



Air Resources Board



Matthew Rodriguez
Secretary for
Environmental Protection

Mary D. Nichols, Chairman
1001 I Street • P.O. Box 2815
Sacramento, California 95812 • www.arb.ca.gov

Edmund G. Brown Jr.
Governor

DATE: December 12, 2014 Mail-Out #MSC 14-19

TO: All Interested Parties

SUBJECT: SECOND PUBLIC WORKSHOP ON DEVELOPMENT OF THE FISCAL YEAR 2015-16 FUNDING PLAN FOR THE AIR QUALITY IMPROVEMENT PROGRAM AND LOW CARBON TRANSPORTATION GREENHOUSE GAS REDUCTION FUND INVESTMENTS

The Air Resources Board (ARB or Board) invites you to participate in a second public workshop on the Fiscal Year (FY) 2015-16 Funding Plan for the Air Quality Improvement Program (AQIP) and Low Carbon Transportation Greenhouse Gas Reduction Fund (GGRF) Investments.

The meeting will be held at the following time and place:

Date: Friday, January 23, 2015
Time: 10:00 a.m. to 2:00 p.m.
Place: Cal/EPA Headquarters Building
Coastal Hearing Room, 2nd Floor
1001 I Street
Sacramento, California 95814

This meeting will be webcast for those unable to attend in person. The broadcast can be accessed on the day of the workshop at <http://www.calepa.ca.gov/broadcast/>. Information on submitting questions or comments will be provided during the webcast for remote participants. Staff's presentation and associated documents will be posted prior to the workshop on ARB's website at <http://www.arb.ca.gov/msprog/aqip/aqip.htm>.

Background

AQIP: AQIP is a voluntary, mobile source incentive program that focuses on reducing criteria pollutant and diesel particulate emissions with concurrent reductions in greenhouse gas emissions. AQIP has an annual budget of about \$25 million. ARB focuses AQIP investments on technology advancing projects that support California's long-term air quality and climate change goals in addition to providing immediate emission benefits. In recent years, funding has included rebates for near-zero and zero-emission passenger vehicles through the Clean Vehicle Rebate Project (CVRP),

The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our website: <http://www.arb.ca.gov>.

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vouchers for hybrid and zero-emission trucks and buses through the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP), and the Truck Loan Assistance Program for small business truck owners in need of truck replacements or retrofits.

Cap-and-Trade Auction Proceeds Low Carbon Transportation Funding: Cap-and-Trade auction proceeds provide an additional funding source for ARB's advanced technology, clean transportation incentive programs, thus expanding the types of projects ARB has funded through AQIP. The FY 2014-15 State budget appropriated \$200 million to ARB for Low Carbon Transportation projects to reduce greenhouse gas emissions with an emphasis on investments that benefit disadvantaged communities. These investments are being used to expand CVRP and HVIP to meet demand and add new light-duty pilot projects to benefit disadvantaged communities, zero-emission truck and bus pilots to increase the use of the cleanest vehicles in disadvantaged communities, and demonstration projects to accelerate the introduction of advanced emission reduction technologies for the freight sector with projects located in areas that benefit disadvantaged communities.

This new funding is being implemented through the administrative framework established by AQIP. ARB expects to receive another appropriation for Low Carbon Transportation investments from GGRF in the FY 2015-16 State Budget, so ARB staff intends to develop a joint Funding Plan for the AQIP and GGRF funding sources for the FY 2015-16 funding cycle.

New Legislation: Senate Bill (SB) 1275 (De León, Chapter 530, Statutes of 2014) establishes the Charge Ahead California Initiative with the goals of placing one million zero-emission and near-zero emission vehicles in California by 2023 and increasing access to these vehicles for lower-income consumers and consumers in disadvantaged communities. SB 1275 requires ARB to limit consumer eligibility for CVRP based on income, ensure that rebate levels can be phased down, and conduct various planning and technology assessment activities, among other provisions. SB 1204 (Lara, Chapter 524, Statutes of 2014) creates the California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program to fund the development, demonstration, pre-commercial pilot, and early commercial deployment of zero- and near-zero emission technologies with priority given to projects that benefit disadvantaged communities. SB 1204 establishes specific requirements related to how ARB prioritizes project categories and selects projects. ARB will address the requirements of these new laws in the FY 2015-16 Funding Plan.

Meeting Information

At this workshop, staff will discuss and seek input on:

- The potential project categories to implement proposed FY 2015-16 funding for AQIP and Low Carbon Transportation Investments from GGRF.
- Latest CVRP, HVIP, and Truck Loan Assistance Program demand projections for the remainder of the FY 2014-15 funding cycle and initial projections for the FY 2015-16 funding cycle.
- Potential approaches for limiting CVRP consumer eligibility by income and phasing down rebate levels in increments as required by SB 1275.
- Continuing or expanding light-duty pilot projects focusing on expanding access to clean transportation for lower-income consumers and disadvantaged communities as required by SB 1275.
- Development of the California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program as a mechanism for GGRF investments in heavy-duty vehicle and equipment projects as required by SB 1204.

This is the second in a series of three planned workshops ARB staff will hold on developing the FY 2015-16 Funding Plan. A third workshop will be held in spring 2015 to discuss more detailed staff proposals for the FY 2015-16 AQIP and Low Carbon Transportation appropriations. ARB staff anticipates releasing the proposed FY 2015-16 Funding Plan in May 2015 with Board consideration in June 2015.

Special Accommodations

If you require a special accommodation or need this document in an alternate format (i.e. Braille, large print) or another language, please Ms. Stella Ling-Taylor, Air Pollution Specialist, at (916) 322-6369 or stella.lingtaylor@arb.ca.gov as soon as possible, but no later than 10 business days before the scheduled meeting. TTY/TDD/Speech to Speech users may dial 711 for the California Relay Service.

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If you have questions regarding the workshop, please contact Mr. Andrew Panson, Staff Air Pollution Specialist, at (916) 323-2809 or andrew.panson@arb.ca.gov.

Sincerely,

/s/

Erik White, Chief
Mobile Source Control Division

cc: Mr. Andrew Panson
Staff Air Pollution Specialist
Mobile Source Control Division

Ms. Stella Ling-Taylor
Air Pollution Specialist
Mobile Source Control Division