

BOARD MEETING DATE: July 11, 2014

AGENDA NO. 3

PROPOSAL: Recognize Revenue and Appropriate Funds from Clean Fuels, Carl Moyer AB 923 and Proposition 1B-Goods Movement for Administrative Support, Outreach and Education, and Related Activities

SYNOPSIS: The Technology Advancement Office executes hundreds of contracts annually to implement incentive, demonstration and technology transfer projects, involving ongoing administrative support, outreach and education, and other related activities. This action is to recognize up to \$1,250,000 in revenue in the General Fund and appropriate \$1,250,000 to the Science & Technology Advancement FY 2014-15 Budget, Services and Supplies Major Object, Professional and Special Services Account, from the following special revenue funds: \$850,000 from the Clean Fuels Program Fund (31); \$100,000 from the Carl Moyer Program AB 923 Special Revenue Fund (80); and \$300,000 from the Prop 1B Funding-Goods Movement Fund (81). The appropriations will ensure flexibility and expediency in administering and addressing implementation issues for these programs.

COMMITTEE: Technology, June 20, 2014, Recommended for Approval

RECOMMENDED ACTIONS:

Recognize up to \$1,250,000 in the General Fund and appropriate \$1,250,000 to the Science & Technology Advancement FY 2014-15 Budget (Org. 49), Services and Supplies Major Object, Professional and Special Services Account, from the following special revenue funds:

- a. \$850,000 from the Clean Fuels Program Fund (31);
- b. \$100,000 from the administrative portion of the Carl Moyer Program AB 923 Special Revenue Fund (80); and

- c. \$300,000 from the administrative portion of the Prop 1B Funding-Goods Movement Fund (81).

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Executive Officer

MMM:DAH

Background

The Technology Advancement Office (TAO) conducts the agency's research, development, demonstration and deployment activities, implements several on- and off-road incentive programs and performs various technology outreach and education activities including event cosponsorships. The funding authorizations associated with these activities are the Clean Fuels Program Fund (31), the Carl Moyer Program AB 923 Special Revenue Fund (80) and the Prop 1B Funding-Goods Movement Fund (81). Overall, TAO administers and monitors thousands of contracts annually.

The SCAQMD recognizes and appropriates the revenues from these special programs to special revenue funds, separate from the SCAQMD's General Fund budget, to clearly delineate the program operation revenues, which have statutory constraints imposed on their use. Additionally, the Clean Fuels, Carl Moyer and Prop 1B Programs allow up to five percent for administrative costs.

Proposal

This action is to recognize a small portion of funds from the Clean Fuels Fund (31) and a portion of the administrative funds from the Carl Moyer Program AB 923 Special Revenue Fund (80) and Prop 1B-Goods Movement Fund (81) into the SCAQMD's General Fund and to appropriate those funds into the Science & Technology Advancement (STA) FY 2014-15 Budget to allow management flexibility and expediency in addressing program implementation issues and to support administrative, outreach and education, and related activities to successfully implement and oversee these programs.

Clean Fuels Program

The appropriation of funds would enable a range of activities involved in implementing the Clean Fuels Program. These activities are expected to include but not be limited to the following areas:

Technical Assistance

Technical assistance is needed in the areas of battery electric and hybrid vehicles, low-emission engine development, emissions testing and analysis, natural gas and hydrogen fueling infrastructure development, alternative fuel vehicles and health impacts studies.

Expert Consultation

Consultants provide expertise on new and emerging technologies, development of emission control technologies and analyses of demonstration projects including alternative fuels, fuel cells, natural gas and hydrogen fueling infrastructure, battery and hybrid electric vehicles, renewable energy and particulate matter control technology. Assignments for these consultants are expected to be short term and time sensitive.

Outreach & Education and Conference Sponsorships

SCAQMD is often asked to provide support for technical conferences and other outreach and education activities related to implementation of the Clean Fuels Program and the Technology Advancement Office. These conferences provide opportunities for the SCAQMD to inform the public, communicate its programs to broad audiences and receive input from public and private organizations. Public outreach and education is important for commercialization and to foster acceptance of new technologies.

Advanced Technology Vehicle Leases

In order to showcase and demonstrate a variety of advanced, low-emission technologies, the SCAQMD often leases clean vehicles to educate public and private organizations on the benefits of advanced technologies, as well as provide valuable in-use test data to the manufacturers.

Administrative & Other Costs

Funds are also required to support the administrative operation of the Clean Fuels Program. These costs can include but are not limited to postage and public notice advertisements for solicitations and other project-related mailings, travel and conference-related expenses for participation at program planning and implementation events and meetings and costs necessary to enhance or expand existing program-related activities.

Carl Moyer and Prop 1B Programs

The appropriation of funds would facilitate support for various activities related to the implementation of these incentive programs. These activities are expected to include but not be limited to the following areas:

Technical Assistance

Technical assistance is needed for evaluation of different types of vehicles and equipment to determine their eligibility and the amount of incentive funding that can be provided in compliance with the requirements of the Carl Moyer and Prop 1B Program guidelines and applicable rules and regulations.

Expert Consultation

Consultants provide expertise on availability of new and emerging technologies and commercialization potential of lower-emitting vehicles and related infrastructure. Assignments for these consultants are expected to be short term and time sensitive.

Outreach & Education and Conference Sponsorships

During each funding cycle, the SCAQMD conducts several equipment-specific and general workshops. SCAQMD staff participates in conferences and performs extensive outreach activities to enhance public awareness for the Carl Moyer and Prop 1B Programs. Staff also helps potential applicants to take advantage of funding opportunities in all eligible equipment categories. In addition, SCAQMD participates in conferences to communicate its incentive-funding programs to broad audiences and to inform the public about these opportunities. Public outreach plays an important role in commercialization of new technologies.

Administrative & Other Costs

Funds are also required to support the operation of the Carl Moyer and Prop 1B Programs. These costs can include but are not limited to postage and public notice advertisements for solicitations and other project-related mailings as well as costs associated with performing or meeting program objectives.

Benefits to SCAQMD

The appropriation of funds from these three special revenue funds to STA's FY 2014-15 Budget will ensure successful implementation and oversight of TAO's demonstration and incentive programs and outreach and education efforts, ultimately achieving emissions reductions and moving the region closer to attainment of air quality standards. These activities are included in the *Technology Advancement Office Clean Fuels Program 2014 Plan Update* under "Assessment and Technical Support of Advanced Technologies and Information Dissemination" and "Support for Implementation of Various Clean Fuels Vehicle Incentive Programs."

Resource Impacts

There are sufficient funds to appropriate up to \$1,250,000 from the following special revenue funds: \$850,000 from the Clean Fuels Program Fund (31); \$100,000 from the administrative portion of the Carl Moyer Program AB 923 Special Revenue Fund (80); and \$300,000 from the administrative portion of the Prop 1B Funding-Goods Movement Fund (81). The funds will be recognized into the SCAQMD's General Fund then appropriated into STA's FY 2014-15 Budget (Org 49), Services and Supplies Major Object, Professional and Special Services Account. Any unspent funds will be transferred back to the appropriate special revenue fund after FY 2014-15 year end.

The Clean Fuels Program Fund (31) was established as a special revenue fund resulting from the state-mandated Clean Fuels Program. The Clean Fuels Program, under Health

and Safety Code Sections 40448.5 and 40512 and Vehicle Code Section 9250.11, establishes mechanisms to collect revenues from mobile sources to support projects to increase the utilization of clean fuels, including the development of the necessary advanced enabling technologies. Funds collected from motor vehicles are restricted, by statute, to be used for projects and program activities related to mobile sources that support the objectives of the Clean Fuels Program.