

## CALIFORNIA AIR RESOURCES BOARD

### NOTICE OF PUBLIC MEETING TO CONSIDER THE APPROVAL OF THE PROPOSED AB 118 AIR QUALITY IMPROVEMENT PROGRAM FUNDING PLAN FOR FISCAL YEAR 2011-12

The Air Resources Board (ARB or Board) will conduct a public meeting at the time and place noted below to consider approval of the *Proposed AB 118 Air Quality Improvement Program Funding Plan for Fiscal Year 2011-12* (FY 2011-12 Funding Plan).

DATE: July 21, 2011

TIME: 9:00 a.m.

PLACE: California Environmental Protection Agency  
Air Resources Board  
Byron Sher Auditorium  
1001 I Street  
Sacramento, California 95814

This item may be considered at a one-day meeting of the Board, which will commence at 9:00 a.m., July 21, 2011. Please consult the agenda for the meeting, which will be available at least ten days before July 21, 2011, to determine the order of agenda items.

#### **Background:**

The Air Quality Improvement Program (AQIP) is a voluntary incentive program created under the *California Alternative and Renewable Fuel, Vehicle Technology, Clean Air, and Carbon Reduction Act of 2007* (Assembly Bill (AB) 118, Statutes of 2007). AQIP provides funding through 2015 for clean vehicle and equipment projects which reduce criteria pollutant and air toxics emissions often with concurrent climate change benefits. AQIP expands ARB's portfolio of air quality incentives, providing the opportunity to fund projects not covered under its other incentive programs which focus on near-term emission reductions. AQIP is ARB's only incentive program structured to enable investments in technology advancing projects which also provide immediate emission reductions.

AQIP investments to date support the deployment of hybrid trucks, zero-emission passenger cars, and other advanced technologies critical to meeting California's long-term air quality and climate change goals. These investments are an important first step in the fundamental transformation of the California vehicle fleet to one with widespread use of zero- and near-zero emission vehicles.

The Governor's proposed FY 2011-12 State Budget provides \$40 million for AQIP projects. ARB's regulatory guidelines governing implementation of AQIP require that

the Board approve an annual Funding Plan describing how AQIP funds appropriated to ARB in the State Budget will be spent. The proposed FY 2011-12 Funding Plan outlines: (1) ARB priorities for the funding cycle; (2) funding allocations by project category; (3) project category descriptions, including refinements based on public input and evaluation of previous years' project implementation; and (4) contingency provisions to address uncertainties in available funding levels.

**Description of the FY 2011-12 Funding Plan:**

The proposed FY 2011-12 Funding Plan builds on the successes of projects funded in previous years. For the FY 2011-12 funding cycle, ARB staff proposes to focus most of AQIP funding on the two largest project categories from previous years – the Hybrid Truck and Bus Voucher Incentive Project (HVIP) which targets commercial vehicle applications and the Clean Vehicle Rebate Project (CVRP) which provides consumer rebates for zero-emission and plug-in hybrid passenger cars. Demand for funding has been strong in these projects, and both hybrid truck and electric vehicle technologies are at a key point where public incentives can help them penetrate the California marketplace and become mainstream choices. These projects are working as envisioned, and their streamlined design has made them accessible to consumers. Staff is proposing several refinements aimed at making ARB's limited funding go further and encouraging broader program participation. Staff also proposes to continue a small allocation for advanced technology demonstrations. These are an important part of the AQIP because successful demonstration projects can potentially lead to new deployment project opportunities.

Table 1 presents ARB staff's proposed FY 2011-12 project category allocations along with the estimated number of vehicles that these funding levels would support. The table shows two separate funding targets. The \$40 million target reflects the funding level for AQIP projects in the Governor's proposed State Budget. The \$28 million target is a conservative estimate of the total funding that may be available based on actual AQIP revenues over the past two years which have been 25-30 percent lower than the appropriated amount. To manage the uncertainty regarding available funding, ARB staff proposes to initially issue solicitations for the lower funding targets shown in Table 1 with provisions to scale up funding if revenues are higher. The contingency provisions to address revenue uncertainty are described in greater detail in the proposed Funding Plan.

**Table 1: Proposed FY 2011-12 Project Category Funding Targets**

Project Category	\$28 Million Plan based on recent revenues		\$40 Million Plan proposed Budget appropriation	
	Proposed Allocation	Vehicles Funded	Proposed Allocation	Vehicles Funded
Clean Vehicle Rebates (CVRP)	\$15 M	5,600	\$21 M	7,800
Hybrid Truck & Bus Vouchers (HVIP)	\$11 M	500	\$16 M	700
Advanced Technology Demonstration/Testing	\$2 M	N/A	\$3 M	N/A

**AVAILABILITY OF DOCUMENTS AND AGENCY CONTACT PERSONS**

ARB staff will present the *Proposed AB 118 Air Quality Improvement Program Funding Plan for Fiscal Year 2011-12* at the meeting. Copies of the report may be obtained from ARB’s Public Information Office, 1001 I Street, First Floor, Environmental Services Center, Sacramento, California, 95814, (916) 322-2990 at least 30 days prior to the scheduled meeting on July 21, 2011. The report may also be obtained from ARB’s website at <http://www.arb.ca.gov/msprog/aqip/aqip.htm>.

**SUBMITTAL OF COMMENTS**

Interested members of the public may present comments orally or in writing at the meeting and may be submitted 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 12:00 noon, July 20, 2011**, and addressed to the following:

Postal mail: Clerk of the Board, Air Resources Board  
1001 I Street, Sacramento, California 95814

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

**\*New Feature\***

**You can now sign up online in advance to speak at the Board meeting** when you submit an electronic board item comment. For more information go to: <http://www.arb.ca.gov/board/online-signup.htm>.

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. Additionally, this information may become available via Google, Yahoo, and any other search engines.

ARB requests that written and email statements on this item be filed at least ten days prior to the meeting so that ARB staff and Board members have additional time to consider each comment. Further inquiries regarding this matter should be directed to Mr. Andrew Panson, Staff Air Pollution Specialist, at (916) 323-2881, or Ms. Meri Miles, Air Pollution Specialist, at (916) 322-6370.

### **SPECIAL ACCOMMODATION REQUEST**

Special accommodation or language needs can be provided for any of the following:

- An interpreter to be available at the hearing;
- Documents made available in an alternate format (i.e., Braille, large print, etc.) or another language;
- 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 10 business days before the scheduled Board hearing.

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

Comodidad especial o necesidad de otro idioma puede ser proveído para alguna de las siguientes:

- Un intérprete que esté disponible en la audiencia.
- Documentos disponibles en un formato alterno (por decir, sistema Braille, o en impresión grande) u otro idioma.
- 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 10 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

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James N. Goldstene  
Executive Officer

Date: June 20, 2011

*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](http://www.arb.ca.gov).*