



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

Mobile Source Committee Meeting
December 18, 2019

Daniel Langmaid
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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 (12/04)
- 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 (M) 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 \$40M 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)



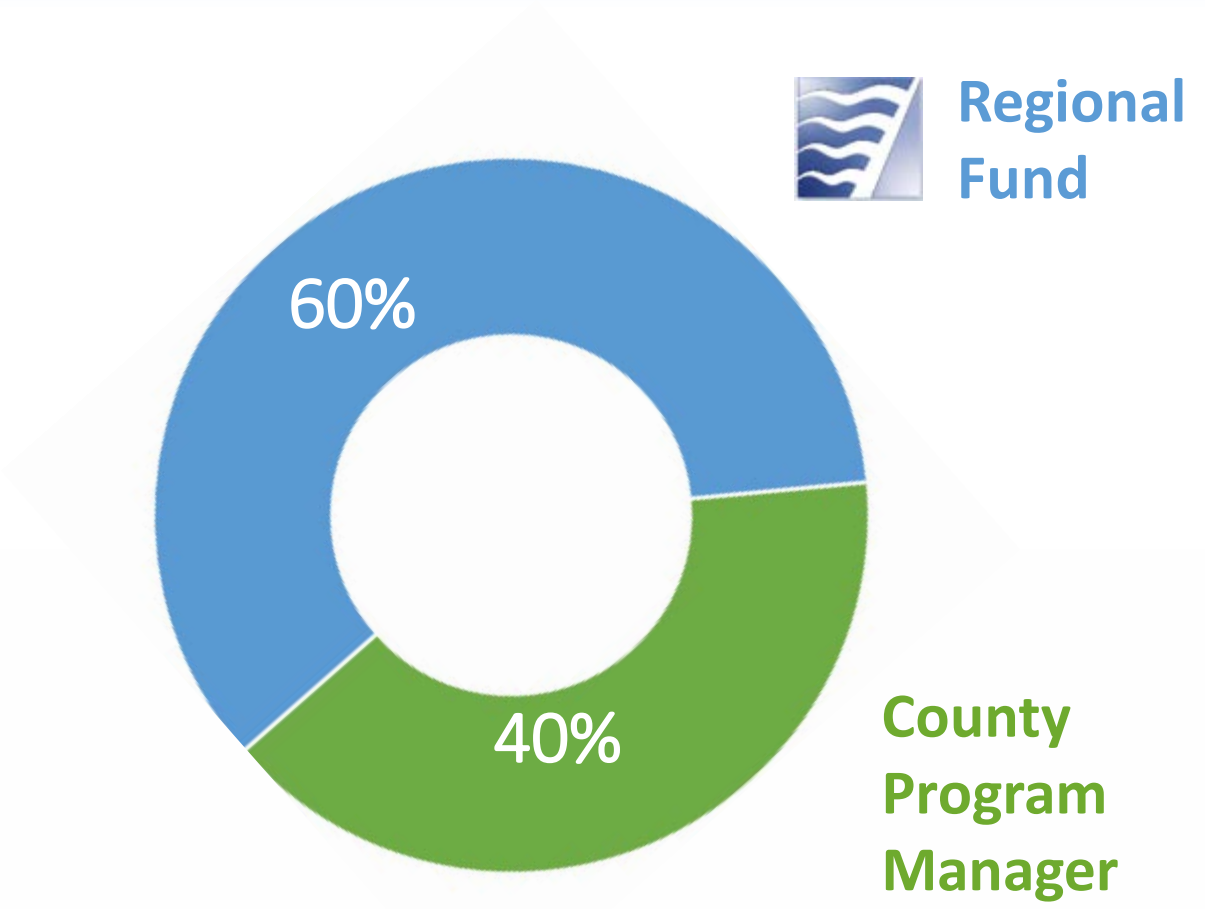
Project Recommendations Over \$100,000

- ❖ **\$118,940 for one (1) project** to replace two (2) pieces of off-road agricultural equipment
- ❖ **Emission reductions**
 - Over 0.84 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





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

- Allocated \$32.3M of TFCA 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 TFCA Regional Fund program



TFCA Project Recommendations Over \$100,000

- ❖ **\$1,004,900 in total awards for five (5) projects:**
 - 18 single-port and 54 dual-port Level 2 charging stations
 - One (1) rideshare project
 - 1.84 miles of class IV protected bikeways
 - 44 electronic bicycle lockers

- ❖ **Emission reductions**
 - Over 1.17 TPY of criteria pollutants



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

Total = ~\$31 M*

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

\$5.7 M

\$1.0 M

\$4.3 M

Ag: \$2.9 M
Non-Ag:
\$3.3 M

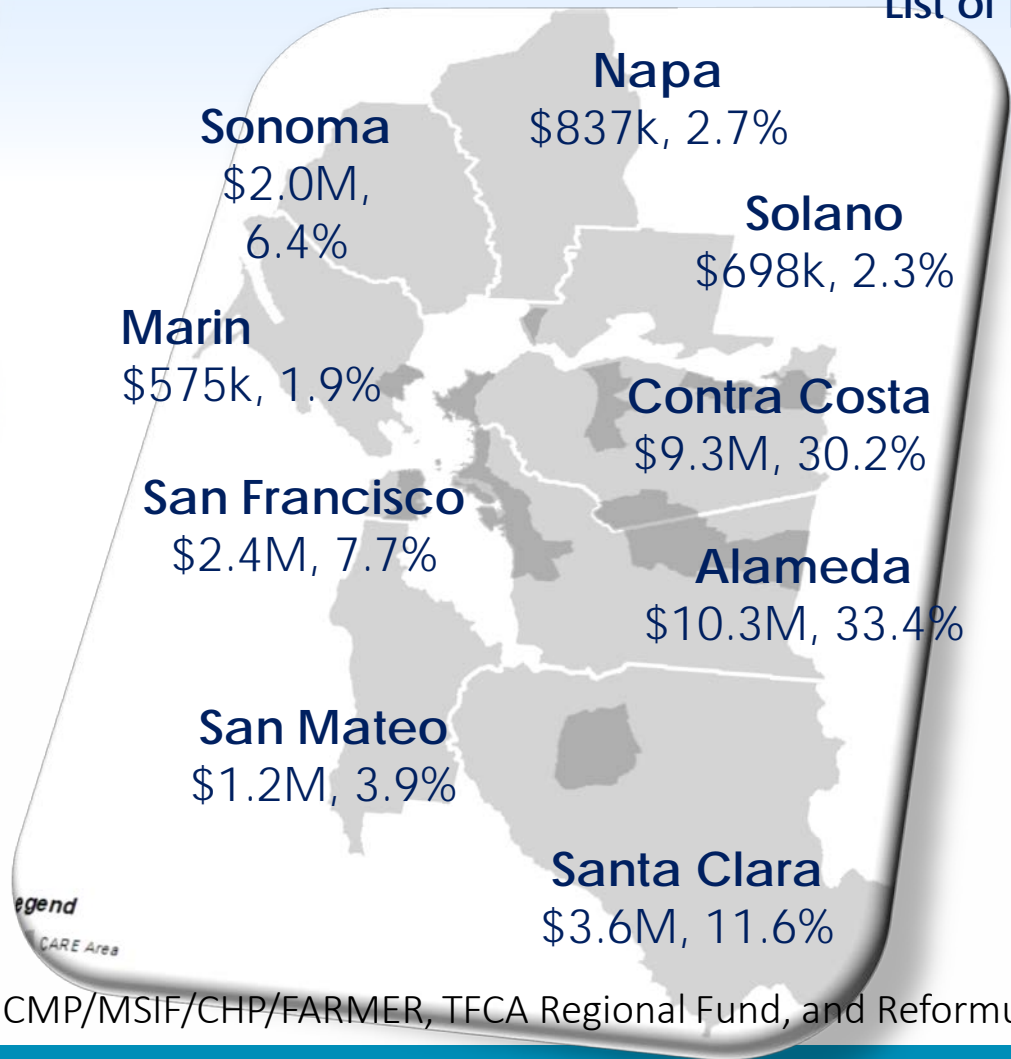
\$8.4 M

\$5.5 M

*Includes awards from CMP/MSIF/CHP/FARMER, TFCA Regional Fund, and Reformulated Gasoline Fund



Funds Recommended & Awarded by County Since July 2019



List of projects is shown in Attachments 2 and 3

Total = \$~31* M



* Includes awards from CMP/MSIF/CHP/FARMER, TFCRA Regional Fund, and Reformulated Gasoline Fund.



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 early next year



Recommended Actions

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.



Transportation Fund for Clean Air (TFCA) Program Audit #20 Results

Mobile Source Committee Meeting
December 18, 2019

Betty Kwan
Staff Specialist
Strategic Incentives Division



❖ Background

❖ Audit #20

- Scope
- Results

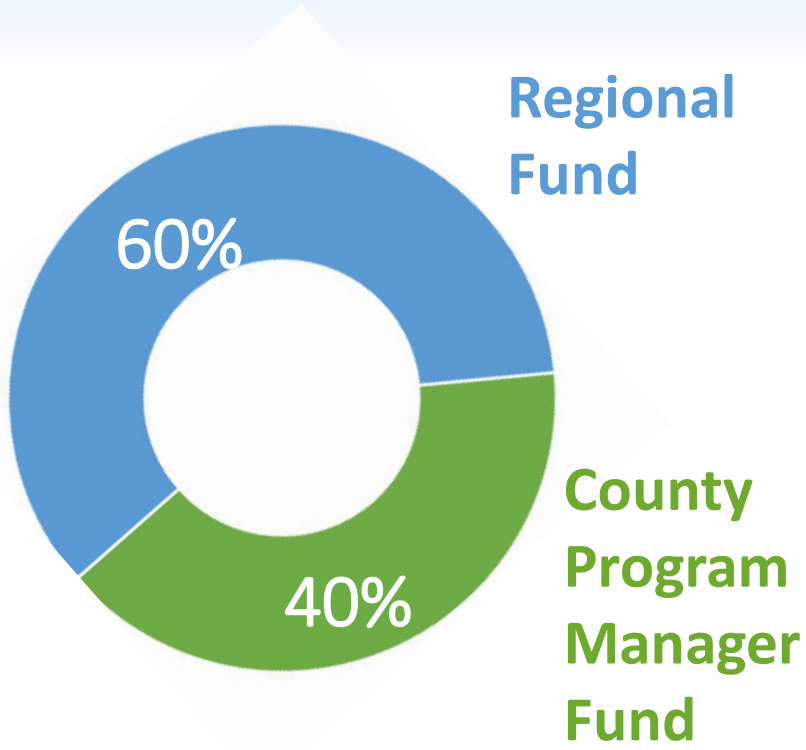
❖ Next Steps



Background

❖ Transportation Fund for Clean Air (TFCA)

- Authorized by California Health and Safety Code (HSC) Sections 44241 & 44242
- Funding provided by \$4 surcharge on motor vehicles
- HSC Section 44242 requires fiscal audit of all TFCA-funded projects & programs at least once every two years



❖ Board approved contract to Simpson & Simpson, LLP for independent audit services on October 4, 2017



Audit #20 Scope

- ❖ TFCRA Regional Fund projects and Air District-sponsored programs completed prior to June 30, 2019:
 - **Financial audits** performed in accordance with generally accepted auditing standards in the U.S. & applicable standards contained in Government Auditing Standards
 - **Compliance audits** performed in accordance with the requirements outlined in the Health & Safety Code, funding agreements, and Government Auditing Standards

- ❖ Air District's administrative expense of TFCRA funds incurred between July 1, 2017 and June 30, 2018



Audit #20 Results

- ❖ Forty-three (43) TFCFA Regional Fund projects, including Air District-sponsored programs, were audited
- ❖ Audit field work was conducted March 2019 through November 2019
- ❖ **No findings were identified**
- ❖ Additionally, compliance with other aspects of the funding agreement was reviewed through Agreed-Upon Procedures



- ❖ Review results from Agreed-Upon Procedures for opportunities to:
 - Further refine contractual requirements; and
 - Continue to improve Air District's communications regarding contractual requirements and audit process



Transportation Fund for Clean Air Expenditures and Effectiveness for Fiscal Year Ending 2019

Mobile Source Committee Meeting
December 18, 2019

Sean Newlin
Staff Specialist
Strategic Incentives Division



❖ Background

❖ Fiscal Year Ending (FYE) 2019 Expenditures and Cost-Effectiveness

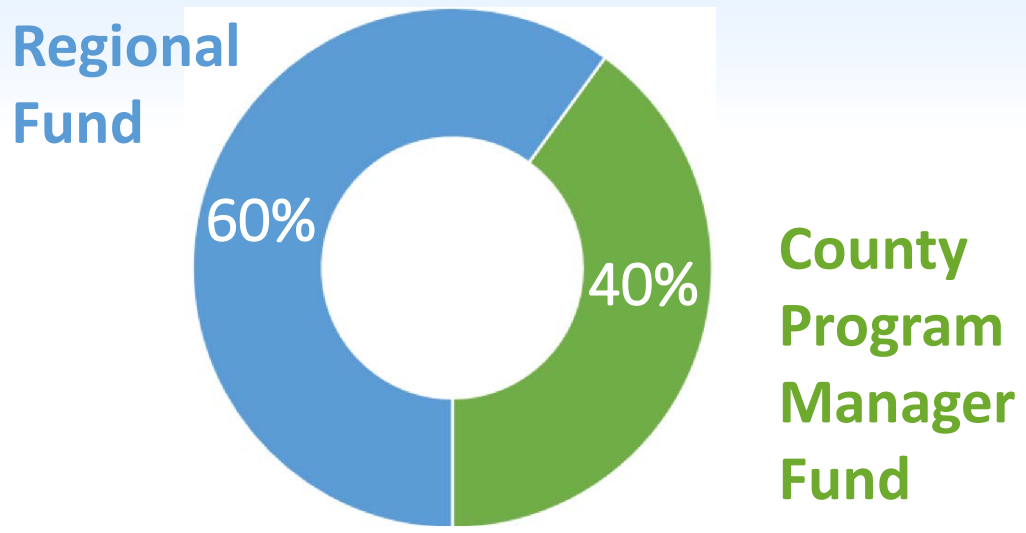
- Expenditures
- Emissions Reductions
- Cost-Effectiveness

❖ Next Steps



Transportation Fund for Clean Air (TFCA)

- ❖ Statutory authority: California Health and Safety Code (HSC)
- ❖ Funding: \$4 surcharge on motor vehicles



- ❖ HSC Section 44241.5: Air District's Board of Directors (Board) to annually review the expenditure of revenues received to determine their effectiveness in improving air quality

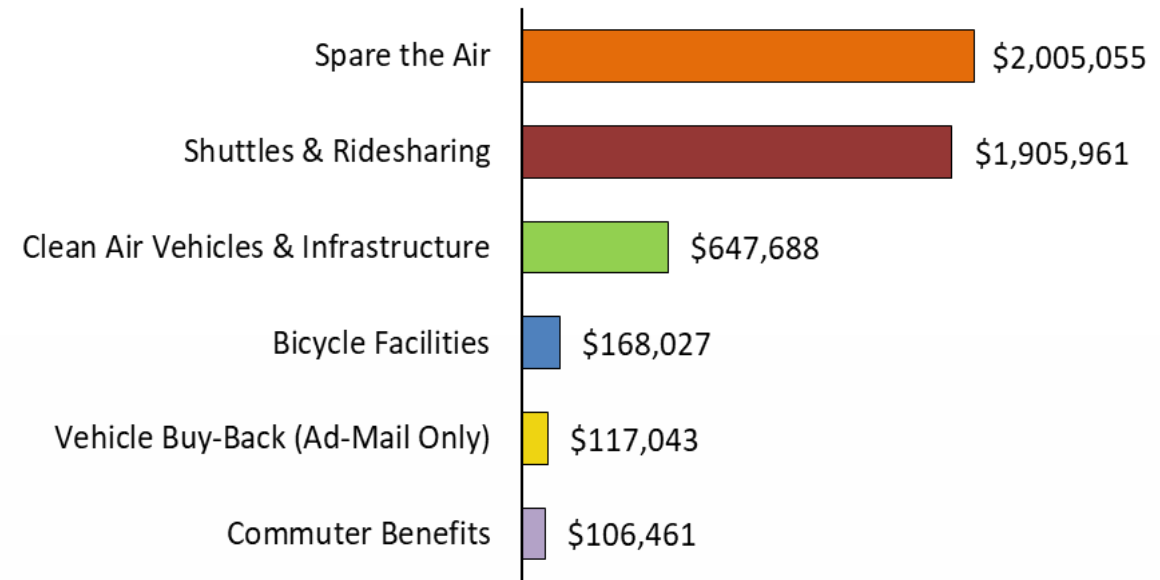


FYE 2019 TFCFA Expenditures by Project Category

❖ Report covers 44 TFCFA Regional Fund projects and three (3) Air District-sponsored programs that concluded by FYE 2019

❖ Expenditures: \$6.01 million (M)

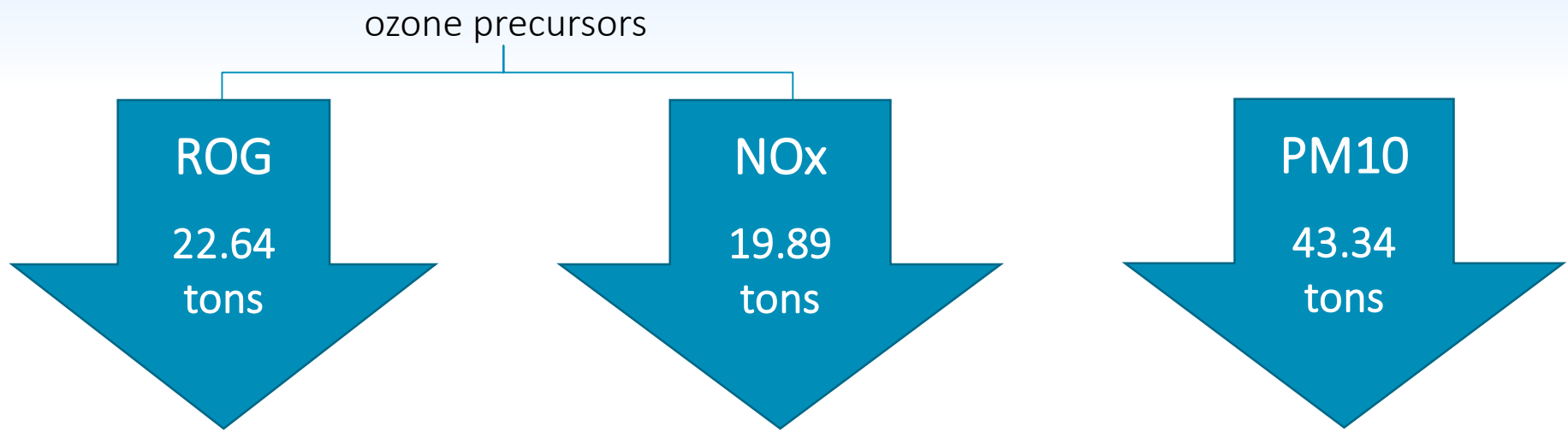
- \$2.72 M – Regional Fund projects
- \$2.23 M – Air District programs
- \$1.06 M - FYE 2019 admin/audit





Effectiveness Emissions Reductions

❖ Lifetime criteria pollutants reduced: **85.86 tons**



❖ Equivalent of taking more than **45,000 commuter vehicles off the road** for a year at a cost of **\$130 per vehicle**



Cost-Effectiveness and other key report findings

- ❖ TFCRA funds were allocated to eligible projects and programs
- ❖ Overall cost-effectiveness: \$51,397/ton criteria pollutant emissions reduced:
 - One (1) project exceeded cost-effectiveness threshold for the year it was awarded



❖ **Achieved public health benefits:**

- Conserve energy and help to reduce greenhouse gases
- Reduce traffic congestion
- Expand first and last-mile connection services to rail, ferry, and mass transit
- Improve physical fitness & public safety by facilitating pedestrian and other car-free modes of travel
- Accelerate adoption of zero-emissions vehicles



Next Steps

- ❖ Continue to pursue opportunities to fund the most cost-effective projects and programs, and focus funds in Community Air Risk Evaluation (CARE) and Assembly Bill (AB) 617 areas
- ❖ Partner with transit and congestion management agencies on identifying new cost-effective trip reduction solutions
- ❖ Collect and evaluate data reported by project sponsors to refine estimated emissions reductions



Policy to Prohibit Use of Air District Funds on Vehicles Manufactured by Companies that Oppose California's Regulations of Light-duty Vehicle Emissions

Mobile Source Committee Meeting
December 18, 2019

Linda Hui
Senior Staff Specialist
Strategic Incentives Division



❖ Background

❖ Proposed Policy

❖ Potential Impacts

- Air District Fleet
- Air District Grant Programs

❖ Recommended Action



Background

- ❖ **California Executive Order N-19-19**
(September 20, 2019)
- ❖ **New Purchasing Policies for State Agencies' Fleet**
 - Effective November 15, 2019, **prohibits purchase of internal combustion engine light-duty vehicles**
 - Effective January 1, 2020, restricts purchase of new vehicles from **only automakers that support California's regulatory authority**





Proposed Policy

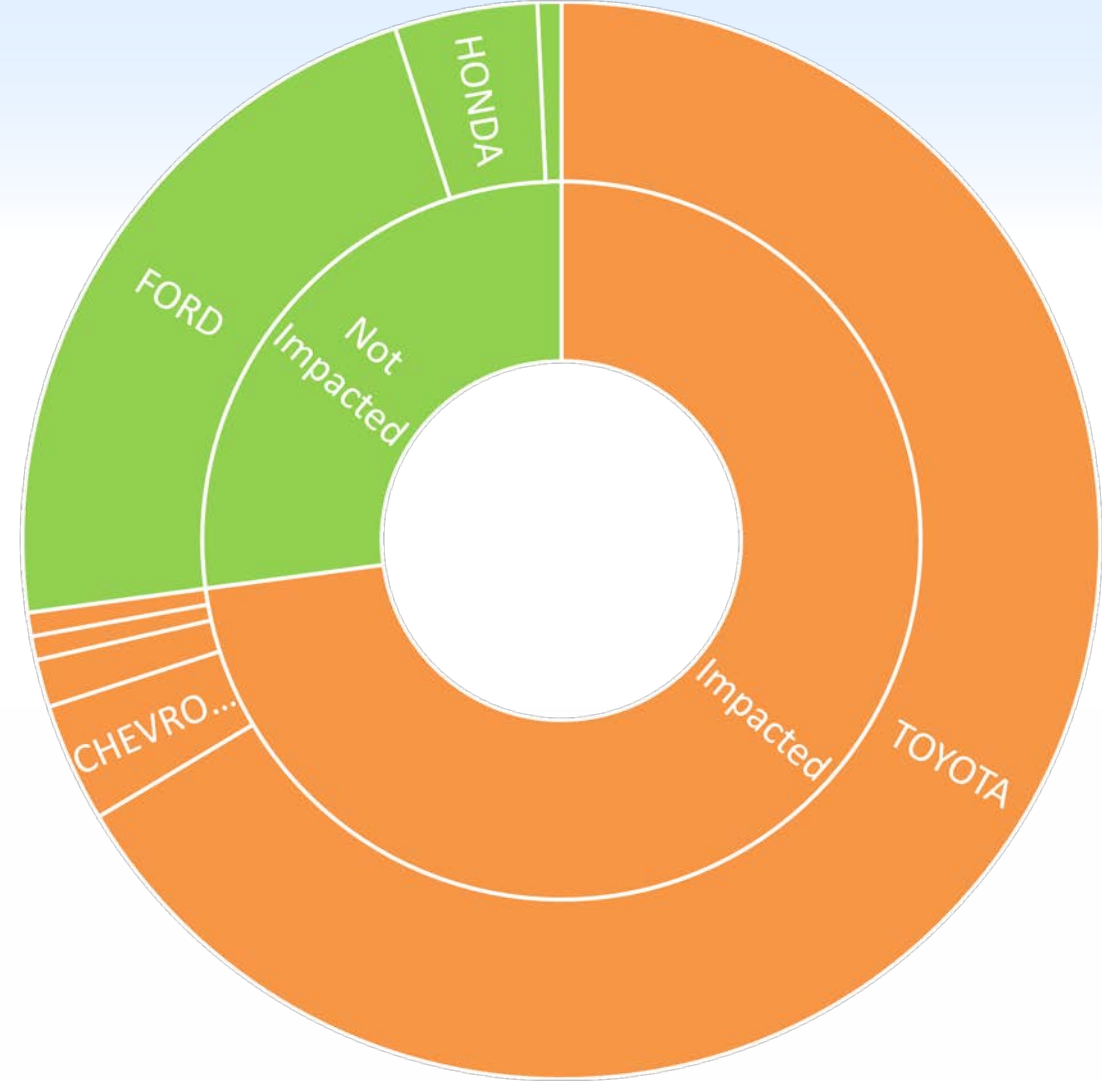
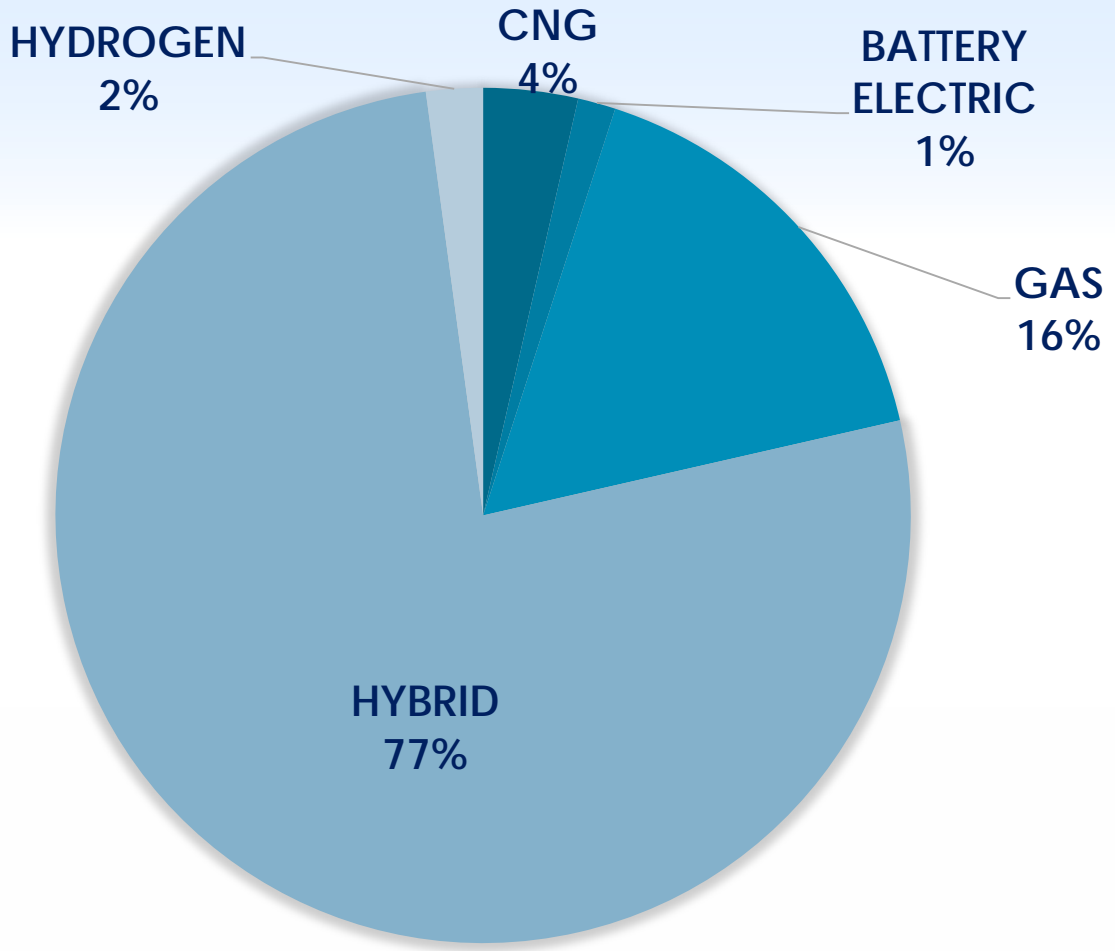
Prohibit Air District funding for the purchase of light-duty vehicles from the following manufacturers*:



*List is current as of November 15, 2019



Potential Impacts on Air District Fleet



140 Vehicles as of December 13, 2019



Potential Impacts on Grant Programs

❖ Air District Grant Programs

- Clean Fleets Program
 - Limited clean air vehicle options (examples as of December 2019)



- Clean Cars for All - exempt
- County Program Manager Fund Program - exempt



Next Steps


- ❖ Pause all fleet vehicle purchases
- ❖ Finalize policy
- ❖ Enforce immediately after Board of Directors Approval
 - Inform staff from
 - Business Office, Enforcement, Meteorology & Measurements **for fleet**
 - Technology Implementation Office, Strategic Incentives **for grant programs**
 - Update grant program policies
- ❖ Begin discussion with counties about expanding this policy for the TFCA County Program Manager Fund Program



Recommended Action

Recommend the Board of Directors:

Direct Air District staff to develop a procurement policy that would prohibit Air District incentive and general funds from being used for the purchase of light-duty vehicles, manufactured by companies that oppose California's regulations of light-duty vehicle emissions.



Contract for Electric Vehicle (EV) Market Research and Survey Services

MOBILE SOURCE COMMITTEE MEETING
DECEMBER 18, 2019

REBECCA FISHER
PROGRAM LEAD OUTREACH AND PARTNERSHIPS
TECHNOLOGY IMPLEMENTATION OFFICE

EV Market Research Study



- Understand majority adopters to move market beyond early adopters: **apartment residents, low-income households, fleet managers, ride hailing drivers, property owners, and dealership sales personnel.**
- Understand priorities and barriers of key market actors that affect EV market and infrastructure

Anecdotes



Data



Outreach
Messages



Contract with Center for Sustainable Energy (CSE)



- Initial Board of Directors (Board) approval on May 1, 2019, executed contract amount of \$113,677
- Need for a larger survey size to provide sufficient granularity (county level)
- Expanding the sample size from 500 to 1,000 respondents will require an additional cost not to exceed \$5,000

Recommended Action



Recommend the Board of Directors:

Authorize the Executive Officer/APCO to increase an existing contract with the CSE by an amount not to exceed \$5,000 for services performed in Fiscal Year Ending (FYE) 2019 and FYE 2020 for EV market research services



Thank you

