



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

AGENDA: 2

Acceptance of 2020 Greenhouse Gas Reduction Funds and Other Monies from the California Air Resources Board

Board of Directors Special Meeting
June 17, 2020

Karen Schkolnick
Director, Strategic Incentives

Overview



- Background on Community Air Protection Grant Program
- Community Air Protection – Year 3
- Past Results for Years 1 and 2
- Recommendations

Background Community Air Protection (CAP) Grant Program



**Assembly Bill
(AB) 617**

**Incentives
~\$250 million**

**Implementation
~\$50 million**

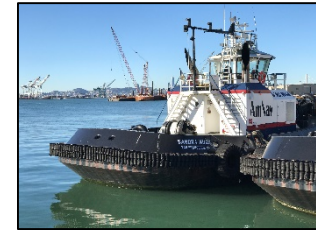
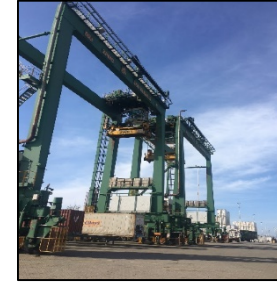
- Created by AB 134 (2017/Year 1) and continued with Senate Bill (SB) 856 (2018/Year 2)
- 2019 State Budget appropriated Greenhouse Gas Reduction Funds (GGRF) funds for Year 3 CAP
- Emphasis on cleanest available technologies:
 - ✓ Carl Moyer Program
 - ✓ Goods Movement Bond Program (trucks only)
 - ✓ Stationary sources
 - ✓ Community-identified projects
- Liquidation deadline = June 30, 2025



CAP Year 3 (2020)



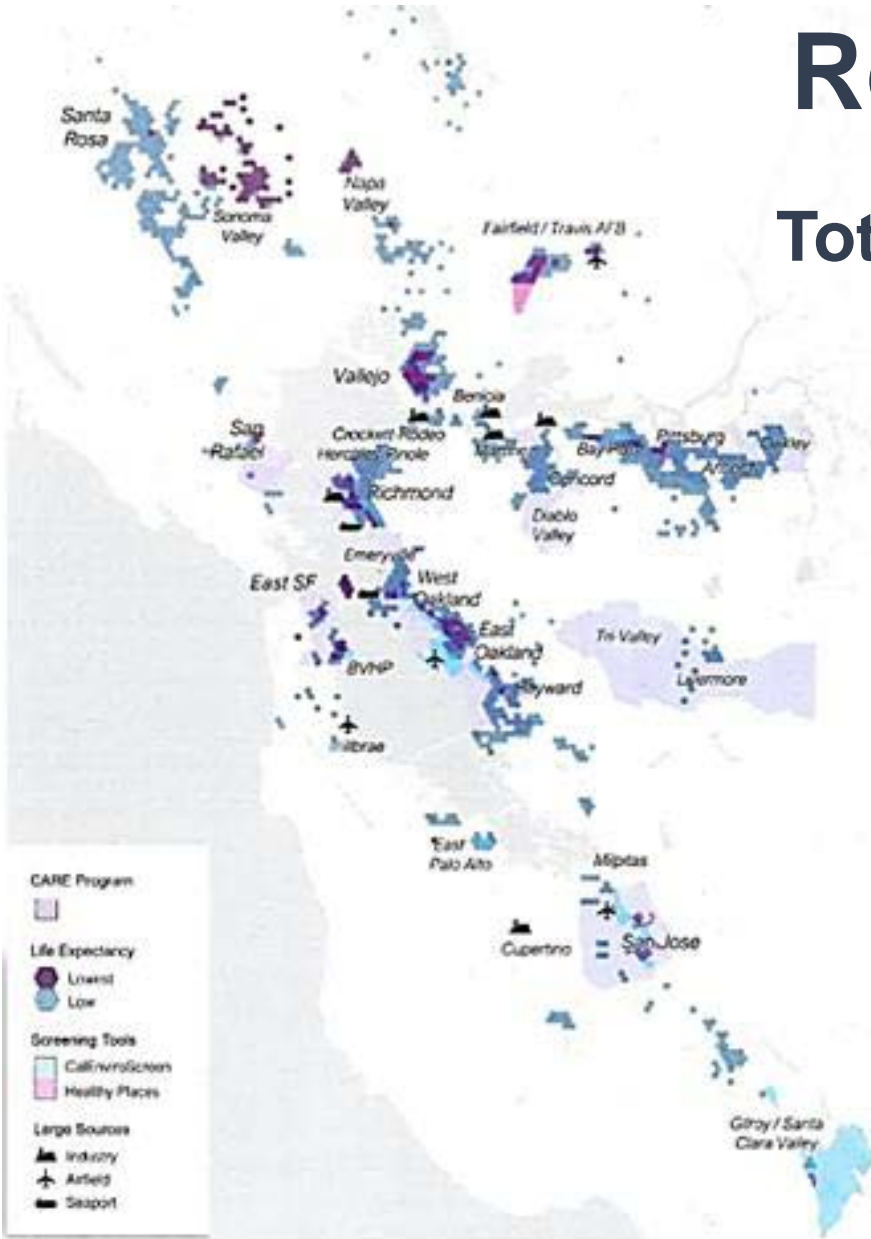
- ~\$242.55 million statewide
 - ✓ ~ \$35.6 million for Bay Area Community Health Protection Program
 - ✓ Allows up to 6.25% for administrative costs
- AB 74 requires the California Air Resources Board (CARB) to limit allocation of GGRF funding allocated to 75% until the fourth auction sale
- Targets:
 - ✓ 80% in AB 1550 communities
 - ✓ 70% in SB 535 communities





Results CAP Year 1 and 2

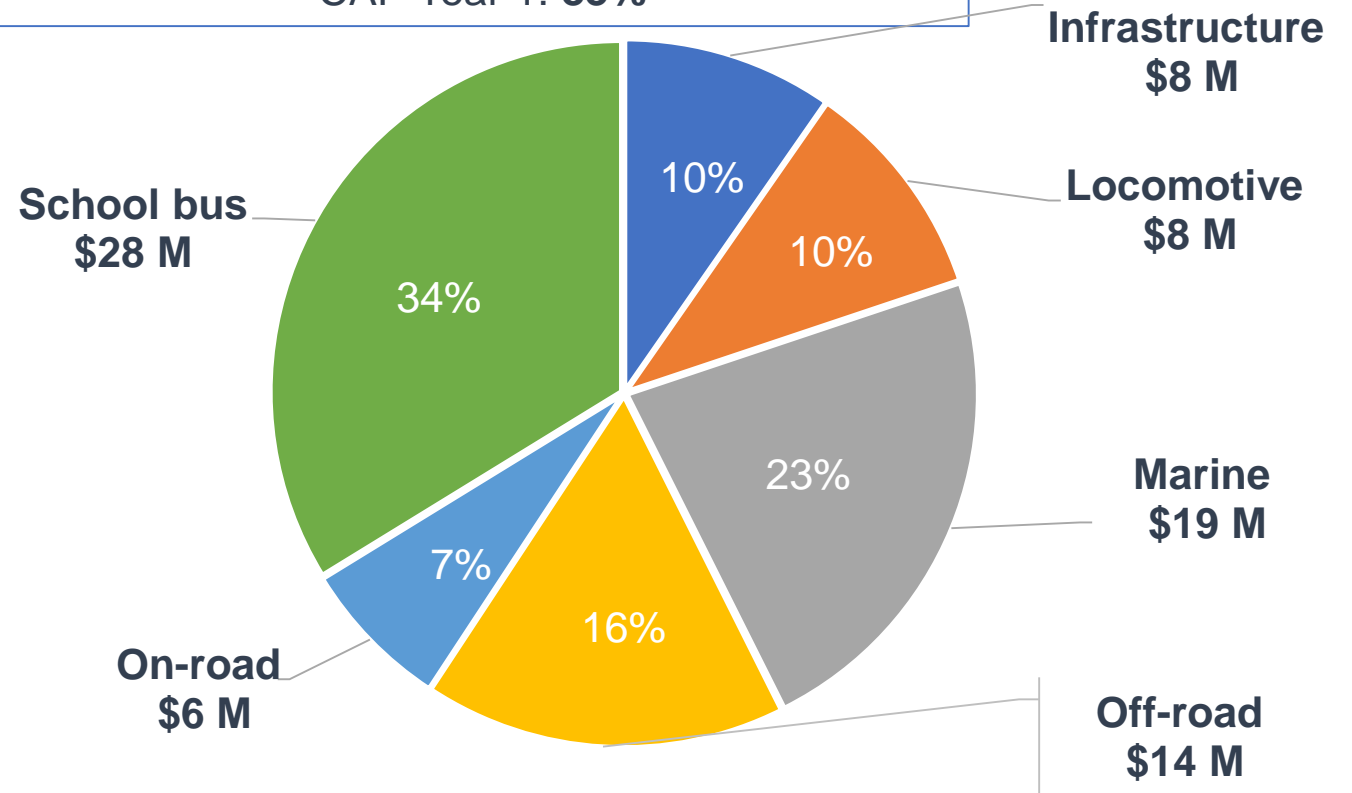
Total CAP project funds awarded: \$83.3 million (M)



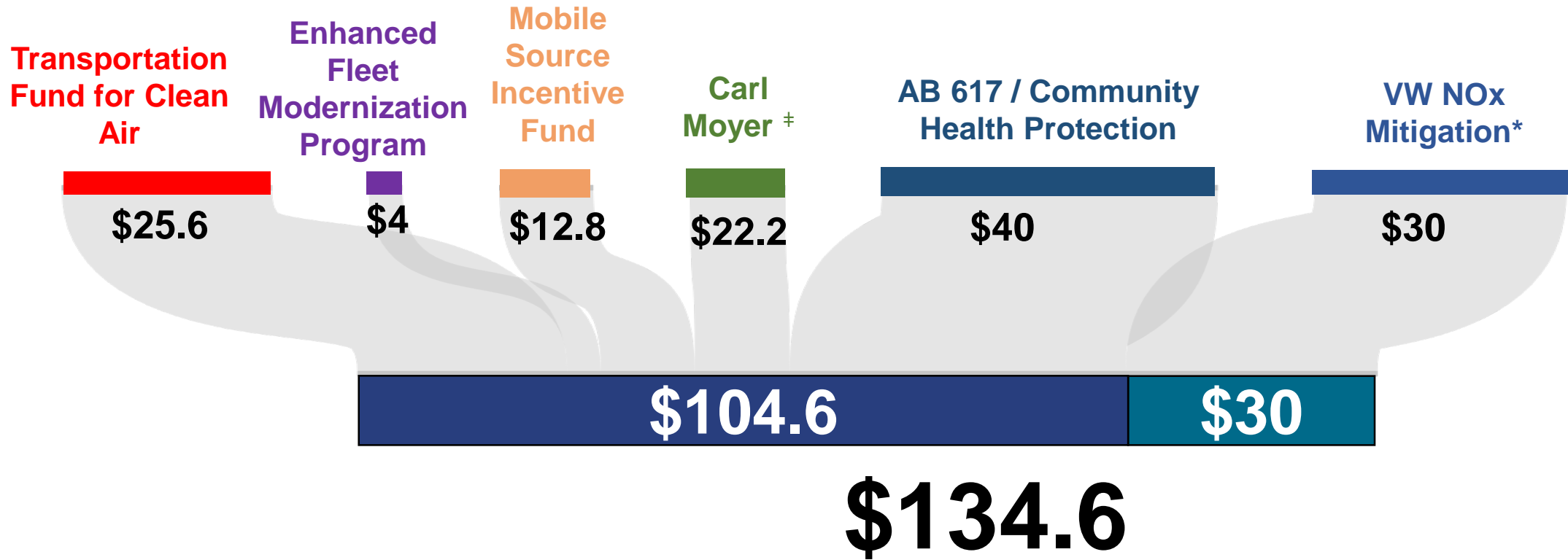
% in CARE/AB 1390 communities

CAP Year 2: 87%

CAP Year 1: 83%



Projected Grant Revenues for Calendar Year 2020 (in Millions)



- † Carl Moyer category includes revenue from: Carl Moyer, Carl Moyer Statewide Funds, Funding Agricultural Replacement Measures for Emission Reductions (FARMER), and Low Carbon Fuel Standard.
- *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.

Recommendations



Recommend the Board of Directors:

1. Authorize the Air District to accept, obligate, and expend new Community Air Protection grant program revenue from the Greenhouse Gas Reduction Fund;
2. Authorize the Air District to accept, obligate, and expend any additional funds from settlements, penalties or Greenhouse Gas Reduction Fund monies from the California Air Resources Board in State Fiscal Year Ending 2020;
3. Approve the corresponding authorizing resolution; and
4. Authorize the Executive Officer/APCO to execute Grant Agreements and amendments for projects with individual grant award amounts up to \$100,000 for the funding sources listed above.



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AGENDA: 4

Legislative Update

**Board of Directors Special Meeting
June 17, 2020**

**Alan Abbs
Legislative Officer**

State Budget Update (2020-2021)



- Senate and Assembly agreed to a joint Legislative Budget Proposal, and each voted to approve it on June 15, 2020, to meet the State's constitutional deadline.
- Administration has not committed to signing the budget and Senate/Assembly will continue negotiations.
- Sticking points relate to revenue assumptions, federal assistance, and impacts to certain spending categories.

State Budget Update (2020-2021) (cont.)



Current Budget Includes:

- \$50 Million Statewide for Assembly Bill (AB) 617 Implementation
 - Same as previous years
- \$5 Million in New Funding for Clean Air Centers
 - AB 836 (Wicks)
- Other Cap and Trade spending will be deferred to a later budget.