INCENTIVES BUDGET DISCUSSION – COMMUNITY IDENTIFIED PROJECTS

San Bernardino, Muscoy
April 14, 2021

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AGENDA

- Recap of Incentives Budgeting Workshop
- Poll Results
- Distribution of Funds – Discussion & Feedback
- Next Steps
INCENTIVES BUDGET – COMMUNITY IDENTIFIED PROJECTS
INCENTIVES BUDGETING PROCESS – OVERVIEW

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

Incentives Budgeting Workshop
- CSC provided input to develop eligible project list supported by SBM CERP

Incentives Prioritization
- CSC to determine the distribution of CAPP Incentive funds for prioritized projects

Submit funding request to CARB for approval

- October 15, 2020
- January 8, 2021
- March 18, 2021
- Today
- May 1, 2021
Staff held an Incentives Budgeting Workshop at the March 18th CSC meeting.

Staff presented information on available incentive funds (~$10 million), examples of incentive projects, and costs.

Staff conducted a poll to identify the CSC’s top three priorities for incentive projects.

- Trucks: zero emission
- Trucks: low NOx
- Warehouses: zero emission equipment or infrastructure
- OmniTrans: zero emission bus or infrastructure
- Railyards: zero emission infrastructure or equipment
- Railyards: Tier 4 locomotives
- Exposure Reduction: School Air Filtration Systems
- Exposure Reduction: Home Air Filtration Systems
- Exposure Reduction: tree planting
- Exposure Reduction: school buses

Please rank your 1st, 2nd, and 3rd priority.
POLL RESULTS - TOP PRIORITIZED PROJECTS

1) Zero-Emission Trucks
2) School Air Filtration Systems and Replacement Filters
3) Warehouses: zero-emission equipment or infrastructure

- Response deadline: April 2 at 6 PM
- 13 CSC members responded
- Budget details must be finalized by April 15
DISTRIBUTION OF FUNDS

- CSC to provide input and decide how to split funds between the top 3 project types
- Example scenarios will be shown on following slides
- Staff will send a follow-up survey by e-mail for community members unable to participate in today’s poll
## OPTION 1 – EQUAL SPLIT BETWEEN PROJECTS

Option 1 – Funds to be distributed equally between the three projects

<table>
<thead>
<tr>
<th>Project</th>
<th>Percentage (%)</th>
<th>Dollar amount ($)</th>
<th>What can we get?*</th>
<th>Avg. Emission Reductions (tpy)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zero-Emission Trucks</td>
<td>33.3%</td>
<td>$3,333,333</td>
<td>~7 zero-emission yard trucks</td>
<td>2.73 NOx 0.21 ROGs</td>
</tr>
<tr>
<td>School Air Filtration Systems</td>
<td>33.3%</td>
<td>$3,333,333</td>
<td>~20 school air filtration systems</td>
<td>Exposure Reduction</td>
</tr>
<tr>
<td>Warehouses: zero-emission equipment or infrastructure</td>
<td>33.3%</td>
<td>$3,333,333</td>
<td>~3 zero emission cargo handling equipment units Or Battery charging infrastructure* (e.g., buses or trucks)</td>
<td>1.77 NOX 0.45 ROGs Or Not quantifiable (Indirect emissions reductions)</td>
</tr>
</tbody>
</table>

*Based on past incentive projects. Actual cost could vary based on technology, project details, and/or intended use.
## OPTION 2 – RANK-BASED SPLIT BETWEEN PROJECTS

**Option 2 – More funding for higher prioritized projects**

<table>
<thead>
<tr>
<th>Project</th>
<th>Percentage (%)</th>
<th>Dollar amount ($)</th>
<th>What can we get?*</th>
<th>Avg. Emissions Reductions (tpy)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zero-Emission Truck</td>
<td>50%</td>
<td>$5,000,000</td>
<td>~10 zero-emission yard trucks</td>
<td>3.9 NOx</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.30 ROGs</td>
</tr>
<tr>
<td>School Air Filtration Systems</td>
<td>30%</td>
<td>$3,000,000</td>
<td>~18 school air filtration systems</td>
<td>Exposure Reduction</td>
</tr>
<tr>
<td>Warehouses: zero-emission equipment or</td>
<td>20%</td>
<td>$2,000,000</td>
<td>~2 zero emission cargo handling equipment units</td>
<td>1.18 NOX</td>
</tr>
<tr>
<td>or infrastructure</td>
<td></td>
<td></td>
<td>Or Battery charging infrastructure* (e.g., buses or trucks)</td>
<td>0.30 ROGs</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Or Not quantifiable (Indirect emissions reductions)</td>
<td></td>
</tr>
</tbody>
</table>

*Based on past incentive projects. Actual cost could vary based on technology, project details, and/or intended use.
Prioritize project funding based on other CSC priorities*, for example:

- Small businesses/independent truck owner-operators
- More readily available technology (e.g., Class 6 vs Class 8 trucks)
- Proximity to emission sources

* Funds not allocated prior to liquidation deadlines for CAPP funds may be released to other incentive projects (e.g., mobile source projects)
DISCUSSION

Which option does the CSC prefer? Any suggestions?
Finalize Distribution of Funds
• April 15th - CSC to finalize distribution of CAPP incentives for prioritized projects

Send Grant Request to CARB
• May 1st - South Coast AQMD to send letter to CARB requesting funds for top 3 project types as selected by the CSC

Outreach
• South Coast AQMD to reach out to community to solicit grant applications

Distribute Funds
QUESTIONS OR COMMENTS?