



Air Resources Board



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Mail-Out #MSC 08-19

TO: All Interested Parties

SUBJECT: PUBLIC WORKSHOP TO DISCUSS DEVELOPMENT OF AB 118
AIR QUALITY IMPROVEMENT PROGRAM (AQIP) GUIDELINES
AND POTENTIAL LOAN INCENTIVE PROGRAM FOR TRUCKS

The Air Resources Board (ARB) invites you to participate in a public workshop to discuss development of the Air Quality Improvement Program (AQIP) guidelines as pursuant to AB 118 (Statutes of 2007), the California Alternative and Renewable Fuel, Vehicle Technology, Clean Air, and Carbon Reduction Act of 2007. A separate session is scheduled to discuss the first year of AQIP funding which centers on loan, loan guarantee, or revolving loan programs to provide financial assistance to eligible on-road heavy-duty vehicle owners.

The workshop will focus on the AQIP Guidelines during a morning session and the first year of AQIP funding in the afternoon. The schedule for the workshop is:

DATE: Tuesday, August 19, 2008
TIME: AQIP Program Guidelines: 10:00 a.m. to 12:00 p.m.
Loan Program Development: 12:30 p.m. to 2:00 p.m.
PLACE: Cal/EPA Headquarters Building
Sierra Hearing Room, 2nd Floor
1001 I Street
Sacramento, California 95814

AQIP Program Guidelines

AB 118 provides about \$50 million annually through 2015 for the AQIP to fund a variety of air quality incentive projects, including low-emission vehicles and equipment projects, air quality research, and advanced energy technology workforce training. ARB is developing proposed AQIP Guidelines, as well as source category funding targets, solicitation mechanisms and selection criteria for fiscal year (FY) 2009-10 AQIP projects. ARB will bring the AQIP Guidelines and FY 2009-10 funding targets and other program parameters to the Board for its consideration in spring 2009.

This workshop provides an opportunity for early stakeholder input regarding development of an efficient and effective AQIP that complements California's other

The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our website: <http://www.arb.ca.gov>.

California Environmental Protection Agency

existing incentive programs, and maximizes air quality benefits. Issues to be discussed include:

- What types of projects should be funded by the AQIP? How should ARB prioritize from among the eight eligible project categories identified in AB 118?
- How should the requirement of broad surplus emission reductions be defined within this program?
- How should projects be solicited and funded? Should ARB solicit and fund projects directly, direct funding through local air districts or other third parties, or a combination of the two?

This is the second of four planned workshops to be held during AQIP Guideline development. The third and fourth AQIP workshops shall also be held in the Los Angeles area and the San Joaquin Valley.

Loan Program Development

For the FY 2008-09, ARB expects to receive a minimum \$40 million appropriation from the AQIP fund created by AB 118 to implement a heavy-duty vehicle air quality loan program. The purpose of this air quality loan program is to provide financial assistance to on-road heavy-duty vehicle fleet owners to assist in early implementation of two ARB regulatory proposals scheduled for Board consideration in October 2008 – the Proposed Regulation to Reduce Emissions from In-Use Heavy-Duty Diesel-Fueled Vehicles and the Proposed Heavy-Duty Vehicle Greenhouse Gas Reduction Measure. At the workshop, ARB staff will discuss concepts for implementation of the air quality loan program, including the program's structure, target applicants, projects eligible for financing, and potential financing packages. The workshop discussion will focus on the development of the air quality loan program and not the specifics of the regulatory proposals.

For those unable to attend in person, the workshop will also be webcast. On the day of the workshop, the broadcast can be accessed at <http://www.calepa.ca.gov/broadcast/> . Information on submitting questions or comments will be provided during the webcast for remote participants. Staff's presentation will be posted in advance of the workshop on ARB's web site at <http://www.arb.ca.gov/msprog/aqip/aqip.htm> .

If you have a disability-related accommodation need, please go to <http://www.arb.ca.gov/html/ada/ada.htm> for assistance, or contact the ADA Coordinator, at (916) 323-4916. If you are a person who needs assistance in a language other than English, please go to <http://www.arb.ca.gov/as/eo/languageaccess.htm> or contact the Bilingual Coordinator, at (916) 323-7053. We welcome your participation.

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If you have questions regarding the workshop or the Air Quality Guideline development, please contact Joe Calavita at (916) 445-4586 or jcalavit@arb.ca.gov. For information regarding the loan program, contact Krista Fregoso at (916) 445-5035 or kfregoso@arb.ca.gov.

Sincerely,

/s/

Robert H. Cross, Chief
Mobile Source Control Division

cc: Joe Calavita
Staff Air Pollution Specialist
Carl Moyer Off-Road Section

Krista Fregoso
Air Pollution Specialist
Carl Moyer Innovative Strategies Section