



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

AGENDA: 4

Projects and Contracts with Proposed Grant Awards Over \$500,000

**Policy, Grants, and Technology Committee Special Meeting
July 10, 2024**

**Clair Keleher
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Action Items



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

1. Approve five recommended projects with proposed grant awards over \$500,000 as shown in Attachment 1; and
2. Authorize the Executive Officer/Air Pollution Control Officer to enter into all necessary agreements with applicants for the recommended projects.

Outline



- Background and funding sources
- Proposed Projects with Grants Over \$500k
- Status of incentive funding in Fiscal Year Ending (FYE) 2024
 - Funds available and awarded as of 6/13/24
 - Community benefits & project locations as of 6/13/24
- Recommendations

CMP/MSIF, CAP, and FARMER



Carl Moyer
Program
(CMP)

Funding Agricultural
Replacement Measures
for Emission
Reductions **(FARMER)**

Community Air
Protection **(CAP)**
Incentives

Mobile
Source
Incentive
Fund
(MSIF)

California Air Resources Board
\$104.6 Million (M)

DMV Fees
\$11.2M

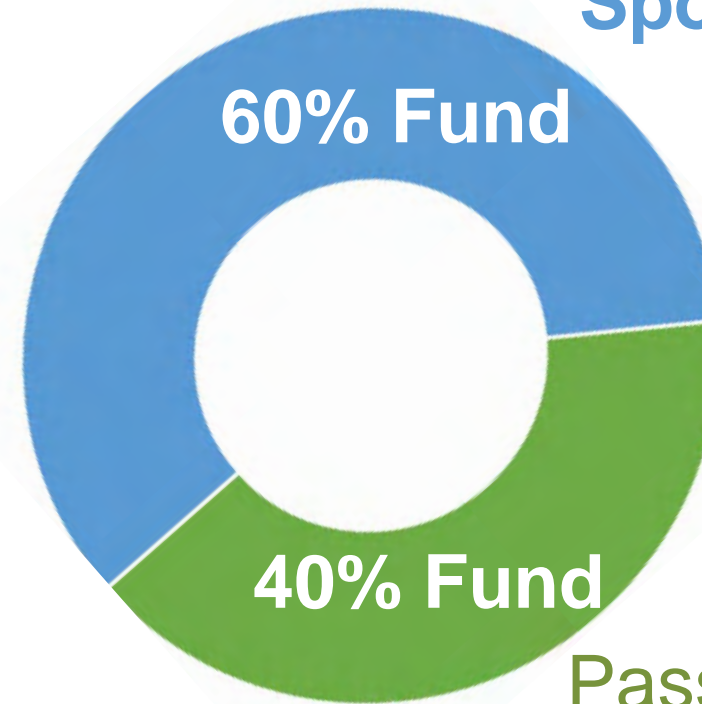
Transportation Fund for Clean Air (TFCA)



- Statutory authority set forth in California Health and Safety Code Sections 44241 and 44242
- Funding provided by a \$4 surcharge on motor vehicles
- **\$29.5M** available for distribution through 60% Fund in FYE 2024



Regional Fund
& Air District-
Sponsored



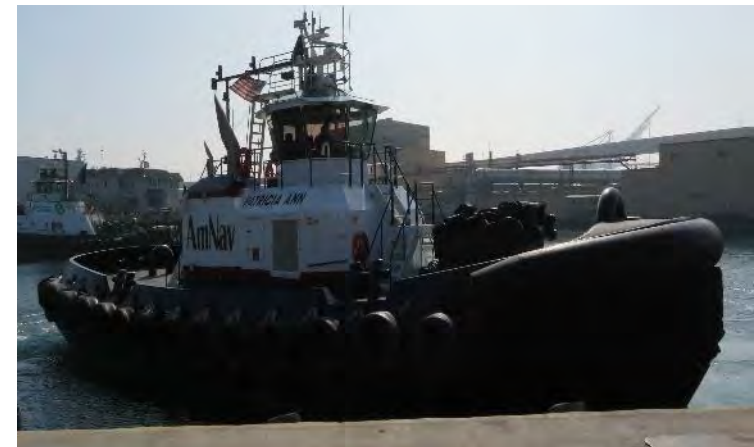
Passed through
to Counties

Proposed Projects



Recommend \$19,572,776 in awards for five projects that will:

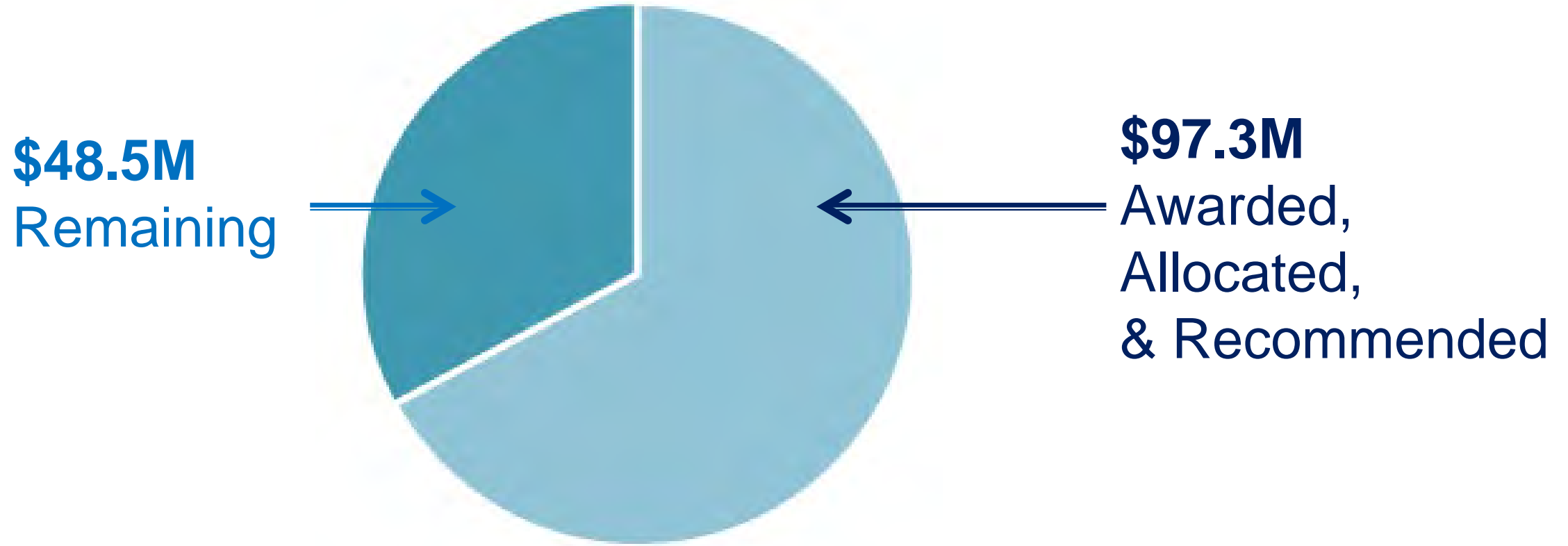
- Replace 29 diesel school buses with zero-emission electric school buses and install supporting infrastructure
- Repower two older diesel marine engines with diesel hybrid-electric technology



Emissions Reductions

- Over 4.3 tons per year of criteria pollutants

Incentive Funds Awarded & Remaining since July 2023



Updated as of 6/13/2024

List of all projects is shown in Attachment 3

Funds Awarded by Project Category since July 2023



Total = \$97.3M



**Light-duty
Infrastructure
and Cars**

**Trucks
&
Buses**

**School
Buses**

**Off-road
Equipment**

**Marine
& Rail**

**Air District
Sponsored**

\$7.1M

\$20.1M

\$31.5M

\$18.5M

\$17.7M

\$2.4M

Updated as of 6/13/2024

Funds Awarded by County since July 2023



\$97.3M

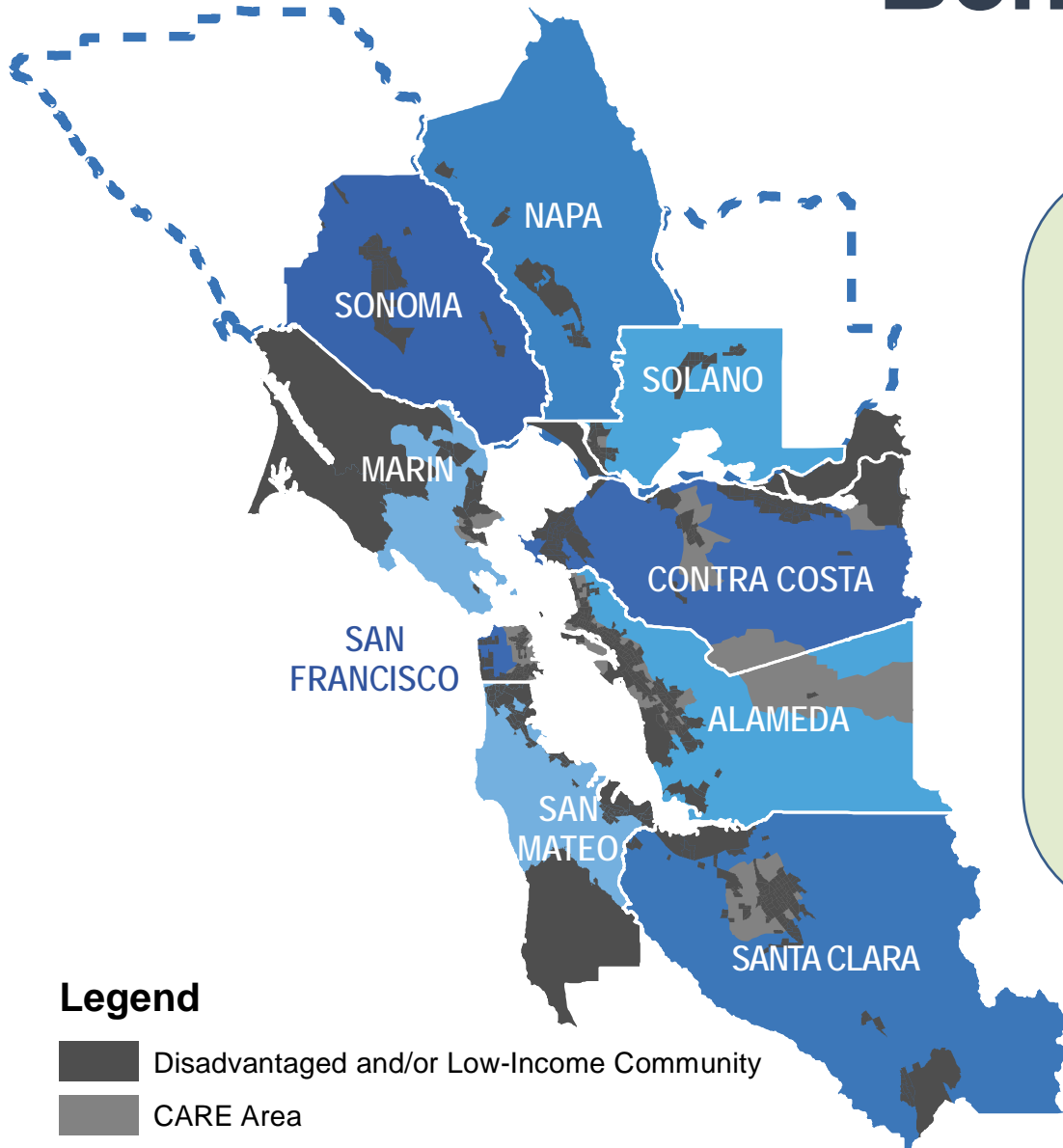
Total Funds Awarded

Projects estimated to achieve emissions reductions of *148.8 tons/year, including nitrogen oxide (NOx), reactive organic gases (ROG), particulate matter (PM).

*Reductions from regional allocations not reported.

| COUNTY | FUNDS AWARDED | |
|---------------|---------------|--------|
| Alameda | \$ 45.4M | 46.8 % |
| Contra Costa | \$ 8.1M | 8.3 % |
| Marin | \$ 0.6M | 0.7 % |
| Napa | \$ 5.7M | 5.8 % |
| San Francisco | \$ 4.1M | 4.2 % |
| San Mateo | \$ 5.8M | 5.9 % |
| Santa Clara | \$ 16.3M | 16.7 % |
| Solano | \$ 6.1M | 6.3 % |
| Sonoma | \$ 5.2M | 5.3 % |

Benefits to Priority Areas since July 2023



~\$80.9M to projects benefitting Priority Areas

- Assembly Bill (AB) 617 Selected Communities
- Disadvantaged communities
- Low-income communities
- Community Air Risk Evaluation (CARE) areas



Total Awards = \$97.3M

~\$3.1M allocated to regional grants

Recommendations



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

1. Approve five recommended projects with proposed grant awards over \$500,000 as shown in Attachment 1; and
2. Authorize the Executive Officer/Air Pollution Control Officer to enter into all necessary agreements with applicants for the recommended projects.



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AGENDA: 5

Reconsideration of Board-Approved Position for Senate Bill 1298 (Cortese)

**Policy, Grants, and Technology Committee Special Meeting
July 10, 2024**

**Viet Tran
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Presentation Outcome



The Committee will discuss and consider recommending the Board of Directors remove the current Board-approved position of “Oppose Unless Amended” and move the Air District to a “Neutral” position on the following bill:

- **Senate Bill (SB) 1298 (Cortese)** – Certification of thermal powerplants: data centers.

Presentation Requested Action



Recommend to the Board the following change in a Board-approved position on current legislation:

Remove the Air District's current Board-approved position of "Oppose Unless Amended" and move to a "Neutral" position for SB 1298 (Cortese) - Certification of thermal powerplants: data centers.

Bill Summary



Certification of thermal powerplants: data centers.

SB 1298 would increase the size of backup power plants that the California Energy Commission can grant a “small power plant exemption” (SPPE) from environmental review from 100 megawatts to 150 megawatts.

Reason for Reconsideration



SB 1298 was recently amended to include the below requirement before the California Energy Commission allows use of the SPPE program:

“The commission obtains a determination from the applicable air pollution control district or air quality management district that the facility’s backup generation technology meets the best available control technology requirements, as defined in Section 40405 of the Health and Safety Code. The applicable air pollution control district or air quality management district shall report its determination to the commission pursuant to this subparagraph.”



Certification of thermal powerplants: data centers.

- Passed the referred Committees and Floor in the Senate.
 - Energy, Utilities, and Communications (4/16/24) | Appropriations (5/6/24) | Appropriations – Suspense File (5/16/24) | Senate – Floor (5/22/24)
- Originally double-referred to the Assembly Utilities and Energy Committee and Assembly Labor and Employment Committee, however, it has since additionally been referred to the Assembly Natural Resources Committee.
 - Utilities and Energy (6/19/24): Passed | Vote: 14-0

Bill Status (cont.)



Certification of thermal powerplants: data centers.

- Next Step: Assembly Natural Resources Committee hearing on July 1, 2024, and the Assembly Labor and Employment Committee on July 2, 2024.

Position: Oppose Unless Amended



Recap: Presentation Requested Action

Recommend to the Board the following change in a Board-approved position on current legislation:

Remove the Air District's current Board-approved position of "Oppose Unless Amended" and move to a "Neutral" position for SB 1298 (Cortese) - Certification of thermal powerplants: data centers.



Questions / Discussion



BAY AREA
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AGENDA: 6

State and Federal Legislative Update

**Policy, Grants, and Technology Committee Special Meeting
July 10, 2024**

**Viet Tran
Deputy Executive Officer of Public Affairs
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Presentation for Information Only



No action required.

Presentation Outline



Updates provided for the following:

1. Air District Sponsored and Co-Sponsored Bills
 - Assembly Bill (AB) 1465, AB 2298, Senate Bill (SB) 382, and SB 1095.
2. Board-Approved Position Bills
 - AB 817, AB 1894, AB 2522, AB 2851, AB 2958, SB 537, SB 674, SB 1158, and SB 1193.
 - Staff Note: SB 1298 was previously discussed as its own item during the Action Items portion of the meeting agenda.
3. Other Bills of Interest
 - SB 1234
4. State Budget for Fiscal Year (FY) 2024-25
5. Recent Federal Activities



Air District Sponsored and Co-Sponsored Bills

AB 1465 (Wicks)



Nonvehicular air pollution: civil penalties.

AB 1465 triples the penalties for air pollution violations if a Title V source, as defined, discharges one or more specified air contaminants.

AB 1465 (Wicks) (cont.)



Nonvehicular air pollution: civil penalties.

- Passed the referred Committees and Floor in the Assembly.
 - Natural Resources (4/17/23) | Judiciary (4/25/23) | Appropriations (5/10/23) | Assembly Floor (6/1/23)
- Passed the referred Committees in the Senate.
 - Environmental Quality (7/5/23) | Senate Judiciary (7/11/23)
- Next Step: On July 1, 2024, the bill was removed from the inactive file and is currently awaiting a vote on the Senate Floor.
- Position: Sponsor

AB 2298 (Hart, et al.)



Coastal resources: Protecting Blue Whales and Blue Skies Program.

AB 2298 will require the State to coordinate with important stakeholders, such as federal and local agencies, nonprofits, and the marine industry, to expand the current *Protecting Blue Whales and Blue Skies* voluntary vessel speed reduction program into a statewide voluntary vessel speed reduction program.

AB 2298 (Hart, et al.) (cont.)



Coastal resources: Protecting Blue Whales and Blue Skies Program.

- Passed the referred Committees and Floor in the Assembly.
 - Water, Parks, and Wildlife (3/15/24) | Natural Resources – Consent (4/5/24) | Appropriations (5/16/24) | Assembly Floor (5/22/24)
- Double-referred to the Senate Natural Resources & Water Committee and the Senate Environmental Quality Committee.
 - Natural Resources & Water (6/11/24): Passed | Vote: 11-0
- Next Step: Environmental Quality Committee hearing on July 3, 2024.

Position: Co-Sponsor

SB 382 (Becker)



Single-family residential property: disclosures.

SB 382 would, on or after January 1, 2026, require a seller of a single-family residential property to deliver a specified disclosure statement to the prospective buyer regarding the electrical systems of the property, except as specified, and to disclose, in writing, the existence of any state or local requirements relating to the future replacement of existing gas-powered appliances that are being transferred with the property, as specified.

SB 382 (Becker) (cont.)



Single-family residential property: disclosures.

- Passed the referred Committees and Floor in the Senate.
 - Labor, Public Employment and Retirement (4/26/23) | Appropriations (5/8/23) | Judiciary (1/11/24) – Consent | Senate Floor – Consent (1/18/24)
- Staff Note: As of June 3, 2024, the bill includes language regarding additional disclosures related to the purchase of zero-emission appliances for replacement purposes.

SB 382 (Becker) (cont.)



Single-family residential property: disclosures.

- Passed the referred Committee and Floor in the Assembly on consent.
 - Judiciary – Consent (6/11/24) | Assembly Floor – Consent (6/20/24)
- Next Step: Back on the Senate Floor for Concurrence of the amendments made in the Assembly.
- Position: Sponsor

SB 1095 (Becker)



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

SB 1095 would make specified changes to the Manufactured Housing Act, State Housing Law, and the Davis-Sterling Common Interest Development Act to facilitate the installation of electric water heaters, space heating systems, and appliances in manufactured homes, mobilehomes, and homes within a common interest development, as specified. The bill would also require the Department of Housing and Community Development to develop and revise related rules and regulations by July 1, 2026, as specified.

SB 1095 (Becker) (cont.)



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

- Double-referred to the Senate Housing Committee and Senate Judiciary Committee.
 - Housing (3/19/24): Passed | Vote: 7-1
 - Judiciary (4/2/24) : Passed | Vote: 11-0
- Final Status: Held under submission in the Senate Appropriations Committee due to fiscal concerns. The bill is dead.
- Position: Sponsor



Board-Approved Position Bills

AB 817 (Pacheco)



Open meetings: teleconferencing: subsidiary body.

AB 817 allows, until January 1, 2026, a subsidiary body of a local agency to teleconference without meeting all of the teleconferencing requirements of the Ralph M. Brown Act. Builds on pandemic-era rules to boost accessibility to local civic leadership opportunities.

AB 817 (Pacheco) (cont.)



Open meetings: teleconferencing: subsidiary body.

- Passed the referred Committee and Floor in the Assembly.
 - Local Government (1/10/24) | Assembly Floor (1/25/24)
- Double-referred to the Senate Local Government Committee and the Senate Judiciary Committee.
 - Local Government (6/5/24): Failed | Vote: 0-4
- Next Step: Reconsideration was granted but it does not appear like the bill will move forward this year.

Position: Support

AB 1894 (Ta)



Nonvehicular air pollution: civil penalties.

AB 1894 would require an air district to allow small business, as defined, a minimum of 30 days, and up to 60 days, to rectify a violation before the air district can issue a Notice of Violation.

AB 1894 (Ta) (cont.)



Nonvehicular air pollution: civil penalties.

- Double-referred to the Assembly Natural Resources Committee and the Assembly Judiciary Committee.
- The bill was set to be heard in Assembly Natural Resources but was canceled at the request of the author.
- Failed to meet the deadline for fiscal bills to get out of their referred policy committees. This bill is dead.

Position: Oppose

AB 2522 (Carrillo)



Air districts: governing boards: compensation.

AB 2522 will increase outdated compensation limits for board members of local air districts and would authorize an annual increase going forward.

AB 2522 (Carrillo) (cont.)



Air districts: governing boards: compensation.

- Passed the referred Committees and Floor in the Assembly.
 - Natural Resources (4/8/24) | Assembly Floor - Consent (4/18/24)
- Double-Referred to the Senate Environmental Quality Committee and the Senate Local Government Committee.
 - Environmental Quality (6/5/24): Passed | Vote 5-0
 - Local Government (6/27/24): Passed | Vote 4-3
- Staff Note: On June 19, 2024, the bill was expanded from being a South Coast-specific bill and now includes additional air districts, including the Bay Area.

AB 2522 (Carrillo) (cont.)



Air districts: governing boards: compensation.

- Next Step: Ordered to the Senate Floor.
- Position: Support

AB 2851 (Bonta)



Metal shredding facilities: fence-line air quality monitoring.

AB 2851 requires the Department of Toxic Substances Control, in consultation with local air districts, to develop requirements for facility-wide fence-line air quality monitoring at metal shredding facilities, as specified.

AB 2851 (Bonta) (cont.)



Metal shredding facilities: fence-line air quality monitoring.

- Passed the referred Committees and Floor in the Assembly. Environmental Safety and Toxic Materials (4/9/24) | Natural Resources (4/22/24) | Appropriations (5/16/24) | Assembly Floor (5/23/24)
- Referred to the Senate Environmental Quality Committee.
- Next Step: Senate Environmental Quality Committee hearing on July 3, 2024.

Position: Support

AB 2958 (Calderon)



State Air Resources Board: board members: compensation.

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.

AB 2958 (Calderon) (cont.)



State Air Resources Board: board members: compensation.

- Passed the referred Committees and Floor in the Assembly.
Natural Resources (4/8/24) | Appropriations (5/16/24) |
Assembly Floor (5/23/24)
- Referred to the Senate Environmental Quality Committee
- Next Step: Senate Environmental Quality Committee hearing on
July 3, 2024.

Position: Support

*SB 537 (Becker)



Department of General Services: memorial to forcibly deported Mexican Americans and Mexican immigrants.

- ***Previous Topic: Open Meetings: Multijurisdictional, Cross-County Agencies: Teleconferences.***

Staff Note: SB 537 was gut and amended on June 10, 2024, and no longer pertains to the Air District.

SB 674 (Gonzalez)



Air pollution: covered facilities: community air monitoring systems: fence-line monitoring systems.

SB 674 makes several changes to the fence-line monitoring system program for communities and petroleum refineries, including expanding the program to include monitoring for biofuel refineries and additional pollutants, applying to contiguous or adjacent refinery-related facilities, increasing the standards for data quality, and providing enhanced processes for notifying affected communities.

SB 674 (Gonzalez) (cont.)



Air pollution: covered facilities: community air monitoring systems: fence-line monitoring systems.

- Passed the referred Committees and Floor in the Senate.
 - Environmental Quality (3/29/23) | Judiciary (4/18/23) | Senate Floor (5/22/23)
- Passed the referred Committees and Floor in the Assembly.
 - Natural Resources (6/26/23) | Judiciary (7/11/23) | Appropriations (8/23/23) | Assembly Floor (7/1/24)
- Next Step: The bill was sent back to the Senate Floor for concurrence of those amendments – vote pending.

Position: Support

SB 1158 (Archuleta)



Carl Moyer Memorial Air Quality Standards Attainment Program.

SB 1158 would extend the time air districts have to disburse Carl Moyer Program funds from four to six years.

SB 1158 (Archuleta) (cont.)



Carl Moyer Memorial Air Quality Standards Attainment Program.

- Passed the referred Committees and Floor in the Senate.
 - Environmental Quality (3/20/24) | Transportation (4/23/24) | Senate Floor (5/9/24) – On Consent
- Double-referred to the Assembly Transportation Committee and the Assembly Natural Resources Committee.
 - Transportation (6/17/24): Passed – Consent | Vote: 15-0
 - Natural Resources (6/24/24): Passed – Consent | Vote: 10-0
- Next Step: Assembly Appropriations Committee
- Position: Support

SB 1193 (Menjivar)



Airports: leaded aviation gasoline.

SB 1193 would prohibit an airport operator or aviation retail establishment, as defined, from selling, distributing, or otherwise making available leaded aviation gasoline to consumers on or after January 1, 2031, as provided. Because these provisions would be a part of the State Aeronautics Act, the bill would impose a state-mandated local program.

SB 1193 (Menjivar) (cont.)



Airports: leaded aviation gasoline.

- Passed the referred Committees and Floor in the Senate.
 - Transportation (4/9/24) | Appropriations (4/29/24) | Appropriations – Suspense File (5/16/24) | Senate Floor (5/22/24)
- Double-referred to the Assembly Transportation and Assembly Local Government.
 - Transportation (6/17/24): Passed | Vote: 11-1
 - Local Government (6/26/24): Passed | Vote: 8-0

Next Step: Assembly Appropriations Committee – hearing date pending.

Position: Support



Other Bill(s) of Interest

SB 1234 (Allen)



Hazardous materials: metal shredding facilities.

SB 1234 would establish a new statutory framework to ensure comprehensive and safe regulation of metal shredding facilities in California. The new framework would be administered and enforced by the Department of Toxic Substances Control and mirrors the Department's existing regimes.

SB 1234 (Allen) (cont.)



Hazardous materials: metal shredding facilities.

- Staff Note: SB 1234 was gut and amended on June 10, 2024, to its current form. Because of this, previous votes are not being included. If the bill makes it through the Assembly process it will need to go back to the Senate for Concurrence of the amendments made in the Assembly.

SB 1234 (Allen) (cont.)



Hazardous materials: metal shredding facilities.

- Double-referred to the Assembly Environmental Safety and Toxic Materials Committee and the Assembly Local Government Committee.
 - Environmental Safety and Toxic Materials (6/25/24):
Passed | Vote: 7-0
- Next Step: As of this writing, the bill will next be heard in the Assembly Appropriations Committee – hearing date pending – and will not be scheduled for a hearing in the Assembly Local Government Committee.

Position: None



State Budget Update FY 2024-25

State Budget Update



On June 22, 2024, the Legislature and the Governor reached an agreement on the Budget Act of 2024 in the form of budget bill juniors and trailer bills. The final agreement closes a budget shortfall of over \$45 billion. The whole of the budget package includes the Budget Bill, budget bill juniors, and trailer bills.

A table of programs significant to the Air District, along with budget data from the previous year is included as an attachment to this agenda item.

Staff Note: These items may be subject to change based on future budget adjustments.

State Budget Update (cont.)



Some key takeaways from the budget deal:

- Approves \$250 million per year for AB 617 for the next 5 years.
 - \$195 million – Incentives
 - \$50 million – Implementation
 - \$5 million – Community Grants
- Approves the extension of the Prescribed Burn Reporting and Monitoring Grant Program beyond 2023-24.
 - \$3 million in this year's budget for air districts compared to \$2 million in previous budget years.
- Loans \$300 million from the Air Pollution Control Fund Loan to the General Fund.

State Budget Update (cont.)



Some key takeaways from the budget deal (continued):

- **Clean Cars for All: No funding in this budget.**
 - New statutory changes that requires the California Air Resources Board (CARB) to annually report to the Legislature the amount of funding allocated by CARB to the statewide Clean Cars 4 All Program and to each local district Clean Cars 4 All program and requires CARB to shift previously appropriated funds to district programs if processed demand exists.
- **Delays \$100 million from the Ports and Freight Infrastructure Program of the \$1.2 billion total, leaving \$1 million for 2024-25.**

State Budget Update (cont.)



Some key takeaways from the budget deal (continued):

- Includes \$8.4 million from Greenhouse Gas Reduction Fund for the implementation of Climate Corporate Data Accountability Act: Chapter 382, Statutes of 2023 (SB 253) and Climate-Related Financial Risk: Chapter 383, Statutes of 2023 (SB 261).

State Budget Update (cont.)



Budget Bills Reference:

- AB 107 (Gabriel) – Budget Act of 2024 – Chaptered
 - Budget Bill
- SB 108 (Wiener) – Budget Act of 2024 – Chaptered
 - Budget Bill Junior – Makes amendments to Budget Act of 2024 to reflect the deal made by the Legislature and the Governor.
- SB 109 (Wiener) – Budget Act of 2023 – Chaptered
 - Budget Bill Junior – Makes amendments to Budget Act of 2023.
- SB 156 (Committee on Budget and Fiscal Review) – Enrolled
 - Public Resources: Omnibus Budget Trailer Bill



Recent Federal Activities

Pending Federal Legislation



- California Congressmen Salud Carbajal (CA-24) and Jared Huffman (CA-02) recently announced they are introducing legislation (H.R. 8726) to create a new federal program encouraging commercial shipping companies operating off the Pacific coast to reduce speeds of their vessels in order to protect marine life and cut air pollution.
- The bill models the new federal program off the regional **Protecting Blue Whales and Blue Skies** vessel speed reduction (VSR) program, which recognizes shipping companies that reduce speeds off California's coast.

House Subcommittee Testimony



On June 13, 2024, the U.S. House of Representatives Committee on Science, Space, and Technology's Subcommittee on Investigation and Oversight held a hearing titled, "Environmentalism Off the Rails: How CARB will Cripple the National Rail Network." Air District Legislative Officer, Alan Abbs attended this hearing at the request of Congresswoman Zoe Lofgren to testify in support of and to highlight the health benefits of CARB's In-Use Locomotive Regulation.



Questions / Discussion