

AB 617 Incentives Strategy – Year 3 CAPP Incentives

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CAPP INCENTIVE FUNDS FOR SOUTH COAST AQMD

Statewide

South Coast AQMD

FY2017-2018
\$250 M
(AB 134)

Mobile sources
consistent with Moyer
and Prop 1B

\$107.5 M

Mobile sources in
disadvantaged and low-income
communities (DACs)

FY2018-2019
\$245 M
(SB 856)

Expand to stationary
and community
identified projects

\$85.6 M

Mobile and stationary sources
in designated communities
and DACs

FY2019-2020
\$245 M
(AB 74)

Guidelines from
previous years

\$79.4 M

To Be Discussed

CAPP Incentives Grant (Year 3)

FY 2019-20 Funds	Amount
Total Grant Amount	\$79,431,606.99
Administrative Funds (6.25%)	\$4,964,475.44
Funds Available for Projects:	\$74,467,131.55
SB 535 Funding Target (72%)	\$53,616,334.72
AB 1550 Funding Target (80%)	\$59,573,705.24

- South Coast AQMD must submit an advance payment form with a proposed list of projects to CARB by 5/1/2021.
- These incentive funds must be fully expended by June 30, 2025.

Guideline Requirements for Year 3 CAPP Incentives

- Carl Moyer Program 2017 Guidelines (April 27, 2017)
- Clean trucks meeting the criteria of Proposition 1B – Goods Movement Emission Reduction Program Guidelines (2015)
- Community Air Protection Incentives Guidelines (revised October 2020). Including the new Chapter 6 for stationary sources and community-identified projects
- Other incentive projects and programs included in an approved Community Emission Reduction Program (CERP)

Grant Requirements (Cont'd)

- Zero emission projects whenever feasible, including charging/fueling infrastructure for medium and heavy-duty vehicles
- Emissions reductions in communities most impacted by cumulative pollution burden, with a focus on vehicles, equipment and infrastructure that operate in AB 617 communities selected by CARB or under consideration for future selection
- No less than 72% of the funds for projects in disadvantaged communities (72% for South Coast AQMD)
- No less than 80% of the funds for projects in AB 1550 communities
- Projects consistent with the priorities identified by the communities

Summary of Community Input

- Public Consultation Meeting on 10/15/2020:

Summary of Top Priorities from Breakout Rooms

Emission Reductions Directly Benefitting the Community (with respect to community needs such as proximity to sensitive receptors)

Zero-Emission and Near-Zero Emission Projects

Affordability (Equitable) for Small Business Truck Owners (availability of local funds, prioritizing incentives for small companies, financial assistance)

Focus on Projects in Communities that Received Less Funding

Funding for Other Community-Based Projects (off-road, air filtration, tree planting, solar tech)

Focus on Rural Projects (Agricultural projects near home and schools)

Focus on Air Toxics Projects

Examples of Eligible Projects

Carl Moyer Program

- Trucks
- Transit buses
- Refuse trucks
- Public agency/utility vehicles
- Emergency vehicles
- Construction/Ag
- Marine Vessels
- Shore Power
- Locomotives
- Cargo Handling
- Infrastructure

- **1998 – Present**
- **\$530 Million**
- **7,977 vehicles**
- **Emissions Reduced (tpy):**
NOx: 8,600 PM: 248

Prop 1B – Goods Movement Program

- Trucks
- Shore Power
- Locomotives
- Cargo Handling
- TRUs

- **2009 - Present**
- **\$486 Million**
- **7,503 vehicles/equipment**
- **Emissions Reduced (tpy):**
NOx: 7,285 PM: 220

Examples of Eligible Projects – Cont'd



Hexavalent
Chrome

*Stationary
Source*



Air Filtration
Systems

Schools



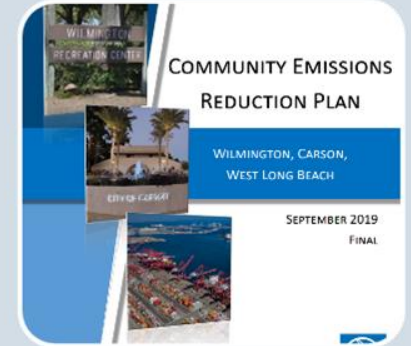
Zero-
emission lawn
& garden for
schools

Schools



Composite
Wood

Schools



Community-
identified
projects

Other Community-Identified Projects

- Must be consistent with strategies identified in the CERP
- Must follow 2019 Community Air Protection Incentives Guidelines
 - New Chapter 6 for stationary source and community-identified projects (approved October 2020)
- Submit a Project Plan containing all criteria outlined in Chapter 6 (project identification, community support, eligibility requirements, funding amounts, project selection criteria and reporting requirements)
- Air districts must receive approval of the Project Plan from CARB prior to implementation
- 60 days for review/approval

Mobile Source Projects in AB 617 Communities (Approved January 2021)

Proposed Projects in AB 617 Communities	Project Costs (\$)	NOx Reductions (tons/yr)	PM Reductions (tons/yr)
East Los Angeles, Boyle Heights, West Commerce (YR 1)	\$613,769	0.7	0.05
Wilmington, Carson, West Long Beach (YR 1)	\$18,517,774	66.6	1.60
San Bernardino, Muscoy (YR 1)	\$429,259	0.3	0.02
Eastern Coachella Valley (YR 2)	\$13,798,131	53.1	4.20
Southeast Los Angeles (YR 2)	\$4,403,576	2.7	0.13
Total	\$37,762,509 *	123.4	6.00

* The remaining balance of Year 3 CAPP incentives is approximately \$36.7 million in project funds.

Additional Mobile Source Project Proposals Received (2020) – not in AB 617 Communities

Technology/Category	Project Costs(\$)	Within 5 Miles of AB 617 Community (\$)	Funding Requested by Small Businesses	NOx Reductions (tons/yr)	PM Reductions (tons/yr)
Zero Emission Projects:					
Vehicles/Equipment	\$9,948,860	\$531,266	None	19.1	0.83
Infrastructure	\$9,404,385	\$5,264,160	None	n/a	n/a
Other Projects (within 5 miles of an AB 617 Community and Marine Vessels)	\$3,952,253	\$437,087	\$160,951	32.2	1.18
Total	\$23,305,498	\$6,232,513	\$160,951	51.3	2.01

ECV CERP Actions – Eligible Incentive Areas

AQ Priority	Incentive Related Components by Action
Salton Sea	Dust suppression projects in playa areas
Salton Sea, Pesticides, Fugitive Road Dust, Open Burning Illegal Dumping, Greenleaf	School air filtration systems and/or replacement filters at schools near these emission sources
Salton Sea	Clean rooms in public buildings near Salton Sea
Salton Sea, Pesticides, Fugitive Road Dust, Open Burning Illegal Dumping, Greenleaf	Home weatherization projects
Pesticides, Fugitive Road Dust	Community center air filtration near Pesticide sources, and areas with Fugitive Road Dust
Fugitive Road Dust	Pave roads and mobile home parks/Polanco parks
Fugitive Road Dust	Vegetation on unpaved surfaces no longer being used as roadways

ECV CERP Actions – Eligible Incentive Areas (Continued)

AQ Priority	Incentive Related Components by Action
Fugitive Road Dust	Stabilize loose road surfaces with grading and gravel on unpaved roads and maintain treated roads (based on Vehicle Miles Traveled (VMT))
Fugitive Road Dust	Identify funding to expand street sweeping services beyond existing service levels
Open Burning Illegal Dumping	Alternatives to agricultural burning (e.g., chippers, grinders, digesters, air curtain destructors, etc.) and emergency burning for freeze prevention (e.g., fan systems)
Open Burning Illegal Dumping	<ul style="list-style-type: none"> • Waste collection services (agricultural and non-agricultural waste that has been dumped illegally) • Non-agricultural waste disposal (e.g., tire disposal) • Fencing or berm construction or drone/camera technology to discourage illegal dumping
Diesel Mobile Sources	Replacement older on-road (e.g., trucks) and off-road (e.g., tractors, freight trains, agricultural equipment) equipment with cleaner technology
Diesel Mobile Sources	Replace older diesel school buses with zero or near-zero emission school buses
Greenleaf	Plant shrubs, trees and native plants around the perimeter of the facility

Next Steps

Working with CSCs:

- Identify any additional projects for funding (e.g., zero emissions, small businesses, near communities)

For the remaining funds:

- Suggest equal distribution among the 5 communities with adopted CERPs to fund eligible projects
- These project types will require a Project Plan (within a timeframe):
 - Develop requirements for participation, project selection and funding amounts
 - Develop overall budget for each Project Plan
 - Submit Project Plan to CARB for approval

Discussion

Does the CSC have any input on the use of this year's AB 617 incentive funds?

- Additional proposals received (not in AB 617 communities)
- Splitting remaining funds