

AB 118 Air Quality Improvement Program (AQIP) Fiscal Year 2011-12 Funding Plan

Public Workshops
April 2011
Sacramento, Fresno, El Monte



Presentation Outline

- Overview of AQIP
- Implementation update
- FY 2011-12 Funding Plan
- Comments and discussion

Handouts available online at:
www.arb.ca.gov/msprog/aqip/aqip.htm

AQIP Background

- Created by Assembly Bill 118 (2007)
- \$30-40 million per year through 2015
- Funds mobile source technology advancement
- Complements ARB's other incentive programs

Annual AQIP Funding Plan

- Staff develops proposed plan reflecting:
 - Guiding principles
 - Current ARB priorities
 - Public input
 - Coordination with California Energy Commission's AB 118 Program
- Plan establishes project categories, funding targets, contingency provisions
- Board approves Funding Plan

Board Approved Guiding Principles

- Focus on longer-term, post-2020 air quality and climate change goals
 - Zero and near-zero emission technologies
- Prioritize underserved project types
 - Vehicle/equipment deployment
 - Technology demonstrations
- Staff proposes maintaining these principles in FY 2011-12 Funding Plan

AQIP Funding Awarded to Date

Project Category	FY 2009-10	FY 2010-11
Hybrid Truck & Bus Vouchers (HVIP)	\$20.4M	\$19M
Clean Vehicle Rebates (CVRP)	\$4.1M	\$7M*
Lawn & Garden Equipment Replacement	\$1.6M	\$1M
Zero-Emission Agricultural Work Vehicles	\$1.1M	--
Off-Road Hybrid Equipment Pilot	--	\$2M
Advanced Technology Demonstrations	\$2M	\$2M
Total Funding	~\$30M	~\$30M

*Includes \$2M from California Energy Commission

FY 2011-12 Funding Plan Concepts

FY 2011-12 Funding Plan Priorities

- Focus funding on HVIP and CVRP
 - Critical phase for new technology rollouts
 - Areas of highest demand
- Refine incentive amounts, considering:
 - Available funding
 - Projected demand
 - Technology costs
- Continue allocation for demonstration projects

Draft FY 2011-12 AQIP Project Category Funding Targets

Project Category	\$28M Plan* based on recent revenues		\$40M Plan* proposed Budget appropriation	
	Possible Allocation	Vehicles Funded	Possible Allocation	Vehicles Funded
Hybrid Truck & Bus Vouchers	\$10-15 M	450-700	\$15-20 M	700-950
Clean Vehicle Rebates	\$12-17 M	4,500-6,500	\$17-25 M	6,500-9,500
Advanced Tech Demos/Testing	\$0.5-2 M	N/A	\$0.5-4 M	N/A

*Funding targets reflect uncertainty in AQIP revenues

Other Categories

- Lawn and garden equipment replacement
 - Transitioning to Moyer Program, no additional AQIP funding proposed
- Agricultural work vehicle rebates
 - Existing funding should meet expected demand
- Off-road hybrid equipment pilot
 - Solicitation in process, pilot will run though 2011 with existing funding

Hybrid Truck and Bus Vouchers (HVIP)

- Consumer vouchers for about ½ increment cost of new hybrid
 - Strong demand since project launch
 - Nearly 800 vehicles funded to date
 - Electric trucks also eligible
- Goals for 2011-12
 - Continue streamlined project structure
 - Refinements to encourage broader participation

HVIP Vouchers Issued to Date

Vehicle Vocation	# of Vehicles
Beverage Delivery	345
Package Delivery	147
Uniform and Linen Delivery	108
Food Distribution	103
Other Truck	31
Liquid Propane Delivery	22
Urban or Shuttle Bus	8
TOTAL (through March 2011)	764

Possible Changes to Voucher Amounts

- First time participants receive extra \$10,000
 - For 1st 3 vehicles purchased
- Progressive voucher amounts for fleets
 - Full voucher amount for 1st 30 vehicles purchased
 - Voucher amount reduced by 20% for vehicles 31-65
 - Voucher amount reduced by 40% for vehicles 66-100
- Extra \$10,000 for school bus purchases

Hybrid Emission Testing

- May allocate up to \$500,000 for hybrid truck emission testing
 - Augment U.S. Department of Energy National Renewable Energy Laboratory (NREL) effort
- Help establish duty-cycles and test procedures
- Voluntary testing of HVIP funded vehicles

Clean Vehicle Rebate Project (CVRP)

- Consumer rebate for zero-emission and plug-in hybrid light-duty vehicles
- Demand increasing as new models are released
 - Current funds should last through mid-year, with \$2M from Energy Commission
- Goals for 2011-12
 - Continue streamlined project structure
 - Revise funding allocation and rebate amounts to meet increasing demand

CVRP Rebates Issued to Date

Vehicle Type	# Vehicles	Funds Spent
Full Functioning Zero Emission Vehicles (ZEVs)	343	\$1,700,000
Neighborhood Electric Vehicles (NEVs)	18	\$22,000
Zero Emission Motorcycles (ZEMs)	41	\$60,000
Commercial ZEVs*	49	\$980,000
Total Funds Spent (through March 2011)		\$2.8M

*Now part of HVIP

The Challenge

- Large increase in ZEVs and plug-in hybrids projected over next several years
- Potential vehicle demand
 - 2011: 2,000-6,000
 - 2012: 6,000-15,000
 - 2013: >15,000
- CVRP changes needed to meet this demand

Possible Changes: Rebate Amounts

Vehicle Type	Current Rebate	Proposed Rebate
ZEVs		
Type II, III, IV, or V (range ≥100 miles)	\$5,000	\$2,500
Type 1.5 (range ≥75, <100)	\$4,000	\$2,000
Type 1 (range ≥50, <75)	\$3,000	\$1,500
Plug-in Hybrids	\$3,000	\$1,500
NEVs	\$1,500	\$750
ZEMs		

Other Possible CVRP Changes

- Set aside 10% of funds for car share fleets
- Set annual limit purchasing entity rebates per 50 for rental fleets
 - Current 20 rebate per purchasing entity cap does not apply to rental fleets

Advanced Technology Demos

- Continue small AQIP allocation for demos
- Focus on projects within 3 years of commercialization
 - Support potential future deployment projects
- Potential projects
 - School bus demonstration (from 10/11 Plan)
 - Additional locomotive projects
 - Work group meetings to further refine project types

Contingency Plans

- Initial grant solicitations based on \$28 million revenue level
- Flexibility to increase allocations to \$40 million based on revenues and demand for funding

Next Steps

Milestone	Date
Consider public comments and write Funding Plan	April-May 2011
Release proposed Funding Plan	June 20, 2011
Board considers Funding Plan	July 21, 2011
Release project solicitations	Summer/Fall 2011

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Comments and Discussion

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