



AB 118: Air Quality Improvement Program

Public Workshop
Sacramento, CA
December 8, 2009

CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY

 Air Resources Board



Presentation Outline

- Overview of AB 118
- Update on the FY 2009-10 Funding Plan implementation
- Administrative modification to the Air Quality Guidelines
- FY 2010-11 AQIP Funding Plan development
- Comments and discussion

AB 118 (2007)

BAR
~\$30M

Light-duty
scrap &
repair

*Smog from
high emitters*

ARB
~\$50M

Mobile source
advanced
technologies
deployment &
demonstration
Truck loan

*Criteria pollutants
& toxics*

CEC
~\$100M

Low carbon
vehicles &
fuels
Vehicle
infrastructure
R&D

*Climate change
goals*

Categories Authorized by AB 118

- On- and off-road equipment
- Off-road gasoline emission mitigation
- Research air quality impacts of alternative fuels
- University of California biofuels/biomass research
- Lawn and garden equipment replacement
- Medium- and heavy-duty vehicle/equipment:
 - *Lower-emission school buses*
 - *Electric or hybrid vehicles/equipment*
 - *Regional air quality programs*
- Workforce training related to advanced technology
- Light-duty vehicle emission reductions

AB 118 Board Actions

2008

- Air Quality Guidelines Adopted

2009

- AQIP Guidelines Adopted
- FY 2009-10 AQIP Funding Plan Approved





AQIP Funding Plan

Staff develops a proposed plan reflecting:

- Project categories & funding targets
- Guiding principles
- Current Priorities
- Public Input
- CEC Coordination



Guiding Principles

- Focus on longer-term, post-2020 SIP goals
- Prioritize project types not funded in other incentive programs



Guiding Principles (Cont'd)

Deployment Projects:

- Accelerate commercialization of advanced technologies
- Fund commercially available products
- Modify consumer choice
- Fund underserved categories 8



Guiding Principles (Cont'd)

Demonstration Projects:

- Demonstrate potential for cost-effective emission reductions
- Economically viable
- Near commercialization
- Potential for use in the California marketplace



FY 2009-10 Funding Plan Allocations (millions)

Hybrid Truck & Bus Vouchers	\$ 20.4
Zero-Emission & Plug-In Hybrid Light-Duty Vehicle Rebates	4.1
Lawn & Garden Equipment Replacement	1.6
Zero-Emission Agricultural Utility Terrain Vehicle Rebates	1.1
Advanced Technology Demonstrations	7.3
TOTAL	\$ 34.6



Hybrid Truck & Bus Voucher Incentive Project

- Accounts for 60% of AQIP FY 2009-10 program funds
- Funds up to 800 vehicles
- Administered by CALSTART
- Consumer launch in January 2010



Status of the FY 2009-10 Other Projects

Zero-Emission & Plug-
In Hybrid Light-Duty
Vehicle Rebate

Grantee selected;
consumer launch
early 2010

Lawn & Garden
Equipment
Replacement

Reviewing Proposals

Zero-Emission
Agricultural Utility
Terrain Vehicle Rebate

Reviewing Proposals

Advanced
Demonstration Projects

Locomotive RFP
release early 2010



Truck Loans

FY 2008-09 AQIP Funds

- \$35M allocated to truck loans
- Program targets nearly-bankable fleet owners (fleets ≤ 20)
- Loans accessed through participating lenders
- Other financing options available



Status of CEC AB 118 Program

- Investment Plan for FY 2008-09 & 2009-10 approved for \$176M
- \$36M in co-funding awarded for ARRA projects
- Ongoing solicitations to award remaining funds
- Investment Plan for FY2010-11 under development



Comments and Discussion

**webcast e-mail:
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Modification to the Air Quality Guidelines

- Referenced 2007 State Alternative Fuels Plan as interim tool for full fuel cycle analysis
- Proposed change to reference the Low Carbon Fuel Standard



Concepts FY 2010-11 Funding Plan Development

- Continue funding existing project categories
- Continue using approved guiding principles
- Request public input on potential new funding categories
- Evaluate continued funding of truck loan program



Concepts (Cont'd)

- Coordinate with CEC
- Demonstration Projects
 - Maintain existing demonstration categories
 - Prioritize categories not funded in FY 2009-10



Hybrid Truck & Bus Voucher Incentive Project

- Continue as AQIP's core program
 - Promotes hybrids in the market place
 - Encourages technology innovation
 - Addresses measure in Climate Change Scoping Plan using incentives
- Evaluate category funding & voucher amounts

Key Issues

- Estimate available funding
 - typically \$35 - \$50 million annually
- Establish funding targets for continuing project categories
- Consider new funding categories
- Consider changes to project criteria based on public input
 - Rebate/voucher amounts
 - Vehicle/consumer eligibility criteria



AQIP Development Schedule

Milestone	Date
Category-specific workgroup meetings	Jan-April 2010
2 nd public workshops	April 2010
Release proposed 2010-11 AQIP Funding Plan and regulation change	May 2010
Board hearing	June 2010
FY 2010-11 project solicitations	July 2010



Information Sources

AQIP website

www.arb.ca.gov/msprog/aqip/aqip.htm

CEC AB 118 website

www.energy.ca.gov/altfuels/index.html



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Comments and Discussion

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