

AB 118: Air Quality Improvement Program

Public Workshops

Diamond Bar, CA
November 5, 2008

Sacramento, CA
November 6, 2008



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Overview

- Summary of AB 118
- Preliminary AQIP Guideline Language
- FY 2009-10 AQIP Funding Plan Discussion Paper
- Questions and Comments

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AB 118 Programs

- CEC's Alternative and Renewable Fuels and Vehicle Technology Program
 - \$120M/year for clean fuels and vehicle technology to address climate change
- BAR's Enhanced Fleet Mod Program
 - \$30M/year for car/light truck scrap
- ARB's Air Quality Improvement Program
 - \$50M/year to reduce criteria pollutants

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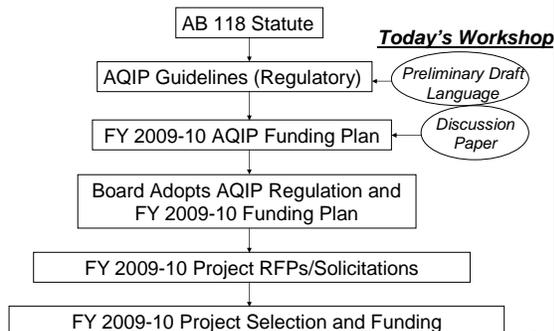
AQIP Project Categories

- Vehicle and equipment projects
 - Accelerated deployment
 - Technology demonstration
- Research to determine the air quality impacts of alt fuels
- Advanced technology workforce training

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AQIP Development



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AQIP Guidelines

Overview

- Adopted as regulations
- Describe general program administration and implementation requirements
- Apply to multiple funding years and project types



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Preliminary AQIP Guidelines

Funding Plan Development

- Staff develops a Proposed Funding Plan each fiscal year
 - Reflect evolving funding needs and policy priorities
 - Opportunities for public input
- Board approves Funding Plan

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Preliminary AQIP Guidelines

Funding Plan Components

- Eligible source categories and funding targets
- Solicitation mechanisms and project selection criteria
- Project administrators
 - ARB or third party



Preliminary AQIP Guidelines

Project Solicitations

- Tailored specifically for each project type in the Funding Plan
- Include detailed project requirements
 - Eligibility and selection criteria
 - Application and project selection deadlines
 - Overarching contract requirements
 - Match and program administration

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Preliminary AQIP Guidelines

Additional Reg Language

- Administrative requirements
- Compliance with “anti-backsliding” guidelines
- Oversight and accountability responsibilities
- Other suggestions?



FY 2009-10 Funding Plan

Proposed Implementation Priorities

- Not all eligible project types to be funded
 - Focus on a few key categories
- Staff proposing to direct bulk of funds to accelerate clean vehicle deployment
 - 65-85% for clean vehicle deployment
 - 10-30% for advanced technology demo
 - 0-10 % for research and workforce training

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Clean Vehicle Deployment

Proposed FY 2009-10 Guiding Principles

- Help meet SIP “black box” commitments
- Must be ready for deployment
- Induce clean vehicle purchases that wouldn't otherwise have occurred
- Target project types without other significant funding sources



Clean Vehicle Deployment FY 2009-10 Prioritization Matrix

Vehicle Type →	Heavy-Duty Nat. Gas Vehicles/Equipment	Hybrid Medium- & Heavy-Duty Vehicles	Hybrid Off-Road Equipment	Zero-Emission Light-Duty vehicles	Non-Plug-In Hybrid Light-Duty Vehicles	Plug-In Hybrid Light-Duty Vehicles	Fuel Cell Light-Duty Vehicles	Fuel cell Buses	Others?
Guiding Principle ↓ ↓ ↓									
Helps meet black box commitments	◇	◇	◇	◇	◇	◇	◇	◇	
Ready for deployment	◇	◇		◇	◇				
Incentive needed to spur purchase	◇	◇	◇	◇		◇	◇	◇	
No other major funding source		◇	◇	◇	◇	◇	◇	◇	13

- ### Demonstration Projects Implementation Considerations
- Fund vehicle or equipment projects
 - No vehicle components, fuels, or infrastructure
 - Reduce criteria pollutant emissions
 - Complement existing demo projects
 - Coordinate with CEC and other funding sources

- ### Demonstration Projects Workgroup Meetings
- Several meetings over next 2-3 months
 - Open to all interested stakeholders
 - Evaluate and prioritize possible projects
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- ### Additional Possible Categories
- Workforce training
 - Support hybrid HD vehicle deployment
 - Lawn and garden equip. replacement
 - Could align with existing district programs
 - Research on AQ impacts of alt fuels
 - Other suggestions?
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Preliminary Funding Targets FY 2009-10 Funding Plan

Project Category	Funding Amount
Incentives for Purchase of New Medium- and Heavy-Duty Hybrid Vehicles	\$25-30M
Incentives for Purchase of New Zero-Emission and Plug-In Hybrid Light-Duty Vehicles	\$2-5M
Demonstration Projects for Zero and Near-Zero Emission Vehicles and Equipment	\$5-15M
Other Project Categories	\$0-5M
Truck Loan Program (cont. from FY 2008-09)	\$0-10M
TOTAL	\$32-65M

AQIP Development Schedule

Milestone	Date
3 rd Public Workshop (LA & Sac): Preliminary regulatory language and funding targets	Today
Demonstration project workgroup meetings	Nov-Jan
Final Public Workshop (SJV & Sac): Draft regulation & FY 2009-10 Funding Plan	Jan 2009
Release proposed regulatory package and FY 2009-10 Funding Plan	Early 2009
Board considers proposed regulation and FY 2009-10 Funding Plan	Spring 2009
FY 2009-10 projects solicitations	Mid-2009



For More Information

- AQIP website
– www.arb.ca.gov/msprog/aqip/aqip.htm
- AQIP list serve
– www.arb.ca.gov/listserv/aqip.htm
- CEC AB 118 website
– www.energy.ca.gov/altfuels/index.html



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Comments and Discussion

