INCENTIVES BUDGET DISCUSSION – COMMUNITY IDENTIFIED PROJECTS

Wilmington, Carson, West Long Beach
April 8, 2021
AGENDA

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

NICOLE SILVA
PROGRAM SUPERVISOR
PROJECT FUNDING PROCESS – OVERVIEW

- **Incentive Strategies Workshop**
  - Overview of Past CAPP incentives
  - Overview of funding across all 5 AB 617 communities
  - October 15, 2020

- **Governing Board Meeting**
  - Recognized Year 3 CAPP incentive funds
  - Approved Year 3 CAPP Incentive funds for mobile source and other eligible projects
  - January 8, 2021

- **Incentives Budgeting Workshop**
  - CSC provided input to develop eligible project list supported by WCWLB CERP
  - February 11, 2021

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

- **Submit funding request to CARB for approval**
  - May 1, 2021
INCENTIVE BUDGETING WORKSHOP RECAP

- Staff held an Incentives Budgeting Workshop at the February 11th CSC meeting
- Staff presented information on available incentive funds ($5.57 million), examples of incentive projects, and costs
- Staff conducted a poll to identify the CSC’s top three priorities for incentive projects
POLL RESULTS
TOP PRIORITIZED PROJECTS

1) Trucks
2) School Air Filtration Systems and Replacement Filters
3) Ships or Harbor Craft

- 28 CSC members responded
- Budget details must be finalized by April 15

* Final ranks are weighted
QUESTIONS OR COMMENTS?
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
**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>Emission Reductions (tpy)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trucks</td>
<td>33.3%</td>
<td>$1,856,667</td>
<td>3 zero-emission yard trucks</td>
<td>1.17 NOx 0.09 ROGs</td>
</tr>
<tr>
<td>School Air Filtration Systems</td>
<td>33.3%</td>
<td>$1,856,667</td>
<td>Air filtration system installations at ~11 schools*</td>
<td>Exposure Reduction</td>
</tr>
<tr>
<td>Ships or Harbor Craft</td>
<td>33.3%</td>
<td>$1,856,667</td>
<td>Up to ~19 marine vessel engines repowered**</td>
<td>1.79 – 34.2 NOx 0.03 – 0.57 ROGs</td>
</tr>
</tbody>
</table>

* Project cost varies by school type, school size, and years of maintenance provided

** Project costs and emission reductions vary based on applications
## OPTION 2 – RANK-BASED SPLIT BETWEEN PROJECTS

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

<table>
<thead>
<tr>
<th>Project</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Trucks</td>
<td>50%</td>
<td>$2,785,000</td>
<td>5 zero-emission yard trucks</td>
<td>1.95 NOx 0.15 ROGs</td>
</tr>
<tr>
<td>School Air Filtration Systems</td>
<td>30%</td>
<td>$1,671,000</td>
<td>Air filtration system installations at ~10 schools*</td>
<td>Exposure Reductions</td>
</tr>
<tr>
<td>Ships or Harbor Craft</td>
<td>20%</td>
<td>$1,114,000</td>
<td>Up to ~11 marine vessel engines repowered**</td>
<td>1.79 – 19.7 NOx 0.03 – 0.33 ROGs</td>
</tr>
</tbody>
</table>

* Project cost varies by school type, school size, and years of maintenance provided

** Project costs and emission reductions vary based on applications
**OPTION 3 – PRIORITIZE HIGHEST EMISSION REDUCTION CATEGORY**

Option 3 – Majority of funding allocated for projects resulting in most emission reductions

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<td>Ships or Harbor Craft</td>
<td>50%</td>
<td>$2,785,000</td>
<td>Up to ~29 marine vessel engines repowered*</td>
<td>1.79 – 51.9 NOx</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.03 – 0.87 ROGs</td>
</tr>
<tr>
<td>School Air Filtration Systems</td>
<td>25%</td>
<td>$1,392,500</td>
<td>Air filtration system installations at ~8 schools**</td>
<td>Exposure Reductions</td>
</tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trucks</td>
<td>25%</td>
<td>$1,392,500</td>
<td>2 zero-emission yard trucks</td>
<td>0.78 NOx</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.06 ROGs</td>
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* Project costs and emission reductions vary based on applications
** Project cost varies by school type, school size, and years of maintenance provided
Option 4 – Split funding equally between school air filtration systems and ships or harbor craft since truck technology may become more cost-effective in the future

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</tr>
</thead>
<tbody>
<tr>
<td>Trucks</td>
<td>0%</td>
<td>$0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>School Air Filtration Systems</td>
<td>50%</td>
<td>$2,785,000</td>
<td>Air filtration system installations at ~16 schools*</td>
<td>Exposure Reductions</td>
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* Project cost varies by school type, school size, and years of maintenance provided
** Project costs and emission reductions vary based on applications
Option 5 – Split funding equally between trucks and ships or harbor craft since program’s focus should be emission reductions

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<td></td>
<td>0.15 ROGs</td>
</tr>
<tr>
<td>School Air Filtration Systems</td>
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<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
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* Project costs and emission reductions vary based on applications
Prioritize project funding based on other CSC priorities*, for example:

- Zero-emission over near-zero emission
- Small businesses or independent 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

• Are there any additional scenarios that you would like to suggest?
• Staff will send a follow-up survey by e-mail for community members unable to participate in today’s poll
Please select the option below that staff should follow for AB 617 grant disbursement (community-identified projects only):

- Option 1 – 33% Trucks, 33% School Air Filtration, 33% Ships or Harbor Craft
- Option 2 – 50% Trucks, 30% School Air Filtration, 20% Ships or Harbor Craft
- Option 3 – 25% Trucks, 25% School Air Filtration, 50% Ships or Harbor Craft
- Option 4 – 0% Trucks, 50% School Air Filtration, 50% Ships or Harbor Craft
- Option 5 – 50% Trucks, 0% School Air Filtration, 50% Ships or Harbor Craft
NEXT STEPS

Finalize Distribution of Funds (April 15, 2021)
• CSC to finalize distribution of CAPP incentives for prioritized projects

Send Grant Request to CARB (May 1, 2021)
• South Coast AQMD sends 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?
REMINDERS

Future Announcements

- Newsletters
- Continue CERP implementation

Future Meeting

- Tentatively May 2021 (virtual)
- AQ Priority Updates & Agenda Topics
  - What would you like to hear about?
- Other topics?
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