

DATE: May 16, 2019 Mail-Out #MSC 19-12

TO: All Interested Parties

SUBJECT: PUBLIC WORKSHOP ON THE FISCAL YEAR 2019-20 FUNDING PLAN FOR
CLEAN TRANSPORTATION INCENTIVES

The California Air Resources Board (CARB or Board) invites you to participate in the second public workshop on the Fiscal Year (FY) 2019-20 Funding Plan for Clean Transportation Incentives. The FY 2019-20 Funding Plan will describe CARB's proposed investments from the following clean transportation incentive funding sources:

- The \$48 million Air Quality Improvement Program (AQIP).
- The \$447 million proposed appropriation for the Low Carbon Transportation Program using Cap-and-Trade auction proceeds.

The meeting will be held at the following time and place:

Date: Thursday, June 13, 2019
Time: 10:00 am to 2:30 pm (PDT)
Place: Cal/EPA Headquarters Building
Coastal Hearing Room
1001 I Street
Sacramento, California 95814

This meeting will be webcast for those unable to attend in person. The broadcast can be accessed on the day of the workshop at <https://video.calepa.ca.gov/>. Information on submitting comments will be provided during the webcast for remote participants. Staff's presentation and a discussion document outlining initial proposals on project categories, funding allocations, and project criteria for this funding will be posted prior to the workshop on CARB's Low Carbon Transportation/AQIP website at <https://www.arb.ca.gov/aqip/>.

Meeting Information

At this workshop, CARB staff will discuss and seek input on recommended funding allocations and project categories for FY 2019-20 AQIP funds and the Low Carbon Transportation Program if the Legislature appropriates CARB funding for that purpose.

This is the second public workshop in a series of workshop and work group meetings CARB staff will hold on the FY 2019-20 Funding Plan. Staff will release a proposed Funding Plan, incorporating input received at this workshop, later this year. The Board will consider the proposed Funding Plan at a public meeting after a 30 day public comment period.

Background

AQIP: AQIP is a voluntary, mobile source incentive program that focuses on reducing criteria pollutant and diesel particulate emissions with concurrent reductions in greenhouse gas emissions. The FY 2019-20 State Budget includes \$48 million for AQIP. AQIP has provided funding for the Clean Vehicle Rebate Project (CVRP), truck and bus vouchers, and advanced technology demonstrations since 2009. In recent years, these projects have been primarily funded with Low Carbon Transportation appropriations, and the majority of AQIP funds have been directed to the Truck Loan Assistance Program and other diesel emission reduction projects. The \$48 million proposal for AQIP funding includes a one-time supplement of \$20 million to meet an anticipated increase in demand as most truck fleets will be required to have vehicles equipped with 2010 or newer model year engines starting in 2020.

California Climate Investments Low Carbon Transportation Funding: The Low Carbon Transportation program is part of California Climate Investments, a statewide program that puts billions of Cap-and-Trade dollars to work reducing greenhouse gas emissions, strengthening the economy and improving public health and the environment, particularly in disadvantaged communities. CARB's Low Carbon Transportation Program is designed to accelerate the transition to low carbon freight and passenger transportation with a priority on providing health and economic benefits to California's most disadvantaged communities. These investments support the State's climate change strategy pillars of a 50 percent reduction in petroleum use in vehicles by 2030 and reducing short-lived climate pollutants and the Governor's goal to deploy 5 million ZEVs by 2030. These investments also reduce ozone precursor emissions and toxic diesel particulate emissions, supporting the State's goals in these areas.

The Legislature has appropriated nearly \$1.6 billion to CARB for Low Carbon Transportation projects over the past six budget cycles. These funds are being used to fund zero-emission and plug-in hybrid passenger vehicles through vehicle ownership projects that support the State's zero-emission vehicle goals while helping lower-income consumers make the leap into the cleanest technology available; equity projects that increase access to clean transportation and mobility in low-income and disadvantaged communities, and for lower-income Californians; deployment incentives for clean trucks and buses using zero-emission, hybrid, and low nitrogen oxides (NOx) technologies; and advanced technology demonstration projects for freight trucks and equipment. A \$447 million proposal for Low Carbon Transportation Program funding has been put forward as part of the Governor's FY 2019-20 budget. This amount has been further suballocated to fund \$200 million for CVRP, \$65 million for clean transportation equity projects, and \$182 million for heavy-duty vehicles and equipment. While these amounts fall short of the projected funding needs in these categories, staff will recommend the highest-priority needs in the draft discussion document.

Annual Funding Plan: The annual funding plan is each year's blueprint for expending Low Carbon Transportation and AQIP funds appropriated to CARB in the State budget. The plan

describes CARB's policy drivers and vision for advanced technology mobile source investments, eligible project categories and criteria, project funding allocations, and program implementation details, and provides the justification for these investments. If CARB is appropriated Low Carbon Transportation funding, the Funding Plan will also address the requirements of AB 1550 (Gomez, Chapter 369, Statutes of 2016) related to disadvantaged and low-income community investments.

Contact

If you have questions regarding the workshop, please contact Mr. Jason Crow, Air Pollution Specialist, at (916) 323-7525 or by email at jason.crow@arb.ca.gov.

Special Accommodations

If you require a special accommodation or need this document in an alternate format (i.e. Braille, large print) or another language, please contact Ms. Stella Ling-Taylor, Air Pollution Specialist, at (916) 322-6369 or by email at stella.lingtaylor@arb.ca.gov as soon as possible, but no later than 10 business days before the scheduled meeting. TTY/TDD/Speech to Speech users may dial 711 for the California Relay Service.

Consecuente con la sección 7296.2 del Código de Gobierno de California, una acomodación especial o necesidades lingüísticas pueden ser suministradas para cualquiera de los siguientes:

- Un intérprete que esté disponible en la audiencia.
- Documentos disponibles en un formato alterno u otro idioma.
- Una acomodación razonable relacionados con una incapacidad.

Para solicitar estas comodidades especiales o necesidades de otro idioma, por favor llame a la oficina del Consejo al (916) 324-0342 o envíe un fax a (916) 327-8524 lo más pronto posible, pero no menos de 10 días de trabajo antes del día programado para la audiencia del Consejo. TTY/TDD/Personas que necesiten este servicio pueden marcar el 711 para el Servicio de Retransmisión de Mensajes de California.

Sincerely,

/s/

Jack Kitowski, Chief
Mobile Source Control Division

cc: See next page

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cc: Jason Crow
Air Pollution Specialist
Mobile Source Control Division

Stella Ling-Taylor
Air Pollution Specialist
Mobile Source Control Division