



Air Resources Board



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Edmund G. Brown Jr.
Governor

March 13, 2014

Mail-Out # MSC 14-03

TO: All Interested Parties

SUBJECT: PUBLIC WORKSHOP ON DEVELOPMENT OF ASSEMBLY BILL 118
AIR QUALITY IMPROVEMENT PROGRAM FUNDING PLAN AND
FUNDING RECOMMENDATIONS FOR LOW-CARBON
TRANSPORTATION GREENHOUSE GAS REDUCTION FUND
INVESTMENTS FOR FISCAL YEAR 2014-15

The Air Resources Board (ARB or Board) invites you to participate in a public workshop to discuss development of Assembly Bill (AB) 118 Air Quality Improvement Program (AQIP) Funding Plan and funding recommendations for low-carbon transportation Greenhouse Gas Reduction Fund (GGRF) investments for fiscal year 2014-15.

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

Date: Thursday, April 3, 2014
Time: 9:30 a.m. to 4:00 p.m.
Place: Cal/EPA Headquarters Building
Byron Sher Auditorium, 2nd Floor
1001 I Street
Sacramento, California 95814

This is the final planned workshop for development of the AB 118 AQIP Funding Plan and GGRF low-carbon transportation investment recommendations for fiscal year 2014-15; staff intends to present their final proposed recommendations at the June 2014 Board meeting.

Webcast Information

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 all associated documents will be posted in advance of the workshop on ARB's website at: <http://www.arb.ca.gov/msprog/aqip/aqip.htm>.

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>.

California Environmental Protection Agency

Meeting Information and Background

For fiscal year 2014-15, ARB staff is combining the AQIP funding plan and low carbon transportation GGRF investments into a single package of recommendations to be presented to the Board in June of 2014. This workshop will be an opportunity for staff to present preliminary recommendations and collect public input. An overview of preliminary staff recommendations will be posted on the AQIP webpage listed above in advance of the upcoming workshop and will be discussed in detail at the workshop.

AQIP

AB 118 provides up to \$26 million per year (depending on revenues) through 2023 for AQIP to fund a variety of air quality incentive projects, including low-emission vehicle and equipment projects, air quality research, and advanced energy technology workforce training. In 2009, the Board established overarching implementation priorities and guiding principles directing AQIP funds to support development and deployment of the advanced technologies needed to meet California's longer-term, post 2020 State Implementation Plan goals, and to fund projects that do not fit within the statutory framework of other ARB incentive programs. The Board envisioned that many of the project categories included in the original fiscal year 2009-10 Funding Plan would be funded for multiple years in order to achieve air quality benefits by reducing criteria or toxic air pollutants.

In recent years, the Board has approved funding for the following projects:

- Rebates for near-zero and zero-emission passenger vehicles (ZEV), known as the Clean Vehicle Rebate Project (CVRP).
- Vouchers for hybrid and zero-emission trucks and buses, known as the Hybrid and Zero Emission Truck and Bus Voucher Incentive Project (HVIP).
- Financing assistance for small business truck owners in need of replacement or retrofits; known as the Truck Loan Assistance Program.
- A broad range of school bus and off-road Advanced Technology Demonstration Projects, including marine hybridization and particulate filters for locomotives.

In 2013, the Legislature passed and Governor Brown signed AB 8 (Perea, Chapter 401). In addition to extending AB 118 funding through 2023, AB 8 also directed ARB to evaluate AQIP projects based on benefit-cost scores and other criteria to determine which projects to fund and their levels of investment. Further, in response to Board direction in July and September of 2013, ARB staff recommends establishing a long-term vision for AQIP that identifies areas of investment needed through 2023 to

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coincide with State Implementation Plan (SIP) deadlines and funding availability through AQIP.

GGRF Low-Carbon Transportation Investments

In 2012, the Legislature passed and Governor Brown signed into law 3 bills – AB 1532 (Pérez, Chapter 807), Senate Bill (SB) 535 (de León, Chapter 830), and SB 1018 (Budget and Fiscal Review Committee, Chapter 39) – that establish the GGRF to receive Cap and Trade auction proceeds and to provide the framework for how the auction proceeds will be administered. The Governor's Proposed Budget for fiscal year 2014-15 includes \$200 million for low carbon transportation projects that expand existing efforts.

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 contact Ms. Lisa Macumber at (916) 323-2881 or lmacumbe@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.

If you have questions regarding the workshop, please contact Ms. Lisa Macumber, Air Pollution Specialist, at (916) 323-2881 or lmacumbe@arb.ca.gov.

Sincerely,

/s/

Erik White, Chief
Mobile Source Control Division

cc: Mr. Jim McKinney
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Ms. Lisa Macumber
Air Pollution Specialist
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