



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

AGENDA: 4

Allocation of Fiscal Year Ending 2025 Transportation Fund for Clean Air 60% Funds

**Policy, Grants, and Technology Committee Meeting
March 20, 2024**

**Minda Berbeco, Ph.D.
Manager, Strategic Incentives
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Action Items



Action items for the Committee to consider recommending the Board of Directors:

1. Approve the proposed allocation of the estimated new Transportation Fund for Clean Air (TFCA) monies to the programs and projects listed in Table 1 for Fiscal Year Ending (FYE) 2025 that will be funded by the 60% portion of the TFCA; and
2. Authorize the proposed cost-effectiveness limits for the Air District-sponsored programs and projects listed in Table 2 that would be paid for by the TFCA 60% Fund.

Outline



- Background on Transportation Fund for Clean Air (TFCA)
- Proposed for TFCA 60% in FYE 2025
 - Allocation of new revenue for Regional Fund and Air District-sponsored programs and projects
 - Cost-effectiveness limits for Air District-sponsored programs
- Recommendations

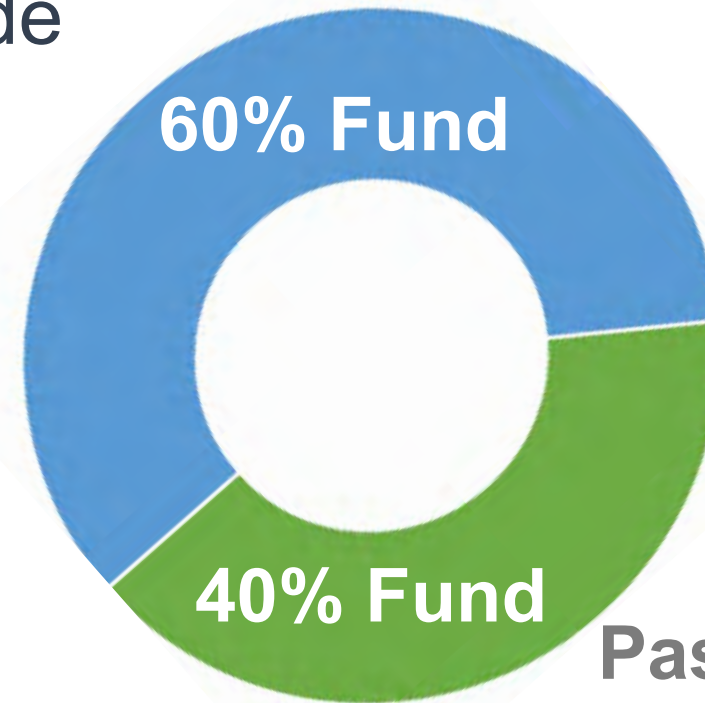
Transportation Fund for Clean Air (TFCA)



- Statutory authority set forth in California Health and Safety Code Sections 44241 and 44242
- Funding provided by a \$4 surcharge on motor vehicles
- \$24 million available for distribution in FYE 2025



Regional Fund & Air District-Sponsored



Passed through to Counties

TFCA Background



- Funds eligible projects that reduce on-road motor vehicle emissions
- Health & Safety Code requires Air District Board of Directors to approve policies and cost-effectiveness (C/E) criteria
- **This item covers the TFCA 60%:**
 - Regional Funds that are awarded to public and private applicants via competitive and non-competitive solicitations
 - Air District Sponsored Programs

Eligible Strategies for Reducing Emissions



Clean Air Vehicles

- Zero emissions vehicles
- Fueling & charging infrastructure
- Vehicle Buy-Back
- Enhanced Mobile Source Inspections



Trip Reduction

- Biking & Walking
- Outreach and Education:
 - Spare the Air
 - Commuter Benefits Program



Proposed FYE 2025 TFCA Funding Allocation



Program Categories	Estimated New TFCA Monies	Estimated Carryover	Estimated Total Funds Available in FYE 2025
Clean Air Vehicles	\$4.00	\$11.00	\$15.00
Trip Reduction	\$3.00	\$0.00	\$3.00
Air District Sponsored Programs	\$4.65	\$9.35	\$14.00
Total Funding Available for Projects and Programs	\$11.65	\$20.35	\$32.00
Admin & Audit	\$1.81	\$0.00	\$1.81
Total Funding	\$13.46	\$20.35	\$33.81

Proposed FYE 2025 TFCA Funding Allocation (cont.)



Clean Air Vehicles \$15 Million

- EV Charging Stations
- Zero-emission Medium- and Heavy-Duty Vehicles and Infrastructure



Trip Reduction \$3 Million

- Bicycle Facilities (bikeways and parking)

Proposed FYE 2025 TFCA Funding Allocation (cont.)



Air District-Sponsored Programs \$14 Million

Outreach and Education:

- ✓ Spare the Air
- ✓ Commuter Benefits Program



Enhanced Mobile Source Inspections

Vehicle Buy Back



Proposed Cost Effectiveness Air District-Sponsored Programs



Program Categories	Max. C/E (per ton of emissions reduced)	Project Operational Period (in Years)
Spare the Air and Commuter Benefits	\$500,000	1
Enhanced Mobile Source Inspections	\$500,000	1
Clean Cars for All	\$522,000	3

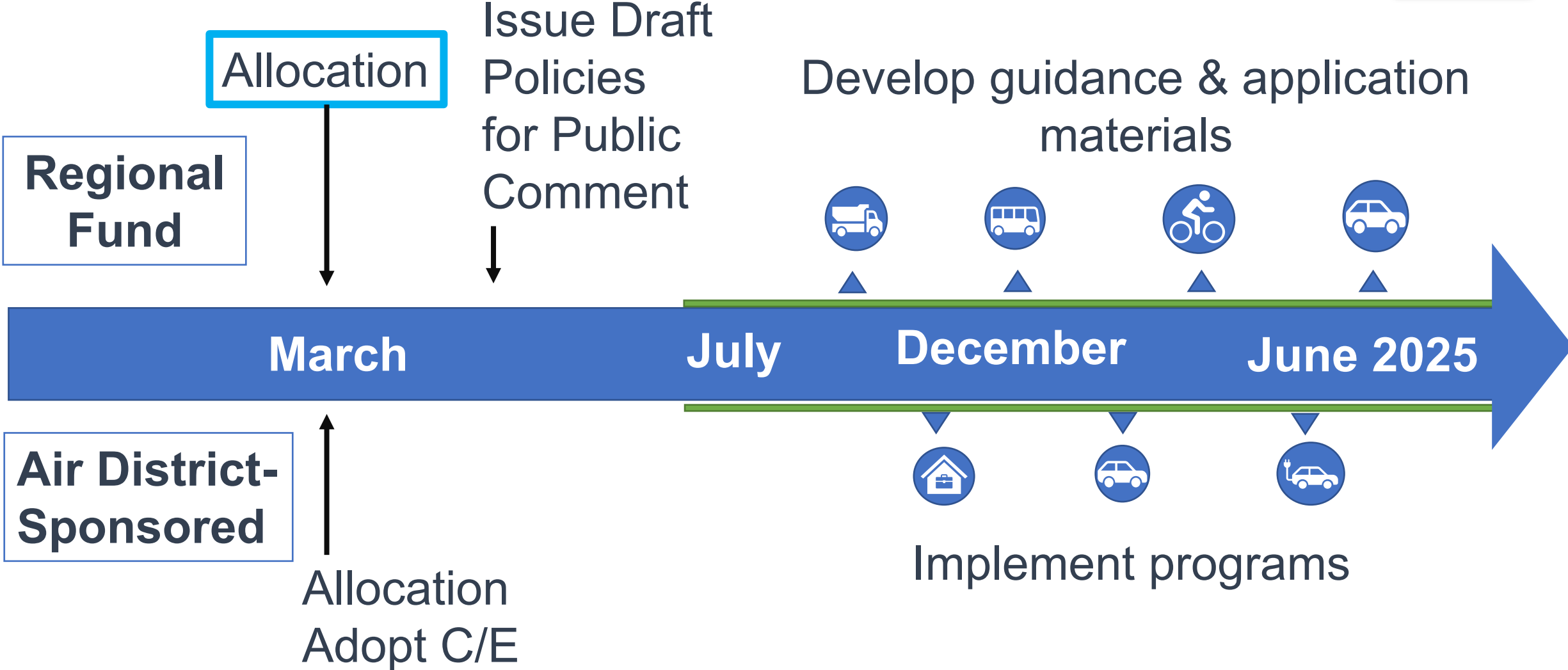
Proposed Cost Effectiveness Air District-Sponsored Programs (cont.)



Program Categories	Max. C/E (per ton of emissions reduced)	Project Operational Period (in Years)
Vehicle Buy Back	\$50,000	3

* Maximum cost-effectiveness for vehicle scrapping if entirely funded by TFCA. If TFCA is used as a match for state funds, all emissions reductions will be claimed by the state program.

FYE 2025 TFCA Timeline



Action Items



***Action items** for the Committee to consider recommending the Board of Directors:*

1. Approve the proposed allocation of the estimated new TFCA monies to the programs and projects listed in Table 1 for Fiscal Year Ending (FYE) 2025 that will be funded by the 60% portion of the TFCA; and
2. Authorize the proposed cost-effectiveness limits for the Air District-sponsored programs and projects listed in Table 2 that would be paid for by the TFCA 60% Fund.



BAY AREA
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AGENDA: 5

State Legislative Bill Review

**Policy, Grants, and Technology Committee Meeting
March 20, 2024**

**Alan Abbs
Legislative Officer
aabbs@baaqmd.gov**

Presentation Outcome



The Policy, Grants, and Technology Committee (Committee) will discuss and consider staff's recommendation for the following legislative bills to recommend to the Board of Directors (Board):

- **Assembly Bill (AB) 2958 (Calderon)** – State Air Resources Board: board members: compensation.
- **AB 3076 (Essayli)** – Energy: gas stoves.
- **Senate Bill (SB) 1298 (Cortese)** – Certification of thermal powerplants: data centers.

Presentation Outline



- Staff will present recommendations for the Committee's consideration to recommend to the Board for three current bills of interest.
- Staff will provide the Committee with a summary and status of other high-priority bills of interest to the Air District.

Presentation Requested Action



The Committee will consider recommending to the Board the following positions on current legislation:

Support

- AB 2958 (Calderon) - State Air Resources Board: board members: compensation.

Oppose

- AB 3076 (Essayli) - Energy: gas stoves.
- SB 1298 (Cortese) - Certification of thermal powerplants: data centers.

Action Item: AB 2958 (Calderon)



State Air Resources Board: board members: compensation.

If passed, AB 2958 would repeal the prohibition on compensation of the members of the state board from air districts and would provide for the per diem amount for all members of the state board.

Current Status: AB 2958 has not yet been referred to a committee and has not yet been set for a hearing.

Staff Recommendation: Support

Action Item: AB 3076 (Essayli)



Energy: gas stoves.

If passed, AB 3076 would prohibit local governments from adopting decarbonization policies, including all-electric new home construction.

Current Status: AB 3076 has not yet been referred to a committee and has not yet been set for a hearing.

Staff Recommendation: Oppose

Action Item: SB 1298 (Cortese)



Certification of thermal powerplants: data centers.

If passed, SB 1298 would increase the size of backup power plants that the California Energy Commission can grant a “small power plant exemption” from environmental review from 100 megawatts to 200 megawatts.

Current Status: Referred to the Senate Energy, Utilities, and Communications Committee.

- It has not yet been set for a hearing.

Staff Recommendation: Oppose

Update: AB 1921 (Papan)



Energy: renewable electrical generation facilities: linear generators.

If passed, AB 1921 would expand the definition of “renewable electrical generation facility” to include a facility that uses linear generators, as defined, using renewable fuels and meets those other specified requirements.

Current Status: Double-referred to the Assembly Utilities and Energy Committee and the Assembly Natural Resources Committee.

- It has not yet been set for a hearing.

Update: AB 2188 (Ta)



Vehicles: pollution control devices.

If passed, AB 2188 would create an exception to this prohibition for a new aftermarket catalytic converter that has been approved for sale and use by the United States Environmental Protection Agency, as specified.

Current Status: Referred to the Assemble Transportation Committee.

- It has not yet been set for a hearing.

Update: AB 2401 (Ting)



Clean Cars 4 All Program.

If passed, AB 2401 would require the implementing regulations for the Clean Cars 4 All Program to additionally ensure that, among other things, incentives provided under the program are available in all areas of the state and that, in those areas where a local air district has not elected to manage the distribution of incentives, the state board manages the distribution of incentives to eligible residents of those areas, and would make certain conforming changes in that regard.

Current Status: Double-referred to the Assembly Transportation Committee and Assembly Natural Resources Committee.

- It has not yet been set for a hearing.

Update: AB 2480 (Garcia)



Carl Moyer Memorial Air Quality Standards Attainment Program: grants: school buses.

If passed, AB 2480 would provide that, notwithstanding any other law, a project to purchase a new zero-emission school bus to replace an internal combustion engine school bus is eligible for a grant under the program regardless of the model year of the associated internal combustion engine.

Current Status: Referred to the Assembly Transportation Committee.

- It has not yet been set for a hearing.

Update: AB 2781 (Irwin)



State grants.

AB 2781 states the intent of the Legislature to enact legislation that would prevent state agencies from contracting, for the purpose of distributing grants, to an organization that is composed of members that would receive the grants.

Current Status: Intent bill. AB 2781 has not yet been referred to a committee and has not yet been set for a hearing.

Update: AB 2851 (Bonta)



Metal shredding facilities: fence-line monitoring.

AB 2851 would express the intent of the Legislature to enact future legislation that would establish a fence-line monitoring standard for all metal shredding facilities in this state. This bill contains other existing laws.

Current Status: Intent bill. AB 2851 has not yet been referred to a committee and has not yet been set for a hearing.

Update: AB 3243 (Ta)



Vehicle registration fees: amnesty.

If passed, AB 3243 would, until January 1, 2026, require the department to accept, in full satisfaction of all delinquent vehicle registration fees, 20% of the total outstanding registration amount for any applicant if specified criteria are met.

Current Status: AB 3243 has not yet been referred to a committee and has not yet been set for a hearing.

Presentation Requested Action (Recap)



The Committee will consider recommending to the Board the following positions on current legislation:

Support

- AB 2958 (Calderon) - State Air Resources Board: board members: compensation.

Oppose

- AB 3076 (Essayli) - Energy: gas stoves.
- SB 1298 (Cortese) - Certification of thermal powerplants: data centers.



Questions / Discussion



BAY AREA
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AGENDA: 6

Air District Board Member Compensation Policy Discussion

**Policy, Grants, and Technology Committee Meeting
March 20, 2024**

**Alan Abbs
Legislative Officer
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Presentation Outcome



- The Policy, Grants, and Technology Committee (Committee) will discuss and consider three options related to amending the Air District's Board of Directors (Board) Compensation Policy in the Health and Safety Code (HSC).
- If an action is selected by the Committee, it will be presented to the full Board for consideration.

Presentation Outline



Staff will present three options for the Committee's consideration.

A brief summary of these options is listed below:

- **Option #1:** Request to participate and provide amendments for South Coast Air Quality Management District (South Coast AQMD) Assembly Bill (AB) 2522 (Carrillo), to include changes to HSC Section 40227.
- **Option #2:** Sponsor a separate bill in the future to amend HSC 40227.
- **Option #3:** Decline to take any action

Presentation Requested Action



Committee action to recommend to the Board of Directors (Board):

1. Request to participate and provide amendments to the South Coast AQMD sponsored *AB 2522 (Carrillo) - South Coast Air Quality Management District: district board: compensation* – to include changes to Health and Safety Code (HSC) section 40227 relative to board compensation for the Bay Area AQMD Board; or
2. Sponsor a separate bill in the future to amend HSC 40227 relative to board compensation for the Bay Area AQMD Board; or
3. Decline to take any action.

Current Statute – HSC 40227



- Most recently amended by AB 2721 (Lee, Chapter 501, Statutes of 2022) which was sponsored by the Air District.
- Prior to the enactment of AB 2721, Board compensation was not to exceed \$100 per day for attending meetings, and not to exceed \$6,000 per year.
- After the enactment of AB 2721, Board compensation was changed from a \$100 per day maximum for attending meetings, to a maximum of \$100 per meeting, not to exceed \$200 per day, and not to exceed \$6,000 per year.

Option #1



Request to participate and provide amendments to the South Coast AQMD sponsored AB 2522 (Carrillo) - South Coast Air Quality Management District: district board: compensation – to include changes to HSC section 40227 relative to board compensation for the Bay Area AQMD Board.

Action Summary (if approved): This option would direct staff to provide amendments to the South Coast AQMD for potential inclusion in AB 2522. Within this option, there are several potential sub-options, as noted on the following slide.

Option #1 (cont.)



- Amending current statute in a way that would generally conform to the South Coast AQMD amendments, providing \$200 per day with a cap of \$2,000 per month.
- Amending current statute, either using the above amounts or different amounts, and including language that would further subject compensation to the Bay Area AQMD's Administrative Code. Through separate Board action, were the bill to be signed into law, the Administrative Code could state that the compensation policy is to be determined by the Bay Area AQMD's Board, up to a maximum amount that is established in the amended HSC section 40227.

Option #2



Sponsor a separate bill in the future to amend HSC 40227 relative to board compensation for the Bay Area AQMD Board.

Action Summary (if approved): This option would direct staff to sponsor a Bay Area-specific bill to amend HSC 40227 with different compensation amounts. Given legislative timelines, this would not happen until 2025 at the earliest.

Option #3



Decline to take any action.

Action Summary (if approved): The Committee will inform the Board at a future Board meeting that the Committee discussed and considered possible changes to the existing HSC section 40227 and no further action is recommended at this time.

Recap: Presentation Requested Action



Committee action to recommend to the Board of Directors (Board):

1. Request to participate and provide amendments to the South Coast AQMD sponsored *AB 2522 (Carrillo) - South Coast Air Quality Management District: district board: compensation* – to include changes to Health and Safety Code (HSC) section 40227 relative to board compensation for the Bay Area AQMD Board; or
2. Sponsor a separate bill in the future to amend HSC 40227 relative to board compensation for the Bay Area AQMD Board; or
3. Decline to take any action.



Questions / Discussion



BAY AREA
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AGENDA: 7

Air District Sponsored and Co-Sponsored Bills

**Policy, Grants, and Technology Committee Meeting
March 20, 2024**

**Alan Abbs
Legislative Officer
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Presentation for Information Only



No action required.

Presentation Outline



Sponsored Bills

- **AB 1465 (Wicks)** – Nonvehicular air pollution: civil penalties.
- **SB 1095 (Becker)** – Cozy Homes Cleanup Act: building standards: gas-fuel-burning appliances.

Co-Sponsored Bills

- **AB 2298 (Hart, et al.)** – Coastal resources: voluntary vessel speed reduction and sustainable shipping program.
- **SB 382 (Becker)** – Single-family residential property: disclosures.

AB 1465 (Wicks)



Nonvehicular air pollution: civil penalties.

- Introduced by Assemblymember Wicks on February 17, 2023.
- Passed the referred Committees and Floor in the Assembly and made its way to the Senate Floor after passing the Senate Judiciary and Senate Environmental Quality Committees.
- Ordered to the inactive file on September 6, 2023, and may be taken up at a later date.
- Position: Sponsor

AB 2298 (Hart, et al.)



Coastal resources: voluntary vessel speed reduction and sustainable shipping program.

- Introduced by Assemblymember Hart, Bennett, and Connolly on February 12, 2024.
- Double-referred to the Assembly Water, Parks, and Wildlife Committee and the Assembly Natural Resources Committee.
 - Scheduled for a hearing in the Assembly Water, Parks, and Wildlife Committee on March 19, 2024.
- Position: Co-Sponsor

SB 382 (Becker)



Single-family residential property: disclosures.

- Introduced by Senator Becker on February 9, 2023, and most recently amended on January 4, 2024.
- Currently awaiting referral to a committee in the Assembly.
- Position: Co-Sponsor

SB 1095 (Becker)



Cozy Homes Cleanup Act: building standards: gas-fuel-burning appliances.

- Introduced by Senator Becker on February 12, 2024.
- Double-referred to the Senate Housing Committee and Senate Judiciary Committee.
 - Scheduled to be heard in the Senate Housing Committee on March 19, 2024.
- Position: Sponsor



Questions / Discussion



BAY AREA
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AGENDA: 8

Update on United States Environmental Protection Agency (USEPA) Climate Pollution Reduction Grant

**Policy, Grants, and Technology Committee Meeting
March 20, 2024**

**Jamesine Rogers Gibson
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Presentation Outcome



Provide an update on the United States Environmental Protection Agency (USEPA) Climate Pollution Reduction Grant, including the recently-submitted Priority Climate Action Plan and next steps related to the Comprehensive Climate Action Plan.

Presentation Outline



- Grant Overview
- Planning Deliverables
- Priority Measures
- Next Steps

Requested Action



- None; informational item

USEPA Climate Pollution Reduction Grant Overview



Funding for Climate Planning

- Metropolitan Areas receiving \$1 million for plan development
 - *North/Central Metro Area: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo counties, portions of Sonoma and Solano counties*
 - *South Metro Area: Santa Clara and San Benito counties*

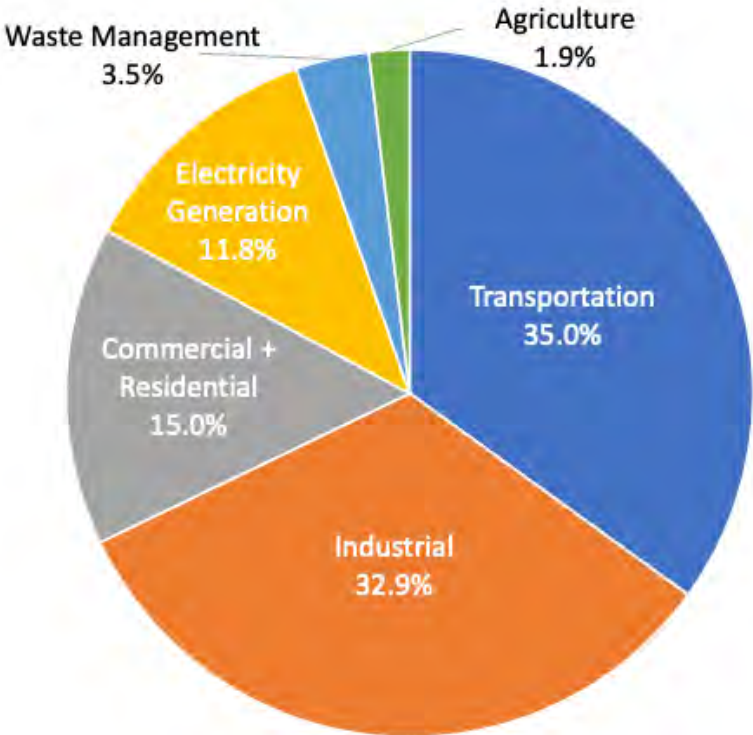
Funding for Project Implementation

- Nationally-competitive **\$4.3 billion** to implement measures in plans
- Must reduce greenhouse gas emissions, benefit low-income, disadvantaged “frontline” communities, be transformative, and fill address funding gaps

Bay Area Regional Climate Action Planning (BARCAP) Initiative



The USEPA grant is funding the *Bay Area Regional Climate Planning Initiative*



2022 greenhouse gas inventory for the Bay Area region by sector. Total of 59.9 MMTCO₂e.

BARCAP Planning Deliverables



Phase 1: Priority Climate Action Plan (due Mar 1, 2024)

- Targeted plan focusing on high-priority sectors with a short list of high-priority, near-term GHG reduction measures

Phase 2: Comprehensive Climate Action Plan (due Sept 2025)

- Comprehensive plan covering all sectors and sinks, including GHG inventory, projections, targets, and measures

Input from the Advisory Work Group



Met monthly to discuss and make decisions on key aspects of the Priority Climate Action Plan. Members include:



City of
Oakland



Input from Local Governments



- Review of existing city and county climate action plans
- Three surveys of city and county staff followed by interviews
- County-led and CCA-led forums for city and county staff and community-based organizations
- Interviews with regional and county transportation agencies
- Measure Design Working Sessions to develop measures

Building Upon Community Engagement Efforts



July – September 2023

Air District synthesized findings from:

- Recent community engagement efforts of local and regional planning efforts
- Local government community engagement survey
- Meetings with community-based organizations

September – December 2023

A roundtable of community-serving organizations:

- Reviewed community engagement synthesis and added further priorities to reflect community needs and priorities
- Participated in Measure Design Working Sessions

Measure Design Working Sessions



- 80+ stakeholders (*local governments, regional agencies, CBOs, CCAs, PG&E, Roundtable members, subject matter expert NGOs, non-profit housing developers, non-profits who conduct retrofits, bike advocacy organizations, representatives from organized labor and workforce training, and others*)
- Participants developed
 - Design principles to guide measure development
 - Detailed measure descriptions
 - Suggestions for potential implementation grant proposals and partners



Priority Measure Focus Areas for PCAP



Existing residential
building
decarbonization



Mode shift through
mobility hubs





Holistic Building Decarbonization for Clean, Healthy, and Secure Housing



Accelerate electrification and energy efficiency retrofits in existing homes, prioritizing homes located in frontline communities

- **Retrofits through Incentives and Direct Installations**
 - *Electrify existing homes*
 - *Address deferred maintenance and health and safety concerns*
 - *Include efficiency measures, demand response, load shifting, and resident education*
- **Community Work Group to advise on and participate in implementation**
- **Workforce development and contractor support**
- **Housing security and policy support**

Safe, Accessible, Clean, and Equitable Multi-Modal Transportation



Reduce single occupancy VMT by creating Mobility Hubs in frontline communities that facilitate trips by alternate modes

- **First-mile, last-mile connectivity improvements**
 - *Bicycle and pedestrian facility improvements, incorporating complete streets and vision zero*
 - *Micro-mobility, bikeshare, and e-bikeshare*
 - *EV Carshare and EV Charging (on-site and in adjacent area)*
- **Multi-modal connectivity improvements**
- **Discounted fare and bike share passes, e-bike incentives**
- **CBO engagement and participatory processes to inform design of hubs**
- **Outreach and education to the community, with a special focus on youth**

Implementation Grant Proposals



Lead Applicants must submit proposals by April 1, 2024



**Association of
Bay Area Governments**



**METROPOLITAN
TRANSPORTATION
COMMISSION**



Timeline

- Implementation grant proposals deadline is April 1, 2024
- Comprehensive Climate Action Plan engagement begins in Spring 2024
- Final Comprehensive Climate Action Plan submitted to USEPA Sept 2025

Questions/Discussion

