March 2, 2010

Mail-Out #MSC 10-10

TO: All Interested Parties

SUBJECT: PUBLIC WORKSHOP ON DEVELOPMENT OF THE AB 118 AIR QUALITY IMPROVEMENT PROGRAM (AQIP) FISCAL YEAR 2010-11 FUNDING PLAN

The Air Resources Board (ARB) invites you to participate in a public workshop to discuss development of the AB 118 AQIP Funding Plan for Fiscal Year 2010-11 (FY 2010-11 Funding Plan). The workshop dates and times are listed below:

**Sacramento: (will also be webcast)**

| Date: | Thursday, April 8, 2010 |
| Time: | 1:30 p.m. to 4:00 p.m. |
| Location: | Air Resources Board Sierra Hearing Room 1001 I Street Sacramento, CA 95814 |
| | [http://www.arb.ca.gov/maps/sactomap.ht](http://www.arb.ca.gov/maps/sactomap.ht) |

**El Monte**

| Date: | Tuesday, April 13, 2010 |
| Time: | 10:00 a.m. to 1:00 p.m. |
| Location: | Air Resources Board Auditorium, Annex 4 9530 Telstar Avenue El Monte, CA 91731 |
| | [http://www.arb.ca.gov/maps/elmomaps.ht](http://www.arb.ca.gov/maps/elmomaps.ht) |

**Fresno**

| Date: | Thursday, April 20, 2010 |
| Time: | 10:00 a.m. to 1:00 p.m. |
| Location: | San Joaquin Valley Unified Air Pollution Control District Governing Board Room 1990 E. Gettysburg Avenue Fresno, CA 93726 |

The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our website: [http://www.arb.ca.gov](http://www.arb.ca.gov).
Webcast Information

The Sacramento meeting will be webcast for those unable to attend in person. The broadcast can be accessed on the day of the workshop at http://www.calepa.ca.gov/broadcast/. Information on submitting questions or comments will be provided during the webcast for remote participants.

Meeting Information and Background

Development of the AQIP FY 2010-11 Funding Plan

AB 118 provides annual funding through 2015 to the AQIP for a variety of air quality incentive projects, including low-emission vehicles and equipment projects, air quality research, and advanced energy technology workforce training. The Governor’s proposed Fiscal Year (FY) 2010-11 budget provides $40 million for AQIP projects. ARB is currently developing a Proposed FY 2010-11 Funding Plan to be considered by the Board in June 2010. The Funding Plan is each year’s blueprint for expending AQIP funds appropriated to the ARB in the annual State budget. In December 2009, ARB staff provided preliminary ideas at a public workshop in Sacramento. This information can be found at: www.arb.ca.gov/msprog/aqip/meetings/fy2010-11.htm.

ARB staff proposes to continue funding the AQIP project categories established in the FY 2009-10 Funding Plan. The Board envisioned that many of the project categories included in the FY 2009-10 Funding Plan would be funded for multiple years. Continuation of these projects capitalizes on their early successes, and supports investments in the next generation of vehicles, equipment, and emission controls necessary to meet California’s long-term air quality goals. The project categories include:

- Hybrid Truck and Bus Voucher Incentive Project (HVIP)
- Zero-Emission and Plug-In Hybrid Light-Duty Vehicle Rebate Project (Clean Vehicle Rebate Project)
- Lawn and Garden Equipment Replacement Project (LGER)
- Zero-Emission Agricultural Utility Terrain Vehicle Rebate Project (Agricultural UTV Rebate Project)
- Advanced Technology Demonstration Projects (locomotive, marine vessels, transit and school bus, off-road equipment and agricultural equipment)

ARB staff will seek public input on these categories, in addition to taking suggestions for potential new funding categories. One category ARB staff is considering is a pilot project to evaluate hybrid technology in various off-road applications. Staff is planning on incorporating more flexibility in the FY 2010-11 Funding Plan than last year’s plan in order to respond to funding uncertainty. Staff is proposing a plan for the full $40 million
allocation, but will include contingencies should revenues be lower than projected, as was the case in FY 2009-10. Establishing minimum funding targets for each project category based on a conservative funding scenario assures that every category will receive funding, regardless of the timing of project solicitations throughout the fiscal year. At the upcoming series of workshops, staff will present proposed allocations for each of the AQIP project categories and any proposed new or modified project requirements. A funding plan discussion document will be posted a week prior to the first workshop on ARB’s web site at: http://www.arb.ca.gov/msprog/aqip/aqip.htm.

Public Workshop Schedule

This is the final set of workshops before staff releases the Proposed FY 2010-11 Funding Plan and modification to the Air Quality Guidelines for public comment in May 2010 prior to Board consideration of these items at the June 24, 2010 Board hearing.

Special Accommodations

If you require special accommodations or need this document in an alternative format or language, please contact Ms. Grace Garcia, at (916) 323-2781 or ggarcia@arb.ca.gov, as soon as possible, but no later than 10 business days before the scheduled meeting. TTY/TDD/Speech-to-Speech users may dial 711 for the California Relay Service.

If you have questions regarding the workshop, please contact Ms. Meri Miles, at (916) 322-6370 or mmiles@arb.ca.gov.

Sincerely,

/s/

Robert H. Cross, Chief
Mobile Source Control Division

cc: Ms. Meri Miles
Air Pollution Specialist
Air Quality Improvement Program Section

Ms. Grace Garcia
Air Pollution Specialist
Air Quality Improvement Program Section