



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

AGENDA: 4

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

**Mobile Source Committee Meeting
February 27, 2020**

**Hannah Cha
Staff Specialist**

Overview



- Background
- Proposed projects with awards over \$100,000
- Overview of Fiscal Year Ending (FYE) 2020 funds
 - Status of funding by revenue source
 - Awards by project type and county
- Recommended Actions

Carl Moyer Program & 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 (2004) allowed for additional \$2 motor vehicle registration fee surcharge
 - 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 \$40 M for emission reduction projects under the CMP, Proposition 1B Goods Movement Emission Reduction Program, and select stationary sources

CMP/MSIF & CHP



- **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)

CMP/MSIF & CHP Project Recommendations over \$100k



- **\$9,162,993 in CMP/MSIF & CHP funds plus \$681,052 in TFCA funds as match for nine (9) projects to replace:**
 - Four (4) pieces of off-road agricultural equipment
 - Two (2) pieces of on-road equipment
 - Eight (8) marine engines
 - 20 school buses (TFCA match for six (6) school buses)
- **Emissions Reductions**
 - Over 43 tons per year (TPY) of criteria pollutants

Reformulated Gasoline (RFG) Settlement Fund

- **RFG Open Grants Program**

- Antitrust class action for clean air & 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 M 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 M

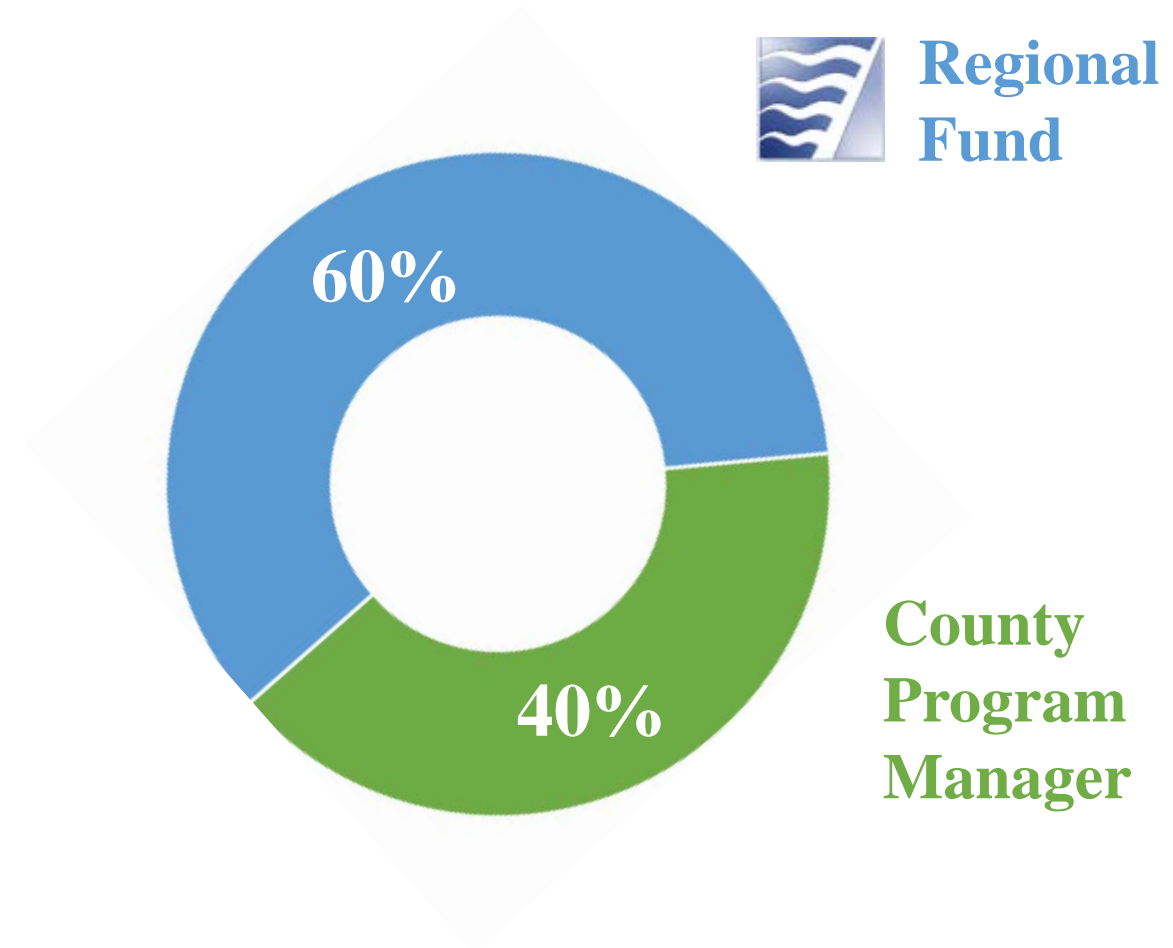
RFG Settlement Fund (Cont'd)



- 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
- **\$276,190 in RFG funds plus \$305,980 in TFCA funds as match for two (2) projects to purchase and operate:**
 - 15 electric school buses
 - Two (2) electric terminal tractors
- **Emission reductions**
 - Over 1.02 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 \$32.3 M 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

Project Recommendations over \$100k

- **\$2,236,032 in total TFCA awards including:**
 - **\$1,249,000** for two (2) projects to provide first- & last-mile connection services to mass transit
 - **\$681,052** as match for two (2) CMP projects
 - **\$305,980** as match for two (2) RFG projects

- **Emission Reductions**
 - Over 6.54 TPY of criteria pollutants from the two (2) first- & last-mile connection services projects
 - Over 0.32 TPY of criteria pollutants from the two (2) RFG projects
 - All emission reductions from the two (2) CMP projects are attributed to CMP

TFCA Match Funds



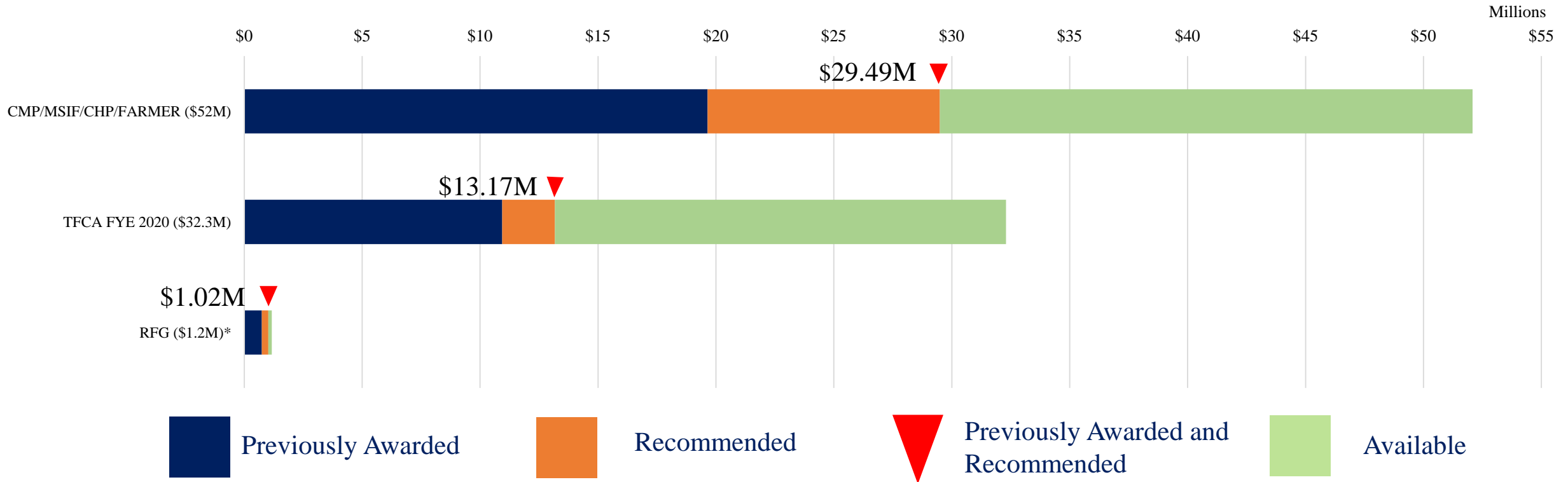
	School Bus Projects		Reformulated Gasoline (RFG) Projects	
Project Number	#21SBP98	#21SBP114	#19RFG20	#19RFG21
Number of Vehicles	2 and charging infrastructure*	4 and charging infrastructure*	2	15
Total Project Cost	\$960,774	\$1,840,052	\$651,710	\$4,637,765
Proposed CMP and MSIF Award	\$323,778	\$1,672,500	N/A	N/A
Proposed RFG Award	N/A	N/A	\$102,390	\$173,800
Proposed TFCA Award	\$513,500	\$167,552	\$29,780	\$276,200
Total Proposed Award	\$837,278*	\$1,840,052*	\$132,170[†]	\$450,000[†]

- TFCA Regional Fund Policy waivers
 - #2 Cost-Effectiveness
 - #24 On-Road Heavy-Duty Zero- and Partial-Zero Emissions Truck and Buses

*Total proposed awards include CMP, MSIF funds, and TFCA funds as match

[†] Total proposed awards include RFG funds, and TFCA funds as match

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



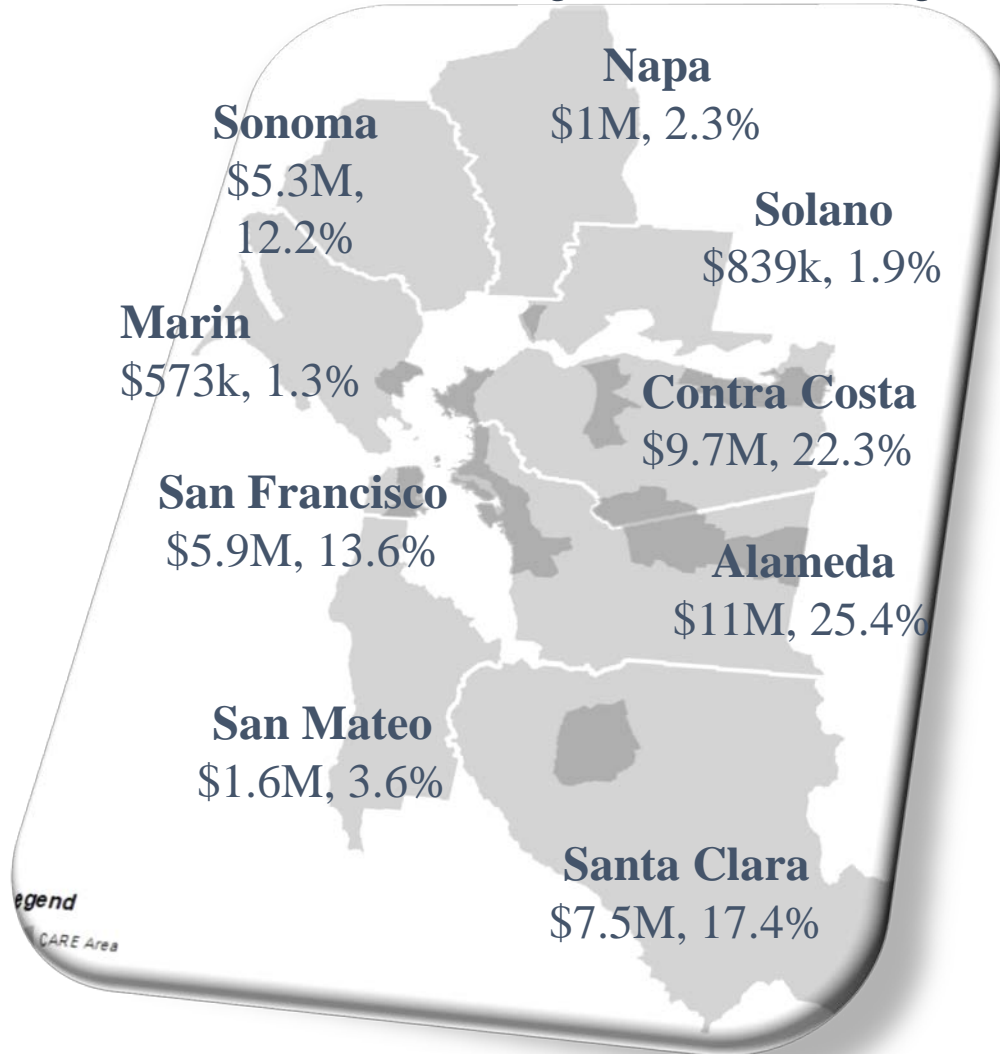
Total = ~\$44 M*

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
\$5.9 M	\$1.6 M	\$10.5 M	Ag: \$3.7 M Non-Ag: \$3.4 M	\$11.9 M	\$6.7 M

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

Funds Recommended & Awarded by County Since July 2019



List of projects is shown in Attachments 2 and 3
Total = \$~44 M*



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

Status of Solicitations



Program Name, Description, and Website	Status	Revenue 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
Community Health Protection Grant Program Funding to replace old, high-polluting vehicles and equipment www.baaqmd.gov/ab617grants	Open	California Climate Investments
Lower-Emission School Bus Program Funding for bus replacements, engine repowers or electric conversions, natural gas tank replacements, and electric charging & alternative fueling infrastructure projects www.baaqmd.gov/lesbp	Open	CMP, MSIF, CHP
Vehicle Buy Back Program Funding to scrap 1996 and older vehicles and equipment 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 (Bicycle Facilities) Funding for bicycle facility projects to reduce single-occupancy vehicle trips www.baaqmd.gov/tripreduction	Open	TFCA
Climate Tech Finance Program Subsidized financing to help Bay Area facilities adopt emerging technologies that reduce greenhouse gas emissions www.baaqmd.gov/ctf	Open	IBank

Recommended Actions



Recommend the Board of Directors:

1. Approve recommended projects with proposed grant awards over \$100,000 as shown in Attachment 1, including necessary policy waivers to allow TFCA funds to be used as match to fund recommended school bus projects; and
2. Authorize the Executive Officer/APCO to enter into all necessary agreements with applicants for the recommended projects.



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AGENDA: 5

Participation in Year 22 of the Carl Moyer Program

**Mobile Source Committee Meeting
February 27, 2020**

**Adam Shapiro
Supervising Staff Specialist**

Overview



- Background
- Carl Moyer Program Year 22 (fiscal year 2019-2020)
- Recommended Actions

Carl Moyer Program & 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 \$2 motor vehicle registration fee surcharge (12/04)
- CMP projects eligible for MSIF funding
- Bus Program (LESBP) projects eligible for MSIF funding

CMP Year 22 Funding



- California Air Resources Board (CARB) Year 22
 - \$84.2 million statewide
 - **Up to \$13 million for Bay Area**
 - 6.25% allocation for administrative costs
 - Up to \$2 million in required match
- CARB 2017 CMP guidelines
- Continued focus on projects benefiting Community Air Risk Evaluation (CARE) areas and AB 617 communities
- Proposed \$3 million MSIF in match for additional CMP projects

Recommended Actions



Recommend the Board of Directors:

1. Adopt a resolution authorizing the Executive Officer/APCO to execute all necessary agreements with CARB relating to the Air District's receipt of CMP funds for fiscal year 2019-2020 (Program Year 22);
2. Allocate \$3 million in MSIF to provide the required match funding and additional monies for projects eligible for funding under the CMP guidelines; and
3. Authorize the Executive Officer/APCO to execute Grant Agreements and amendments for projects funded with Carl Moyer Program and Mobile Source Incentive Funds, with individual grant award amounts up to \$100,000



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**CLEAN CARS
FOR ALL**

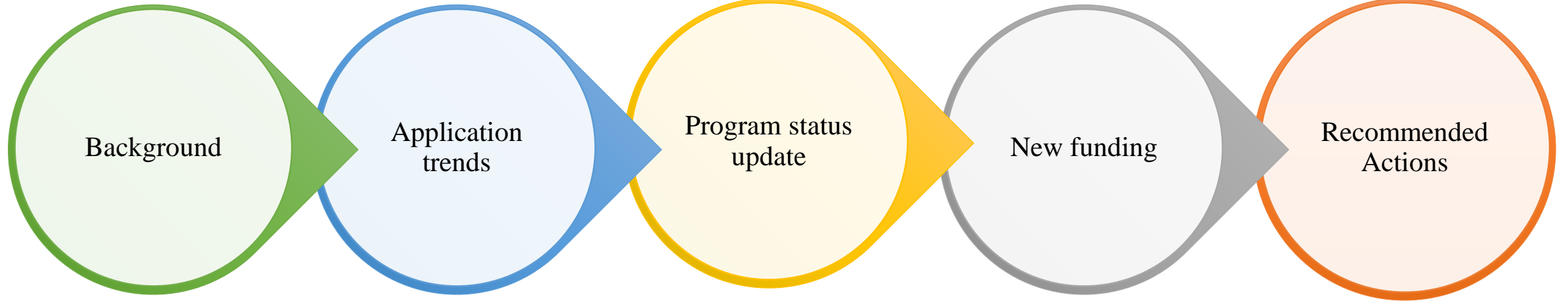
AGENDA: 6

Clean Cars for All Program

**Mobile Source Committee Meeting
February 27, 2020**

**Deanna Yee
Acting Staff Specialist**

Presentation Overview



Background

Application trends

Program status update

New funding

Recommended Actions



Background: Project Milestones



March 28, 2018

- California Air Resources Board (CARB) awarded \$5 million (M) in Fiscal Year (FY) 2016-2017 Low Carbon Transportation Funds to start the Bay Area Clean Cars For All Program, with a focus on disadvantaged communities

June 2019

- Executed contract with CARB for \$5 M in Volkswagen (VW) funds

March 2019

- Program was launched

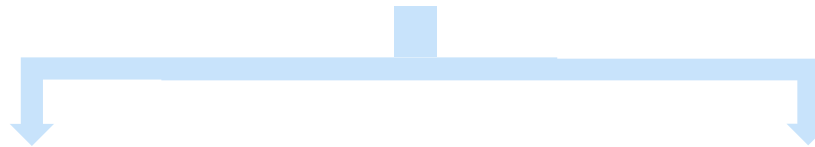
October 30, 2019

- Expanded the program to include entire Bay Area with VW funds

Background: Clean Cars for All Program



Low-income residents* in communities disproportionately burdened by pollution who turn in older vehicle**



Advanced Technology

- Purchase or lease
- Hybrid, plug-in, or electric vehicle



Alternative Transportation

- Clipper card
- Card for bike sharing, car-sharing, vanpooling (future option)
- Electric bicycle (coming soon – Senate Bill 400)



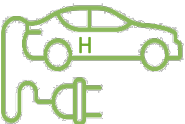

<http://www.baaqmd.gov/cleancarsforall>

* $\leq 400\%$ Federal Poverty Level

**CalEnviroScreen 3.0, Expanded to all Bay Area zip codes in October 2019

Background: Incentive Amounts



Clean Transportation Options	Incentive Amount Available
 Alternative Transportation Card	\$7,500
 Battery Electric	\$5,500 - \$9,500 Plus \$2,000 rebate for charger
 Plug-In Hybrid	\$5,500 - \$9,500 Plus \$2,000 rebate for charger
 Hybrid	\$5,000 - \$7,000

Background: Outreach



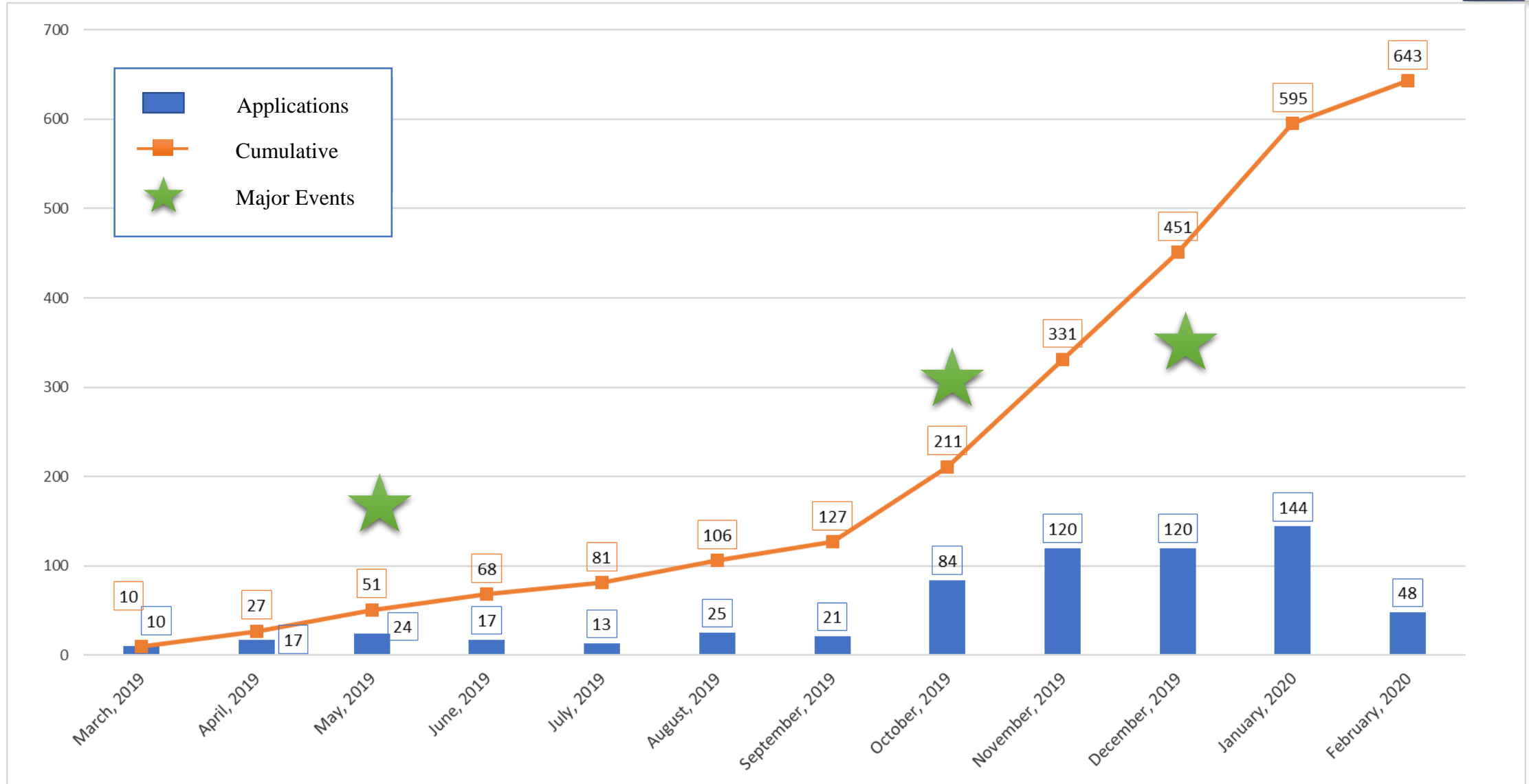
Three (3) Clean
Cars for All
Electric Vehicle
(EV)
Showcases

19 community
events

26 press and
social media
mentions

Several months
of Facebook,
Google, and
Instagram
advertisements

Application Trends

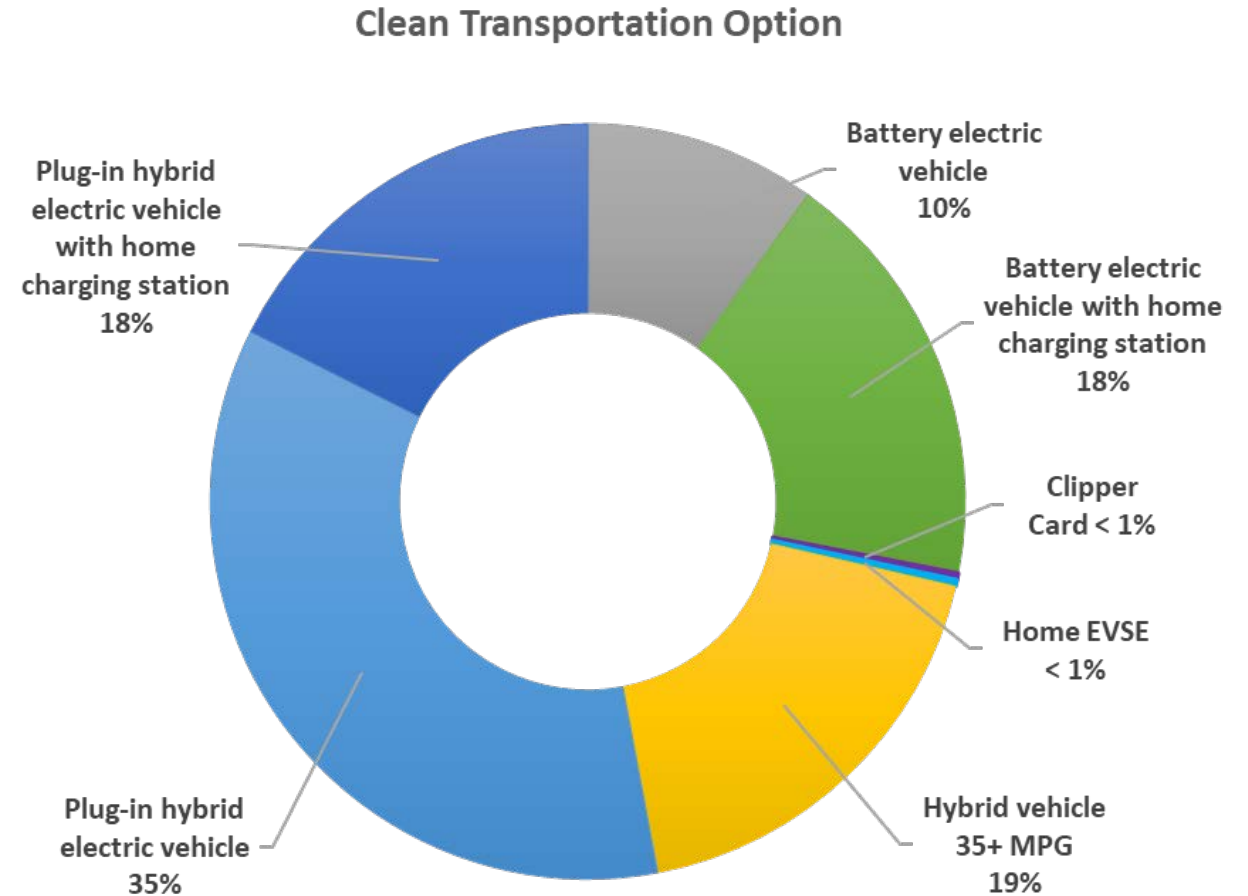


Application Trends (cont.)

as of February 13, 2020



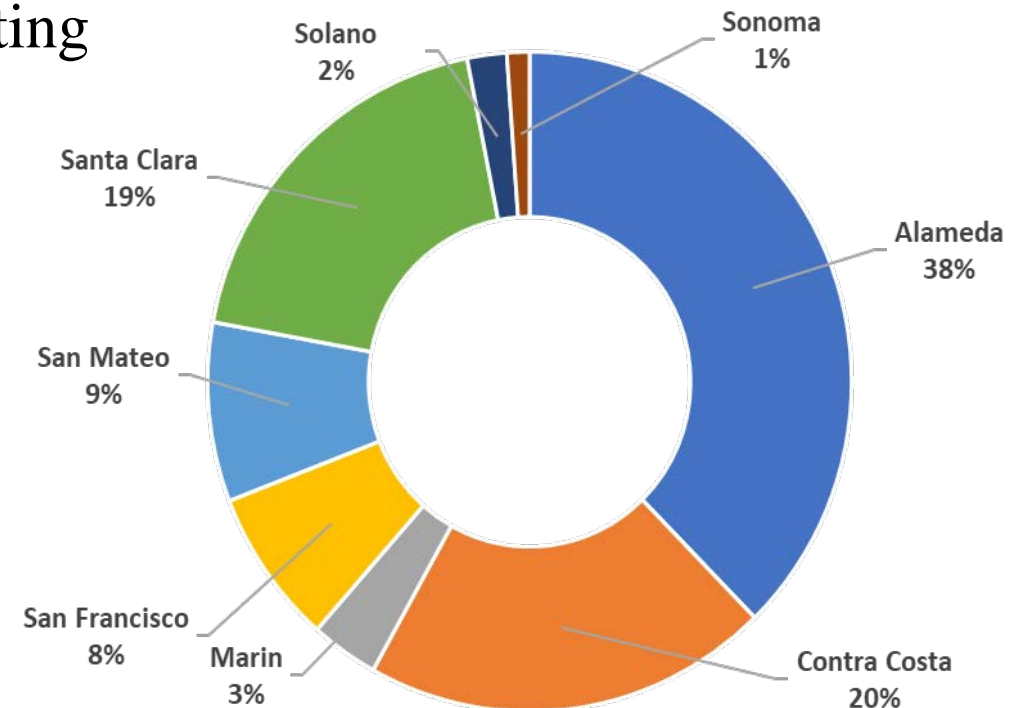
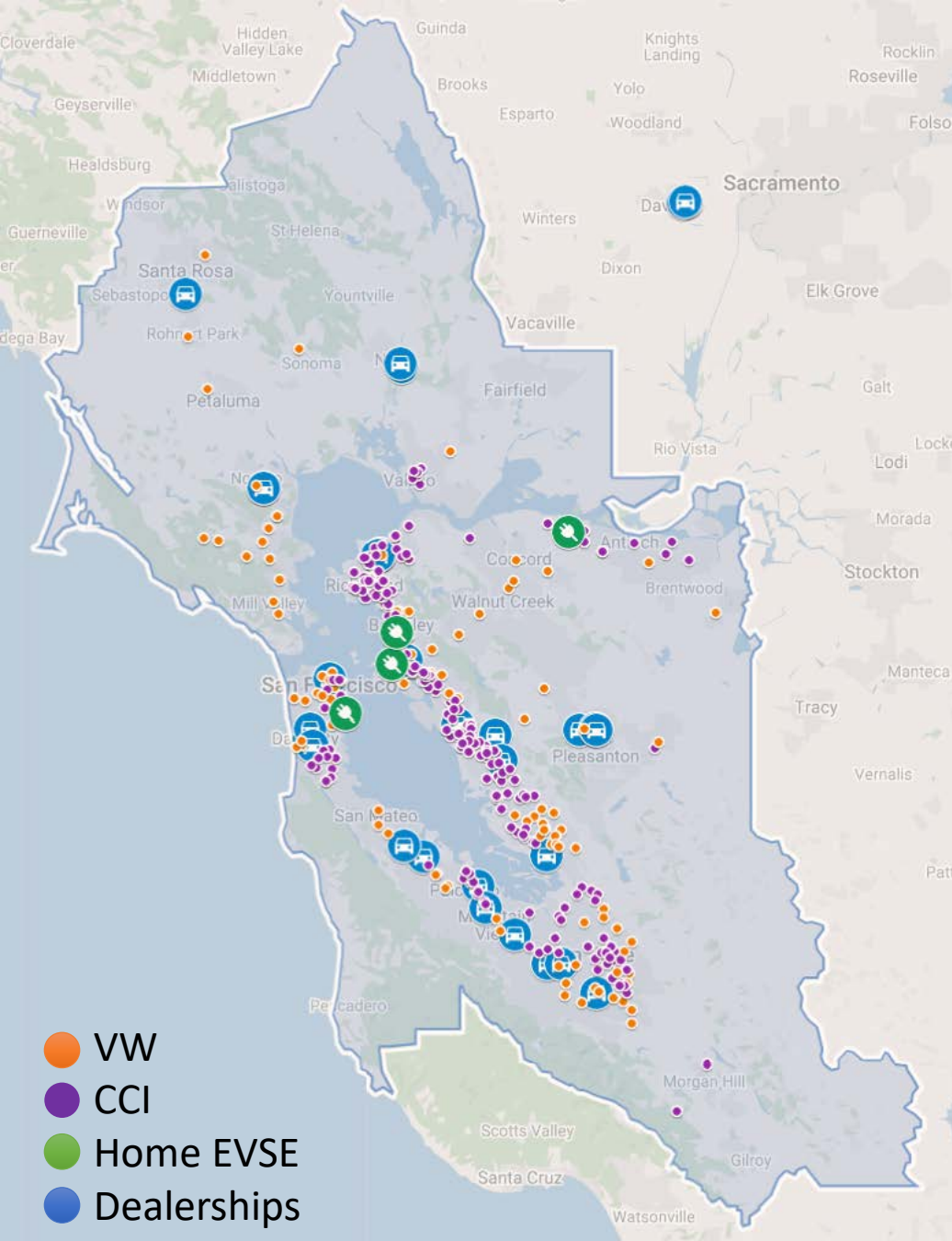
- Applications received: 643
- Applications in progress: 282
- Applications awarded: 353 grantees, \$2.96M
 - California Climate Investments (CCI): 246, \$2.02M
 - VW: 107, \$0.94M
- Funds available: \$4.1 M



Geographic Distribution



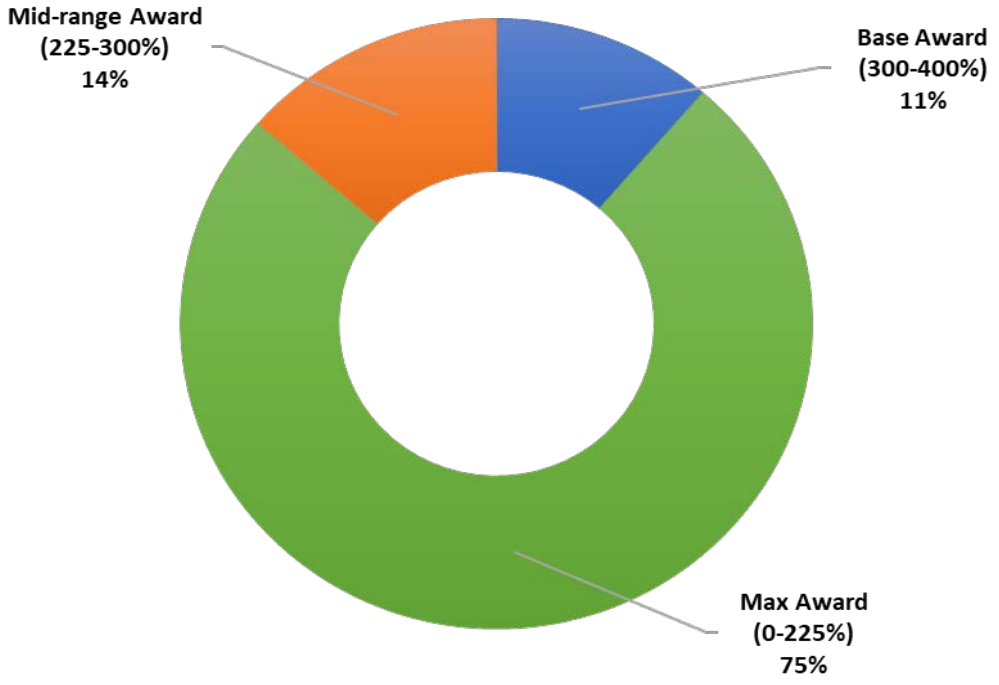
- 246 California Climate Investments (CCI) awards
 - Four (4) home charging stations
- 107 VW awards
- 36 participating dealerships



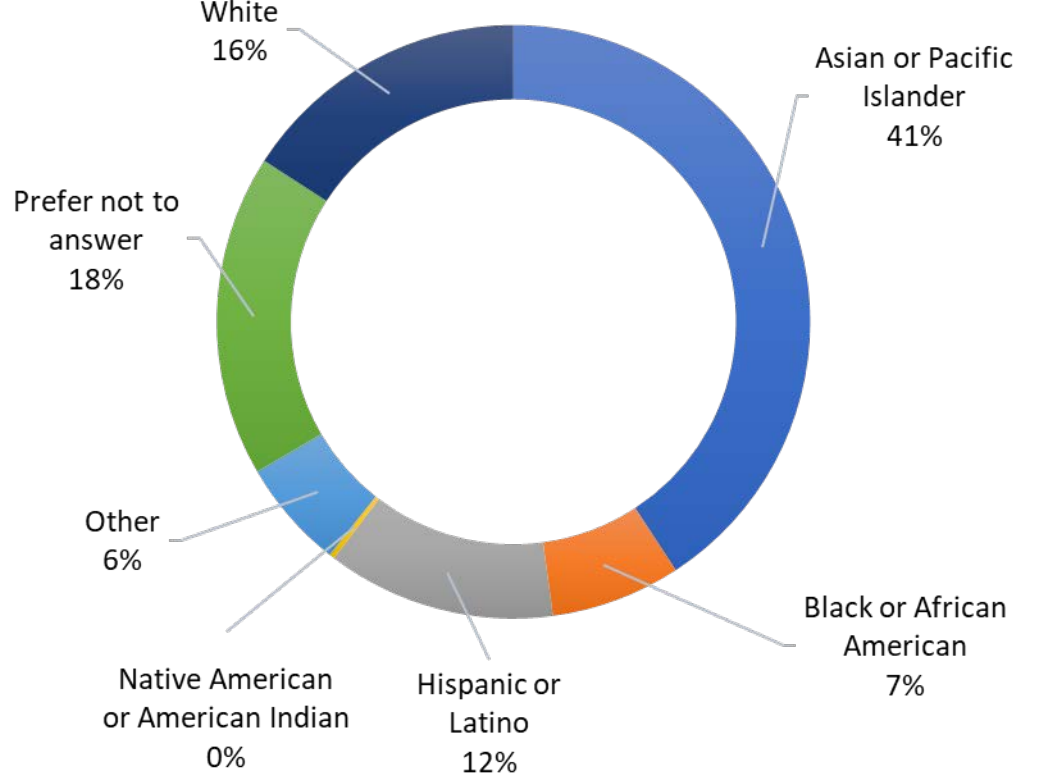
Grantee Income & Ethnicity



Income as % of Federal Poverty Level



Ethnicity



- Grantee Average Income: \$29,995
- Grantee Median Income: \$25,290
- Average Grantee Income percent of the Federal Poverty Level (FPL): 150%

New Funding



Remaining funds from the 2016 Clean Cars For All Program allocation were reallocated to CARB for the Clean Cars For All Program in FY 2018-2019



December 2019, CARB staff notified the Air District that they will award up to \$5 M of the reallocated funds to the Air District to continue funding the Clean Cars For All Program



Funds must be expended by February 28, 2022

Recommended Actions



Recommend the Board of Directors:

1. Adopt a resolution authorizing the Executive Officer/APCO to accept, obligate, and expend up to \$5 M from the California Air Resources Board to expand the Bay Area Clean Cars for All Program; and
2. Authorize the Executive Officer/APCO to enter into all agreements necessary to accept, obligate, and expend this funding.





Thank you!





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AGENDA: 7

Air District Grant Programs Overview

**Mobile Source Committee Meeting
February 27, 2020**

**Karen Schkolnick
Director of Strategic Incentives Division**

Overview

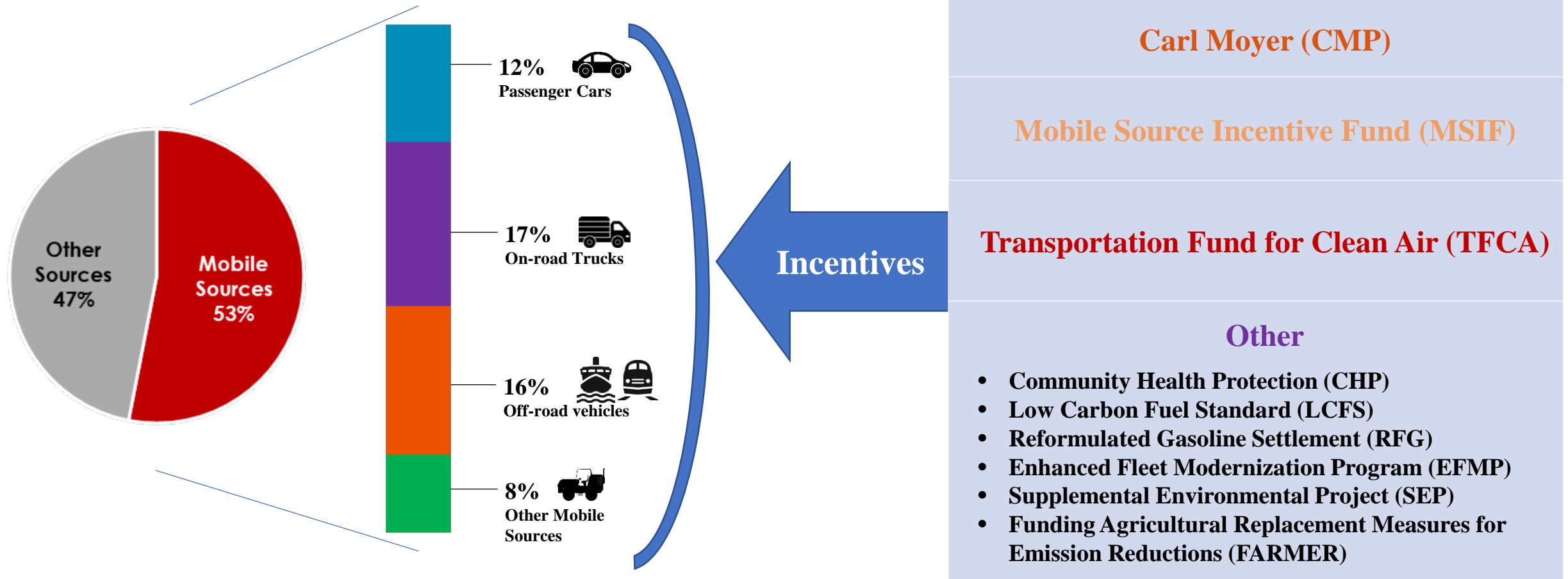


- Background
- 2019 Grant Awards & Results
 - By project category
 - By county
 - Emissions reduced
- Historical Trends & Results
 - Funds awarded
 - Diesel Free by '33 progress
- 2020 Grant Revenue Projection & Priorities

Air Pollution & Grant Revenue Sources



Bay Area total emissions of NO_x, ROG, PM₁₀: 667 tons/day*



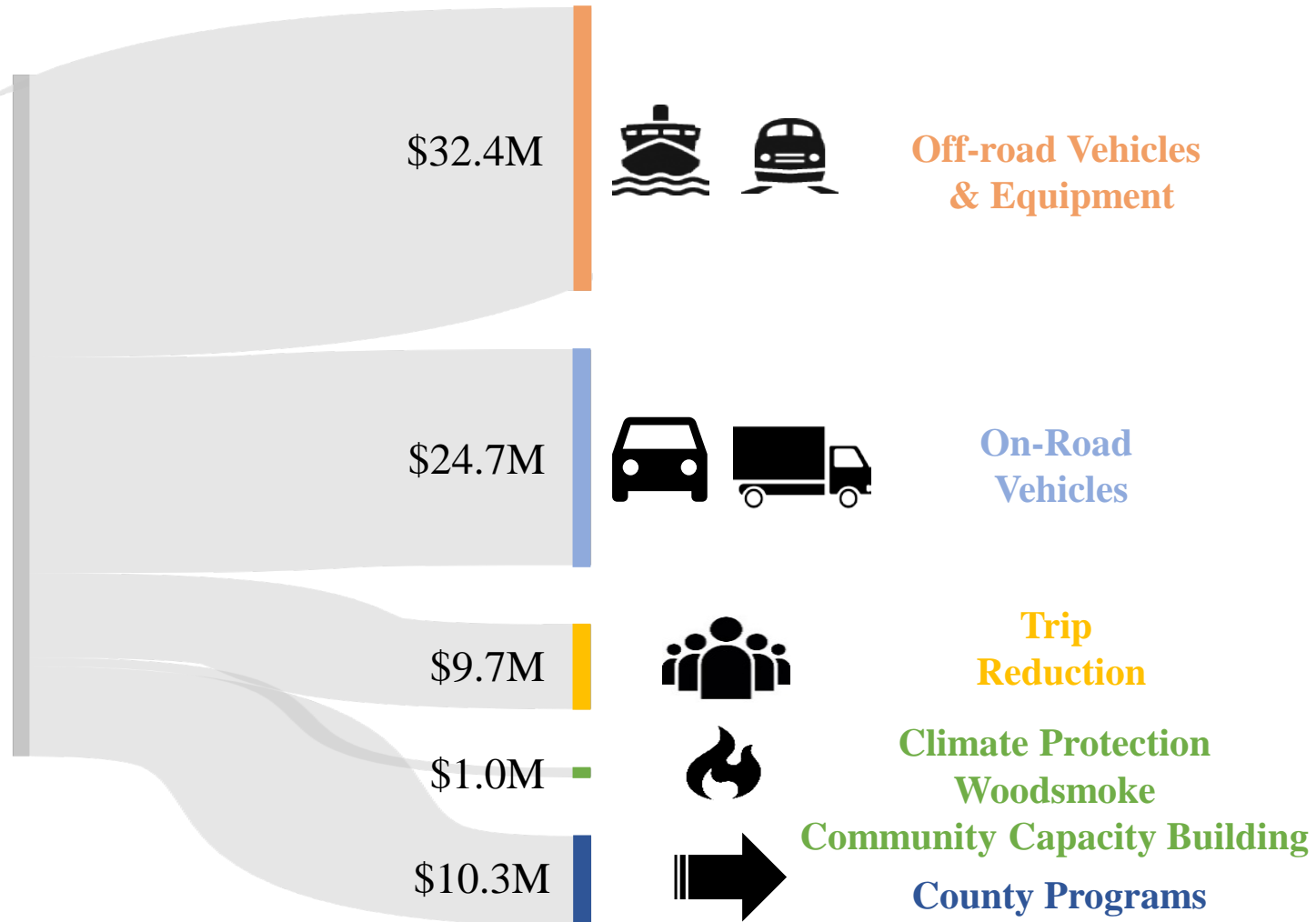
*Air District Emissions Inventory for calendar year 2015

Funds Awarded in 2019 by Project Type



>\$78 million (M)
Awarded in
2019

~63%
Benefits
Community Air
Risk Evaluation
(CARE) and
low-income
communities



2019 Projects Awarded Off-Road



98 Projects Awarded

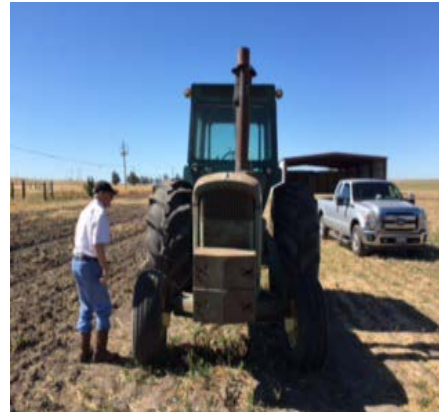
\$32.4M



Locomotives
(\$10.0M)
Marine (\$9.7M)



Agricultural
(\$5.4M)



Non-Agricultural
Off-Road
(\$7.2M)



Lawn & Garden
(\$88,000)



2019 Projects Awarded On-Road



4,100 Projects Awarded

**School Buses
(\$10.0M),
Transit Buses &
Trucks (\$3.0M)**

**Electric Vehicle (EV)
Charging
(\$5.5M)
Clean Cars For All
(\$1.9M)**

**Vehicle Buy-Back
(\$4.2M)**



\$24.7M



2019 Projects Awarded Trip Reduction



16 Projects Awarded

**Shuttles and
Ridesharing
(\$3.1M)**



**Bike Parking &
Lanes (\$1.4M)**



**Spare the Air
(\$5.2M)**



**Commuter
Benefits
(\$80,000)**



\$9.7M



2019 Projects Awarded Other



128 Projects Awarded

44 Projects Funded

**Climate Protection
(\$158,000)**

**Wood Smoke
Reduction
(\$173,000)**

**Community
Capacity
(\$653,000)**

**County
Programs
(\$10.3M)**

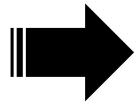


**Over \$10M of TFCA
funds pass-through to
County
Transportation
Agencies**

\$1.0M



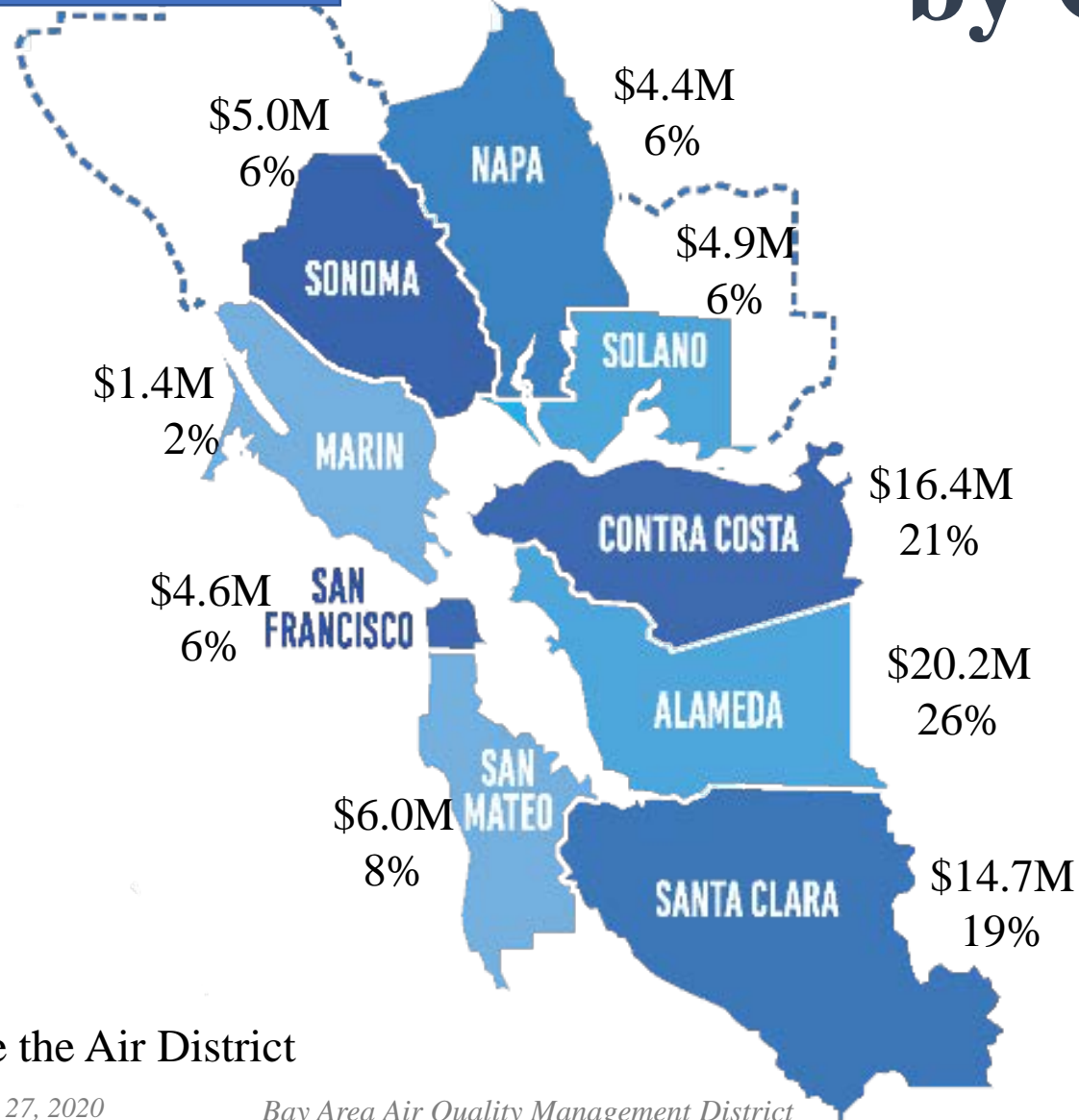
\$10.3M



Funds Awarded in 2019 by County

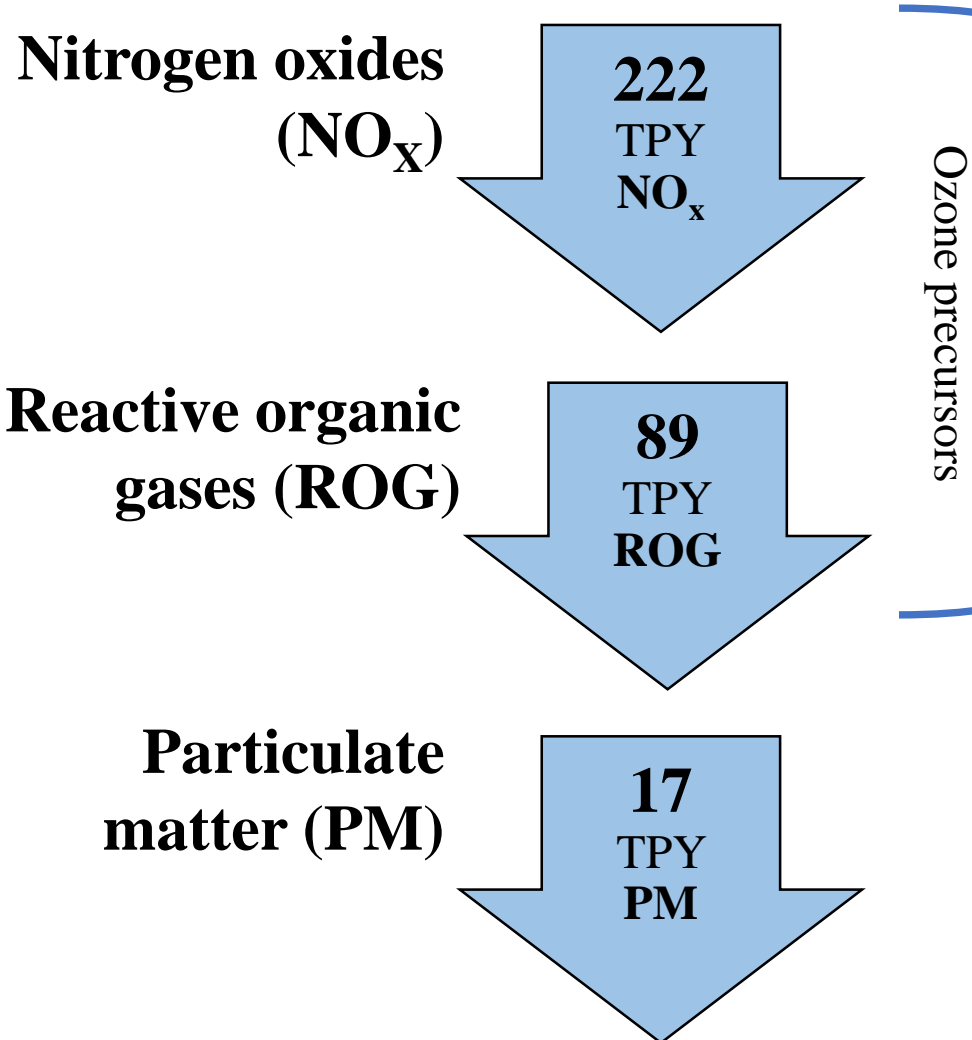


Over \$78M Awarded



~\$592,000 (1%) awarded outside the Air District

2019 Projects Awarded Estimated Emissions Reductions



- >328 tons per year (TPY)[‡] of criteria pollutant emissions reduced

[‡] Not all programs reporting emission reductions

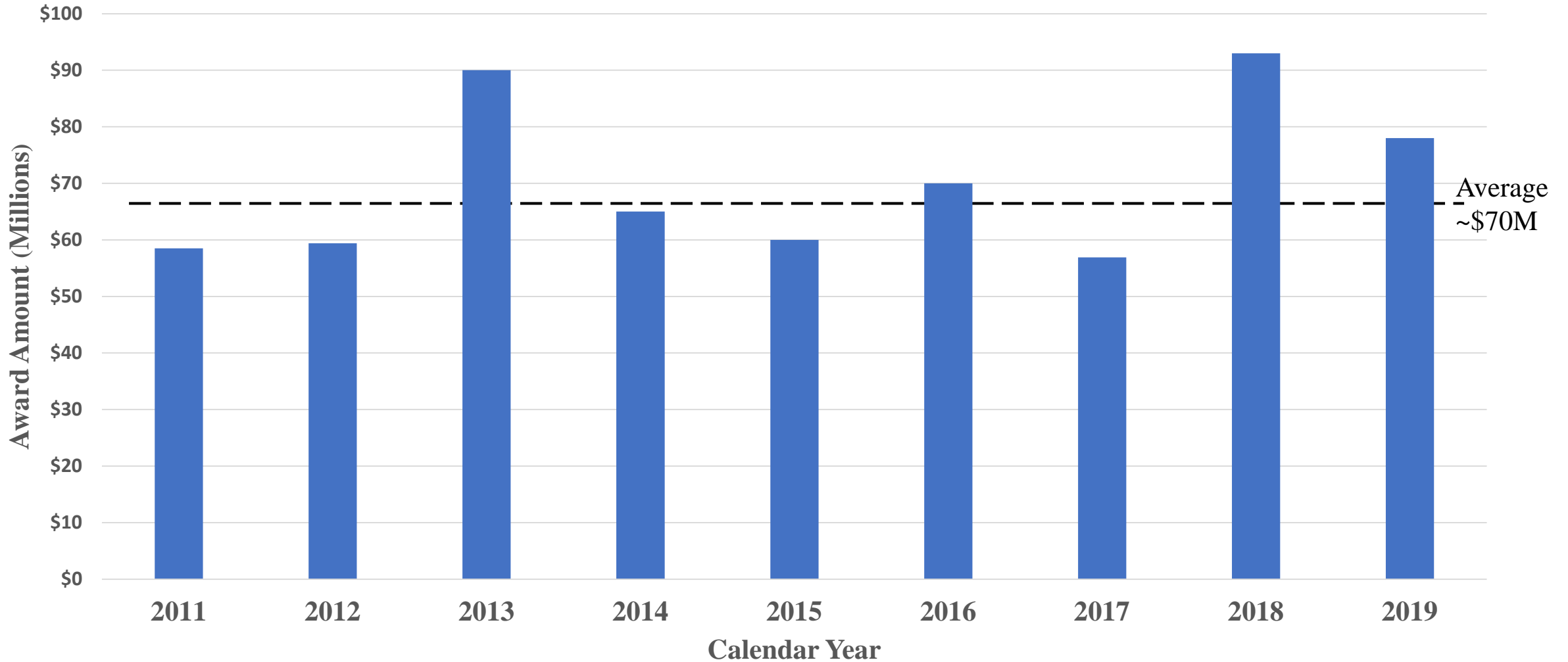
- Ozone precursors reductions = removing >84,000 vehicles from Bay Area fleet

- 19,135 TPY* of carbon dioxide (CO₂) emissions reduced

*Not all programs reporting CO₂ reductions

Historical Trends

Grant Funds Awarded 2011-2019



Historical Trends Funding Awarded 2015-2019



Over \$338.8M awarded



Light Duty Vehicles & Infrastructure

Trip Reduction

On-Road Trucks and Buses

Off-Road Equipment

Other

Light Duty EVs
EV Charging
Alternative Fueling
Infrastructure
Vehicle Buy Back

Shuttles &
Ridesharing
Bicycle Facilities
Spare the Air
Commuter Benefits

Heavy Duty Trucks
Transit Buses
School Buses

Locomotives
Agriculture
Equipment
Marine

Planning &
Outreach
Woodsmoke
Pass Through

\$47.3M

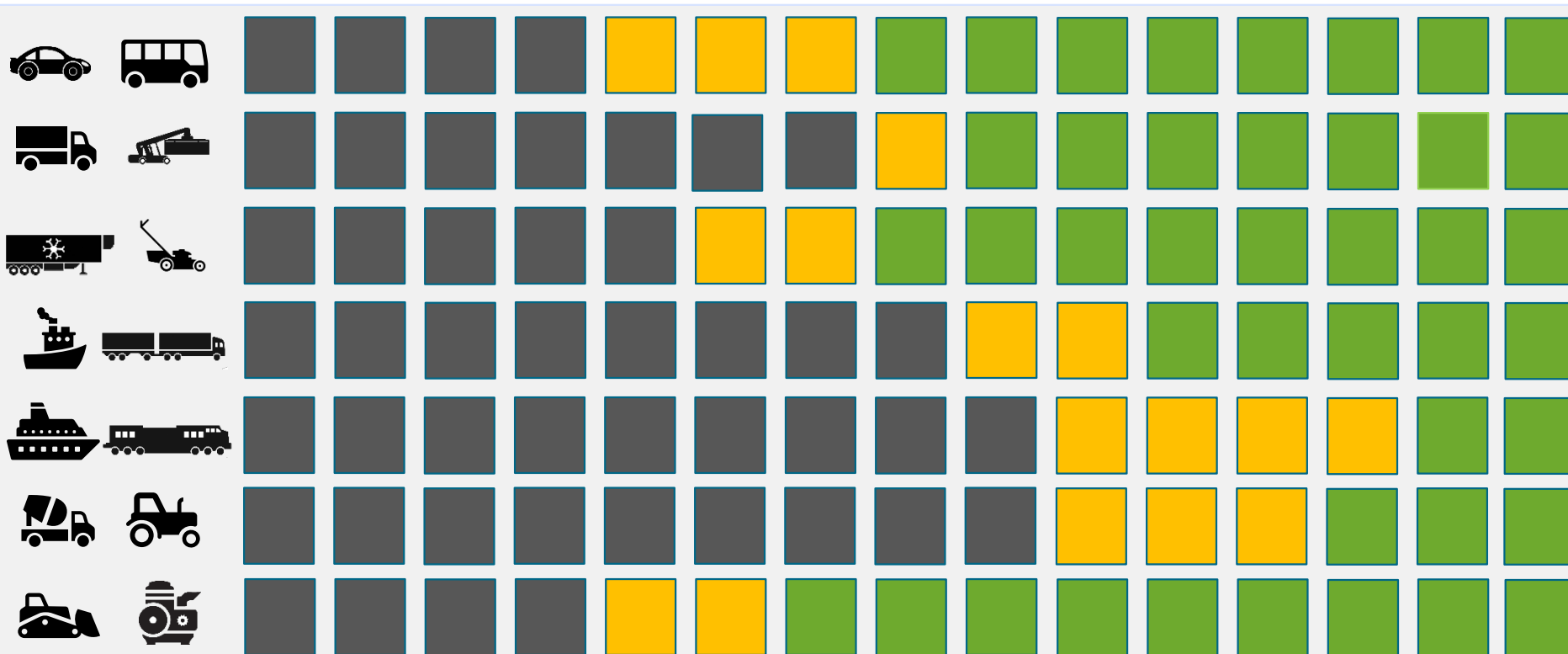
\$41.5M

\$75.7M




\$118.3M

\$56.0M

Path to Diesel Free by '33



2005 2010 2015 2020 2025 2030 2033

-  Commercially Available
-  Pre-Commercial
-  R&D



**Light-Duty
Cars & Fueling
Stations**

**Shared &
Connected
Vehicles**

**On-Road
Trucks and
Buses**

**Off-Road &
Rail**

Shore Power

Wood Smoke

**>1,600 cars
>5,000 charging
stations**

**Bike Sharing
Car Sharing
Shared
autonomous
vehicles**

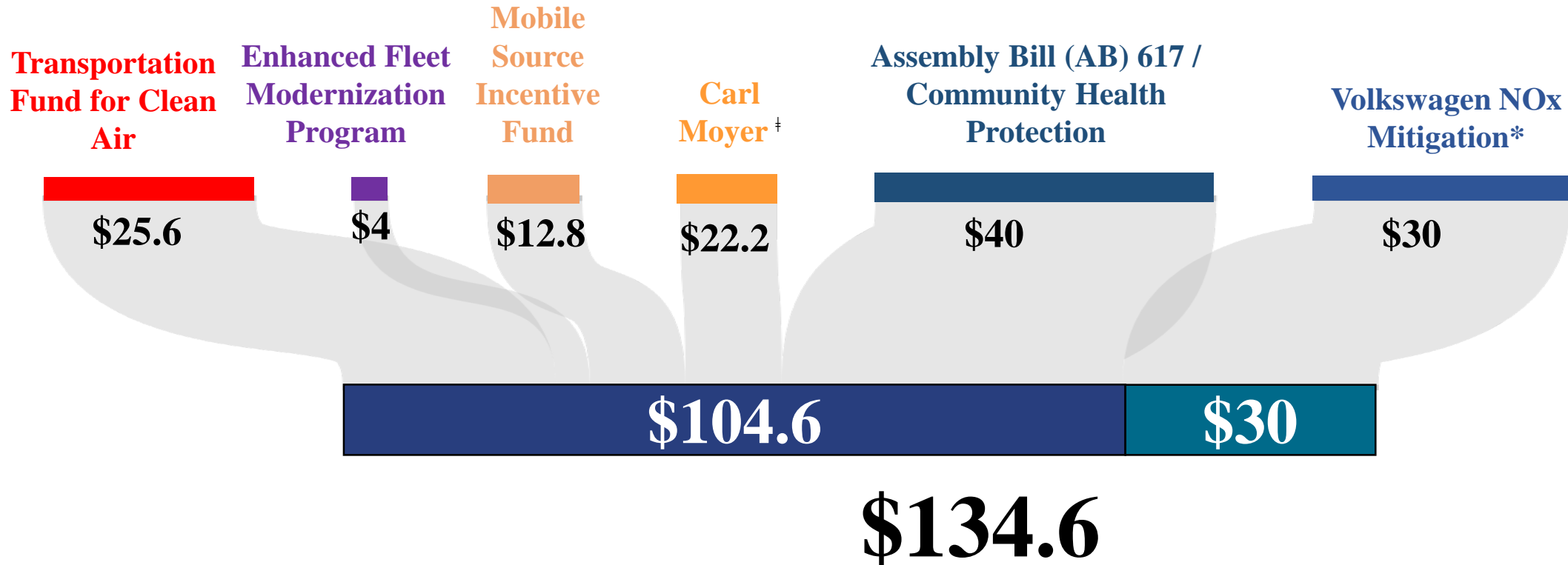
**>300 Medium
& Heavy-Duty
Vehicles**

**~160 cargo
handling & airport
ground support
equipment
Caltrain
>250 Lawn &
Garden**

**14 Berths at
Port of
Oakland**

**>50 residential
electric heat
pumps**

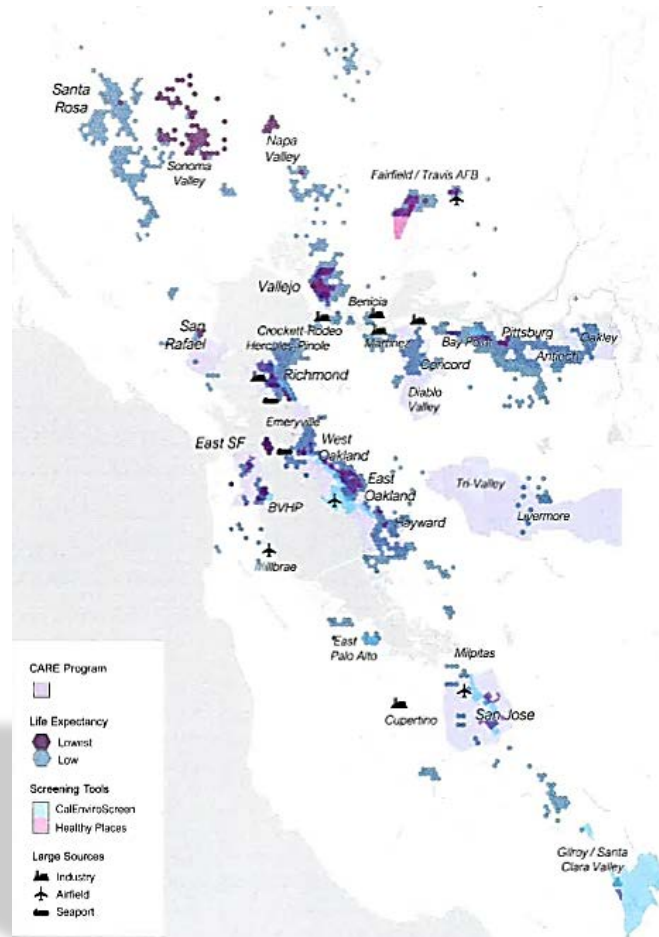
Projected Grant Revenues for Calendar Year 2020 (in Millions)



[†] 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.

2020 Grant Program Priorities



- AB 617 & impacted communities to reduce disproportionate exposure
- Equity Programs, e.g. Vehicle Incentive Program, Clean Cars for All
- Funding for projects that benefit communities adjacent to ports, roadways, and stationary facilities that drive increased health risk
- Diesel Free by '33
- Trip reduction to reduce Vehicle Miles Traveled (VMT)

