

BOARD MEETING DATE: November 6, 2020

AGENDA NO. 21

REPORT: Technology Committee

SYNOPSIS: The Technology Committee held a meeting remotely on Friday, October 16, 2020. The following is a summary of the meeting.

RECOMMENDED ACTION:
Receive and file.

Joe Buscaino, Chair
Technology Committee

MMM:av

Committee Members

Present: Council Member Joe Buscaino/Chair
Supervisor Lisa Bartlett
Board Member Gideon Kracov
Mayor Larry McCallon
Council Member Judith Mitchell
Council Member Carlos Rodriguez

Absent: None

Call to Order

Chair Buscaino called the meeting to order at 12:06 p.m.

Chair Buscaino asked the Committee to take Item #4 out of order.

INFORMATIONAL ITEM:

4. Report on Electric Vehicle Battery Reuse and Recycling

Rapid growth in the market for zero emission battery electric vehicles is a significant part of the overall strategy to improve air quality in the South Coast Air Basin.

Although reuse of batteries is a desirable option in the near-term, the longer-term challenge of a growing number of batteries present a potential environmental waste

issue. The Lithium-ion Car Battery Recycling Advisory Group led by Cal EPA was created to advise the Legislature on policies pertaining to the recovery and recycling of lithium-ion vehicle batteries. CalEPA Deputy Secretary Caroline Godkin, the lead for the Lithium-ion Car Battery Recycling Advisory Group, presented the current range of approaches to electric-vehicle lithium-ion battery reuse and recycling and highlighted future pathways to address the potential environmental impacts of used batteries.

Council Member Mitchell inquired about the impact of China's dominance in lithium reserves on car battery recycling. Ms. Godkin explained that the OEMs and others are developing battery technologies that reduce the amount of precious metals and other materials, such as cobalt. An example is proposed lithium mining operations around the Salton Sea area.

Supervisor Bartlett inquired about the size of recycling operations and the percentage of used batteries these facilities are recycling. Ms. Godkin responded that the size of recyclers' operations is relatively small. Supervisor Bartlett also asked which recycling method is used more commonly. Ms. Godkin responded that although currently the Pyro process is more common, the Hydro process has more efficient recovery rates.

Council Member Rodriguez asked if there are existing or anticipated policies to mature battery recycling. Ms. Godkin noted that the advisory group is currently evaluating policies in the European Union, China and Japan to make recommendations as part of their report. Council Member Rodriguez further inquired about recycling facility costs and how many more facilities are needed in near and long term. Ms. Godkin responded that UC Davis is working on those topics, and the economics and feasible pathway of recycling will be analyzed in their research.

Mayor McCallon asked about policies for funding and potential recommendations to the legislature. Ms. Godkin responded that the advisory group is broadly looking at various models for funding mechanisms, such as a disposal fee for battery producers, and the European Union strategy of a minimum recycled content for batteries.

Board Member Kracov noted that significant amounts of used batteries will result from the accelerated adoption of electric heavy-duty vehicles in our Basin and inquired about the role for South Coast AQMD. Ms. Godkin responded that the advisory group can provide recommendations and South Coast AQMD's input on these recommendations would be valuable.

Ranji George, a member of the public, commented on the importance of lithium-ion battery recycling and expressed concerns about rare materials within the batteries.

He further noted to look at chain of custody forms and urged staff to look at hydrogen fuel cell technology because it has less environmental impacts.

ACTION ITEMS:

1. Recognize Revenue, Issue Program Announcement, Execute Contracts, and Redistribute Funds for Heavy-Duty Truck Projects Meeting the Proposition 1B – Goods Movement Program Requirements

South Coast AQMD is currently administering and implementing the final funding cycle for the Proposition 1B – Goods Movement Program. Due to cancellation of some projects, new Proposition 1B funding granted by CARB, and availability of Community Air Protection Program incentives, a new solicitation is needed to receive applications for additional heavy-duty truck projects and infrastructure meeting the criteria of the Proposition 1B – Goods Movement Program. These actions are to: 1) recognize revenue from CARB up to \$6,406,088 into the Proposition 1B – Goods Movement Fund (81); 2) reimburse the General Fund up to \$305,052 for administrative costs; 3) issue a Program Announcement for heavy-duty truck and infrastructure projects; 4) execute contracts (or modify existing contracts) for eligible truck projects; and 5) redistribute funds, as needed, for the timely liquidation of incentive programs funds.

Council Member Buscaino inquired about who determines the percentage for administrative costs. Staff explained that these funds are determined by CARB and specified in the grant agreement.

Council Member Mitchell noted that she does not have a financial interest or conflict of interest but is required to identify for the record that she is a Board Member of CARB which is involved in this item. She further noted that there are thousands of older, high polluting trucks operating at the Ports and asked staff to make every effort to prioritize funding for these trucks in the program. She also urged staff to expend all grant funds to avoid having to return any funds back to CARB.

Ranji George, a member of the public, asked the Committee to consider setting aside a small percentage of funds for fuel cell vehicles.

Moved by McCallon; seconded by Mitchell; unanimously approved

Ayes: Bartlett, Buscaino, Kracov, McCallon, Mitchell, Rodriguez

Noes: None

Absent: None

2. Reimburse CEC and Return Interest

In February 2020, CEC issued a final audit report of CEC-funded projects, concluding that the majority of claimed agreement expenditures are in compliance with grant agreement requirements. However, the report questioned certain reimbursed subcontractor costs and requested that interest earned be returned to CEC. These actions are to: 1) reimburse CEC for unsupported costs with funds provided by two contractors in an amount not to exceed \$214,719 from the Clean Fuels Fund (31); 2) reimburse CEC for unsupported costs in an amount not to exceed \$70,631 from the Clean Fuels Fund (31); and 3) return to CEC interest earned on CEC funds in an amount not to exceed \$202,723 and future residual interest earned from the Hydrogen Fueling Infrastructure Network Fund (63).

No comments were made on this item.

Moved by Mitchell; seconded by Bartlett; unanimously approved.

Ayes: Bartlett, Buscaino, Kracov, McCallon, Mitchell, Rodriguez
Noes: None
Absent: None

3. Amend Contract to Install Solar Panels for Volvo LIGHTS Project

In November 2018, the Board approved execution of contracts for the Volvo Low Impact Green Heavy Transport Solutions (LIGHTS) project. In order to complete installation of solar panels at freight handling facilities participating in the Volvo LIGHTS project, CARB approved reallocating up to \$600,000 of administrative funding to project costs. This action is to amend a contract with Volvo Group North America, LLC in an amount not to exceed \$600,000 from the GHG Reduction Projects Special Revenue Fund (67) for the installation of solar panels.

Council Member Mitchell noted that she does not have a financial interest or conflict of interest but is required to identify for the record that she is a Board Member of CARB which is involved in this item.

Moved by Bartlett; seconded by McCallon; unanimously approved.

Ayes: Bartlett, Buscaino, Kracov, McCallon, Mitchell, Rodriguez
Noes: None
Absent: None

INFORMATIONAL ITEM:

5. Clean Fuels Program Draft 2021 Plan Update

Every fall, staff has brought the Clean Fuels Program Draft Plan Update to the Technology Committee to solicit input on the proposed distribution of potential

project funds for the upcoming year before requesting final approval for the Plan Update each year in early spring. Staff proposes continued support for a wide portfolio of technologies, with particular emphasis on heavy-duty truck technologies with zero and near-zero emissions for goods movement applications to create a pathway towards achieving 2023 attainment as well as a continued focus on preparing for hydrogen vehicle deployments and EV charging infrastructure.

Council Member Mitchell commented that CARB has been coming out with more regulations requiring zero emission vehicles, and that the Clean Fuels Program Draft Plan is focusing on the right areas to meet these challenges.

Supervisor Bartlett commented that the Clean Fuels Program Draft Plan has a good balance of projects being represented and is moving in the right direction by focusing on a variety of technologies.

Ranji George, a member of the public, complimented staff on their service to the public at the Technology Advancement meeting.

OTHER MATTERS:

6. Other Business

There was no other business.

7. Public Comment Period

There was no public comment.

8. Next Meeting Date

The next regular Technology Committee meeting is scheduled for Friday, November 20, 2020 at noon.

Adjournment

The meeting adjourned at 1:07 p.m.

Attachment

Attendance Record

ATTACHMENT

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT TECHNOLOGY COMMITTEE MEETING

Attendance Record – June 19, 2020

Supervisor Lisa BartlettSouth Coast AQMD Board Member
Council Member Joe BuscainoSouth Coast AQMD Board Member
Board Member Gideon KracovSouth Coast AQMD Board Member
Mayor Larry McCallonSouth Coast AQMD Board Member
Council Member Judith Mitchell.....South Coast AQMD Board Member
Council Member Carlos RodriguezSouth Coast AQMD Board Member

James Dinwiddie.....Board Consultant (Bartlett)
Jacob HaikBoard Consultant (Buscaino)
Matt HolderBoard Consultant (Rodriguez)
Fred MinassianBoard Consultant (Mitchell)
Mark Taylor.....Board Consultant (Rutherford)
Ross Zelen.....Board Consultant (Kracov)

Ranji George.....Public Member
Caroline GodkinCalEPA
J. NadPublic Member

Naveen Berry.....South Coast AQMD Staff
De Groeneveld.....South Coast AQMD Staff
Seungbum HaSouth Coast AQMD Staff
Sheri Hanizavareh.....South Coast AQMD Staff
Mark Henninger.....South Coast AQMD Staff
Joseph ImpullittiSouth Coast AQMD Staff
Sujata JainSouth Coast AQMD Staff
Patricia KwonSouth Coast AQMD Staff
Tom LeeSouth Coast AQMD Staff
Jason Low.....South Coast AQMD Staff
Matt Miyasato.....South Coast AQMD Staff
Ron MoskowitzSouth Coast AQMD Staff
Wayne Nastri.....South Coast AQMD Staff
Walter ShenSouth Coast AQMD Staff
Anthony TangSouth Coast AQMD Staff
Veera Tyagi.....South Coast AQMD Staff
Alejandra Vega.....South Coast AQMD Staff
Vicki WhiteSouth Coast AQMD Staff
Jill WhynotSouth Coast AQMD Staff
Paul WrightSouth Coast AQMD Staff
Victor Yip.....South Coast AQMD Staff