2021 INCENTIVE FUNDING SUMMARY

EASTERN COACHELLA VALLEY (ECV)
MARCH 5TH, 2021

Diana Thai
Program Supervisor
PROJECT FUNDING PROCESS – OVERVIEW

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 15, 2020</td>
<td>Incentive Strategies Workshop</td>
</tr>
<tr>
<td>January 8, 2020</td>
<td>Governing Board Meeting</td>
</tr>
<tr>
<td>January 21, 2021</td>
<td>CSC Meeting – Incentives Strategy</td>
</tr>
<tr>
<td>May 1, 2021</td>
<td>Submit funding request to CARB for approval</td>
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</tbody>
</table>

- **Incentive Strategies Workshop**
  - Overview of Past CAPP incentives
  - Overview of funding across all 5 AB 617 communities

- **Governing Board Meeting**
  - Recognized Year 3 CAPP incentive funds
  - Approved Year 3 CAPP Incentive funds for mobile source and other eligible projects

- **CSC Meeting – Incentives Strategy**
  - Guidelines for Year 3 CAPP Incentives
  - Overview of staff recommendation for Year 3 CAPP Incentives

- **CSC Meeting**
  - CSC input to develop eligible project list supported by CERP

- **Submit funding request to CARB for approval**

January 21, 2021
Submit funding request to CARB for approval

May 1, 2021
South Coast AQMD Governing Board approved Year 3 CAPP incentive funds for:
- Mobile source projects
- Community identified and other eligible projects
MOBILE SOURCE PROJECTS* (~$37.7 MILLION)
- $13,798,131 for mobile source projects in ECV
  - 53.1 tons of NOx reductions
  - 4.20 tons of DPM reductions
- Projects in ECV include off-road equipment replacement projects and an infrastructure project (i.e., Compressed Natural Gas (CNG) station)

COMMUNITY-IDENTIFIED* AND OTHER ELIGIBLE PROJECTS (~$36.7 MILLION)
- $5.57 million for community identified projects in ECV
- CSC to provide input on projects to be funded today

Total Year 3 CAPP Funds: $74.5 Million

*Full list of Year 3 CAPP Incentive Awarded Projects may be found at: http://www.aqmd.gov/home/programs/business/community-air-protection-incentives/year-3-capp-incentives
Road paving

- Pave unpaved roads and mobile home parks (e.g., Polanco Parks) in the community

Urban greening and vegetative barriers

- Establish vegetation along and around sources of air pollution in the community (e.g., rail line)

Salton Sea and pesticides exposure reduction

- Invest in projects that will reduce exposure to pesticides from agricultural fields and dust emissions from the Salton Sea playa near schools and homes

Clean off-road equipment (e.g., construction, agricultural)

- Invest in projects that reduce tailpipe emissions from off-road mobile sources
### INCENTIVES STRATEGY FOR YEAR 3 CAPP FUNDS – CERP INCENTIVE OPPORTUNITIES

<table>
<thead>
<tr>
<th>AQ Priority</th>
<th>CERP Incentive Opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salton Sea</td>
<td>Dust suppression projects in the playa</td>
</tr>
<tr>
<td>Open Burning and Illegal Dumping</td>
<td>Alternatives to agricultural burning (i.e., chipping)</td>
</tr>
<tr>
<td>Diesel Mobile Sources</td>
<td>Replace older on-road (e.g., trucks, buses) and off-road (e.g., agricultural equipment) equipment with cleaner technology</td>
</tr>
<tr>
<td>Fugitive Road Dust</td>
<td>Pave roads and mobile home parks (i.e., Polanco parks)</td>
</tr>
<tr>
<td>Exposure Reduction</td>
<td>Air filtration systems (i.e., PM and/or H2S) at schools and homes</td>
</tr>
<tr>
<td>Other</td>
<td>Tree planting (native, drought tolerant)</td>
</tr>
<tr>
<td>Project Type</td>
<td>Project Cost</td>
</tr>
<tr>
<td>------------------------------------------</td>
<td>----------------------------</td>
</tr>
<tr>
<td>Class 8 Low-NOx Truck</td>
<td>$150,000 - $190,000</td>
</tr>
<tr>
<td>Class 8 Zero Emission Truck</td>
<td>$380,000 - $550,000</td>
</tr>
<tr>
<td>Zero Emission School Bus</td>
<td>$320,000 - $420,000 (Class A - D)</td>
</tr>
<tr>
<td>Tier 4 Locomotives (Freight)</td>
<td>$2.5 million</td>
</tr>
<tr>
<td>Off-Road - Agricultural Equipment</td>
<td>$70,000 - $1.2 million</td>
</tr>
<tr>
<td>Road Paving</td>
<td>$450,000 - $500,000 per lane mile</td>
</tr>
<tr>
<td>Alternatives to Open Agricultural Burning</td>
<td>$400 - $1,500 per acre**</td>
</tr>
<tr>
<td>Salton Sea Dust Suppression Projects***</td>
<td>$15,000 - $157,000 per Project</td>
</tr>
</tbody>
</table>

*Based on averages from previously awarded incentive projects and is subject to change given new project applications, incentive program criteria and/or funding limits
**Costs are not based on previously awarded incentive projects and depend on many variables (e.g., crop type)
***Costs are not based on previously awarded incentive projects and are location dependent (e.g., water availability). The State spent $438,835 in 2020, excluding Imperial Irrigation District (IID) projects.
† Funding for ZE trucks is not capped at 200k but rather at a percentage based on the size of the fleet.
<table>
<thead>
<tr>
<th>Project Type</th>
<th>Cost*</th>
<th>Implementation Difficulty</th>
<th>PM Emission Reductions</th>
<th>NOx Emission Reductions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class 8 Low-NOx Truck</td>
<td>$$</td>
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<td>$$</td>
<td></td>
<td>Unknown</td>
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- *Based on cost from previously awarded incentive projects. Averages are subject to change given new project applications, incentive program criteria and/or funding limits.
- **Based on one lane mile of paving
## COST FOR CERP INCENTIVE PROJECTS – EXPOSURE REDUCTIONS AND OTHER PROJECTS

<table>
<thead>
<tr>
<th>Project Type</th>
<th>Cost</th>
<th>Cost-Effectiveness</th>
<th>Air Quality Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air Filtration System (PM only)</td>
<td>$30,000 - $300,000* per project</td>
<td>N/A</td>
<td>Exposure Reduction</td>
</tr>
<tr>
<td>Tree Planting</td>
<td>$250 - $290 per tree</td>
<td>N/A</td>
<td>Exposure Reduction</td>
</tr>
</tbody>
</table>

*Cost varies by school type, school size, and years of maintenance provided. The average cost of a H2S stand-alone unit is $1,200 and does not include additional costs (e.g., maintenance, installation)
INCENTIVES STRATEGY FOR YEAR 3 CAPP FUNDS – PROJECT EXAMPLES

45 School Air Filters
- Install air filters at 45 schools
- Exposure reductions

OR

10 Electric Trucks
- Replace ~ 10 class 8 trucks with zero-emission trucks
- Reduces ~ 3.5 tpy of NOx and 0.27 tpy of ROG

OR

12 Lane Miles of Roads
- Pave 12 lane miles of roads
- Reduces ~ 11.3 tpy of PM

~$5.57* million =

*Costs vary by project
AB 617 INCENTIVES IN OTHER AB 617 COMMUNITIES

Biannual Report on AB 617 Community Air Protection Incentives available at:

DISCUSSION

- Are there any additional projects* that you want to suggest that support the ECV CERP actions?
- Staff will conduct a live survey to help prioritize project types
- Follow-up prioritization form will be provided to gather additional community input

* If needed, a plan will be developed for community-identified projects for approval by CARB
PROJECT RANKING FOR YEAR 3 CAPP FUNDING

- Please rank your top three priorities (#1 is highest priority)
- Zoom polls to select rankings
  - Select one option per poll
  - If you are participating by phone, please email your rankings to ab617comments@aqmd.gov
CERP/CAMP DEVELOPMENT AND IMPLEMENTATION

EASTERN COACHELLA VALLEY (ECV) CSC MEETING #12
MARCH 5TH, 2021

Diana Thai
Program Supervisor
CSC SUGGESTED MEETING TOPICS

CSC Meeting #12 *(postponed to today)*
- Riverside County Combustible Task Force
- Working Teams Update and/or Incentives Budget Workshop
- CERP Implementation Timeline Discussion

CSC Meeting #13
- Pesticide Application Notification System
- Alternatives to Agricultural Burning

CSC Meeting #14
- Local Plans/Land Use and CEQA
- Urban Greening
- Outreach Plan for CERP

CSC Meeting #15
- Rules 403/403.1
- Rule Development Process
- Existing Enforcement Efforts
- Locomotives

CSC Meeting #16
Review CERP Amendment

February
March
April
May
June

Governing Board Meeting
• CERP amendment overlaps with the beginning of CERP implementation

• Staff is collaborating with entities (e.g., Department of Pesticides Regulation (DPR), Riverside County Agricultural Commissioner, Imperial Irrigation District (IID), and others) to begin CERP implementation
**CSC COMMENTS ON IMPLEMENTATION TIMELINES**

<table>
<thead>
<tr>
<th>Comment</th>
<th>Staff Response</th>
</tr>
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<tr>
<td>Improve monitoring timelines for installing and making data available to the community</td>
<td>Staff will work with Monitoring Working Team to address timelines</td>
</tr>
<tr>
<td>Collaborate with CNRA and IID in 1st quarter of 2021</td>
<td>Staff is in discussions with both agencies to establish collaborative partnership (i.e., roles and responsibilities)</td>
</tr>
<tr>
<td>Conduct thorough review of Rules 403 and 403.1 by 3rd quarter of 2021</td>
<td>Staff will work with CSC members to identify potential evaluation process (i.e., enforcement, effectiveness, rule amendments)</td>
</tr>
</tbody>
</table>
IMPLEMENTATION TIMELINES FOR CERP ACTIONS

Comment

- Deploy Pesticide Notification System Pilot Project in 1st quarter of 2021
- Improve timelines throughout Pesticides chapter
- Amend open burning rules to phase out ag burning by end of 2025

Staff Response

- DPR is developing a statewide pesticide notification system based on the Shafter Pilot Project
- Staff to work with DPR to update the CSC on the Shafter Pilot Project
- Staff is in discussions with DPR, OEHHA, and CARB to address timelines in the Pesticides chapter
- Phasing out ag burning is prohibited by State law
- A CERP action includes assessing the feasibility of new requirements for open burning and enhancing enforcement efforts beginning in 2022
Are there additional concerns on the CERP timeline?