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Bay Area Air Quality Management District  
Mobile Source Committee

# Projects and Contracts with Proposed Grant Awards Over \$100,000

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October 25, 2018

Monte DiPalma  
Staff Specialist



# Overview

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- ❖ Background
- ❖ Proposed projects with awards over \$100,000
- ❖ Overview of Fiscal Year Ending (FYE) 2019 funds:
  - Awarded by project type
  - Awarded by county
  - Available
- ❖ Recommendations



## ❖ 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 Lower Emission School Bus Program (LESBP) projects eligible for MSIF funding



# Community Health Protection Grant Program (CHP)

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- ❖ Created by AB 134 appropriation of \$250 million from the Greenhouse Gas Reduction Fund (GGRF) to reduce mobile source emissions including criteria pollutants, toxic air contaminants, and greenhouse gases in AB 617 communities
- ❖ Bay Area Air Quality Management District (Air District) allocated \$50 million of these funds for emission reduction projects under the CMP, and optionally under the Proposition 1B Goods Movement Emission Reduction Program



# CMP/MSIF, & CHP

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## ❖ On 2/21/18 Air District Board of Directors:

- Approved participation in CMP Year 20
- Authorized Executive Officer/APCO to execute contracts and amendments with grant awards up to \$100,000

## ❖ On 12/20/17 Air District Board of Directors:

- Approved acceptance of \$50 M in AB 134 funding for the Community Health Protection Grant Program (CHP)



# CMP/MSIF & CHP Project Recommendations Over \$100k



- ❖ Three projects to reduce emissions from 6 pieces of agricultural equipment, 26 trucks, and 2 marine engines
  - \$909,896 in total awards
  - Emission reductions: over 2.5 Tons Per Year (TPY) of criteria pollutants



# Transportation Fund for Clean Air (TFCA)

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- ❖ Statutory authority set forth in California Health and Safety Code Sections 44241 and 44242
- ❖ Funding provided by a \$4 surcharge on motor vehicles:
  - 60% of TFCA funds awarded directly by the Air District (*Regional Fund & Air District Sponsored*)
  - Remaining 40% is distributed to the 9-Bay Area Congestion Management Agencies (*County Program Manger Fund*)



# Transportation Fund for Clean Air (TFCA)

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## ❖ On 5/2/18 Air District Board of Directors:

- Allocated \$20.44 million of TFCA funds for FYE 2019 projects
- Authorized Executive Officer/APCO to execute contracts and amendments with grant awards up to \$100,000

## ❖ On 6/6/18 Air District Board of Directors:

- Adopted policies and evaluation criteria for the FYE 2019 TFCA Regional Fund program





## Project Recommendations Over \$100k

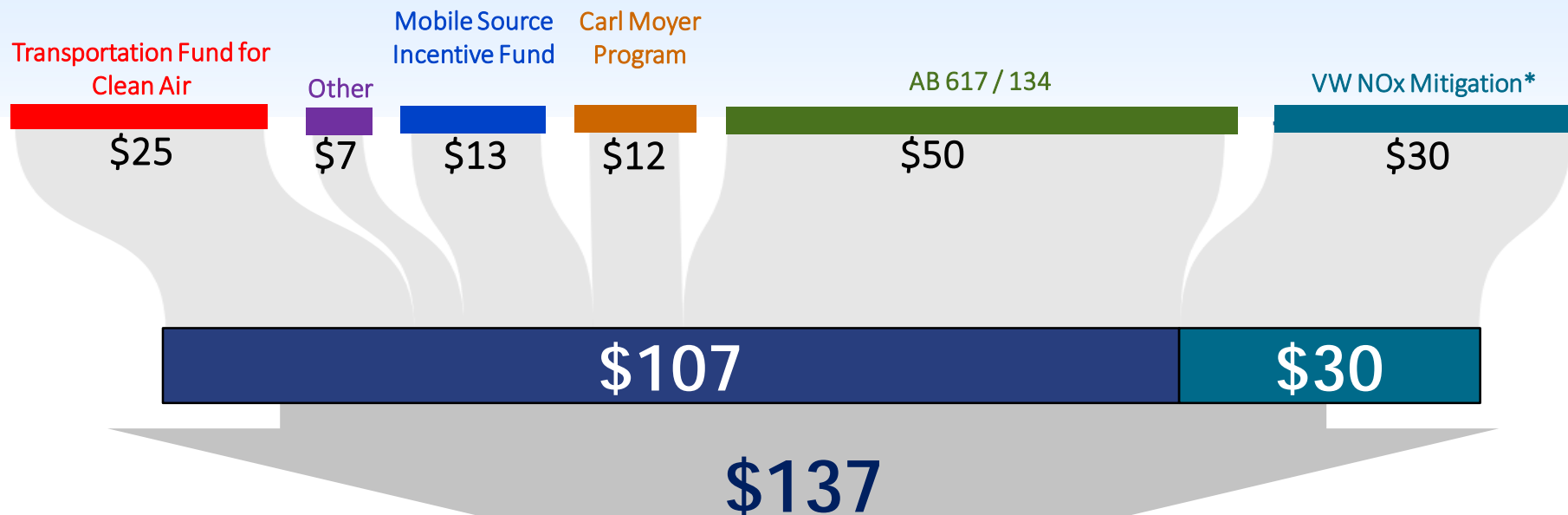


- ❖ Four projects to support continued operation of:
  - 21 shuttle routes connecting commuters to mass transit
  - One ridesharing service
  
- ❖ \$1,852,100 in total awards
  
- ❖ Emission reductions: 22.7 tons per year (tpy) of criteria pollutants



# Projected Grant Revenues for FYE 2019

## \$137 (in Millions)



**Carl Moyer Category Includes Funding From:**

- CMP Year 20
- CMP Statewide Funds
- Farmers (agriculture only)
- LCFS - Low Carbon Fuel Standard

**Other Funding Sources:**







- EFMP – Enhanced Fleet Modernization Program
- RFG – Reformulated Gasoline Settlement Fund
- DERA – Diesel Emissions Reduction Act
- Zero-Emission Hydrogen Ferry Demonstration Project

\*Total Volkswagen funding is \$423M statewide, which will be dispersed over ~5 year period. Staff projects that as much as 33% of funding could go to projects located in the Bay Area.



# Funds Recommended & Awarded by Project Category Since July 2018

Total = \$16.5M

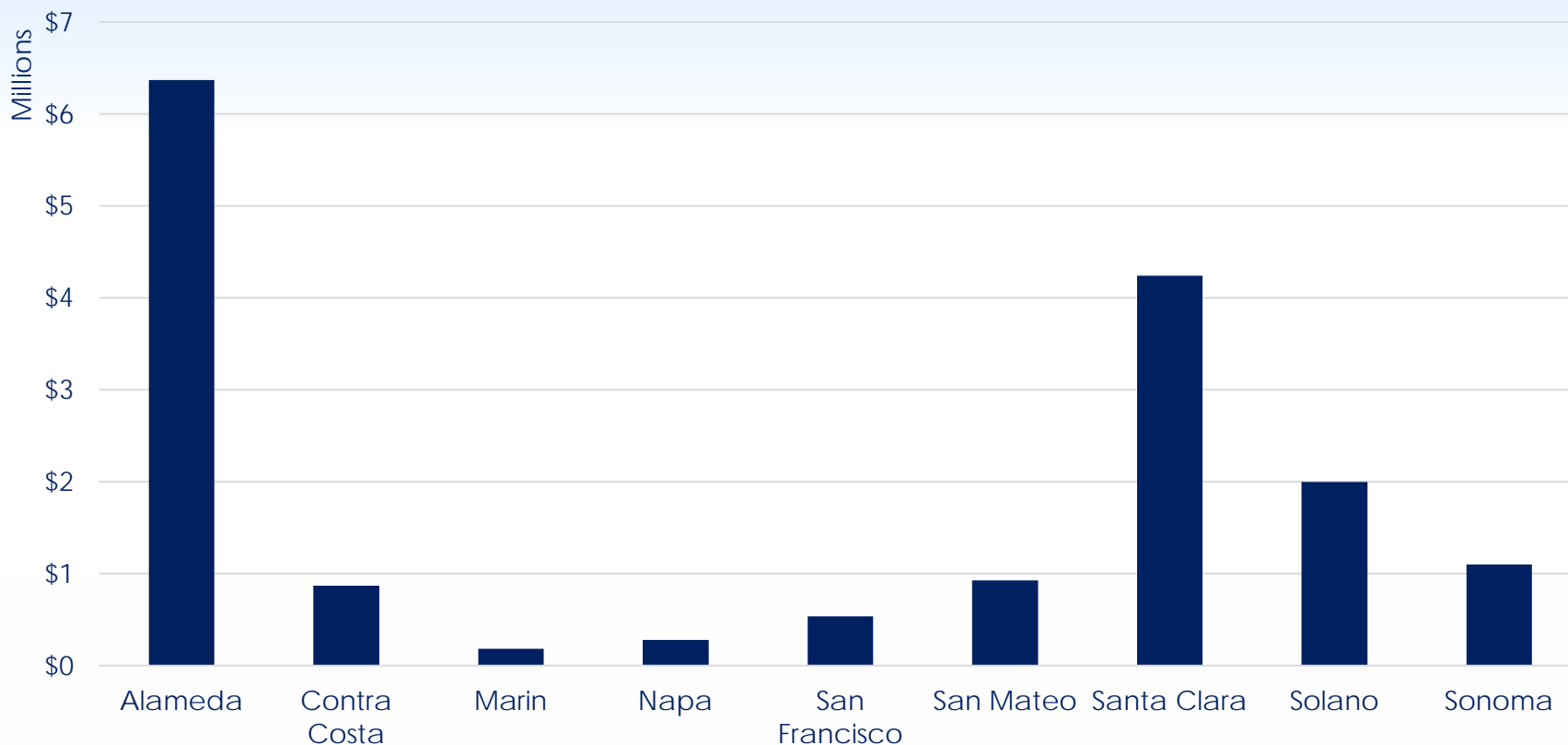
					
<b>Light-duty Cars &amp; Infra- structure</b>	<b>On-road Trucks &amp; Buses</b>	<b>School Buses</b>	<b>Off-road</b>	<b>Marine</b>	<b>Trip Reduction &amp; Bike Facilities</b>
\$940,000	\$882,100	\$7,515,232	Ag: \$1,074,717  Non-Ag: \$413,958	\$438,500	\$5,279,069

List of projects available in Attachments 2 and 3



# Funds Recommended & Awarded by County Since July 2018

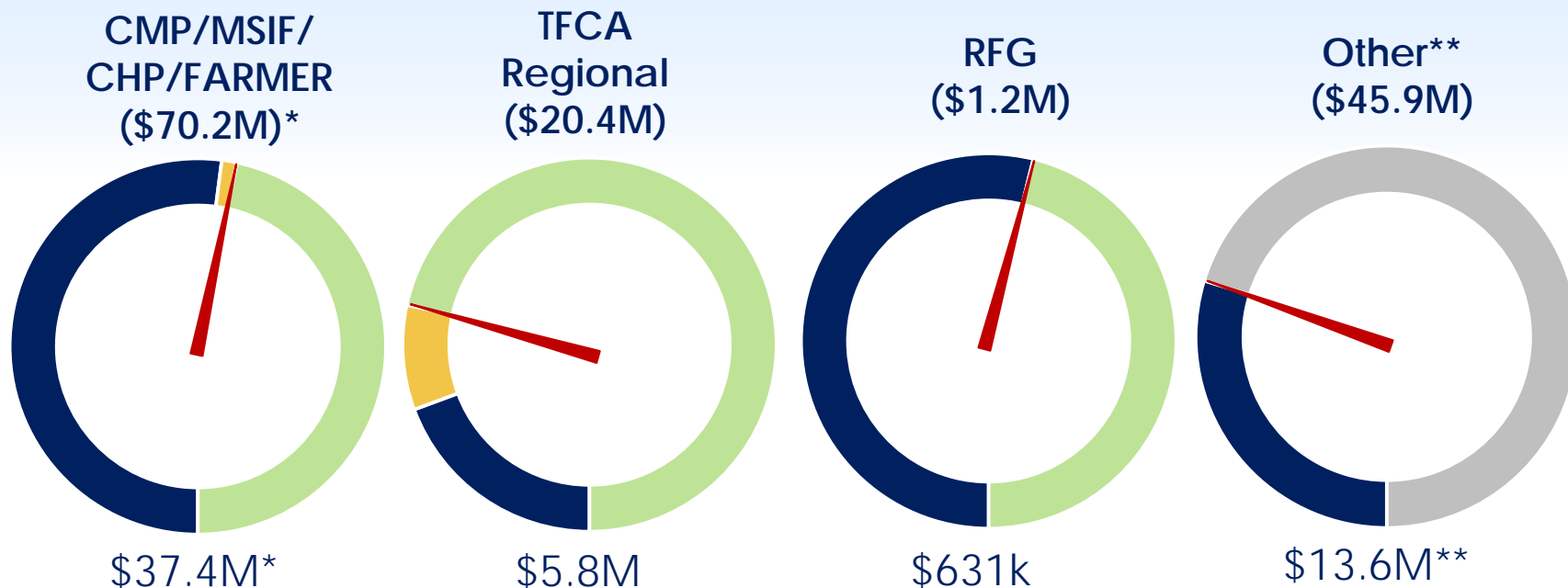
Total = \$16.5M



List of projects available in Attachments 2 and 3



# Status of FYE 2019 Incentive Funding by Source



\*Includes funding and awards made in FYE 2018

\*\*Other includes pass-through funding from TFCA County Program Manager, ARB-funded Hydrogen Ferry Demo, EPA-funded DERA, and MTC for EV Outreach, as well as funding that is not yet available from the Volkswagen NOx Mitigation, and ARB-funded EFMP.

 Awarded or Pass-through

 Recommended

 Available

 Scheduled to Open Later this FY



# Open and Upcoming District-Led Solicitations

Program Name, Description, and Website	Funding Available	Solicitation Status	Funding Source
<b>Carl Moyer</b> Funding to replace heavy-duty on- and off-road vehicles <a href="http://www.baaqmd.gov/moyer">www.baaqmd.gov/moyer</a>	\$33M	Open until funds exhausted	CMP, MSIF, CHP, FARMER
<b>Vehicle Buy Back</b> Funding to scrap 1996 or older light duty cars <a href="http://www.baaqmd.gov/vbb">www.baaqmd.gov/vbb</a>	\$6M	Open until funds exhausted	MSIF
<b>Clean Fleets</b> Funding to purchase Light & Medium Duty ZEVs <a href="http://www.baaqmd.gov/cleanfleets">www.baaqmd.gov/cleanfleets</a>	\$5M	Open until Jan 31, 2019	TFCA
<b>Charge!</b> Funding to install public charging stations <a href="http://www.baaqmd.gov/charge">www.baaqmd.gov/charge</a>	\$5M	Opens on Oct 25, 2018	TFCA
<b>Pilot Trip Reduction</b> Funding to pilot new trip reduction services <a href="http://www.baaqmd.gov/PTR">www.baaqmd.gov/PTR</a>	\$7M (est.)	Scheduled to open in December 2018	TFCA



# Recommendations

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## *Recommend the Board of Directors:*

1. Approve recommended projects with proposed grant awards over \$100,000 as shown in Attachment 1; and
2. Authorize the Executive Officer/APCO to enter into all necessary agreements with applicants for the recommended projects.





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Bay Area Air Quality Management District  
Mobile Source Committee

# Transportation Fund for Clean Air County Program Manager Fund Policies for Fiscal Year Ending 2020

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October 25, 2018

Linda Hui  
Staff Specialist, Strategic Incentives Division





# Overview

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- ❖ Background
- ❖ Proposed updates to County Program Manager (CPM) Policies for Fiscal Year Ending (FYE) 2020
  - Outreach
  - Summary of recommended updates
  - Next steps
- ❖ Policy waiver request from San Francisco County Transportation Authority
- ❖ Recommendations



# Background

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- ❖ Transportation Fund for Clean Air (TFCA) funding authorized by State Legislature to help reduce on-road mobile source emissions
- ❖ \$4 motor vehicle registration surcharge fee with 40% of funds distributed to the nine Bay Area congestion management agencies
- ❖ Staff brings updates to TFCA CPM policies for Air District Board approval annually



# Feedback and Comments from CPMs

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- ❖ Solicited comments from CPMs on proposed updates for FYE 2020
  - Conducted four workgroup meetings: 2/1, 8/8, 8/13, & 10/3
  - Released draft proposed policies, 7/27 - 9/4/2018 and received four sets of written comments
  - Followed up with CPMs who had comments and questions



# Summary of Proposed Updates for FYE 2020

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- ❖ Removed requirement that alternative fuel infrastructure must be available to and accessible by the public
- ❖ Increased cost-effectiveness (CE) limit for charging stations at multi-dwelling units, transit stations, and park-and-ride lots
- ❖ Created a new pilot trip reduction project category to reduce single occupancy commute-hour vehicle trips
- ❖ Provided flexibility for replacing heavy-duty vehicles and buses with alternative fuel light-duty vehicles



# Next Steps for Future Cycles

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- ❖ Continue to coordinate with CPMs on program refinement and improvement
  - Evaluate potential higher CE limit for all project categories in Community Air Risk Evaluation (CARE) areas or Priority Development Areas (PDAs)
  - Review options for ensuring projects are completed within two years from date of award
  - Review options for developing methodology for evaluating new project types:
    - Electric scooters
    - Motorcycles
    - Other new trip reduction services



# Policy Waiver Request for FYE 2019 from San Francisco County Transportation Authority (SFCTA)

TFCA \$ Requested: \$4,800

- ❖ Project would install two level 2 charging stations in central San Francisco
- ❖ For exclusive use by an electric car-sharing fleet, i.e., Maven
- ❖ Electric carshare vehicles are available to the public
- ❖ Conforms to HSC section 44241 and Board-adopted cost-effectiveness





# Recommendations

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## *Recommend the Board of Directors:*

1. Approve the proposed Fiscal Year Ending 2020 Transportation Fund for Clean Air (TFCA) County Program Manager (CPM) Fund Policies; and
2. Approve a policy waiver to allow San Francisco County Transportation Agency to use FYE 2019 TFCA CPM Funds for an electric vehicle charging station project.

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# Electric Vehicle Infrastructure and Fleet Incentive Programs



Mobile Source Committee Meeting  
October 25, 2018

Mark Tang  
Staff Specialist  
Technology Implementation Office

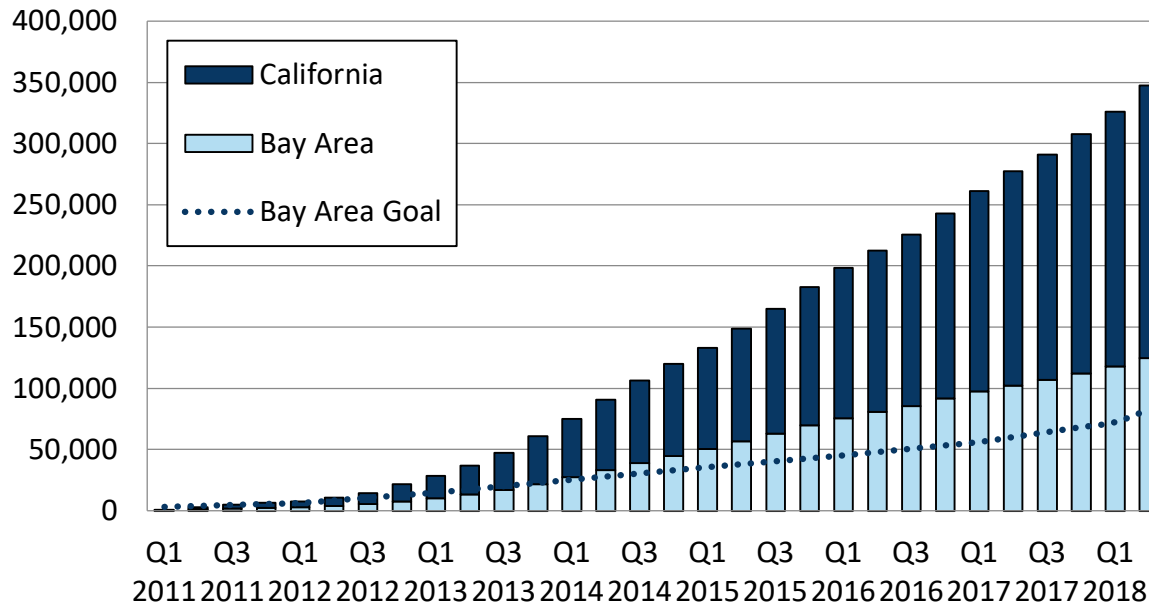


# Adoption of EVs in Bay Area and California



**Current Adoption:**  
**~125,000 EVs**  
**2% of Bay Area fleet**

**2017 Clean Air Plan**  
**EV Goal:**  
**90% of fleet by 2050**

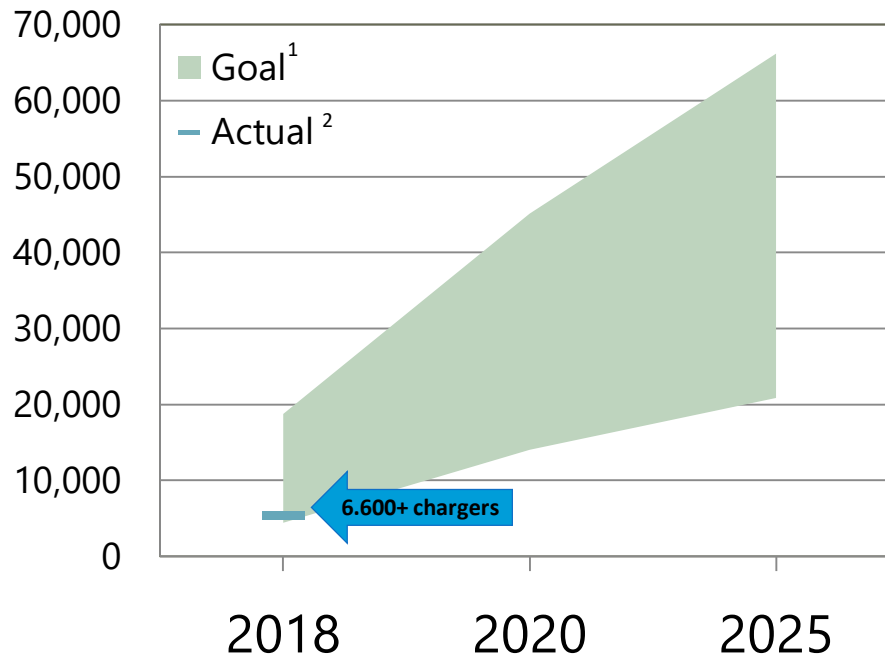




# Current and Needed EV Charging Infrastructure



## Chargers



<sup>1</sup> Based on estimated demand for publicly-available Level 1 and 2 chargers using ICF and EPRI Method Estimates from the Bay Area PEV Readiness Plan: <http://www.baaqmd.gov/~media/files/strategic-incentives/ev-ready/bay-area-pev-readiness-plan-summary-2013-web-pdf.pdf?la=en>.

<sup>2</sup> Based on Department of Energy, Alternative Fuels Data Center. Retrieved October 14, 2018 from [https://www.afdc.energy.gov/stations/#/find/nearest?fuel=ELEC&ev\\_levels=2&ev\\_levels=dc\\_fast&ev\\_levels=1](https://www.afdc.energy.gov/stations/#/find/nearest?fuel=ELEC&ev_levels=2&ev_levels=dc_fast&ev_levels=1).

# Transportation Fund for Clean Air



- Authorized in 1991
- \$4 DMV surcharge to cost-effectively reduce tailpipe emissions
- ~ \$22 million available for FYE 2019

Trip Reduction



Clean Vehicle & Infrastructure



Bicycle Facilities



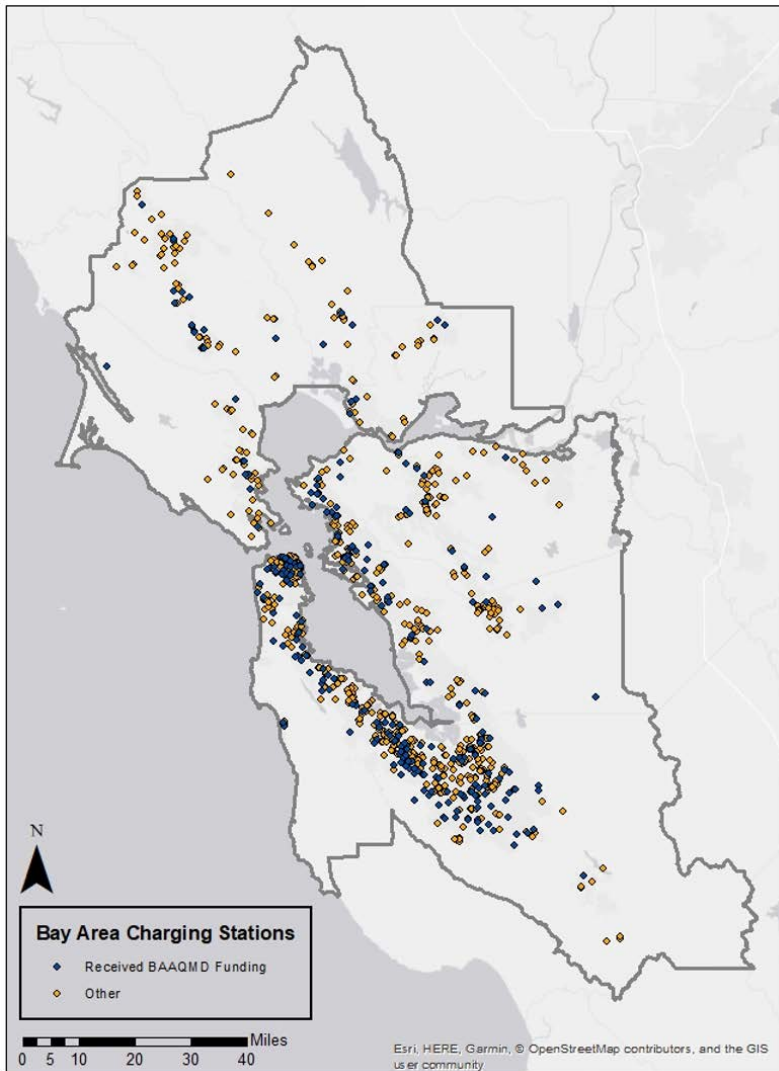
# Charge! Program



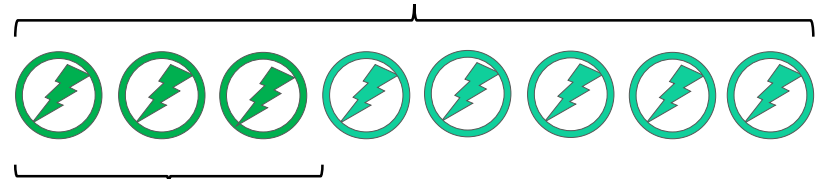
- Rapidly expand publicly accessible EV charging stations
- Transition Bay Area vehicles away from fossil fuels
- Grants to public and private organizations
- Additional funding (“plus-up”) to encourage clean energy production, multi-port charging stations and 24/7 DC Fast along transportation corridors

<http://www.baaqmd.gov/charge>

# Impact of Air District Funding on Bay Area Public Charging Stations

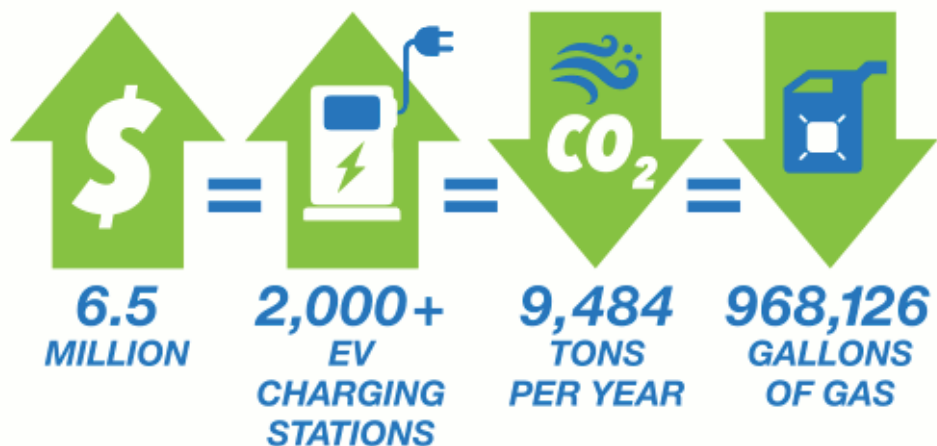


- 6,615+ Public Stations



36% Received Air District Funding (2013-2017)

# Charge! Program 2017 - 2018

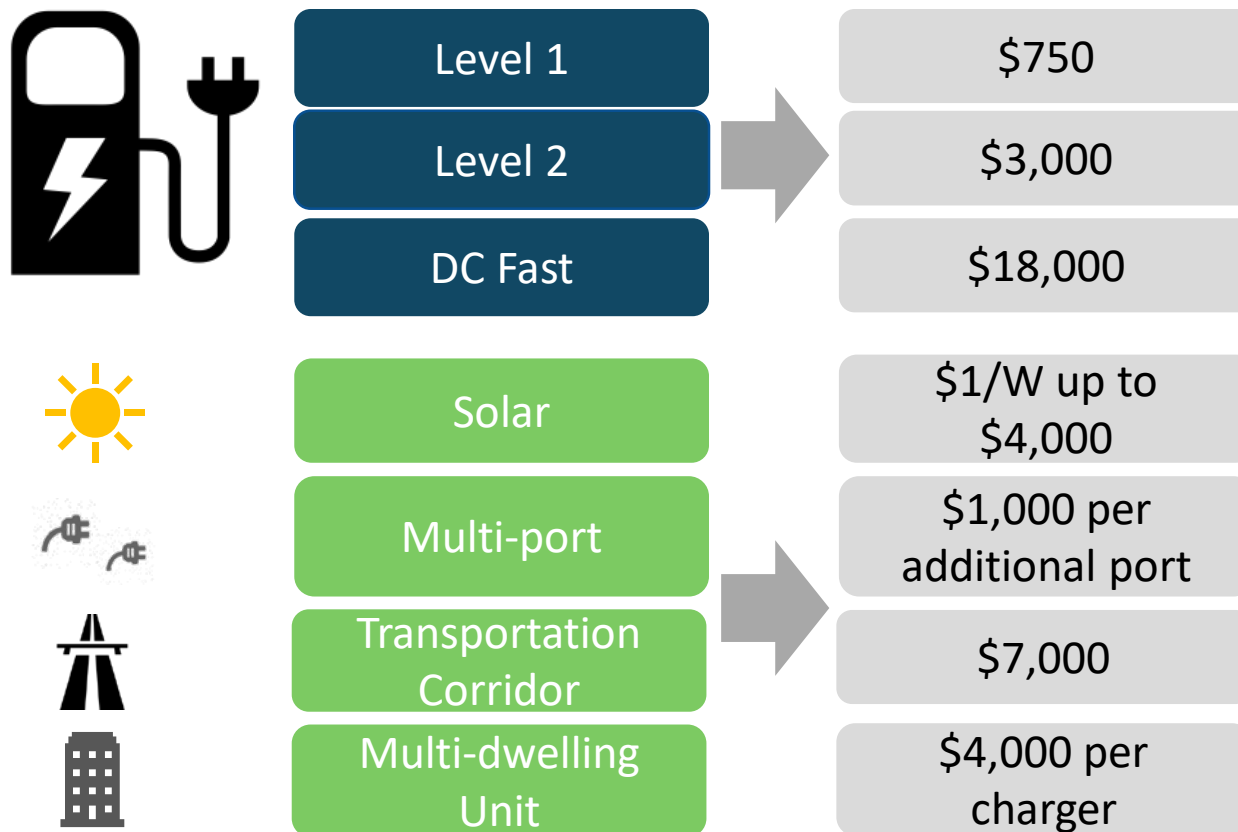


## FACILITY TYPE





# Charge! Program FYE 2019



Open October 25, 2018 – June 30, 2019

[www.baaqmd.gov/charge](http://www.baaqmd.gov/charge)



# Clean Fleets FYE 2019



  
motorcycles

  
light-duty  
vehicles

\$1,000

Electric or Hydrogen  
Fuel Cell  
10 Vehicles minimum  
Purchase or lease

## Focusing on:



Ride-hail, Car-share  
Taxi & other TNC's



Municipal &  
Private fleets



Police & Parking  
Agencies

Open August 28, 2018 – January 31, 2019

[www.baaqmd.gov/cleanfleets](http://www.baaqmd.gov/cleanfleets)

# Outreach Activities



- Email notifications and social media
- Events
  - Ride and drives
  - Conferences and workshops
- Associations and newsletters
  - Multi-dwelling units
  - Fleet organizations

## Outreach Activities (cont'd)



- Transportation Network Companies (TNC)
  - Ride-hail, car-share, pooling, shared mobility
- Car rental organizations

# Update on National Highway Traffic Safety Administration (NHTSA) / Environmental Protection Agency (EPA) Proposed Safer Affordable Fuel-Efficient (SAFE) Vehicles Rule

Mobile Source Committee Meeting  
October 25, 2018

Laura Cackette, Staff Specialist  
Rules and Strategic Policy





# Outline

- Context
- Overview of the SAFE Vehicles Joint Proposal
- Proposed Changes to Federal Fuel Economy and Greenhouse Gases (GHGs) Standards
- California Waiver
- Steps Taken by the Bay Area Air Quality Management District (Air District)
- Next Steps



# Context

- National Highway Traffic Safety Administration (NHTSA) – fuel economy (MPG)
- U.S. Environmental Protection Agency (EPA) – Greenhouse Gases (GHGs)
- Recent History
  - Obama Administration
    - One National Standard
    - Midterm Review
  - Trump Administration
    - Auto Alliance submitted request to re-open the midterm review
- The Safer Affordable Fuel-Efficient (SAFE) Vehicles Rule
  - Jointly proposed
  - Published on August 24, 2018





# Overview of the Proposal

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- Freezes standards for Passenger Cars and Light Trucks, Model Years 2021 through 2026
- Withdraws California's Waiver
- NHTSA - proposing new Corporate Average Fuel Economy (CAFE) standards for model years (MY) 2022 through 2026
- EPA - proposing amendments to carbon dioxide emissions standards for MY 2021 through 2025
- Proposed Rule would retain 2020 standards for both programs through MY 2026



# Comparing Standards

## Average of Original Equipment Manufacturer's Estimated CAFE and GHG Standards (Combined Cars and Trucks)

Model Year	Current CAFE (mpg)	Proposed CAFE (mpg)	Current CO <sub>2</sub> (g/mi)	Proposed CO <sub>2</sub> (g/mi)
2017	36.6	-	243	-
2018	38.3	-	232	-
2019	40.0	-	222	-
2020	41.7	36.9	213	227
2021	44.7	36.9	199	241
2022	46.8	36.9	190	241
2023	49.4	36.9	180	241
2024	52.0	37.0	171	240
2025	54.5	37.0	163	240
2026	-	37.0	-	240





# California Waiver

- California regulation preceded the Clean Air Act (CAA) of 1970
  - State retains authority to set motor vehicle emissions standards
  - Only state that can do so
- Section 177
  - Other states can adopt CA's, in lieu of federal standards
  - 12 states and DC currently



# California Waiver (Cont'd)

- Current waiver granted in 2013 (for all of CA's Advanced Clean Cars package)
  - Criteria pollutants
  - CO<sub>2</sub>
  - Zero Emission Vehicle Mandate
- EPA has granted over 50 waivers and denied only one (later overturned)
  - Waiver must be granted unless:
    - Was arbitrary and capricious
    - Does not have compelling and extraordinary conditions
    - Is not consistent with requirements of Section 202(a) of CAA



# Air District Impacts

If adopted, the proposal could cause a host of harmful impacts:

- Air Quality Impacts
  - Increase in criteria pollutants from fuel refining
    - Additional reductions for stationary sources
    - Additional efforts for attainment
- Climate Effects
  - Increase in CO<sub>2</sub> emissions
  - Temperature rise
    - Wildfires (PM and respiratory health issues)
    - Sea level rise
    - Ozone formation
- Economic Impacts
  - \$2.3 billion more spent at the pump



# Air District Action

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- SAFE Public Hearing – Oral Testimony in Opposition of Proposed Rule
  - September 24, 2018 in Fresno, CA
  - Executive Officer/APCO gave testimony in opposition to proposed rule and withdrawal of California waiver
- Formal Comment Letter
  - Submitted to EPA and NHTSA



# Next Steps

- Proposed Rule has not yet been adopted by NHTSA / EPA
- If adopted:
  - Attorney General of California has committed to bring lawsuit
  - Air District will take appropriate legal action (e.g. file amicus brief, join as Plaintiff in litigation)