2021 Community Air Quality Grant Solicitation

Community Webinar
April 15, 2021

Presenter:
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Associate Air Quality Engineer
Welcome & Overview
Welcome & Overview

• 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

• 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

• 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

• 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

• 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

• 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

• 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

• 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

• 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

• 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

• 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

• 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

• 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

• 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

• 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

- 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

• 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

- 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

• 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

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

• 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

• 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

• 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

- 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

• 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

• 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 (1st come/1st serve)
• Projects will be reviewed by management and the community for final decisions and may need additional information
Project Selection (continued)

• 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

• 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](http://www.airquality.org/Businesses/Incentive-Programs)
Thank You