

BOARD MEETING DATE: March 3, 2023

AGENDA NO. 6

PROPOSAL: Recognize Funds, Execute Contracts and Reimburse the General Fund for Zero-Emission School Bus Funding Using CARB Supplemental Environmental Project Funds

SYNOPSIS: In December 2022, the Board recognized a \$2.9 million award from CARB in Supplemental Environmental Project (SEP) funds to replace diesel school buses with zero-emission buses by contracting with local school districts from a Board-approved backup project list. CARB is providing an additional \$973,655 in SEP funding consisting of \$707,780 from Dr. Ing. H.C.F. Porsche AG and Porsche Cars North America, Inc. and \$265,875 from BP Products North America for South Coast AQMD to fund additional zero-emission school bus replacement projects. These actions are to: 1) recognize up to \$973,655 into the CARB SEP Special Revenue Fund (87); 2) execute contracts with local school districts to replace diesel school buses with zero-emission buses; and 3) reimburse the General Fund for administrative costs of up to \$68,154 from the CARB SEP Special Revenue Fund (87).

COMMITTEE: Technology, February 17, 2023; Recommended for Approval

RECOMMENDED ACTIONS:

1. Recognize up to \$973,655, consisting of \$707,780 from Dr. Ing. H.C. F. Porsche AG and Porsche Cars North America, Inc. and \$265,875 from BP Products North America, into CARB SEP Special Revenue Fund (87);
2. Authorize the Chair to execute contracts with local school districts to replace diesel school buses with zero-emission buses from a Board-approved backup list of projects in an amount up to \$905,501 from CARB SEP Special Revenue Fund (87); and
3. Reimburse the General Fund for administrative cost of up to \$68,154 from CARB SEP Special Revenue Fund (87).

Wayne Nastri
Executive Officer

Background

Since the inception of the Lower-Emission School Bus Program in 2001, South Coast AQMD has spent approximately \$325 million in local, state and federal funds to replace over 1,800 highly polluting diesel school buses with alternative fuel buses and retrofitted over 3,400 diesel school buses with diesel particulate traps. This program has resulted in exposure reduction of fine and ultra-fine particulate matter, for thousands of school children.

In March 2022, South Coast AQMD submitted a zero-emission school bus project plan to CARB for any upcoming Supplemental Environmental Project (SEP) funds (SEP project plan). The SEP project plan included a backup project list of school bus projects approved by the Board on December 3, 2021 that could be funded with SEP funds, consisting of the top three most cost-effective zero-emission school buses, and supporting infrastructure projects from each county.

In December 2022, the Board recognized a \$2.9 million award from CARB in SEP funds to replace diesel school buses with zero-emission buses by contracting with local school districts from the Board-approved backup project list. CARB has notified South Coast AQMD that additional SEP funding is being provided to South Coast AQMD, totaling up to \$973,655 from Dr. Ing. H.C.F. Porsche AG and Porsche Cars North America, Inc. and BP Product North America. Specifically, Dr. Ing. H.C.F. Porsche AG and Porsche Cars North America, Inc. will provide \$707,780 and BP Product North America will provide \$265,875 directly to South Coast AQMD for the replacement of older diesel school buses with zero-emission replacements within the South Coast Air Basin.

South Coast AQMD will act as the administrator for these two CARB SEPs and has identified zero-emission school bus projects from the Board-approved backup project list previously submitted to CARB as part of the SEP project plan.

Proposal

This action is to recognize up to \$973,655, upon receipt, into CARB SEP Special Revenue Fund (87), to reimburse the General Fund for administrative costs of up to \$68,154 from CARB SEP Special Revenue Fund (87), and to authorize the Chair to execute contracts with local school districts in an amount up to \$905,501 from CARB SEP Special Revenue Fund (87). South Coast AQMD staff will work with the school districts identified from in the backup project list approved by the Board on December 3, 2021 and develop contracts to implement the deployment of zero-emission school buses and supporting infrastructure.

Benefits to South Coast AQMD

Successful implementation of this CARB SEP will fund up to three zero-emission school buses to annually reduce NO_x, ROG, and PM emissions by approximately 0.2, 0.01 and 0.01 tons per year, respectively, and will provide less polluting cleaner transportation for school children and reduce exposure to diesel particulate matter emissions, which is a carcinogen and has non-cancer health effects.

Resource Impacts

Up to \$973,655, upon receipt, will be recognized into CARB SEP Special Revenue Fund (87). No resource impacts are anticipated with the reimbursement of administrative costs, which will not exceed \$68,154.