

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 4/8/2020

Staff Report No. 20-144

TO: AC Transit Board of Directors
FROM: Michael A. Hursh, General Manager
SUBJECT: Application for funding from BAAQMD Carl Moyer Program

ACTION ITEM

RECOMMENDED ACTION(S):

Consider authorizing the General Manager or his designee to file and execute grant applications and funding agreements with the Bay Area Air Quality Management District (BAAQMD) for the Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program) to support the purchase of up to 45 zero emission buses and associated charging infrastructure.

STRATEGIC IMPORTANCE:

Goal - Financial Stability and Resiliency
Initiative - Zero Emission Programs

Applying for grant funds for this project will support the completion of the project that is a significant part of the District's effort to transition its fleet into a zero-emission fleet.

BUDGETARY/FISCAL IMPACT:

The District is applying for approximately \$13.6 million towards the purchase of up to 45 zero emission buses and associated charging infrastructure. The total project cost is estimated to be \$76 million. This includes the cost of the buses as well as full design and construction phases to build charging infrastructure at the District's Divisions 2 and 4 yards.

Approximately \$53.5 million of the funding needed for this project has been secured from federal formula and state Senate Bill 1 and Cap-and-Trade funds. If awarded, these funds and the Federal Transit Administration (FTA) Low-No funding also recently applied for will fill in a substantial portion of the remaining project funding need.

BACKGROUND/RATIONALE:

The Carl Moyer Program is a state-funded program offering grants to owners of heavy-duty vehicles and equipment to reduce air pollution and emissions from heavy-duty engines. The program seeks to replace older engines with newer, cleaner engines or convert to zero-emissions power system. Program funds can also be used to purchase zero or near-zero emissions equipment and install electric charging or fueling infrastructure for the new equipment.

The District has an existing project for the purchase of up to 45 zero-emission buses and associated charging infrastructure. The current funding plan for this project includes a couple of revenue sources that are either currently unavailable or not certain to materialize. The funding plan includes Regional Measure 3, which is currently still in litigation, and the California Air Resources Board (CARB) Heavy-Duty Voucher Incentive Program (HVIP), which is very oversubscribed and currently unavailable. The District recently applied for FTA Low-No funds to help replace these funds and bring the District closer to being able to fund the full original project scope.

The 45 Zero-Emission Bus Project will be the largest ZEB deployment for the District that will involve both electric and hydrogen technologies. It will provide much needed and valuable information to further assess the viability of ZEBs on a larger scale and will allow the District to continue to deploy zero-emission buses in preparation for compliance with the CARB Innovative Clean Transit (ICT) Regulation. CARB has a target of having all transit buses in the state be zero-emission by 2040, which would mean all bus purchases by 2028 need to be zero-emission.

The Carl Moyer Program funds can also be used as the local match commitment for the federal and state grant funds. Staff recommends that the District apply for the maximum allowable from the Carl Moyer Program to use as local match in addition to the funds needed for the infrastructure phase of the project.

ADVANTAGES/DISADVANTAGES:

Staff cannot identify any disadvantages to applying for the funds. Not applying would cause the District to forgo the opportunity of obtaining additional funds to expand our zero-emission bus fleet.

ALTERNATIVES ANALYSIS:

If the District does not apply for the Carl Moyer Program funds, it will have to continue to seek other local or state grant funds and/or utilize additional District capital funds to complete the project.

PRIOR RELEVANT BOARD ACTION/POLICIES:

None

ATTACHMENTS:

None

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Approved/Reviewed by:

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