



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

AGENDA: 5

Projects and Contracts with Proposed Awards over \$500,000

**Mobile Source and Climate Impacts Committee Meeting
April 12, 2023**

**Minda Berbeco, Manager
Strategic Incentives Division
mberbeco@baaqmd.gov**

Presentation Outcome



Action items *for the Committee to consider recommending the Board of Directors:*

1. Approve recommended projects with proposed grant awards over \$500,000 as shown in Attachment 1; and
2. Authorize the Executive Officer/Air Pollution Control Officer to enter into all necessary agreements with applicants for the recommended projects.

Presentation Outline



- Background
- Proposed projects with awards over \$500,000
- Status of incentive funding
 - Revenue sources
 - Community benefits & project locations
- Recommendations

CMP/MSIF, CAPP, and FARMER



Carl Moyer
Program
(CMP)

Funding Agricultural
Replacement Measures
for Emission
Reductions **(FARMER)**

Community Air
Protection Program
(CAPP)

Mobile Source
Incentive
Fund
(MSIF)

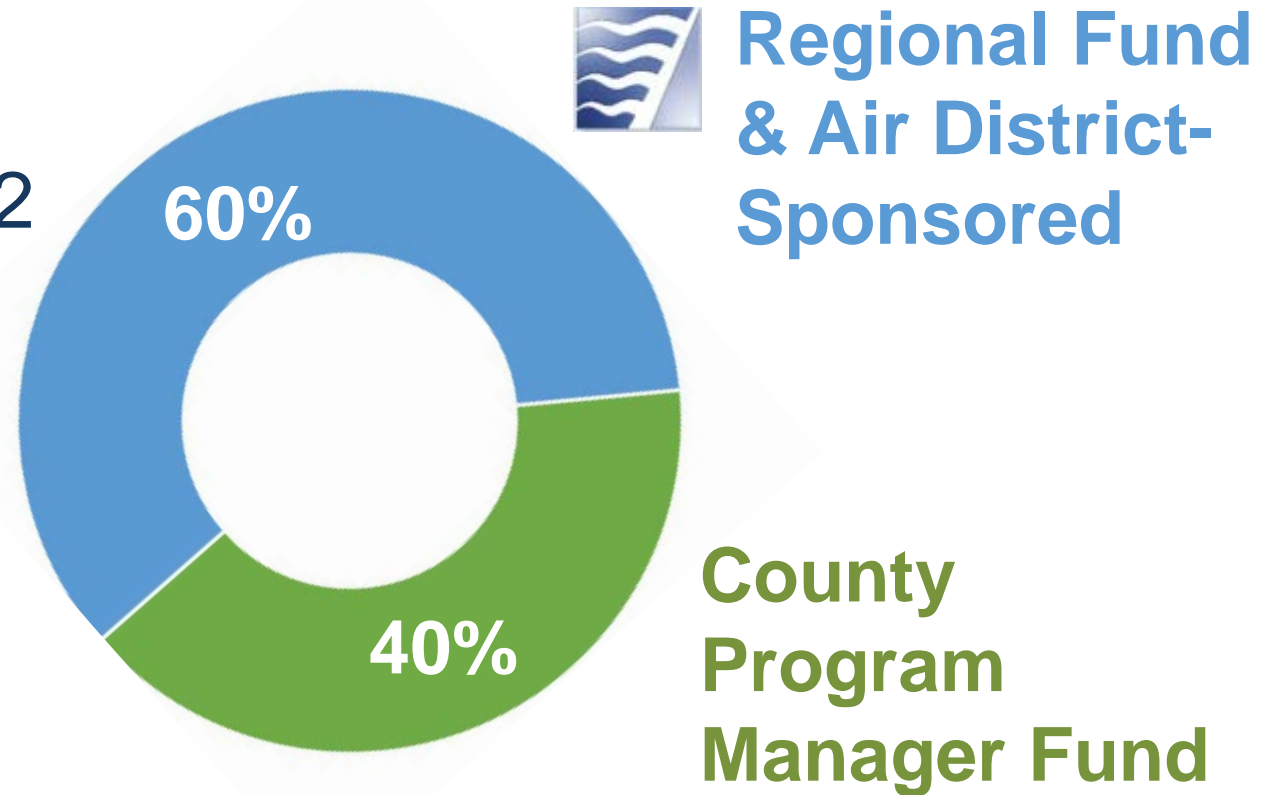
California Air Resources Board
\$76 million

DMV Fees
\$12 million

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



Proposed Projects



Recommend \$2,003,345 in awards for two projects that:

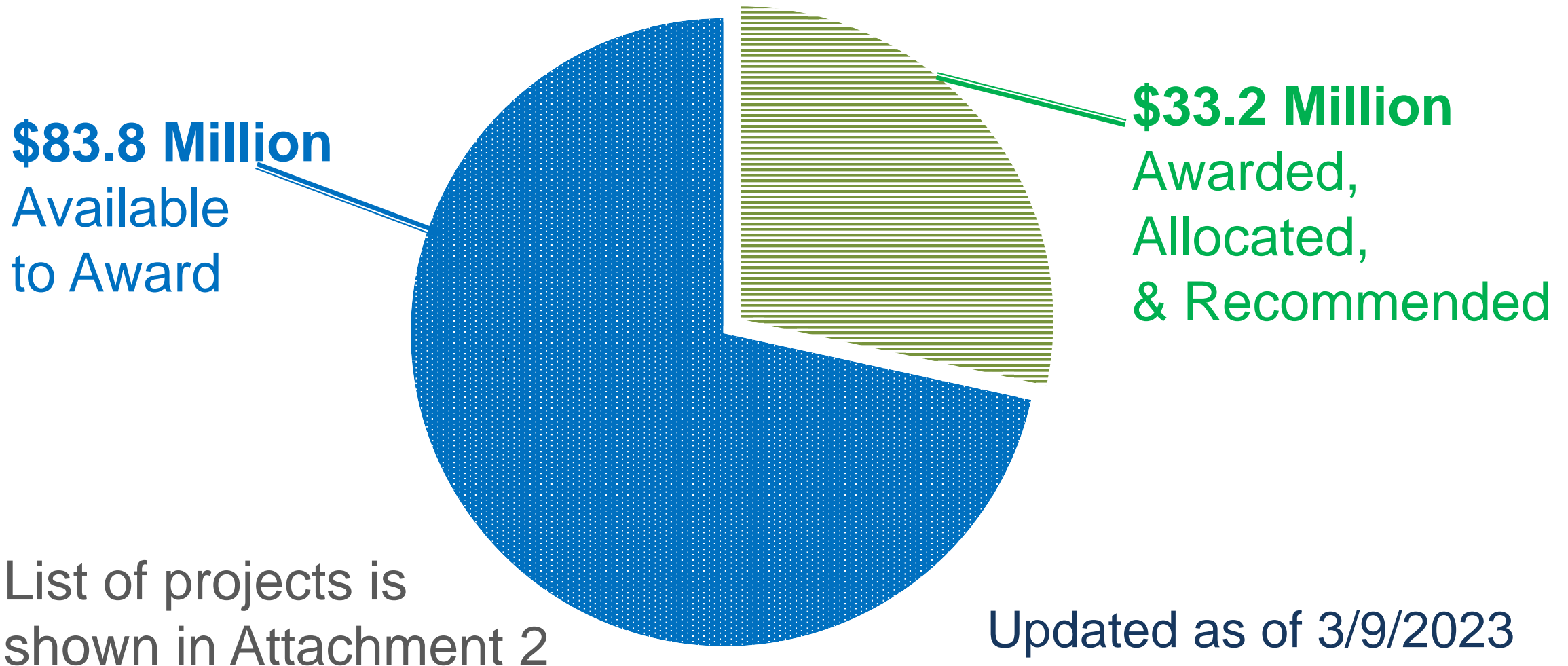
- Replace four (4) diesel school buses with four (4) electric school buses & install supporting infrastructure

Emissions Reductions

- Over 0.29 tons per year of criteria pollutants



Incentive Funds Awarded & Remaining since July 2022



Funds Awarded by Project Category Since July 2022 (in Millions)



Total = \$33.2 Million



Light-duty Infrastructure and Cars

Trucks & Buses

School Buses

Off-road Equipment

Marine & Rail

Trip Reduction

\$6.2

\$3.6

\$14.7

\$6.3

\$0

\$2.4

Updated as of 3/9/2023

Funds Awarded by County since July 2022



\$33.2 million
Total Funds Awarded

36.5 tons/year
Total Emissions Reductions
(NO_x, ROG, PM)

Note: reductions from regional allocations not reported

COUNTY	FUNDS AWARDED	
Alameda	\$ 6.3 million	19.0 %
Contra Costa	\$ 6.8 million	20.6 %
Marin	\$ 1.2 million	3.7 %
Napa	\$ 2.5 million	7.5 %
San Francisco	\$ 0.7 million	2.1 %
San Mateo	\$ 7.8 million	23.6 %
Santa Clara	\$ 4.7 million	14.0 %
Solano	\$ 1.4 million	4.3 %
Sonoma	\$ 1.8 million	5.3 %



Benefits to Priority Areas

Total = \$33.2 Million



~\$8M allocated to regional grants

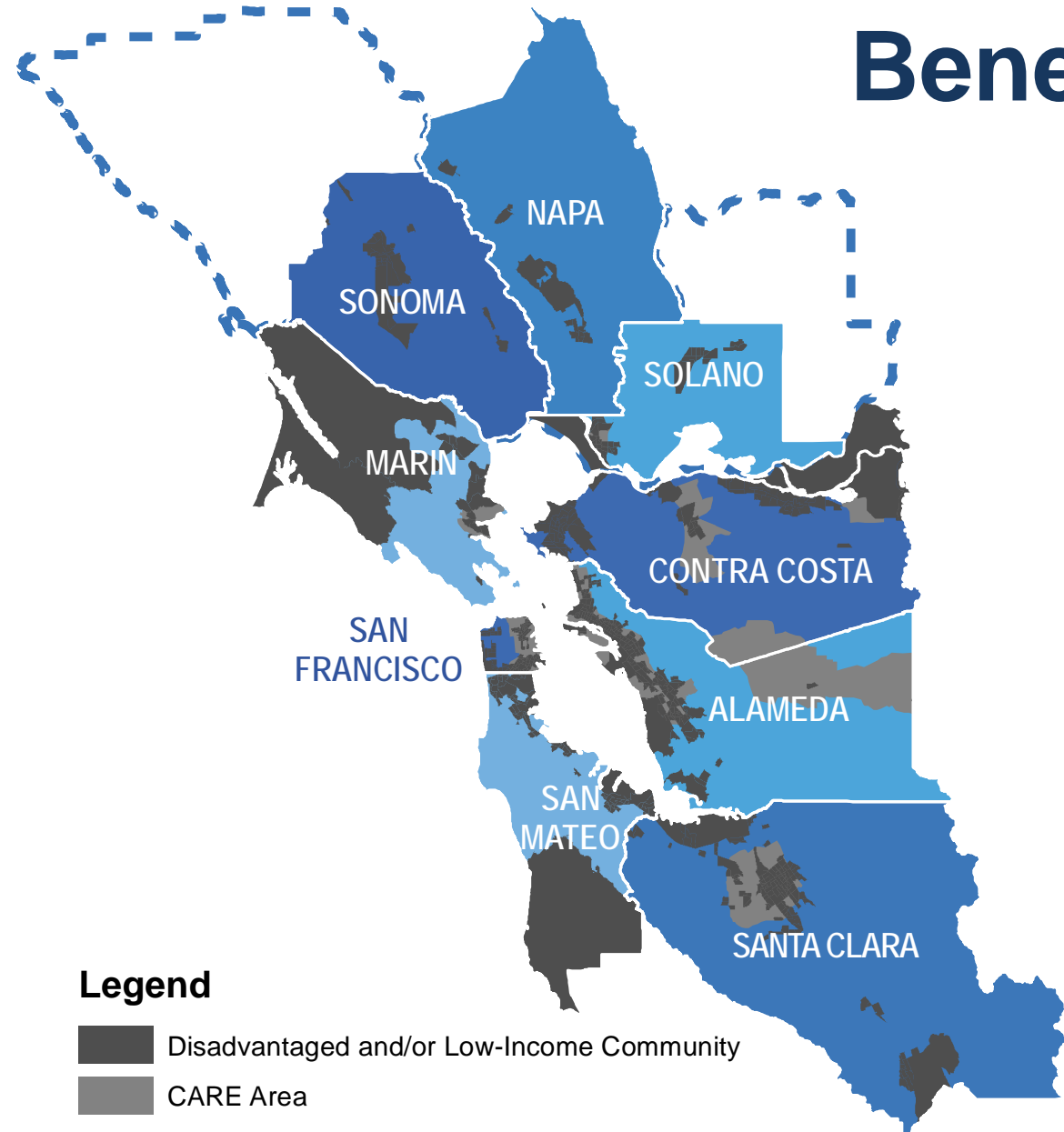
~\$22M to projects benefitting Priority Areas

- CARE areas
- Disadvantaged & low-income communities
- Low-income residents



Legend

-  Disadvantaged and/or Low-Income Community
-  CARE Area



Actions Requested



Action items *for the Committee to consider recommending the Board of Directors:*

1. Approve recommended projects with proposed grant awards over \$500,000 as shown in Attachment 1; and
2. Authorize the Executive Officer/Air Pollution Control Officer to enter into all necessary agreements with applicants for the recommended projects.



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AGENDA: 6

Updated 2023 Mobile Source and Climate Impacts Committee Work Plan

**Mobile Source and Climate Impacts Committee
April 12, 2023**

**Veronica Eady
Senior Deputy Executive Officer of Policy and Equity
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Presentation Information Only



- The Committee will review and discuss the proposed schedule and work plan for meetings in 2023.
- This is an informational item for discussion.

2023 MSCI Work Plan



- **April - May**

- Projects and Contracts with Proposed Grant Awards Over \$500,000
- 2022 Annual Report and Grants Program Overview
- FYE 2024 TFCA County Program Manager Expenditure Plans
- Audit Report (Regional Fund and County Program Manager)
- Updates to the TFCA Regional Fund Policies and Evaluation Criteria for FYE 2024

- **June - July**

- Projects and Contracts with Proposed Grant Awards Over \$500,000 (tentative)
- Consideration of FYE 2023 Charge! Projects and EV Charging Update

2023 MSCI Work Plan



• September - October

- Projects and Contracts with Proposed Grant Awards Over \$500,000
- Proposed Updates to the TFCA County Program Manager Fund Policies for FYE 2025
- Accept state funds for FYE 2025 Incentive Programs
- Aviation/Airport Sources of Air Pollution and General Aviation Fuel

• November - December

- Projects and Contracts with Proposed Grant Awards Over \$500,000
- Report on Transportation Fund for Clean Air Projects Expenditures and Effectiveness for FYE 2023
- Transportation Fund for Clean Air Program Regional Fund Projects - Audit #23 Results
- Clean Cars for All Program (CCFA) update

Updated 2023 MSCI Work Plan



- **Pending**
 - Indirect Source Rule (ISR)

Questions?





BAY AREA
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AGENDA: 7

Transportation Fund for Clean Air (TFCA) Audit #23 Results

**Mobile Source and Climate Impacts Committee
Meeting
April 12, 2023**

**Minda Berbeco, PhD, Manager
Strategic Incentives Division
mberbeco@baaqmd.gov**

Presentation Outcome



- This is an informational item, no action needed.

Presentation Outline



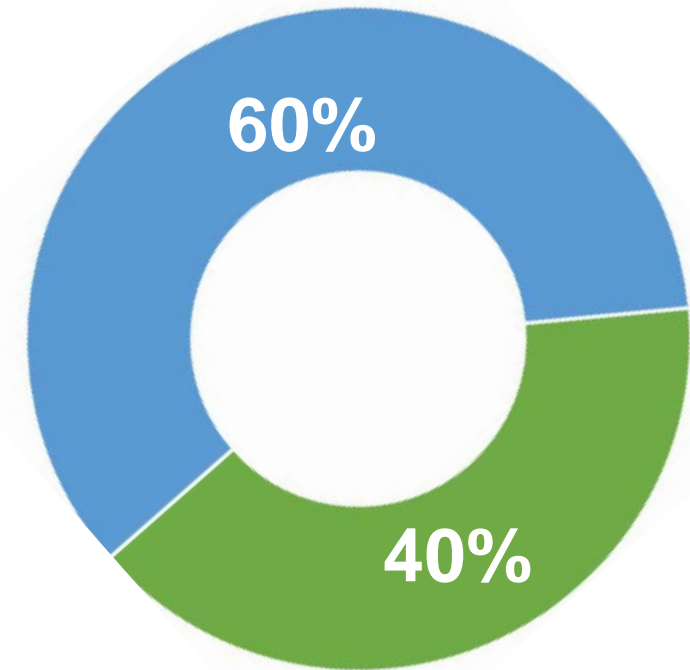
- Background
- Audit #23
 - Scope
 - Results
- Next Steps

Background Transportation Fund for Clean Air (TFCA)



- Authorized by CA Health and Safety Code § 44241 and 44242
- Funding provided by \$4 surcharge on motor vehicles

Regional Fund



County Program Manager Fund

Audit #23 Scope



- Requires fiscal audit of all TFCA-funded projects & programs ***at least once every two years***
- Board approved contract with Simpson & Simpson, LLP for independent audit services on October 4, 2017

Audit #23 Scope



- TFCA Regional Fund, County Program Manager Fund, and Air District-sponsored projects completed prior to June 30, 2021



Financial audits



Compliance audits

Audit #23 Results



- 20 TFCA Regional Fund Projects
 - Total audited expenditures = \$4,563,293
 - No findings
- 4 Air District-Sponsor Programs
 - Total audited expenditures = \$5,068,618
 - No findings
- 9 TFCA County Program Manager Programs
 - Total audited expenditures = \$22,640,701
 - One compliance finding for 19CC00 and 20CC00

Audit #23 Results



Audit #21: Historically, Contra Costa Transportation Authority (CCTA) used a payroll system that allocated time to specific programs and departments on an annual basis based on estimates. Due to this method of payroll accounting, the auditors were unable to audit CCTA's administrative costs in the previous TFCA audit.

Audit #21 Resolution: In 2020, CCTA began using timecards for payroll to be able to comply with audit requirements.

Audit #23: 19CC00 and 20CC00 began before the audit #21 resolution was applied in 2020. The resolution for audit #21 will ensure future projects will comply with audit requirements.

Next Steps



- Review results from Agreed-Upon Procedures
 - Further refine contractual requirements
 - Continue to improve communications with project sponsors regarding contractual requirements and audit process

Action Requested



- None. Informational item only



BAY AREA
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AGENDA: 8

Overview of Air District's Voluntary Mobile Source Grant Programs and Summary of Results for Calendar Year 2022

**Mobile Source and Climate Impacts Committee
Meeting
April 12, 2023**

Chengfeng Wang
Air Quality Program Manager
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Karen Messina Schkolnick
Director, Strategic Incentives Division
kscholnick@baaqmd.gov

Presentation Information Only



No action required. Informational item to discuss Air District's voluntary mobile source grant programs and 2022 results

Presentation Outcome



- Background
- Overview of Air District's Voluntary Mobile Source Grant Programs
- Summary of 2022 Results
 - Highlights – funds awarded by county, project type, and emission reductions
 - Historical Trends

Background: Sources of Air Pollution



Bay Area 2022 total: 517 tons/day of NOx, ROG, and PM10

Areawide

Examples:

Consumer Products
Residential Fuel
Road Dust

Stationary



Trucks & Buses



Marine



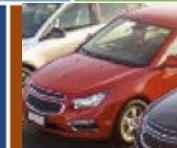
Other Mobile



Off-Road



Aircraft

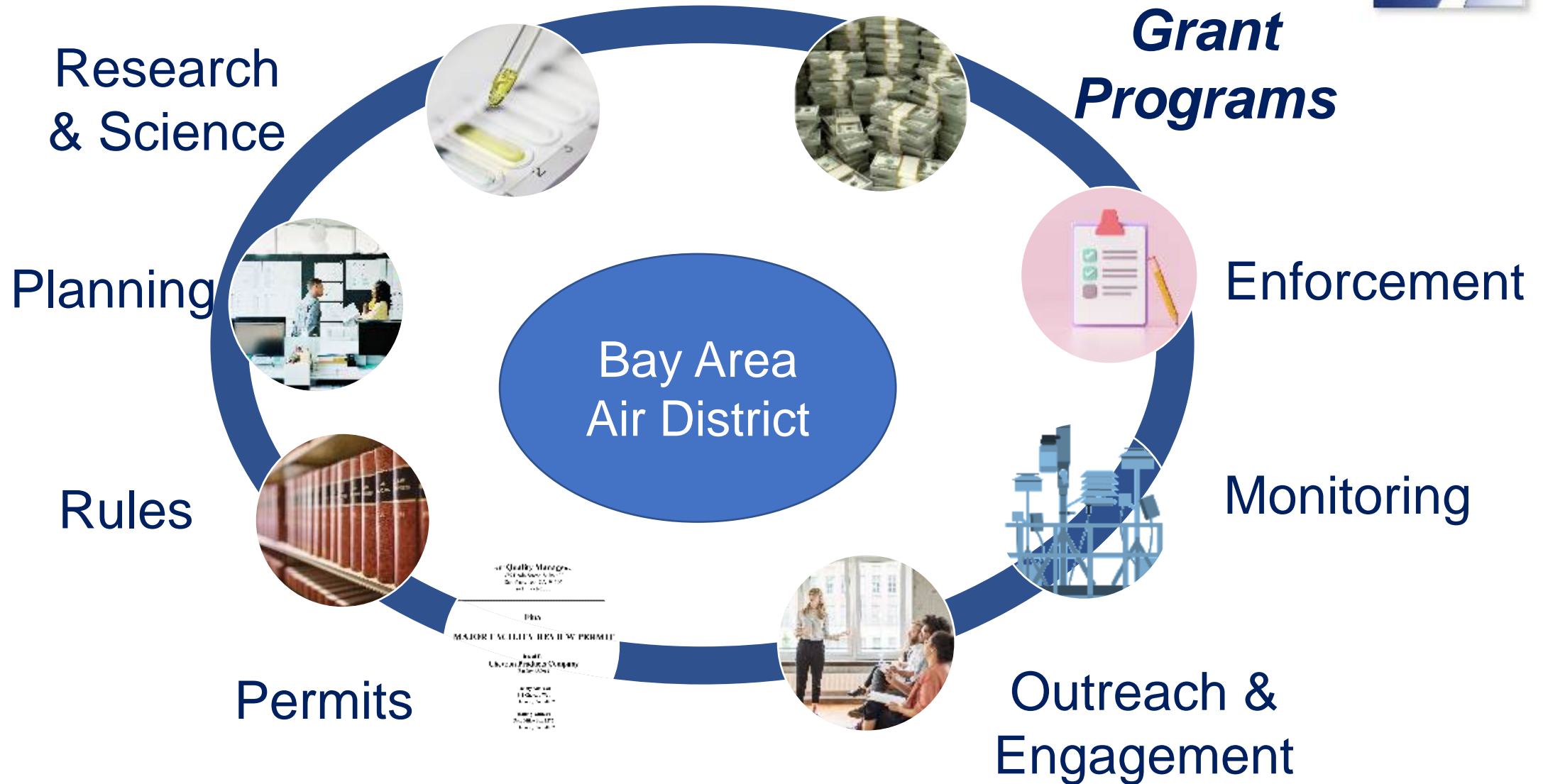


Cars

Mobile Sources

* [Emissions Inventory](#) (source: CA Air Resources Board)

Background: Tools for Improving Air Quality





Overview of Air District's Voluntary Mobile Source Grant Programs

Primary Mobile Source Funding Sources



~\$59M from CA Air Resources Board (CARB)

- Carl Moyer
- Community Air Protection – Grant Incentives
- FARMER
- Clean Cars for All



~\$37.5M from DMV Surcharge

- Transportation Fund for Clean Air (TFCA):
 - Regional Fund
 - County Program Manager Fund
- Mobile Source Incentive Fund (MSIF)

Other Grant Funding Sources



Goods Movement Program

\$140M (2008 – 2027)

VW NOx Mitigation Trust

\$ 80M (2018-2028)



- CARB's Low Carbon Transportation Investments & Air Quality Improvement Program
- USEPA's Diesel Emissions Reduction Act Funding
- Bay Area Clean Air Foundation (BACAF)

Other Grant Programs Managed by Air District



***Whose primary focus
on Equity, Community
Benefits, and Climate***

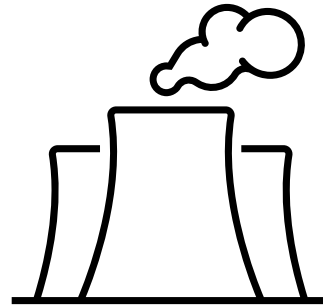
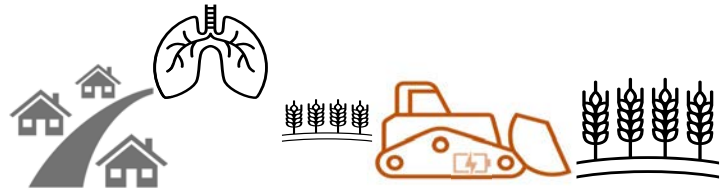
- James Cary Smith Grant Program
- Community Benefits Grant Program
- Clean Air Center
- Climate Protection Grants

AB 617 & Equity



Mobile Source Grants

Community Grants



Mobile Source Grant Project Categories



	  <p>Truck & bus</p>	  <p>Off-Road</p>		   
 <p>Marine & Locomotive</p>	 <p>School Bus</p>	 <p>Light-Duty Car</p>	 <p>Infrastructure</p>	

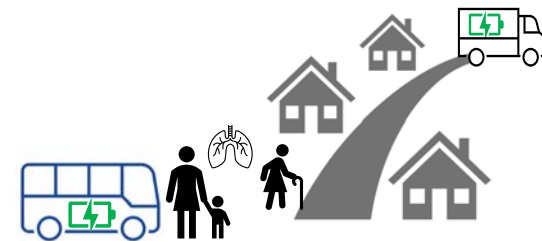
 Clean Air Vehicle/Equipment

 Trip Reduction

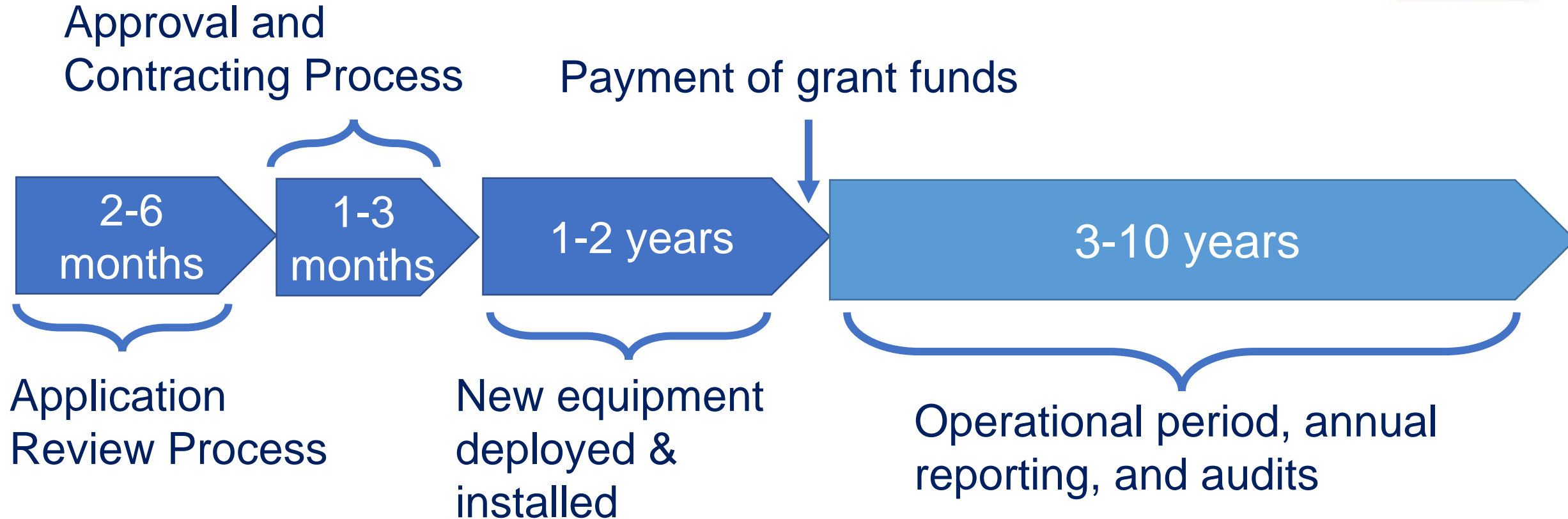
Key Mobile Source Grant Program Attributes



- **Grants awarded to owners** of vehicles & equipment to incentivize the upgrade to cleaner & electric or hydrogen-fueled
- **Eligibility requirements are set by funding source**
- Projects are evaluated to and awarded based on project's potential to **reduce criteria emissions & toxic air contaminants**
- Target percentage of awarded funds to projects that operate in **priority communities**



Timeline of a Funded Project



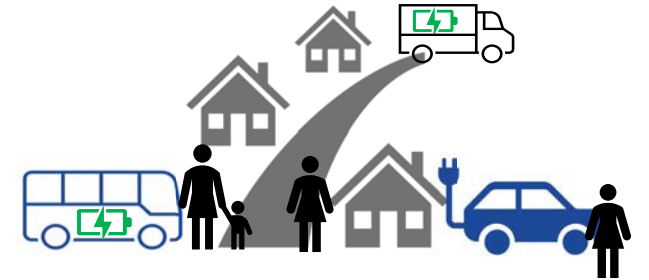


2022 Summary of Results of Mobile Source Grant Programs that Improve Air Quality for the Bay Area

2022 Highlights



- **\$59.4*** million (M) awarded to Bay Area projects
- **>76%** of awards to projects located in priority communities
- **778 Zero-emission vehicles and equipment**
 - ❖ \$27.6M awarded
 - ❖ 82% to electric and 18% to hydrogen
- **Expected to reduce 275 tons of NOx, ROG, & PM per year**



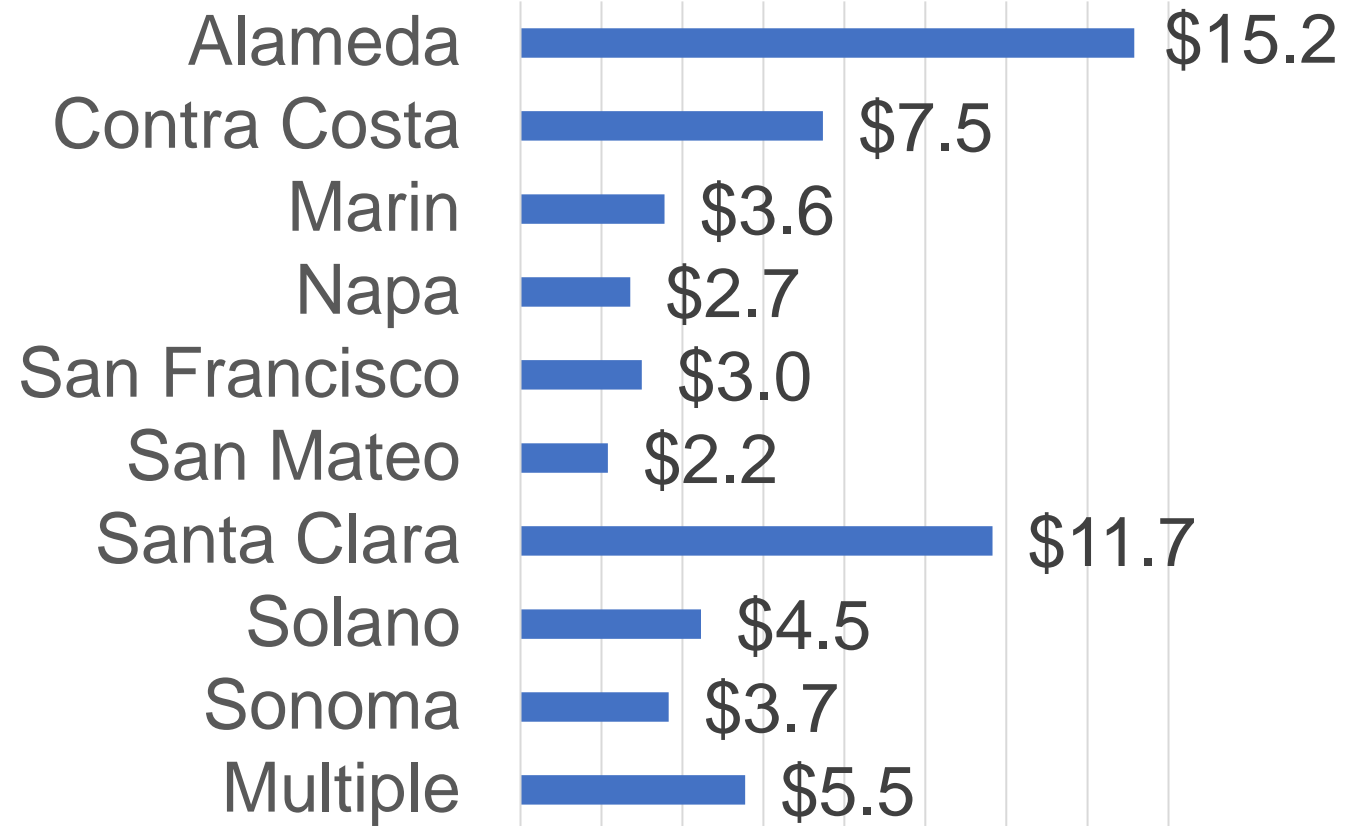
*Additional \$12.8M awarded to non-Bay Area projects through VW & GMP

Awards by County (\$ in millions)



>76% of funding awarded to projects located in priority communities

- *Disadvantaged Communities (DAC)*
- *Low-income areas (LIA)*
- *Community Air Risk Evaluation (CARE) areas*



* “Multiple” means project operates in more than one county in the Bay Area

Awards by Project Category (\$ in Millions)



Marine,
\$9.1



Off-Road, \$8.4

On-Road
Infrastructure,
\$8.9



Trip
Reduction,
\$3.0



School Bus,
\$9.8



Light-Duty
Car, \$7.2



Truck &
Bus, \$2.5

*Does not include \$10.5 million awarded by local agencies through the County Program Manager program

Zero-Emission Projects (in Millions)



\$27.6M awarded for 778 zero-emissions pieces of equipment



Car & Chargers, \$6.5



Off-Road, \$4.0



H2 Tank, \$4.7



School Bus, \$8.3



Truck & Bus, \$2.5



Plug-in Hybrid Car, \$1.6

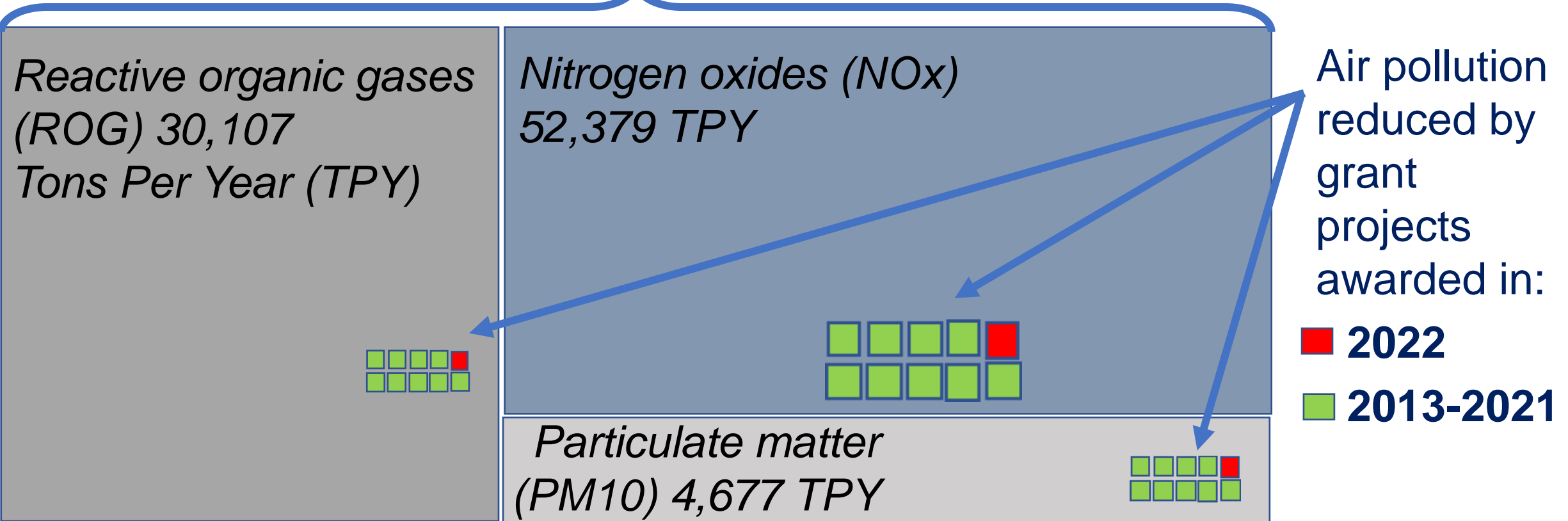


Electric vehicles and equipment

Air Quality Improvement from Mobile Source Grant Programs



Boxes show air pollution generated annually in Bay Area by **all mobile sources**



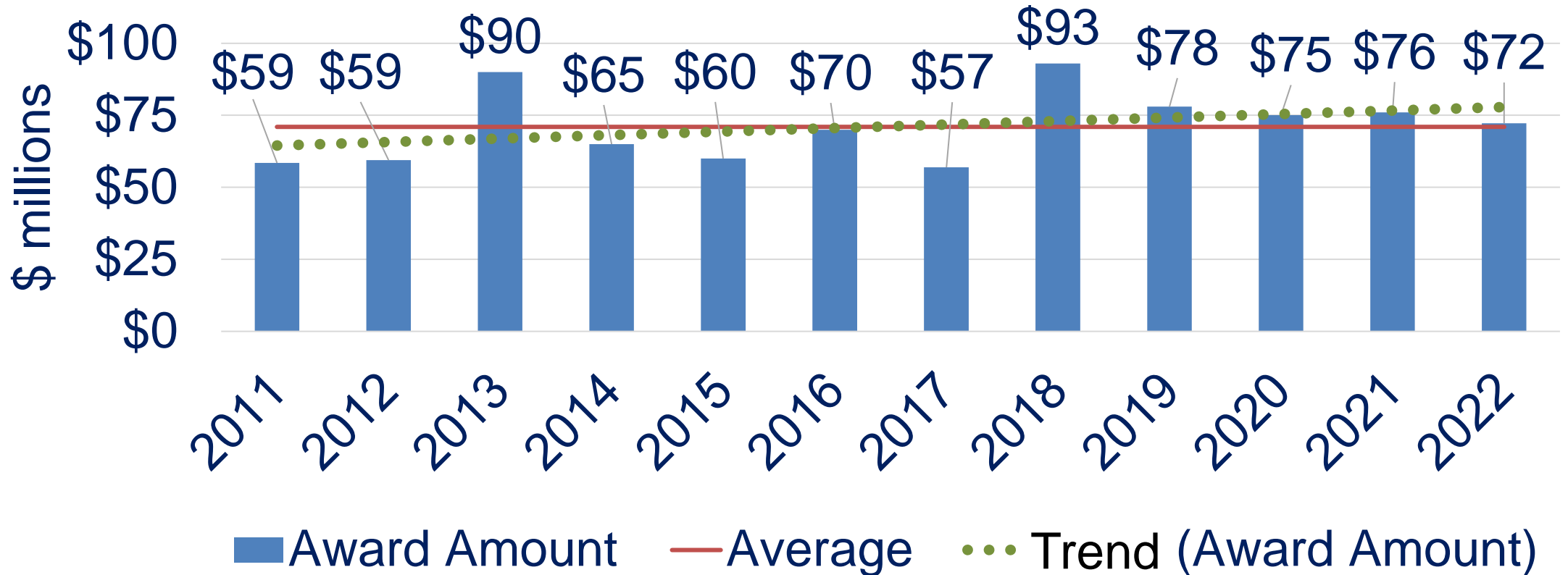
Emissions Inventory (source: CA Air Resources Board)

Historical Trend

Grant Funds Awarded 2011-2022



Average \$72 million (m) over 12 years **Average \$79 m over past 5 years**



Projected Funds for Mobile Source Grants

> \$130M FYE 2024



Carl Moyer
CAP Incentives

Mobile Source Incentive Fund
Transportation Fund for Clean Air

VW NOx Mitigation

Goods Movement

Clean Cars for All

