

# 2021 Community Air Quality Grant Solicitation

Community Webinar

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SACRAMENTO METROPOLITAN



AIR QUALITY  
MANAGEMENT DISTRICT

# Welcome & Overview

## Welcome & Overview

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- Thank you for joining us
- This webinar is to discuss the details of the Sac Metro Air District 2021 Community Air Quality Grant Solicitation
- Please mute your audio during the presentation
- Questions can be asked in chat or after the presentation
- More details in solicitation manual and program guidelines
- We would love to see you in person, but please stay safe at home or work and enjoy the webinar

## Presentation Recording

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- This presentation will be recorded including all questions and answers
- The video recording will be posted to the Sac Metro Air District YouTube account as soon as possible
- If you contribute video or audio content to the recording, you consent to have it posted on our website
- If you do not consent, please do not contribute video or audio content or disconnect and watch the video later

## Truck & Bus Regulation Update

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- **No funding is available to replace trucks in violation of the ARB Truck & Bus Regulation**
- There is no funding to purchase new diesel trucks
- Compliant trucks can apply to replace their vehicles with natural gas or zero emission, but not conventional diesel
- All applicants must be in compliance with all ARB and local air quality regulations

# Community Air Protection Incentives

## AB 617 Communities & Funding

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- AB 617 directed ARB and Sac Metro Air District to identify communities impacted by air pollution
- To compliment regulatory actions, the legislature set aside funds to target projects that directly benefit these areas
- Funds must be spent according to community priorities and the program guidelines in a cooperative manner
- Third year of funding this program
- \$6,210,583 for projects in Sac Metro Air District and YSAQMD

## CAP Projects

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- Carl Moyer Program Guidelines
  - On-Road Heavy Duty Vehicle Replacement
  - Off-Road Equipment Replacement
  - Locomotive Repowers
  - Low Carbon Fueling Infrastructure
- Community Air Protection Incentive Projects
  - Reducing Air Pollution in Schools
  - Stationary Source Projects

## Community Priorities

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- The Sac Metro Air District worked with the community to identify priorities for this round of funding
  - Cars & Light Duty Vehicles
    - Publicly accessible electric vehicle supply equipment and hydrogen stations
  - Heavy Duty Trucks
    - Replacing existing diesel trucks with zero or near-zero emission trucks
    - Publicly accessible renewable natural gas and hydrogen stations
  - School & Transit Buses
    - Replacing school buses with zero emission buses
    - Replacing transit vehicles with zero emission shuttles
  - Other Projects that have Community Benefit

## CAP Application Requirements

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- District staff will determine which funding source is appropriate and will work with applicants interested in CAP funding or community projects wanting to apply for CAP
- CAP projects will require community support during the application process
  - Letter of support from the community
  - Project applicant is a community based organization
  - Other documentation showing support for the project



# Carl Moyer Program

## Carl Moyer Program Overview

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- Core program for the Sac Metro Air District
- Run in partnership with the ARB and YSAQMD
- Funding available for all projects in the guidelines subject to local restrictions, including heavy duty diesel vehicle and equipment replacements and low carbon fueling infrastructure
- Applications will be evaluated according to the 2017 Carl Moyer Program Guidelines including cost effectiveness, project life, and maximum funding caps
- \$4,392,572 available

## Local Restrictions

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- Must have a physical address within Sacramento County or the YSAQMD which includes all of Yolo County and the Central Valley portion of Solano County
- No funding to purchase diesel trucks
- Agricultural funding is only available for Sacramento County based projects
- Due to COVID-19 safety precautions, all inspections will be performed virtually unless approved by management. This requires applicants to have access to cameras and Internet access with live video streaming.
- Funding determinations are based on usage within the Sacramento Federal Nonattainment Area for ozone
- Repower and retrofit applications only for locomotives and marine vessels
- No Light-Duty Vehicles or Lawn and Garden Equipment Replacement
- Applicants are required to deliver old equipment to Bar None Auctions in Sacramento – or another designated dismantler – to participate in this solicitation

# Proposition 1B

## Proposition 1B Overview

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- Residual funding from the Proposition 1B: Goods Movement Emission Reduction Program
- \$4 million available for all projects that benefit the Sacramento region
- Program uses the 2015 ARB Guidelines plus updates
- Funding available for
  - Heavy Duty Diesel Trucks (new CNG and zero emission only)
  - Locomotives & Railyards
  - Transport Refrigeration Units

## Heavy Duty Diesel Trucks

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- Replacing older diesel trucks with CNG and zero emission
- Old truck must have a filter and engine model year
  - Class 5 & 6 with 1998-2009 engine
  - Class 7 & 8 with 2005-2009 engine
  - Must meet other eligibility requirements
- Up to \$100,000 for near-zero natural gas
- Up to \$200,000 for zero emission truck

## Locomotives & Railyards

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- Accepting applications for all projects in the guidelines
- Projects that benefit the Sacramento region
- Repowering older locomotives with clean Tier 4 engines
- Funding is based on the operation and cost of the repower, but can pay up to 75% of the cost
- Open to all freight railroads

## Transport Refrigeration Units

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- Funding for zero emission units and infrastructure
- Used to support deployment of clean freight in California
- Distribution centers and warehouses in Sacramento
- Funding is variable based on the zero emission technology as outlined in the guidelines
- Applications can be for units, infrastructure, or both

## Community Air Protection & Proposition 1B

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- Truck applicants that benefit Disadvantaged Communities (DAC) in the Sacramento region may be funded with Community Air Protection Incentives funding
- Staff will work with applicants if this funding is available
- Applicants should check to see if they are in a DAC
  - <https://ww3.arb.ca.gov/cc/capandtrade/auctionproceeds/communityinvestments.htm>

# FARMER Program

## 2021 FARMER Program

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- Building on the success of past FARMER programs, applications will only be accepted for electric utility vehicle replacement projects
- Strong demand in Sacramento, Sutter, and Yuba counties to promote zero emission technology for the agricultural sector
- Simple program accessible to farms of all sizes
- Applications for farm tractor replacement in Sacramento County will likely be funded with Carl Moyer Program funding

## UTV Funding Details

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- Using FARMER Guidelines
- 75% funding up to \$13,500 per vehicle
- Business address in Sacramento, Sutter or Yuba County
- Two years ownership and usage documentation
- Old vehicle must be scrapped including clear title for those registered with the DMV

# SECAT Program

## SECAT Funding Overview

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- The Sac Metro Air District is reopening the SECAT program with leftover funding using nearly identical guidelines
- \$4 million will be available
- Funding is open to all SACOG Counties – El Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba
- Zero emission truck purchase only - \$100,000 per vehicle
- Projects are no longer first-come, first-served and will be ranked competitively

## SECAT & HVIP

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- Most programs cannot be stacked with HVIP, except for SECAT
- \$100,000 SECAT award can be used with all HVIP awards
- Cannot exceed the cost of the vehicle
- Independent programs not contingent on each other
- Good option for refuse trucks, transit shuttles, and some school bus projects
- <https://californiahvip.org/>

# Project Funding

## Project Funding Discussion

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- Applicants do not need to choose a specific funding source when applying for their project
- Staff will work with applicants to identify the best funding sources for their application to best leverage available funding and meet community needs while providing maximum funding for the project
- The following table shows the maximum funding by project type and funding source. Please note that actual awards are often lower than the maximum funding.



# Maximum Project Funding

Project Type	Community Air Protection Incentives	Carl Moyer Program	SECAT	Proposition 1B	FARMER
Farm Tractor Replacement		Up to 80% of tractor cost			
Heavy Duty Truck Replacement			\$100,000 per vehicle	Up to \$200,000 per truck	
Locomotive Engine Repowers	Up to 75% of switcher repower cost	Up to 75% of switcher repower cost		Up to 75% of repower cost	
Low Carbon Fueling Infrastructure	Up to 60% for most projects	Up to 60% for most projects			
Marine Vessel Engine Repowers		Up to 85% for marine repowers			
New Zero Emission Heavy Duty Vehicle			\$100,000 per vehicle		
Refuse Truck Replacement	Up to \$200,000 for zero emission refuse truck	Up to \$200,000 for zero emission refuse truck	\$100,000 per vehicle		
Rough Terrain Forklift Replacement		Up to 80% of forklift cost			
Zero Emission School Bus Replacement	Up to \$400,000 for zero emission school bus	Up to \$400,000 for zero emission school bus	\$100,000 per vehicle		
Zero Emission Transport Refrigeration Units				Up to 80% of TRU cost	
Zero Emission Utility Vehicle Replacement					Up to 75% of eUTV cost up to \$13,500

# Application Process

## Application Process

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- Sac Metro Air District staff are working remotely making online applications the fastest and easiest way to apply
- Online application will allow one application for all programs
- Applicants need to provide information about their business, old equipment, and new equipment
- Supplemental documents need to be scanned into PDF format to attach to application
- Development applications are accepted, but may not fund

## Development Applications

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- Development applications are applications that are still under development with pending partners, locations, and/or technologies
- Advanced technology applications require a lot of planning, and we are willing to work in partnership with them
- Examples would be a city who wants mobility hubs but has not identified a specific location or a community based organization who would like an EV charger but needs help

## Application Timeline

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- Application Period is March 29, 2021 – May 28, 2021
- Online applications will be available through 11:59 PM on the closing date
- Mailing an application will delay the process
- Application review is contingent on the volume of applications we receive and staff resources
- Most projects will receive approval by August-September, but larger projects may wait for Board approval in October

## Unfunded Applications

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- It is likely that some applications will not receive funding under this solicitation
- This can be due to lack of funding or projects that do not meet the current guidelines
- The Sac Metro Air District will retain these applications and use them for pending funding sources and to apply on the applicants' behalf for additional funding
- Applicants that do not want this should contact staff

# Project Selection & Funding

## Funding Timeline

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- April-May 2021 – application period open
- June-August – application review and inspections
- September-November – final approvals and contracting
- Projects delivered and invoiced in 2022
- Please plan for additional delays due to unforeseen issues with COVID-19 and changing work environments
- Applicants will need to pay 100% of the project cost upon delivery and be reimbursed

## Project Selection

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- All applications will be part of a competitive solicitation
- Project will receive a maximum of 5 points based on:
  - Location in AB 617 Florin South-Sacramento Community
  - Benefiting a Disadvantaged Community
  - Location in an AB 1390 Designated Community
  - Projects with Community Support and/or interagency partnership
  - Complete applications ready to be funded and delivered (1<sup>st</sup> come/1<sup>st</sup> serve)
- Projects will be reviewed by management and the community for final decisions and may need additional information

## Project Selection (continued)

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- Tie breakers will be based on cost effectiveness and use of zero emission technology
- Community input may affect ranking of projects to meet benefit and needs of each funding source
- Applications are encouraged even without meeting all 5 points since they may still receive funding under current or future programs, especially zero emission projects

## Final Thoughts

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- Please apply for any potential projects you would like to see happen in 2021 and 2022
- Plan ahead for complications due to a changing application environment and technology issues
- Advanced technology equipment requires new fueling and maintenance requirements, so plan for those as well
- Please contact staff with email for the fastest response
- <http://www.airquality.org/Businesses/Incentive-Programs>

# Thank You