954.2)

8. **TIME AND PLACE OF NEXT MEETING**

Thursday, February 25, 2016, Bay Area Air Quality Management District Office, 939 Ellis Street, San Francisco, California 94109 at 9:30 a.m.

9. **ADJOURNMENT**

The Committee meeting shall be adjourned by the Committee Chair.

CONTACT:

MANAGER, EXECUTIVE OPERATIONS
939 ELLIS STREET, SAN FRANCISCO, CA 94109
mmartinez@baaqmd.gov

(415) 749-5016
FAX: (415) 928-8560
BAAQMD homepage:
www.baaqmd.gov

- To submit written comments on an agenda item in advance of the meeting. Please note that all correspondence must be addressed to the “Members of the Mobile Source Committee” and received at least 24 hours prior, excluding weekends and holidays, in order to be presented at that Committee meeting. Any correspondence received after that time will be presented to the Committee at the following meeting.
- To request, in advance of the meeting, to be placed on the list to testify on an agenda item.
- **Accessibility and Title VI:** The Air District provides services and accommodations upon request to persons with disabilities and individuals who are limited-English proficient who wish to address Board matters. For accommodations or translations assistance, please call 415-749-5016 at least three days in advance of a meeting, so that arrangements can be made accordingly.

Accesibilidad y Título VI: El Distrito del Aire ofrece servicios y realiza las adaptaciones necesarias para las personas con discapacidades y para las personas con un dominio limitado del inglés siempre que estos servicios se soliciten y se deseen tratar asuntos relacionados con la Junta. Si necesita ayuda con algún tipo de adaptación o traducción, llame al 415-749-5016 como mínimo tres días antes de la reunión de manera que puedan realizarse las adaptaciones necesarias.

Magagamit na Tulong at Título VI: Nagbibigay ang Air District ng mga serbisyo at mga akomodasyon, kapag hiniling, sa mga taong may kapansanan at mga taong limitado ang kakayahan sa Ingles na gustong magpahayag tungkol sa mga usapin sa harap ng Lupon. Para sa mga tulong sa akomodasyon o sa pagsasalin, mangyaring tumawag sa 415-749-5016 nang tatlong araw man lamang na una pa sa miting, para makapaghandang ayon sa pangangailangan.

可及度及標題VI: 空氣管理局根據申請為殘障人士和英語熟練程度有限但卻希望參與董事會事宜的人員提供服務和住宿。關於住宿或者翻譯幫助，請至少在會議之前三天致電 415-749-5016，以便作出相應安排。

Tạo Khả Năng Truy Cập và Chương VI: Đặc Khu cung cấp dịch vụ và phương tiện đáp ứng, khi có yêu cầu, cho những người bị khuyết tật và cho những cá nhân không thông thạo Anh ngữ muốn được tham gia các vấn đề của Hội Đồng. Để được phương tiện đáp ứng hoặc trợ giúp phiên dịch, xin gọi số 415-749-5016 ít nhất ba ngày trước khi có hội thảo, để tiện bố trí các phương tiện

Any writing relating to an open session item on this Agenda that is distributed to all, or a majority of all, members of the body to which this Agenda relates shall be made available at the District’s offices at 939 Ellis Street, San Francisco, CA 94109, at the time such writing is made available to all, or a majority of all, members of that body

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
939 ELLIS STREET, SAN FRANCISCO, CALIFORNIA 94109
FOR QUESTIONS PLEASE CALL (415) 749-5016 or (415) 749-4941

EXECUTIVE OFFICE:
MONTHLY CALENDAR OF AIR DISTRICT MEETINGS

JANUARY 2016

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i>	Wednesday	27	9:30 a.m.	Board Room
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i>	Thursday	28	9:30 a.m.	Board Room

FEBRUARY 2016

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Stationary Source Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	1	9:30 a.m.	Board Room

Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i> - CANCELLED	Wednesday	3	9:45 a.m.	Board Room
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Advisory Council Meeting <i>(At the Call of the Chair)</i>	Wednesday	3	10:00 a.m.	1111 Broadway Ave, #800 Oakland, CA 94607
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Board of Directors Executive Committee <i>(Meets on the 3rd Monday of each Month)</i> - CANCELLED / RESCHEDULED TO MARCH 2, 2016	Monday	15	9:30 a.m.	Board Room
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Board of Directors Stationary Source Committee <i>(Meets on the 3rd Monday of each Month)</i> - CANCELLED	Monday	15	10:30 a.m.	Board Room
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Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	17	9:45 a.m.	Board Room
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Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i> - CANCELLED	Wednesday	24	9:30 a.m.	Board Room
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Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i>	Thursday	25	9:30 a.m.	Board Room
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Board of Directors Stationary Source Committee <i>(Meets on the 3rd Monday of each Month)</i>	Thursday	25	11:00 a.m.	Board Room
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MARCH 2016

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i> -CANCELLED	Wednesday	2	9:45 a.m.	Board Room
Board of Directors Executive Committee <i>(Meets on the 3rd Monday of each Month)</i>	Wednesday	2	9:30 a.m.	Board Room
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	16	9:45 a.m.	Board Room
Board of Directors Climate Protection Committee <i>(Meets 3rd Thursday of every other Month)</i>	Thursday	17	9:30 a.m.	Board Room
Board of Directors Executive Committee <i>(Meets on the 3rd Monday of each Month)</i> -CANCELLED	Monday	21	9:30 a.m.	Board Room
Board of Directors Stationary Source Committee <i>(Meets on the 3rd Monday of each Month)</i> -CANCELLED	Monday	21	10:30 a.m.	Board Room
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i>	Wednesday	23	9:30 a.m.	Board Room
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i> -CANCELLED	Thursday	24	9:30 a.m.	Board Room

MM – 1/21/16 (4:23 p.m.)

G/Board/Executive Office/Moncal

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Scott Haggerty and Members
of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/Air Pollution Control Officer

Date: January 14, 2016

Re: Approval of the Minutes of December 2, 2015

RECOMMENDED ACTION

Approve attached draft minutes of the Mobile Source Committee (Committee) meeting of December 2, 2015.

DISCUSSION

Attached for your review and approval are the draft minutes of the Committee meeting of December 2, 2015.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Tom Flannigan
Reviewed by: Maricela Martinez

Attachment: Draft Minutes of the Committee Meeting of December 2, 2015

AGENDA 3 – ATTACHMENT

Draft Minutes – Mobile Source Committee Meeting of December 2, 2015

Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109
(415) 749-5073

DRAFT MINUTES

Summary of Board of Directors
Mobile Source Committee Meeting
Wednesday, December 2, 2015

1. CALL TO ORDER – ROLL CALL – PLEDGE OF ALLEGIANCE

Vice-Chairperson Jan Pepper called the meeting to order at 9:42 a.m.

Present: Chairperson Scott Haggerty; Vice-Chairperson Jan Pepper; and Directors John Avalos, Dave Hudson, Nate Miley and Karen Mitchoff.

Absent: Directors Tom Bates, David Canepa and Roger Kim (on behalf of Edwin Lee).

Also Present: None.

2. **PUBLIC COMMENT PERIOD:** No requests received.

3. AIR RESOURCES BOARD AND DEPARTMENT OF FINANCE AUDITS (Out of order - Agenda Item #5)

Karen Schkolnick, Acting Director of the Strategic Incentives Division, introduced Anthony Fournier, Air Quality Program Manager of the Strategic Incentives Division, who gave the initial joint presentation *Air Resources Board (ARB) and Department of Finance Audit*, including background and program review scope and timeline.

NOTED PRESENT: Chairperson Haggerty was noted present at 9:45 a.m.

Mr. Fournier introduced Douglas Thompson, Manager of the Incentives Oversight Section, ARB, who gave the remainder of the joint presentation, including ARB results.

Mobile Source Committee (Committee) Comments:

The Committee and staff discussed the status of the school bus program; the number of buses bought and number of tanks retrofitted; whether school districts are aware of tank replacement requirements; which equipment projects are covered by funding for the Air Quality Improvement Program; status of the Richmond locomotive project; and the amount of funding for the lawnmower replacement program.

Public Comments: No requests received.

Committee Action: None; receive and file.

4. APPROVAL OF THE MINUTES OF OCTOBER 22, 2015 (Agenda Item #3)

Committee Comments: None.

Public Comments: No requests received.

Committee Action:

Director Hudson made a motion, seconded by Director Avalos, to approve the Minutes of October 22, 2015; and the motion carried by the following vote of the Committee:

AYES: Avalos, Haggerty, Hudson, Mitchoff and Pepper.
NOES: None.
ABSTAIN: None.
ABSENT: Bates, Canepa, Kim and Miley.

5. PROJECTS AND CONTRACTS WITH PROPOSED GRANT AWARDS OVER \$100,000 (Agenda Item #4)

Ms. Schkolnick introduced Yu Zhang Liu, Administrative Analyst, who gave the staff presentation *Projects with Proposed Awards over \$100,000*, including brief overviews of the Carl Moyer. Mobile Source Incentive Fund (MSIF) and Transportation Fund for Clean Air (TFCA) programs; a summary of Carl Moyer Program (CMP) Year 17; details of the CMP and MSIF funds awarded as of November 20, 2015; CMP and MSIF funds awarded since 2009; a summary of TFCA projects; a summary of TFCA funds by project category and by county for eligible projects evaluated between July 2015 and November 2015; and recommendations.

NOTED PRESENT: Director Miley was noted present at 10:07am.

Committee Comments:

The Committee and staff discussed including an acronym list in Committee meeting packages; the location of the electric vehicle charging project in Santa Clara County; the state of staff outreach to and dialogue with Alameda County General Services; and staff work with Altamont Corridor Express regarding retrofitted trains.

Public Comments: No requests received.

Committee Action:

Director Hudson made a motion, seconded by Director Pepper, to approve the staff recommendations; and the motion carried by the following vote of the Committee:

AYES: Avalos, Haggerty, Hudson, Miley, Mitchoff and Pepper.
NOES: None.
ABSTAIN: None.

ABSENT: Bates, Canepa and Kim.

6. FISCAL YEAR ENDING (FYE) 2014 TRANSPORTATION FUND FOR CLEAN AIR (TFCA) AUDIT REPORT RESULTS AND FYE 2015 REPORT ON TFCA REGIONAL FUND EXPENDITURES AND EFFECTIVENESS

Ms. Schkolnick introduced the topic and Kenneth Mak, Air Quality Specialist in the Strategic Incentives Division, who gave the initial staff presentation *FYE 2014 TFCA Audit Report Results and FYE 2015 Report on TFCA Regional Fund Expenditures and Effectiveness*, including background of the TFCA program; and summaries of the audit #16 process, findings, responses, and performance trend.

Mr. Mak introduced Chengfeng Wang, Supervisor in the Strategic Incentives Division, who gave the final staff presentation, including a summary of expenditures; cost-effectiveness report; and key findings.

Committee Comments:

The Committee and staff discussed the Smoking Vehicle Program, including the current state, recent evolution and the vision for the future of the program; committee members' support for shifting funding to more cost-effective programs; whether the Air District is tracking repeat offenders; if and how enforcement practices can be strengthened and what that might look like; if other agencies, such as the Department of Motor Vehicles, are involved in the enforcement of the program; and the meaning of "BVRP" [Bicycle Rack Voucher Program].

Public Comments: No requests received.

Committee Action: None; receive and file.

7. COMMITTEE MEMBER COMMENTS: None.

8. TIME AND PLACE OF NEXT MEETING:

Thursday, January 28, 2016, Bay Area Air Quality Management District Office, 939 Ellis Street, San Francisco, California 94109 at 9:30 a.m.

9. ADJOURNMENT: The meeting adjourned at 10:39 a.m.

Tom Flannigan
Acting Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Scott Haggerty and Members
of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: January 14, 2016

Re: Projects and Contracts with Proposed Grant Awards over \$100,000

RECOMMENDATIONS

Recommend Board of Directors:

1. Approve Carl Moyer Program (CMP) and Transportation Fund for Clean Air (TFCA) projects with proposed grant awards over \$100,000 as shown in Attachment 1; and
2. Authorize the Executive Officer/APCO to enter into agreements for the recommended projects.

BACKGROUND

The Bay Area Air Quality Management District (Air District) has participated in the Carl Moyer Program (CMP), in cooperation with the California Air Resources Board (ARB), since the program began in fiscal year 1998-1999. The CMP provides grants to public and private entities to reduce emissions of oxides of nitrogen (NO_x), reactive organic gases (ROG) and particulate matter (PM) from existing heavy-duty engines by either replacing or retrofitting them. Eligible heavy-duty diesel engine applications include on-road trucks and buses, off-road equipment, marine vessels, locomotives, and stationary agricultural pump engines.

Assembly Bill 923 (AB 923 - Firebaugh), enacted in 2004 (codified as California Health and Safety Code (HSC) Section 44225), authorized local air districts to increase their motor vehicle registration surcharge up to an additional \$2 per vehicle. The revenues from the additional \$2 surcharge are deposited in the Air District's Mobile Source Incentive Fund (MSIF). AB 923 stipulates that air districts may use the revenues generated by the additional \$2 surcharge for projects eligible under the CMP.

On February 18, 2015, the Board of Directors (Board) authorized Air District participation in Year 17 of the CMP, and authorized the Executive Officer/APCO to execute Grant Agreements and amendments for projects funded with CMP funds or MSIF revenues, with individual grant award amounts up to \$100,000.

In 1991, the California State Legislature authorized the Air District to impose a \$4 surcharge on motor vehicles registered within the nine-county Bay Area to fund projects that reduce on-road

motor vehicle emissions within the Air District's jurisdiction. The statutory authority for the Transportation Fund for Clean Air (TFCA) and requirements of the program are set forth in California HSC Sections 44241 and 44242. Each year, the Board allocates funding and adopts policies and evaluation criteria that govern the expenditure of TFCA funding.

Sixty percent of TFCA funds are awarded by the Air District to eligible projects and programs implemented directly by the Air District (e.g., Spare the Air, Plug-in Electric Vehicle Program) and to a program referred to as the TFCA Regional Fund.

CMP and TFCA Regional Fund projects with grant award amounts over \$100,000 are brought to the Mobile Source Committee for consideration at least on a quarterly basis. Staff reviews and evaluates the grant applications based upon the respective governing policies and guidelines established by the ARB and/or the Board.

DISCUSSION

Carl Moyer Program:

The Air District started accepting project applications for the CMP Year 17 funding cycle on August 17, 2015. The Air District has approximately \$9 million available for CMP projects from a combination of MSIF and CMP funds for the Year 17 cycle. Project applications are being accepted and evaluated on a first-come, first-served basis.

As of January 7, 2016, the Air District had received 33 project applications for the CMP Year 17 cycle. Of the applications that have been evaluated between November 20, 2015 and January 7, 2016, two eligible projects have proposed individual grant awards over \$100,000. These projects will replace 1 off-road tractor and two marine engines. These projects will reduce over 2.4 tons of NOx, ROG and PM per year. Staff recommends the allocation of \$379,820 to these projects from a combination of CMP funds and MSIF revenues. Attachment 1, Table 1, provides additional information on these projects.

Attachment 2, lists all of the eligible projects that have been received by the Air District as of January 7, 2016, and summarizes the allocation of funding by equipment category, and county. This list also includes the Voucher Incentive Program (VIP) on-road replacement projects awarded since the last committee update. Approximately 22% of the funds have been awarded to projects that reduce emissions in highly impacted Bay Area communities. Attachment 3 summarizes the cumulative allocation of CMP, MSIF, and VBB funding since 2009 (more than \$95 million awarded to 700 projects).

Transportation Fund for Clean Air:

On May 6, 2015, the Board allocated \$24.47 million in TFCA funding for eligible projects in Fiscal Year Ending (FYE) 2016, authorized cost-effectiveness limits and evaluation criteria for Air District-sponsored FYE 2016 programs, and authorized the Executive Officer/APCO to execute Grant Agreements and amendments for TFCA-funded projects with individual grant award amounts up to \$100,000. On July 29, 2015, the Board adopted policies and evaluation criteria for the FYE 2016 TFCA Regional Fund program. To date, the Air District has opened

TFCA-funded solicitations for shuttle and rideshare, electronic bicycle locker, bicycle rack, hydrogen fueling station, plug-in electric vehicle, and electric vehicle (EV) charging station projects.

As of January 7, 2016, the Air District had received 50 applications for FYE 2016 TFCA funding. Of the applications that have been evaluated between November 21, 2015 and January 7, 2016, three eligible projects proposed an individual grant award over \$100,000. Project #16EV006 will deploy EV charging stations that are integrated with roof top solar at Sonoma Mountain Village (SOMO Village) in Rohnert Park. This installation will serve a 200-acre mixed-used community, including residents, businesses, and over 50,000 visitors attending special events and concerts annually. Project #16EV010 will install 24 solar-powered EV charging stations at a workplace in Palo Alto. Project #16EV013 will install 24 solar-powered EV charging stations at a work place in Mountain View. Together, these projects will reduce about 0.13 tons of NOx, ROG, and PM per year. Staff determined that these projects conform to the provisions of HSC 44241 and the Board-adopted cost-effectiveness criteria and recommends awarding \$187,000 to Project #16EV006, \$120,000 to Project #16EV010, and \$116,190 to Project #16EV013. Attachment 1, Table 2, provides additional information on these projects.

Attachment 4 lists all of the eligible projects that have been evaluated by the Air District as of January 7, 2016. Attachment 5 summarizes the allocation of funding by project category (Figure 1), and county (Figure 2). In total, these 33 projects represent approximately \$5.6 million in funding awards, which include TFCA funds and \$450,000 in Reformulated Gasoline (RFG) Settlement funds. These projects will reduce more than 48 tons of NOx, ROG, and PM per year, with approximately 39% of the \$5.6 million funds have been awarded to projects in the Air District's Community Air Risk Evaluation Program (CARE) areas.

BUDGET CONSIDERATION / FINANCIAL IMPACT

None. Through the CMP, MSIF and TFCA, the Air District distributes "pass-through" funds to public agencies and private entities on a reimbursement basis. Administrative costs for these programs are provided by each funding source.

Respectfully submitted,

Jack P. Broadbent
Executive Director/APCO

Prepared by: Anthony Fournier and Linda Hui
Reviewed by: Karen Schkolnick

- Attachment 1: Projects with grant awards greater than \$100,000 (evaluated between 11/21/15 and 1/7/16);
- Attachment 2: Summary of all CMP/ MSIF and VIP approved and eligible projects (evaluated between 11/20/15 and 1/7/16);
- Attachment 3: Summary of program distribution by county and equipment category for CMP, MSIF, VBB, and VIP funding since 2009;
- Attachment 4: Summary of all TFCA-approved and eligible projects (evaluated between 7/1/2015 and 1/7/16); and
- Attachment 5: Summary of distribution of TFCA funds by county and project category (evaluated between 7/1/15 and 1/7/16)

AGENDA 4 - ATTACHMENT 1

Table 1 - Summary of Carl Moyer Program/ Mobile Source Incentive Fund projects with grant awards greater than \$100k (Evaluated between 11/20/15 and 1/7/16)

Project #	Applicant name	Equipment category	Project description	Proposed contract award	Total project cost	Emission Reductions (Tons per year)			County
						NOx	ROG	PM	
17MOY25	Spring Hill Jersey Cheese	Off-road	Replacement of one diesel tractor.	\$ 172,820.00	\$ 216,026.00	0.913	0.095	0.033	Sonoma
17MOY18	Tom Mattusch, DBA, F/V Huli Cat	Marine	Replacement of two diesel marine engines.	\$ 207,000.00	\$ 245,515.00	1.393	-0.010	0.054	San Mateo
2 Projects				\$ 379,820.00		2.306	0.085	0.087	

Table 2 - Summary of Transportation Fund for Clean Air projects with grant awards greater than \$100k (Evaluated between 11/21/15 and 1/07/16)

Project #	Project Sponsor	Project Category	Project Description	City	Est. C/E	Proposed Contract Award	Emission Reductions (Tons per year)			County
							NO _x	ROG	PM	
16EV006	Sonoma Mountain Village, LLC	Plug-in Electric Vehicles (PEV)	Install 7 dual-port Level 2 and 2 DC EV fast charging stations (with solar)	Rohnert Park	\$500,000	\$187,000	0.024	0.031	0.003	Sonoma
16EV010	Palo Alto Research Center Incorporated	PEV	Install 24 single-port DC EV charging stations (with solar)	Palo Alto	\$500,000	\$120,000	0.016	0.020	0.002	Santa Clara
16EV013	Intuit Inc.	PEV	Install 24 single-port DC EV charging stations (with solar)	Mountain View	\$500,000	\$116,190	0.015	0.019	0.002	Santa Clara
3 Projects						\$ 423,190	0.055	0.071	0.008	

AGENDA 4 - ATTACHMENT 2

Summary of all CMP, MSIF and VIP approved/ eligible projects (between 11/20/15 and 1/7/16)

Project #	Equipment category	Project type	# of engines	Proposed contract award	Applicant name	Emission Reductions (Tons per year)			Board approval date	County
						NOx	ROG	PM		
17MOY5	Ag/ off-road	Equipment replacement	1	\$ 249,000.00	Ironhouse Sanitary District	0.925	0.078	0.027	12/16/2015	Contra Costa
17MOY8	Marine	Engine replacement	1	\$ 117,400.00	Andrew Guiliano, DBA, Andrew Guiliano (Charter fishing)	0.407	0.025	0.015	12/16/2015	Contra Costa
17MOY7	Off-road	Engine replacement	3	\$ 213,500.00	Dees- Hennessey, Inc. (Construction)	0.966	0.109	0.038	12/16/2015	San Mateo
17MOY1	Ag/ off-road	Equipment replacement	3	\$ 126,370.00	Robert Giacomini Dairy, Inc.	0.357	0.055	0.023	12/16/2015	Marin
17MOY2	Ag/ off-road	Equipment replacement	1	\$ 60,710.00	Donald J. Moreda, Sr. (Dairy)	0.190	0.027	0.010	APCO	Sonoma
17MOY3	Marine	Engine replacement	1	\$ 154,500.00	Daniel Lazzari DBA Daniel Lazzari (Commercial fishing)	0.887	0.017	0.032	12/16/2015	San Francisco
16MOY97	Ag/ off-road	Equipment replacement	1	\$ 61,200.00	Imhof Tractor Service, Inc.	0.207	0.007	0.009	APCO	Alameda
17MOY6	Ag/ off-road	Equipment replacement	1	\$ 93,645.00	Gregory Lyons (Lyon's Farms)	0.339	0.048	0.021	APCO	Contra Costa
17MOY11	Ag/ off-road	Equipment replacement	5	\$ 1,005,732.00	Ben Silacci dba Silacci Dairy	5.082	0.520	0.182	12/16/2015	Sonoma
17MOY19	Ag/ off-road	Equipment replacement	1	\$ 120,650.00	Ghiggeri and Stonebarger, LLC	0.530	0.029	0.009	12/16/2015	Contra Costa
17MOY4	Off-road	Equipment replacement	1	\$ 33,150.00	Pacific Coast General Engineering, Inc.	0.161	0.027	0.010	APCO	Contra Costa
17MOY25	Off-road	Equipment replacement	1	\$ 172,820.00	Spring Hill Jersey Cheese	0.913	0.095	0.033	TBD	Sonoma
17MOY18	Marine	Engine replacement	2	\$ 207,000.00	Tom Mattusch, DBA, F/V Huli Cat	1.393	-0.010	0.054	TBD	San Mateo
VIP265	VIP	Truck Replacement	1	\$ 40,000.00	Tien Cong Huynh / Tai Cong Huynh	0.860	0.010	0.000	APCO	Alameda
VIP266	VIP	Truck Replacement	1	\$ 45,000.00	IEC Puno Trans Inc or Randy Puno	0.950	0.010	0.000	APCO	Santa Clara
VIP267	VIP	Truck Replacement	1	\$ 45,000.00	Martin S. Mileck	1.400	0.050	0.000	APCO	Mendocino
VIP268	VIP	Truck Replacement	1	\$ 35,000.00	Dennis E. Allen	0.700	0.020	0.000	APCO	Sacramento
VIP269	VIP	Truck Replacement	1	\$ 25,000.00	Steven R. Martini	0.560	0.020	0.000	APCO	Santa Clara
VIP270	VIP	Truck Replacement	1	\$ 45,000.00	Richard Jones	0.980	0.040	0.000	APCO	Tehama
VIP271	VIP	Truck Replacement	1	\$ 20,000.00	Gravel Sand and Soil Delivery LLC	0.460	0.020	0.000	APCO	Sonoma
VIP272	VIP	Truck Replacement	1	\$ 45,000.00	Gurjot Pawar	0.870	0.030	0.000	APCO	Santa Clara
VIP273	VIP	Truck Replacement	1	\$ 40,000.00	Guru Dutt Saini	0.840	0.010	0.000	APCO	San Joaquin
22 Projects			31	\$ 2,955,677.00		19.977	1.237	0.462		

AGENDA 4 - ATTACHMENT 2

Figure 1: CMP/ MSIF Funding Distribution by Equipment Category as of 1/7/16

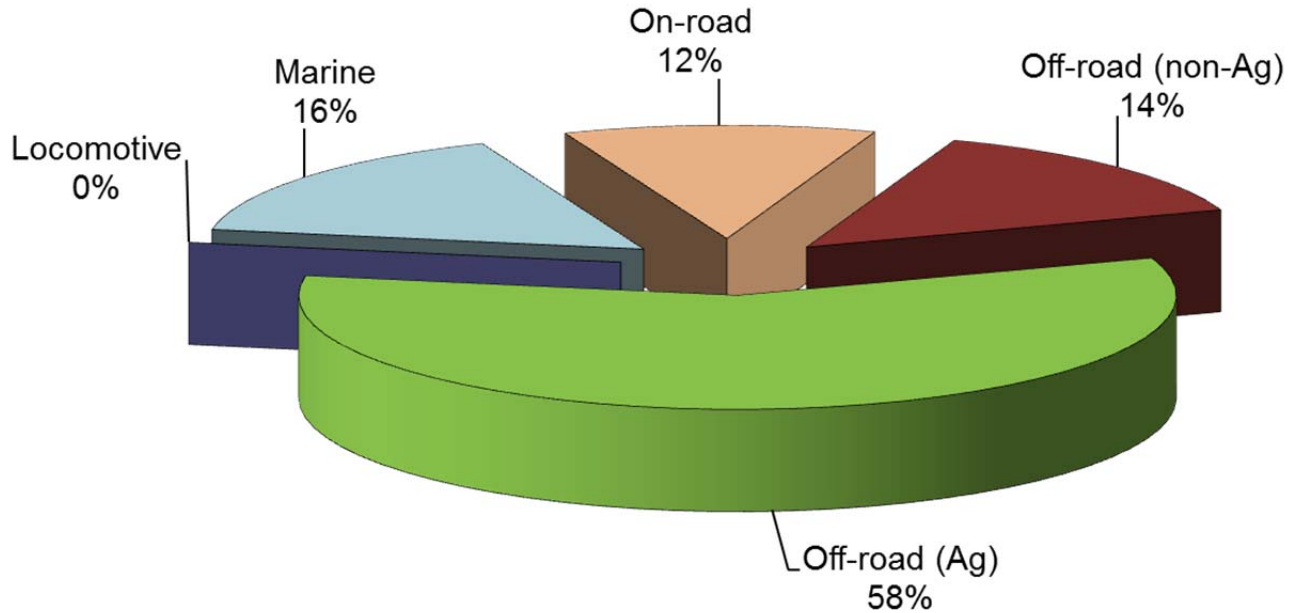
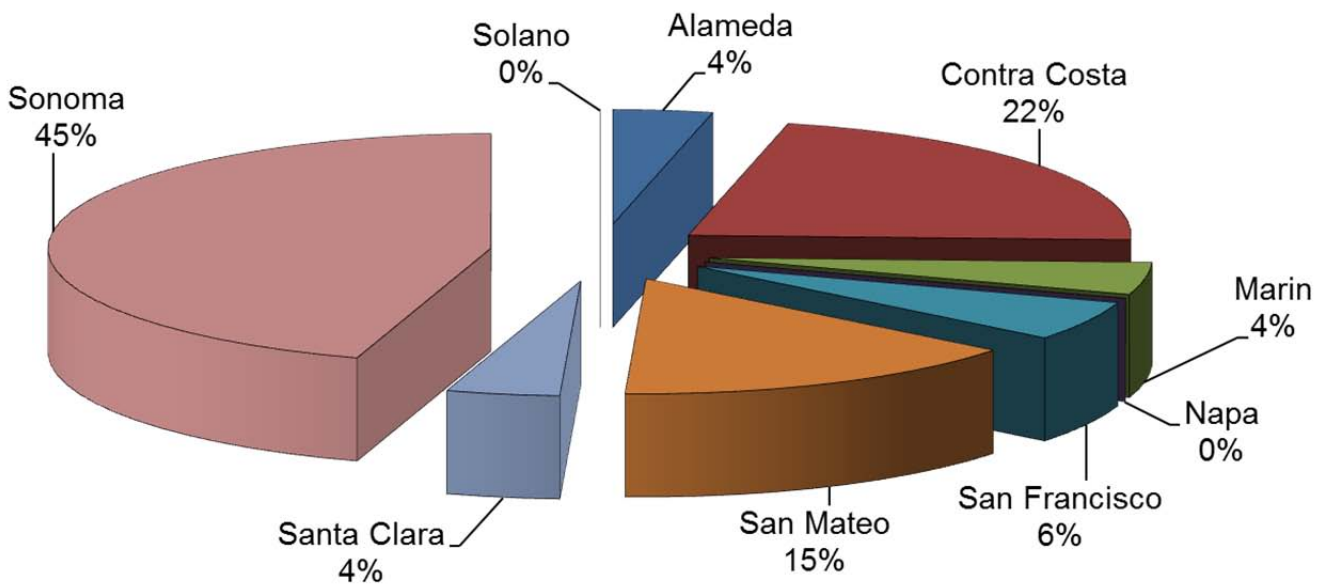


Figure 2: CMP/ MSIF Funding Distribution by County as of 1/7/16



AGENDA 4 - ATTACHMENT 3

Figure 3: CMP, MSIF, VBB and VIP funding since 2009 by equipment category

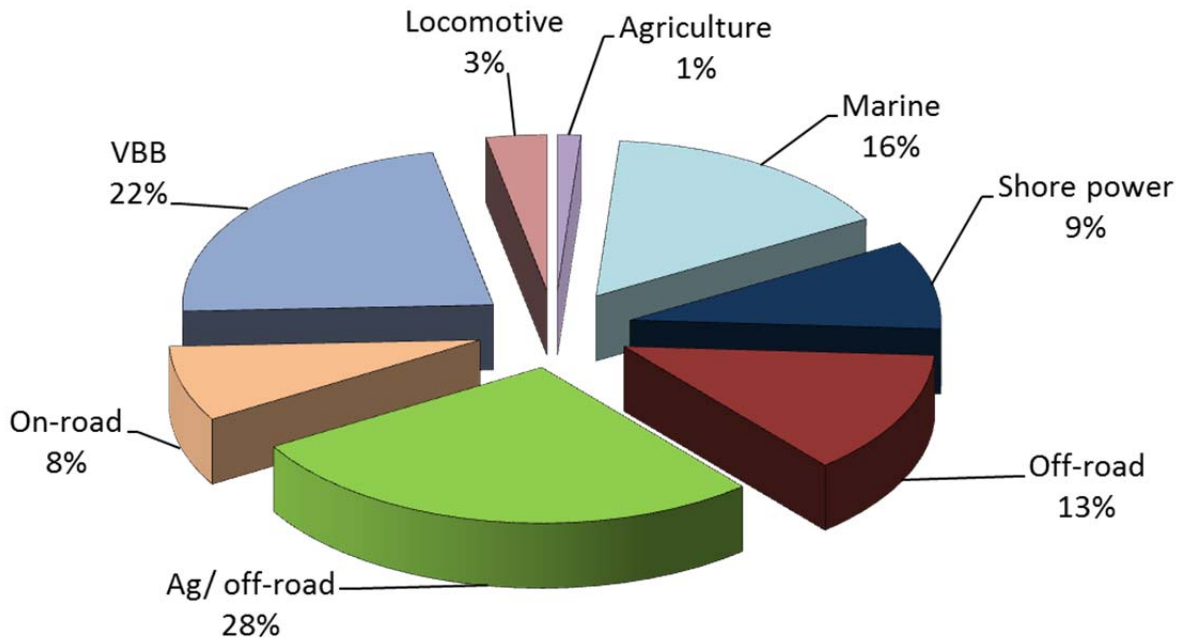
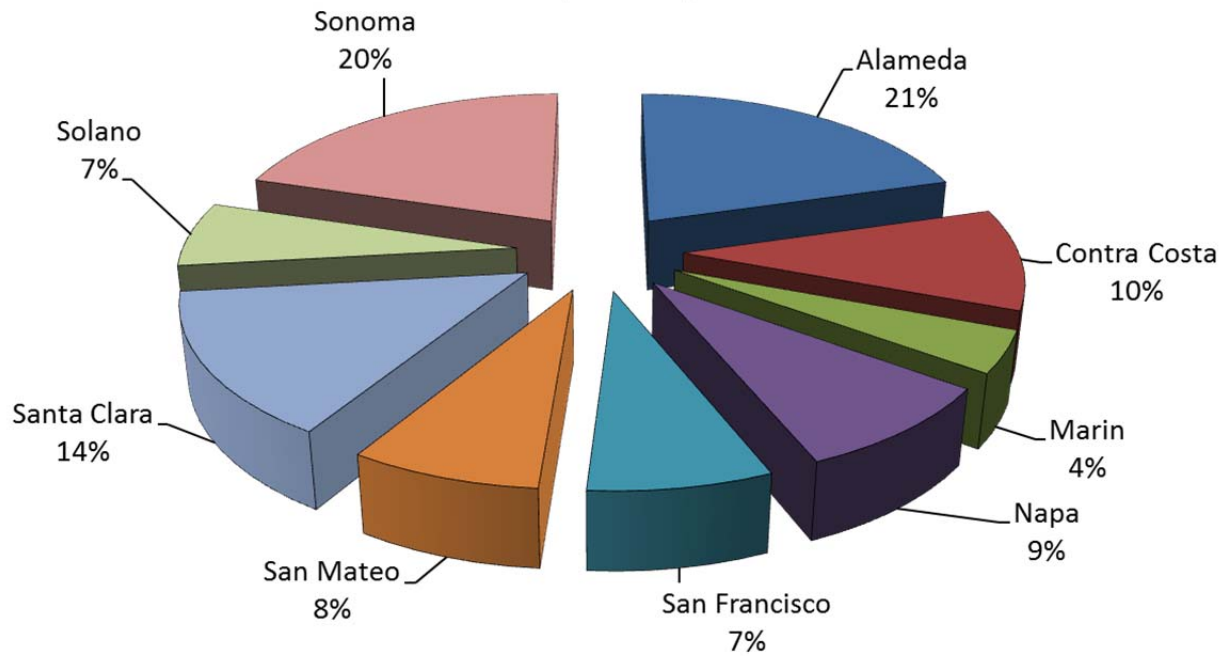


Figure 4: CMP, MSIF, VBB and VIP funding since 2009 by county



AGENDA 4 - ATTACHMENT 4

Summary of all TFCFA approved and eligible projects (evaluated between 7/1/2015 and 1/7/2016)

Project #	Project Category	Project Description	Award Amount	Applicant Name	Emission Reductions (Tons per year)			Board Approval Date	CARE Area	County
					NO _x	ROG	PM			
16EV001	Plug-in Electric Vehicles (PEV)	Install 10 single-port Level 2 EV charging stations	\$30,000	Car Charging, Inc.	0.008	0.010	0.001	10/5/15	Yes	Santa Clara
16EV003	PEV	Install 39 single-port Level 2 EV charging stations (with solar)	\$234,000	Powertree Services Inc.	0.030	0.039	0.004	11/18/15	Yes	San Francisco
16EV004	PEV	Install 2 dual-port Level 2 EV charging stations	\$12,000	S & V, LLC	0.003	0.004	0.000	10/5/15	Yes	Alameda
16EV005	PEV	Install 3 single-port DC EV charging stations (with solar)	\$22,500	DTTC Properties, LLC	0.003	0.004	0.000	12/18/15	No	Santa Clara
16EV006	PEV	Install 7 dual-port Level 2 and 2 DC fast EV charging stations (with solar)	\$187,000	Sonoma Mountain Village, LLC	0.024	0.031	0.003	Pending	No	Sonoma
16EV009	PEV	Install 6 single-port Level 2 EV charging stations	\$18,000	Clear Blue Commercial	0.005	0.006	0.001	12/22/15	No	Sonoma
16EV010	PEV	Install 24 single-port DC EV charging station (with solar)	\$120,000	Palo Alto Research Center Incorporated	0.016	0.020	0.002	Pending	No	Santa Clara
16EV012	PEV	Install 98 dual-port Level 2 EV charging stations	\$338,546	Santa Clara Campus Owners' Association	0.088	0.113	0.013	12/16/15	No	Santa Clara
16EV013	PEV	Install 24 single-port DC EV charging stations (with solar)	\$116,190	Intuit Inc.	0.015	0.019	0.002	Pending	No	Santa Clara
16EV014	PEV	Install 3 dual-port and 1 single-port Level 2 EV charging stations	\$21,000	Marriott Office Partners Holding Company LLC	0.005	0.007	0.001	12/14/15	No	Santa Clara
16EV019	PEV	Install 2 dual-port Level 2 EV charging stations	\$12,000	California State University, East Bay	0.003	0.004	0.000	12/30/15	Yes	Alameda
16EV021	PEV	Install 1 DC fast and 8 dual-port level 2 EV charging stations	\$73,000	Ford Point LLC	0.019	0.024	0.003	12/31/15	Yes	Contra Costa
16PEV002	PEV	Purchase one zero emissions motorcycle (ZEM)	\$2,500	Town of Colma Police Department	0.000	0.007	0.000	10/20/15	Yes	San Mateo
16PEV003	PEV	Purchase one ZEM	\$2,500	Pittsburg Police Department	0.000	0.007	0.000	12/23/15	Yes	Contra Costa
16RFG01*	PEV	Install 12 dual-port Level 2 EV charging stations	\$65,112	Chabot Las Positas Comm College District	0.019	0.024	0.003	Pending	Yes	Alameda
16RFG02*	PEV	Install 9 dual-port Level 2 EV charging stations	\$81,486	City of Fremont	0.014	0.018	0.002	Pending	Yes	Alameda
16RFG08*	PEV	Install 8 dual-port Level 2 EV charging stations	\$78,000	City of Millbrae	0.012	0.016	0.002	Pending	No	San Mateo
16RFG09*	PEV	Install 1 DC fast, and 5 dual-port Level 2 EV charging stations	\$41,000	City of Oakland	0.007	0.009	0.001	Pending	Yes	Alameda
16RFG11*	PEV	Install 8 DC fast EV charging stations	\$307,569	The NASA Ames Exchange	0.052	0.067	0.007	Pending	No	Santa Clara
16RFG15*	PEV	Install 11 dual- and 2 single-port Level 2, and 3 single port Level 1 EV charging stations	\$121,945	City of Palo Alto	0.020	0.026	0.003	Pending	Yes	Santa Clara
16RFG17*	PEV	Install 1 DC fast and 1 single-port Level 2 EV charging station	\$47,511	City of Richmond	0.007	0.009	0.001	Pending	Yes	Contra Costa
16RFG18*	PEV	Install 18 dual- and 5 single-port Level 2 EV charging stations	\$250,000	San Francisco Bay Area Rapid Transit District (BART)	0.032	0.041	0.005	Pending	Yes	Alameda
16RFG19*	PEV	Install 1 DC fast, and 7 dual-port Level 2 EV charging stations	\$149,610	County of Alameda	0.017	0.022	0.002	Pending	Yes	Alameda
16R11	Shuttle & Rideshare	511 Regional Carpool Program	\$1,000,000	Metropolitan Transportation Commission	7.6	7.1	6.7	11/18/15	Yes	Regional
16R12	Shuttle & Rideshare	SJSU Ridesharing & Trip Reduction	\$140,000	Associated Students, San Jose State University	1.8	1.8	1.6	11/18/15	Yes	Regional
16R15	Shuttle & Rideshare	Ace Shuttle 53 & 54	\$80,000	San Joaquin Regional Rail Commission	0.26	0.46	0.45	11/18/15	Yes	Alameda
16R17	Shuttle & Rideshare	PresidiGo Shuttle	\$100,000	Presidio Trust	0.38	0.38	0.35	11/18/15	Yes	San Francisco

AGENDA 4 - ATTACHMENT 4

Summary of all TFCFA approved and eligible projects (evaluated between 7/1/2015 and 1/7/2016)

Project #	Project Category	Project Description	Award Amount	Applicant Name	Emission Reductions (Tons per year)			Board Approval Date	CARE Area	County
					NO _x	ROG	PM			
16R18	Shuttle & Rideshare	Broadway Shuttle	\$186,500	City of Oakland	0.23	0.35	0.29	11/18/15	No	Alameda
16R19	Shuttle & Rideshare	Caltrain Shuttle Program	\$767,100	Peninsula Corridor Joint Powers Board	2.3	2.4	2.1	11/18/15	No	San Mateo
16R20	Shuttle & Rideshare	ACE Shuttle Bus Program	\$960,000	Santa Clara Valley Transportation Authority	3.8	3.4	3.4	11/18/15	No	Santa Clara
16BR001	Bicycle Racks	Purchase and install five bike racks with capacity to hold up to 14 bicycles	\$3,000	San Carlos School District	0.006	0.009	0.004	12/21/15	No	San Mateo
16BR002	Bicycle Racks	Purchase and install 14 bike racks at Palo Alto Unified School District	\$1,680	Palo Alto Unified School District	0.004	0.005	0.002	12/30/15	No	Santa Clara
16BR003	Bicycle Racks	Purchase and install eight bike racks at Los Altos High School	\$3,840	Mountain View Los Altos Union High School District	0.008	0.011	0.005	12/31/15	No	Santa Clara

33 Projects

\$5,573,589

16.77 16.33 14.94

* Award amount for these nine projects includes a total of \$450,000 in Reformulated Gas (RFG) Settlement funds.

AGENDA 4 - ATTACHMENT 5

Summary of FYE 2016 TFCA funds distributed by county and project category, as of 1/7/16

Figure 1: TFCA Projects Awarded in FYE2016
Distributed by Project Category

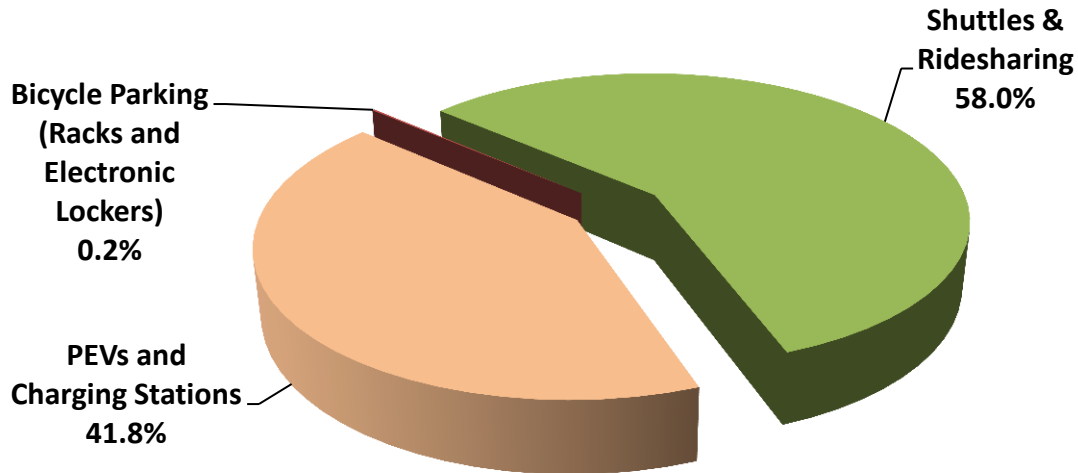
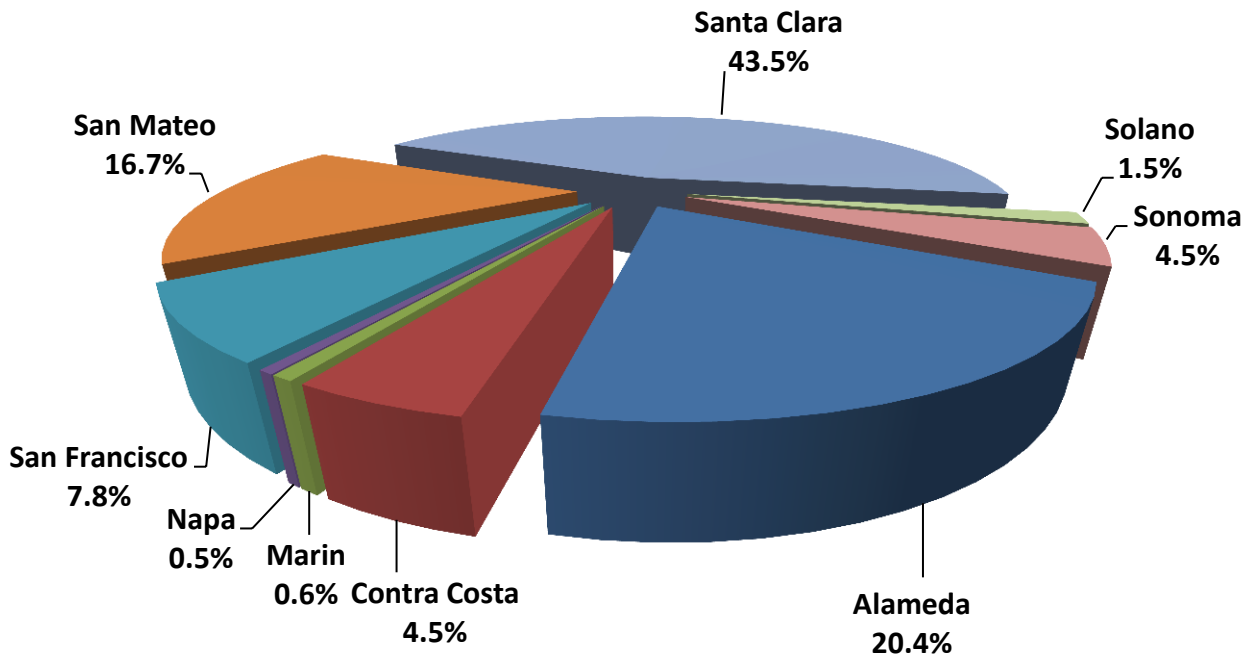


Figure 2: TFCA Projects Awarded in FYE2016
Distributed by County



BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Scott Haggerty and Members
of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: January 13, 2016

Re: Electric Vehicle Charging Station Demonstration Program

RECOMMENDATIONS

Recommend Board of Directors:

1. Approve the award of Transportation Fund for Clean Air (TFCA) funding to the Electric Vehicle Charging Station Demonstration Program (Program) projects listed in Attachment A and contingency projects listed in Attachment B; and
2. Authorize the Executive Officer/APCO to execute all contracts to expend TFCA funding for the recommended Program projects listed in Attachment A and contingency projects listed in Attachment B.

BACKGROUND

The Reformulated Gasoline (RFG) Open Grants Program is the result of the settlement of 14 class action lawsuits against Union Oil Company of California and Unocal Corporation (Unocal). Before trial, the Plaintiff and Unocal agreed to settle the class actions and agreed to distribute approximately \$7 million through an open competitive grants program directed to nonprofit organizations for projects to achieve vehicle emissions or fuel efficiency benefits for California consumers. The majority of the RFG grants program funding was awarded in 2010, including a grant to the Bay Area Clean Air Foundation (BACAF) for a project to deploy ten converted plug-in electric vehicles in partnership with City CarShare.

In order to support Bay Area public agencies' efforts to green their fleets and to deploy charging infrastructure in their communities, the Bay Area Clean Air Foundation (BACAF), in partnership with the Bay Area Air Quality Management District (Air District), submitted an application to the RFG's Open Grants Program on February 5, 2015, requesting \$500,000 in remaining RFG funds for an electric vehicle charging station incentive program.

On May 12, 2015, the U.S. District Court approved a grant under the RFG Open Grants Program whereby the BACAF, who, contracting with the Air District, will: (a) provide up to \$450,000 in Program funds that would be matched with the Air District's Transportation Fund for Clean Air (TFCA) funding for the installation of publicly available electric vehicle charging stations; (b)

following installation, collect data to measure environmental, economic and operating benefits; (c) publish a White Paper to include a summary, key features, benefits of, and lessons learned from this grant; and (d) share Program results with local governments, air districts, and other entities with an interest in the deployment of electric vehicle infrastructure. Up to \$50,000 of the RFG funds will be used to pay for administration and for the development of the White Paper.

DISCUSSION

The agreement with the RFG administrators allows Program funds to be used to cover a portion of the total eligible costs for the installation of new, publicly-available EV charging stations along major transportation corridors, at workplaces, and at key destinations. The RFG funds can be matched with funds from the Air District's TFCA Plug-in Electric Vehicle Program, which can provide funding for the purchase and installation of electric vehicle infrastructure through its EV charging station deployment incentive program (*Charge!*). The RFG-funded Program prioritizes projects that are "shovel-ready," help to expand the region's charging network, and are located in Air District-designated Community Air Risk Evaluation (CARE) Areas. At least 25% of RFG funding, or \$112,500, is reserved for projects in CARE Areas. Only public entities are eligible to apply and funds are awarded through a competitive grant application process.

In addition, the Air District released the Program guidance and opened a call for projects on August 18, 2015. The call for projects was scheduled to close on October 8, 2015; however, the program was not oversubscribed by that date. On October 14, after consultation with the administrator of the RFG funds, staff extended the solicitation deadline to December 18, 2015.

During the solicitation period, a total of four application workshops were held online via webinar on August 26, September 3, November 5, and December 9. As of the deadline of December 18, the Air District received 17 applications, which requested a total of \$2.6 million in grant funds, of which approximately \$1.2 million were RFG funds.

Over the past several weeks, staff evaluated these applications and worked with applicants to gather additional documentation and information in order to determine eligibility for RFG funding. Staff also confirmed that all eligible projects conform to the provisions of HSC 44241 and the Board-adopted cost-effectiveness limits for the *Charge!* Program for the TFCA funded portion. Each eligible project was scored based on its cost-effectiveness, readiness, percentage of chargers open to the public, and whether the site expands the region's coverage of publicly available chargers. Eligible projects were then ranked based on their scores. Three lower scoring projects were ranked higher to meet the requirement that 25% of RFG funding is reserved for projects in CARE Areas.

Based on the ranking results, staff recommends awarding a total of \$692,233 of TFCA funds to the nine highest ranked projects, which include four projects in CARE Areas. Also because of the scoring and ranking, two of the nine projects listed in Attachment A are recommended for a partial award. In order to meet the RFG's 25% funding requirement for CARE Areas (\$112,500), full funding is recommended for the first three highest ranked projects and partial funding is recommended for the 4th highest ranked project. In addition, the ninth highest project is also recommended for partial funding.

These nine projects propose to install 92 charging stations at 23 locations throughout the Bay Area and are estimated to, over a three year period, reduce criteria pollutant emissions by 1.3 tons, reduce more than 2,500 tons of greenhouse gas emissions, and reduce gasoline usage by approximately 300,000 gallons. Additional details on these nine projects can be found in Attachment A.

Attachment B contains five projects that were found to be eligible for funding, but did not rank high enough to be considered for award at this time. In the event that any of the projects from Attachment A do not proceed or are completed under-budget, the remaining funding would be allocated first to the two projects that received partial awards, then to the next highest-ranking projects listed in Attachment B. Additionally, staff recommends limiting awards to projects on Attachment B such that their cost-effectiveness matches the least cost-effective project on Attachment A.

Attachment C lists three projects that are not recommended for funding because the application for the project was incomplete as of the December 18 deadline, or because the applicant elected to withdraw their application after it was submitted.

BUDGET CONSIDERATION / FINANCIAL IMPACT

None. Through the EV Charging Demo Program, the Air District distributes “pass-through” funds to public agencies on a reimbursement basis. This program’s administrative costs are provided by each funding source.

Respectfully submitted,

Jack P. Broadbent
Executive Director/APCO

Prepared by: Ken Mak & Linda Hui
Reviewed by: Karen Schkolnick

Attachment A: EV Charging Demo Program – Projects Recommended for Funding
Attachment B: EV Charging Demo Program – Contingency List
Attachment C: EV Charging Demo Program – Projects Not Recommended for Funding

Agenda 5 - Attachment A
EV Charging Demo Program – Projects Recommended for Funding

RECOMMENDED FOR FUNDING																
Project Number	Rank	Score (points)	CARE Area	Sponsor	# of Facilities	Total Charging Stations	CO2 Reductions (tons)	Criteria Reductions (tons)	Gasoline Reduced (gallons)	Total Project Cost	Recommended Award	TFCA Portion	RFG Portion	RFG C/E	County	Percent Public
16RFG01	1	91	YES	Chabot Las Positas Comm College District	2	12	259	0.14	30,297	\$ 72,347	\$ 65,112	\$ 54,260	\$ 10,852	\$ 0.36	ALA	100%
16RFG09	2	83	YES	City of Oakland	5	6	101	0.05	11,835	\$ 85,295	\$ 41,000	\$ 28,125	\$ 12,875	\$ 1.09	ALA	55%
16RFG19	3	81	YES	County of Alameda	3	8	241	0.13	28,193	\$ 175,170	\$ 149,610	\$ 80,348	\$ 69,262	\$ 2.46	ALA	67%
16RFG17*	4	79	YES	City of Richmond	1	2	101	0.05	11,782	\$ 107,466	\$ 47,511	\$ 28,000	\$ 19,511	\$ 4.92	CC	100%
16RFG08	5	90	NO	City of Millbrae	5	8	172	0.09	20,198	\$ 142,349	\$ 78,000	\$ 48,000	\$ 30,000	\$ 1.49	SM	100%
16RFG02	6	89	NO	City of Fremont	1	9	194	0.10	22,722	\$ 107,003	\$ 81,486	\$ 54,000	\$ 27,486	\$ 1.21	ALA	100%
16RFG15	7	87	NO	City of Palo Alto	4	16	296	0.14	32,190	\$ 156,600	\$ 121,945	\$ 76,500	\$ 45,445	\$ 1.41	SC	75%
16RFG18	8	87	NO	San Francisco Bay Area Rapid Transit District (BART)	1	23	442	0.23	51,757	\$ 469,093	\$ 250,000	\$ 123,000	\$ 127,000	\$ 2.45	ALA	100%
16RFG11*	9	85	NO	The NASA Ames Exchange	1	8	718	0.38	84,157	\$ 477,786	\$ 307,569	\$ 200,000	\$ 107,569	\$ 2.73	SC	100%
TOTAL:					23	92	2,523	1.32	293,131	\$ 1,793,109	\$ 1,142,233	\$ 692,233	\$ 450,000			

*These projects are recommended for a partial award. 16RFG17 is eligible for a total award up to \$86,000. 16RFG11 is eligible for a total award up to \$430,007

**Agenda 5 - Attachment B
EV Charging Demo Program – Contingency List**

CONTINGENCY LIST																
Project Number	Rank	Score (points)	CARE Area?	Sponsor	# of Facilities	Total Charging Stations	CO2 Reductions (tons)	Criteria Reductions (tons)	Gasoline Reduced (gallons)	Total Project Cost	Eligible Award	TFCA Portion	RFG Portion	Max RFG C/E	County	Percent Public
16RFG13	10	79	NO	City of Saratoga	1	1	90	0.05	10,520	\$ 90,892	\$ 75,000	\$ 25,000	\$ 50,000	\$ 4.75	SC	100%
16RFG12	11	79	NO	Sonoma County Office of Education	1	2	101	0.05	11,782	\$ 124,049	\$ 86,000	\$ 28,000	\$ 58,000	\$ 4.92	SON	100%
16RFG03	12	76	NO	Contra Costa County	3	7	76	0.04	8,858	\$ 81,147	\$ 66,000	\$ 20,953	\$ 43,581	\$ 4.92	CC	100%
16RFG06	14	69	YES	City of Santa Clara	1	6	54	0.03	6,347	\$ 88,599	\$ 79,739	\$ 30,168	\$ 31,227	\$ 4.92	SC	100%
TOTAL:					6	16	320	0.17	37,507	\$ 384,687	\$ 306,739	\$ 104,121	\$ 182,809			

Agenda 5 - Attachment C
EV Charging Demo Program – Projects Not Recommended for Funding

NOT RECOMMENDED					
Rank	Score (points)	Project Number	Sponsor	Reason for Rejection	Description
N/A	N/A	16RFG05	County of Napa	Incomplete Application	No hardcopy was submitted by the deadline
N/A	N/A	16RFG14	San Mateo County Community College District	Withdrawn	The applicant decided to withdraw their application after submittal
N/A	N/A	16RFG10	City of Concord	Does not meet minimum Program requirements	The project is eligible for an award amount that is below the minimum threshold
N/A	N/A	16RFG16	The eastern Contra Costa Transit Authority	Incomplete Application	No hardcopy was submitted by the deadline

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Scott Haggerty and Members
of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: January 14, 2016

Re: Commercial Lawn and Garden Equipment Replacement Program

RECOMMENDATIONS

Recommend the Board of Directors:

1. Allocate remaining funds totaling approximately \$517,270 and interest accrued from the ConocoPhillips-funded Carbon Offset Fund to implement a commercial lawn and garden equipment replacement program; and
2. Authorize the Executive Officer/APCO to enter into funding agreements and contracts up for eligible commercial lawn and garden equipment replacement projects.

BACKGROUND

On September 10, 2007, the Attorney General (AG) of California entered into a Settlement Agreement with ConocoPhillips Company (Conoco) to resolve a dispute regarding the environmental impact of greenhouse gas (GHG) emissions (primarily carbon dioxide) from the Clean Fuels Expansion Project at the refinery in Rodeo, California. The Settlement Agreement required Conoco to make payment by June 1, 2009, to a Carbon Offset Fund established by the Bay Area Air Quality Management District (Air District).

On November 24, 2008, the AG and the Air District entered into a Memorandum of Understanding (MOU) authorizing the Air District to administer a GHG emissions reduction grant program using Carbon Offset Funds. In accordance with the MOU, the Air District received \$4,443,025 from Conoco around June 1, 2009. The MOU requires that Carbon Offset Fund-projects achieve verifiable, quantifiable reductions in GHG emissions and that the Air District give priority to projects in areas nearest the Conoco refinery. The Air District's Board of Directors (Board) approved awards to public agencies located in Rodeo, Hercules, Crockett, and Pinole in 2010 and 2013. As of December 2015, all of the Air District Board-approved projects have been implemented leaving a balance in the Carbon Offset Fund of approximately \$517,270, of which approximately \$4,500 may be used for program administrative costs.

On January 21, 2015, the Air District Board of Directors approved the acceptance of \$470,000 from the National Fish and Wildlife Foundation (NF&WF) to implement a Commercial Lawn and Garden Equipment Replacement Program that was offered to public agencies in Alameda

and Contra Costa Counties. Funding for this commercial lawn and garden equipment replacement program was made available as a result of a plea bargain by Shoreline Terminals LLC with the U.S. Attorney's Office. To date, the Air District has entered into 19 contracts with public agencies to expend all but about \$2,000 of the available funds for this program.

DISCUSSION

There are an estimated 300,000 pieces of commercial lawn and garden equipment in the Bay Area, which in total daily produce 0.39 tons of reactive organic gases (ROG), 0.84 tons of oxides of nitrogen (NOx), 0.18 tons of particulate matter (PM), and 135.78 tons of carbon dioxide (CO₂). The Air District's Commercial Lawn and Garden Equipment Replacement Program funded by the NF&WF settlement is a proven method of effectively, and quickly, reducing these emissions by replacing existing internal combustion lawn and garden equipment with cordless, zero-emission equipment. Zero/low-emission lawn and garden equipment are not required by regulation, so all emissions reduced by equipment "change outs" are surplus.

Air District staff is proposing to reallocate the remaining funds and any interest accrued from the Carbon Offset Fund to a new Commercial Lawn and Garden Equipment Replacement Program (Program) that will provide financial incentives to public agencies interested in replacing commercial internal combustion lawn and garden equipment with cordless, battery-electric, zero-emission equipment. Among the equipment targeted are lawn mowers, leaf blowers, sweepers, chainsaws, line trimmers, and hedge trimmers. Funds will also be made available for the purchase of two batteries for each piece of electric equipment and one battery charger. Administrative costs for this program are estimated to be \$50,000. The Carbon Offset Fund will provide up to \$4,500 of the administrative costs with the balance coming from the General Fund.

If approved by the Board, the Program will be launched in early Spring 2016 and be completed by December 2016. In accordance with the Carbon Offset Fund requirements, Program funds will be first offered to the four communities that are closest to Conoco Philips (Rodeo, Hercules, Crockett, and Pinole) and then be expanded to include all public agencies in Alameda and Contra Costa Counties. If any funds remain available after the Program has been open for 90 days, the Program will be expanded and offered to all public agencies in the Air District's jurisdiction.

The new Program is expected to replace about 135 pieces of equipment and reduce annual emissions of ROG by 0.06 tons, NOx by 0.14 tons, PM by 0.03 tons, and CO₂ by 22.16 tons. Based on the criteria pollutants reduced by this program, the estimated lifetime-cost effectiveness is \$122,000/ton of combined ROG, NOx and weighted PM reduced.

BUDGET CONSIDERATION / FINANCIAL IMPACT

The General Fund will cover \$45,500 in administrative costs to operate this program.

Respectfully submitted,

Jack P. Broadbent
Executive Director/APCO

Prepared by: Joseph Steinberger
Reviewed by: Karen Schkolnick