



Proposed Community Air Protection Incentives 2019 Guidelines

California Air Resources Board Meeting

May 23, 2019



Cap and Trade
Dollars at Work

Overview

- Progress to date on Community Air Protection incentives
- Today's proposal includes
 - Incentives to reduce hexavalent chromium emissions
 - Variety of incentives to reduce exposure at schools
 - Targeted flexibility to modify the guidelines
- Next steps to maintain momentum
- Recommendation

CARB Incentives Portfolio

Low Carbon Transportation	Air Quality Improvement Program (AQIP)	VW Mitigation Trust
GHG reductions & priority populations	Criteria pollutant & toxics reductions	NOx mitigation & zero-emissions
\$455M for FY 18-19	\$28M for FY 18-19	\$423M for 2017+

Woodsmoke	Carl Moyer Program	Community Air Protection	FARMER	Prop 1B Goods Movement
Criteria, toxics, & GHG reductions from res wood burning	SIP emission reductions	Criteria, toxics, & GHG reductions for community goals	Criteria, toxics, & GHG reductions for ag sector	PM & NOx reductions in goods movement corridors
\$3M for FY 18-19	\$78M for FY 18-19	\$245M for FY 18-19	\$132M for FY 18-19	Already Awarded

Legislature Providing Funds for Early Actions

FY 2017/18
\$250M

Mobile sources consistent with Moyer and Prop 1B

FY 2018/19
\$245M

Expand to stationary and community-identified sources

FY 2019/20
\$200M

Proposed FY 2019/20 budget

Board and Districts Acted Promptly

- Board approved a Community Air Protection supplement to Moyer in April 2018
- Districts designated 95 percent of the funds, including:

Bay Area

- Advanced tech at ports
- School buses

San Joaquin Valley

- Agricultural projects
- School buses
- Locomotives

South Coast

- Advanced tech trucks
- Off-road equipment
- Marine vessels

Progress and Benefits to Date

- Initial progress reported by air districts in October 2018
 - \$113 million from first-year funds committed or under contract
- Over 90% to projects in AB 1550 communities
 - 44 total school buses, 40% of which are zero-emission
 - 257 heavy-duty on-road vehicles, 35% of which are zero-emission
- School bus projects complement broader cleanup efforts

Legislature Created New Opportunities for Cleaning up Dirty Equipment in Communities

Budget Act of 2018 expanded scope of incentives:

Continued reductions from mobile source projects

Prioritization of zero-emission projects

Reductions from stationary sources

Community-identified projects

Key Principles to Meet Community Needs

- Focus on communities selected or under consideration
- Reduce emissions of multiple pollutants beyond regulations
- Engage communities and foster transparent project selection and reporting
- Prioritize zero-emission and consider special projects to protect sensitive receptors
- Consider both cost-effectiveness and exposure reduction

Today's Proposal is the First Big Step to Address New Opportunities

- Codify guiding principles
- Establish new project categories to start
 - Hexavalent chromium reductions
 - Schools: Composite wood
 - Schools: Zero-emission lawn & garden
 - Schools: Air filtration
- Allow targeted flexibility to modify the guidelines

New Opportunities will Supplement Ongoing Project Types

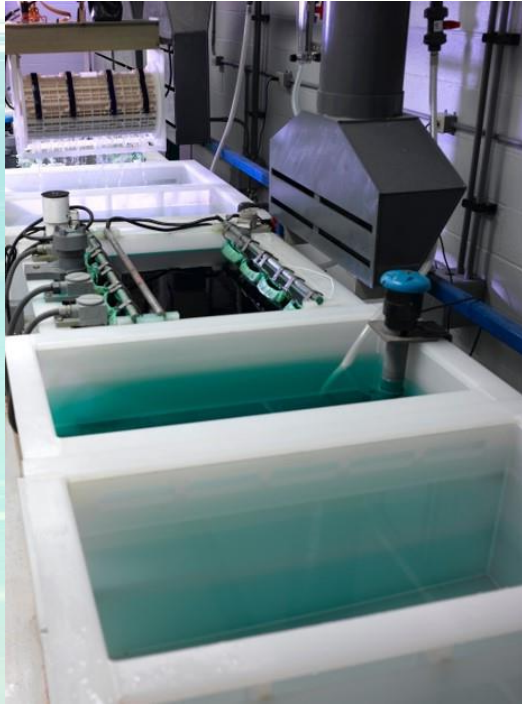
Eligible Project Types	Year 1	Proposed Year 2
Carl Moyer: On- and Off-Road	✓	✓
Infrastructure	✓	✓
Prop 1B: On-Road Trucks	✓	✓
Hexavalent Chromium		✓
Schools – Comp Wood		✓
Schools – Zero-Emission Lawn & Garden		✓
Schools – Air Filtration		✓
Community Pilot		Under Development
Additional Categories		To be Determined

Reducing Hexavalent Chromium Exposure

- Opportunity for immediate action
- Hexavalent chromium is extremely toxic and a major problem for many communities
- Regulation limits emissions, but new technologies go further
- Future rulemaking will propose more stringent requirements



Community Air Protection Projects to Reduce Hexavalent Chromium Emissions



- Multiple ways to clean up chrome plating operations
 - Trivalent chromium conversion
 - Incorporate add-on air pollution control such as HEPA filters
 - Permanent total enclosures
- Pay 80-90% of cost with a \$300,000 cap

Reducing Air Pollution in Schools

- AB 617 prioritizes protection of sensitive receptors, and schools is a common community focus
- K-12 schools located in disadvantaged communities
- Outdoor and indoor emissions: TACs, criteria, and GHGs
- Reduces emissions and risk of exposure



Enabling Diverse Options for Cleaner Schools

- Projects could be combined for more comprehensive benefit
- Proposed new project types
 - No/low Formaldehyde composite wood product alternatives
 - Zero-emission lawn & garden equipment replacement
 - Air filtration enhancement and replacement
- Existing school bus incentive opportunities continue

Addressing Formaldehyde Emissions from Furniture in Schools

- Formaldehyde used as wood-bonding adhesive or glue
 - Listed as a toxic air contaminant
- Composite wood regulated by CARB ATCM and U.S. EPA
- Options available to fund cleaner choices
- Pay for incremental cost to ensure low or zero-emitting replacement products



Zero-Emission Lawn and Garden Equipment Replacement Costs

- Eligible for up to 70 percent total cost, or the following:

Equipment Type	Funding Amount
Chainsaws, Edgers, Trimmers, Blowers	Up to \$400
Walk-Behind Mowers	Up to \$750
Ride-On or Standing Ride Mower	Up to \$15,000

- Eligible for additional grant of same amount for batteries and charger
- Builds on similar programs run by several air districts

Reducing Indoor Exposure at Schools Through Enhanced Air Filtration



- Improve filtration
- Options include new air filter panels or standalone systems
- Appropriate funding amounts need to be determined

Community-Identified Pilot Projects

- Legislature provided flexibility for new incentives consistent with Community Emissions Reduction Programs
- Working with communities and air districts on framework
- Maximum flexibility to meet diverse community needs
- Districts use framework to approve pilots, with some limits
- Executive Officer delegated authority to expedite framework

Targeted Delegation to Modify Guidelines will Support Continued Innovation

- Ensures responsiveness to concerns of all communities
- Include public process for continued community guidance
- Puts communities at forefront of decision-making process
- Provide opportunity for “community pilot projects”
- Expand successful pilots into full categories

Next Steps

- Continue to engage communities
- Fully characterize school air filtration eligibility and funding
- Continue developing framework for community-identified pilot projects
- Begin adding new categories to Guidelines

Recommendation

- Approve the *Community Air Protection Incentives 2019 Guidelines* to address Legislative direction
 - Key principles to guide implementation
 - Two new funding categories: hexavalent chromium reductions and reducing air pollution in schools
- Allow EO targeted authority to modify the guidelines, including framework for community pilot projects
- Continue updates to Board on status of AB 617 grants