

CALIFORNIA AIR RESOURCES BOARD

NOTICE OF PUBLIC MEETING TO CONSIDER COMMUNITY AIR PROTECTION INCENTIVES 2019 GUIDELINES

The California Air Resources Board (CARB or Board) will conduct a public meeting at the time and place noted below to consider proposed *Community Air Protection Incentives 2019 Guidelines* (CAP Guidelines).

DATE: May 23, 2019

TIME: 9:00 a.m.

LOCATION: California Environmental Protection Agency
California Air Resources Board
Byron Sher Auditorium, 2nd Floor
1001 I Street
Sacramento, California 95814

This item may be considered at a two-day meeting of the Board, which will commence at 9:00 a.m., Thursday, May 23, 2019, and may continue at 8:30 a.m., on Friday, May 24, 2019. Please consult the agenda for the meeting, which will be available at least ten days before May 23, 2019, to determine the order of this item in the agenda.

WRITTEN COMMENT PERIOD AND SUBMITTAL OF COMMENTS

CARB staff will present a written report on the *Community Air Protection Incentives 2019 Guidelines* at the meeting. A written staff report and the proposed Guidelines will be available for a 30-day public comment period beginning April 19, 2019. Copies of the report may be obtained from CARB's Public Information Office, 1001 I Street, First Floor, Environmental Services Center, Sacramento, California, 95814, on April 19, 2019. The report may also be obtained from CARB's website at <https://www.arb.ca.gov/msprog/cap/capfunds.htm>.

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 physically submitted at the meeting must be received **no later than 5:00 p.m., Monday, May 20, 2019**, and addressed to the following:

Postal mail: Clerk of the Board, 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.

Background

Assembly Bill (AB) 617 (Stats. 2017, Ch. 136) directed CARB to establish the Community Air Protection Program. The focus of this program is to reduce emissions and exposure in communities that continue to suffer under disproportionately high amounts of air pollution. In the Budget Act of 2017, as amended by AB 134 (Stats. 2017, Ch. 14), the Legislature appropriated \$250 million in fiscal year 2017-18 for mobile source Community Air Protection (CAP) incentives through the Carl Moyer Memorial Air Quality Standards Attainment Program (Moyer Program) and the Proposition 1B Goods Movement Emission Reduction Program (Proposition 1B Program). To govern the expenditure of the 2017-18 funding, the Board approved the *Community Air Protection Funds Supplement to the Carl Moyer Program 2017 Guidelines* (CAP Supplement) in April 2018. In the Budget Act of 2018, Senate Bill (SB) 856 (Stats. 2018, Ch. 30) appropriated an additional \$245 million in fiscal year 2018-19 and expanded the scope of the CAP incentives to include additional project types. The project types called for in SB 856 include the following:

- Mobile source projects. Eligibility continues through either the Moyer Program or the Proposition 1B Program, with a focus on zero-emission equipment;
- Zero-emission charging infrastructure projects. Eligibility continues with a focus on medium- and heavy-duty vehicle infrastructure;
- Stationary source projects. New eligibility for the replacement of equipment at locations of stationary sources of air pollution not subject to the Cap-and-Trade Program, which will result in direct reductions of toxic air contaminants or criteria pollutants; and
- Community-identified projects. New eligibility for programs developed by an air district consistent with the actions identified in the applicable Community Emissions Reduction Program pursuant to AB 617 provided there is community input through a public process.

The Moyer and Proposition 1B Programs have provided cost-effective, reliable, and surplus emission reductions for many years through the turnover of old, high-polluting equipment with cleaner replacements. Both programs are implemented in partnership between CARB and the local air districts.

Proposed Action

To address the Legislative direction in SB 856 and the new funding opportunities for stationary sources and community-identified projects introduced above, staff proposes the following:

- Codify guiding principles to direct the use of CAP incentives;
- Add funding guidelines for two new project categories of projects, hexavalent chromium reduction and exposure reduction in school facilities;
- Include program administration guidance similar to that provided for the Moyer Program;
- Incorporate the CAP Supplement and update to include non-substantive clarifications, and to provide additional eligibility for zero-emission school bus projects; and
- Delegate to the Executive Officer authority to modify the project categories or add new project categories as necessary to support the further implementation of AB 617.

Guiding Principles: The guiding principles are derived from statutes, Board direction, and policy documents that all apply to CAP incentives, and would ensure that the voices of community groups will guide project prioritization and selection, as well as to guide continued development of the CAP Guidelines.

New Project Categories: For stationary sources, staff proposes incentives for the installation of emissions control technologies at chrome plating facilities that use hexavalent chromium. For community-identified projects, staff proposes reducing air pollution exposure in schools through a suite of project types for kindergarten through twelfth-grade schools. The suite of project types for schools would include replacement of aging furniture with low- or no-added formaldehyde products, zero-emission lawn and garden equipment replacement, and air filtration enhancement or replacement.

Additional Project Categories: These new proposed stationary source and community-identified projects would begin addressing the full range of incentives called for in SB 856. The proposed projects would serve as models for the creation of additional categories in the future on an as-needed basis. A number of communities have already identified some high-priority concerns, but conversations are still ongoing, and many communities are likely to identify additional opportunities.

Expanded Zero-Emission School Bus Eligibility: Staff proposes adding additional eligibility for zero-emission school bus projects located in disadvantaged and low-income communities

Executive Officer Authority to Add New Categories: Staff proposes that the Board delegate the authority to the Executive Officer to modify the existing project categories or add new categories as needed. This would allow for continued progress in bringing immediate air quality benefits to impacted communities in a timely manner.

One way staff proposes this authority be used is to develop criteria for “community pilots” that would allow communities and air districts the flexibility to design their own projects suited to their needs. Staff would develop broad criteria that would allow selected communities, as part of their Community Emissions Reduction Programs, to generate their own projects, and empower air districts to ensure the projects meet the basic requirements of AB 617. The authority to create additional program categories as necessary would also allow staff to consider successfully implemented community pilot projects for expansion into complete categories so that other communities statewide that have similar concerns may benefit from these efforts.

AGENCY CONTACT PERSONS

Further inquiries regarding the substance of this proposal matter should be directed to Mr. Kyle Goff, Air Pollution Specialist, Incentives Oversight Section, at (916) 324-1988 or Ms. Martina P. Diaz, Manager, Carl Moyer Off-Road Section, at (626) 350-6532.

ENVIRONMENTAL ANALYSIS

CARB, as the lead agency under the California Environmental Quality Act (CEQA), has reviewed the proposed Guidelines and determined it is not a “project” subject to CEQA because it constitutes the creation of a government funding mechanism or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. CARB further concluded that even if the proposed Guidelines were considered a “project” under CEQA they would be exempt pursuant to CEQA Guidelines §15061(b)(3) because it can be seen with certainty that there is no possibility that the proposed action may result in significant adverse impact on the environment. A brief explanation of the basis for reaching this conclusion is included in Chapter IV of the Staff Report.

SPECIAL ACCOMMODATION REQUESTS

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 Clerk of the Board 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.

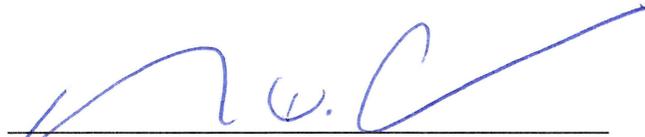
Consecuente con la sección 7296.2 del Código de Gobierno de California, una acomodación especial o necesidades lingüísticas pueden ser suministradas para cualquiera de los siguientes:

- 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: April 19, 2019

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 at www.arb.ca.gov