

CALIFORNIA AIR RESOURCES BOARD

NOTICE OF PUBLIC MEETING TO CONSIDER THE PROPOSED FISCAL YEAR 2020-2021 FUNDING PLAN FOR CLEAN TRANSPORTATION INCENTIVES

The California Air Resources Board (CARB or Board) will conduct a public meeting at the date and time noted below to consider the approval of the *Proposed Fiscal Year 2020-21 Funding Plan for Clean Transportation Incentives* (Funding Plan).

DATE: December 10, 2020

TIME: 12:00 p.m.

Please see the public agenda which will be posted ten days before the December 10, 2020, Board Meeting for any appropriate direction regarding a possible remote-only Board Meeting. If the meeting is to be held in person, it will be held at the California Air Resources Board, Byron Sher Auditorium, 1001 I Street, Sacramento, California 95814.

This item will be considered at a meeting of the Board, which will commence at 12:00 p.m., December 10, 2020, and may continue at 8:30 a.m., on December 11, 2020. Please consult the agenda for the meeting, which will be available at least ten days before December 10, 2020, to determine the day on which this item will be considered.

Background

The proposed Fiscal Year (FY) 2020-21 Funding Plan covers a total of \$28.64 million in clean transportation investments from the Air Quality Improvement Program (AQIP) appropriated to CARB in the Budget Act of 2020 (Senate Bill 74, Mitchell, Chapter 6, Statutes of 2020).

This year, CARB is proposing to allocate only the \$28.64 million for AQIP appropriated to CARB through the Budget Act of 2020. CARB is not including allocations for Low Carbon Transportation Investments as part of this Funding Plan because the legislature deferred action on the FY 2020-21 Cap-and-Trade Expenditure Plan, including Low Carbon Transportation. As part of this Funding Plan, however, CARB is proposing adjustments to various project categories that currently have funding available from prior fiscal years.

Low Carbon Transportation and AQIP investments have traditionally funded multiple technologies at different points on their commercialization arcs, overcoming deployment barriers, reducing production costs, promoting consumer acceptance, and accelerating technology transfer to other sectors. These programs are designed to achieve both immediate emission reductions and, as emphasized in Governor Newsom's Executive Order N-79-20, support the transformation of California's vehicle and equipment fleet to one that is zero-emitting where feasible. In designing these investments, CARB strives to maximize the benefits for disadvantaged communities, low-income communities, and low-income households.

The development and commercialization of advanced technologies requires a portfolio of incentives that provide funding for the range of technologies needed to achieve both near-term and long-term emission reductions. CARB has developed a portfolio of incentives to complement its regulatory programs to reduce emissions and increase access to clean transportation, and this Funding Plan represents one piece of that portfolio.

The proposed Funding Plan describes CARB's policy drivers and vision for these advanced technology mobile source investments, project funding allocations, proposed revisions to project criteria and other program implementation details, as well as the justification for these investments. Background on AQIP and Low Carbon Transportation is provided below, followed by a summary of the proposed investments.

AQIP: AQIP is a voluntary, mobile source incentive program that focuses on reducing criteria pollutant and diesel particulate emissions with concurrent reductions in greenhouse gas emissions. The FY 2020-21 budget includes \$28.64 million for AQIP. AQIP has provided funding for several projects including the Clean Vehicle Rebate Project (CVRP), truck and bus vouchers, advanced technology demonstrations and the Truck Loan Assistance Program since 2009.

California Climate Investments Low Carbon Transportation Funding: The Low Carbon Transportation program is part of California Climate Investments, a statewide program that puts billions of Cap-and-Trade dollars to work reducing greenhouse gas emissions, strengthening the economy and improving public health and the environment, particularly in disadvantaged communities. CARB's Low Carbon Transportation Program is designed to accelerate the transition to low carbon freight and passenger transportation with a priority on providing health and economic benefits to California's most disadvantaged communities. CARB is not proposing allocation of FY 2020-21 Low Carbon Transportation funding as part of this proposed Funding Plan, but has included adjustments to previously funded projects.

Summary of the Proposed FY 2020-21 Funding Plan

California has important goals to reduce greenhouse gas (GHG) and short-lived climate pollutant emissions, improve air quality and reduce toxics risk, deploy zero-emission vehicles, and reduce petroleum dependency. These incentives will be used to accelerate development and deployment of the cleanest feasible mobile source technologies and to improve access to clean transportation.

Staff's recommendations for AQIP allocations focus on determining which project most critically needs an immediate influx of funding. Staff evaluated anticipated demand, considered which projects had funds remaining from previous fiscal years, considered other available funding sources, took into account stakeholder input and also reviewed the long-term planning elements of previous Funding Plans: the Three-Year Plan for CVRP, the ZEV Market, Clean Transportation Equity Investments, and Outreach; and the Three-Year Investment Strategy for Heavy-Duty Vehicles and Off-Road Equipment.

Staff's proposed funding allocations are shown in Table 1, and the rationale for the proposal is described in the proposed FY 2020-21 Funding Plan. Staff is also proposing that the Board grant the Executive Officer authority to make adjustments and allocate additional funding to first-come, first-served projects should additional funding become available.

Table 1: Proposed Allocations for FY 2020-21 AQIP Funds

Project Category	Allocation (millions)
Clean Truck and Bus Vouchers (HVIP)	\$25
Clean Cars 4 All	\$3
Reserve for revenue uncertainty	\$0.64
TOTAL	\$28.64

Proposed Action

CARB staff will present a written report at the meeting. Copies of the report may be obtained from CARB's Public Information Office, 1001 I Street, First Floor, Environmental Services Center, Sacramento, California, 95814, November 6, 2020. The report may also be obtained from [CARB's website](http://www.arb.ca.gov/aqip/) at <http://www.arb.ca.gov/aqip/>. Because of current travel, facility, and staffing restrictions, the California Air Resources Board's offices may have limited public access. Please contact Chris Hopkins, Regulations Coordinator, at chris.hopkins@arb.ca.gov or (916) 445-9564 if you need physical copies of the documents.

Interested members of the public may present comments orally or in writing at the meeting and may provide comments by postal mail or by electronic submittal before the meeting. To be considered by the Board, written comments not submitted during the meeting, must be received **no later than December 7, 2020**, and addressed to the following:

Postal mail: Clerks' Office, California Air Resources Board
1001 I Street, Sacramento, California 95814

Electronic submittal: <http://www.arb.ca.gov/lispub/comm/bclist.php>

Please note that under the California Public Records Act (Government Code section 6250 et seq.), your written and oral comments, attachments, and associated contact information (e.g., your address, phone, email, etc.) become part of the public record and can be released to the public upon request.

CARB requests that written statements on this item be filed at least ten days prior to the meeting so that CARB staff and Board members have additional time to consider each comment. Further inquiries regarding this matter should be directed to Andrea Morgan, Air Resources Engineer, at (916) 323-6169 or (designated back-up contact) Graciela Garcia, Air Pollution Specialist, at (916) 323-2781.

Environmental Analysis

CARB's certified regulatory program, which applies to the adoption, approval, amendment, or repeal of standards, rules, regulations, or plans for the protection and enhancement of the State's ambient air quality, has been certified by the California Secretary for Natural Resources under Public Resources Code section 21080.5 of the California Environmental Quality Act (CEQA) (14 California Code of Regulations (CCR) 15251(d)). Public agencies with certified regulatory programs are exempt from certain CEQA requirements, including but not limited to, preparing environmental impact reports, negative declarations, and initial studies. For activities that constitute project approvals, as those terms are used in CEQA, CARB, as a lead agency, prepares a substitute environmental document (referred to as an "Environmental Analysis" or "EA") as part of the Staff Report prepared for a proposed action to comply with CEQA (17 CCR 60000-60008).

CARB, as the lead agency under CEQA, has reviewed the proposed FY 2020-21 Funding Plan and concluded that it is not a project under CEQA Guidelines section 15378(b)(4) and thus is not subject to CEQA. The proposed FY 2020-21 Funding Plan is a governmental fiscal activity that does not involve any commitment to any specific projects that may result in potentially significant impacts on the environment.

Even if the FY 2020-21 Funding Plan were a project under CEQA, it would be exempt from CEQA under the common sense exemption, (14 CCR 15061(b)(3)), and the "Class 8" categorical exemption, (14 CCR 15308), for the protection of the environment. CEQA Guidelines state "the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA." (14 CCR 15601(b)(3).) Based on CARB's review, it can be seen with certainty that there is no possibility that the proposed Funding Plan may result in a significant adverse impact on the environment. Further, the proposed action is designed to protect the environment, and CARB found no substantial evidence indicating the proposal could adversely affect air quality or any other environmental resource area, or that any of the exceptions to the exemption applies (14 CCR 15300.2). Therefore, even if the FY 2020-21 Funding Plan were a project under CEQA, it would be exempt from CEQA.

Special Accommodation Request

Consistent with California Government Code Section 7296.2, special accommodation or language needs may be provided for any of the following:

- An interpreter to be available at the meeting;
- Documents made available in an alternate format or another language; and
- A disability-related reasonable accommodation.

To request these special accommodations or language needs, please contact the Clerks' Office at (916) 322-5594 or by facsimile at (916) 322-3928 as soon as possible, but no later than ten business days before the scheduled Board meeting.

TTY/TDD/Speech to Speech users may dial 711 for the California Relay Service.

Consecuente con la sección 7296.2 del Código de Gobierno de California, una acomodación especial o necesidades lingüísticas pueden ser suministradas para cualquiera de los siguientes:

- Un intérprete que esté disponible en la audiencia;
- Documentos disponibles en un formato alternativo u otro idioma; y
- Una acomodación razonable relacionados con una incapacidad.

Para solicitar estas comodidades especiales o necesidades de otro idioma, por favor llame a la oficina del Consejo al (916) 322-5594 o envíe un fax a (916) 322-3928 lo más pronto posible, pero no menos de diez días de trabajo antes del día

programado para la audiencia del Consejo. TTY/TDD/Personas que necesiten este servicio pueden marcar el 711 para el Servicio de Retransmisión de Mensajes de California.

CALIFORNIA AIR RESOURCES BOARD



Richard W. Corey
Executive Officer

Date: November 6, 2020

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 [CARB's website](http://www.ARB.ca.gov) (www.ARB.ca.gov).