

South Coast AQMD Staff Comments on Proposed AB 118 Air Quality Guidelines for the Air Quality Improvement Program and the Alternative and Renewable Fuel and Vehicle and Technology Program



South Coast Air Quality Management District

*Agenda Item No. 08-8-7
California Air Resources Board Meeting
Diamond Bar, CA
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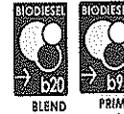
Proposed Air Quality Guidelines

- Two Step Approach to Determine Project Eligibility [Section 2343(b)(2)]:
 - A) Comparison of GHG Emissions –
The total full fuel cycle and indirect land use GHG emissions of the project fuel pathway **must be less than or equal to those of the baseline fuel pathway to be eligible for funding**
 - B) Comparison of criteria pollutants and air toxic emissions –
If emissions of one or more criteria pollutants or total weighted toxic air contaminants occurring in California from the **project fuel pathway are greater than the baseline fuel pathway, then the funding agency must choose one of the two following options:**
 - 1) The funding agency may choose to not fund the project, or
 - 2) ... may conduct a supplemental evaluation to weigh the potential merits of the project. ...

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Potential Projects for AB 118 Funding

- Electrification Projects
 - Lawn and Garden Equipment
 - Plug-in Hybrid Electric Vehicles
 - Battery Electric Vehicles
- Alternative Fuel Projects
 - Ethanol
 - Biodiesel, Alternative Diesel
 - Natural Gas



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Potential Impact on Proposed Projects

<u>Fuel Type</u>	<u>Impact</u>	<u>Eligibility?</u>
Electricity	Fuel Source Dependent	Unsure, Case-by-Case
Ethanol, Biodiesel	Feedstock, Land Use	Current Production Process – Not Likely
Natural Gas	Feed Stock Source	CNG – Likely LNG – Dependent on Source

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What is Sure?

- Diesel-Fueled and Gasoline-Powered Projects
 - Meet Both Conditions of Section 2343(b)(2)
- Contrary to Intent of AB 118
(HSC 44272(b)(1) - The project's ability to provide a measurable transition from the nearly exclusive use of petroleum fuels to a diverse portfolio of viable alternative fuels that meet petroleum reduction and alternative fuel use goals.)

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Health and Safety Code 44271(b)

- The state board shall develop guidelines ... to ensure that programs meet both of the following requirements:
 - (1) Activities undertaken pursuant to the programs **complement, and do not interfere with**, efforts to achieve and maintain federal and state ambient air quality standards and to reduce toxic air contaminants emissions.
 - (2) Activities undertaken pursuant to the programs maintain or **improve upon emission reductions and air quality benefits in the State Implementation Plan** for Ozone, California Phase 2 Reformulated Gasoline standards, and diesel fuel regulations.

Does Not Place GHG Emissions as Overarching Criterion!!

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Health and Safety Code 44274

- (a) The Air Quality Improvement Program is hereby created. The program shall be administered by the state board, in consultation with the districts. The purpose of the program shall be to fund, upon appropriation by the Legislature, air quality improvement projects to reduce criteria air pollutants, improve air quality, and provide funding for research to determine and improve the air quality impacts of alternative transportation fuels and vehicles, vessels, and equipment technologies.
- (b) Projects proposed for funding pursuant to subdivision (a) shall be evaluated based on their proposed or potential reduction of criteria or toxic air pollutants, cost-effectiveness, contribution to regional air quality improvement, and ability to promote the use of clean alternative fuels and vehicle technologies as determined by the state board, in coordination with the commission. ...

Does Not Place GHG Emissions as
Overarching Criterion!!

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SCAQMD Staff Recommendation

- Evaluate Projects Based on Full Fuel-Cycle Assessment in Conjunction with Criteria Pollutant and Toxic Air Contaminant Benefits
- Evaluate All Projects Submitted to Determine Overall Net Emissions Benefits to the Region
- Place Extra Emphasis on Reduction in Localized Toxic Air Impacts

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