

CALIFORNIA AIR RESOURCES BOARD

NOTICE OF PUBLIC MEETING TO CONSIDER THE ADOPTION OF THE PROPOSED AB 118 AIR QUALITY IMPROVEMENT PROGRAM FUNDING PLAN FOR FISCAL YEAR 2010-11

The Air Resources Board (Board or ARB) will conduct a public meeting at the time and place noted below to consider adoption of the *Proposed AB 118 Air Quality Improvement Program Funding Plan For Fiscal Year 2010-11* (FY 2010-11 Funding Plan).

DATE: June 24, 2010

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 two-day meeting of the Board, which will commence at 9:00 a.m., Thursday, June 24, 2010, and may continue at 8:30 a.m., Friday, June 25, 2010. This item may not be considered until June 25, 2010. Please consult the agenda for the meeting, which will be available at least 10 days before June 24, 2010, to determine the day on which this item will be considered.

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, Chapter 750) to fund clean vehicle and equipment projects as well as research on the air quality impacts of alternative fuels and workforce training. The AQIP focuses on reducing criteria pollutant emissions, with concurrent reductions in greenhouse gas emissions. The AQIP is funded through 2015 via revenues generated by motor vehicle and equipment fees.

In April 2009, the Board adopted the AQIP Guidelines which direct, by regulation, ARB's implementation of the AQIP and require ARB to obtain annual approval of the AQIP Funding Plan. The annual Funding Plan serves as each year's blueprint for expending the AQIP funds appropriated to the ARB in the annual State budget, establishing ARB's priorities for the funding cycle and describing the projects ARB intends to fund. Project solicitations that provide all the programmatic details potential grantees need to apply for funds are issued annually for each of the projects identified in the Funding Plan.

In fiscal year (FY) 2009-10, the Board directed AQIP funds to support development and deployment of the advanced technologies needed to meet California's longer-term, post-2020 State Implementation Plan (SIP) and other air quality goals. This provides the opportunity for ARB to fund projects that do not fit within the statutory framework of ARB's other incentive programs' which focus on near-term emission reductions from fully commercialized technologies. The Board approved the funding of four deployment projects - vouchers for heavy-duty hybrid vehicles, and rebates for zero-emission vehicles, lawn and garden equipment, and agricultural utility terrain vehicles - as well as advanced technology demonstration projects. To date ARB has encumbered approximately 95 percent of FY 2009-10 AQIP funds and launched all four voucher and rebate projects.

Description of the Fiscal Year 2010-11 Funding Plan:

The FY 2010-11 Funding Plan builds upon the successes of projects established last year and recommends continued funding for those AQIP project categories. The Board envisioned that many of the project categories included in the FY 2009-10 Funding Plan would be funded for multiple years in order to accelerate early deployment of these critical clean air technologies. Continuation of these projects maintains project continuity and provides a larger overall impact on the selected technologies that can only be achieved through multiple years of funding. ARB staff believes the guiding principles the Board established in the FY 2009-10 Funding Plan continue to be appropriate and used them to identify projects for this funding year. Table 1 presents staff's proposed allocations based on the \$40 million appropriation in the Governor's proposed FY 2010-11 Budget.

Table 1: Projects Proposed for AQIP Funding in FY 2010-11	
Project Category	Funding Target¹ (\$ millions)
Hybrid Truck and Bus Voucher Incentive Project	Up to 25
Clean Vehicle Rebate Project	Up to 5
Lawn and Garden Equipment Replacement Project	Up to 1
Zero-Emission Agricultural Utility Terrain Vehicle Rebate Project	Up to 0.5
Off-Road Hybrid Technology Pilot <<NEW>>	Up to 3
Advanced Demonstration Projects	Up to 5.5
TOTAL PROPOSED FUNDING	\$40
¹ Funding based on the Governor's proposed FY 2010-11 State Budget. Funding amounts will be adjusted if necessary based on the final State Budget and revenues into the Air Quality Improvement Fund.	

ARB is proposing the Hybrid Truck and Bus Voucher Incentive Project (HVIP) continue to receive the bulk of AQIP funding. Based on strong early consumer demand since the project's launch in February 2010, ARB believes a continued investment will help hybrid technology penetrate the California marketplace. In addition, ARB is proposing to continue the investment in zero-emission vehicles (ZEV) anticipating an increase in vehicle availability and consumer demand through 2011 for light-duty ZEVs through the

Clean Vehicle Rebate Project (CVRP). ARB proposes to shift funding of commercial zero-emission vehicles (e.g., electric delivery trucks) to the HVIP from the CVRP to better reflect the process for purchasing these vehicles. ARB staff also proposes to add a new project category in order to pilot accelerated deployment of hybrid off-road equipment and evaluate the emission benefits of hybrid technology in off-road applications.

The proposed FY 2009-10 Funding Plan includes contingencies that enable ARB to quickly and effectively refine next year's AQIP in response to new information. Under this proposal, lessons learned from the first year of implementation are incorporated to give the Executive Officer the authority to make specific adjustments, if necessary. These provisions provide a transparent method for modification of funding targets if the final State Budget appropriation, AQIP revenues, or vehicle/equipment demand or availability differ significantly from current projections.

AVAILABILITY OF DOCUMENTS AND AGENCY CONTACT PERSONS

ARB has prepared a report entitled: "Proposed AB 118 Air Quality Improvement Program Funding Plan for Fiscal Year 2010-11". Copies of the proposed FY 2010-11 Funding Plan can be accessed on the ARB's website at <http://www.arb.ca.gov/msprog/aqip/aqip.htm> or 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 June 24, 2010.

Inquiries regarding the proposed FY 2010-11 Funding Plan may be directed to Ms. Meri Miles, Air Pollution Specialist, at (916) 322-6370 or mmiles@arb.ca.gov.

SUBMITTAL OF COMMENTS

Interested members of the public may also 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 submitted at the meeting must be received **no later than 12:00 noon, June 23, 2010**, 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>

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., 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.

The Board requests, but does not require, 20 copies of any written submission. Also, ARB requests that written and e-mail statements be filed at least 10 days prior to the meeting so that ARB staff and Board members have time to fully consider each comment. Further inquiries regarding this matter should be directed to Ms. Meri Miles, Air Pollution Specialist, at (916) 322-6370 or Mr. Andrew Panson, Staff Air Pollution Specialist, at (916) 323-2881.

To request a special accommodation or language needs for any of the following:

- An interpreter to be available at the hearing.
- Have documents available in an alternate format (i.e. Braille, Large print) or another language.
- A disability-related reasonable accommodation.

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.

Para solicitar alguna comodidad especial o necesidad de otro idioma para alguna de las siguientes:

- Un intérprete que esté disponible en la audiencia.
- Tener documentos disponibles en un formato alterno (por decir, sistema Braille, o en impresión grande) u otro idioma.
- Una acomodación razonable relacionados con una incapacidad.

Por favor llame a la oficina del Secretario del Consejo de Recursos Atmosféricos al (916) 322-5594 o envíe un fax al (916) 322-3928 no menos de diez (10) días laborales antes del día programado para la audiencia. Para el Servicio Telefónico de California para Personas con Problemas Auditivos, ó de teléfonos TDD pueden marcar al 711.

CALIFORNIA AIR RESOURCES BOARD

/s/

James N. Goldstene
Executive Officer

Date: May 24, 2010

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.