

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:

Criteria	Definition	Targeted Distribution
Proximity to Source	Within 6 Mile Radius	50%
EJ Area	Based on Most recent Carl Moyer Criteria	50%

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

EJ Area Definition

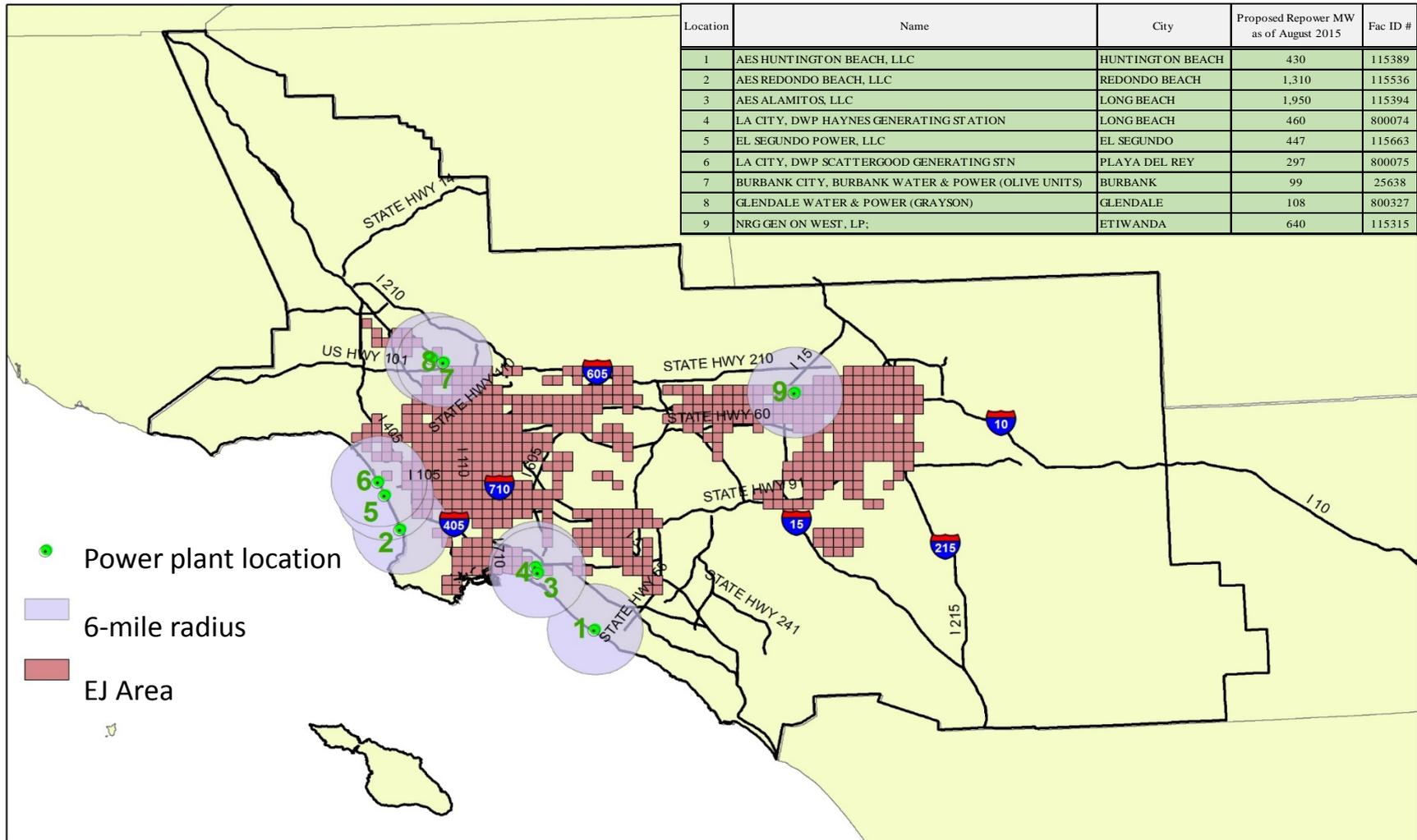
An area where at least 10% of the population falls below the Federal poverty level based on the most recently published American Community Survey (ACS) data **AND** which includes **EITHER**:

- the highest 15th percentile of PM_{2.5} 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*



* 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

■ *Past Event*

■ Present or Future Event

October 23, 2014

1st Implementation WG Meeting

July 10, 2014

2nd Implementation WG Meeting

November 20, 2014

3rd Implementation WG Meeting

September 30, 2015

4th Implementation WG Meeting
(Today)

October 13, 2015

Close of Formal Comments

October 16, 2015

Stationary Source Committee

November 6, 2015

Plan Proposal to Governing Board
(Board to review and, if necessary
give staff direction)

Contact Information

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