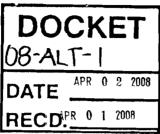
Joint Workshop on the Alternative and Renewable Fuel and Vehicle Technology Program and Air Quality Improvement Program

WEDNESDAY, APRIL 2, 2008 California Energy Commission 1516 Ninth Street Sacramento, California 95814 First Floor, Hearing Room A



Presentation 2: Introduction to Air Quality Improvement Program - ARB, Staff Air Pollution Specialist, Andrew Panson AB 118 Kickoff Workshop Sacramento, California April 2, 2008

Session 2: Introduction to Air Quality Improvement Program

ARB Role in AB 118

Develop and administer Air Quality Improvement Program (AQIP)
Develop "air quality" guidelines for AQIP and Energy Commission's program
Ensure programs complement California's air quality programs
Develop guidelines for Enhanced Fleet Modernization Program (vehicle scrap)
Bureau of Automotive Repair will administer

AQIP Goals & Background

- ~\$50 million per year for competitive grants
- Goals
 - Fund clean vehicle projects
 - Fund research on air quality impacts of alternative and renewable fuels
 - Reduce criteria air pollutants and toxics (complementary climate change benefits)
- Projects must be surplus to rules/regulations
- More flexibility than Moyer or Prop1B Bond
 Fund emerging technologies and demo projects

Eligible Projects

- On- and off-road equipment
- Off-road gasoline exhaust and evaporative emission mitigation
- Lawn and garden equipment replacement
- Medium- and heavy-duty vehicle/equipment projects, including:
 - Lower emission school buses
 - Electric or hybrid vehicles/equipment
 - Regional air quality programs in the most impacted parts of California

Eligible Projects (cont.)

- High-emitting light-duty vehicles projects
- Research on air quality impacts of alternative fuels
- University of California research on sustainable biofuels production/feedstock
- Workforce training on advanced air pollution reduction technology

Project Evaluation Criteria

- Reductions of criteria or toxic pollutants
 Projects will have climate change benefits as well
- Cost-effectiveness
- Contribution to regional air quality improvement
- Ability to promote use of clean alternative fuels and vehicle technologies

AQIP Guidelines

- Establish framework for ARB implementation
 - Grant solicitation protocols
 - Application evaluation and project selection
 - Monitoring and reporting procedures
- Draw from existing incentive programs
 - Carl Moyer Program Guidelines
 - Prop 1B Goods Movement Bond Guidelines
 - Alternative Fuel Incentive Program
- Subject to Administrative Procedures Act

AQIP Guidelines Schedule

- Kickoff workshop
- Work groups established as needed
 Develop detailed proposals
- Second workshop: summer/fall 2008
 - Share preliminary guidelines concepts
 - Multiple locations: north, central, southern CA
- Third workshop: winter 2008/2009
 Share draft regulatory concepts or language
- Board adoption: spring 2009
 - Staff report, 45 day comment period

Grant Solicitation Schedule

- Start awarding grants fiscal year 2009/2010
- Anticipated annual schedule
 - Summer: ARB receives appropriation in budget
 - Fall: issue annual solicitation package(s)
 - Winter/spring: select projects
 - Spring: sign grant agreements/encumber funds
 - Ongoing: reporting, monitoring, auditing

AQIP Development: Key Questions/Issues

- Fundamental principles
 - Ensure transparency and accountability
 - Maximize return on State's investment
 - Ensure surplus emission reductions
- Program details
 - What elements should be in regulatory guidelines vs. annual solicitation
- Role for air districts
 - ARB could issue grants directly to applicants, pass funds to districts, or use hybrid approach

AQIP Development: Key Questions/Issues

- Setting annual funding targets
 - Which project categories to fund
 - Balancing short-term and long-term goals
 - Synergy with other programs
- Ranking potential projects
 - How should ARB weigh various evaluation criteria in statute and balance priorities
- Other key questions?

For More Information

- ARB's AB 118 website
 - http://www.arb.ca.gov/msprog/aqip/aqip.htm
- ARB's AB 118 list serve
 - http://www.arb.ca.gov/listserv/aqip.htm
- Energy Commission's AB 118 website
 - http://www.energy.ca.gov/ab118/index.html

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