



**Bay Area Air Quality Management District
Mobile Source Committee**

June 30, 2016

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

**Damian Breen
Deputy Air Pollution Control Officer**

- Background
- Proposed projects with awards over \$100,000
- Adopt resolution for Fiscal Year Ending (FYE) 2016/17 Low Carbon Transportation and Fuels Investment/Air Quality Improvement Program (LCT & AQIP) – Green House Gas Reduction Program (GGRGF) funds
- Recommendations

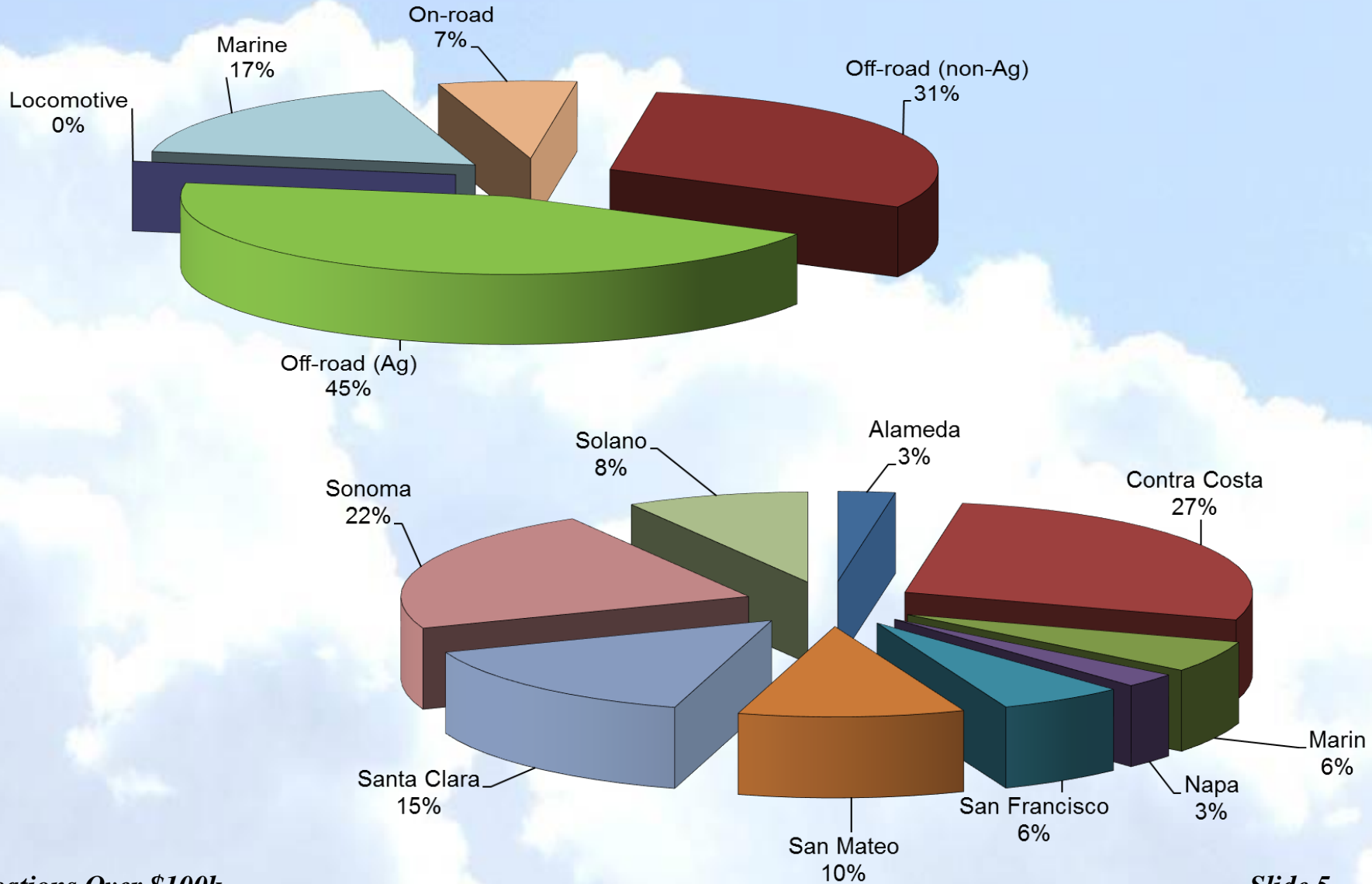
CMP, MSIF, & TFCA

- **Carl Moyer Program (CMP)**
 - Created in 1998 to reduce emissions from heavy-duty engines
 - Voluntary program that funds surplus emission reductions
- **Mobile Source Incentive Fund (MSIF)**
 - AB 923 allowed for additional \$2 motor vehicle registration fee surcharge (12/04)
 - CMP and LESBP projects eligible for MSIF funding
- **Transportation Fund for Clean Air (TFCA)**
 - Funding provided by a \$4 surcharge on motor vehicles
 - Statutory authority for the TFCA and requirements of the program are set forth in California Health and Safety Code Sections 44241 and 44242

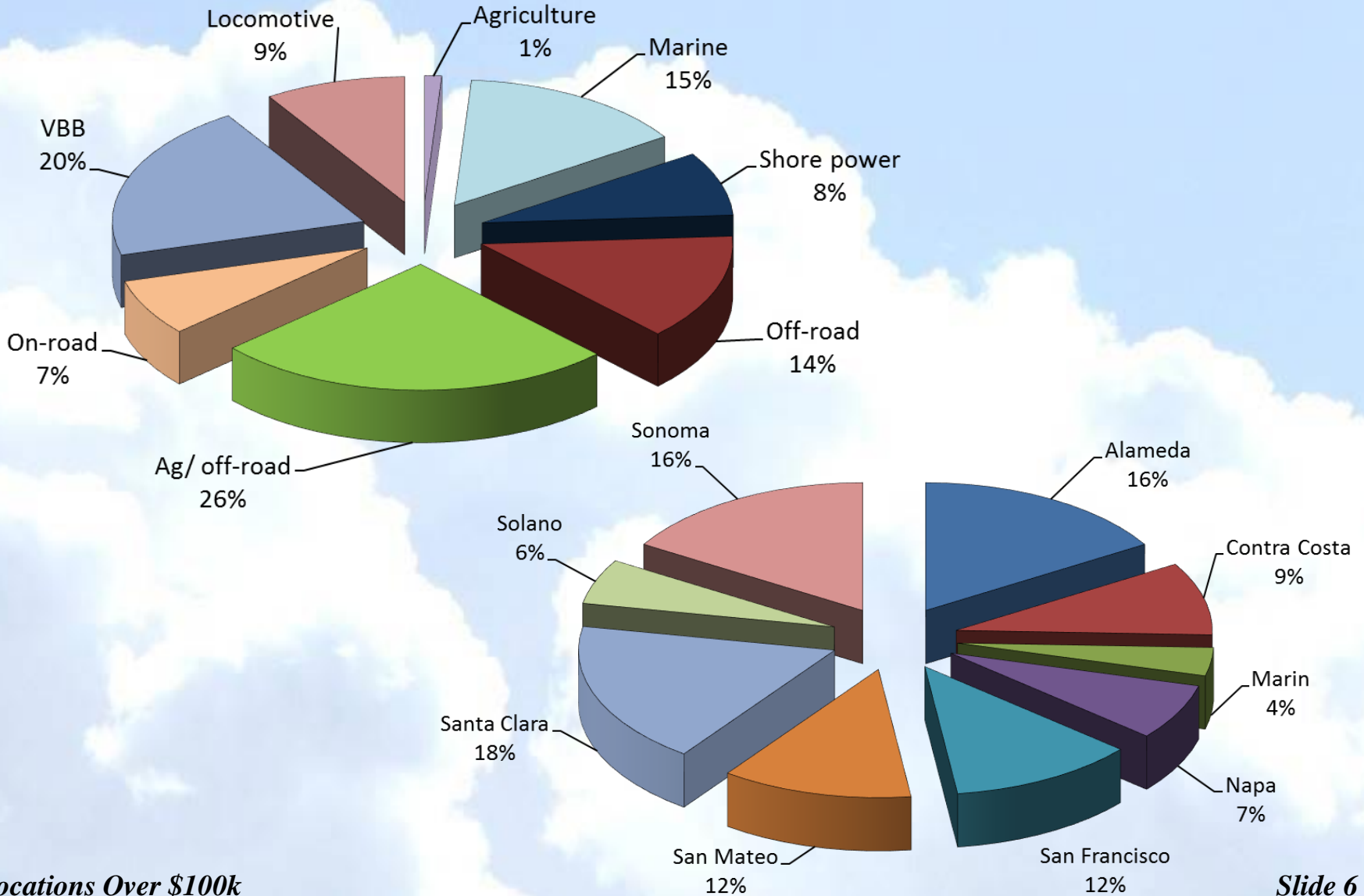
- **On 2/18/15 District Board of Directors:**
 - Approved participation in CMP Year 17
 - Authorized Executive Officer/APCO to execute contracts and amendments with grant awards up to \$100,000
- **CMP Project Recommendations over \$100k:**
 - 2 Projects to reduce emissions from 5 pieces of off-road equipment
 - \$1,010,465 in total awards
 - Emission reductions: Over 7.3 TPY of criteria pollutants

CMP and MSIF Funds

Awarded as of 6/7/16



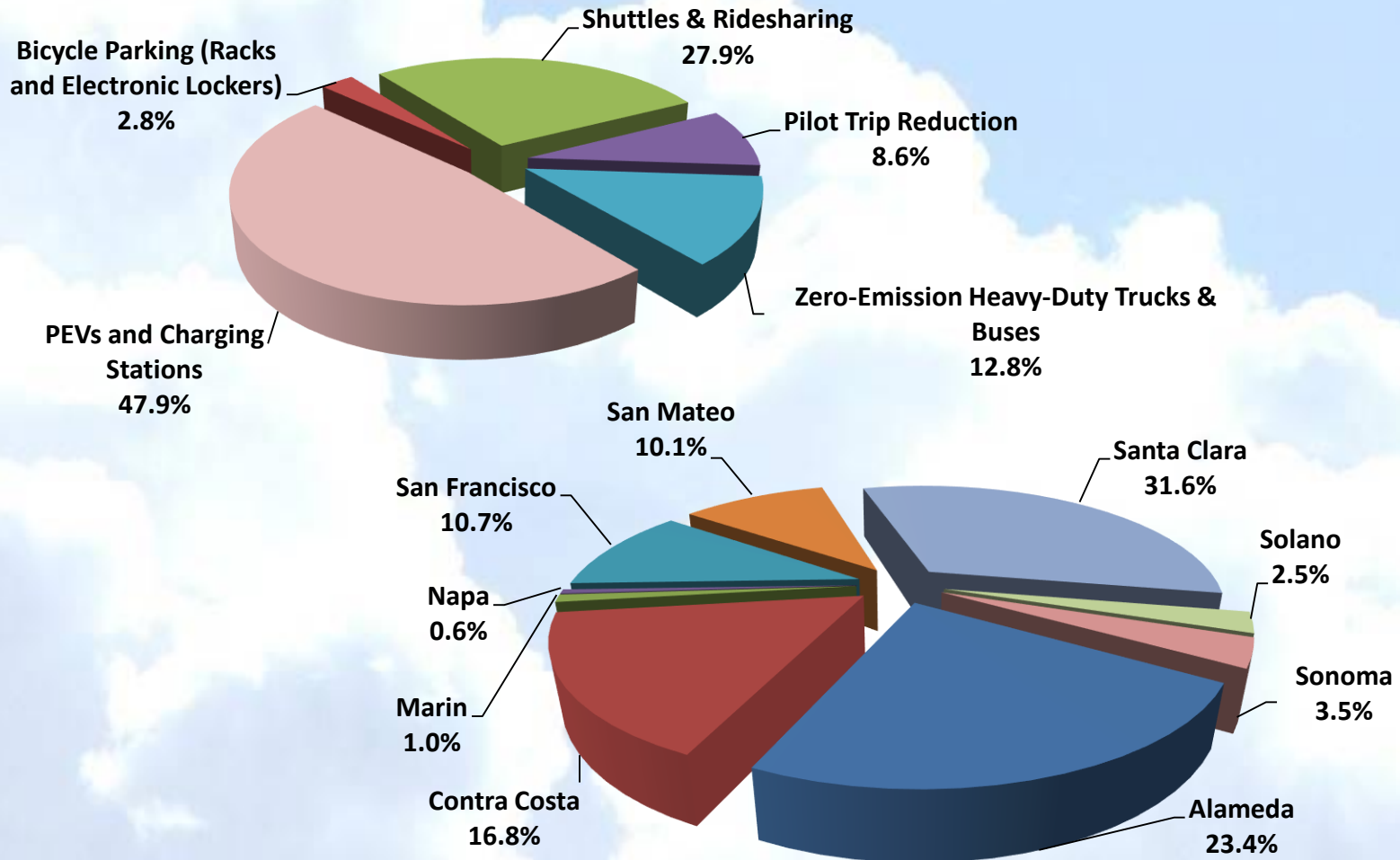
CMP and MSIF Funds Awarded since 2009



- **Air District Board of Directors:**
 - Allocated \$24.47 million and authorized Executive Officer/APCO to execute contracts and amendments with grant awards up to \$100,000, 5/6/15
 - Adopted policies and evaluation criteria on 5/6/15 and 7/29/15
- **TFCA Project Recommendations over \$100k:**
 - 1 project to install 20 eLocker quads, accommodating 80 bicycle
 - 3 projects to purchase 36 zero-emission trucks & busses
 - 11 zero-emission battery electric trucks, scrap 1 Model Year (MY) 2004 truck
 - 15 zero-emission battery electric buses
 - 10 hydrogen fuel-cell electric buses, scrap 10 MY 2002 buses
 - Proposed total awards: \$1,685,979
 - Emission reductions: Over 6.21 TPY of criteria pollutants, ~963 TPY of tailpipe greenhouse gas (GHG) emissions

TFCA Funds

by Project Category and by County
(Eligible projects evaluated between 7/1/15 and 6/7/16)



Resolution for ARB Greenhouse Gas Reduction Funds (GGRF)

- April 14, 2016 –ARB informed District of awards under Zero-Emission Truck & Bus Pilot Commercial Deployment Project solicitation for GGRF

Projects	District TFCA Match	ARB Funding
AC Transit – Replace 10 MY 2002 buses with hydrogen fuel-cell buses	\$1,000,000	\$22,347,502*
Goodwill – Purchase 11 battery-electric trucks, scrap 1 MY 2004 HD truck	\$151,430	\$2,738,557

- Receipt of ARB funding is contingent upon:
 - ARB’s approval of FY 2016/17 LCT & AQIP Funding Plan
 - Appropriation of sufficient FY2016/17 LCT & AQIP funds before 7/1/16
 - Air District Board resolution committing matching funds

* ARB funding includes administrative costs for Center for Transportation and the Environment, and transit buses for South Coast AQMD and Orange County Transportation Authority

Recommendations

Recommend the 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;
2. Accept and obligate California Air Resources Board (ARB) Low Carbon Transportation Greenhouse Gas Emission Reduction Funds (GGRF) grant funding for zero-emission truck and bus pilot commercial deployment projects;
3. Adopt a resolution that authorizes the Air District's acceptance, obligation, and expenditure of GGRGF funds; and
4. Authorize the Executive Officer/APCO to enter into agreements for the recommended CMP and TFCA projects and with the ARB and partners for the acceptance and expenditure of GGRF funds.



**Bay Area Air Quality Management District
Mobile Source Committee**

June 30, 2016

**Accept, Obligate, and Expend Funding from the
Bay Area Clean Air Foundation (Foundation) and from
the United States Environmental Protection Agency
(EPA)**

**Damian Breen
Deputy Air Pollution Control Officer**

- Background
- New Air District Funding:
 - Bay Area Clean Air Foundation Projects
 - United States Environmental Protection Agency (EPA) Project
- Recommendations



Bay Area Clean Air Foundation (Foundation)

- On July 9, 2008, the Air District Board of Directors approved the establishment of an Air District non-profit foundation
- Foundation serves to fund various air quality emissions reduction, and educational and service programs to support the mission of the Air District

Foundation Projects

- \$500,000 in Reformulated Gas Settlement funds:
 - For project to install publicly available electric vehicle charging stations (May 12, 2015)
 - Match with \$692,233 Air District TFCA funds
 - 11 projects approved for award by Board of Directors on 2/17/16
- \$472,262.70 from Faria Preserve, LLC
 - For project to implement an off-site mitigation program to reduce 13.64 tons of ozone precursors (April 12, 2016)
 - Vehicle Buy Back or similar projects

United States EPA Project

- April 20, 2016 – Air District submitted proposal to EPA to replace 3 switcher locomotives
 - Locomotives operate in goods movement near impacted communities
 - Two locomotives operate at Port of Richmond
 - One locomotive operates at Port of San Francisco
- June 8, 2016 – EPA informed Air District of \$1 million award
- Emission Reductions over 28-year life of project:
 - 11.7 tons of NO_x, 0.597 tons of hydrocarbons, 0.254 tons of PM
- Air District to provide Proposition 1B Goods Movement Bond funds as match

Recommendations

Recommend the Board of Directors:

1. Adopt a resolution authorizing the Bay Area Air Quality Management District (Air District) to accept, oblige, and expend up to \$972,262.70 from the Bay Area Clean Air Foundation (Foundation) for electric vehicle and vehicle buyback projects;
2. Adopt a resolution authorizing the Air District to accept, oblige, and expend up to \$1 million in funds from the U.S. Environmental Protection Agency (EPA) to replace three locomotives; and
3. Authorize the Executive Officer/APCO to enter into all agreements necessary to accept and expend this funding.



AGENDA: 6

Bay Area Air Quality Management District Mobile Source Committee

June 30, 2016

Emissions Reduction from Air District Grant Programs

**Damian Breen
Deputy Air Pollution Control Officer**

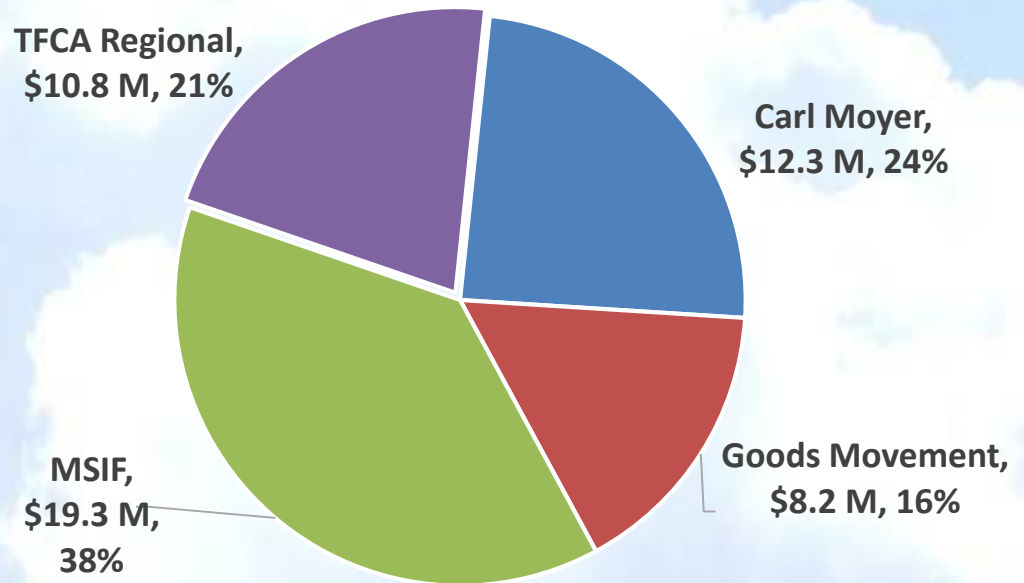
Overview

- Background
- Recap of 2015 allocations
- Emissions reduction and emissions inventory
- Questions

Background

Results of District grant funding programs in CY 2015:

- \$60 million (M) allocated to projects that reduce emissions from mobile sources (\$51 M awarded directly by Air District)
- 34% to CARE areas



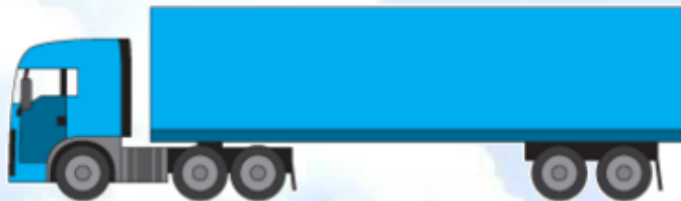
2015 Emission Reductions

- Over project term, 2015 projects will reduce 521 tons criteria pollutants annually: Reactive organic gases (ROG), Nitrogen oxides (NOx), and Particulate matter (PM10)



Removal of 160,000 passenger cars

Or



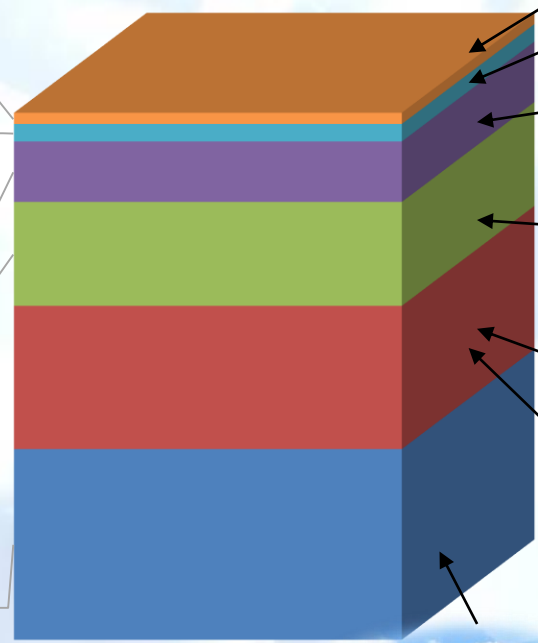
Removal of 1,300 port trucks

- Also reduce more than 75,000 tons of greenhouse gases annually

Mobile Source Emissions Inventory

2011 BAY AREA MOBILE SOURCE EMISSIONS INVENTORY*

- Other On-road (2%)
- Locomotives (3%)
- Ships & Boats (11%)
- Other Off-road (20%)
- Passenger Cars/LD Trucks (27%)
- MD. & HD Diesel Trucks/Buses (36%)



Grants projects reduce ~0.3% annually

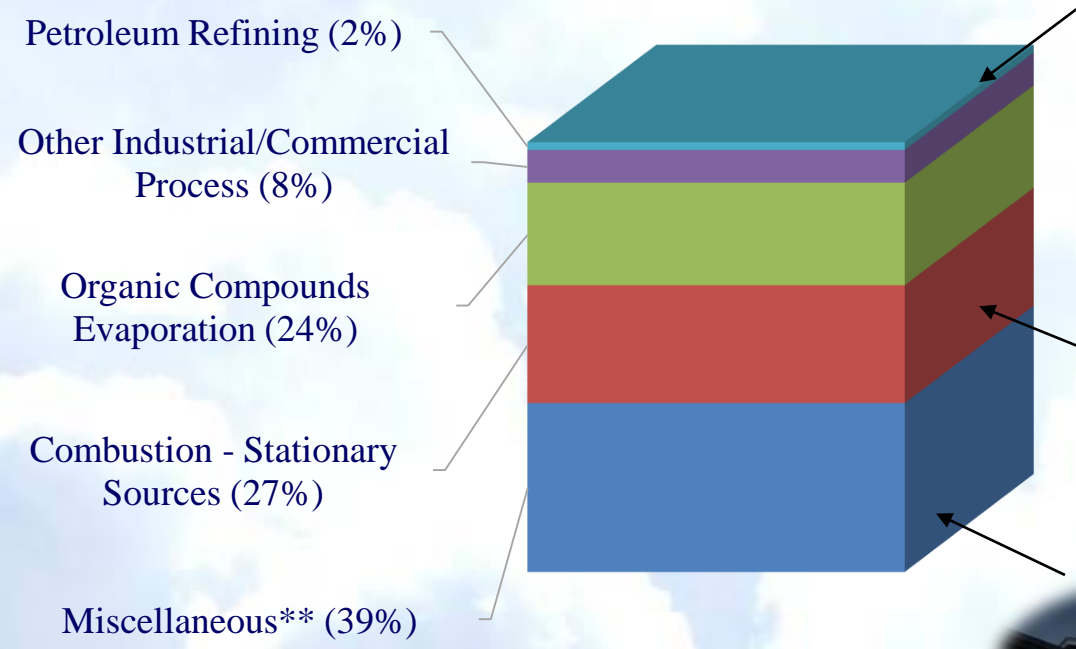


*NO_x, ROG, and PM₁₀



Non-Mobile Source Emissions Inventory

2011 BAY AREA NON-MOBILE SOURCE EMISSIONS INVENTORY*



These 3 rules reduce ~2.9% annually

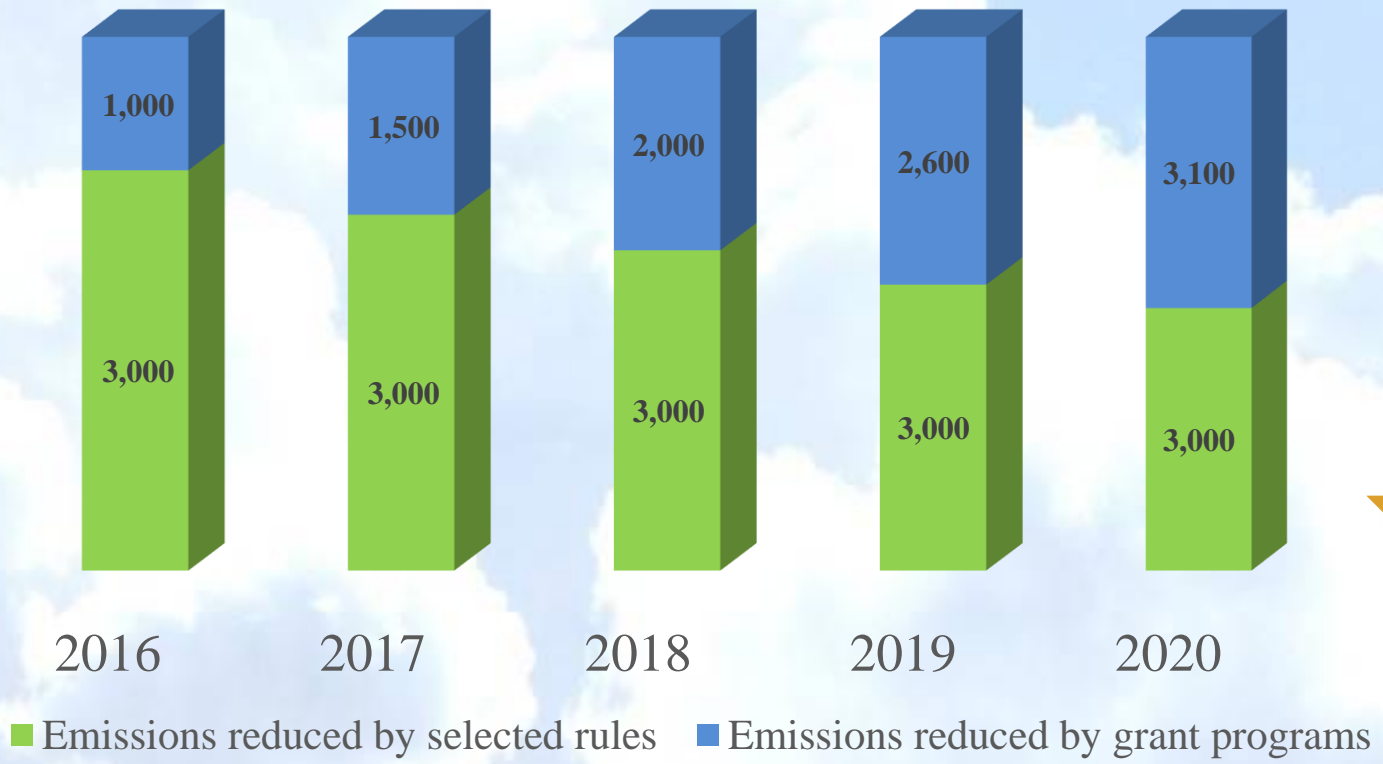


*NO_x, ROG, and PM₁₀

** Miscellaneous include Construction and Farming Operations, Paved and Unpaved Road Dust, Pesticides, Consumer Products (Excluding Pesticides), and Accidental Fires/Cigarette Smoking

Emissions Reduction Projection from Grants and 3 Air District Rules

Estimated Emissions Reduced by Grants/Selected Rules*



*NOx, ROG, and PM10 (tons per year)

Grants in 2016 & Beyond

Expand funding for zero-emission transportation:

**>\$90
million**



- Light-duty vehicles and public charging Infrastructure
- Med- & heavy-duty on-/ off-road trucks and buses
- Off-road equipment: rail, marine vessels, ground support
- Trip reduction



Questions



AGENDA: 7

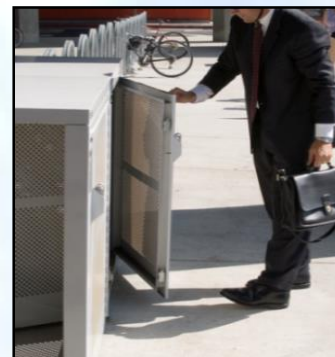
**Bay Area Air Quality Management District
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**Fiscal Year Ending 2017 Transportation Fund for
Clean Air (TFCA) Regional Fund Policies**

**Damian Breen
Deputy Air Pollution Control Officer**

- Background
- Transportation Fund for Clean Air (TFCA) Regional Fund Policies, public input process, and proposed Fiscal Year Ending (FYE) 2017 polices and revisions
- Recommendations



Transportation Fund for Clean Air (TFCA)

- Funded by \$4 motor vehicle registration fee surcharge
 - 60% to Regional Fund & Air District-sponsored projects
 - 40% to County Program Manager Fund
- Statutory authority and requirements of the program are set forth in California Health and Safety Code Sections 44241 and 44242
- Board adopts policies and evaluation criteria annually
- TFCA is the sole funding source that can be used to fund **trip reduction and light-duty alternative fuel vehicle-based projects**

FYE 2016 TFCA Regional Fund Funding and Policies

- **3/16/2016, Air District Board of Directors:**
 - Authorized allocation of \$21.7 million in FYE 2017 funding
 - Authorized Executive Officer/APCO to enter into funding agreements and contracts up to \$100,000.
- **FYE 2017 Policies - Process and Timeline:**
 - *February - March:* Draft policies out for public comment
 - *July:* Proposed policies to Board for approval
 - *Beginning July 2016 (tentative):* Open call for projects (issued in phases throughout FYE 2017)

Public Input Process

- Public Comment Period: February 8 to March 11, 2016
- Policies posted on **District Website**; notification sent to **TFCA grants e-mail list (more than 800 stakeholders including Congestion Management Agencies)**
 - **Stakeholder workshops/meetings:**
 - February 16 & 24: 26 attendees
- 14 sets of comments received (Attachment C)
- Staff follows up by email/phone with all commenters

Proposed Revisions

- **TFCA Cost effectiveness (#2):** Increase cost-Effectiveness (C/E) thresholds for trip reduction and bicycle projects
- **Light-Duty Zero- and Partial-Zero Emissions Vehicles for Fleets (#23) and Heavy-Duty Zero Emissions Vehicles (#24):** Replace incremental cost limitation with a requirement that project sponsors must pay for at least 10% of a vehicle's cost after all other grants and applicable manufacturer and local/state/federal rebates and discounts are applied

Proposed Revisions (Continued)

- **Shuttle/Feeder Bus Services (#28):** Remove a waiver provision, which provided a three-year grace period to sponsors of projects that duplicate existing local service, during which they would either need to become financially self-sustainable or come into compliance with all TFCA policies
 - Waiver expires December 31, 2016
- **Pilot Trip Reduction Projects (#29):** Increase the allowed time period to three years (from two) that pilot projects must become financially self-sustainable

Proposed Revisions (Continued)

- **Bikeways (#32):**
 - Add requirement that projects must have completed all applicable State and federal environmental review
 - Clarify that eligible projects must be described in an adopted countywide transportation plan, city general plan, or area-specific plan, so long as the plan specifies that the purpose of the bikeway is to reduce motor vehicle emissions or traffic congestion

Recommendation

Recommend Board of Directors:

1. Approve the proposed Fiscal Year Ending 2017 TFCRA Regional Fund Policies and Evaluation Criteria presented in Attachment A.