



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178
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TECHNOLOGY COMMITTEE MEETING

Committee Members

Council Member Joe Buscaino, Chair
Supervisor Lisa Bartlett
Board Member Gideon Kracov
Mayor Larry McCallon
Council Member Judith Mitchell
Council Member Carlos Rodriguez

November 20, 2020 ♦ 12:00 p.m.

Pursuant to Governor Newsom's Executive Orders N-25-20 (March 12, 2020) and N-29-20 (March 17, 2020), the South Coast AQMD Technology Committee meeting will only be conducted via video conferencing and by telephone. Please follow the instructions below to join the meeting remotely.

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PUBLIC COMMENT WILL STILL BE TAKEN

AGENDA

Members of the public may address this body concerning any agenda item before or during consideration of that item (Gov't. Code Section 54954.3(a)). If you wish to speak, raise your hand on Zoom or press Star 9 if participating by telephone. All agendas for regular meetings are posted at South Coast AQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, at least 72 hours in advance of the regular meeting. Speakers may be limited to three (3) minutes each.

CALL TO ORDER

ACTION ITEMS (1-3):

- 1. Execute Contracts for the Volkswagen Environmental Mitigation Trust Program – Combustion Freight and Marine Projects Category**
(Motion Requested)

In March 2020, the Program Announcement for the Volkswagen (VW) Environmental Mitigation Trust Program - Combustion Freight and Marine Projects category, with \$30 million in available funding, closed. The solicitation was largely undersubscribed primarily due to the lower incentive amounts, other competing programs in South Coast AQMD, and other programmatic requirements, as specified in the court-approved Consent Decrees and CARB’s Beneficiary Mitigation Plan. Based on review of eligible applications, staff is recommending awards for truck replacement and marine engine repower projects. This action is to execute contracts for the VW Program – Combustion Freight and Marine Projects Category.

Ping Gui
Program Supervisor

- 2. Recognize Funds, Execute and Amend Agreements for Installation and Maintenance of Air Filtration Systems, and Reimburse General Fund**
(Motion Requested)

As part of the Community Air Protection Program (CAPP) incentive funds, \$6,352,650 was approved to implement school air filtration projects in AB 617 communities. CARB has also requested South Coast AQMD administer two Supplemental Environmental Projects (SEPs) to install and maintain air filtration systems at schools and residences in Environmental Justice communities. These actions are to: 1) recognize up to \$17,600 and \$9,250 from CARB for two SEPs to install and maintain air filtration systems at schools and residences, and reimburse administrative costs, into the Air Filtration Fund (75); 2) execute contracts with IQAir North America to install air filtration systems in an amount up to \$6,352,650 from the Community Air Protection SB 856 Fund (77) and up to \$17,600 and \$9,250 from the Air Filtration Fund (75); 3) execute agreements with CARB and local school districts; 4) amend contracts to purchase additional filters using unspent administrative funds; and 5) reimburse the General Fund for administrative costs up to \$1,343 for the CARB SEPs.

Maryam Hajbabaei
Air Quality Specialist

- 3. Recognize Revenue and Execute Contracts for Electrification of Transport Refrigeration in Southern California Grocery Fleet**
(Motion Requested)

South Coast AQMD has been awarded up to \$2,240,721 from U.S. EPA to replace diesel transport refrigeration units (TRUs) with electrified TRUs and install supporting infrastructure with Albertsons Companies. These actions are to: 1) recognize revenue, upon receipt, of up to \$2,240,721 from the U.S. EPA FY20 Clean Diesel Funding Assistance Program into the Clean Fuels Program Fund (31) for electrification of transport refrigeration; 2) execute a contract with Albertsons Companies to replace diesel TRUs with electrified TRUs and install supporting infrastructure in an amount not to exceed \$2,170,975 from the Clean Fuels Program Fund (31); and 3) reimburse the General Fund up to \$69,746 from the Clean Fuels Program Fund (31) for administrative costs.

Seungbum Ha
Program Supervisor

OTHER MATTERS:

4. Other Business

Any member of the Committee, or its staff, on his or her own initiative or in response to questions posed by the public, may ask a question for clarification, may make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter, or may take action to direct staff to place a matter of business on a future agenda. (Gov't. Code Section 54954.2)

5. Public Comment Period

At the end of the regular meeting agenda, an opportunity is provided for the public to speak on any subject within the Committee's authority that is not on the agenda. Speakers may be limited to three (3) minutes each.

6. Next Meeting Date

Friday, December 18, 2020 at 12:00 pm

ADJOURNMENT

Document Availability

All documents (i) constituting non-exempt public records, (ii) relating to an item on an agenda for a regular meeting, and (iii) having been distributed to at least a majority of the Committee after the agenda is posted, are available by contacting Alejandra Vega at (909) 396-2264, or send the request to avega@aqmd.gov.

Americans with Disabilities Act and Language Accessibility

Disability and language-related accommodations can be requested to allow participation in the Technology Committee meeting. The agenda will be made available, upon request, in appropriate alternative formats to assist persons with a disability (Gov't Code Section 54954.2(a)). In addition, other documents may be requested in alternative formats and languages. Any disability or language-related accommodation must be requested as soon as practicable. Requests will be accommodated unless providing the accommodation would result in a fundamental alteration or undue burden to South Coast AQMD. Please contact Alejandra Vega at 909.396.2264 from 7:30 a.m. to 6:00 p.m., Tuesday through Friday, or send the request to avega@aqmd.gov.

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Please note: During the meeting, all participants will be placed on Mute by the host. You will not be able to mute or unmute your lines manually.

After each agenda item, the Chairman will announce public comment.

A countdown timer will be displayed on the screen for each public comment.

If interpretation is needed, more time will be allotted.

Once you raise your hand to provide public comment, your name will be added to the speaker list. Your name will be called when it is your turn to comment. The host will then unmute your line.

Directions for Video ZOOM on a DESKTOP/LAPTOP:

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- This will signal to the host that you would like to provide a public comment and you will be added to the list.

Directions for Video Zoom on a SMARTPHONE:

- If you would like to make a public comment, please click on the “**Raise Hand**” button on the bottom of your screen.
- This will signal to the host that you would like to provide a public comment and you will be added to the list.

Directions for TELEPHONE line only:

- If you would like to make public comment, please **dial *9** on your keypad to signal that you would like to comment.

Technology Committee Agenda #1

BOARD MEETING DATE: December 4, 2020

AGENDA NO.

PROPOSAL: Execute Contracts for the Volkswagen Environmental Mitigation Trust Program – Combustion Freight and Marine Projects Category

SYNOPSIS: In March 2020, the Program Announcement for the Volkswagen (VW) Environmental Mitigation Trust Program - Combustion Freight and Marine Projects category, with \$30 million in available funding, closed. The solicitation was largely undersubscribed primarily due to the lower incentive amounts, other competing programs in South Coast AQMD, and other programmatic requirements, as specified in the court-approved Consent Decrees and CARB’s Beneficiary Mitigation Plan. Based on review of eligible applications, staff is recommending awards for truck replacement and marine engine repower projects. This action is to execute contracts for the VW Program – Combustion Freight and Marine Projects Category.

COMMITTEE: Technology, November 20, 2020; Recommended for Approval

RECOMMENDED ACTION:

Authorize the Chairman to execute contracts for the replacement of on-road heavy-duty trucks as listed in Table 1A in an amount not to exceed \$3,895,238 and one contract for the repower of a marine vessel as listed in Table 1B, in an amount not to exceed \$1,000,000 from the VW Mitigation Special Revenue Fund (79)

Wayne Natri
Executive Officer

MMM:NB:VW:PG

Background

In November 2018 and March 2020, the Board recognized revenue up to \$165 million to administer and implement two of the five project funding categories for the VW Program, including \$150 million in project funds. The two funding categories that South Coast AQMD is administering are the Combustion Freight and Marine Projects and

Zero-Emission Class 8 Freight and Port Drayage Trucks, which have been allocated \$60 million and \$90 million in project funds, respectively. The other three funding categories are being administered by San Joaquin Valley APCD and Bay Area AQMD.

On December 6, 2019, the South Coast AQMD released a Program Announcement (PA) to solicit projects for the Combustion Freight and Marine Projects Category, using the first installment of \$30 million. The solicitation closed on March 4, 2020 and was largely undersubscribed primarily due to the lower incentive amounts and other programmatic requirements, as specified in partial Consent Decrees ordered by the U.S. District Court for the Northern District of California (*United States of America v. Volkswagen AG et al.*, Case No. 16-cv-295 (N.D. Cal.)) and CARB's Beneficiary Mitigation Plan (BMP).

As a follow-up, in coordination with CARB staff, staff surveyed applicants that initiated the process for the solicitation but did not complete the applications and discussed the programmatic parameters with local fleet operators. Based on feedback received, the primary reasons for the low subscription were the lower incentive amounts relative to other competing programs, compounded by the requirements to scrap an older vehicle and inability to leverage VW Trust funds with other CARB funds. For example, HVIP, although depleted of funds, offers up to \$45,000 per NZE truck with no scrappage and Proposition 1B offers \$100,000 per truck with scrappage. The confluence of these factors discouraged many fleet operators from applying for funding under this PA. However, two larger fleets who applied were willing to move forward at a reduced funding amount relative to the maximum incentive offered by the VW program.

Proposal

All applications were evaluated based on the criteria specified in the PA, including other VW program-related documents, and eligible projects were ranked based on cost effectiveness for the amount of NOx emissions reduced. The projects were also reviewed by a five-member panel consisting of one member from: South Coast AQMD, Bay Area AQMD, San Joaquin Valley APCD, CARB, and California Air Pollution Control Officers Association (CAPCOA). The review panel verified all project selection criteria were followed.

Staff is recommending the execution of contracts for truck replacement projects and one marine engine repower project from the approved rank list, as identified in Tables 1A and 1B, in an amount not to exceed \$3,895,238 and \$1,000,000, respectively, from the VW Mitigation Special Revenue Fund (79). In summary, the total recommended awards from the first solicitation of the Combustion Freight and Marine Projects Category will be \$4,895,238 as summarized in Table 1C.

Outreach

The PA was provided to San Joaquin Valley APCD, Bay Area AQMD, CARB and CAPCOA to assist with statewide outreach. The PA was also posted on each of the VW websites administered by the South Coast AQMD, San Joaquin Valley APCD, Bay Area AQMD and CARB. South Coast AQMD issued a press release notifying interested stakeholders of the opening of the PA for the Combustion Freight and Marine Projects category. Staff also held a public webinar to assist applicants statewide and conducted outreach on a statewide basis, including the utilization of social media and sending over 136,000 emails to subscribers.

Staff will work with other air districts, industry organizations, community groups and other stakeholders, in coordination with CARB, on revised statewide outreach for future solicitations.

Disadvantaged and Low-Income Communities

Consistent with the goals established within the BMP, not less than 50 percent of the funds appropriated for this category are to be expended in a manner that directly reduces air contaminants and/or associated public health risks in disadvantaged and/or low-income communities. The qualification of the projects is determined by using CalEnviroScreen version 3.0 to identify disadvantaged and low-income communities.

Staff determined that 85 percent of the projects recommended for funding in this Board action are expected to provide benefits to disadvantaged and/or low-income communities. This greatly surpasses the requirements of the program.

Funding Distribution

The VW Trust is a component of partial settlements with VW and is enumerated in Appendix D of the Consent Decree ordered by the U.S. District Court for the Northern District of California. In May 2018, as required by the Consent Decree, CARB approved the BMP, which includes a goal that at least 50 percent of program funds be expended on projects that will reduce NOx emissions in disadvantaged and low-income communities for the Combustion Freight and Marine Projects category.

Recommended projects in this Board letter are anticipated to reduce emissions in the following counties: Alameda, Butte, Los Angeles, Riverside, Sacramento, San Diego and other areas where the vehicles are operated.

Benefits to South Coast AQMD

The successful implementation of the projects selected for funding through the VW Program will reduce emissions of NOx and other criteria air pollutants, toxic air contaminants and greenhouse gases on a statewide basis, including the South Coast AQMD. The recommended projects will exceed the targets for benefits to disadvantaged and low-income communities as qualified by CalEnviroScreen version

3.0. Below are the estimated NOx emissions reduction benefits from the recommended awards:

Funding Category	Number of Vehicles/Engines	Maximum Recommended Awards	Estimated Statewide NOx Emission Reductions (tons/year)	Estimated NOx Emission Reductions Within South Coast AQMD (tons/year)
On-Road	66	\$3,895,238	14.5	13.0
Marine	2	\$1,000,000	10.6	0.0
Total	68	\$4,895,238	25.1	13.0

The NOx emission reductions that will be achieved from replacing older, high-polluting vehicles and equipment with cleaner technologies within the South Coast AQMD and statewide are intended to fully mitigate the diesel NOx emissions caused by VW’s illegal actions. This program provides incentive funding to owners of heavy-duty vehicles and equipment to reduce emissions by replacing or repowering their older engines to the cleanest zero-emission or near zero-emission technologies. The projects identified in this Board letter will result in emission reductions that are surplus to existing regulations and will occur throughout the life of the projects resulting in long-term emission reduction and public health benefits.

Resource Impacts

Total funding for projects under the VW Environmental Mitigation Trust Program – Combustion Freight and Marine Projects Category will not exceed \$4,980,238. Revenue up to \$165 million, which includes \$150 million in projects funds and \$15 million in Administrative Costs, was previously recognized into the VW Mitigation Special Revenue Fund (79) to administer and implement the two project funding categories being administered by the South Coast AQMD. There are sufficient funds in the VW Mitigation Special Revenue Fund (79) for this funding category, including the recommended awards in this Board letter. Reimbursement of administrative costs will not exceed \$15 million of revenue received.

Attachments

- Table 1A: Combustion Freight and Marine Projects Category: On-Road Trucks Program Awards
- Table 1B: Combustion Freight and Marine Projects Category: Marine Project Program Awards
- Table 1C: Combustion Freight and Marine Projects Category: Total Program Awards

Table 1A

Combustion Freight and Marine Projects Category: On-Road Trucks Program Awards (Grant # G18-VWM-04)			
Applicant	Category	Number of Vehicles	Maximum Recommended Award
Arete Logistics Corp.	On-Road	1	\$85,000
Bookmark Logistics, Inc.	On-Road	1	\$85,000
City of Los Angeles, Bureau of Sanitation	On-Road	2	\$170,000
Hyon, Allen Chul	On-Road	1	\$85,000
Jeon, Hyeong Cheol	On-Road	1	\$85,000
King Business Services, Inc. dba Debris Box	On-Road	1	\$73,094
Kwon, Jason	On-Road	1	\$85,000
MJ Truck Leasing, LLC	On-Road	2	\$170,000
On, Pung Seob	On-Road	1	\$85,000
Pacific Green Trucking Inc.	On-Road	3	\$255,000
Premium Transportation Services, Inc. dba Total Transportation Services (TTSI)	On-Road	4	\$340,000
Universal Waste Systems Inc.	On-Road	4	\$323,032
US Foods, Inc.	On-Road	27	\$1,279,112
USA Waste of California, Inc.	On-Road	17	\$775,000
Subtotal:		66	\$3,895,238

Table 1B

Combustion Freight and Marine Projects Category: Marine Project Program Awards (Grant # G18-VWM-04)			
Applicant	Category	Number of Engines	Maximum Recommended Award
R.E. Staite Engineering, Inc.	Marine	2	\$1,000,000
Subtotal:		2	\$1,000,000

Table 1C

Combustion Freight and Marine Projects Category: Total Program Awards (Grant # G18-VWM-04)		
Category	Number of Vehicles/Engines	Maximum Recommended Award
On-Road	66	\$3,895,238
Marine	2	\$1,000,000
Total:	68	\$4,895,238

Agenda Item #1

Execute Contracts for the Volkswagen
Environmental Mitigation Trust Program
Combustion Freight and Marine Projects Category

Background – VW Program

- In November 2018 and March 2020, the Board recognized \$165 million to administer and implement two categories under the VW Program
 - \$60M - Combustion Freight and Marine Projects
 - \$90M - Zero Emission Class 8 Freight and Port Drayage Trucks
 - \$15M - Administrative Funds
- In December 2019, a Program Announcement was issued for the 1st installment of funds, totaling \$30 million, for the Combustion Freight and Marine Projects Category

Background (Continued)

- Solicitation closed in March 2020
- Eligible projects included:
 - Replacement or repower of Class 7-8 freight trucks (drayage trucks, waste haulers, concrete mixers, and dump trucks) with near zero emission trucks
 - Replacement or repower switcher locomotives to Tier 4
 - Repower of ferries/tugboats/towboats to Tier 4 or hybrid with Tier 4 equivalent NOx emissions
- Solicitation was undersubscribed
 - Incentive amounts lower than other competing programs
 - Requirement to scrap
 - Unable to leverage with other CARB funds

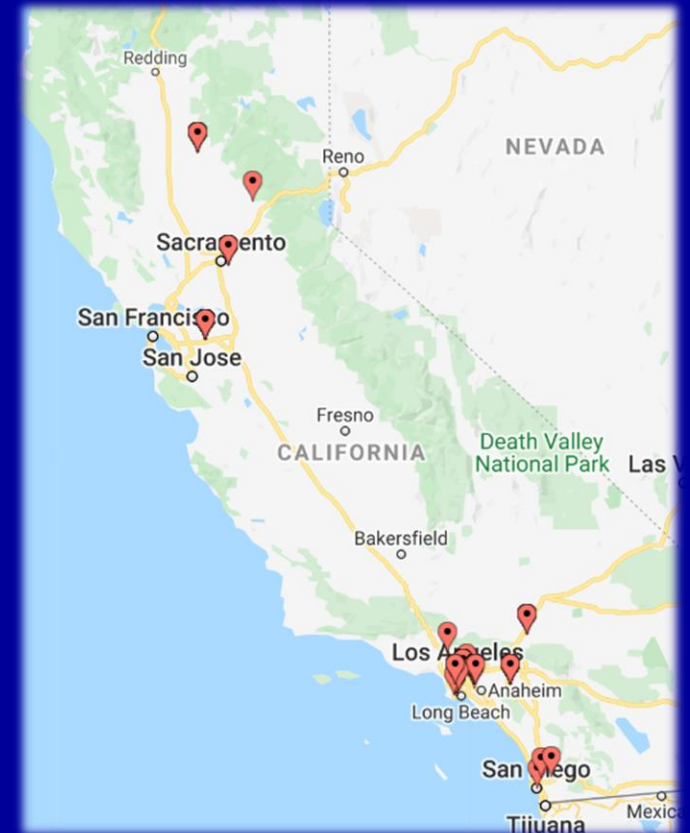


Incentive Program	Scrapping	Maximum Funding
VW	Yes	\$85,000
Prop1B	Yes	\$100,000
HVIP	No	\$45,000

Statewide Outreach

Conducted targeted outreach throughout California

- 147 participants statewide attended informational webinar hosted by South Coast AQMD
- Outreached to air districts statewide
- Sent over 136,000 emails to subscribers statewide
- Utilized social media to reach trucking associations, community groups, and the general public



Map plots applications received statewide

Proposal

- All applications were evaluated and ranked eligible projects based on cost effectiveness for NOx emissions reduced
- Five-member review team consisting of BAAQMD, SJVAPCD, South Coast AQMD, CARB, and CAPCOA
- Staff recommends the Board approve projects, with 86% that will benefit disadvantaged or low-income communities

Proposed Awards

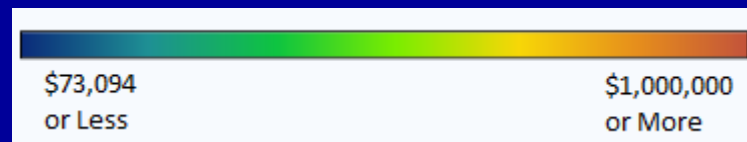
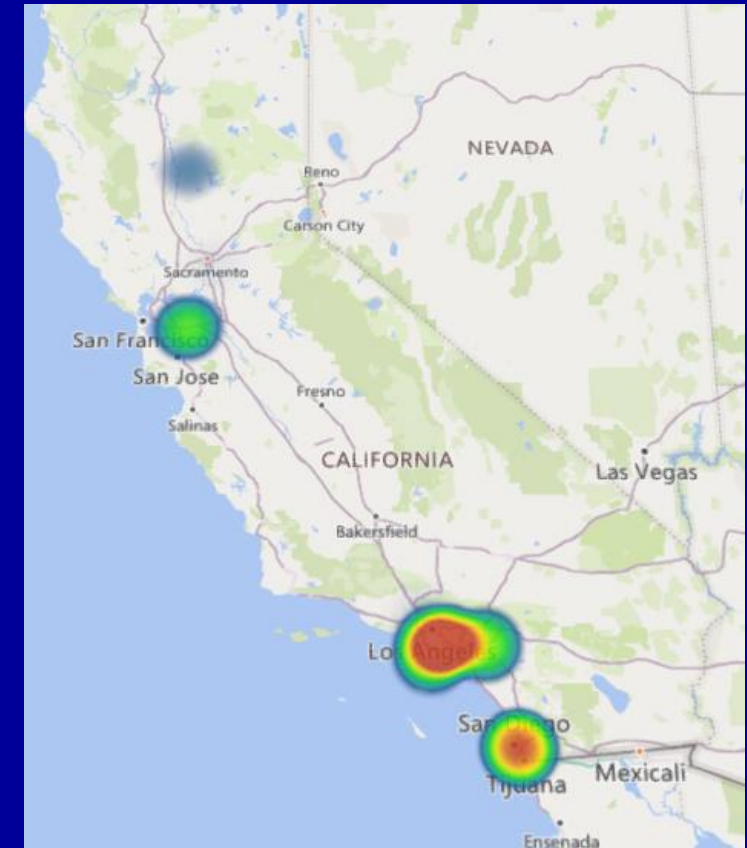
**Table 1A: Combustion Freight and Marine Projects Category:
On-Road Trucks Program Awards**

Applicant	Number of Vehicles	Maximum Recommended Award
Arete Logistics Corp.	1	\$85,000
Bookmark Logistics, Inc.	1	\$85,000
City of Los Angeles, Bureau of Sanitation	2	\$170,000
Hyon, Allen Chul	1	\$85,000
Jeon, Hyeong Cheol	1	\$85,000
King Business Services, Inc. dba Debris Box	1	\$73,094
Kwon, Jason	1	\$85,000
MJ Truck Leasing, LLC	2	\$170,000
On, Pung Seob	1	\$85,000
Pacific Green Trucking Inc.	3	\$255,000
Premium Transportation Services, Inc. dba Total Transportation Services (TTSI)	4	\$340,000
Universal Waste Systems Inc.	4	\$323,032
US Foods, Inc.	27	\$1,279,112
USA Waste of California, Inc.	17	\$775,000
Subtotal:	66	\$3,895,238

**Table 1B: Combustion Freight and Marine Projects Category:
Marine Program Awards**

Applicant	Number of Engines	Maximum Recommended Award
R.E. Staite Engineering, Inc.	2	\$1,000,000
Subtotal:	2	\$1,000,000

Funding Distribution



Awards Summary and Project Benefits

Funding Category	Number of Vehicles / Engines	Maximum Total Recommended Awards*	Estimated Statewide NOx Emission Reductions (tons/year)	Estimated NOx Emission Reductions Within South Coast AQMD (tons/year)
On-Road	66	\$3,895,238	14.5	13.0
Marine	2	\$1,000,000	10.6	0.0
Total	68	\$4,895,238	25.1	13.0

Recommended Action

Authorize the Chairman to execute contracts for the replacement of on-road heavy-duty trucks in an amount not to exceed \$3,895,238, and one contract for the repower of a marine vessel in an amount not to exceed \$1,000,000 from the VW Mitigation Special Revenue Fund (79)

Technology Committee Agenda #2

BOARD MEETING DATE: December 4, 2020

AGENDA NO.

PROPOSAL: Recognize Funds, Execute and Amend Agreements for Installation and Maintenance of Air Filtration Systems, and Reimburse General Fund

SYNOPSIS: As part of the Community Air Protection Program (CAPP) incentive funds, \$6,352,650 was approved to implement school air filtration projects in AB 617 communities. CARB has also requested South Coast AQMD administer two Supplemental Environmental Projects (SEPs) to install and maintain air filtration systems at schools and residences in Environmental Justice communities. These actions are to: 1) recognize up to \$17,600 and \$9,250 from CARB for two SEPs to install and maintain air filtration systems at schools and residences, and reimburse administrative costs, into the Air Filtration Fund (75); 2) execute contracts with IQAir North America to install air filtration systems in an amount up to \$6,352,650 from the Community Air Protection SB 856 Fund (77) and up to \$17,600 and \$9,250 from the Air Filtration Fund (75); 3) execute agreements with CARB and local school districts; 4) amend contracts to purchase additional filters using unspent administrative funds; and 5) reimburse the General Fund for administrative costs up to \$1,343 for the CARB SEPs.

COMMITTEE: Technology, November 20, 2020; Recommended for Approval

RECOMMENDED ACTIONS:

1. Recognize up to \$17,600 and \$9,250 from CARB for two Supplemental Environmental Projects (SEPs) to install and maintain air filtration systems at schools and residences, and reimburse administrative costs, into the Air Filtration Fund (75);
2. Authorize the Chairman to execute the following contracts with IQAir North America:
 - a. Up to \$6,352,650 to install air filtration systems at schools in AB 617 communities using FY 2018-19 funds (G18-MCAP-06) in the Community Air Protection SB 856 Fund (77); and
 - b. Up to \$17,600 and \$9,250 to install air filtration systems at schools and residences from the Air Filtration Fund (75).

3. Authorize the Executive Officer to execute agreements with CARB to implement SEPs for installation and maintenance of air filtration systems at schools and residences, and execute or amend agreements with local school districts;
4. Authorize the Chairman to amend contracts, as needed, to purchase additional filters using unspent administrative funds in the Air Filtration Fund (75); and
5. Reimburse the General Fund for administrative costs up to \$1,343 from the Air Filtration Fund (75) for the CARB SEPs.

Wayne Nastri
Executive Officer

MMM:NB:JI:MH

Background

In December 2019, the Board recognized up to \$86 million in FY 2018-19 Community Air Protection Program (CAPP) incentive funds from CARB. In June 2020, based on a South Coast AQMD proposal, CARB approved \$6,352,650 of the FY 2018-19 CAPP incentive funds to install air filtration systems at schools in AB 617 communities. As a part of initial efforts to implement Community Emissions Reduction Plans (CERPs), the Community Steering Committees (CSC) worked with South Coast AQMD staff and determined criteria to prioritize schools for installing air filtration systems in each AB 617 community. This resulted in a preliminary list of schools identified for air filtration systems.

CARB has also executed consent decrees with Long Beach Container Terminal and Vortech Engineering Inc. and has requested South Coast AQMD to act as the SEP administrator to install and maintain air filtration systems in schools and residences in environmental justice (EJ) communities. CARB will execute agreements with the South Coast AQMD to implement these two SEPs.

To date, South Coast AQMD has funded the installation and maintenance of air filtration systems at 92 schools and community centers in the South Coast Air Basin. These air filtration systems have been provided and installed by IQAir North America (IQAir). IQAir was selected through two competitive bid processes in 2011 and 2013 for air filtration projects. Staff performed a comprehensive review to ensure no new technology providers have come to market. IQAir is the only qualified manufacturer of high-performance panel filters and stand-alone units meeting the performance standards identified in South Coast AQMD's 2009 air filtration pilot study. Furthermore, the University of California, Riverside College of Engineering/Center for Environmental Research and Technology conducted a national review of air filtration technologies in 2010 and verified IQAir systems had an average removal efficiency of greater than 85

percent for ultrafine PM, black carbon, and PM 2.5 and a noise level below 45 decibels for stand-alone units.

Proposal

Staff proposes to use the \$6,352,650 allocated CAPP incentive funds, and execute a contract with IQAir, to install air filtration systems at schools prioritized by the CSC in AB 617 communities. In addition, staff proposes to execute a contact with IQAir North America to implement two CARB SEPs as listed below:

Company	SEP Type	Amount
Long Beach Container Terminal	School	\$17,600
Vortech Engineering Inc.	Residential	\$9,250

CARB, along with Long Beach Container Terminal, LAUSD, and other local school districts, will identify one school in an EJ community to receive air filtration systems through this SEP.

The CARB residential SEP funding will be used for the San Bernardino residential air filtration pilot study approved by the Board in April 2020. As a part of this pilot study, standalone air filtration units with an electricity stipend will be provided to the residents who participate in the study.

The air filtration systems at the schools in AB 617 communities are expected to be installed by February 2022 and the maintenance of these systems will continue until August 2027. For the residential air filtration project, the installation is expected to occur in December 2021 with an additional five years of maintenance which ends in December 2026.

The proposed schedules for implementing the air filtration projects using CAPP incentives and CARB SEPs funds for schools and residences are as follow:

Date	Event
Schools Air Filtration (CAPP & CARB SEP)	
Dec. 2020	Board approval
March 2021	Anticipated execution of contracts
June 2021	School selection, site assessment
Feb. 2022	Installation at schools
Feb. 2022-2027	Maintenance (varies by schools)
Aug. 2022-2027	Post-installation, annual, and final reports
Residential Air Filtration	
Dec. 2020	Board approval

March 2021	Anticipated execution of contracts
March 2020- June 2021	Community selection and study design, site assessment, and execute contracts with residents
Dec. 2021	Installation at residence
Dec. 2021- 2026	Maintenance
Dec. 2021- 2026	Post installation, annual, and final reports

Staff is proposing the following actions: 1) recognize up to \$17,600 and \$9,250 from CARB for two SEPs to install and maintain air filtration systems at schools and residences, and to reimburse administrative costs of up to \$1,343 into the Air Filtration Fund (75); 2) authorize the Chairman to execute contracts with IQAir North America for up to \$6,352,650 to install air filtration systems at schools in AB 617 communities from the Community Air Protection SB 856 Fund (77), and for up to \$17,600 and \$9,250 to install air filtration systems at schools and residences from the Air Filtration Fund (75); 3) authorize the Executive Officer to execute agreements with CARB to implement SEPs to install air filtration systems at schools and residences, and execute or amend agreements with local school districts; 4) authorize the Chairman to amend contracts to purchase additional filters using unspent administrative costs; and 5) reimburse the General Fund from the Air Filtration Fund (75), for administrative costs up to \$1,343 from the monies obtained from CARB for the SEP administration.

Sole Source Justification

Section VIII. B. 2 of the Procurement Policy and Procedure identifies four major provisions under which a sole source award may be justified. This request for a sole source award is made under provision B.2.c (1): The desired services are available from only the sole source based upon the proposed contractor or contractor team’s unique experience and capabilities. IQAir remains the only manufacturer of high-performance panel filters and stand-alone units identified by South Coast AQMD and CARB staff that meet the performance standards required to complete the work.

Benefits to South Coast AQMD

This project will reduce children’s exposure to criteria and toxic pollutants and ultrafine PM. Health studies have determined that fine and ultrafine PM, including diesel PM, present the greatest air pollution health risk to sensitive receptors in EJ communities identified in the SEP agreement and CERPs.

Resource Impacts

South Coast AQMD will receive up to \$26,850 from CARB to administer and implement school and residential air filtration projects in accordance with the SEPs, which will be recognized into the Air Filtration Fund (75). The new contracts with IQAir North America in the amount not to exceed \$6,352,650 and \$26,850 will be executed from the Community Air Protection Fund (77) and Air Filtration Fund (75), respectively, to install

air filtration systems. The administrative costs will not exceed \$1,343 for administration of the two SEPs and will be obtained from the monies received from CARB.

Agenda Item #2

Recognize Funds, Execute and Amend Agreements for Installation and Maintenance of Air Filtration Systems, and Reimburse General Fund

Background

- In December 2019, the Board recognized up to \$86 Million in FY 2018-19 Community Air Protection Program (CAPP) incentive funds
 - School Air Filtration – included in all three Year 1 AB 617 Community Emission Reduction Plans
 - CARB approved \$6.3 Million for air filtration systems
- CARB executed consent decrees for two Supplemental Environmental Projects (SEPs) to install and maintain air filtration in schools and residences

Company	SEP Type	Amount
Long Beach Container Terminal	Schools	\$17,600
Vortech Engineering Inc.	Residents	\$9,250

Background (continued)

- IQAir North America (IQAir), previously selected through competitive bid processes
 - Installed air filtration systems at 92 schools and community centers
- Air filtration technologies
 - Greater than 85% removal efficiency for ultrafine PM
 - Gas phase filtration using activated carbon for odor control
 - Stand-alone units operate at noise levels below 45 dB(A)



Proposal

- Install air filtration systems at schools identified by Community Steering Committees and the South Coast AQMD using CAPP \$6.3 Million in funding
- Implement two CARB SEPs at schools and residences
 - Prioritized one school in an EJ community
 - Additional funds to augment residential air filtration pilot study in San Bernardino County approved by the Board in April 2020
 - Provide maintenance for 5 years



Proposed Schedule

Date	Event
Schools Air Filtration	
December 2020	Board approval
March 2021	Anticipated execution of contracts
June 2021	School selection, site assessment
February 2022	Installation at schools
February 2022-2027	Maintenance (varies by schools)
August 2022-2027	Post-installation, annual, and final reports
Residential Air Filtration	
December 2020	Board approval
March 2021	Anticipated execution of contracts
March 2020 - June 2021	Community selection/study design/ Site assessment/execute contracts with residents
December 2021	Installation at residence
December 2021-2026	Maintenance
December 2021-2026	Post installation, annual, and final reports

Recommended Actions

- Recognize up to \$17,600 and \$9,250 from CARB for two SEPs into the Air Filtration Fund
- Authorize the Chairman to execute the following contracts with IQAir North America:
 - Up to \$6,352,650 to install air filtration systems at schools in AB 617 communities from Community Air Protection SB 856 Fund
 - Up to \$17,600 and \$9,250 to install air filtration systems at schools and residences from the Air Filtration Fund (75)

Recommended Actions (Cont'd)

- Execute agreements with CARB to implement SEPs, and execute or amend agreements with local school districts
- Amend contracts to purchase additional filters using unspent administrative funds in the Air Filtration Fund
- Reimburse the General Fund for administrative costs up to \$1,343 from the Air Filtration Fund for the CARB SEPs

Technology Committee Agenda #3

BOARD MEETING DATE: December 4, 2020

AGENDA NO.

PROPOSAL: Recognize Revenue and Execute Contracts for Electrification of Transport Refrigeration in Southern California Grocery Fleet

SYNOPSIS: South Coast AQMD has been awarded up to \$2,240,721 from U.S. EPA to replace diesel transport refrigeration units (TRUs) with electrified TRUs and install supporting infrastructure with Albertsons Companies. These actions are to: 1) recognize revenue, upon receipt, of up to \$2,240,721 from the U.S. EPA FY20 Clean Diesel Funding Assistance Program into the Clean Fuels Program Fund (31) for electrification of transport refrigeration; 2) execute a contract with Albertsons Companies to replace diesel TRUs with electrified TRUs and install supporting infrastructure in an amount not to exceed \$2,170,975 from the Clean Fuels Program Fund (31); and 3) reimburse the General Fund up to \$69,746 from the Clean Fuels Program Fund (31) for administrative costs.

COMMITTEE: Technology, November 20, 2020; Recommend for Approval

RECOMMENDED ACTIONS:

1. Recognize revenue, upon receipt, of up to \$2,240,721 from the U.S. EPA FY20 Clean Diesel Funding Assistance Program into the Clean Fuels Program Fund (31) for electrification of transport refrigeration;
2. Authorize the Chairman to execute a contract with Albertsons Companies to replace diesel TRUs with electrified TRUs and install supporting infrastructure in an amount not to exceed \$2,170,975 from the Clean Fuels Fund (31); and
3. Reimburse the General Fund up to \$69,746 from Clean Fuels Program Fund (31) for administrative costs.

Wayne Natri
Executive Officer

Background

The 2016 AQMP identifies the need for NOx reductions in meeting upcoming national ambient air quality standards. Mobile sources are major contributors to NOx emissions with adverse impact on public health in the South Coast Air Basin, particularly in EJ communities. Significant increases in NOx, PM and GHG emissions from these sources are expected due to increased demand in goods movement activities. In order to mitigate these emissions, South Coast AQMD strongly supports many pathways to accelerated deployment of zero and near zero emission technologies. The electrifying refrigerated trailers to eliminate idling with electrified parking infrastructure and facilitate zero-emission over-the-road operation are one of many ways to pursue a zero and near-zero emission technologies roadmap.

Staff submitted a proposal to the U.S. EPA for Diesel Emission Reduction Act (DERA) grants for electrification of transport refrigeration units (TRUs) in Southern California grocery fleet. In August 2020, U.S. EPA notified staff that this application had been selected for \$2,240,721 in funding.

Proposal

Staff proposes a project that will a) replace up to 41 diesel TRUs and trailers with a combination of 15 all-electric TRUs and insulated trailers (refrigerated trailers) and 26 hybrid-electric standby refrigerated trailers; b) install eligible infrastructure to support the 15 all-electric refrigerated trailers; c) install idle reduction electrified parking spaces and 194 spaces to allow hybrid-electric refrigerated trailers to plug in at Albertson's project site locations. The proposed idle reduction parking spaces will supply electricity to the proposed 26 hybrid-electric TRUs on trailers, and another 194 pre-existing hybrid-electric refrigerated trailers which have never had the infrastructure to support electrified idle reduction.

Staff proposes the following actions: recognize revenue, upon receipt, of up to \$2,240,721 from the U.S. EPA FY20 Clean Diesel Funding Assistance Program into the Clean Fuels Program Fund (31) for electrification of transport refrigeration, authorize the Chairman to execute a contract with Albertsons Companies to replace diesel TRUs with electrified TRUs and install supporting infrastructure in an amount not to exceed \$2,170,975 from the Clean Fuels Program Fund (31) and reimburse the General Fund up to \$69,746 for administrative costs.

Sole Source Justification

Section VIII.B.3 of the Procurement Policy and Procedure identifies four major provisions under which contracts funded in whole or in part with federal funds may be made as a sole source award. This request for sole source award is made under provision B.3.c, which states the awarding federal agency authorizes noncompetitive proposals in response to a written request from the non-Federal entity.

Benefits to South Coast AQMD

Projects to support development and demonstration of hybrid and all-electric TRUs and infrastructure are included in the *Technology Advancement Office Clean Fuels Program 2020 Plan Update* under the categories of “Develop and Demonstrate Electric and Hybrid Vehicles,” and “Develop and Demonstrate Electric Charging Infrastructure.” Successful accomplishment of this project will contribute to the attainment of national ambient air quality standards in the South Coast Air Basin by eliminating PM and NOx emissions from replaced diesel TRUs and idle reduction from installation of electrified parking spaces. Communities surrounding facilities proposed under the project, which will take emissions reduction benefits from project investments, are considered disadvantaged communities.

Resource Impacts

The U.S. EPA FY20 DERA Grant award of \$2,240,721 for the electrification of TRUs in Southern California grocery fleet project includes \$2,170,975 for project costs and \$69,746 for South Coast AQMD administrative costs. The proposed project budget of \$6,281,500 includes \$2,170,975 from U.S. EPA and \$4,110,525 in cost-share from Albertsons Companies.

Source	Amount	Percent
U.S. EPA	\$2,170,975	35%
Albertsons Companies	\$4,110,525	65%
Total	\$6,281,500	100%

Agenda Item #3

Recognize Revenue and Execute Contracts for Electrification of Transport Refrigeration Units (TRUs) in Southern California Grocery Fleet

Background

- In August 2020, South Coast AQMD was awarded U.S. EPA grant of ~\$2.2 million to replace diesel TRUs with electrified TRUs and install supporting infrastructure
- Electrified TRUs reduce emissions from diesel powered refrigeration units and eliminate idling
- Majority of communities around distribution centers and other facilities are disadvantaged communities



HYBRID TRU



ALL ELECTRIC TRU



Proposal

- Replace up to 41 diesel TRUs and trailers with a combination of 15 all-electric and 26 hybrid-electric standby TRUs on insulated trailers
- Install infrastructure to support the 15 all-electric refrigerated trailers and up to 194 idle reduction electrified parking spaces to support hybrid-electric refrigerated trailers



Proposed Project Costs

Funding Source	Amount	Percent
U.S. EPA	\$2,170,975	35%
Albertsons	\$4,110,525	65%
Total	\$6,281,500	100%

Recommended Actions

- Recognize revenue of up to \$2,240,721 from the U.S. EPA FY20 Clean Diesel Funding Assistance Program into the Clean Fuels Fund for electrification of transport refrigeration
- Authorize the Chairman to execute contract with Albertsons Companies to replace diesel TRUs with electrified TRUs and install supporting infrastructure in an amount not to exceed \$2,170,975 from the Clean Fuels Fund
- Reimburse the General Fund up to \$69,746 from Clean Fuels Fund for administrative costs