

AB 118 Air Quality Improvement Program (AQIP)

Proposed 2012-13 Funding Plan

June 28, 2012

Today's Presentation

- Overview of AQIP
- Implementation update
- Proposed 2012 Funding Plan
- Staff recommendation

What is AQIP?

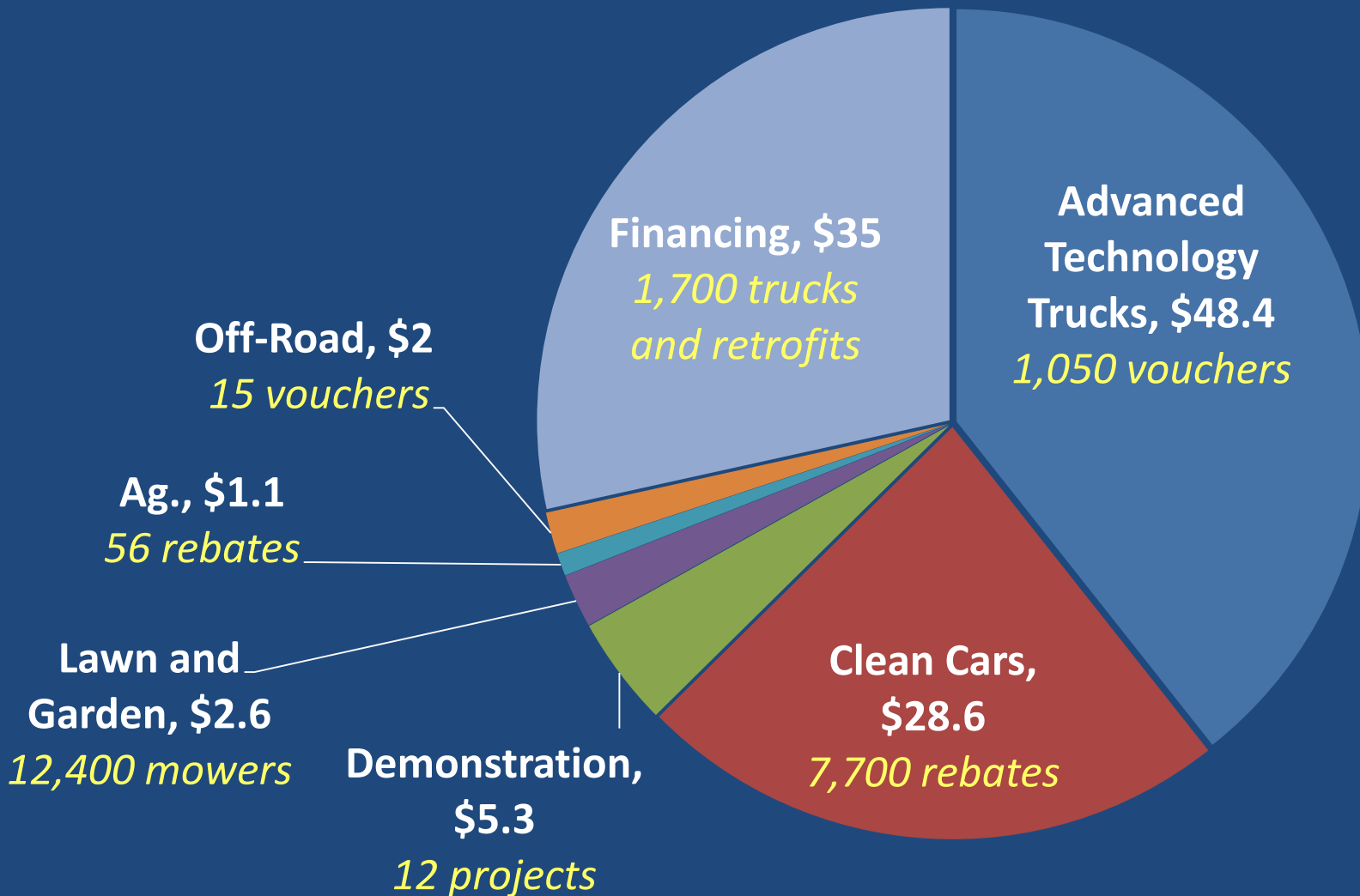
- Created by Assembly Bill 118 (2007)
- \$27-40 million per year through 2015
- Complements other incentive programs
- Funds mobile source technology advancement



Guiding Principles

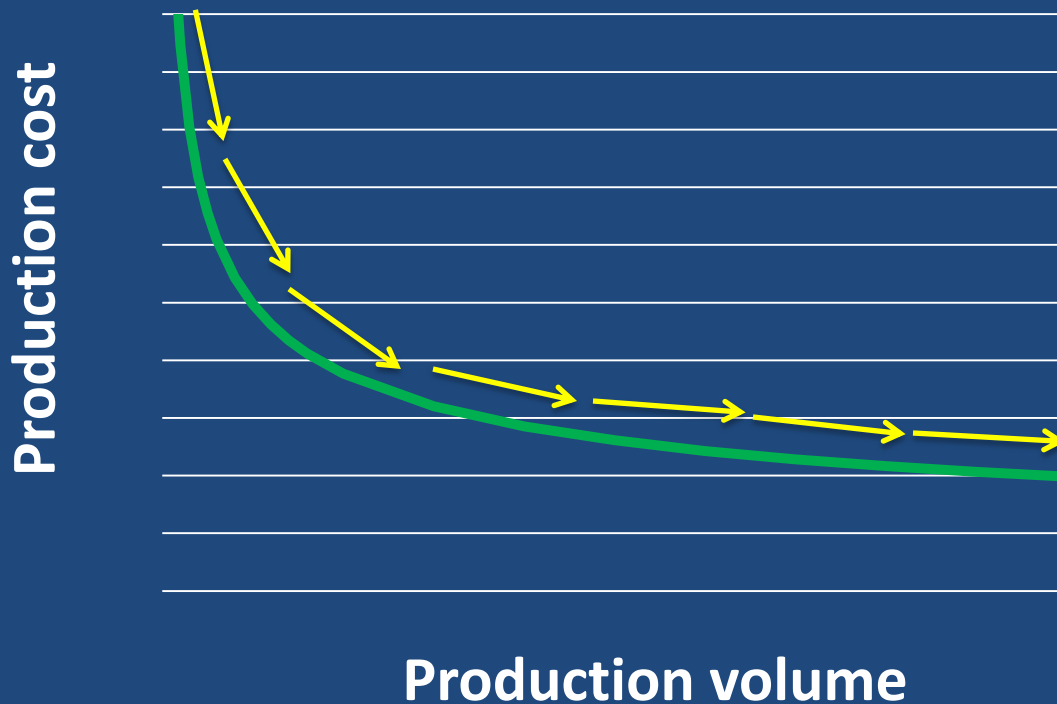
- Support advanced technologies to meet post-2020 air quality and climate change goals
 - Vehicle/equipment deployment
 - Technology demonstrations
- Focus on project types underserved in other incentive programs

Funding Awarded to Date (\$ millions)



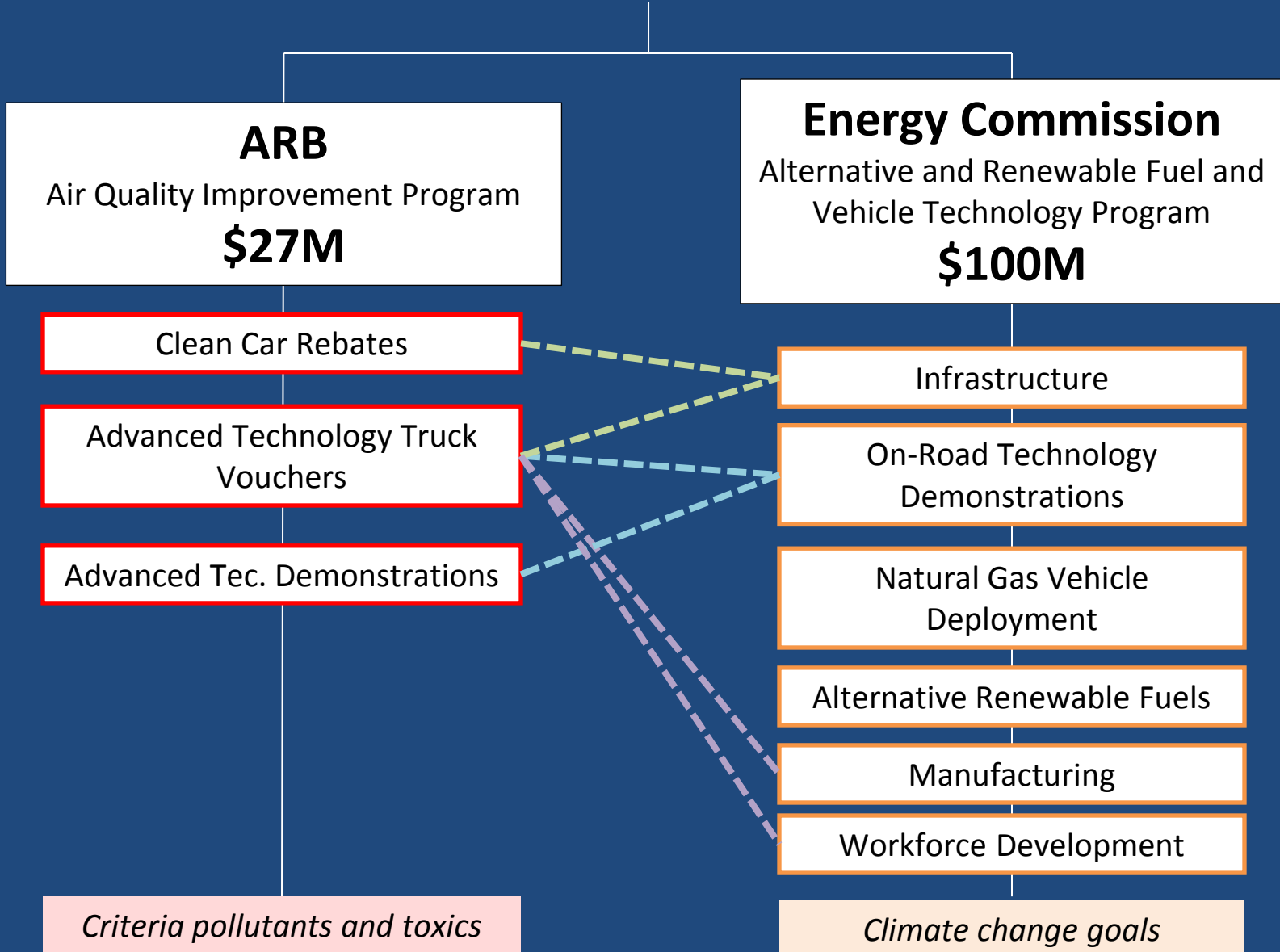
Program Benefits

Increased production
drives down price



- Facilitate market transition beyond first generation technologies
- Overcome deployment barriers
- Support technology transfer to new sectors

AB 118 Coordination



Proposed Fiscal Year 2012-13 Funding Plan

FY 2012-13 Funding Plan Priorities

- Continue focus on clean cars and trucks
- Continue streamlined project design
- Continue demonstration project allocation
- Anticipate lower revenues than Budget appropriation

Proposed FY 2012-13 Funding Levels

Category	\$27M Plan based on recent revenues		\$40M Plan ¹ Revised Budget appropriation	
	Proposed Allocation	Potential Vehicles	Proposed Allocation	Potential Vehicles
CVRP ²	\$15 M	7,700	\$21 M	10,700
HVIP	\$10 M	350	\$14 M	500
Advanced Tech Demos	\$2 M	N/A	\$5 M	N/A

¹ Based on Governor's Revised Budget minus estimated administrative costs

² An additional \$3 million from fiscal year 2008-09 is being reallocated to the CVRP and up to \$5 million from the Energy Commission has been approved



Clean Vehicle Rebate Project (CVRP)

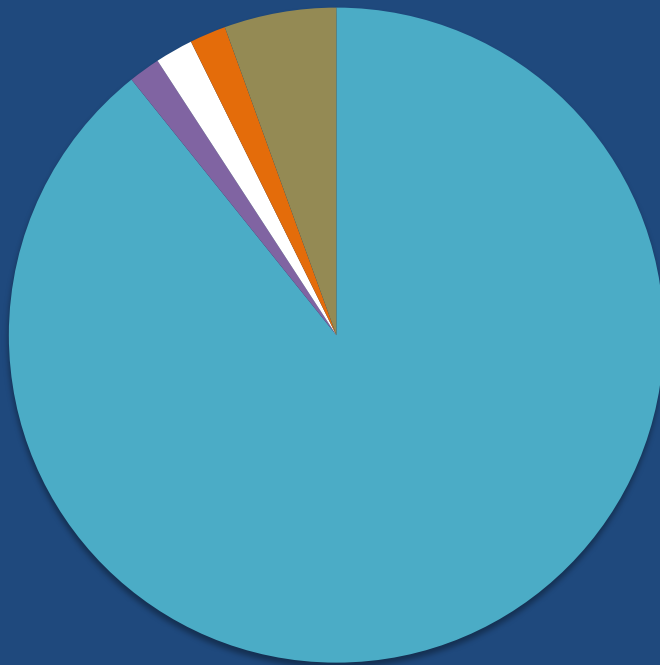
Funding Target: \$15 M

- Consumer rebates for light-duty ZEVs and plug-in hybrids
- Over 7,700 rebates issued
- Efforts since last year
 - Balance growing demand with limited funding
 - Manufacture diversity

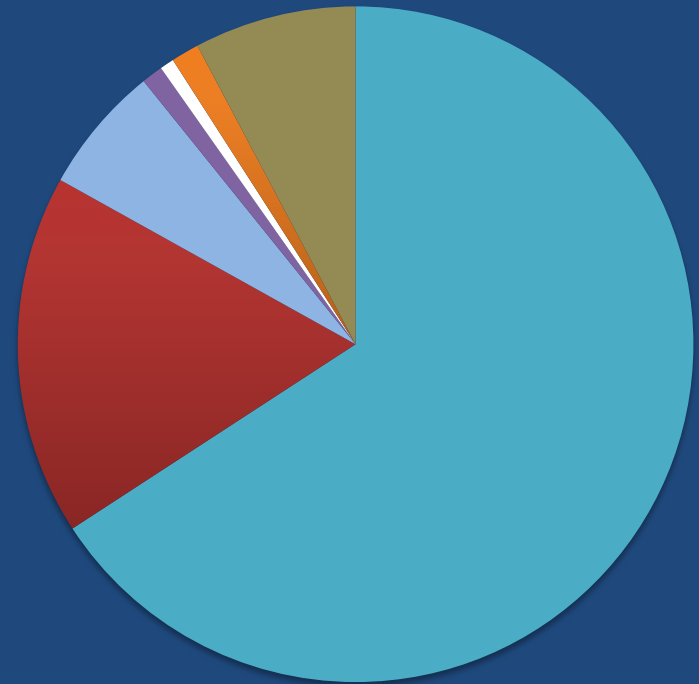


CVRP Manufacturer Diversity

Through July 2011



Through May 2012



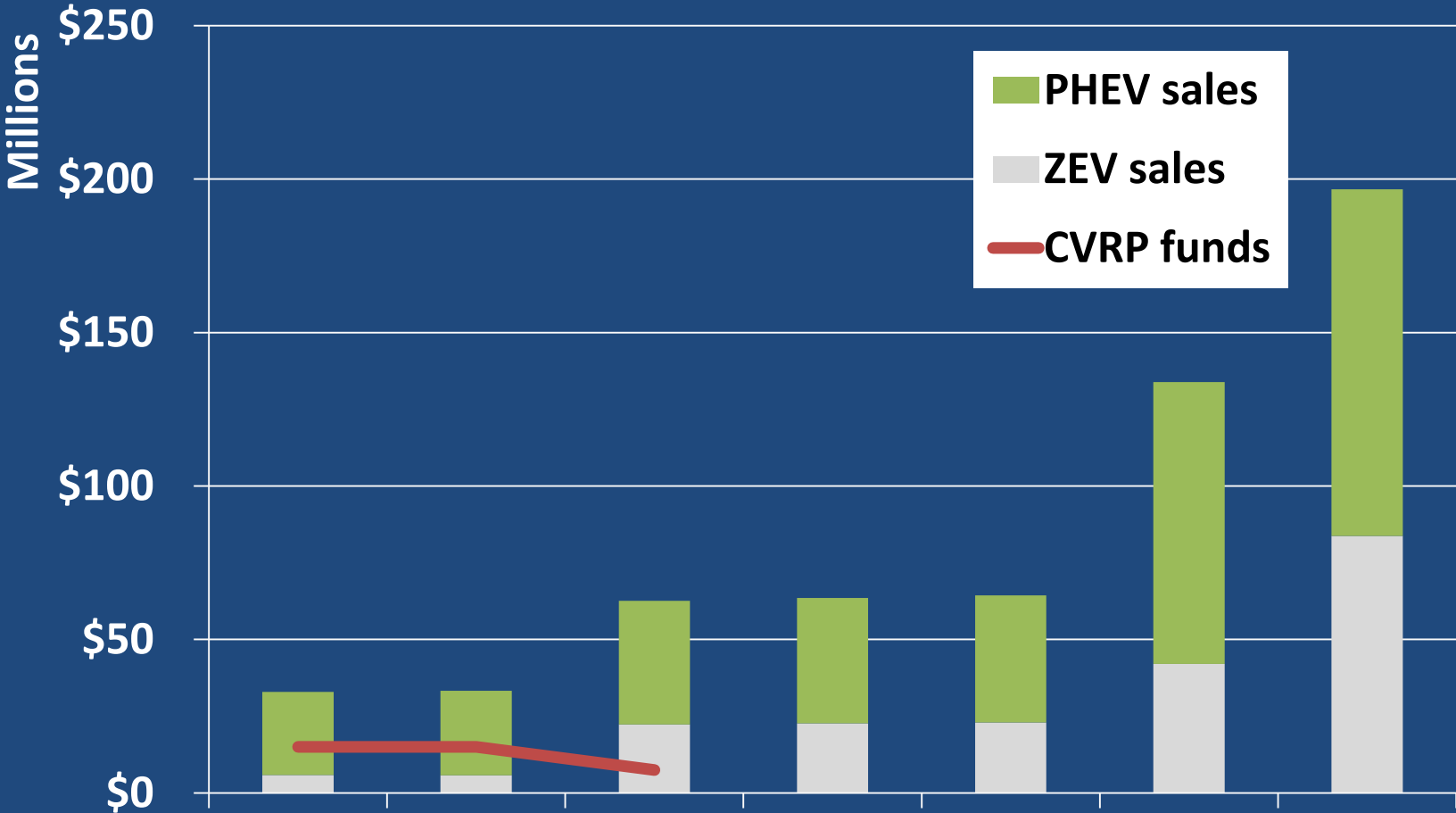
- Nissan LEAF
- Chevrolet Volt
- CZEV
- Other

- Toyota Prius Plug-In Hybrid
- NEV
- ZEM

CVRP Proposed Refinements

- Waiting list
 - Only appropriate to bridge short-term gap
 - Decision based on defined criteria
- Include BEVx as eligible vehicle type
- Continue car share set-aside of \$200,000

CVRP Looking Forward



	2013	2014	2015	2016	2017	2018	2019
PHEVs	18,100	18,400	26,900	27,200	27,600	61,300	75,300
ZEVs	2,300	2,300	8,900	9,100	9,200	16,800	33,500



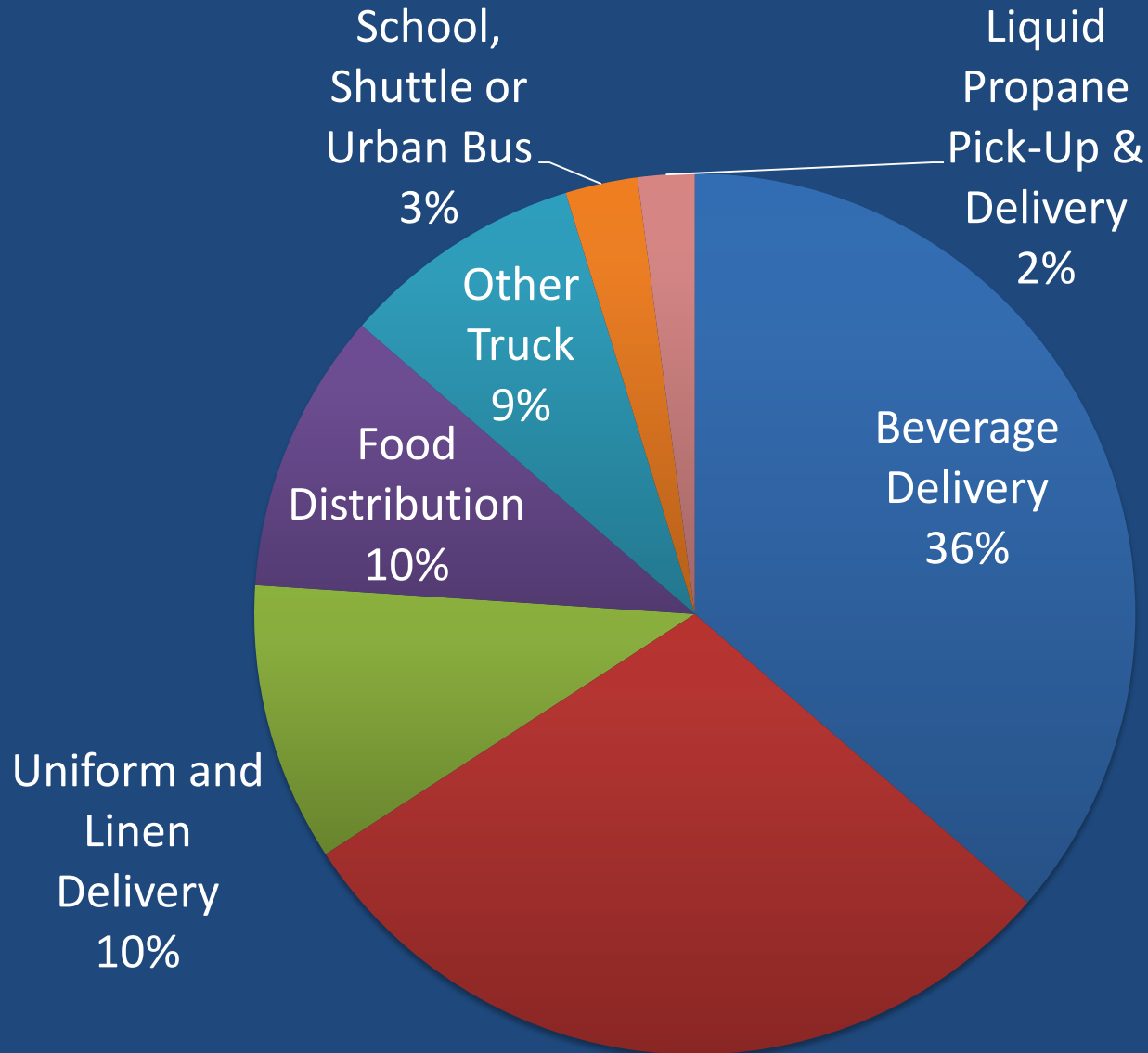
Hybrid and Zero-Emission Truck & Bus Vouchers (HVIP)

Funding Target: \$10 M

- Consumer vouchers for about ½ incremental cost of new hybrid and zero-emission trucks
- Goals for 2012-13
 - Continue successful project design
 - Refinements to encourage wider participation



HVIP Status: 1050 Vouchers Issued



HVIP Available Funding

- ~ \$20 million available from previous years
- Proposing \$10 million in FY 2012-13
- Modifications to increase participation
- Include funding contingency

Proposed Changes to Encourage More Participation in HVIP

- Increase zero-emission truck voucher amounts
- Increase maximum limit per fleet
- Additional funding for cleanest vehicles
- Expand technology eligibility
- Additional outreach



Advanced Technology Demonstrations

Funding Target: \$2 M

- 12 projects in progress
 - Focus on technologies within 3 years of commercialization
- Proposed projects for 2012-13
 - Zero-emission off-road equipment
 - Zero-emission transit vehicles



Staff Recommendation

- Approve proposed FY 2012-13 Funding Plan