

AB 118 Air Quality Improvement Program (AQIP)

Proposed 2013-14 Funding Plan Amendments

September 26, 2013

California Environmental Protection Agency



Air Resources Board

AQIP Background

- Created by Assembly Bill 118 (2007)
 - Bureau of Automotive Repair enhanced vehicle retirement
 - California Energy Commission fuel and vehicle projects
- Up to \$35 million per year through 2015
- Supports advanced technologies to meet post-2020 air quality and climate change goals

AQIP Projects

- 4 key projects funded in recent years:
 - Clean Vehicle Rebate Project (CVRP)
 - Hybrid and Zero Emission Truck and Bus Voucher Incentive Project (HVIP)
 - Truck Loan Assistance Program
 - Advanced Technology Demonstration Projects

Recent AQIP Activity

- FY 2013-14 AQIP Funding Plan approved in July 2013
- Issue
 - Consumer demand exceeds available funds
- Board direction
 - Continue evaluation of the Clean Vehicle Rebate Project (CVRP) and return to Board with recommended adjustments to FY 2013-14 Funding Plan after exploring supplemental funding
 - Consider options to enhance support for Truck Loan Assistance Program

Actions Since July

- Staff continued CVRP evaluation process
- Successful efforts to secure additional funding
 - SB 95: \$24.5M for AQIP (CVRP)
 - SB 359: \$40M for CVRP, HVIP, and truck loans
- Proposed amendments to funding plan to add additional support for truck loans

CVRP Evaluation and Outcomes

- Stakeholder process continued through summer
 - Near-term options to extend current FY funding
 - Evaluate ZEV market sustainability and funding alignment
 - Begin evaluating metrics for gauging program success
- Approve \$44.5M in additional funding
- Long-term recommendations for FY 2014-15

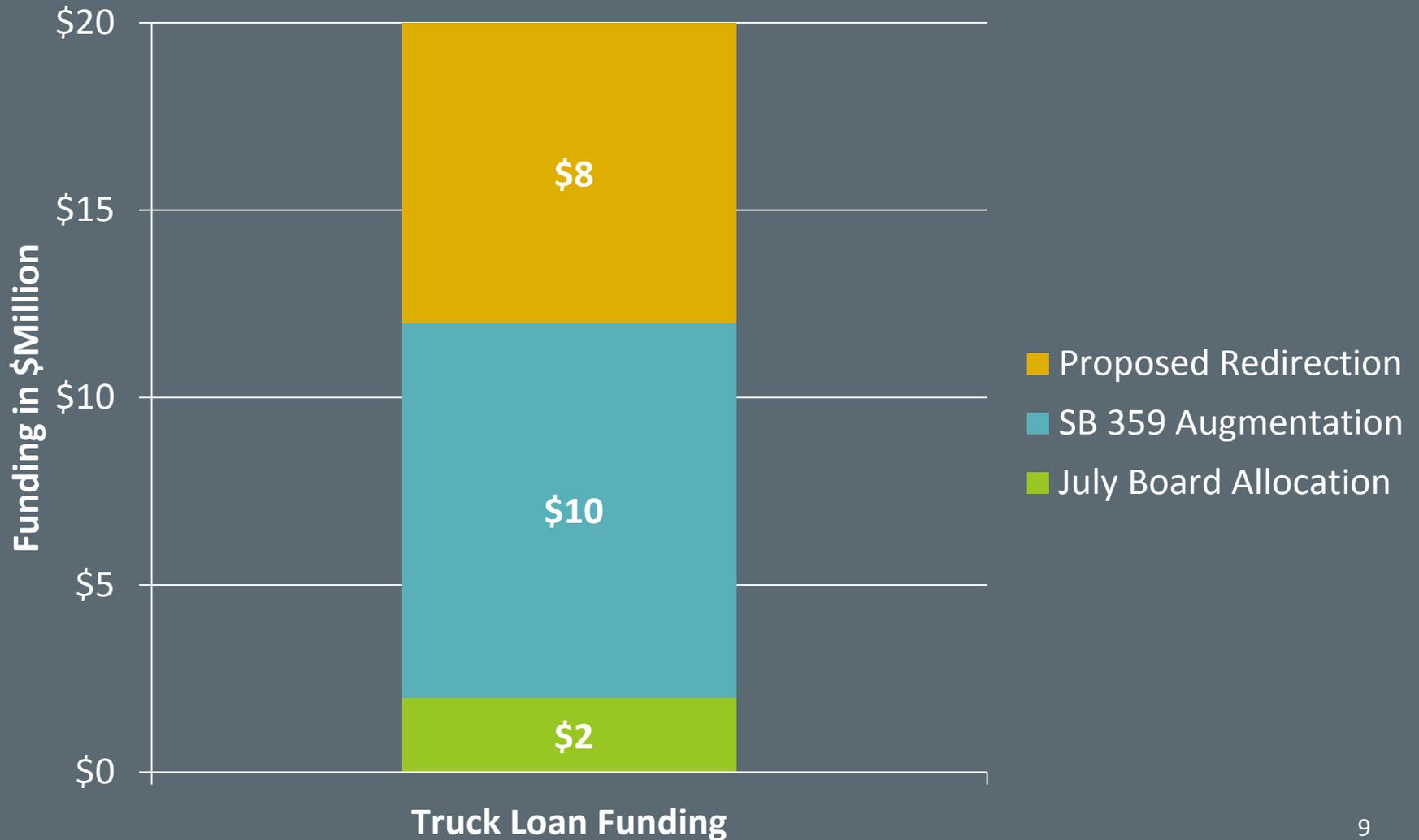
Additional Support for Hybrid and Zero-Emission Trucks and Buses

- Projected need for advanced technology trucks ranges from \$15 to \$25M for FY 2013-14
- \$5M approved in Funding Plan
- SB 359 allocates \$10M additional funding
 - Total funding for 2013-14 FY: \$15M

Continued Truck Loan Assistance Needed

- Enables lenders to finance more borrowers in the trucking sector for retrofits and upgrades
- 80% of loans to date are to 1-truck fleets
- About 6.5 to 1 leveraging of private to public investment
- Truck loans key component of overall truck rule implementation strategy
 - Comprehensive Board update in October

FY 2013-14 Support for Truck Loans



Revised Proposed FY 13-14 Funding Levels

Project Category		July Approved Allocation (millions)	New Proposed Allocations (millions)
Deployment Projects	Clean Vehicle Rebate Project	\$15*	\$59.5*
	Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP)	\$5	\$15
	Truck Loan Assistance Program	\$2	\$20
Advanced Technology Demonstration		\$3	\$0
Reserve (unallocated)		\$5	\$0
Total		\$30	\$94.5

* Includes \$5 million in funding from CEC

Moving Forward

- Implement current CVRP for FY 2013-14
 - Allocate newly appropriated funding
 - Continue assessment as part of FY 2014-15 AQIP Funding Plan
- Augment HVIP with up to \$10 million
- Transfer \$8M to Truck Loan Assistance
- Comprehensive Truck Rule update in October