

**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

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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

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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

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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

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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

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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

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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

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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

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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

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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?

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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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Comments and Discussion

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