

BOARD MEETING DATE: March 4, 2016

AGENDA NO. 10

PROPOSAL: Approve Implementation of Three Additional Incentive Programs, Amend Existing Contract, Expand Implementation Areas, and Allocate Funds for Implementation of U.S. EPA's Targeted Air Shed Grant

SYNOPSIS: On March 4, 2011, the Board approved funding allocations from U.S. EPA's Targeted Air Shed Grant Program for \$2,913,123 to implement incentive programs to reduce criteria pollutant emissions in the two Clean Communities Plan pilot areas of Boyle Heights and San Bernardino. This action is to use the approximately \$800,000 remaining to: 1) implement an incentive program for \$236,089 that will allow the Executive Officer to reimburse government and non-profit organizations that install electric vehicle charging equipment and/or solar panels to support electric vehicle charging equipment; 2) implement an incentive program to replace pre-1987 school buses with CNG buses and associated infrastructure, if requested, at a cost not to exceed \$180,000 per school bus at Los Angeles Unified School District ; 3) implement an incentive program for \$40,000 to reimburse government and non-profit organizations that purchase commercial cordless electric yard equipment; 4) modify an existing contract with Mean Green Products, LLC by an amount not to exceed \$150,000 to expand the pilot program to purchase additional commercial electric lawn mowers in Western Riverside County for government agencies; and 5) expand implementation of the above incentive programs to include San Bernardino, Boyle Heights, Western Riverside County, and beyond to other environmental justice communities in Orange County and throughout the Basin if needed.

COMMITTEE: Mobile Source, February 19, 2016; Recommended for Approval

RECOMMENDED ACTIONS:

1. Authorize the Executive Officer to implement an incentive program for \$236,089 from the Advanced Technology, Outreach, and Education Fund (17) to reimburse

- government and non-profit organizations that install electric vehicle charging equipment and/or solar panels to support electric vehicle charging equipment;
2. Authorize the Chairman to execute a contract with the Los Angeles Unified School District (LAUSD) for the replacement of up to four pre-1987 school buses. Each pre-1987 school bus would be replaced with a CNG bus at a cost not to exceed \$180,000 per school bus and associated infrastructure, if needed, from the Advanced Technology, Outreach, and Education Fund (17);
 3. Authorize the Executive Officer to implement an incentive program for \$40,000 from the Advanced Technology, Outreach, and Education Fund (17) to reimburse government and non-profit organizations that purchase commercial cordless electric handheld landscape equipment;
 4. Authorize the Chairman to modify an existing contract with Mean Green Products, LLC to increase funding by an amount not to exceed \$150,000 from the Advanced Technology, Outreach, and Education Fund (17) to expand the pilot program to purchase additional commercial electric lawn mowers in Western Riverside County for government agencies; and
 5. Authorize the Executive Officer to expand implementation of the above incentive programs to include San Bernardino, Boyle Heights, Western Riverside County, and beyond to other environmental justice communities in Orange County and throughout the Basin if needed.

Barry R. Wallerstein, D.Env.
Executive Officer

PF:SN:MM

Background

On March 4, 2011, the Board approved funding allocations from U.S. EPA's Targeted Air Shed Grant Program for \$2,913,123 for eight incentive programs for the reduction of toxic air contaminants and criteria air pollutants in the two Clean Communities Plan pilot areas of Boyle Heights and San Bernardino. Over the duration of this grant, the Board has approved several modifications to programs under the Targeted Air Shed Grant. On February 5, 2016, the Board approved reallocating funds to implement aqueous brake cleaners for auto repair shops and the commercial electric lawn mower project. Staff has worked with U.S. EPA and identified additional projects that can be implemented with the remaining funds of approximately \$800,000. Implementation of the Air Shed Grant will continue to focus on the original Clean Community pilot areas of San Bernardino and Boyle Heights, and will expand to Western Riverside County. If demand for incentive programs is low in these three areas, the SCAQMD staff will further expand into other environmental justice areas throughout the Basin to ensure timely implementation and completion of the Targeted Air Shed Grant.

Proposal

Staff is proposing to implement three additional incentive programs: 1) Reimbursement for installation of electric vehicle charging equipment; 2) Replacement of pre-1987 school buses with CNG buses; and 3) Reimbursement for commercial cordless electric handheld landscape equipment. In addition, staff is also proposing to modify an existing contract to expand the pilot program for commercial electric lawn mowers. Implementation of incentive programs will continue to focus on San Bernardino and Boyle Heights and then will expand to include Western Riverside County. After incentives are offered in these areas, if funds remain available, the implementation area will be further expanded to other environmental justice communities in Orange County and throughout the Basin. A description of each of these incentive programs is provided below.

Reimbursement for Installation of Electric Vehicle Charging Equipment

Staff is recommending to allocate \$236,089 to incentivize deployment of plug-in electric vehicle (PEV) infrastructure including charging stations, installation costs, and solar panels. Organizations utilizing the incentive would be reimbursed for equipment and installation costs, including hardware, electrical upgrades and associated construction, for up to \$5,000 per charger for sites with less than 2 percent of the parking stalls designated for PEVs and up to \$7,500 per charger for sites with 2 percent or more of the parking stalls designated for PEVs. For projects that include solar panels that are associated with the PEVs, applicants would be eligible for up to an additional \$5,000 for the solar panels per site. Grant funds would be limited to no more than \$42,500 per site. Because of high anticipated installation costs, it is expected that the funding would not cover all associated costs and it will be necessary for participants to provide cofunding. Some cofunding may come from utility programs that may also provide PEV infrastructure incentives.

This program would be available for government agencies and non-profit organizations. SCAQMD staff will conduct a focused outreach starting with San Bernardino, Boyle Heights and Western Riverside County. Where appropriate, staff will partner with other agencies and organizations to notify potential entities of this program incentive. If needed, outreach will be expanded to other environmental justice areas in Orange County and throughout the Basin.

Replacement of Pre-1987 School Buses

At its March 6, 2015 meeting, the Board approved the issuance of a program announcement for the replacement of pre-1994 school buses and interest from public school districts exceeded available funding. As part of this program, priority was given to replace pre-1987 buses. On October 2, 2015, the Board approved contracts to fund the replacement of pre-1987 requests from all school districts with the exception of LAUSD, due to the high number of pre-1987 school buses. Staff is recommending that the Chairman approve a contract with LAUSD to replace up to four pre-1987 school

buses. LAUSD is required to provide \$15,000 per CNG bus in co-funding. SCAQMD will provide up to \$162,000 for a new CNG bus. In addition, the SCAQMD will pay \$4,500 per bus for the option of fire suppressant. Furthermore, infrastructure funding of \$13,500 per CNG bus is recommended, if requested by LAUSD. A minimum of one bus will be funded for replacement and up to four buses would be replaced if there are remaining grant funds after implementation of the other incentive programs.

Reimbursement for Commercial Cordless Electric Handheld Landscape Equipment

Under the Targeted Air Shed Grant, the Board approved a pilot project on December 5, 2014 to provide commercial electric lawn mowers to government agencies and non-profit organizations in San Bernardino. This incentive program would extend the pilot program to offer those agencies and organizations that are participating in the pilot program to be reimbursed for the purchase of commercial cordless electric handheld landscape equipment. The Executive Officer will allocate \$40,000 from the Air Shed Grant to reimburse the pilot project participants up to \$1,200 per leaf blower, \$400 per hedge trimmer, \$400 per weed trimmer and \$400 per chain saw. All equipment must be cordless, electric and commercial-grade. Participants will once again be required to provide performance data to evaluate the performance of the equipment.

Expand the Pilot Program for Commercial Electric Lawn Mowers

To implement the pilot project for commercial electric lawn mowers, the Board approved a contract with Mean Green Products, LLC for the purchase, delivery, training and warranty of this equipment. This pilot project has been successful in the City of San Bernardino and at the January 8, 2016 Board meeting, the pilot program was extended to the City of Colton. Staff is recommending that this pilot project be further expanded to government agencies in Western Riverside County and that the contract with Mean Green Products be increased to \$150,000 for a total of \$565,838.

Allocation of Funds

Based on the revisions to proposed incentive programs above, and previously approved incentive programs, staff is recommending that the U.S. EPA Targeted Air Shed Grant funds be allocated as shown in Table 1 below. On January 8, 2016, the Board authorized the Executive Officer to move funds between approved incentive programs, based on their demand, to ensure the remaining \$800,000 is fully utilized in a timely manner.

Table 1 – U.S. EPA Targeted Air Shed Grant Allocations

Program	Allocation	Status of Incentive Program
Air Filtration in Schools	\$528,798	Completed
Architectural Coating Rebates	\$9,369	Completed
Auto Refinishing Spray Equipment	\$14,628	Completed
Boiler Efficiency Upgrades	\$100,000	Completed
Commercial Green Cleaners	\$0	Completed
Cordless Electric Residential Mowers	\$777,146	Completed
Weatherization of Homes	\$200,000	Near Completion
Aqueous Brake Washers for Auto Repair	\$60,000	Still Implementing
Wood Stove/Fireplace Gas Log Buy Down	\$26,255	Still Implementing
Commercial Electric Lawn Mowers	\$565,838	Still Implementing, Adding \$150,000
EV Charging and Installation	\$236,089	New
CNG School Buses	\$180,000	New
Commercial Cordless Electric Handheld Landscape Equipment	\$40,000	New
Administrative	\$175,000	Completed
Total:	\$2,913,123	

Benefits to SCAQMD

The proposal supports the implementation of the Clean Communities Plan to identify strategies to reduce emissions and exposure to criteria and toxic pollutants and ultrafine PM, help residents accelerate clean air efforts in these communities, and help offset the costs of pollution reduction strategies while also promoting more livable neighborhoods.

Resource Impacts

The proposed actions will not have an impact on SCAQMD financial resources. Funding will be provided under the U.S. EPA Targeted Air Shed grant program recognized by the Board on March 4, 2011 which are available in the Advanced Technology, Outreach, and Education Fund (17).