



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

Mobile Source Committee Meeting
September 26, 2019

Yu Zhang Liu
Staff Specialist
Strategic Incentives Division



❖ Background

❖ Proposed projects with awards over \$100,000

❖ Overview of Fiscal Year Ending (FYE) 2020 funds

- Status of funding
- Awards by project type and county

❖ Recommended Actions



Carl Moyer Program and Mobile Source Incentive Fund

❖ 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)

- Assembly Bill (AB) 923 allowed for additional \$2 motor vehicle registration fee surcharge (12/2004)
- CMP and Lower Emission School Bus Program (LESBP) projects eligible for MSIF funding



Community Health Protection Grant Program (CHP)

- ❖ Created by AB 134 (2017), appropriation of \$50 million from the Greenhouse Gas Reduction Fund (GGRF) to reduce mobile source emissions, including criteria pollutants, toxic air contaminants, and greenhouse gases in Bay Area AB 617 communities
- ❖ Senate Bill (SB) 856 (2018) continued support for these projects, awarding \$40 million for emission reduction projects under the CMP, Proposition 1B Goods Movement Emission Reduction Program, and select stationary sources



❖ **On February 6, 2019, Air District Board of Directors**

- Approved participation in CMP Year 21
- Authorized Executive Officer/APCO to execute contracts and amendments with grant awards up to \$100,000

❖ **On April 3, 2019, Air District Board of Directors**

- Approved acceptance of SB 856 grant funding for the Community Health Protection Grant Program (CHP)



Project Recommendations Over \$100,000

- ❖ **\$7,923,570 in total awards for 13 projects to replace:**
 - 18 pieces of off-road agricultural equipment
 - Seven (7) pieces of off-road equipment
 - Eight (8) marine engines
 - Three (3) school buses

- ❖ **Emission reductions:**
 - Over 73.29 tons per year (TPY) of criteria pollutants



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:**
 - 60% of TFCA funds awarded directly by the Air District (Regional Fund & Air District-Sponsored)
 - Remaining 40% is distributed to the nine Bay Area Congestion Management Agencies (County Program Manager Fund)



❖ On April 3, 2019, Air District Board of Directors:

- Allocated \$32.3 million of TFCFA funds for FYE 2020 projects
- Authorized Executive Officer/APCO to execute contracts and amendments with grant awards up to \$100,000

❖ On June 5, 2019, Air District Board of Directors:

- Adopted policies and evaluation criteria for the FYE 2020 TFCFA Regional Fund program



TFCFA (Cont'd)

- ❖ Request for update to the FYE 2020 TFCFA Regional Fund Policies, to adjust two policies related to requirements for clean air vehicles:
 - **Decrease** max. gross vehicle weight rating (GVWR) in Policy #23(b) from 14,000 to 8,500 lbs.
 - **Decrease** min. GVWR in Policy #24(a) from 14,000 to 8,500 lbs.

- ❖ **Proposed change would allow:**
 - \$13,500 to be awarded for a zero-emission battery electric bus
 - Emission reductions: ~0.009 TPY of criteria pollutants



Reformulated Gasoline (RFG) Settlement Fund

❖ RFG Open Grants Program

- From antitrust class action for clean air and fuel efficiency benefits for Californians through competitive grants to non-profits
- Most of \$7 M in funding was awarded in 2010

❖ On November 11, 2017, Air District Board of Directors

- Authorized acceptance of up to \$2 million from Bay Area Clean Air Foundation and authorized the Executive Officer/APCO to enter into all agreements necessary to accept, obligate, and expend funding

❖ On December 5, 2017, Bay Area Clean Air Foundation Board

- Entered into contract for \$1.3 million



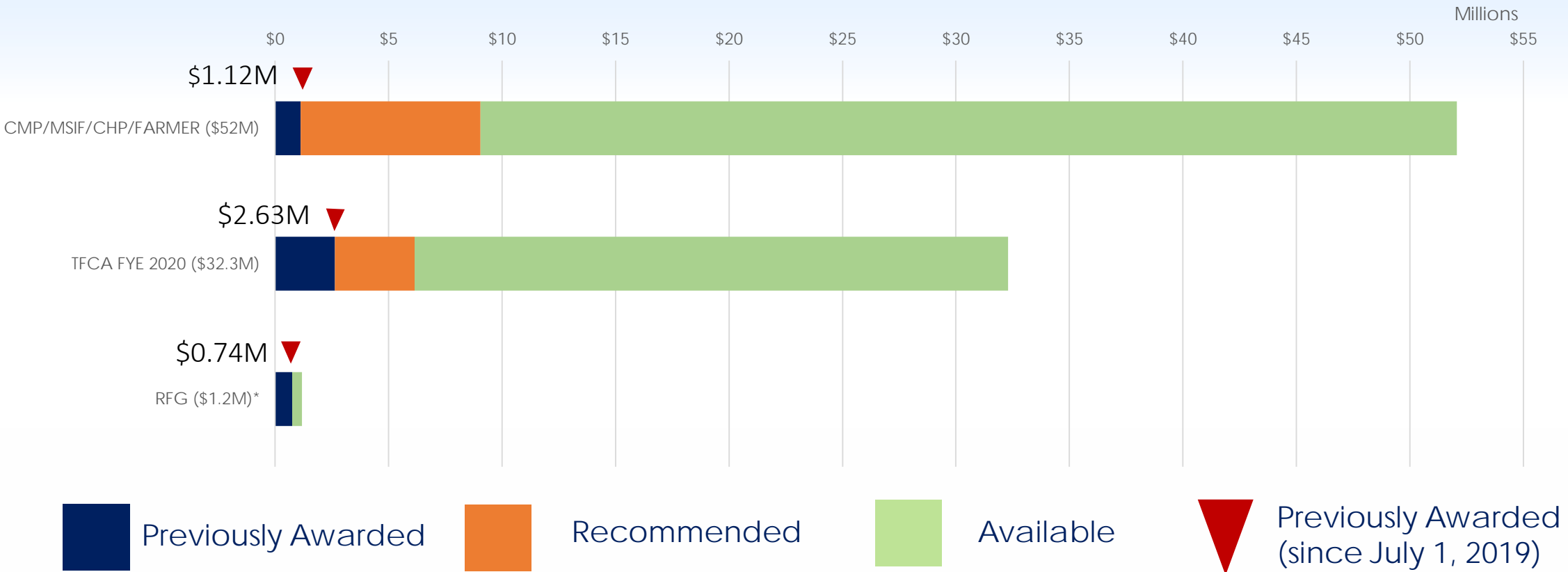
RFG Settlement Fund (Cont'd)

- ❖ Provides funding for projects that will accelerate the adoption of zero- and near-zero-emission equipment and vehicles in and near the Port of Oakland and West Oakland Community
- ❖ Three solicitations held from April 2018 – June 30, 2019
- ❖ On September 3, 2019, a fourth solicitation opened to award the remaining RFG funds and to establish a contingency list
- ❖ None of the eligible projects evaluated between July 3, 2019 and September 5, 2019, proposed an individual grant award over \$100,000



Status of Incentive Funding Awarded

Since July 2019, by Funding Source



* Includes awards from FYE 2019



Funds Recommended & Awarded by Project Category Since July 2019

List of projects is shown in Attachments 2 and 3



**Light-duty
Cars &
Infrastructure**

**On-road
Trucks &
Buses**

**School
Buses**

Off-road

**Off-road
Marine &
Locomotive**

**Trip
Reduction**

\$4.3 million

\$657,000

\$358,000

**Ag: \$1.8
million
Non-Ag:
\$2.3 million**

\$4.2 million

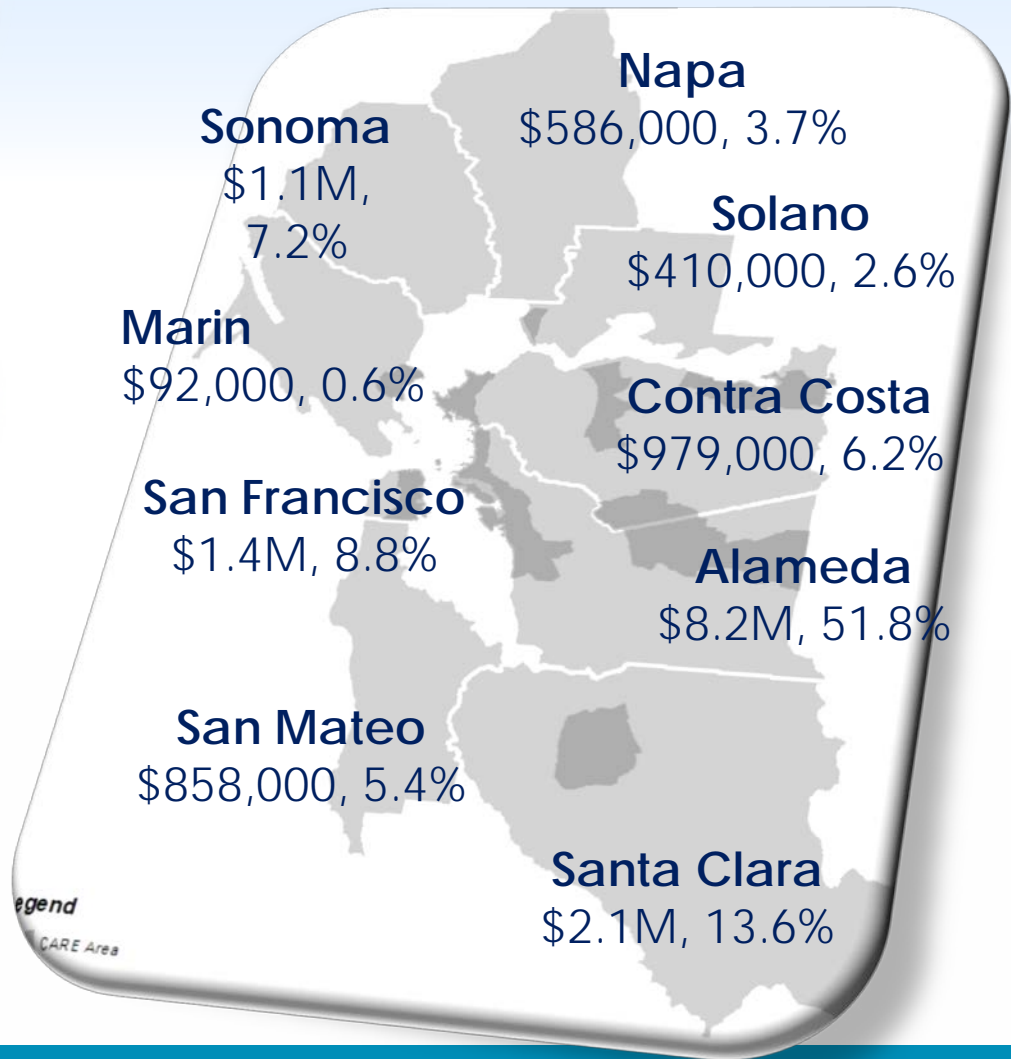
\$2.3 million

Total = ~\$16 million



Funds Recommended & Awarded by County Since July 2019

List of projects is shown in Attachments 2 and 3
Total = \$~16M (million)





Status of Solicitations

Program Name, Description, and Website	Status	Source
Carl Moyer Funding to replace heavy-duty on- & off-road vehicles and equipment, marine engines, and locomotives www.baaqmd.gov/moyer	Open	CMP, MSIF, CHP, FARMER
Vehicle Buy Back Funding to scrap 1996 or older light-duty cars www.baaqmd.gov/vbb	Open	MSIF
Clean Cars for All Funding for low-income owners to retire and replace their vehicles with a cleaner option www.baaqmd.gov/cleancarsforall	Open	California Climate Investments
Vehicle Trip Reduction Funding for projects to reduce single-occupancy vehicle trips www.baaqmd.gov/tripreduction	Open	TFCA
West Oakland Zero-Emission Funding to accelerate the adoption of zero-emission vehicles and equipment operated in West Oakland www.baaqmd.gov/WestOaklandZEV	Open	RFG

Additional grant programs for other project categories scheduled to open later this year



Recommended Actions

Recommend the Board of Directors:

1. Approve recommended projects with proposed grant awards over \$100,000, as shown in Attachment 1;
2. Approve a recommended update to FYE 2020 Transportation Fund for Clean Air Regional Fund Policies to clarify the requirement regarding vehicle weight classification; and
3. Authorize the Executive Officer/APCO to enter into all necessary agreements with applicants for the recommended projects.

Charge! Program Projects and Contracts with Proposed Grant Awards Over \$100,000



Mobile Source Committee Meeting
September 26, 2019

Mark Tang
Program Lead for Charge! Program, Staff Specialist
Technology Implementation Office

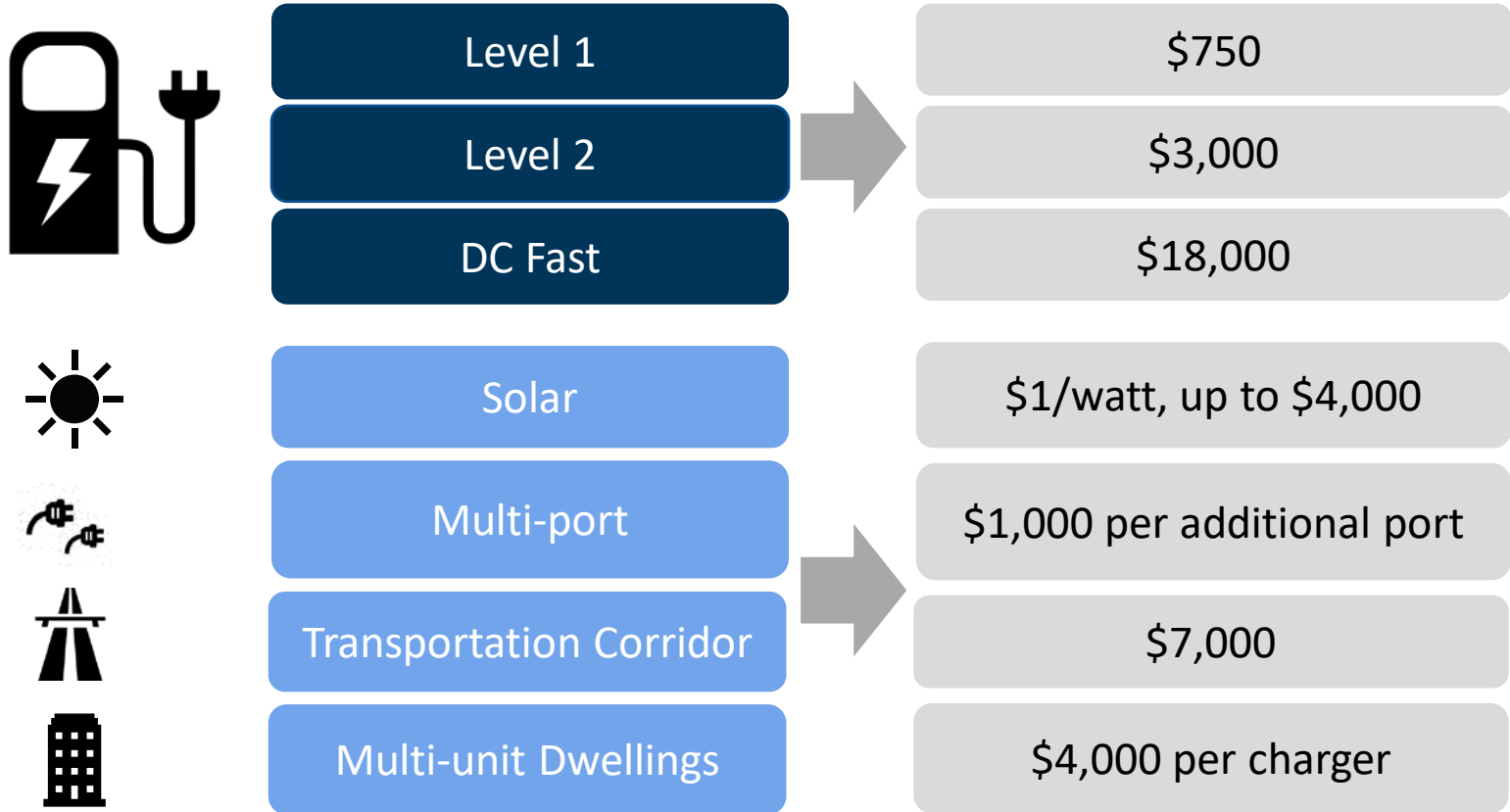
Agenda



- Fiscal Year Ending (FYE) 2019 Charge! Overview
- Projects requesting over \$100,000
- Recommended Actions



Charge! Program – Grants for Businesses and Local Governments



www.baaqmd.gov/charge

Charge! Overview 2019



Solicitation Period: October 25, 2018 – June 30, 2019

76

applications received

\$6.6 million

requested

Currently evaluating applications through October 2019

PowerFlex Systems, LLC Proposed Project



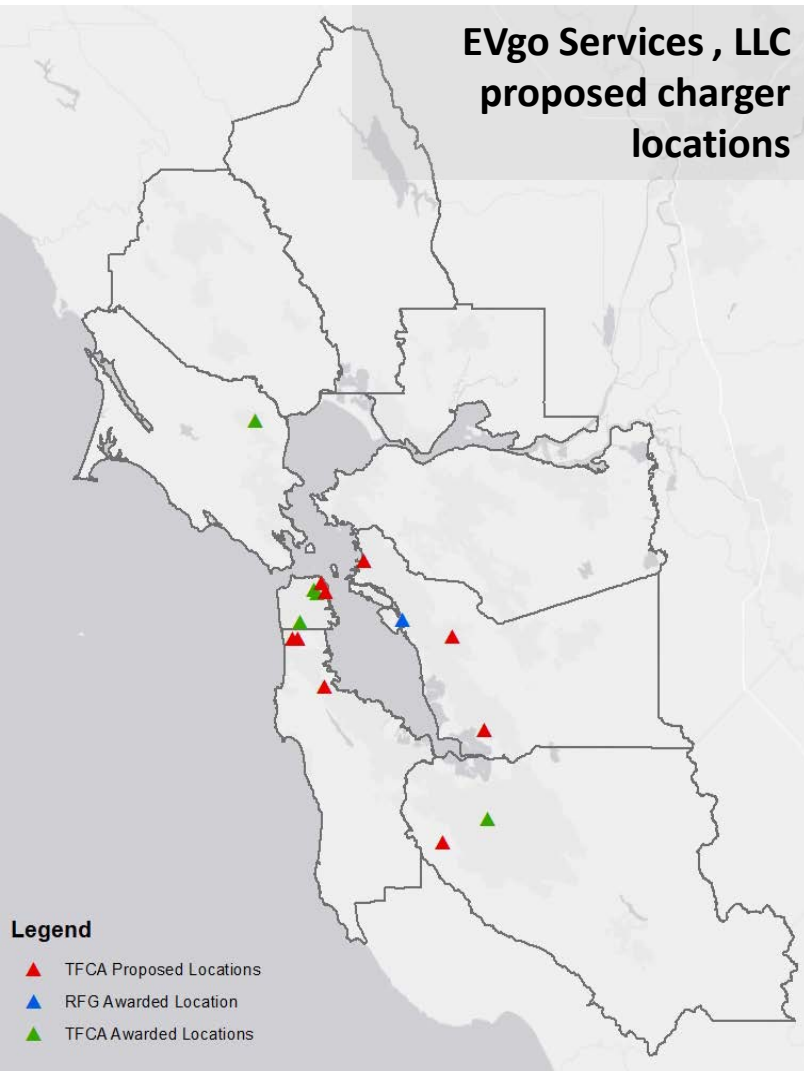
- \$2,500,000 for 606 single-port Level 2 and 6 DC Fast charging stations at multi-unit dwelling (MUD) and workplace facilities:
 - San Francisco, San Jose, Walnut Creek, Palo Alto, Sunnyvale, Belmont, Oakland, and Livermore
- Reduce over 2.2 tons of Nitrogen Oxide (NOx), Reactive Organic Gases (ROG), and Particulate Matter (PM) per year
- Cost per port: \$4,088
- 40% funding for MUD



On June 5, 2019:

- Air District Board of Directors awarded \$500,000 in Transportation Fund for Clean Air (TFCA) funds for the installation of 20 DC Fast charging stations at five (5) transportation corridor facilities in San Francisco, Novato, and San Jose
- Air District Board of Directors awarded \$389,400 from the Reformulated Gasoline Settlement Fund (RFG) for the installation of 10 DC Fast charging stations at the Oakland Airport Park 'N Fly in Oakland

EVgo Services, Inc. Proposed Project

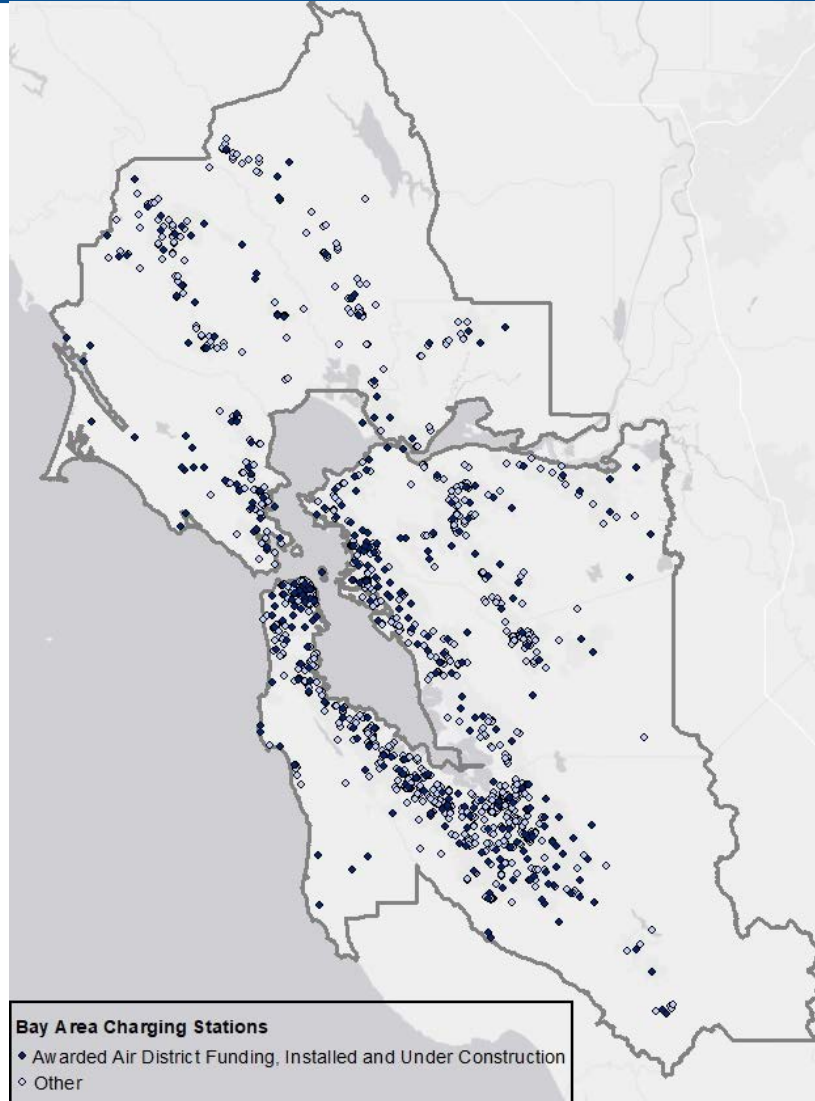


- \$1,000,000 for 40 DC Fast charging stations at nine (9) transportation corridor facilities:
 - San Francisco, Daly City, Millbrae, Newark, Cupertino, Castro Valley, and Emeryville
- Reduce 0.8 tons of NO_x, ROG, and PM per year
- Total TFCFA and RFG funds in Calendar Year 2019: \$1,889,400

Existing Publicly Accessible Charging Stations



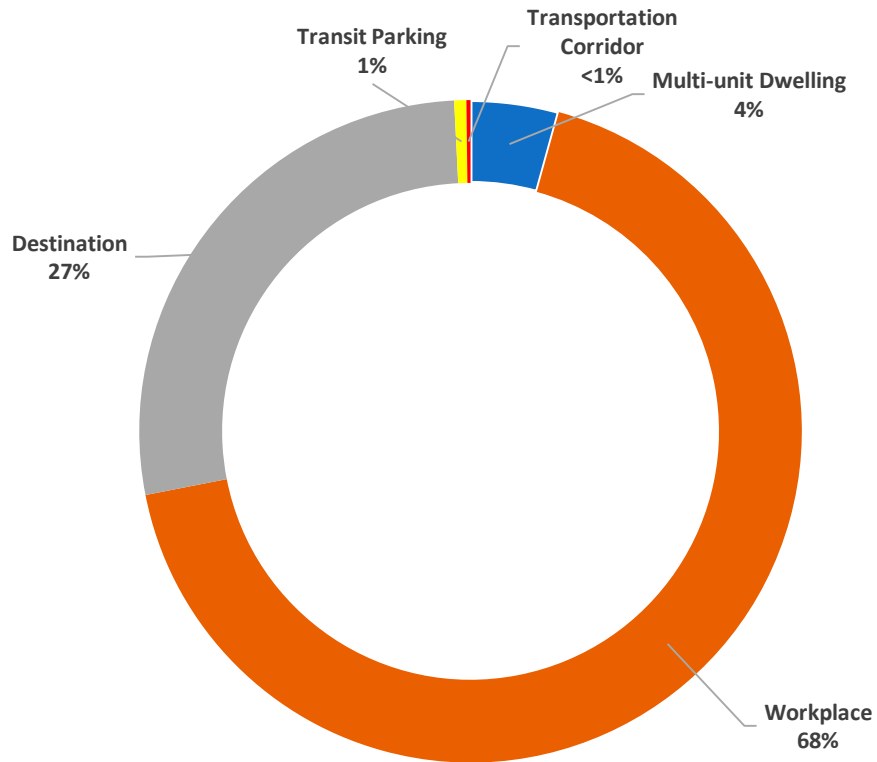
Publicly Accessible Charging Port Locations



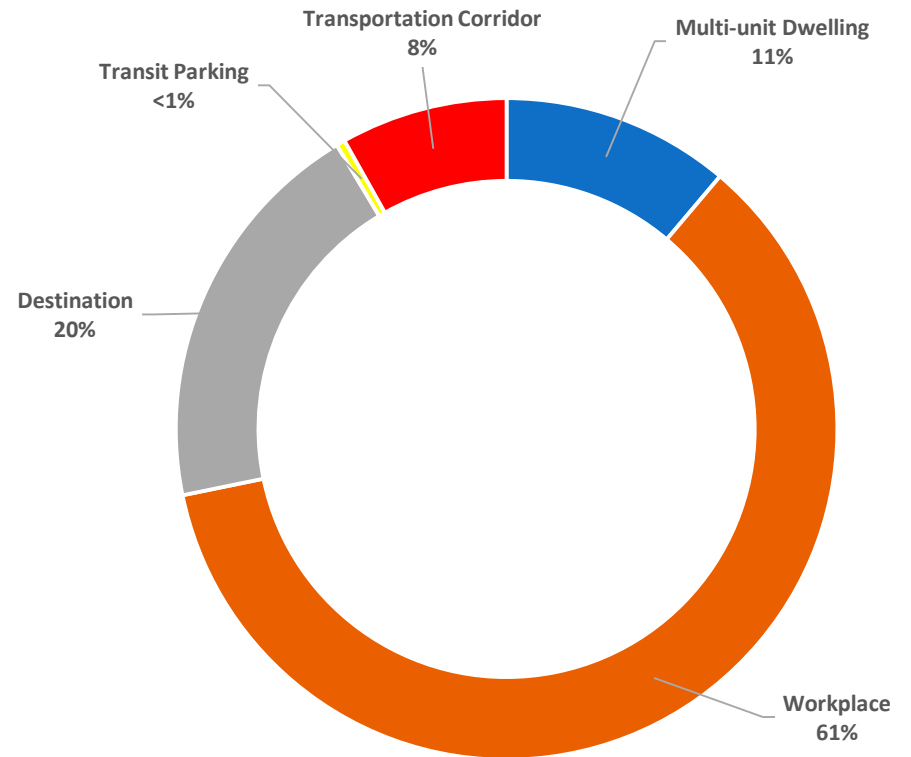
TFCA Charge! Funding Distribution by Facility Type



2016-2018 Funding by Facility Type



Funding by Facility Type with Proposed Projects



Maximum Awards for Future Cycles



- Staff recommend increasing maximum awards for public and non-public entities for future grant cycles
- Larger projects must focus on multi-unit dwellings, transportation corridors, and/or key gaps in Electric Vehicle charging infrastructure
- Staff will present this recommendation along with proposed FYE 2020 Charge! Program Guidelines early next year

Maximum Grant Amounts	Current Guidelines	Proposal for Future Cycles
Public Entities	\$1,500,000	\$2,500,000
Non-Public Entities	\$500,000	

Recommended Actions



Recommend the Board of Directors:

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



Thank you





Update on Volkswagen Environmental Mitigation Trust Grant Program

Mobile Source Committee Meeting
September 26, 2019

Amy Dao
Senior Staff Specialist
Strategic Incentives Division



- ❖ Overview of the Volkswagen (VW) Environmental Mitigation Trust and Grant Program
- ❖ Update on Air District administration of assigned VW Trust Project Categories
- ❖ Recommended Action



Background on VW Environmental Mitigation Trust

- ❖ **VW Environmental Mitigation Trust is a component of partial settlements with VW**
 - To mitigate the excess Oxides of Nitrogen(NOx) emissions caused by use of illegal defeat devices in certain diesel vehicles
 - Enumerated in the first Partial Consent Decree as Appendix D
 - Wilmington Trust, N.A. appointed as Trustee
 - Focused on "scrap and replace" projects for the heavy-duty sector



VW Environmental Mitigation Trust (Cont'd)

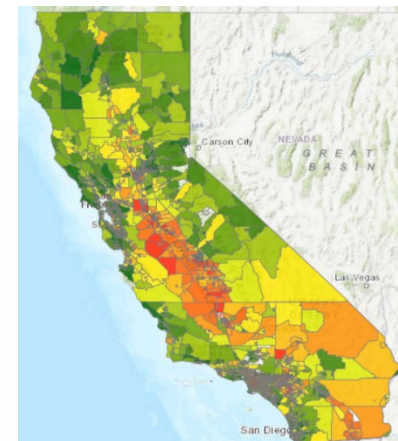
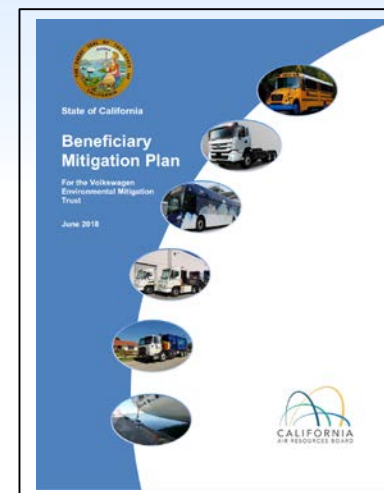
- ❖ California allocated \$423 million, with California Air Resources Board (CARB) designated as the State's Lead Agency
- ❖ Lead Agencies required to prepare a Beneficiary Mitigation Plan that describes how VW Trust funds will be administered



VW Environmental Mitigation Trust Beneficiary Mitigation Plan (BMP)






❖ On May 25, 2018, CARB approved BMP

- Eligible mitigation action categories and funding
- Emission reduction quantification methodology
- Targets for funding to benefit low-income and disadvantaged communities
- Administrative process for implementation
- Funding administered statewide as five “bins” by three largest air districts





Project Funding and Categories

SJVAPCD	SCAQMD	SCAQMD	BAAQMD	BAAQMD
				
\$130 million	\$90 million	\$60 million	\$70 million	\$10 million
Zero-Emission Transit, School, and Shuttle Bus	Zero-Emission Class 8 Freight and Port Drayage Trucks	Combustion Freight and Marine Projects	Zero-Emission Freight and Marine Projects	Light-Duty Zero-Emission Infrastructure
First-Come, First-Served	First-Come, First-Served	Competitive	Competitive	Competitive

Approximately \$360 million available for projects, and \$63 million for reserves and administrative costs



Zero-Emission Transit, School, and Shuttle Buses

- ❖ **Scrap and replace** of Class 4-8 School, Transit, and Shuttle Buses with zero-emission technologies
- ❖ **\$130 million available** in two installments
 - First installment: \$65 million in October 2019
- ❖ At least **50%** of funds for projects in disadvantaged or low-income communities





Zero-Emission Class 8 Freight and Port Drayage Trucks

- ❖ **Scrap and replace** of concrete mixers, waste haulers, freight/dump/port trucks with zero-emission technologies
- ❖ **\$90 million available** in two installments
 - First installment: \$27 million in early 2020
- ❖ At least **50%** of funds for projects in disadvantaged or low-income communities





Combustion Freight & Marine

- ❖ **Scrap and replace** concrete mixers, waste haulers, freight / dump/ port trucks with low-NOx technology
- ❖ **Re-power** locomotive freight switcher, ferry, tugboat, and towboat engines with Tier 4 or equivalent
- ❖ **\$60 million available** in two installments
 - First installment: \$30 million in late 2019
- ❖ At least **50%** of funds for projects in disadvantaged or low-income communities





Zero-Emission Freight & Marine

- ❖ **Scrap & replace** heavy-lift forklift, port cargo handling, and airport ground support equipment with zero-emission technology
- ❖ **Repower** ferry, tugboat, and towboat with zero-emission technology
- ❖ **Install** new shore power
- ❖ **\$70 million available** in two installments
 - First installment: \$35 million in late 2019
- ❖ At least **50%** of funds to benefit disadvantaged & low-income communities





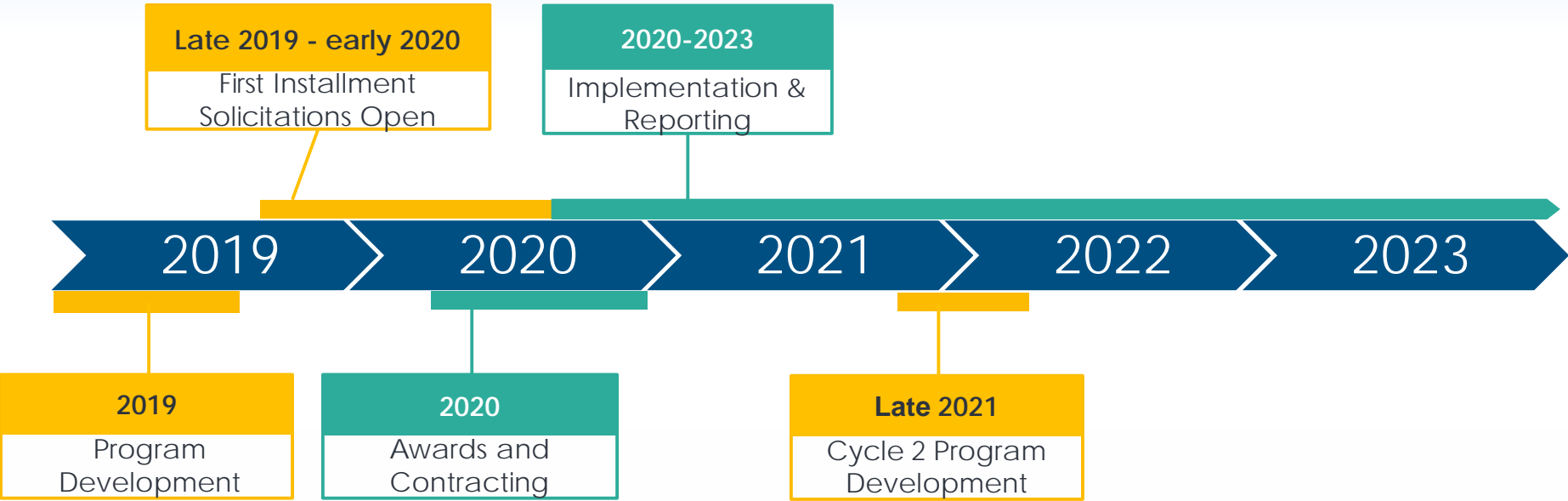
Light-Duty Zero-Emission Infrastructure

- ❖ **Install new** electric vehicle (EV) & hydrogen (H2) fueling stations
- ❖ **\$10 million total available** - \$5 million for each category
 - EV fueling solicitation in late 2019
 - H2 fueling solicitation is TBD
- ❖ Fill physical and funding gaps
- ❖ At least **50%** of funds to benefit disadvantaged and low-income communities





VW Grant Program Tentative Schedule





Update on Air District Administration

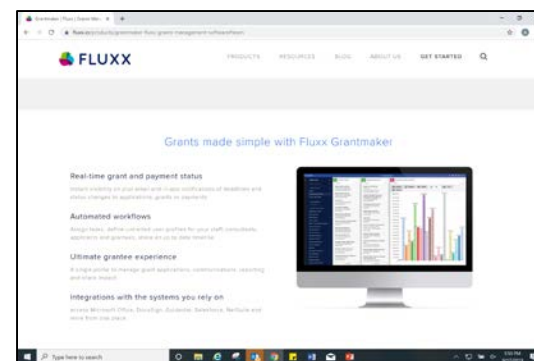
❖ Program development underway

- Governing procedures, guidelines, and solicitation materials
- Grant management system: database, online application, project management
- Website and outreach materials

❖ Coordination with other districts

❖ CARB oversight

- Regularly meet with air districts
- Require quarterly reporting on project progress and semi-annual fiscal reports
- Review and approve program materials and project ranking list

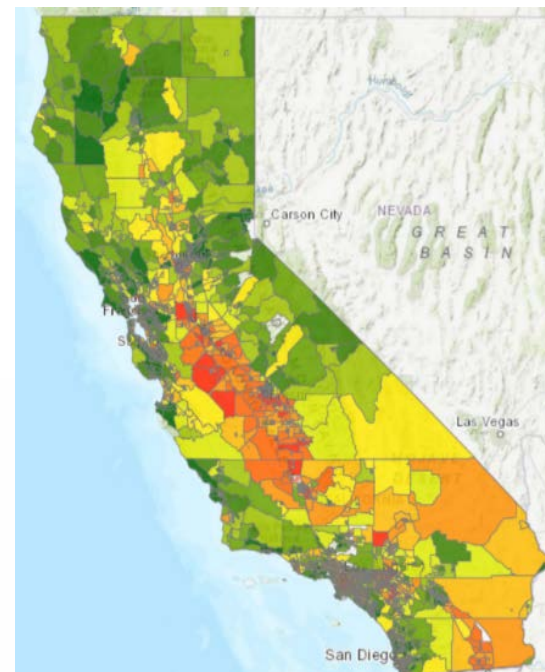




Background - Recommended Action

❖ For competitive solicitations:

- Air Districts to review, evaluate, score, and rank applications using approved procedures
- Each ranking list to be reviewed by panel: air districts, CARB, and California Air Pollution Control Officers Association
- After final approval by CARB, air districts to issue VW Trust Funding Agreements to selected applicants
- Staff will be returning to the Mobile Source Committee and Board at least annually to provide a program status update






Recommended Action

Recommend the Board of Directors:

Authorize the Executive Officer/APCO to enter into agreements with eligible applicants for all projects approved by CARB and funded by Volkswagen Environmental Mitigation Trust.



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

Mobile Source Committee Meeting
September 26, 2019

Brian C. Bungler
District Counsel



Outline

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

- Freezes standards for Passenger Cars and Light Trucks, Model Years (MY) 2021 through 2026
- Withdraws California's Waiver
- NHTSA: proposing new Corporate Average Fuel Economy (CAFE) standards for MY 2022 through 2026
- EPA: proposing amendments to carbon dioxide (CO₂) 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 ₂ (g/mi)	Proposed CO ₂ (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
 - California is the only state allowed this authority
- Section 177
 - Other states can adopt California's standards, in lieu of federal standards
 - Currently includes 12 states and Washington, DC



California Waiver (Cont'd)

- Current waiver granted in 2013 (for all of California's Advanced Clean Cars package)
 - Criteria pollutants
 - CO₂
 - 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 Federal Clean Air Act



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 CO₂ emissions
- Temperature rise
 - Wildfires (particulate matter and respiratory health issues)
 - Sea level rise
 - Ozone formation

- Economic Impacts

- \$2.3 billion more spent at the pump



Air District Action

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

Latest Trump Administration Action

- Administration finalized SAFE Vehicles Rules “Part One – One National Standard” on September 19, 2019
 - Withdrawal of California waiver relative to GHGs and zero emission vehicle (ZEV) mandate
 - Promulgation of NHTSA Preemption Regulations
 - To be published in Federal Register
 - Changes to the National CAFE and GHG standards are not included in Part One
- California sued September 20, 2019
 - 22 other States, D.C., Los Angeles, and New York City joined lawsuit
 - Seeks Declaratory and Injunctive Relief in D.C. District Court



Next Steps

- Air District will file appeal in Washington, DC Circuit Court
 - After Rule is Published in Federal Register
 - Appeal will challenge final action of NHTSA and EPA