Rule 1304.1 - Electrical Generating Facility Annual Fee For Use Of Offset Exemption

3rd Implementation Working Group Meeting

November 20, 2014
Background

- Rule 1304.1 adopted on September 6, 2013
- Governing Board directed staff to work with stakeholders to develop guidelines for use of funds
  - First Meeting October 23, 2013
  - Second Meeting July 10, 2014
- Governing Board added rule language
  - “...priority will be placed on the use of the funds to improve air quality consistent with the AQMP in the impacted, surrounding communities”
CPV Sentinel
A Case Study

AB 1318 established broad parameters for permitting CPV Sentinel

- Fee for offsets
- Emission reductions must occur:
  - 30% areas in close proximity
  - 30% in environmental justice (EJ) areas
  - 40% anywhere within AQMD jurisdiction – Governing Board discretion
  - Governing Board decided to spend 100% of funds in Coachella Valley (CV)
CPV Sentinel
Projects Approved for Funding

- LNG stations
- CNG: vehicles, station upgrades; buses; fueling facilities; food delivery vehicles
- Solar panels: College of the Desert; City Buildings; Boys & Girls Club (EJ Area) and High School
- Paving and dust control: mobile home parks, Cabot's Museum, senior and health centers, Torres Martinez Indian Reservation
- CV Link – electric vehicle/biking/walking parkway
- Signal synchronization
- Home weatherization
Proposed E.J. Definition (consistent with PR 1304.2)

**ENVIRONMENTAL JUSTICE AREA** means an area where:

- at least 10 percent of the population falls below the Federal poverty level based on the 2008-2012 or more recent American Community Survey (ACS) data; **AND**
  - the highest 15 percentile of PM2.5 concentration measurements interpolated to a 2 kilometer grid of the most recent Multiple Air Toxics Emissions Study (MATES) modeling domain; **OR**
  - the highest 15 percentile of cancer risk as calculated in the most recent MATES.
Proposed Principals

- Monies should be spent in nearby, impacted areas
- Priority should be given to EJ areas, preferred resources and AQMP control measures
- Program parameters should be flexible to adjust funding for each unique location
  - Proximity of EJ areas to project site
  - Nature and amount of project proposals received
  - Specific community needs
Use of Funds

- Definition of impacted community or nearby area

- Possible Pre-Specifications
  - X% of Funding in impacted/nearby areas
  - X% of Funding in EJ areas
  - X% on specific project/program types
Summary of Discussion
October 2013 Meeting

- Project Concepts Received
  - Electrification of 710 Corridor
  - Port Projects
  - LED Street Lights
  - CNG Truck Conversions
  - Photovoltaic solar
  - SB 375 Street Renovations to Reduce VMT
  - EV Infrastructure
  - Public Transportation Infrastructure
Update – Approved OTC

- Huntington Beach 640 MW
- Los Alamitos 640 MW
- Uncertain at this time if project proponents will opt for single, annual or hybrid payments
Next Steps

- Refine Funding Criteria

- Develop Criteria for Proposal Evaluation
  - Geographical Area
  - Project/Program Types
  - Scoring Criteria

- Further input from stakeholders
  - Follow-up Working Group Meeting(s)

- Board Approval on Implementation Guidelines