

AB 118: Air Quality Improvement Program (AQIP)

Public Workshop
Sacramento, CA
January 11, 2011



Presentation Outline

- Overview of AQIP
- Update on AQIP implementation
- Status of other AB 118 programs
- FY 2011-12 AQIP Funding Plan development
- Comments and discussion

AQIP Background

- Created under AB 118 (Statutes of 2007)
 - ARB's AQIP
 - CEC's Alternative and Renewable Fuel and Vehicle Technology Program
 - BAR car scrap
- Close coordination between programs
 - Complementary portfolios

AQIP Background (Cont'd)

- \$30-\$40 Million/year through 2015
- Complements ARB's other programs
 - Carl Moyer Program: near-term reductions
 - Goods Movement Emission Reduction Program: near-term reductions in goods movement corridors
 - Lower-emission School Bus Program: retrofit and new-purchase of school buses
- Supports technology advancement

Eligible Project Types

- 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
- Workforce training related to advanced technology
- Light-duty vehicle emission reductions

AQIP Funding Plan

Staff develops a proposed plan reflecting:

- Project categories & funding targets
- Guiding principles
- Current ARB priorities
- Public input
- CEC coordination

Approved Guiding Principles

- Focus on longer-term, post-2020 SIP goals
- Prioritize underserved project types
- Investments in two project types:
 - Vehicle/equipment deployment
 - Demonstration of technologies near commercialization

AQIP Project Funding

Project	FY 2009-10	FY 2010-11
Hybrid Truck & Bus Voucher	\$20.4M	\$19M
Clean Vehicle Rebate	\$4.1M	\$5M
Lawn & Garden Equip. Replacement	\$1.6M	\$1M
Agricultural UTV Rebate	\$1.1M	\$0 - 0.5M
Off-Road Hybrid Pilot	--	\$2M
Advanced Demonstrations	\$2M	\$3M
Funding Revenues	~\$30M	~\$30M



Hybrid Truck & Bus Voucher Incentive Project (HVIP)

- Consumer voucher for about half the incremental cost of a new hybrid
- About 2/3 of AQIP program funds
- Administered by CALSTART
- FY 2009-10 funding reserved in 7 months
- FY 2010-11 launch in February 2011



Clean Vehicle Rebate Project (CVRP)

- Consumer rebate for zero-emission and plug-in hybrid passenger vehicles
- Accelerate commercialization of the cleanest vehicles available
- Funding ongoing
- Administered by the California Center for Sustainable Energy

Status of the Other AQIP Projects

Project	FY 2009-10	FY 2010-11
Lawn & Garden Equip. Replacement	96% of funds spent; 7,911 mowers replaced	Grantees selected
Agricultural UTV Rebate	21 rebates issued; ongoing	Evaluating demand
Advanced Demonstrations	Grantees selected; projects ongoing	Solicitation early 2011
Off-Road Hybrid Pilot	--	Solicitation early 2011

Status of CEC AB 118 Program

- Investment Plans for FYs 2008-09, 2009-10, and 2010-11 approved
- \$150 million in funding awarded
- Ongoing solicitations to award remaining funds
- Investment Plan for FY 2011-12 under development
- Related projects- charging infrastructure, alt. fuel vehicles, manufacturing

Truck Loans
FY 2008-09 AQIP Funds

- \$35M allocated to truck loans
- Loan assistance program (PLACE) ongoing
 - Targets nearly-bankable fleet owners
 - Fleets \leq 20 vehicles
 - Loans accessed through participating lenders
- About 750 loans issued
- Provided over \$34 million in financing
- Developing a direct loan/lease program

FY 2011-12 Funding Plan

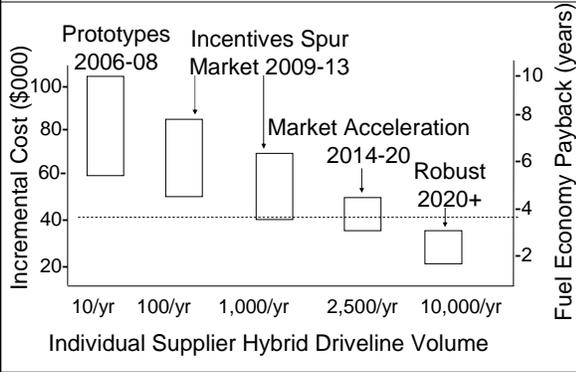
Concepts FY 2011-12 Funding Plan
Development

- Continue using approved guiding principles
- Continue funding existing project categories, where necessary
- Request public input on potential new funding categories
- Evaluate continued funding of truck loan program
- Coordinate with CEC

Hybrid Truck & Bus Voucher Incentive Project

- Remain a large AQIP investment
- Continue funding for commercial zero-emission vehicles
- Project adjustments
 - Modify voucher amounts?
 - Implementation refinements, as necessary

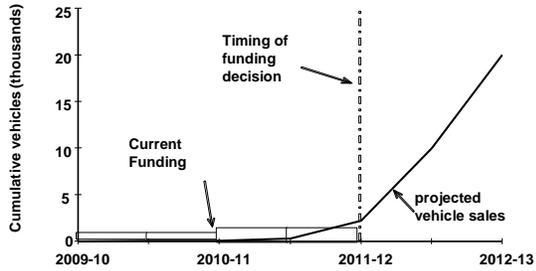
Cost vs. Production Volume



Clean Vehicle Rebate Project

- Large increase in demand expected next year
- Additional eligible vehicle introductions
- Limited funding

ZEV Demand Projections



Clean Vehicle Rebate Project

- Increase funding for FY 2011-12
- Modifications to project criteria
 - Reduce rebate amounts?
 - Modify eligible vehicles?
 - Other ideas?
- Working Group meeting- Feb. 2, 2011
- Continue to work with CEC and local air districts

Funding for Other AQIP Projects?

Project	Future needs
Lawn & Garden Equip. Replacement	May be eligible for Moyer funding in mid-2011
Agricultural UTV Rebate	Evaluate demand
Off-Road Hybrid Pilot	2-year project; evaluate new equipment introductions
Advanced Demonstrations	Continue current funding levels

Key Issues
<ul style="list-style-type: none"> • Estimate available funding <ul style="list-style-type: none"> – ~ \$30 million for FYs 2009-10 and 2010-11 • Establish funding targets • Consider changes to project criteria based on public input <ul style="list-style-type: none"> – Rebate/voucher amounts – Vehicle/consumer eligibility criteria • Consider new funding categories

AQIP Development Schedule	
Milestone	Date
Category-specific workgroup meetings	Jan-April 2011
2 nd public workshops	April 2011
Release proposed 2010-11 AQIP Funding Plan and regulation change	June 2011
Board hearing	July 2011
FY 2010-11 project solicitations	Fall 2011

Information Sources
<p>AQIP website www.arb.ca.gov/msprog/aqip/aqip.htm</p> <p>CEC AB 118 website www.energy.ca.gov/altfuels/index.html</p>

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Comments and Discussion

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