

New Funding Opportunities for Emission Reductions in Valley Communities

San Joaquin Valley
Air Pollution Control District
March 1, 2018



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District's Grant Programs

- Valley Air District operates successful incentive grant programs that help fund voluntary clean-air projects throughout the San Joaquin Valley
 - Over \$1.9 billion invested in clean air projects through incentive grant programs
 - Over 136,000 tons of emissions reduced
 - State audits commend District as “shining example” for effectiveness and efficiency
 - High demand across a variety of incentive programs due to reputation and established relationships with local agencies, businesses, and other stakeholders

New Grant Funding Opportunities for Valley Communities

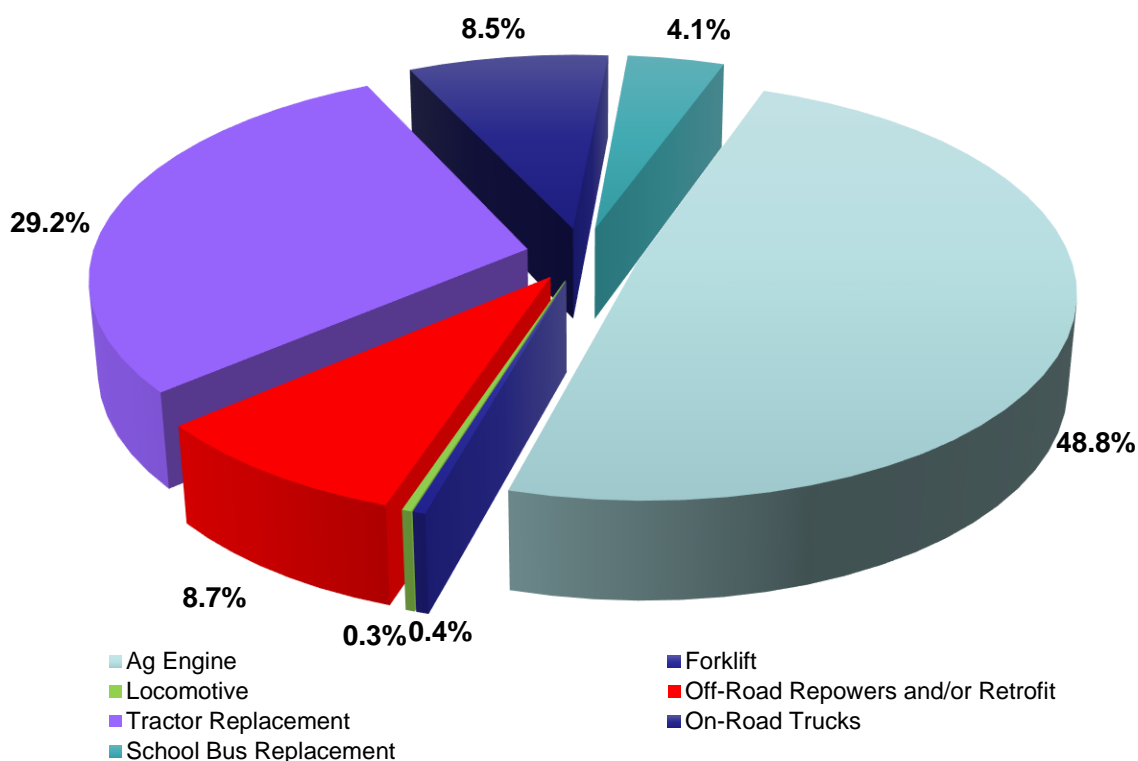
- Valley receiving \$80 million in funding for qualifying voluntary clean-air incentive projects pursuant to Carl Moyer Program Guidelines (AB 617)
- Up to 40% of funds may go towards clean truck projects pursuant to Proposition 1B guidelines
- At least 80% of funds for projects within and providing direct benefit to AB 1550 low income communities
- At least 50% of funds for projects within and providing direct benefit to SB 535 disadvantaged communities
- All funding must be encumbered (under executed contract) by June 30, 2019 and liquidated (paid out) by June 30, 2021 per state law



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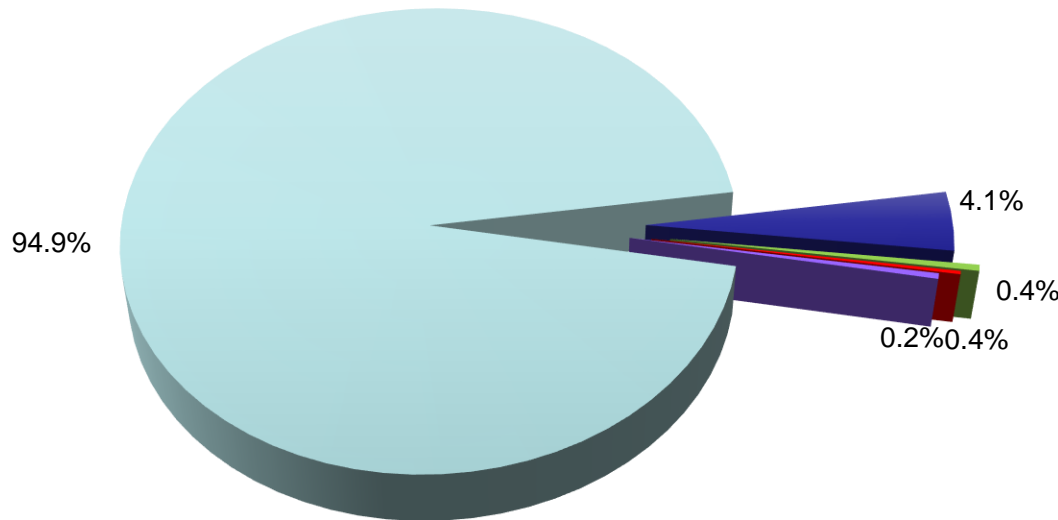
Valley Air District Experience: Carl Moyer Projects Funded



Project Type	Number of Units
Ag Engine	7,084
Forklift	61
Locomotive	45
Off-Road Repowers and/or Retrofit	1,257
Tractor Replacement	4,231
On-Road Trucks	1,233
School Bus Replacement	597
Grand Total	14,508

Number of units	Grant Amount	Applicant Cost Share	NOx Reduced (Tons)	PM Reduced (Tons)	ROG Reduced (Tons)
14,508	\$490,788,994	\$356,494,427	87,423	3,418	6,100

Valley Air District Experience: Proposition 1B Projects Funded



■ On-Road Truck Replacement
 ■ On-Road Truck Retrofit
 ■ Locomotive Replacement
■ TRU Replacement
 ■ TRU Infrastructure

Project Type	Number of Units
On-Road Truck Replacement	2,961
On-Road Truck Retrofit	127
Locomotive Replacement	13
TRU Replacement	7
TRU Infrastructure	12
Gand Total	3,120

Number of Units	Grant Amount	Applicant Cost Share	PM Reduced (Tons)	NOx Reduced (Tons)
3,120	\$182,299,782	\$223,902,368	740	21,471



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New Grant Funding Opportunities for Valley Communities

- Utilize existing/new programs to achieve reductions in and benefitting disadvantaged and low income communities
- The District's queue of existing applications potentially eligible for this funding includes the following:
 - Up to \$120 million in existing applications for agricultural equipment replacement
 - Up to \$50 million in existing applications for school bus replacement
 - Up to \$30 million in existing applications for off-road equipment repowers
 - Up to \$10 million in existing applications heavy-duty truck replacement
- Community engagement key in identifying communities and projects funded for initial funding
- Need input for future year priorities and funding



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Community Engagement

- Provide for full engagement by Valley residents and businesses in identifying communities and projects that will be funded by the District
 - Community informational meetings Valley-wide
 - Work with CAC, EJAG, and other interest groups
- Use District's comprehensive multilingual outreach and communication program to reach Valley residents and businesses
- Solicit suggestions and recommendations
 - Grant program design elements
 - Communities and projects for District funding
- Your input is critical!



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San Joaquin Valley Community Engagement and Protection

In September 2017, the California State Legislature and Governor agreed to extend Cap and Trade as part of a legislative package that included the appropriation of \$1.5 billion in Cap and Trade funding. The Cap and Trade deal also included the passage of AB 617 (Cristina Garcia, 2017) that requires the state Air Resources Board and air districts to develop and implement additional emissions reporting, monitoring, and reduction plans and measures in an effort to reduce air pollution exposure in impacted communities.

The legislation sets out an ambitious implementation schedule, and the California Air Resources Board must set the overall direction of the program by October 1, 2018. The local air districts also have specific roles and responsibilities and successful implementation will require strong collaboration. The District will actively participate, and facilitate input by

20 of the 30 most disadvantaged communities in California are in the San Joaquin Valley.

District Framework for Community Engagement under AB 617

[Engage Valley Residents through Local Community Organizations](#)



[Engage Valley Businesses to find Potential Applicants for Community Clean Air Projects](#)



[District's Environmental Justice Advisory Group](#)



[District's Citizen Advisory Committee](#)



[Public Education and Outreach](#)



[Online Portal to Offer Suggestions](#)



[Public Workshops](#)



[New Funding for Disadvantaged Communities](#)



\$80 million to Achieve Early Reductions from Qualifying Projects Under Moyer and Proposition 1B

Examples of eligible project categories are as follows:

- Heavy-duty diesel agricultural equipment (tractor) replacement
- Medium and heavy-duty on-road truck replacement with zero/near-zero emission technology
- Heavy-duty emergency vehicle replacement with diesel or natural gas technology
- Agricultural irrigation pump replacement/electrification and associated infrastructure
- Agricultural zero-emission utility vehicle deployment/replacement
- Alternative fuel infrastructure (fueling stations)
- Locomotive (line-haul, short haul, switcher) replacement with cleaner diesel/hybrid/zero-emission technology
- Yard truck replacement with zero-emission technology
- Forklift/cargo handling equipment replacement with zero/near-zero emission technology
- School bus replacement with zero/near-zero emission technology

To meet the aggressive expenditure timelines under the state law and to ensure that the early benefits associated with AB 617 are realized, the District will utilize qualifying project applications and solicit additional applications for a wide variety of eligible, cost-effective project categories.

LIST OF QUALIFYING PROJECTS CURRENTLY BEING CONSIDERED

The District is soliciting input from all Valley communities, organizations, businesses, and other interested stakeholders to assist in determining the types and locations for voluntary incentive project investment. Towards that end, the District is conducting a series of comprehensive Valley-wide workshops, community meetings and targeted outreach campaigns. The main focus of this effort is to ensure that these funds are spent in the areas that will achieve the greatest benefit to public health and further the District's mission of improving public health for all Valley residents.

IMPACTED COMMUNITIES AND INVESTMENT PRIORITIES

These workshops will provide information on the types of projects available, process and prioritization for funding and the steps necessary to apply for funds. Most importantly, these workshops will provide an opportunity for Valley residents to provide ideas and input on the types of projects that they feel would be most beneficial for their communities.

LIST OF UPCOMING WORKSHOPS

Community Engagement



Community Clean Air Project Survey

AB 617 and the recent Cap and Trade extension legislation is expected to bring significant additional funds to the Valley to help reduce emissions and improve public health in disadvantaged communities. The goals of AB 617 further reinforce the District's mission to work in partnership with Valley communities to develop and implement Valley-centric solutions to its air quality challenges. The District is working to fully engage Valley residents and solicit their input to ensure that the expenditure of these funds reflects the needs and interests of Valley residents.

We appreciate your help in completing this short survey and thank you for your input.

More information about the Valley Air District's Community Engagement and Protection Program can be found at www.valleyair.org/community

Background

What sector listed below best represents you? (select one)

☐ Individual

☐ Organization/Industry/Business

Organization or business name: _____
How many members or employees are represented by the organization or business? _____

☐ Other:

Name (optional) _____

Your community Zip Code (required): _____ City: _____

How engaged are you in your local community's air quality issues?

☐ Not at all engaged ☐ Slightly engaged ☐ Moderately engaged ☐ Very engaged

Survey Questions

Please rate your level of concern about the air pollution caused by each of the equipment types below in your community. Please mark NOT APPLICABLE if an equipment type is not common to your community. For example, if your community is not near a freight locomotive rail line, you can select not applicable.

NOTE: the photos used in this survey are only used to show examples of the different types of equipment.

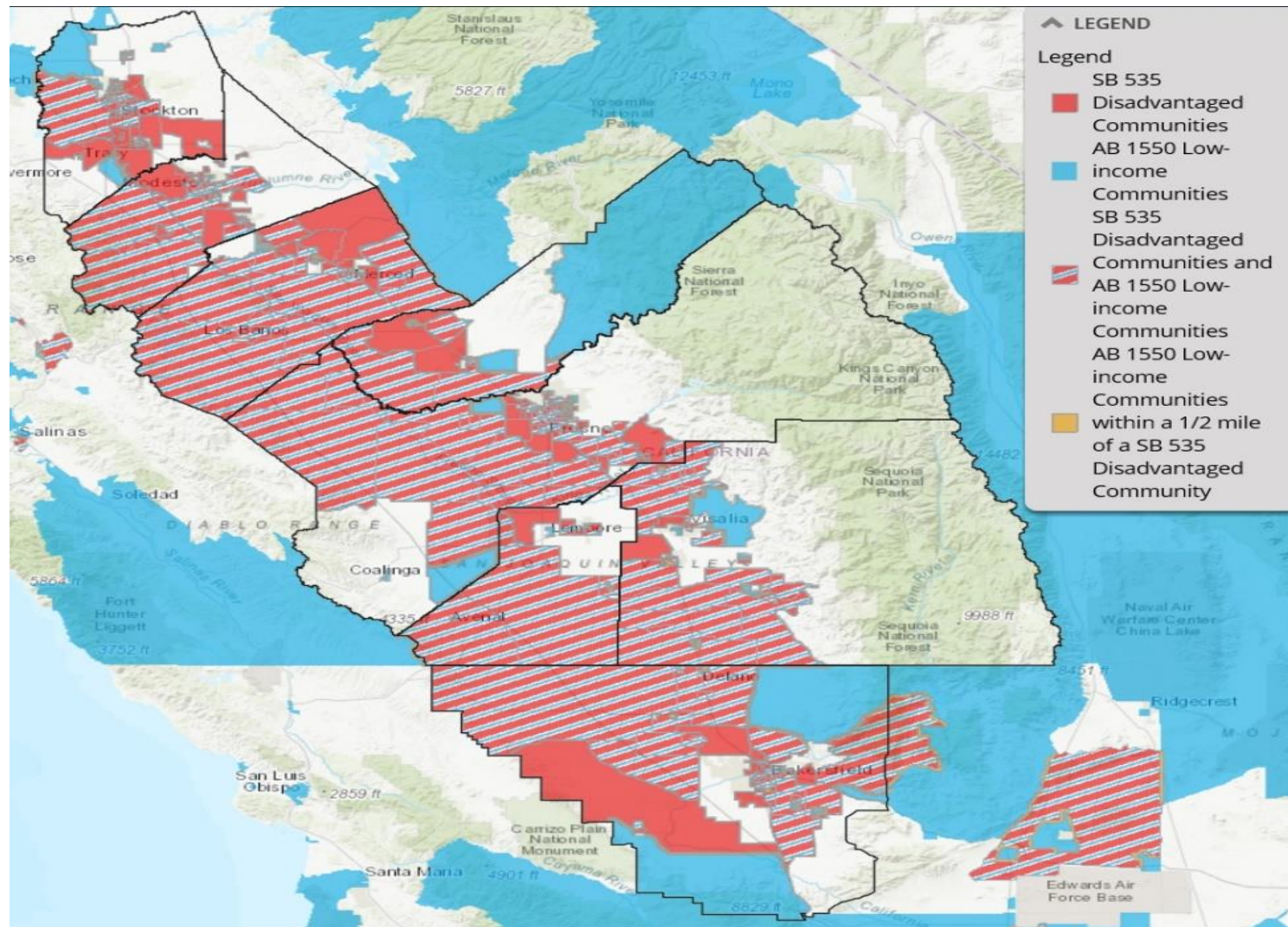
Heavy-Duty Trucks



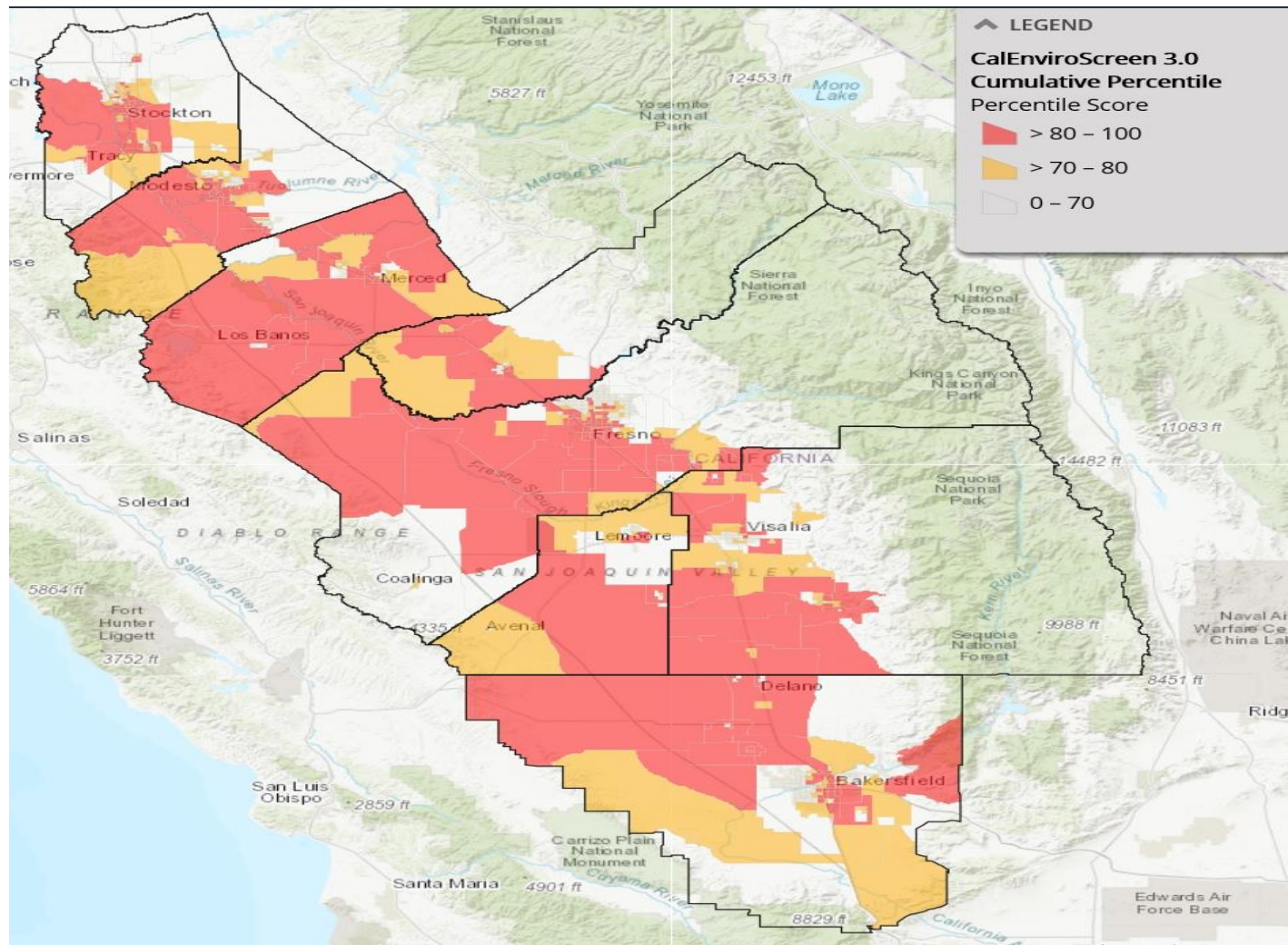
Heavy-duty trucks are the largest class of trucks weighing more than 33,000 lbs. Examples include, dump trucks, concrete pump trucks, refuse hauling, long-haul, port/drillage trucks, charter buses, emergency trucks, etc.

☐ Not at all concerned ☐ Slightly Concerned ☐ Moderately Concerned ☐ Very Concerned ☐ Not Applicable

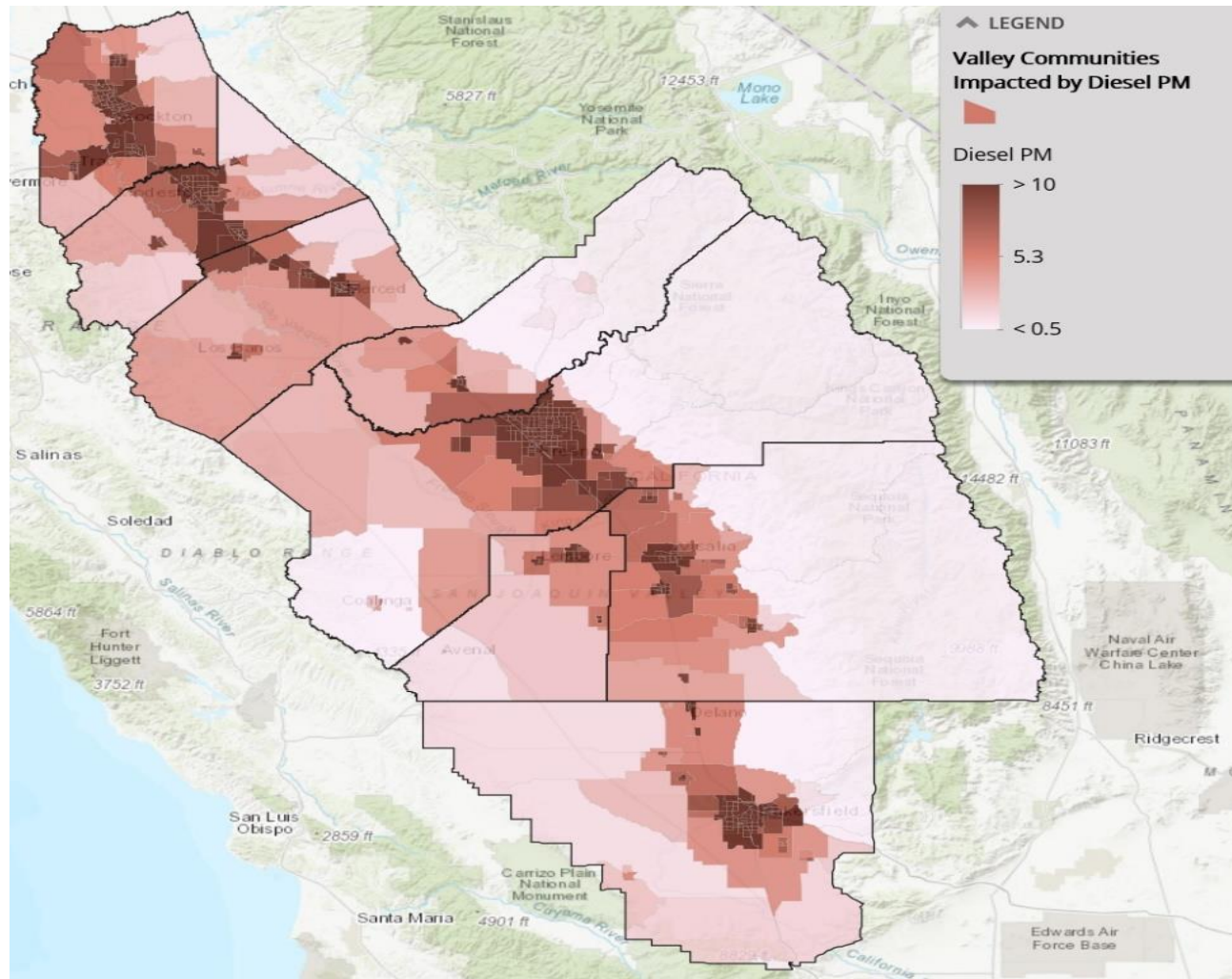
ARB's AB1550 & SB535 Combined Boundaries



Valley Communities with Higher Cumulative Impact Top 30% & Top 20% in the State



Valley Communities Impacted by Diesel DPM ≥10 kg/day Dark Red



Eligible Equipment Types

Light, Medium, Heavy-duty Trucks



14



Eligible Equipment Types

Off-road Equipment



Eligible Equipment Types



Transit and School Buses



Eligible Equipment Types



*Freight and
Passenger
Locomotives*



FARMER Program Funding

- \$108 million in FARMER Program funding for Moyer-eligible agricultural vehicle and equipment projects, agricultural Utility Terrain Vehicles (UTVs) and Ag Equipment Trade-Up
- Program Guidelines moving through public process
 - Discussion document available at:
<https://arb.ca.gov/ag/agincentives/agincentives.htm>
- Final guidelines to ARB Board for approval in March, 2018
- All funding must be encumbered (under executed contract) by June 30, 2019 and liquidated (paid out) by June 30, 2021 per state law
- ARB proposing to require 55% of funding invested in projects benefitting low income and disadvantaged communities
- District proposing to utilize combination of existing applications and new solicitations



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FARMER Eligible Equipment



District Seeking Grant Applications from Valley Businesses and Agencies

- Heavy-duty diesel agricultural equipment (tractor) replacement
- Medium and heavy-duty on-road truck replacement with zero/near-zero emission technology
- Heavy-duty emergency vehicle replacement with diesel or natural gas technology
- Agricultural irrigation pump replacement/electrification and associated infrastructure
- Agricultural zero-emission utility vehicle deployment/replacement

District Seeking Grant Applications from Valley Businesses and Agencies

(cont'd)

- Alternative fuel infrastructure (fueling stations)
- Locomotive (line-haul, short haul, switcher) replacement with cleaner diesel/hybrid/zero-emission technology
- Yard truck replacement with zero-emission technology
- Forklift/cargo handling equipment replacement with zero/near-zero emission technology
- School bus replacement with zero/near-zero emission technology
- *District has additional grant programs available for Valley residents, businesses, and agencies – more information at www.valleyair.org/grants*

Funding Process

1. Outreach
2. Application Submittal
3. Review for eligibility
4. Existing equipment inspected
5. Contract with equipment owner
6. Applicant purchases new equipment
7. New equipment inspected
8. Old equipment destroyed
9. District pays equipment owner
10. Project monitoring: annual reporting, project audits and inspections



How can you apply?

Applications available on District website:

www.valleyair.org/grants

Call for more information:

(559) 230-5800

Email District staff:

weberip@valleyair.org