

ASSEMBLY BILL (AB) 118: AIR QUALITY IMPROVEMENT PROGRAM (AQIP) & LOW-CARBON TRANSPORTATION GREENHOUSE GAS REDUCTION FUND (GGRF) INVESTMENTS

California Environmental Protection Agency
Air Resources Board

Public
Workshop
Sacramento,
California
April 3, 2014

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OPENING COMMENTS

- AQIP Background
- GGRF and Cap and Trade Investment Plan
- Main Topics:
 - AQIP Planning
 - Light-Duty Vehicle Incentives
 - Heavy-Duty Vehicle and Equipment Incentives
- Handouts available

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WORKSHOP AGENDA

Morning Session	
9:30	Introduction and Overview of Workshop
9:40	AQIP Long-term Planning & Guiding Principles
10:15	AB 8 Project Scoring Criteria
10:45	Proposed Project Categories
11:00	Classic Clean Vehicle Rebate Project (CVRP)
12:00	Light-Duty Pilot Projects in Disadvantaged Communities
12:30	LUNCH
Afternoon Session	
1:30	Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP)
2:00	Zero-Emission Truck and Bus Pilot
2:30	Advanced Technology Freight Demonstration Projects
3:30	Truck Loan Assistance Program

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**PROGRAM BACKGROUND:
AQIP & GGRF CAP AND
TRADE INVESTMENTS**

The
foundation
to build upon

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AQIP BACKGROUND

- Created by AB 118 (2007)
- AB 8 (2013) extends programs through 2023
- Funds mobile source technology advancement
- Specific project types authorized
 - Vehicle and equipment projects
 - Research on alternative fuels
 - Advanced technology workforce training
- Guiding principles focused on air quality standards and complementing other Air Resources Board (ARB) incentive programs focused on near-term reductions
 - Carl Moyer Program
 - Goods Movement Emission Reduction Program
 - Lower Emission School Bus Program
- Annual funding plans identify projects and allocations

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AB 118 PROGRAMS

<p>ARB AQIP</p> <p>\$20-\$25 million</p> <p>Criteria pollutants, toxics, and greenhouse gas emissions (GHG)</p>	<p>California Energy Commission (CEC)</p> <p>Alternative and Renewable Fuel and Vehicle Technology Program</p> <p>~\$100 million</p> <p>GHGs</p>	<p>Bureau of Automotive Repair (BAR)</p> <p>Enhanced Fleet Modernization Program (EFMP)</p> <p>~\$30 million</p> <p>Criteria pollutants, toxics, and GHGs</p>
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GGRF: CAP AND TRADE PROCEED INVESTMENTS

- Senate Bill (SB) 1018, AB 1532, and SB 535 set framework
- First three-year Investment Plan completed and submitted to Legislature in May 2013
- Multi-agency coordination and extensive public process to develop Investment Plan (<http://www.arb.ca.gov/cc/capandtrade/auctionproceeds/auctionproceeds.htm>)
- \$200 million proposed for fiscal year (FY) 2014-15 for investments in Low-Carbon Transportation

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Comments and Discussion

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DRAFT PROPOSED AQIP LONG-TERM PLAN

Investing in
our future

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AIR QUALITY AND CLIMATE TARGETS

- **State Implementation Plan (SIP) Attainment:** 80% NOx reductions by 2023, 90% by 2032
- **Climate Change:** 80 percent GHG reduction by 2050
- **Community Health:** Minimize community health risk, especially in disadvantaged communities

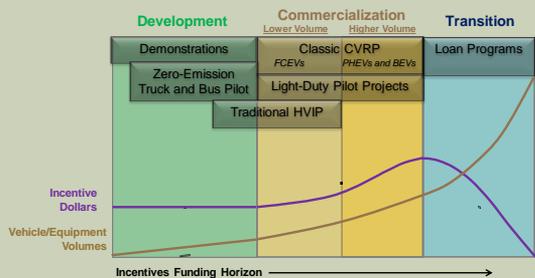
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OTHER PLANNING EFFORTS

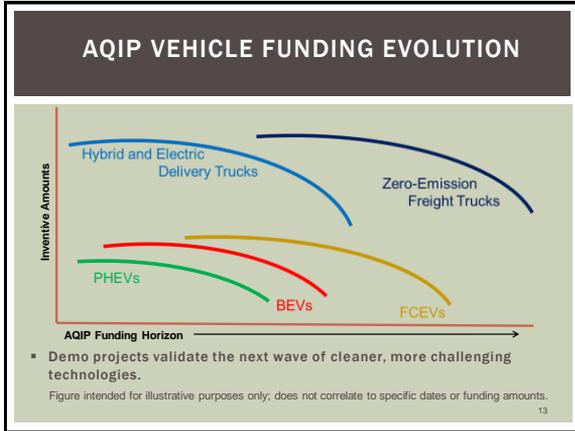
- Vision for Clean Air illustrates need for zero-emission technologies to achieve SIP and climate goals simultaneously
- Roadmaps for achieving these goals under development:
 - Sustainable Freight Strategy
 - Climate Change Scoping Plan Update
 - South Coast and San Joaquin Valley SIPs

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CONCEPTUAL EVOLUTION OF THE ROLE OF INCENTIVES TOWARDS AERO EMISSIONS



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Comments and Discussion

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DRAFT PROPOSED AB 8 SCORING CRITERIA

Proposed projects and how they are selected

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AB 8

- The state board shall provide preference in awarding funding to those projects with higher benefit-cost scores that maximize the purposes and goals of the Air Quality Improvement Program. (HSC 44274 (b))
 - Benefit-cost score: reasonably or expected potential criteria emission reductions achieved per dollar awarded by the board for the project. (HSC 44270.3(e)(1))
- The state board also may give additional preference based on the following criteria (HSC Section 44274(b)):
 1. Proposed or potential reduction of criteria or toxic air pollutants.
 2. Contribution to regional air quality improvement.
 3. Ability to promote the use of clean alternative fuels and vehicle technologies
 4. Ability to achieve climate change benefits
 5. Ability to support market transformation of California's vehicle or equipment fleet to utilize low carbon or zero-emission technologies.
 6. Ability to leverage private capital investments.

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METHODOLOGY OVERVIEW

- Based on AB 8 statute, staff developed methodology to score projects and assign funding preference
- Seeking feedback on the developed methodology
- The methodology developed includes the following:
 - Emissions Benefit Analysis
 - Project Cost Analysis
 - Benefit-Cost Score Analysis
 - Additional Preference Criteria
 - Total Benefit Index

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EMISSIONS BENEFIT AND PROJECT COST

Emissions Benefit Analysis

- Well-to-wheels analysis is the preferred methodology to quantify emissions benefits
- Near-term and potential long-term emissions benefits, when applicable, were quantified for each proposed project
- NOx, PM (2.5), and HC emissions benefits

Project Cost Analysis

- Analyzed both the expected near-term and the potential long-term incentive amounts of the proposed projects
- Near-term: Costs were based on current or assumed incentive funding levels for proposed projects in FY2014-2015
- Long-term: Staff estimated the potential incentive levels of vehicles and equipment supported by the proposed projects throughout the proposed project life

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BENEFIT-COST/COST-EFFECTIVENESS SCORES

- Near-term and potential long-term emissions reductions and project costs were input the Carl Moyer Program cost-effectiveness formula.
- Cost-effectiveness values were then averaged to generate a single cost-effectiveness value for each of the projects.
- The cost-effectiveness scores are in units of dollars per ton of criteria emissions reduced (\$/ton).
 - Per AB 8, the cost-effectiveness scores were converted to a benefit-cost score with the units of pound of criteria emissions benefit per dollar (lbs/\$).

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ADDITIONAL AB 8 PREFERENCE CRITERIA

1. Proposed or potential reduction of criteria or toxic air pollutants
2. Contribution to regional air quality improvement
3. Ability to promote the use of clean alternative fuels and vehicle technologies
4. Ability to achieve climate change benefits
5. Ability to support market transformation
6. Ability to leverage private capital investments

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TOTAL BENEFIT INDEX

- The cost-effectiveness/benefit-cost scores and the additional preference criteria were scaled and scored for each project
- Scores were weighted to give preferential weight to the cost-effectiveness/benefit-cost scores - 75%/25%
- The "Total Benefit Index" score that combines benefit-cost with the additional preference criteria was used to determine funding preference under AB 8
- Analysis performed for all of the proposed projects.

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PROPOSED AB 8 PROJECTS			
	Proposed AQIP Projects		
	Truck Loans \$7,100	CVRP \$9,800	HVIP \$26,000
Cost Effectiveness Score (\$/ton)			
Scale			
5: <\$20,000/ton			
4: \$20,001-\$39,999	5	5	4
3: \$40,000-\$59,999			
2: \$60,000-\$79,999			
1: >\$80,000			
Benefit Cost Score (lbs/\$)	0.280	0.204	0.086
Additional Preference Criteria: Scale (1-5)			
1) Proposed or potential reduction of criteria or toxic air pollutants	3	1	2
2) Contribution to regional air quality improvement	5	2	4
3) Ability to promote the use of clean alternative fuels and vehicle technologies	0	5	5
4) Ability to achieve climate change benefits	0	1	2
5) Ability to support market transformation	0	5	5
6) Ability to leverage private capital investments			
Preference Criteria Average Score	1.6	2.8	3.6
Total Benefit Index	4.2	4.5	3.9

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**DRAFT PROPOSED
PROJECT CATEGORIES
AND FUNDING
ALLOCATIONS**

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PROPOSED FUNDING ALLOCATIONS			
	AQIP Funding	GGRF Investments	
		Total	Proposed to Benefit Disadvantaged Communities
<i>Light-Duty Vehicle Projects – \$125M</i>			
• Classic CVRP	\$5M	\$111M	10%=\$11M
• Pilot Projects	-	\$9M	100%=\$9M
<i>Heavy-Duty Vehicle and Equipment Projects – \$95M</i>			
• Traditional HVIP	\$5M	\$5-\$10M	100%=\$10M
• Zero Emission Truck and Bus Pilot	-	\$20-\$25M	100% = \$20M
• Truck Loan Assistance Program	\$10M	-	-
• Advanced Technology Demonstrations (Freight)	-	\$50M	100%=\$50M
<i>Reserve for Revenue Uncertainty</i>	\$2M		
Total	\$22M	\$200M	50%=\$100M

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**CLASSIC CLEAN VEHICLE
REBATE PROJECT**

CVRP

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CVRP PRESENTATION OUTLINE

- Overview of CVRP
- Current Project Status
- Draft Proposed Near-Term Project Modifications for FY 2014-15
- Draft Proposed Long-Term Project Modifications
- Comments and Discussion

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OVERVIEW OF CVRP

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BACKGROUND

- Current rebates for California consumers
 - \$2,500 for ZEVs
 - \$1,500 for PHEVs
- Accelerates market growth of the cleanest vehicles available
- Demand for funding continues to grow
- Program updates for 2014:
 - Maximize effectiveness with limited budget
 - Options to increase benefits in disadvantaged communities
- Administered by the California Center for Sustainable Energy

<http://energycenter.org/clean-vehicle-rebate-project>

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PROJECT SUMMARY

- ~49,000 rebates issued to date, totaling \$100M
- 160% increase in rebates reserved between 2012 and 2013
- December 2013 set a new record with over 3,700 rebates reserved (funding demand exceeded \$7M)
- 52% of rebated vehicles are battery electric vehicles
- 47% of rebated vehicles are plug-in hybrids

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PROJECT GOALS

- Outstanding goals
 - Seed the market for widespread commercialization of cleanest vehicles
 - Drive consumer purchasing decisions
 - Easy for participants to understand and implement
 - Support 1.5 million ZEVs by 2025
 - Leverage funding in related programs (EFMP, local sources)
 - Maximize co-benefits to infrastructure and workforce training
- Proposed additions
 - Prioritize the most advanced technologies
 - Increase benefits to disadvantaged communities

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CURRENT PROJECT STATUS

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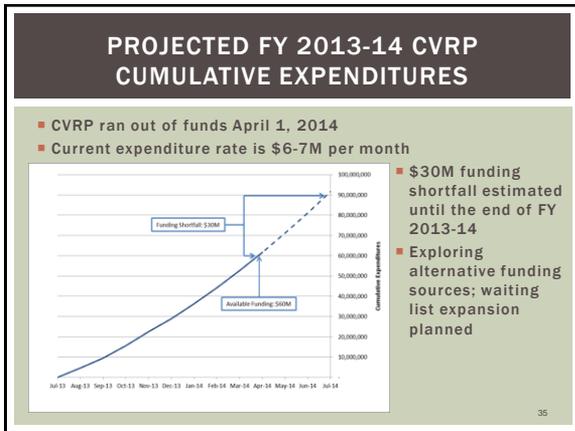
REBATES ISSUED TO DATE (AS OF MARCH 31, 2014)

Vehicle Type	# Vehicles	Funds Spent
ZEVs	25,676	\$68,105,973
PHEVs	23,032	\$34,519,618
Zero Emission Motorcycles (ZEMs)	201	\$208,225
Neighborhood Electric Vehicles (NEVs)	137	\$142,150
Commercial ZEVs*	49	\$980,000
Total	49,095	\$103,955,966

* Part of HVIP as of FY 10-11

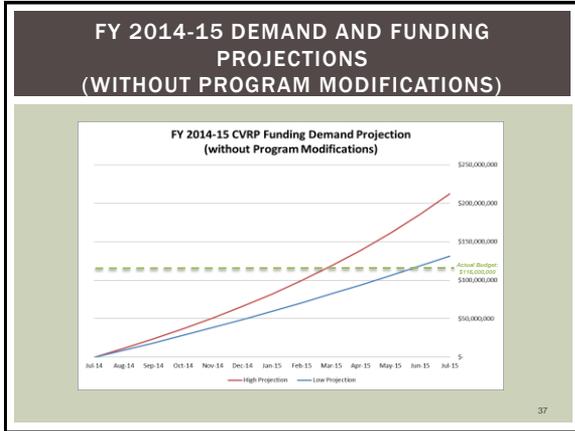
▪ Figures include rebate funding of \$44.05M provided by CEC

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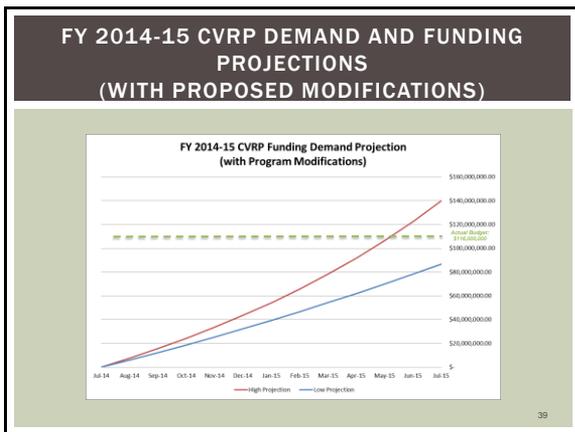


DRAFT PROPOSED NEAR-TERM PROJECT MODIFICATIONS FOR FY 2014-15

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- ### PROPOSED PROJECT MODIFICATIONS
- Lower rebate amounts by \$500
 - \$2,000 for BEVs
 - \$1,000 for PHEVs
 - MSRP cap of \$60,000 for BEVs and PHEVs
 - Fuel Cell Vehicles (FCEVs)
 - Current market status significantly different than BEVs and PHEVs
 - \$5,000 rebates, consistent with initial rebates for ZEVs
 - Not subject to MSRP cap in FY 2014-15
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OTHER ADMINISTRATIVE CHANGES

- Adjust rebate allowances for individuals
 - Rebates currently limited to 2 per individual or business each year
 - Staff proposal: limit to 2 overall, beginning July 1, 2014

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CONTINGENCY MEASURES

- Market demand still in flux
- Flexibility needed to adjust project if budget demand increases
- Potential levers include:
 - Adjust MSRP cap
 - Reduce rebates
- Seeking public comments on possible contingencies

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**DRAFT PROPOSED
LONG-TERM PROJECT
MODIFICATIONS**

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METRICS OF SUCCESS

- Household ownership patterns
 - New ZEV purchasers
 - Purchaser avg. income
- Manufacturer achievements
 - Manufacturing cost reductions
 - Market diversity
 - # of manufacturers with demonstrating market progress
- State of market
 - Percent of CA market/sales
 - Percent of vehicle purchasers utilizing CVRP
 - Rebate demand

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PROPOSED RECOMMENDATIONS

- Technology rebate evaluation targets for the 3 main technology types (BEVs, PHEVs, FCEVs)
 - 150,000 for ZEVs (BEVs and FCEVs)
 - 75,000 for PHEVs
 - Phase-out evaluation at half-way point
- Evaluate MSRP cap annually

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DRAFT PROPOSED PILOT PROJECTS IN DISADVANTAGED COMMUNITIES

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LIGHT-DUTY VEHICLE PILOT PROJECTS

- Targeted to achieve emission reduction benefits in disadvantaged communities
- Propose \$9 million allocation
- Project Goals:
 - Opportunity to test viability for larger, future investments
 - Deliver benefits to disadvantaged communities (education, access, clean air)
 - Benefits from greenhouse gas emission reductions
- Concepts include:
 - Targeted car sharing
 - Set aside and increased rebates for public fleets
 - Rebates for clean vehicle purchases linked to vehicle retirement (EFMP Plus-up)
 - Financing assistance programs
- Development for pilots to continue through 2014-2015
 - Will include metrics of success for each project

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CAR SHARING

- Purpose: Individual benefits from private automobile without the responsibility of car ownership costs
- CVRP set-aside for car sharing projects since FY 2011-12; no special criteria required
- Opportunity to pilot unique car share for testing and data purposes
- Pilot concept:
 - Use CalEnviroScreen to determine pilot project areas
 - Utilize expertise of existing car share models
 - Develop effective pilot providing access of advanced technologies to low-income individuals
- Timeframe:
 - Begin detailed development after adoption of Funding Plan
 - Establish Work Group to determine project needs
 - Solicit project early 2015

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PUBLIC FLEETS

- Purpose: Encourage public agencies to use the cleanest vehicles available
- FY 2013-14 Funding Plan \$200,000 set-aside for public fleets not spent; participation in CVRP remains low
- Continued fiscal constraints on public agencies
- Higher-capital costs compared to traditional gasoline vehicles
- Charging/refueling infrastructure requirements needed
- Inability to access the \$7,500 federal tax credit for clean vehicle purchases
- Pilot concept:
 - Offer rebates of up to \$10,000 to offset federal tax credit and other fiscal constraints
 - Provide support for charging/refueling infrastructure
- Timeframe:
 - Continue to develop concept as part of Funding Plan

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EFMP PLUS-UP

- Purpose: Promote advanced clean vehicle replacements by providing additional financial assistance coordinated with EFMP or other vehicle retirement programs
- Pilot concept:
 - Offer a rebate equal to or more than current CVRP rebate for low-income participants that voluntarily scrap their older, high-polluting vehicle and replace with a cleaner, advanced technology vehicle
 - In conjunction with other entity or community group efforts to offer vouchers/rebates for new or used vehicles
- Timeframe:
 - Continue current development efforts
 - Solicit project late 2014/early 2015

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FINANCING ASSISTANCE

- Purpose: Assist credit-challenged consumers by providing a loan mechanism or low-interest loans for vehicle purchases
- Pilot concept:
 - Offer loan loss guarantee, interest rate buy-downs, or other financing mechanisms in conjunction with financing institutions
 - Make programs easily accessible and simple for low-income consumers
 - Link with other incentives where possible to maximize benefits for low-income consumers
- Timeframe:
 - Begin detailed development after Funding Plan approval
 - Solicit project early 2015

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**HYBRID AND ZERO
EMISSION TRUCK AND
BUS VOUCHER
INCENTIVE PROJECT**

HVIP

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BACKGROUND

- Vouchers for California consumers
 - ~\$20,000 for hybrid truck or bus
 - ~\$35,000 for zero-emission truck or bus
- Voucher applied at point of purchase
- Market differences between hybrid vs. electric vehicles
 - Hybrid Trucks: Local dealerships increasingly cater to relatively small fleets purchasing a few trucks each
 - Zero-Emission Trucks: A few big, national fleets purchase large numbers of vehicles directly from the manufacturer

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HVIP PROJECT GOALS

- Significantly increase program demand
 - Zero-emission truck and bus demand has remained flat
 - Enable continued hybrid truck demand growth
- Accelerate commercialization of:
 - ARB-certified hybrids
 - Plug-in hybrids with zero-emission miles
 - Zero-emission vehicles with enhanced operation (range, power, etc...)
- Remain easy for participants to understand and implement
- Significantly increase benefits to disadvantaged communities

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HVIP VOUCHERS ISSUED (THROUGH JANUARY 1, 2014)

Vehicle Vocation	# Vehicles	Funds Spent
Parcel Delivery	567	\$17,451,000
Beverage Delivery	422	\$14,471,000
Other Truck	218	\$7,260,000
Food Distribution	162	\$4,487,000
Uniform & Linen Delivery	117	\$3,000,000
Liquid Propane Pick-up & Delivery	46	\$922,000
School, Shuttle or Urban Bus	33	\$951,776
Tow Truck	25	\$745,000
Refuse Hauler	14	\$537,000
TOTAL	1,604	\$49,824,776

- Figures include \$4M in funding from CEC
- 23 percent of vehicles are electric and 77 percent are hybrid.
- FY 2013-14 HVIP launches next week with additional \$15M.

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FY 2013-14 UPDATE

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FY 2013-14 HVIP FUNDING STATUS

- Year 4 HVIP to launch on April 8th with \$15 million
 - \$4.5 million reservation list already in place
- HVIP updates include:
 - Stronger minimum warranty requirements, voucher enhancement for vehicles with extended warranties
 - Higher voucher amount for fast-charge compatible vehicles
 - First three vehicles per fleet voucher enhancement to include previous year purchases
 - Encourage Truck Loan Program participants to leverage HVIP funds
- Administered by Calstart
- Participating dealerships and eligible vehicles at:
www.californiahvip.org

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DRAFT PROPOSED PROJECT MODIFICATIONS FOR FY 2014-15

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PROPOSED HVIP STRUCTURE

- Continue existing HVIP first-come, first-served model
 - Fleets maintain access to vouchers, regardless of location
- Zero-emission trucks and buses remain eligible for vouchers
 - Bulk of zero-emission vehicle demand likely served by Zero-Emission Truck and Bus Pilot
- Maintain existing base vehicle voucher amounts
 - Leverage dealer outreach, continue momentum in hybrid truck purchases
- Staff evaluating options to ensure in-use emission benefits from HVIP-funded hybrids
 - May require single-party hybrid engine, OBD certification for HVIP eligibility
 - Continue voucher bump-up for ARB-certified hybrids

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PROPOSED FUNDING SPLIT BETWEEN HVIP AND PILOT PROJECT			
Technology Type	GGRF Funding	AB 118 Funding	Synopsis
Traditional HVIP	\$5M - \$10M	\$5M	<ul style="list-style-type: none"> Continue existing statewide voucher program Monitor implementation to ensure GGRF \$ benefits disadvantaged communities
Zero-Emission Truck and Bus Pilot	\$20M - \$25M	\$0	<ul style="list-style-type: none"> Strategic zero-emission freight, delivery or bus hubs Encourage advanced technology clusters with infrastructure, marketing, workforce training, and other synergies Target Request For Proposal (RFP) to disadvantaged communities
	\$30M	\$5M	\$35M TOTAL

DISADVANTAGED COMMUNITIES
<ul style="list-style-type: none"> Staff expects over 50 percent of FY 2014-15 HVIP to benefit disadvantaged communities If needed, program may be adjusted during implementation to ensure 50 percent target is met by: <ul style="list-style-type: none"> Enhanced dealer outreach in disadvantaged communities; Targeting last iteration of vouchers to disadvantaged communities; or Other strategies

HVIP METRICS OF SUCCESS
<ul style="list-style-type: none"> Self-sustaining market about a decade behind that for cars Metrics of success could include: <ul style="list-style-type: none"> Number of hybrid (or battery electric) trucks sold per vehicle vocation Hybrid powertrains sold per manufacturer Number of vehicles sold in states without public incentives Metrics to be included in FY 2014-15 HVIP Grantee Solicitation

**ZERO-EMISSION TRUCK
AND BUS PILOT**

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ZERO-EMISSION TRUCK AND BUS PILOT

- Strategic zero-emission truck and/or bus hub(s) (\$20M-\$25M)
 - Promote infrastructure and workforce training synergies
 - Reduce per vehicle cost via high volume purchases
- Solicitation structure to target vehicles in and around disadvantaged communities
 - **Trucks:** Typical zero-emission truck purchasers more able to preferentially locate vehicles in disadvantaged communities; trucks frequenting ports, rail yards, distribution centers, etc.
 - **Buses:** Large public bus fleet purchases enable multiple buses to share fast charge or hydrogen fueling infrastructure

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SOLICITATION FRAMEWORK

- 100 percent of funds to benefit disadvantaged communities
 - Higher per vehicle incentives needed
 - Opportunity to fund infrastructure, workforce training
- Truck/bus split based upon solicitation responses
- Preferential funding for projects:
 - With significant public agency or private co-funding
 - In South Coast and San Joaquin Valley
 - With multiple fleets/manufacturers or public participation
- Funding Plan and Solicitation(s) to define project parameters
 - In coordination with air districts and other interested stakeholders
 - Solicitation to include possible metrics of pilot project success

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**ADVANCED TECHNOLOGY
FREIGHT DEMONSTRATION
PROJECTS**

Demos

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STATUS OF CURRENT DEMONSTRATIONS

- 13 projects funded; 7 complete
 - 4 locomotive projects (3 complete)
 - 3 marine vessels (1 complete)
 - 3 commercial lawn and garden equipment (3 complete)
 - 2 zero-emission school bus demonstrations
 - 1 zero-emission yard truck demonstration
- Hybrid truck testing
- \$6.3 million total funding awarded to date

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**FY 2014-15 PROPOSAL
FOR DEMONSTRATIONS**

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FY 2014-15 PROPOSAL

- Propose \$50 Million for Advanced Freight Demonstrations
 - Funding from Cap and Trade Auction Proceeds
 - No AQIP funding (like FY 13-14)
- Projects must reduce GHG emissions
 - Preference for projects with criteria and toxics co-benefits
- Projects must benefit Disadvantaged Communities
- AQIP Advanced Technology Demonstration Project Guiding Principles will still apply:
 - Potential to provide cost effective emission reductions once in the marketplace
 - Near commercialization
 - Completed expeditiously
 - Technology suitable for California marketplace

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**PROPOSED FY 14-15 PROJECT FOCUS
AND FUNDING AMOUNTS**

- Zero-Emission Drayage Trucks \$20-\$25M
- Multi Source Facility "Node" Projects \$20-\$25M
 - Warehouse/Distribution Centers and Intermodal
 - Could include cleaner trucks, equipment, fueling infrastructure, logistics/operational improvements, etc.
- Other Project Categories \$0-\$10M
 - Regional and Line Haul Trucks
 - Rail and Locomotives
 - Marine
 - Cargo Handling Equipment
 - Near Dock Container Movement
 - Emerging Technologies

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PROCESS FOR IDENTIFYING POST FY 2014-15 DEMONSTRATION PROJECTS

- Anticipate additional Cap and Trade Auction Proceeds for advanced technology demonstration projects in FY 2015-16
- Large projects may take more than one year to scope out
- Use "Request for Information" process to identify potential large scale projects for FY 2015-16 and beyond
 - Focus on large emission categories
 - Complex projects
- Potential focus for FY 2015-16, informed by requests for information:
 - Large advanced technology locomotive development/demonstration
 - Regional/long haul truck demonstrations

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PROPOSED ADMINISTRATIVE REQUIREMENTS FOR FY 2014-15

- Required minimum cost match – change to 25-percent
 - AQIP demonstrations have used maximum ARB contribution of 50-percent
 - Maximum ARB match 75-percent of project cost /minimum applicant match 25-percent of project cost
 - Higher than minimum applicant match would score higher
- Maintain that projects are funded on a reimbursement basis only
 - Reimbursed on a milestone by milestone basis as defined in grant agreement
- Potentially allow grantees other than California public agencies
 - AQIP has required California public agency as grantee

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POST BOARD HEARING TASKS

- Define specific project category scope
 - Such as specific project results, timelines for solicitation, grant award, project completion
- Define solicitation's scoring criteria for selecting winning proposals
- Outline special provisions for match requirements or other competitive processes
- These tasks informed by ongoing Demonstration Project Work Group meetings as well past years' AQIP funding

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PROPOSED IMPLEMENTATION TIMELINE

- June 2014: Board consideration of Funding Plan
- July – Fall 2014: Demonstration Project Work Group meetings
- August 2014 – Summer 2015: Solicitation Development
- Winter 2014 – Summer 2015: Issue Solicitations
 - Staggered solicitations to manage work load and GGRF revenues
- Spring 2015 – Summer 2015: Score applications and award funding
- Summer - Fall 2015: Begin work on projects
- Fall 2014 – Spring 2015: Develop and issue Requests for Information to determine potential post-FY 2014-15 projects

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TRUCK LOAN ASSISTANCE PROGRAM

Small
Business
Financing

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TRUCK LOAN ASSISTANCE PROGRAM

- Project goals:
 - Aid small business truckers subject to the In-Use Truck and Bus Rule
 - Provide financing assistance for newer truck and exhaust retrofit purchases
- \$54.3M allocated to date for truck loan assistance
 - \$40M already invested from AQIP
 - \$10M from SB 359 in 2014
 - Any remaining AQIP balance will augment SB 359 funding
- As of February 26, 2014, about \$273M in financing provided
 - 4,143 loans issued
 - 4,681 cleaner trucks
- Targets small fleets and minority populations

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TRUCK LOAN ASSISTANCE PROGRAM

- Recent program modifications enacted:
 - Reduce fleet size cap from 40 to 10 heavy-duty vehicles (supports legislative intent)
 - Reinstate higher loan loss reserve contribution for lenders until \$5M in loans issued
 - Introduce interest rate cap for participating lenders
- Recommend \$10M allocation from FY 2014-15 Funding Plan
 - Augments \$10M from SB 359
- Metrics of success:
 - Proposed April amendments provide new flexible compliance options
 - Staff to measure success by evaluating overall small fleet compliance

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GENERAL INFORMATION

What's next?

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INFORMATION SOURCES

- AQIP website
www.arb.ca.gov/msprog/aqip/aqip.htm
- CEC AB 118 website
www.energy.ca.gov/altfuels/index.html
- Auction Proceeds Investment Plan
www.arb.ca.gov/cc/capandtrade/auctionproceeds/auctionproceeds.htm

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AQIP CONTACTS

- Lisa Macumber
Lead, AQIP FY 2014-15 Funding Plan
(916) 323-2881, lmacumbe@arb.ca.gov
- Peter Christensen
Manager, Air Quality Improvement Program Section
(916) 322-1520, pchriste@arb.ca.gov
- Lucina Negrete
Chief, Innovative Strategies Branch
(916) 445-6138, lnegrete@arb.ca.gov

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AQIP CONTACTS CONT.

- Long-Term AQIP Planning – Joe Calavita
(916) 445-4586 or jcalavit@arb.ca.gov
- AB 8 Scoring Criteria – Patrick Chen
(916) 324-6971 or pchen@arb.ca.gov
- CVRP – Graciela Garcia
(916) 323-2781 or ggarcia@arb.ca.gov
- HVIP - Joe Calavita
(916) 445-4586 or jcalavit@arb.ca.gov
- Advanced Demonstrations - Earl Landberg
(916) 323-1384 or elandber@arb.ca.gov
- Truck Loan Assistance Program – John Kato
(916) 322-2891 or jkato@arb.ca.gov

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Comments and Discussion

webcast e-mail:
auditorium@calepa.ca.gov

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