

Sac Metro Air District 2022 Community Air Quality Grant Application Presentation

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Presentation Summary

- \$22 million for Sacramento County applicants
- Online application open Tuesday, November 1, 2022
- Continuous open solicitation to speed up process
- Online application using scanned and digital documents
- Generally using the Carl Moyer Program guidelines
- Preference for Disadvantaged Communities and Zero Emission
- Need for projects that can be delivered fast

Sacramento County Funding

Funding Sources

Community Air Protection Incentives

Funding targeted for local disadvantaged community emission reductions

Carl Moyer Program

General funding to deploy clean vehicle and engine technology

SECAT Program

Sacramento region funding to promote innovative zero emission vehicles



2023

Other Funding

FARMER, Clean Cars 4 All, and other programs for clean air

Community Air Protection Incentives

- Over \$6 million in new funds
- Priority to Disadvantaged Communities (DAC)
- Community priority for Zero Emission vehicles and fueling infrastructure, but other projects are considered
- Funded with state cap & trade revenue



Carl Moyer Program



- Over \$12 million in new funds
- Funding most categories in the 2017 Carl Moyer Program guidelines and updates
- New funding for zero and near zero emission vehicles and infrastructure
- State funding from vehicle and tire fees

FARMER Program

- Over \$1 million in new funds
- Funding for UTV and ag tractor replacements
- Some projects can be funded with Carl Moyer Program funds if needed
- Funded with state cap & trade revenue





- Additional funding available in 2023
- Local DMV Surcharge and upcoming grants
- District may work with applicants to leverage other grant programs
- New SECAT and Lawn & Garden funding coming soon

Disadvantaged Communities and AB1390

- Most of our funding needs to be spent in Disadvantaged and AB1390 Communities
- Defined by legislative priority
- Maps available here:
 - <https://webmaps.arb.ca.gov/PriorityPopulations/>
 - <https://www.airquality.org/MobileSources/Documents/AB1390%20Policy%20Documents.pdf>



Eligible Projects

Zero Emission Vehicles

- Higher funding for battery electric and hydrogen zero emission on-road vehicles
- Replacing 2011-2017 diesel heavy duty vehicles
- Up to \$410,000 per vehicle
- Infrastructure funding may be available



Low Carbon Fueling Infrastructure

- Funding for public and private battery charging stations and public hydrogen stations
- Up to 60% of the cost of the station including site work
- Rule 16, public works and EVITP requirements
- CNG funding may be available on a case-by-case basis



Cleaner Combustion Vehicles



- Funding to replace older vehicles with near zero emission combustion vehicles
- CNG and propane options meeting 0.02 g/bhp-hr NO_x
- Up to \$160,000 to replace vehicles with Class 8 trucks
- New fueling options available in Sacramento region

Agricultural Tractors and Electric UTV

- Up to 80% of the cost of a new Final Tier 4 diesel tractor
- Up to \$13,500 for a new electric UTV
- Scrap and replace existing older equipment
- Funding is based on the usage of the old equipment



School Buses



- Funding to replace older school buses with cleaner options
- Up to 80% for ZEV and 50% for clean combustion ($\text{NO}_x \leq 0.05 \text{ g/bhp-hr}$)
- Cap of 15% of fleet size for combustion projects
- ZEV application priority

Other Options



Clean
Locomotives



Zero
Emission TRU



Zero
Emission Off
Road



Emergency
Equipment

Other Local Restrictions

- Applicants must have a physical address within Sacramento County.
- Funding is not available to purchase diesel on road heavy duty vehicles.
- Funding is not available for leased vehicles or equipment.
- The Sac Metro Air District must be listed as a lien holder on vehicle replacement projects through the contract term.
- Heavy duty vehicle replacement projects must have a 2010-2017 model year diesel engine or any engine for non-diesel engines in the baseline vehicle.
- Agricultural funding is only available for Sacramento County based projects.
- Funding determinations are based on usage within the Sacramento Federal Nonattainment Area for ozone except for zero emission replacements which use total California usage.
- Repower and retrofit applications will only be accepted for locomotives and marine vessels.
- The Sac Metro Air District will not fund Light-Duty Vehicles, or Lawn and Garden Equipment Replacement under this application period. Future periods may include other options.
- Applicants are required to deliver old equipment to Bar None Auctions in Sacramento – or another designated dismantler – to participate in this solicitation.

Application Process & Timeline

Application Process

- New online application
- Applications immediately reviewed by management for assignment and evaluation
- Staff will contact eligible applicants soon for final evaluation and inspections
- Digital funding agreements



Online Application

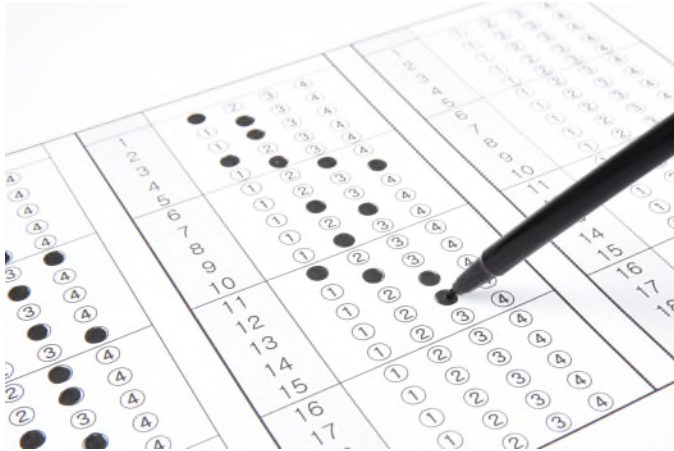


- New application through Seamless Docs
- Registration optional, but allows for saving applications
- Scan and upload supporting documents
- Open November 1, 2022
- No planned close date

Initial Review

- Applications initially reviewed by management to determine what funding to use and if it meets priority criteria
 - Disadvantaged Community & AB1390
 - Project timeline and available funding
- Assigned to staff for final review and follow up
- No ranking or waiting if priority criteria met





- Staff reviews the application to ensure all documents are submitted and complete
- Evaluation of cost quotes and usage information
- May request additional or missing information
- Email communication is our primary contact

Inspection Process

- Most applications require in person inspections
- Verification of vehicle and engine information and operational evaluation
- Coordinated after application evaluation
- Generally quick, but may require planning



Contracting Process



- If approved, projects require a 3-15 year grant agreement
- District uses DocuSign for digital contracts
- Need the authorized party's name, title, and email
- Many requirements in the agreement for reporting and reimbursement

Delivery and Payment

- Submit detailed final invoice including serial numbers of all equipment
- Inspection to verify information and apply decals
- Payment issued after invoice and inspections are complete
- IRS 1099 issued for most grant agreements



Reporting and Usage



- Annual usage surveys sent every January
- Keep documentation of usage
- Projects subject to audit
- Non-response or selling equipment subject to penalty
- Some projects may be advertised to the community

Equipment Transfer

- Transferring equipment is allowed for most projects
- If you need to sell or replace funded equipment, please contact us ASAP for options
- Cash buy out or transfer contract to new owner
- Process may take several months if needed



Additional Application Details

On-Road Small Fleet Priority

- The Sac Metro Air District will give priority to on-road applicants who operate 10 or fewer vehicles to promote advanced technology in those fleets through December 31, 2022
- Other fleets are encouraged to apply, but those applications will need to wait for approval after December 31, 2022, if funding is available
- Beginning January 1, 2023, all fleets can apply under the open solicitation requirements however priority will be given to large fleets who apply early



Zero Emission Priority

- The Sac Metro Air District will give priority to applicants proposing the use of zero emission technology through December 31, 2022
- This priority includes zero emission vehicles and off-road equipment and infrastructure to charge and fuel zero emission projects
- Beginning January 1, 2023, all other applications will be reviewed under the open solicitation requirements with priority will be given to those who apply early



Zero & Near Zero Vehicle Fueling Requirement



- Applications to purchase zero emission vehicles or natural gas vehicles must describe how the applicant plans to fuel the vehicles
- Projects planning to fuel using private infrastructure must show that the fueling equipment is currently under construction and will be ready prior to vehicle delivery
- Projects planning to use public infrastructure must disclose which stations they will use. The Sac Metro Air District may reject applications if fueling infrastructure is not secured.

Infrastructure Rule 16 Requirement

- Applications to install low carbon fueling infrastructure must include documentation from the Sacramento Municipal Utility District or the Pacific Gas and Electric Company showing the applicant applied and paid all applicable fees under Rule 16 or documentation showing the project is exempt from Rule 16 requirements
- Please note this may require payment of fees and wait times of up to 6 months which may delay the date the Sac Metro Air District can accept an application
- The Sac Metro Air District will not hold applications pending Rule 16 application and may reject applications not ready. All approvals must be done prior to application
- This applies to electric, CNG, and hydrogen applications



Project Selection & Funding



- Air District will select projects based on date received and several criteria:
 - Disadvantaged Community
 - AB1390 Location
 - Project Timeline
- Some criteria may be based on grant language
- Transparent communication with applicant when needed

Continuous Process

- Our goal is to keep the application period open indefinitely
- Please only submit complete applications as we expect high levels of funding for a long time
- Some applications may be held in a pending file



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Thank You