



## Low Carbon Transportation Investments and Air Quality Improvement Program (AQIP)

Public Workshop on the  
Fiscal Year 2018-19 Funding Plan

Sacramento, California  
March 15, 2018



## Today's Agenda

### Kickoff presentation

- Background
- Governor's 2018-19 budget proposal
- Priorities for the year
- 2017-18 Funding Plan implementation status
- Initial funding need projections

### Open discussion

## Auction Proceeds Investments for Low Carbon Transportation



- Annual budget appropriations consistent with Administration’s 3-year Investment Plan
- Priorities in Administration’s Investment Plan
  - Reduce greenhouse gases and benefit disadvantaged communities
  - Maximize health, environmental, economic co-benefits
  - Continue Low Carbon Transportation investments
- AB 1550 (2016) requirements

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## Low Carbon Transportation Funding To Date

Fiscal Year	Low Carbon Transportation Appropriations (millions)
2013-14	\$30
2014-15	\$197
2015-16	\$90
2016-17	\$363
2017-18	\$560
<b>Total</b>	<b>\$1,240</b>

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## AQIP

- Created by AB 118 (2007); updated and reauthorized by AB 8 (2013)
- Provides the foundation and framework for Low Carbon Transportation investments
  - Many projects initially funded under AQIP
- Annual funding plan guides investments
- Focus on criteria pollutant and toxics projects
- Annual allocation about \$30 million

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## Complementary Funding Sources

- Volkswagen NOx Mitigation, AB 617, and FARMER Programs
  - Initiated public processes, proposals to Board this year
  - Primarily heavy-duty/off-road fleet turnover to cleanest commercialized technologies
  - Investment decisions coordinated across programs
- Other State / Local Agency Funding

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## **AB 1550 Disadvantaged Community Investment Requirements**

- Established low-income household and low-income community investment requirements
  - Low Carbon Transportation targets above minimum
- Projects must provide direct, meaningful and assured benefit that addresses a community or household need
- 2018-19 Funding Plan will continue to incorporate guiding provisions

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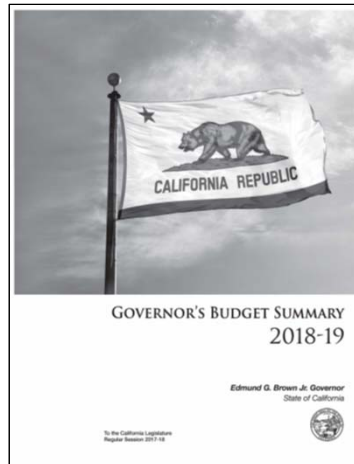
## **Governor's 2018-19 Low Carbon Transportation Proposal**

- \$435 million to accelerate transition to low carbon passenger and freight transportation
  - Builds on previous years' investments
- Key investments to meet our long-term air quality and climate goals

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## Governor's 2018-19 AQIP Budget Proposal

- \$28.6 million proposed for AQIP
  - Based on revenue projections
  - Same funding level as 2017-18



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## Key Priorities for 2018-19 Funding Plan

- Support Governor's Goals
  - 5 million ZEVs by 2030
  - Direct incentives to communities particularly disadvantaged by trains, trucks or factories
- Continuing to support existing programs
- Accommodating programs with increasing demand
- Implement SB 350 priority recommendations
- Meeting AB 1550 goals

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## **SB 350 Priority Recommendations**

- Expand funding and financing for clean transportation and mobility projects (CARB, CEC)
- Expand local community needs assessments (Caltrans)
- Develop streamlined community outreach plan (CARB, CEC, SGC)
- Develop One-Stop-Shop for light-duty vehicle incentive programs (CARB)
- Develop best practices for grants and solicitations (CARB)
- Expand opportunities for workforce training and development (LWDA)

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## **Light-Duty Vehicles (SB 1275)**

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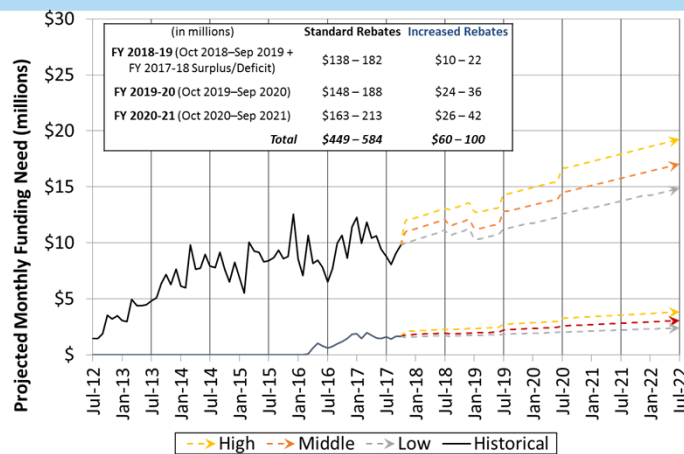
## CVRP Status Update



- 218,000 rebates issued since 2010
- 2017-18 CVRP budget
  - \$140 million for all rebate types; should last to June 2018
  - \$25 million for low-income rebates; last through Fall 2018
- Rebate Now launched January 2018 in San Diego
  - About 200 rebates reserved in the first month
- MOUs with 3 community organizations to support on the ground efforts

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## CVRP Demand Projections



- Initial projection: 60,000–75,000 rebates / \$148–205 million for 2018-19

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## Initial CVRP Funding Recommendations for 2018-19

- \$200 million allocation
  - \$175 million for all rebate types; \$25 million for low-income
  - Meets forecasted demand for fiscal year
- Retain legislatively set income cap and rebate levels for low-income consumers
- Considerations for 2018-19
  - Review income eligibility process and align with other equity programs for one-stop-shop
  - Limit consumers to a single CVRP rebate
  - Fuel cell incentives (rebate amounts and income eligibility)
  - Request input on other potential changes

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## CVRP and Fair Treatment of Workers

- 2017 Budget directs CARB/Labor and Workforce Development Agency to develop procedures to certify manufacturers treat workers fairly
  - Legislature's intent to limit CVRP to manufacturers certified by Labor Secretary as fair starting FY 2018-19
- Joint work group teleconference meeting to take input on possible procedures April 9
  - Information and details to be posted when available:  
<https://www.arb.ca.gov/msprog/aqip/meetings/meetings.htm>

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## Light-Duty Equity Project Goals

- Increase access to clean transportation and mobility options for lower income households and disadvantaged communities
- Reduce GHG emissions and improve public health through cleaner air and reduced exposure to pollution
- Continue to implement SB 350 priority recommendations

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## Light-Duty Equity Projects: \$239 Million Allocated To Date

Category	Annual Allocation (millions)				
	Fiscal Year	2014-15	2015-16	2016-17	2017-18
EFMP Plus-up / CleanCars4All		\$2	\$10	\$60	\$20
Financing Assistance		\$0.9	-	\$6	\$20
Clean Mobility Options		\$3.1	-	\$8	\$22
Agricultural Worker Vanpools		-	-	\$3	\$3
Rural School Bus Pilot		-	-	\$15	\$10
CVRP Rebates for Public Fleets / Low-Income Households		\$3	-	\$3	\$25
To Be Allocated Based on Demand			-	-	\$20
One-Stop-Shop for CARB's Equity ZEV Replacement Incentives		-	-	-	\$5

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## Equity Projects Status Update

- EFMP / EFMP Plus-up / Clean Cars 4 All
  - \$30 million of \$60 million from the 2016-17 allocation awarded
  - As of January 2018, 2,900 vehicles replaced in South Coast and San Joaquin Valley air districts
    - 2,450 used EFMP Plus-up funds
    - \$13 million Plus-up project funds spent
  - Bay Area and Sacramento projects to launch in 2018

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## Equity Projects Status Update, Cont.

- Financing Assistance
  - \$1 million Bay Area pilot project
  - \$5 million statewide pilot to launch this spring
- Clean Mobility Options
  - \$1.4 million Sacramento pilot launched last year;
  - \$1.7 million Los Angeles pilot to launch this spring
  - Grant agreements expected soon
- Agricultural Worker Vanpools
  - \$6 million solicitation for San Joaquin Valley pilot released in February

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## Equity Projects Status Update, Cont.

- Rural School Bus Pilot
  - 19 electric buses and 7 hybrid or IC buses funded
  - \$25 million in total funding to date
- CVRP Rebates for Low-Income Households
  - Funded over 6,000 vehicles, including 3,657 BEVs, 2,424 PHEVs, and 106 FCEVs
- One-Stop-Shop
  - \$5 million solicitation to be released soon; will develop a single application for consumers to access CARB's zero-emission equity vehicle incentives

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## Key Equity Project Priorities for 2018-19

- Continue to implement SB 350 priority recommendations
- Expand funding for clean transportation and mobility option projects
- Continue to increase awareness of funding opportunities and of clean vehicle technologies
- Continue to simplify ability to access funds by streamlining application process
- Ensure equitable distribution throughout the State and within disadvantaged and low-income communities

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## Initial Equity Project Funding Recommendations for 2018-19

Project Category	Funding (millions)			
	Starting Balance	\$20M FY17-18 To Be Allocated	Recommended FY 18-19 Allocation	Total Funding Available
CVRP for Low-Income Households			\$25	\$25
Other Equity Projects			\$75	\$183
EFMP Plus-up	\$40			
Financing Assistance	\$20	\$5		
Clean Mobility Options	\$22	\$5		
Agricultural Vanpools	\$6			
Rural School Bus Pilot		\$10		
<b>TOTAL</b>	<b>\$88</b>	<b>\$20</b>	<b>\$100</b>	<b>\$208</b>

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## Heavy-Duty Vehicle, Freight, and Off-Road Equipment (SB 1204 & AQIP)

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## 2017-18 Heavy-Duty Vehicle, Freight, and Off-Road Equipment Projects

2017-18 Project Category – Low Carbon Transportation/AQIP	Funding (millions)
Advanced Technology Freight Demonstrations	\$190
Zero- and Near Zero-Emission Freight Facilities	\$150
Zero-Emission Off-Road Freight Voucher Incentive Project	\$40
Clean Truck and Bus Vouchers (HVIP + Low NOx Engine Incentives)	\$188
Truck Loan Assistance Program (AQIP)	\$20
<b>TOTAL (\$320 million Low Carbon Transportation; \$28 million AQIP; \$50 million Warehouse Program)</b>	<b>\$398</b>

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## Heavy-Duty Project Status Update

- Zero- and Near Zero-Emission Freight Facilities
  - Solicitation under development, anticipate March release
- Zero-Emission Off-Road Freight Voucher Incentive Project
  - Work group Feb 21; solicitation release mid-2018; commence late 2018
- Clean Truck and Bus Vouchers (HVIP + Low NOx Engine Incentives)
  - \$127 million available for all approved technologies; Approximately \$17 million for the low NOx natural gas
- Truck Loan Assistance Program
  - Additional demand generated by SB1 requirements expected to surpass ongoing funding

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## HVIP Status Update



- 3,481 vouchers issued since 2009, totaling \$138.5 million (as of Feb 1)
  - \$180 million available for FY 17-18
- Demand for ZE buses and trucks continues to grow
- 643 Low-NOx vouchers requested totaling \$6.3 million
  - About \$8 million still available from FY 16-17 funding
- 55% of deployments in 2017 were in DAC census tracts

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## Heavy-Duty Priorities for 2018-19

- Remain consistent with the Three-Year Investment Strategy for Heavy-Duty Vehicles and Off-Road Equipment
  - Build on successful beachheads
  - Seed promising next markets
  - Maintain the innovation pipeline
- Continue to Update and Build on 2017-18 projects

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## Initial Recommendations for 2018-19: Heavy-Duty Low Carbon Transportation

- \$160 million allocation

Heavy-Duty Vehicle and Equipment Project Category	Funding (millions)
Carl Moyer tire fee offset	\$26
Clean Truck and Bus Vouchers <ul style="list-style-type: none"> <li>• Hybrid</li> <li>• Zero-emission</li> <li>• Low NOx with Renewable Fuel</li> </ul>	\$68*
To be allocated based on demand	\$65

\*Initial staff estimates suggest there will be a remainder of 2017-18 funds in HVIP that will carry over into Fiscal Year 2018-19.

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## Initial Recommendations for 2018-19: AQIP

- \$28.6 million available for AQIP

AQIP Project Category	Funding (millions)
Truck Loans	\$25.6
Truck Filter Replacements	\$3

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## Summary and Next Steps

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### \$435M Low Carbon Transportation: Potential Project Category Allocations

	2017-18 Allocation (millions)	2018-19 Initial Recommendation (millions)
CVRP	\$140	\$175
Transportation Equity Projects	\$100	\$100
Heavy-Duty Vehicles, Freight, and Off-Road Equipment (+\$28.6 million AQIP funding)	\$320	\$160
Low Carbon Transportation Funding	\$560	\$435

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## Funding Plan Development Schedule

Milestone	Date
Category specific work group meetings*	Mar – June 2018
Final Workshop <ul style="list-style-type: none"><li>• Discussion document with draft project allocations</li></ul>	Late May 2018
Release proposed Funding Plan	June 22, 2018
Board consideration of proposed Funding Plan	July 26, 2018
Start implementing 2018-19 projects	August 2018

\*Handout lists preliminary work group meeting schedule

Additional information available at:

<http://www.arb.ca.gov/aqip/>

<http://www.arb.ca.gov/msprog/aqip/meetings/meetings.htm>

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## Comments and Discussion

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