PROPOSAL: Approve Additional Funds for Replacement of Onboard CNG Fuel Tanks on School Buses and Transfer Funds

SYNOPSIS: Since 2001, the SCAQMD has replaced over 1,600 pre-1994 diesel school buses with new CNG school buses. In April 2012, the Board approved the issuance of a Program Announcement using $3 million set aside from the Carl Moyer Program AB 923 Fund (80) to fund the replacement of onboard CNG fuel tanks for public school buses older than 14 years. These funds are nearly exhausted. This action is to allocate an additional $2 million from the Carl Moyer Program AB 923 Fund (80) for this ongoing program to continue the replacement of onboard CNG fuel tanks for public school buses, on a first-come, first-served basis. This action is to also transfer $275,000 from the Carl Moyer Program AB 923 Fund (80) into the Advanced Technology, Outreach and Education Fund (17) for Diesel Emission Reduction Act projects.

COMMITTEE: Technology, October 21, 2016; Recommended for Approval

RECOMMENDED ACTIONS:
1. Allocate an additional $2 million from the Carl Moyer Program AB 923 Fund (80), and authorize the Chairman to execute Grant Agreements to continue the replacement of onboard CNG fuel tanks for public school buses older than 14 years, on a first-come, first-served basis, under an existing open program announcement (#PA2012-16); and
2. Transfer $275,000 from the Carl Moyer Program AB 923 Fund (80) into the Advanced Technology, Outreach and Education Fund (17) for DERA projects.

Wayne Nastri
Acting Executive Officer
Background
Since the commencement of the Lower-Emission School Bus Program in 2001, SCAQMD has spent about $280 million in state and local funds to replace over 1,600 highly polluting diesel school buses with alternative fuel buses and retrofit over 3,000 diesel school buses with particulate traps. In April 2012, the Board approved the issuance of Program Announcement #PA2012-16 using $3 million set aside from the Carl Moyer Program AB 923 Fund (80) to fund on a first-come, first-served basis the replacement of onboard CNG fuel tanks for school buses owned by public school districts that are older than 14 years. The $3 million initially set aside is nearly exhausted.

In April 2015, the Board recognized $753,476 in Fiscal Year 14 DERA funds from U.S. EPA, with $478,476 placed into the Advanced Technology, Outreach and Education Fund (17) for heavy-duty truck projects and $275,000 placed into the Carl Moyer Program AB 923 Fund (80) for school bus replacement awards, the latter to be considered by the Board at a future date. In July 2016, the Board increased the award to Cal Portland Cement Company for truck replacement projects using the DERA funds, which include the $275,000 initially set aside for school bus replacement awards. However, the $275,000 is currently in Fund 80 and needs to be transferred to Fund 17 for DERA projects.

Proposal
This action is to allocate an additional $2 million from the Carl Moyer Program AB 923 Fund (80) to continue the replacement of onboard CNG fuel tanks for school buses owned by public school districts that are older than 14 years. These funds will be added to the open program announcement #PA2012-16 to continue the ongoing program on a first-come, first-served basis.

This action is to also transfer $275,000 from the Carl Moyer Program AB 923 Fund (80) into the Advanced Technology, Outreach and Education Fund (17) for DERA projects.

Benefits to SCAQMD
Replacement of expired CNG tanks with new tanks would assist school districts by extending the useful life of their existing CNG buses, helping them continue to provide clean transportation for school children.

Resource Impacts
There are sufficient funds available in the Carl Moyer Program AB 923 Fund (80) to allocate an additional $2 million to Program Announcement #PA2012-16 for onboard CNG fuel tank replacements for public school buses older than 14 years.

Additionally, upon Board approval of the $275,000 transfer, all FY14 DERA funding will be available in the Advanced Technology, Outreach and Education Fund (17).