Working Group Meeting

Rule 1304.1 Implementation Plan For Disbursement and Tracking of Funds

Wednesday - September 30, 2015
SCAQMD
Conference Room GB
Rule 1304.1 Background

- Adopted September 6, 2013
- Only applies to re-powering of EGF Utility Steam Boilers pursuant to Rule 1304(a)(2)
- Option for EGFs unable to obtain ERCs in the open market
- EGFs pay a fee for use of District offsets
- EGFs do not own offsets and cannot sell or trade them
- Offsets may only be used for designated project(s) and are non-transferable and are not any form of asset
1304.1(d)(1) Use of Offset Proceeds

- Board directed staff to work with stakeholders to develop guidelines for use of funds
- Board added rule language:
  “Priority will be placed on the use of funds to improve air quality consistent with the AQMP in the impacted, surrounding communities…”

- 3 prior Working Group meetings held on:
  - October 23, 2013
  - July 10, 2014
  - November 20, 2014

- This Working Group meeting to present staff’s proposal for an implementation plan for disbursement and tracking of funds received
Working Group Meetings

Comments Received:

- Project Selection Criteria
  - Proximity to source
  - EJ area definition
  - Toxics exposure

- Project Funding
  - Renewables
  - Cost Effectiveness
  - Carl Moyer type projects
  - Impacted Communities
Criteria to Consider

- **Impacted Community**
  - Close Proximity
    - Six Mile Radius (Consistent with AB1318 implementation, CEC)
  - Environmental Justice (EJ)
    - Based on latest Carl Moyer definition
  - Broader Community (Outside proximity criteria)

- **Project**
  - Stationary, Area, Mobile, Indirect Sources
  - Short-Term, Long-Term
  - Educational, Research and Development
  - Seed or Cost Sharing

- **Objectives**
  - AQMP
  - Emissions Reduction
  - Cost-Effectiveness
Staff Initial Proposal

- Target 50% minimum funding in EJ areas within SCAQMD jurisdiction
  - Through existing District programs
  - Within and to benefit EJ communities
  - Subject to Governing Board allocation and approval

- Target 50% minimum funding within close proximity (6 miles)
  - Issue RFP when a minimum of $0.5 million is received

- Project/Program Ranking Criteria Selected:

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Definition</th>
<th>Targeted Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proximity to Source</td>
<td>Within 6 Mile Radius</td>
<td>50%</td>
</tr>
<tr>
<td>EJ Area</td>
<td>Based on Most recent Carl Moyer Criteria</td>
<td>50%</td>
</tr>
</tbody>
</table>

Board has the discretion on funding approval for most efficient use of funds
EJ Area Definition

An area where at least 10% of the population falls below the Federal poverty level based on the most recently published American Community Survey (ACS) data AND which includes EITHER:

- the highest 15th percentile of PM2.5 concentration measurements interpolated to a two (2) kilometer grid of the most recently published final Multiple Air Toxics Emissions Study (MATES) modeling domain;

  OR

- the highest 15th percentile of cancer risk as calculated in the most recently published final MATES.
### Map – Potential 1304.1 Repowering*

**Power plant location**
- 1 AES HUNTINGTON BEACH, LLC
- 2 AES REDONDO BEACH, LLC
- 3 AES ALAMITOS, LLC
- 4 LA CITY, DWP HAYNES GENERATING STATION
- 5 EL SEGUNDO POWER, LLC
- 6 LA CITY, DWP SCATTERGOOD GENERATING STATION
- 7 BURBANK CITY, BURBANK WATER & POWER (OLIVE UNITS)
- 8 GLENDALE WATER & POWER (GRAYSON)
- 9 NRG GEN ON WEST, LP

**6-mile radius**

**EJ Area**

<table>
<thead>
<tr>
<th>Location</th>
<th>Name</th>
<th>City</th>
<th>Proposed Repower MW as of August 2015</th>
<th>Fac ID #</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>AES HUNTINGTON BEACH, LLC</td>
<td>HUNTINGTON BEACH</td>
<td>430</td>
<td>115389</td>
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<td>2</td>
<td>AES REDONDO BEACH, LLC</td>
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<td>3</td>
<td>AES ALAMITOS, LLC</td>
<td>LONG BEACH</td>
<td>1,950</td>
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<td>4</td>
<td>LA CITY, DWP HAYNES GENERATING STATION</td>
<td>LONG BEACH</td>
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<tr>
<td>5</td>
<td>EL SEGUNDO POWER, LLC</td>
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<td>115663</td>
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<tr>
<td>6</td>
<td>LA CITY, DWP SCATTERGOOD GENERATING STN</td>
<td>PLAYA DEL REY</td>
<td>297</td>
<td>800675</td>
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<tr>
<td>7</td>
<td>BURBANK CITY, BURBANK WATER &amp; POWER (OLIVE UNITS)</td>
<td>BURBANK</td>
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<td>25638</td>
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<td>8</td>
<td>GLENDALE WATER &amp; POWER (GRAYSON)</td>
<td>GLENDALE</td>
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<td>800327</td>
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<tr>
<td>9</td>
<td>NRG GEN ON WEST, LP;</td>
<td>Etiwanda</td>
<td>640</td>
<td>115315</td>
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</table>

* Projected August 2015
Administrative Considerations

- Uncertainty of cash in-flows requires minimum fund balance before RFPs issued or allocation to programs
- Periodic updates to the Board to release RFPs, allocate funds, and track fund balances, awards made, and project progress
Potential Project / Program Concepts

- Projects/Programs should focus on particulate (direct PM and precursor NOx) emissions reductions, consistent with AQMP needs

- Examples include:
  - Port Projects
  - Zero, Near Zero Vehicle/Equipment Conversions
  - SB 375 Street Renovations to Reduce VMT
  - EV Infrastructure
  - Public Mass Transit Infrastructure
### Timeline

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 23, 2014</td>
<td>1(^{st}) Implementation WG Meeting</td>
</tr>
<tr>
<td>July 10, 2014</td>
<td>2(^{nd}) Implementation WG Meeting</td>
</tr>
<tr>
<td>November 20, 2014</td>
<td>3(^{rd}) Implementation WG Meeting</td>
</tr>
<tr>
<td>September 30, 2015</td>
<td>4(^{th}) Implementation WG Meeting (Today)</td>
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<tr>
<td>October 13, 2015</td>
<td>Close of Formal Comments</td>
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<td>October 16, 2015</td>
<td>Stationary Source Committee</td>
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<tr>
<td>November 6, 2015</td>
<td>Plan Proposal to Governing Board (Board to review and, if necessary give staff direction)</td>
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</tbody>
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Contact Information

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