## 2016 AQMP White Paper "A Business Case for Clean Air Strategies" Preliminary Draft

**Working Group #6** 

June 23, 2015

Philip Fine, Ph.D.

Deputy Executive Officer

Planning, Rule Development & Area Sources

## Let's set the parameters straight



 What is a "business case" for clean air strategies?

When Economic Benefits offset Compliance Costs

- ✓ Improvements in energy efficiency
- ✓ Reducing fuel or maintenance costs
- ✓ Creating new job opportunities
- ✓ Other cases of "win-win"
- Business cases do not exist in all situations
- Develop planning concepts to support business case strategies in the 2016 AQMP



#### **Contents**

- 1. Introduction
- 2. Potential means: five industry case studies
- Potential means: additional stakeholder comments & examples
- 4. Beyond subsidies: incentivize business clean air actions
- 5. Planning concepts for the 2016 AQMP
- 6. Next steps

# Incentivize clean air actions in the private sector



- Subsidizing initial equipment purchases
- Market mechanism
  - □ Ports' Clean Trucks Program
  - □ I-710 "Zero Emission" Corridor
- Operational changes
  - Ports' Voluntary Speed Reduction Program
- R&D Incentives
  - □ TransPower: electric truck demonstration
  - □ FirstElement Fuel: hydrogen fuelling station



### **Planning concepts**

- Prioritize business case strategies
- Maximize compliance flexibility with multiple pathways
- Maintain a technology neutral approach
- Ensure a fair share of emission reduction obligations and broad stakeholder involvement
- Avoid stranded assets by utilizing efficiency-enhancing strategies

## Planning concepts (cont.)



- Propose targeted incentive, financing, and funding programs for business operators
- Propose targeted public grants and explore innovative financing tools for technology developers and infrastructure providers
- Pay special attention to the unique needs of small businesses
- Minimize resources required for compliance and enforcement
- Facilitate job training and job creation associated with low emission technologies



### **Next steps**

- Include more cases/examples, esp. stationary sources (late June early July 2015)
- Incorporate working group feedback & public comments (July August 2015)
- Present to the SCAQMD Governing Board with other White Papers (September 2015)
- Evaluate potential AQMP control strategies using planning concepts (October 2015 -)