

Bay Area Air Quality Management District
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APPROVED MINUTES

Summary of Board of Directors
Mobile Source Committee Meeting
Thursday, October 27, 2011
9:30 a.m.

CALL TO ORDER: Chairperson Scott Haggerty called the meeting to order at 9:35 a.m.

Roll Call: Scott Haggerty, Chairperson; Directors David E. Hudson, Carol Klatt, Nate Miley, and Mark Ross

Absent: Vice Chairperson Carole Groom; Directors Jennifer Hosterman, Johanna Partin and Brad Wagenknecht

Also Present: Tom Bates, Board Chairperson

Public Comments: There were no public comments.

3. Approval of Minutes: Mobile Source Committee Meeting of September 22, 2011

Committee Action: Director Hudson made a motion to approve the September, 2011 Mobile Source Committee minutes; seconded by Director Miley, carried unanimously without objection.

4. Transportation Fund for Clean Air Policies for County Program Managers for Fiscal Year Ending (FYE) 2013

Damian Breen, Director of Strategic Incentives, introduced Geraldina Grunbaum, Supervisor Environmental Planner, who gave staff the presentation and background on the FYE 2013 TFCA Program Manager Fund Policies.

Ms. Grunbaum provided the Committee with background information which included:

- Beginning in FY 09/10, District revised CPM program to streamline the administration of the program and to provide greater flexibility to Program Managers
- District and Program Managers have worked to improve coordination of TFCA CPM policies and administration
- Each year, the District's Board is required to adopt TFCA policies that maximize emissions reductions and public health benefits
- Proposed FYE 2013 Policies reflect revisions to CPM Program and input from Program Managers

The steps taken to solicit input and comments of the proposed policies were as follows:

- 9/21/11 - Staff solicited comments on proposed revisions for the FYE 2013 cycle
- 9/29/11 - Staff met with Program Manager representatives to discuss proposed revisions and to address questions and comments
- By 10/7/11 - 3 written comments received
- Staff incorporated many of the comments received

Ms. Grunbaum said overall there are no major changes being proposed in the FYE 2013 policies. Summary of those changes include:

- Incorporated language in policies to be consistent with Health and Safety Code
- Clarified and incorporated text changes to respond to Program Managers' requests for clarification on specific policies
- Policy #1: Updated language to require emission reductions to be surplus at time of contract execution between the Program Manager and sub-awardee (since Air District no longer approves CPM list of projects)
- Policy #27: Added Ridesharing project category

In conclusion, Air District staff recommended approval of proposed revisions to County Program Manager Fund Policies to govern allocation of FYE 2013 TFCA County Program Manager funds.

Public Comments: None.

Committee Comments/Questions:

Director Ross asked if there were a need for surplus reductions at the time the contract is executed what is the length. Mr. Breen said the length is generally about six months. Director Ross also asked who verifies this information. Mr. Breen stated the attorneys have reviewed the documents, and if contracts were enacted during the timeframe that the emissions would not be included as part of the surplus.

Director Ross asked who is responsible for verifying the information. Mr. Breen said it is the responsibility of the County Program Manager.

Committee Action:

Director Hudson made a motion to recommend Board of Directors approval proposed revisions to County Program Manager Fund Policies to govern allocation of FYE 2013 TFCA County Program Manager funds. The motion was seconded by Director Klatt and carried unanimously without objection.

5. Regional Electric Vehicle Deployment Planning Grants

Damian Breen, Director of Strategic Incentives, gave staff the presentation on the Regional Electric Vehicle Deployment Planning Grants. Mr. Breen discussed the background, recent Air District efforts, and successful applications for planning grants, U.S. Department of Energy (USDOE) grant, California Energy Commission (CEC) grant, next steps, and recommendations.

Mr. Breen provided the Committee with the following background.

The Air District has been supporting PEV deployment since the 1990s:

- 1994-2009: \$1.3 million invested in infrastructure/vehicles
- 1996-2001: 16 projects with CMAs to deploy infrastructure/vehicles
 - Santa Rosa, Alameda, Napa, San Francisco, Pinole, San Mateo, Antioch
- 1998-2004: Air District “Charge!” program
 - Program partners: City of San Francisco, Clean Cities Coalitions, USDOE
 - TFCA Regional Fund monies used to match USDOE funds
 - 35 charge points (17 conductive/18 inductive) installed in 15 locations
- Program success was hampered by lack of vehicles

In 2009 and 2010 timeframe auto manufacturers (GM, Ford, Tesla, Toyota, Nissan, and Mitsubishi) announce planned availability of PEV in America. Mr. Breen said in support of those plans and because transportation emissions make up a large portion of the criteria pollutants for greenhouse gases, the Air District embarked on a program to support infrastructure and vehicle deployment.

In 2010, there has been an allocation of \$1.3 million to deploy fast chargers, a battery switch station and level II chargers, which is 220 volt charging. This was followed by an additional allocation between FYE 2011 and FYE 2012, to complete the following.

- FYE 2011/12: EV infrastructure program (\$5 million)
 - 3,000 level II home chargers, 50 DC Fast Chargers, 2,000 Public Chargers
 - Local Government Assistance
 - Infrastructure Planning Program

Mr. Breen stated in order to support infrastructure planning the Air District along with its regional partners, the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG) applied for various grants in the Bay Area.

Successful applications or planning grants were as follows:

Regional PEV Planning Grants: BAAQMD applied for and was awarded \$700,000 for the following:

- \$300,000 from USDOE (part of statewide \$1 million grant) – includes Monterey Bay Region (Monterey, Santa Cruz and San Benito)
- \$200,000 from CEC for Bay Area Regional Planning (Co-lead ABAG)
- \$200,000 from CEC for Monterey Bay Regional Planning (partnering with Ecology Action)

Mr. Breen continued the presentation providing the Committee with the requirements of the awards. He stated the USDOE grant is part of a statewide effort, and the Air District has been awarded \$300,000 for the Bay Area/Monterey Region to do the following:

- Produce Bay Area component of statewide PEV deployment plan
- USDOE Funding to be distributed by Air District as follows:
 - \$75,000 to Clean Cities Coalitions to perform plan outreach (an additional \$75,000 in TFCA funding has been allocated to support this effort)
 - \$75,000 to the Air District to hire a consultant to write a Bay Area plan (matched with \$76,209 in Air District staff time)
 - \$150,000 to conduct RFP for 11 components required by USDOE. Funding to be dispersed by the Air District in consultation with the EV Strategic Council (to be matched with \$50,000 in pre-allocated consultant time – (ECOfality))

USDOE grant requirements include the Air District adopt and design a plan for the Bay Area region to support EV deployment in a one year timeframe which ends September 2012. The plan requires eleven elements which include:

- Demonstration of Partnerships
- Description of Partner Roles
- Analysis of Barriers to PEV Implementation
- Current Plans for PEV deployment
- A Deployment Plan (charging infrastructure)
- EV Benefits Communications Plan
- A Utility provider plan for PEV expansion
- A Plan to Update permitting/inspection processes
- A Plan to Update Building codes
- A Plan to update zoning, parking local ordinances
- A Plan for EV Marketing , Education and Outreach plan

Mr. Breen stated the plan does not involve actually completing these plans, but creating a road map. Planning to update zoning, building and inspection processes for local cities and counties will require funding.

He said the CEC has the same goals with a slight difference. USDOE will provide a component that is part of a statewide plan for California, and the CEC will focus on the regional plan for the Bay Area. The Air District has been awarded two \$200,000 CEC grants for PEV planning in the Bay Area and Monterey regions to do the following:

- Produce comprehensive regional PEV deployment plans
- Bay Area - CEC Funding to be distributed by Air District as follows:
 - \$200,000 to hire a consultant to write Bay Area plan
 - Match – Same Funds as USDOE match – (approximately \$200,000)
 - \$75,000 in TFCA funding match for outreach by Clean Cities Coalitions
 - \$76,209 in Air District staff time
 - \$50,000 in consultant time
- Monterey - CEC Funding to be distributed by Ecology Action on behalf of MBEVA; \$53,316 to be provided by Ecology Action in-kind match
- Air District act as fiscal agent for Monterey

Mr. Breen also said that as part of the grant application, the Monterey Bay region requested the Air District would act as its fiscal agent for the CEC funding. Mr. Breen stated the Air District applied for funding along with the Monterey Bay region, which they will provide \$53,000 in in-kind match to match this funding. The Air District will have oversight and fiscal responsibility for this grant.

CEC grant requirements include a two year timeframe commencing on the CEC award. The plan requires ten elements which include:

- PEV deployment guidelines
- Infrastructure location identification
- Region specific planning data
- Permitting, installation and inspection guidelines
- Education and promotion plans for PEV
- Adoption plans for PEV
- Charging pattern data collection plan
- Greenhouse gas emissions estimation
- Integration of PEV into SCS
- Sharing of best practices

Mr. Breen said there is three things that are important which include, the integration of greenhouse gas estimation, integration of PEV program into the strategy for sustainable communities, as well as the sharing of best practices. Mr. Breen stated that California Environmental Quality Act (CEQA) may need to be performed as part of the plan, and this cost will be borne by the Air District and Ecology Action.

In addition, the Air District will engage MTC and other regional agency partners with regard to sharing the cost of conducting a CEQA analysis. Lastly, the grant cannot be used to fund work paid for by other grants.

Next steps are as follows:

- Upon Board approval, execute grant agreements with USDOE and CEC
- Produce planning roadmap in consultation with partners:
 - Regional agencies
 - Bay Area EV Strategic Council
 - CEC
 - South Coast and PEVC
 - MBEVA/Ecology Action
- Produce RFP for a consultant in November/December timeframe, in order to meet the one year timeframe currently in place by USDOE

Staff recommended that the Committee recommend Board of Directors adopt a resolution that authorizes the Executive Officer/APCO to enter into contracts with the South Coast Air Quality Management District (South Coast) and the CEC to receive and expend PEV planning funding; and recognize \$201,209 in allocated TFCA Regional Funds as match monies for both grants from the Transportation Fund for Clean Air (TFCA) Regional Fund.

Committee Comments/Questions:

Director Miley expressed concern that once the consultant is on board the Committee should receive updates on the substance of the planning process, as well as being briefed on how the plan is coming together. Mr. Breen said as part of the RFP process staff will provide the Committee with updates.

Staff expects two rounds of public outreach to city and county planning departments and their administration departments and two rounds of public meetings.

Director Miley asked if there will be additional funding for implementation. Mr. Breen said one of the requirements is updates of all building, permitting, and inspection and the Air District would be required to look at mechanisms to fund the plan.

Public Comments: None.

Committee Action:

Director Hudson made a motion to adopt a resolution that authorizes the Executive Officer/APCO to enter into contracts with the South Coast Air Quality Management District (South Coast) and CEC to receive and expend PEV (plug-in electric vehicles) planning funding; and authorize the allocation of \$200,000 in match funding for both grants from the Transportation Fund for Clean Air (TFCA) Regional Fund. The motion was seconded by Director Miley and carried unanimously without objection.

6. Transportation Fund for Clean Air (TFCA) Regional Funds for Shuttle, Ridesharing and Vanpool Projects

Damian Breen, Director of Strategic Incentives, introduced Environmental Planner Avra Goldman who presented the FYE 2012 TFCA Grants for Shuttle, Ridesharing and Vanpool Projects. Ms. Goldman discussed the background on Transportation Fund for Clean Air (TFCA) Program, proposed FYE 2012 Regional Fund Shuttle, Ridesharing and Vanpool projects, proposed project revision to 10R15.

Ms. Goldman explained that TFCA's revenue source is \$4 surcharge on motor vehicle registration. In addition, 60% of TFCA revenues are allocated directly by the Air District for the following: Air District sponsored programs such as Spare the Air and Smoking Vehicle. The remaining balance is allocated on a competitive basis to projects via Regional Fund Program.

The objectives of the TFCA Program are to fund cost-effective projects that reduce criteria pollutants from motor vehicles and support implementation of the Clean Air Plan.

Ms. Goldman continued with the 2012 Shuttle Ridesharing and Vanpool solicitation. The timeline is as follows:

- 7/18/11 - District Board of Directors:
 - Approved TFCA FYE 2012 Regional Funds policies
 - Allocated up to \$4 million for Shuttle, Ridesharing and Vanpool Projects

- 8/1/11 - Solicitation and Outreach:
 - Call for Projects opened
 - 2 grant application workshops - San Francisco and Redwood City

- 9/1/11 - Received 16 Applications for over \$6.2 M for Shuttle, Ridesharing and Vanpool Projects

Ms. Goldman said out the 16 applications received six projects met a cost effectiveness of \$83,369 per ton of emissions reduced or better. In addition, given that the program was oversubscribed six additional projects were adjusted to a cost effectiveness of \$85,500 per ton, which is 95% of the cost effectiveness of \$90,000 per ton.

Three projects were not recommended for funding due to inability to achieve cost effectiveness of \$90,000 per ton, and one due to an incomplete application. Staff would like Committee to consider increasing funding allocation to award \$4,089,221 for twelve projects. Those projects include:

- 2 Regional Ridesharing Projects - \$1,120,000
- 6 Existing Shuttle Projects - \$2,157,292
- 4 Pilot Shuttle Projects - \$811,929

The estimated emission reductions from the twelve projects are approximately 89 tons per year (tpy) of criteria pollutant and slightly over 24,000 tpy of CO₂.

Proposed award by county:

- Sonoma – 3%
- Alameda – 15%
- Contra Costa – 10%
- Santa Clara – 28%
- San Francisco – 7%
- San Mateo – 28%
- Marin – 3%
- Solano – 3%
- Napa – 3%

Proposed award by project category:

- Regional Ridesharing – 27%
- Existing Shuttle Project – 53%
- Pilot Shuttle – 20%

Ms. Goldman provided the following overview for Project 10R15 Estuary Crossing Bicycle/College Pilot Shuttle which included:

- FY 2010/11, Board approved Project 10R15 sponsored by the City of Alameda
- Project was modified after Board award – shuttle vehicle has less capacity than what was proposed in application, thereby exceeding allowable cost effectiveness (c/e)
- Consider change to allow increase to c/e (to max. amount allowed) at revised (reduced) award amount

<u>Original C/E</u>	<u>Original Board Award</u>	<u>Revised C/E</u>	<u>Proposed Award</u>
\$97,342	\$193,358	\$125,000	\$167,233

Ms. Goldman concluded her presentation requesting the Committee recommend the Board of Directors approve award of \$4,089,221 in TFCA FYE 2012 Regional Funds for Shuttle, Ridesharing, and Vanpool projects listed in Attachment A; authorize the Executive Officer/APCO to enter into agreements for the recommended TFCA FYE 2012 Regional Funds projects; and approve revisions to Project #10R15-Estuary Crossing Bicycle/College Shuttle-Pilot project.

Committee Comments/Questions:

Director Haggerty asked about the MTC 511 ridesharing program and the Spare the Air Program. Ms. Roggenkamp stated that at this time there is no sharing of the Spare the Air brand.

Director Haggerty requested further explanation of the Cal Train Shuttle. Mr. Breen said the particular project moves an estimate one million people annually. In addition, this project serves the Cal Train and the industrial manufacturing base in Silicon Valley. Mr. Breen also said the volume consists of 27 shuttles. Director Haggerty expressed his concern that the Air District is funding routes for a transit agency.

Ms. Roggenkamp stated there is pressure on the TFCA dollars for various projects. Staff can update the Committee on where the TFCA dollars are allocated at a future meeting. Director Haggerty suggested the Mobile Source Committee have a comprehensive discussion regarding TFCA.

Director Miley requested adding CARE communities, as a way of encouraging people to take transit.

Board Chair Bates said funding shuttle service will be worthwhile in the long run.

Director Ross said he would like to see the Air District become more involved with the car sharing program, and be able to provide TFCA funds towards the program. Mr. Breen said the Air District currently has \$500,000 ongoing with City Car Share.

Public Comments: None.

Committee Action:

Director Hudson made a motion to approve TFCA Shuttle, Ridesharing and Vanpool projects listed in Attachment 1; authorize the Executive Officer/APCO to enter into agreements for the recommended TFCA projects on Attachment A in the amount of \$4,089,221; and approve project revisions and Board adopted policy requirement waiver to Project #10R15-Estuary Crossing Bicycle/College Shuttle-Pilot Shuttle project. The motion was seconded by Director Haggerty and carried unanimously without objection.

7. Update on Port Drayage Truck Program

Damian Breen, Director of Strategic Incentives, provided an update on the Port Drayage Truck Program. Mr. Breen said he would provide the Committee with background of the program, provide information of the current drayage truck population, give an analysis of model year 2004 truck population, discuss Air District actions, provide information of the proposed program and discuss next steps.

The drayage truck regulation was adopted by the California Air Resources Board (CARB) in 2007. This requires trucks comply with two phases of the regulation. One portion of the program for 2009, banned 1993 and older drayage trucks, and required 1994 through 2003 trucks to either be replaced or retrofitted. Mr. Breen said there are two additional sets of vehicles that need to come into compliance. By the end of 2011, truck model year 2004, and then in 2012, vehicles with the model year 2005 and 2006 would need to come in compliance.

Mr. Breen said phase two of the regulation will begin in 2013, which will require that all vehicles be upgraded meet a 2007 model year engine emissions standards. Engine model year 1994-2003 affected by this regulation will be 1,700 in the Northern California region. The number of trucks that received grant funding to upgrade was 1,319. In addition, there are 700 trucks with the model year 2004 and 2,150 with the model years 2005 and 2006. All 6,300 vehicles will be affected by the compliance date in 2013, where they will all be required to upgrade to engine model year 2007 standards.

The Air District conducted the following analysis of 2004 model year truck population.

Location	Trucks	Companies	% of total trucks
Alameda	143	74	20.55%
Contra Costa	26	20	3.74%
Santa Clara	25	14	3.59%
San Francisco	15	9	2.16%
San Mateo	12	9	1.72%
Sonoma	12	5	1.72%
Solano	7	4	1.01%
Napa	6	2	0.86%
Marin	1	1	0.14%
Inside Bay Area	247	138	35.49%
Outside Bay Area	449	207	64.51%
TOTAL	696	345	

Mr. Breen said some of the Air District actions at this time are as follows:

- Alameda County Transportation Authority
 - Exploring TFCA County Program Manager funds for Alameda based trucks
 - Looking at other CMAs also
- Port of Oakland
 - Updating truck ban Nov. 3, 2011 to include future effective dates in ARB regulations
 - Cannot commit funding at this time
 - Assisting with outreach to affected parties

- CARB
 - Only loan guarantees available for model year 2004 trucks
 - Requested CARB notify model year 2004 owners of upcoming regulatory deadlines
- USEPA
 - \$1.5 million in funding awarded, however, Federal requirements on funding inflexible and require extensive process

The proposed program will include:

- Request \$1.43 million from Alameda County CMA, for an estimate of \$10,000 per truck
- Match with \$1.04 million in TFCA Regional Fund
- Projects will be cost effectiveness under TFCA but policy exception needed for County Program Manager Funds
- Seek dealers to provide Low cost 2007 model year trucks (\$50-\$60,000)
- Dealers to provide \$12-\$15,000 Trade-in value on model year 2004 trucks
- Air District to provide \$10,000 matching grant for 247 trucks
- Trade in plus grant to equals approximately 50% cost of 2007 MY truck
- Loan guarantee to be provided via CARB - PLACE program for low interest loan for the additional 50% financing needed

Mr. Breen concluded the presentation by providing the following as next steps.

- Staff to work with CMAs, Alameda County to secure funding
- Continue to seek funding from Port of Oakland and support update of truck ban
- Work with ARB on programs timeline
- Gauge interest at upcoming port outreach event (Oct. 29, 2011)
- Seek Board approval in November
- Execute program November/December

Committee Comments/Questions:

Director Miley thanked staff for their efforts in working to resolve this issue. Director Miley also expressed his concern with the Port of Oakland inability to assist with the truck program. In addition, he stated the need for the Air District to express their concerns with CARB not wanting to contact the drayage trucker owners that will be affected by the regulation.

Directory Haggerty requested an update on San Joaquin Air District and that they should be willing to provide assistance.

Director Ross asked what happens to the trucks if they do not comply. Mr. Breen said those trucks would not be allowed in the Port, but they can travel over the road.

Board Chair Bates asked what is the compliance deadline for the drayage trucks. Mr. Breen stated the deadline is 2013.

Public Comments: None.

Committee Action: None.

8. Committee Member Comments:

Director Bates asked about natural gas vehicles. Mr. Breen said in terms of natural gas versus a conventional vehicle the emissions of the tailpipe are the same. The benefit of natural gas is because of greenhouse gas side, as there is not as much carbon in the gas itself.

9. Next Meeting: At the call of the chair.

10. Adjournment: Meeting adjourned at 11:20 a.m.

ISI Vanessa Johnson

Vanessa Johnson
Executive Secretary II