

# Cap and Trade San Joaquin Valley

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Board Member, CARB and SJVAPCD

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# Valley's Need for Clean Air Programs

- San Joaquin Valley subject to least healthful air in nation
- District has reduced emissions by over 80% since 1992
- Another 80-90% reduction is necessary over next 10-15 years to meet health protective ever-toughening standards
- More than 85% of NO<sub>x</sub> inventory in Valley is attributed to mobile sources
- Direct PM 2.5 combustion sources include diesel, ag burning, fireplaces, char broiling
- Past success dependent on regulations and robust incentive-based program aimed at accelerating the deployment of clean vehicles, fuels and energy efficiency



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# Nexus of criteria pollutants and GHGs



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# SJVAPCD Cap and Trade Strategy

- Approved by SJVAPCD Board in May, 2015
- Multi-faceted strategy to ensure that the Valley receives it's fair share of Cap and Trade funds
- Work to bring Cap and Trade funds to the Air District for expenditure under District's incentive programs
  - Use District's existing program components when they match state priorities and funding categories
  - Develop new components as needed to better compete for available dollars

# Cap and Trade Strategy (con't)

- Educate and assist local entities to enhance their success in competing for funds
  - Increase Valley entities' awareness of available funding opportunities
  - Technical assistance, grant writing, grant administration capacity building, letters of support
  - Leveraging proposals with District funding
- Pursue block of funding to better address Valley needs
  - Compel the state to offer regional block grants to the District for allocation to Valley entities
  - Streamlines the process, better positions disadvantaged communities and entities with limited staffing resources to compete



# Successful Valley Projects

- District has been awarded more than \$65 million in Cap and Trade funds in recent months
  - Significant focus within Disadvantaged Communities
  - Total of \$34,613,822 coming to the Valley for advanced technology zero-emission vehicle deployment projects
    - Electric transit buses, electric delivery trucks and electric mail delivery vehicles
  - \$27.5 million awarded for District's successful light-duty vehicle scrap and replace program (Enhanced Fleet Modernization)
    - One of only two air districts operating this program in California
  - \$3 million for Ag Tractor Trade Up program to retire and replace old, high-polluting ag equipment



# SJVAPCD Pursuing a Block Grant Program

- For future Cap and Trade Investment Plans
- State's Cap and Trade funding is fragmented
  - Variety of state agencies administering funds
  - Different timelines and grant procedures
  - District goal to maximize criteria pollutant impacts from GHG projects
- Particularly problematic for disadvantaged communities with limited staff and resources to research and apply for grants across multiple agencies
- Pursue administrative and/or legislative means to establish regional block grants
  - May apply to the region's entire Cap and Trade funding share or selected focus areas
  - District can serve as Valley administrator of the block grants

# SJVAPCD Advocacy Strategy

- Replicate our current success with bringing clean air funding to the Valley under Prop 1B, Moyer, AB 118, federal DERA, NRCS, etc.
  - Ten-fold increase in funding since 2006
- Build a Strong Valley Cap and Trade Coalition
  - Recruit influential stakeholders (business and community leaders)
  - Develop a statement of needs and continually educate state policy makers
  - Design self help regulatory and incentive based programs
  - Build relationships with key legislators
  - Maintain a noticeable presence in Sacramento
  - Publicize Valley's achievements and strengths





# Air District is Here to Help

- District is utilizing expertise to assist Valley jurisdictions in applying for Cap and Trade funding
  - Recently assisted the City of Porterville in securing \$9.5 million in funding for electric transit buses
  - Providing technical support to local jurisdictions applying for funding from a variety of programs
- Partnering with other air districts to implement multi-regional, multi-jurisdictional advanced technology demonstration projects



# Contact Information

For more information on the District's Cap and Trade Action plan or other technical assistance, please contact:

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