

BOARD MEETING DATE: April 5, 2024

AGENDA NO. 9

PROPOSAL: Transfer Funds for Commercial Electric Lawn and Garden Equipment Incentive and Exchange Program

SYNOPSIS: In December 2021, the Board recognized funds from U.S. EPA's FY2021 Targeted Airshed Grant Program to fund commercial lawn and garden equipment projects in the Coachella Valley. Subsequently in June 2022, the Board recognized \$5,000,000 from Carl Moyer State Reserve funds for commercial lawn and garden equipment projects under the Carl Moyer Program in South Coast AQMD jurisdiction (including Coachella Valley). Staff proposes to increase the incentive offered under U.S. EPA's funded program in the Coachella Valley to match Carl Moyer Program incentives for the Commercial Electric Lawn and Garden Equipment Incentive and Exchange Program. These actions are to: 1) approve the transfer of up to \$2,100,000 from the Rule 1111 Air Quality Investment Fund (27) into the Advanced Technology, Outreach and Education Fund (17) to increase incentives offered under U.S. EPA's funded program from 50 percent to 85 percent; and 2) authorize the Executive Officer to approve vouchers for the Commercial Electric Lawn and Garden Equipment Incentive and Exchange Program for a total amount up to \$6,000,000, comprised of up to \$1,000,000 from the Carl Moyer Program SB 1107 Fund (32) (Grant# G19-MO28) and up to \$5,000,000 from the Carl Moyer Program SB 1107 Fund (32) (Grant# G21-MO-27).

COMMITTEE: Technology, March 15, 2024; Recommended for Approval

RECOMMENDED ACTIONS:

1. Transfer up to \$2,100,000 from the Rule 1111 Air Quality Investment Fund (27) into the Advanced Technology, Outreach and Education Fund (17) to increase South Coast AQMD's funding contributions, which would increase incentives from 50 percent to 85 percent for the lawn and garden equipment under U.S. EPA's Targeted Airshed Grant Program; and

2. Authorize the Executive Officer to approve vouchers for the Commercial Electric Lawn and Garden Equipment Incentive and Exchange Program for a total amount of up to \$6,000,000, comprised of up to \$1,000,000 from the Carl Moyer Program SB 1107 Fund (32) (Grant# G19-MO28) and up to \$5,000,000 from the Carl Moyer Program SB 1107 Fund (32) (Grant# G21-MO-27).

Wayne Nastri
Executive Officer

AK:MW:WS:YT

Background

Since 2017, South Coast AQMD has implemented the Commercial Electric Lawn and Garden Equipment Incentive and Exchange Program (eL&G Program). The eL&G Program replaces old gasoline- or diesel-powered commercial lawn and garden equipment with zero-emission, battery-electric equipment. Local governments, school districts, nonprofit organizations and commercial gardeners and landscapers have participated in the eL&G Program. In early 2022, funding was depleted with the replacement of over 7,400 gasoline- or diesel-powered commercial lawn and garden equipment.

In December 2021, the Board recognized \$2,167,936 from U.S. EPA's FY2021 Targeted Airshed Grant Program and authorized \$1,169,169 in South Coast AQMD match share to implement an eL&G Program specifically within the Coachella Valley. Later, in June 2022, the Board recognized \$5,000,000 from Carl Moyer State Reserve funds for eligible commercial lawn and garden equipment projects under the Carl Moyer Program for all areas under South Coast AQMD jurisdiction (including Coachella Valley).

In the first quarter of 2023, South Coast AQMD relaunched the eL&G Program, targeting replacement of commercial lawn and garden equipment (and batteries). Under the eL&G Program, participating retailers submit voucher requests to South Coast AQMD on behalf of the participants, including local governmental agencies, school districts, nonprofit organizations and commercial gardeners and landscapers. Upon approval, vouchers are issued directly to participating retailers, where a point-of-sale discount is applied towards eligible electric commercial lawn and garden equipment. Voucher amounts provide discounts of up to 50 percent for the participants in Coachella Valley for U.S. EPA's-funded program and up to 85 percent under the Carl Moyer Program which is available to all eligible participants within South Coast AQMD jurisdiction (including Coachella Valley).

Since the relaunch of the eL&G Program, participation in U.S. EPA's-funded program in Coachella Valley has been low. To help increase participation, staff proposes to increase the incentive from 50 percent to 85 percent of the equipment cost similar to the Carl Moyer Program, by increasing South Coast AQMD's funding contribution using up to \$2,100,000 from Rule 1111 Air Quality Investment Fund (27). Further, the \$5,000,000 from the Carl Moyer State Reserve funds recognized by the Board in June 2022 has been nearly expended and staff propose to add an additional \$6,000,000 to the program.

Proposal

The increased incentive for U.S. EPA's eL&G Program within the Coachella Valley will provide an additional 35 percent increased incentives on eligible commercial-grade lawn and garden equipment, providing a total of up to 85 percent reduction in the price for eligible lawn and garden equipment. Staff recommends transferring up to \$2,100,000 from the Rule 1111 Air Quality Investment Fund (27) into the Advanced Technology, Outreach and Education Fund (17) to increase South Coast AQMD's funding contribution to cover the additional incentives. This action will align the funding amounts already offered and identified in the Carl Moyer Program guidelines. Staff also recommends allocating up to \$6,000,000 from the Carl Moyer Program SB 1107 Fund (32) to continue the eL&G Program.

Benefits to South Coast AQMD

Since inception in 2017, the eL&G Program has successfully replaced over 9,700 gasoline- or diesel-powered commercial lawn and garden equipment with zero-emission technology providing emission reductions in the South Coast Air Basin of approximately 91.5 tons/year reactive organic gas, 3.5 tons/year NOx and 1.4 tons/year PM10.

Resource Impacts

There are sufficient funds in the Rule 1111 Air Quality Investment Fund (27) and Carl Moyer Program SB 1107 Fund (32).