

BOARD MEETING DATE: November 2, 2018

AGENDA NO. 24

REPORT: Technology Committee

SYNOPSIS: The Technology Committee held a meeting on Friday, October 19, 2018. The following is a summary of the meeting.

RECOMMENDED ACTION:
Receive and file.

Joe Buscaino, Chair
Technology Committee

MMM:pmk

Committee Members

Present: Council Member Joe Buscaino/Chair (videoconference)
Mayor Pro Tem Judith Mitchell
Supervisor V. Manuel Perez (videoconference/arrived at 12:12 p.m.)
Council Member Dwight Robinson
Supervisor Hilda L. Solis (videoconference)

Absent: Mayor Larry McCallon

Call to Order

Chair Buscaino called the meeting to order at 12:08 pm.

ACTION ITEMS:

1. Execute Contract for Expansion of Hydrogen Fueling Station

The University of California Irvine (UCI) has requested cofunding for the expansion of its hydrogen fueling station to add additional capacity including more fueling positions to serve the increasing number of fuel cell cars and buses utilizing the station. The MSRC has approved \$1 million in cost-share and the CEC is considering providing \$400,000 in cost-share for this \$1.8 million project. This action is to execute a contract with UCI for expansion of their hydrogen fueling station in an amount not to exceed \$400,000 from the Clean Fuels Program Fund (31).

Supervisor Perez arrived at 12:12 pm.

Moved by Robinson; seconded by Mitchell; unanimously approved.

Ayes: Buscaino, Mitchell, Perez, Robinson and Solis

Noes: None

Absent: McCallon

2. Adopt Resolution Recognizing Funds for FY 2017-18 Carl Moyer State Reserve Program, Execute Contracts for FY 2017-18 “Year 20” Carl Moyer Program, SOON Provision and Community Air Protection AB 134 Program, Amend Awards and Transfer Funds

In June 2018, Program Announcements for the “Year 20” Carl Moyer Program and SOON Provision closed. This year, in addition to the traditional sources of Carl Moyer SB 1107 and AB 923 funds, funding from the Community Air Protection AB 134, State Reserve, FARMER and Voluntary NOx Remediation Measure Programs can also be used to fund Carl Moyer and SOON Provision projects. This action is to adopt a Resolution recognizing up to \$3.1 million in Carl Moyer State Reserve funds from CARB with its terms and conditions for FY 2017-18. These actions are to also execute contracts for the “Year 20” Carl Moyer, SOON Provision and Community Air Protection AB 134 Programs totaling \$63,541,435, comprising \$35,559,645 from the Carl Moyer Program Fund (32) and \$27,981,790 from the Community Air Protection AB 134 Fund (77). These actions are to also amend two “Year 19” Carl Moyer awards, adding \$117,754 from the Carl Moyer Program SB 1107 Fund (32), and transfer \$2 million from the Carl Moyer Program AB 923 Fund (80) to the Voucher Incentive Program Fund (59) for truck replacements.

Council Member Buscaino recused himself due to a campaign contribution from Clean Energy within the past 12 months. He then deferred to Mayor Pro Tem Mitchell to chair the meeting for Item #2. Supervisor Perez recused himself due to a campaign contribution from CR&R, Inc., within the past 12 months. Council Member Robinson recused himself due to a financial interest in Burlington Northern Santa Fe Railway (BNSF). Supervisor Solis disclosed that she has no financial interest, but is required to identify for the record that she serves on the Board of Supervisors for Los Angeles County, which is involved in this item. Mayor Pro Tem Mitchell stated that she does not have a financial interest, but is required to identify for the record that she is a Board Member of CARB, which is involved in this item.

With less than a quorum voting (Mitchell, Solis), the Committee communicated their concurrence to move the item directly to the Board for consideration.

3. Establish Special Revenue Fund, Recognize Revenue, Execute Agreements for Volkswagen Environmental Mitigation Program and Transfer Funds

On May 25, 2018, CARB approved the Beneficiary Mitigation Plan for the Volkswagen (VW) Environmental Mitigation Trust. This plan identifies five funding categories for the State’s \$423 million allocation of the VW Environmental Mitigation

Trust. The funded projects are intended to mitigate the excess NOx emissions caused by the VW vehicles. SCAQMD has been identified by CARB as the administrator of two project funding categories—the Zero Emissions Class 8 Freight and Port Drayage Trucks and the Combustion Freight and Marine Projects. These actions are to establish the VW Mitigation Special Revenue Fund (79), recognize revenue up to \$150 million into this special revenue fund, execute an agreement with CARB to administer and implement the two project funding categories, execute a Memorandum(s) of Agreement with other air districts, as needed, to assist in administering this program, and transfer funds from the VW Mitigation Special Revenue Fund (79) to the General Fund to reimburse administrative costs associated with the program.

Mayor Pro Tem Mitchell commented that she does not have a financial interest, but is required to identify for the record that she is a Board Member of CARB which is involved in this item.

Supervisor Solis inquired about increasing funds for light-duty electric vehicle chargers, especially additional incentives for low income and underrepresented communities. Executive Officer Wayne Nastri commented that the funding allocations for this program have already been negotiated by CARB, U.S. EPA and Volkswagen, and that these allocations are set. Staff added that through the Replace Your Ride Program, SCAQMD offers incentives for installing EV chargers with the purchase of a plug-in electric vehicle and will continue to look for other opportunities to install infrastructure in the communities referenced.

Mayor Pro Tem Mitchell further added that another part of the VW Settlement under the Electrify America Program also provides funding for electric vehicle supply equipment (EVSE). Information on funding Cycle 2 of the ZEV Investment Plan for California may be found at the following link:
https://www.arb.ca.gov/msprog/vw_info/vsi/vw-zevinvest/documents/c2zevplan_100318.pdf .

Council Member Robinson inquired about proportion of funding to SCAQMD relative to other air districts. Mayor Pro Tem Mitchell explained that the funds assigned to each air district will be made available to entities throughout the state and are not limited to the air district to which they were assigned. She further commented that she and staff believe funds allocated to the combustion category, which includes optional low NOx trucks, is too low. Mr. Nastri indicated that CARB agreed to consider transferring any unspent funds to another category based on demand and other factors; so, there may be an opportunity to get more funding for the combustion category.

Supervisor Perez is also interested in helping underserved areas and requested a separate briefing to understand the different sources of funds, especially for public transportation agencies such as SunLine Transit.

Moved by Perez; seconded by Mitchell; unanimously approved.

Ayes: Buscaino, Mitchell, Perez, Robinson and Solis

Noes: None

Absent: McCallon

4. Develop and Demonstrate Zero Emissions Heavy-Duty Trucks, Freight Handling Equipment, EV Infrastructure and Renewable Energy

SCAQMD received an award of \$44,839,686 to develop and demonstrate zero emissions heavy-duty trucks, freight handling equipment, EV infrastructure and renewable energy under CARB's Low Carbon Transportation Greenhouse Gas Reduction Fund (GGRF) Investments. Volvo Group North America and its project partners are providing \$41,855,308. These actions are to recognize \$44,839,686 and transfer \$14,000,000 (\$4,000,000 for SCAQMD's project cost-share and \$10,000,000 for temporary advance of funds) from the Clean Fuels Program Fund (31) into the GHG Reduction Projects Special Revenue Fund (67). This action is to also execute contracts in an amount not to exceed \$46,688,250 to implement this project. Out of the \$2,151,436 allocated in CARB's grant for administrative expenses, these actions are to reimburse the General Fund up to \$1,972,936 from Fund 67 for administrative costs and transfer \$178,500 from Fund 67 to Fund 31 to execute a contract modification for administrative project implementation support. Finally, these actions are to authorize the Executive Officer to execute a contract modification and redistribute administrative funds to augment project funds on an as-needed basis.

Mayor Pro Tem Mitchell commented that she does not have a financial interest, but is required to identify for the record that she is a Board Member of CARB which is involved in this item.

Supervisor Solis asked staff to elaborate about SCE's Make Ready Project Funds. Staff explained that SCE may be able to provide funding of \$600K to \$1M towards EV Infrastructure as part of their CPUC application. Supervisor Solis asked if this project or future projects could consider the city of Commerce. Staff clarified that the Volvo project will not directly affect the city of Commerce, but staff will continue to identify future projects that can include the city of Commerce.

Supervisor Perez asked if the Volvo project would directly or indirectly benefit the Coachella Valley. Staff replied there would be indirect benefits since the commercialization of these technologies will eventually serve the entire region. Council Member Robinson asked if cargo weights were taken into consideration in the project, as even the 12L NZ engine appears to be underpowered for long haul at full cargo weight. Staff responded that cargo weights and duty cycles are considered for technologies such as electric and fuel cells. Fuel cells seem to be better suited for the longer haul and maximum loads, and staff is working on larger (13-15L) liquid fueled engines for long-haul operations.

Moved by Mitchell; seconded by Robinson; unanimously approved.

Ayes: Buscaino, Mitchell, Perez, Robinson and Solis

Noes: None

Absent: McCallon

5. Approve Awards for Heavy-Duty Diesel Drayage Truck Replacement Projects

May 2015, the Board declared the existing CNG fueling station equipment at SCAQMD headquarters as surplus and authorized execution of a property usage agreement and contract with FirstCNG, LLC, (Titan Diamond Bar) to upgrade the fast-fill CNG fueling station at SCAQMD and operate and maintain the station for five years. Over the past three years there has been a series of company name changes to the CNG station and now American CNG Energy proposes to assume ownership of the station under an assignment provision in the contract. This action is to approve assignment to, and execute a contract with, American CNG Energy to upgrade the fast-fill CNG fueling station at SCAQMD headquarters and operate and maintain the station for five years.

Moved by Robinson; seconded by Solis; unanimously approved.

Ayes: Buscaino, Mitchell, Perez, Robinson and Solis

Noes: None

Absent: McCallon

6. Recognize Revenue and Execute Agreements for Installation and Maintenance of Air Filtration Systems

SCAQMD has executed a settlement agreement with Rainbow Transfer/Recycling, Inc., to install and maintain air filtration systems at schools. This action is to recognize up to \$250,000 into the Air Filtration Fund (75). These actions are to also execute a contract to install and maintain air filtration systems at schools in an amount not to exceed \$250,000 from the Air Filtration Fund (75) and execute an agreement with the local school district in Huntington Beach near the transfer facility.

Supervisor Solis left the meeting at 1:03 pm.

Moved by Robinson; seconded by Mitchell; unanimously approved.

Ayes: Buscaino, Mitchell, Perez and Robinson

Noes: None

Absent: McCallon and Solis

WRITTEN REPORT

7. Clean Fuels Program Draft 2018 Plan Update

Every fall, staff has brought the Clean Fuels Program Draft Plan Update before the Board Technology Committee to solicit input on the proposed distribution of potential project funds for the upcoming year before requesting final approval for the Plan Update each year in early spring. Staff proposes continued support for a wide portfolio of technologies, but with particular emphasis on heavy duty truck technologies with zero and near-zero emissions for goods movement applications to create a pathway towards achieving 2023 attainment as well as a continued focus on preparing for hydrogen vehicle deployments and EV charging infrastructure. This item was presented at the October 19, 2018 Technology Committee as a written report.

Based on a query by Council Member Robinson, staff explained that the Engine System category includes funding for the development, demonstration and certification of engines in the 6-7L and larger 13-15L displacement, in an effort to provide solutions for smaller and long-haul trucks that cannot utilize the currently certified 8.9L and 12L near-zero engines.

Mayor Pro Tem Mitchell inquired if Clean Fuels Funds could be used for incentive programs. Staff responded that these funds can be used for early commercial deployments, such as beta test engines.

OTHER MATTERS:

8. Other Business

There was no other business.

9. Public Comment Period

Erin Donnette of World Energy, which recently purchased the AltAir bio refinery in Paramount, invited everyone to attend a press event on October 24.

10. Next Meeting Date

The next regular Technology Committee meeting is scheduled for Friday, November 16, 2018 at noon.

Adjournment

The meeting adjourned at 1:15 p.m.

Attachment

Attendance Record

ATTACHMENT

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
TECHNOLOGY COMMITTEE MEETING
Attendance Record –October 19, 2018**

Council Member Joe Buscaino (videoconference)	SCAQMD Board Member
Mayor Pro Tem Judith Mitchell	SCAQMD Board Member
Supervisor V. Manuel Perez (videoconference)	SCAQMD Board Member
Council Member Dwight Robinson	SCAQMD Board Member
Supervisor Hilda L. Solis (videoconference).....	SCAQMD Board Member
Mark Abramowitz	Board Consultant (Lyou)
Buford Crites	Board Consultant (Perez)
David Czamanske.....	Board Consultant (Cacciotti)
Ron Ketcham.....	Board Consultant (McCallon)
Drew Delaney.....	Associates Environmental
Erin Donnette	World Survey
Kathy Gleeson.....	World Survey
Ryan Fouse.....	Sukut Equipment
Daniel McGivney	SoCalGas
Naveen Berry	SCAQMD Staff
Jennifer De la Loza.....	SCAQMD Staff
Bay Gilchrist	SCAQMD Staff
Drue Hargis.....	SCAQMD Staff
Joseph Impullitti.....	SCAQMD Staff
Pat Krayser.....	SCAQMD Staff
Patricia Kwon.....	SCAQMD Staff
Fred Minassian	SCAQMD Staff
Lisa Mirisola	SCAQMD Staff
Matt Miyasato	SCAQMD Staff
Wayne Nastri.....	SCAQMD Staff
Adewale Oshinuga	SCAQMD Staff
Walter Shen.....	SCAQMD Staff
Veronica Sosa.....	SCAQMD Staff
Veera Tyagi.....	SCAQMD Staff
Mei Wang.....	SCAQMD Staff
Vicki White	SCAQMD Staff
Jill Whynot.....	SCAQMD Staff
Paul Wright	SCAQMD Staff