

Accept and Appropriate \$88.4 million from the California Air Resources Board to Implement Incentive Projects and Support the District's Implementation of AB 617

San Joaquin Valley Air Pollution Control District
Governing Board Meeting

December 21, 2017



HEALTHY AIR LIVING™

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Background

- District advocacy goals:
 - Improving public health in disadvantaged communities must be prioritized in expenditure of Cap and Trade funds
 - Reducing criteria pollutant emissions (NO_x, PM_{2.5}) and toxics must be prioritized
 - Valley's attainment needs should guide state funding allocations
- September 2017: Legislature and Governor agree to extend Cap and Trade, including \$1.5 billion in funding this fiscal year
- The state Cap and Trade extension deal
 - Imposes new mandates under AB 617 for community monitoring and subsequent community emissions reduction plans
 - Largely meets the District's advocacy goals for funding



New Funding for Valley

- \$250 million for Carl Moyer projects and clean trucks that meet Prop 1B guidelines, distributed as follows:
 - South Coast AQMD (43%), \$107.5 million
 - **San Joaquin Valley APCD (32%), \$80 million**
 - Bay Area AQMD (20%), \$50 million
 - Other districts (5%), \$12.5 million
- \$85 million for projects to reduce emission from Ag, majority to Valley
- \$6 million for Ag renewable energy projects, majority to Valley
- \$50 million to ARB for Ag incentives, majority to Valley
- \$99 million for dairy digesters, the majority to Valley
- \$60 million for food processors for GHG projects, majority to Valley
- \$100 million for EFMP/Plus-Up, school buses, and low-income CVRP
- \$180 million for HVIP
- **\$27 million for air districts to implement AB 617 of which the District will receive \$8.4 million**



Public 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
- Solicit suggestions and recommendations
 - Program design elements
 - Communities and projects for District funding
 - Communities for potential monitoring
- Use District's comprehensive multilingual outreach and communication program to reach Valley residents through a variety of media



District Implementation

- Expeditious and streamlined implementation
 - All funding must be encumbered (under executed contract) by June 30, 2019 and liquidated (paid out) by June 30, 2021 per state law
 - Harmonize with Valley's PM2.5 attainment plan needs
- Utilize District's zero-based budgeting to minimize associated costs
 - If additional staffing is needed, specific proposals will be presented to the Board for consideration in future budgets
- Utilize existing programs and develop new components to achieve reductions in and benefitting disadvantaged and low income communities



First Installment of Incentive Funding

- \$80 million provided under AB 134 (6.25% to offset District administrative costs)
- Moyer-eligible projects qualify (e.g. heavy duty diesel equipment, heavy duty trucks, school buses)
- Trucks eligible under Prop 1B
- Public outreach to Valley communities
- Identify existing qualifying projects located in/benefitting disadvantaged and low income communities and solicit new applications
- All expenditures consistent with AB 617 goals
- Encumber and liquidate funds as expeditiously as possible consistent with deadlines under state law



Mandates Under AB 109 for Expenditure of \$8.4 Million

- AB 617 signed in July 2017 with requirements including:
 - Additional emissions reporting
 - Additional air pollution monitoring
 - Rule compliance with Best Available Retrofit Control Technology
 - Emission reduction plan requirements and measures
- Significant resources required to implement
 - Estimated total development and implementation cost ranges from \$13 million to \$25 million
 - District will receive \$8.4 million from funding provided under AB 109 for the initial tasks associated with new mandates

