

**Addendum to Assembly Bill (AB) 118 Air Quality Improvement Program (AQIP)
Funding Plan for Fiscal Year (FY) 2013-14**

Update to Reflect July and September Board Action

December 31, 2013

On July 25, 2013, the Board approved the AB 118 AQIP Funding Plan for FY 2013-14. The approved Funding Plan included one modification to the (CVRP) Clean Vehicle Rebate Project, which allows the Executive Officer to consider the use of a waiting list to bridge a short-term gap in funding between fiscal years, if appropriate. The Board also directed staff to continue evaluating potential new funding sources for the various projects in the FY 2013-14 Funding Plan, with a specific focus on the CVRP and the Truck Loan Assistance Program, and to begin to work with stakeholders to evaluate the CVRP to better ensure its sustainability.

In August and September, staff continued the stakeholder outreach process undertaken as part of the development of the FY 2013-14 Funding Plan in order to identify any needed near-term adjustments, provide time for possible additional funding sources to materialize, and begin longer-term planning discussions with stakeholders for AQIP projects. Special focus was placed on the CVRP and the Truck Loan Assistance Program because of their significant continued funding demands. In addition to several individual meetings with stakeholders, two public workgroup teleconference calls for the CVRP were held: the first took place on August 13, 2013, and the second one on September 5, 2013.

With the passage of AB 101 (Assembly Committee on Budget, Chapter 354, Statutes of 2013) and Senate Bill (SB) 359 (Corbett, Chapter 415, Statutes of 2013), the CVRP will receive an infusion of \$44.55 million, bringing the total allocation to \$59.55 million for FY 2013-14. The Board approved the new allocation on September 26, 2013. No additional changes to the program were adopted. Staff continues to evaluate potential options and work with stakeholders on reevaluating the project to ensure its continued effectiveness and sustainability.

Staff identified a minimum of \$15 million needed to meet demand for the Hybrid and Zero Emission Truck and Bus Voucher Incentive Project, yet only \$5 million of limited AQIP funding could be allocated to the project in July. To help fill the funding gap, SB 359 allocates \$10 to the project for FY 2013-14. This new allocation provides a substantial portion of the funding needed for the entire fiscal year.

On September 26, 2013, the Board approved amendments to the FY 2013-14 Funding Plan to allocate the \$5 million held in reserve to the Truck Loan Assistance Program. The Board also reallocated \$3 million from Advanced Technology Demonstration Projects to truck loan assistance. Recognizing the importance of investments in advanced technology demonstrations, the Board directed staff to seek other funding

sources from local air districts, the California Energy Commission, and other agencies to develop and implement demonstration projects.

By allocating a total of \$8 million to the Truck Loan Assistance Program, in conjunction with an additional \$10 million approved by SB 359, staff expects that the program can support truck loan assistance into the 2013-14 Fiscal Year, thereby providing valuable support to small business truck owners as they approach compliance deadlines for the In-Use Truck and Bus Regulation.

Table A-1 below summarizes the final project allocations approved by the Board for Fiscal Year 2013-14.

Table A-1: FY 2013-14 Final Approved AQIP Project Allocations

Project Category		July Approved Allocations	Final FY 2013-14 Approved Allocations
		(Millions)	
Deployment Projects	CVRP*	\$15	\$59.55
	Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project	\$5	\$15
	Truck Loan Assistance Program	\$2	\$20
Advanced Technology Demonstration/Testing		\$3	\$0
Additional Estimated Revenue/Reserve		\$5	\$0
Total		\$30	\$94.5

*Project allocation for the CVRP includes \$5 million from CEC.

Finally, AB 8 (Parea, Chapter 401, Statutes of 2013) extends funding for AQIP from 2015 through 2023. While no Board action was taken with regard to AB 8 this year, ARB staff will evaluate the program's objectives and priorities consistent with new requirements under AB 8 as part of the development of the Fiscal Year 2014-15 Funding Plan.