

## AB617 Incentive Funding – September 2024

Each year the San Diego Air Pollution Control District (SDAPCD) opens the application process to eligible companies and organizations to apply for available AB617 incentive funding. This funding can be spent to reduce emissions in AB617 communities, which are communities that are in the top 25% of the CalEnviroScreen scores in the state, or designated AB617 communities like Portside or International Border.

Each year SDAPCD reviews submitted applications and then provides a recommendation to the Community Steering Committee (CSC) of projects or equipment to potentially fund. The CSC can provide feedback on the group's priorities and which projects to fund. Then SDAPCD staff makes a final decision and those entities awarded sign a contract with SDAPCD to agree to the terms of the funding. The awardee then has one to three years to complete the project. All funds must be spent by SDAPCD within four years of receiving the money from the state.

This year SDAPCD received applications for natural gas trucks, electric trucks, agricultural equipment, and EV chargers that could all qualify for AB617 incentives. In previous discussions, CSC members from Portside and International Border communities has shared with staff to prioritize projects that go all the way to zero emission or that help the transition to zero emission equipment. **This year, eligible projects for AB617 incentives total \$25.4 million.**

SDAPCD is providing the following funding recommendations for consideration by CSC:

<b>Portside \$13.2 million</b>	<b>International Border \$10 million</b>	<b>El Cajon \$2.2 million</b>
2 zero emission trucks funded through the ZE Truck Pilot Project (\$500,000)	2 heavy duty charging stations (\$10 million)	1 heavy duty charging station (\$2.2 million)
1 repower of a marine vessel to cleaner diesel Tier 3 engines (\$120,000)		
4 heavy duty charging stations (\$12.6 million)		

### How much AB 617 grant funding does SDAPCD have available for this year's projects?

SDAPCD has received \$85.6 million total in the program and has distributed \$42.5 million in grants for projects to date. SDAPCD has set aside \$7 million in case the Port of San Diego MOU with SDAPCD is adopted, and another \$2 million for an expanded air filter program for AB617 communities over the next few years. SDAPCD also has approximately \$2.7 million in interest on unspent incentive funding that can be used for projects. That leaves **\$36.8 million available** to use for this year's projects. We anticipate another allocation of funding next year in the program, but at this time do not know the amount.

### Questions for the Community Steering Committees:

1. Are you in support of funding this project mix with the available funding?
2. This year we capped funding for infrastructure projects at \$5 million per project, but some projects requested more. There is additional funding available this year. To meet funding deadlines and grant requirements, would the committees support adding additional funding for the infrastructure projects?