Clean Transportation Funding from the MSRC
Mobile Source Air Pollution Reduction Review Committee

TECHNICAL ADVISORY COMMITTEE TO THE MSRC
THURSDAY, SEPTEMBER 6, 2018 MEETING MINUTES
21865 Copley Drive, Diamond Bar, CA 91765 - Room CC8

MSRC-TAC MEMBERS PRESENT:

MSRC-TAC Chair Dan York, Cities of Riverside County
MSRC-TAC Vice-Chair Anthony (AJ) Marquez, Orange County Board of Supervisors
Martin Buford, Regional Rideshare Agency
Adriann Cardoso, Orange County Transportation Authority
Gretchen Hardison (Alt.), City of Los Angeles
Steve Hillman, City of Los Angeles
Jamie Lai, Cities of Orange County
Steven Lee, Los Angeles County Metropolitan Transportation Authority
Kelly Lynn, San Bernardino County Transportation Authority
Lorelle Moe-Luna, Riverside County Transportation Commission
Nicholas Nairn-Birch, California Air Resources Board
Sean O'Connor, Cities of San Bernardino
Tim Olsen, California Energy Commission
Rick Teebay (Alt.), Los Angeles County Board of Supervisors
Eddie Washington, Los Angeles County Board of Supervisors
Vicki White, South Coast Air Quality Management District

OTHERS PRESENT:

Jenny Chan, Riverside County Transportation Commission
Martha Masters, Riverside County Transportation Commission

SCAQMD STAFF & CONTRACTORS

Leah Alfaro, Contracts Assistant
Naveen Berry, Asst. DEO/Science and Technology Advancement
Penny Shaw Cedillo, MSRC Liaison
Ray Gorski, MSRC Technical Advisor-Contractor
John Kampa, Financial Analyst
Jennifer de la Loza, Secretary
Megan Lorenz, Principal Deputy District Counsel
Cynthia Ravenstein, MSRC Contracts Administrator

CALL TO ORDER

- Call to Order
  MSRC-TAC Chair Dan York called the meeting to order at 12:54 p.m.

OPENING COMMENTS

MSRC-TAC Chair Dan York acknowledged Gretchen Hardison's retirement and stated many of you have shared a lot with Gretchen being here in this role since the inception of this committee some 24 years ago, and serving 12 years as the chair. Mr. York presented her with a certificate of appreciation and recognition of her service.

Gretchen Hardison commented this has been one of the most rewarding assignments I have had. I would just like to say that I truly believe in the mission of the regional approach. Coordination and working together sounds trite, but really looking at things for the good of the region is really important. We don't always get the opportunity to do that. But I hope you all continue. Staff is fabulous. We've made tremendous progress and I wholeheartedly agree with Ray and Cynthia that MSRC has been able to spur a lot of advances, sometimes very quietly and sometimes a little less quietly than we would like, but we see a lot of good. There's a lot more to do but keep up the good work.

Ray Gorski added we always had such a wonderful relationship with Gretchen as the Chair. We did have our trials and we did have things which presented themselves which were serious and Gretchen has always been a good ear and an excellent counselor and has always weighed in with her wisdom and I can't even think of one time that it wasn't spot-on. She is going to be missed and even though she's going into retirement. I'm hopeful that our paths will cross again. Knowing that we had the support of the Chair, made our lives as staff so much easier and you will be missed.

Naveen Berry, Assistant DEO of Science and Technology Advancement, stated Fred Minassian and I are going to be transitioning our roles slowly. I wanted to thank Ray and the MSRC staff on implementation this program and I am looking forward to participating.

STATUS REPORT

- Clean Transportation Policy Update –

  The Clean Transportation Policy Update provides information on key legislative and regulatory initiatives of potential interest to the MSRC. The report can be viewed at www.cleantransportationfunding.org.

CONSENT CALENDAR (Items 1 through 3)

Receive and Approve

Agenda Item #1 – Summary of Final Report by MSRC Contractors

One final report was submitted for MSRC-TAC review and approval during September:

- Nasa Services, Inc., Contract #MS16102 which provided $100,000 to construct a Limited-Access CNG Fueling Station.

  ON MOTION BY MSRC-TAC VICE-CHAIR AJ MARQUEZ AND SECONDED BY MSRC-TAC MEMBER SEAN O'CONNOR, UNDER APPROVAL OF CONSENT CALENDAR ITEMS #1 – #3, THE MSRC-TAC UNANIMOUSLY VOTED TO RECEIVE AND APPROVE THE FINAL REPORT LISTED ABOVE.

ACTION: The final report summary will be included on the MSRC's next agenda for final action.

Information Only – Receive and File
Agenda Item #2 – MSRC Contracts Administrator's Report

The Contracts Administrator's Report for July 26 through August 29, 2018 was included in the agenda package.

> ON MOTION BY MSRC-TAC VICE-CHAIR AJ MARQUEZ AND SECONDED BY MSRC-TAC MEMBER SEAN O'CONNOR, UNDER APPROVAL OF CONSENT CALENDAR ITEMS #1 – #3, THE MSRC-TAC UNANIMOUSLY VOTED TO RECEIVE AND FILE THE CONTRACTS ADMINISTRATOR'S REPORT FOR JULY 26 THROUGH AUGUST 29, 2018.

ACTION: The Contracts Administrator's Report will be included on the MSRC's next agenda for final action.

Agenda Item #3 – Financial Report on AB 2766 Discretionary Fund

The Financial report on the AB 2766 Discretionary Fund for July 2018 was included in the agenda package.

> ON MOTION BY MSRC-TAC VICE-CHAIR AJ MARQUEZ AND SECONDED BY MSRC-TAC MEMBER SEAN O'CONNOR, UNDER APPROVAL OF CONSENT CALENDAR ITEMS #1 – #3, THE MSRC-TAC UNANIMOUSLY VOTED TO RECEIVE AND FILE THE FINANCIAL REPORT FOR THE MONTH OF JULY 2018.

ACTION: No further action is required.

ACTION CALENDAR (Items 4 through 9)

Agenda Item #4 – Consider Twenty-One-Month Term Extension for Riverside County Regional Park and Open Space District, Contract #ML14021 ($250,000 – Bicycle Trail Improvements)

Cynthia Ravenstein, MSRC Contracts Administrator, reported this request is from Riverside County Regional Park and Open Space District. The Park and Open Space District indicates that extensive staff turnover has delayed implementation of the project. New staff have now been brought up to speed and are committed to completion of the project. They requested that the contract's term be extended to September 30, 2020. Due to the contract's impending termination on September 23, 2018, a three-month extension is being processed administratively to allow an opportunity for the MSRC to consider the remainder of the request. Therefore, a term extension of approximately twenty-one months would fulfill the request.

MSRC-TAC Member Vicki White questioned is this their first extension. Ms. Ravenstein replied it is their second. Ms. White questioned what was the reason for the first extension? Ms. Ravenstein replied it was the need to realign the trail. Originally they had planned to cross some arroyos which are like ditches where water flows through, and they found that that would be too expensive to build it there. They had to come up with a new way to align the trail and that took some time. Ms. White added just as long as the contract specifies interim progress dates. A 20 month extension is a very long time for staff changes. I've never seen extension that long on our other programs, but normally, you want to make sure they are meeting certain project milestones within the contract. I don't know if those are already built into your contracts. Ms. Ravenstein replied obviously they were lagging somewhat on the progress reports and we had changes in staff. It's still probably going to happen more quickly than if you cancel the contract and go out looking for new projects. MSRC-TAC Chair Dan York added in Riverside County this is a critical link to a larger regional transportation facility. It's very complicated. There's numerous agencies involved. It is a complicated project and the vital link.

> ON MOTION BY MSRC-TAC MEMBER STEVEN LEE AND SECONDED BY MSRC-TAC MEMBER LORELLE MOE-LUNA, THE MSRC-TAC UNANIMOUSLY VOTED TO RECOMMEND TO APPROVE FOR RIVERSIDE COUNTY REGIONAL PARK AND OPEN SPACE DISTRICT, CONTRACT #ML14021, A TWENTY-ONE-MONTH TERM EXTENSION.

ACTION: MSRC staff will include this award modification on the next MSRC agenda for approval.

Agenda Item #5 – Consider Twenty-Nine-Month Term Extension for the City of San Fernando, Contract #ML14062 ($387,091 – Expand Existing CNG Station

Cynthia Ravenstein, MSRC Contracts Administrator, reported this request comes from the City of San Fernando. The City's co-funding for the project comes from the Federal Transportation Administration by way of the Los Angeles County Metropolitan Transportation Commission. The need to provide additional information delayed receipt of approval to proceed until December 2015. The City's procurement process absorbed additional time, with the contract being awarded July 18, 2016. Work is now nearly complete. In order to fulfill the MSRC's five-year operational requirement, the City requests that the termination date be extended to October 31, 2018, approximately a twenty-nine month extension.

MSRC-TAC Member Tim Olsen questioned this is mainly federal DOT money paid for most of this? Ms. Ravenstein replied yes. Mr. Olsen continued and MSRC is the balance? Do you have limitations on liquidation of money? At state level the limit is typically three years, which is hard to do in a construction project. We get extra years if we appeal for it. So that's not an issue. Ray Gorski, MSRC Technical Advisor, replied there's no limitation with the MSRCs discretion as to the length of a project, and in the event that a project does not move forward then any residual monies revert to the Discretionary Fund. There's no sunset and there's no loss of funding.

> ON MOTION BY MSRC-TAC MEMBER KELLY LYNN, AND SECONDED BY MSRC-TAC MEMBER MARTIN BUFORD, THE MSRC-TAC UNANIMOUSLY VOTED TO RECOMMEND TO APPROVE FOR THE CITY OF SAN FERNANDO, CONTRACT #ML14062, A TWENTY-NINE-MONTH TERM EXTENSION.

ACTION: MSRC staff will include this award modification on the next MSRC agenda for approval.

Agenda Item #6 – Consider Nine-Month Extension of Negotiations with VNG Lakeview, Contract #MS16111 (proposed) (Construct CNG Station)

Cynthia Ravenstein, MSRC Contracts Administrator, reported VNG Lakeview was awarded $150,000 towards the installation of a public-access CNG station in Placentia as part of the FYs 14-16 Alternative Fuel Infrastructure Program. We'd asked for documentation on their agreement with Southern California Gas Company, and they requested a little more time before we got the contract to them. A deadline was set to get a contract executed by August 30, 2018. I treated that as a one-year extension that I'm allowed to authorize administratively. It was explained if they needed longer than that, it would need to come before the MSRC. A request was submitted to extend the negotiations longer. The TAC considered this request last month and at that time, VNG was asking for 18 months longer. There was a significant concern about allowing them that much longer before entering into a contact.

MSRC-TAC Chair Dan York commented let me add some more background on this, we did have a speaker at the last meeting. They educated us that some of these take a long time to true up all the money. Our piece of the pie is a pretty small piece. The pieces that they're looking for are much bigger…whether they can get it in 9 months or 12 months or 18 months or who knows. Our program's not going to stop, we will have a new program next time around. From my perspective, it seems like it would be easier for staff, if in fact, the proponent really had a project and they really were ready to go and they could give us something substantive and then we can make an award of contract. That's not been the case. Ray Gorski, MSRC Technical Advisor added it's 100% the purview of this committee to decide how this goes. But I do agree that when we solicit projects and people turn in a project, we're not really asking them to stop the clock. What we're asking them to do is present us with a viable project that has all the necessary essential elements in place such that the project can go forward in a in a relatively timely manner, with again some consideration given in the event that unforeseen circumstances do present themselves. Now, unfortunately, in this case, however, it appears that a proposal was submitted with representations that the project was ready to go when in fact there's a substantial amount of that funding which has not yet been secured. When we solicit projects and when we review proposals in coordination with the Subcommittees of the TAC, we are doing it in taking at face value their representations, which say that the project will be shovel ready within a reasonable amount of time.

Mr. York added after discussion the recommendation I think we're really going to be making a motion on one of two things: (1) to grant them a time extension and allow them to continue to work with staff; or (2) just say we're done come back to us when you actually have a viable project. So that'll be kind of the decision I think for us to discuss now as a committee.

MSRC-TAC Vice-Chair AJ Marquez questioned do you know what the total cost of the project is? Ms. Ravenstein replied the total project cost estimate is $1,087,000.

MSRC-TAC Member Vicki White questioned do you think the fact that they were able to revise their extension request to 9 months means they're more confident that additional funding is going to be secured soon. Ms. Ravenstein replied I would not say that. I would say that they're just hopeful.

MSRC-TAC Member Jaime Lai commented there was another project that got awarded to VNG. Is that project complete? Ms. Ravenstein replied no, they declined the funding. Ms. Lai questioned what have we done in the past with other awards such as this, where the planning of it kind of falls through have we awarded extensions and allowed that opportunity? Ms. Ravenstein replied it doesn't come up very often. More often they'll just go ahead and sign the contract and then request extensions later.

MSRC-TAC Member Tim Olsen asked could you clarify is VNG Lakeview a private firm? Ms. Ravenstein replied yes, it's a limited liability corporation. I think that was established just for the purposes of this project and then the other one. Mr. Gorski added we've had meetings with them. We understand what their objectives are, they're trying to become a player.

Mr. Olsen questioned would you characterize the delay as hinging on the negotiation with Southern California Gas Company? Is that the main thrust? Mr. Gorski replied the main issue is a lack of sufficient funding. When the representative from the Southern California Gas Company was here, my perception of his comments was that they weren't the impediment to this program, that it was in fact the shortfall of funding. Mr. Olsen added his understanding is that the Gas Company's program allows them to capitalize and rate base to the users about half of the project cost estimate. I know of other projects where Compression Services Tariff is used, but not that often. They went through a lot of effort to get the Public Utilities Commission to approve it but it hasn't been used that much and so I'm wondering if it's just because of the lack of maturity in negotiating these kinds of deals. Mr. Gorski replied what we can offer as staff is the following, we can ask this company and SoCalGas to come in and just tell us exactly what their plans are and what specifically the amount of their shortfall is.

Mr. Olsen added my agency will fund these kinds of projects but we haven't seen a lot of demand, so we don't allocate much money at all. Mr. Gorski added we sat down with this company, the first questions that we asked were questions like why do you really want to do this? Why do you believe that this market is developing since you don't have an anchor identified? It's not like they have a heavy-duty vehicle fleet which is going to guarantee usage.

MSRC-TAC Member Steven Hillman questioned is this their first station in California or Southern California? Mr. Gorski replied I'm not aware of any other stations that they have. Mr. Hillman replied I looked on their website and I saw three that were out of state. I don't know that their experience is in the Southern California area. Just don't know if they see the whole picture.

MSRC-TAC Member Martin Buford questioned when they get closer to confidence in execution, they can reapply right? Ms. Ravenstein replied if we have the program. Mr. York added we'll have to talk about whether this will be an element of the next Work Program. We've got a history as to how this has worked and we'll be able to discuss all that.

Mr. Olsen added there's a pending piece of legislation in front of the Governor, SB 1440, and it's kind of a mild version of a renewable gas standard. The original idea was 15% of natural gas sold in the transportation arena would need to be renewable gas for the core gas customer utility, investor-owned gas companies, which is about 40% of the gas use in California. That got turned into the Southern California Gas Company and PG & E need to set targets for renewable gas. There's a really slow and costly process and this is meant to kind of motivate and get these projects in place and I think it's worth monitoring that and maybe even weighing in when the Public Utilities Commission sets a proceeding and sets rules on what these utilities need to do, including the timing of when they need to do it project by project.

Mr. York commented to follow up on Martin's comment about if there isn't this program in the next Work Program, when is our cut date to award money with the current program dollars? Mr. Gorski replied June 30, 2018. Mr. York commented we passed that. We've been trying to work with them to close a deal. It doesn't appear that they're going to be able to give us a comprehensive package even if we were to give them 30 days to enter into an agreement with the details. We're already past Labor Day.

Ms. White asked is there a commitment to dispense renewable natural gas with the station? Mr. Gorski replied I do not know and that we have to check their application to see if they checked the box or not. This was pre-renewable natural gas incentive.

Mr. York commented it's been two years since they were awarded the funding. It's been two years that we've been unable to enter into a contract with these folks.

> ON MOTION BY MSRC-TAC MEMBER SEAN O'CONNOR, AND SECONDED BY MSRC-TAC MEMBER STEVEN LEE, THE MSRC-TAC UNANIMOUSLY RECOMMENDS ENDING CONTRACT NEGOTIATIONS WITH VNG LAKEVIEW.

ACTION: MSRC staff will include this recommendation on the next MSRC agenda for approval.

Agenda Item #7 – Consider Contract Replacement for Riverside County Transportation Commission (RCTC), Contract #MS16082 (Extended Freeway Service Patrol Service)

Cynthia Ravenstein, MSRC Contracts Administrator, reported the MSRC originally awarded RCTC $590,759 to implement extended FSP service during mid-day periods and weekends. This service was to go beyond the regular FSP service already provided Monday through Friday during peak commute hours, and was to be provided during the expansion of State Route 91. $337,520 has been paid to date on this contract.

On May 31 2018, RCTC indicated that State Route 91 project schedule changes resulted in a much later start than anticipated for the “Extended Service Period” of FSP funded by the MSRC. RCTC requested that the project description be changed to allow funding for extended FSP services beyond the construction period. RCTC also requested a one-year term extension. At their June 21, 2018 meeting, the MSRC approved RCTC’s requests. However, the contract lapsed on August 2, 2018 prior to modification documents being mailed out for signature. SCAQMD has expressed concerns regarding executing extensions of lapsed contracts, so the modification could not be executed. Staff recommends that a new $253,239 contract be executed to complete the project

> ON MOTION BY MSRC-TAC MEMBER KELLY LYNN, AND SECONDED BY MSRC-TAC MEMBER LORELLE MOE-LUNA, THE MSRC-TAC UNANIMOUSLY VOTED TO RECOMMEND TO APPROVE FOR RIVERSIDE COUNTY TRANSPORTATION COMMISSION (RCTC), CONTRACT #MS16082, A CONTRACT REPLACEMENT.

ACTION: MSRC staff will include this contract award on the next MSRC agenda for approval.

2016-18 WORK PROGRAM

Agenda Item #8 – Consider Funding for Applications Received under the Local Government Partnership Program

Cynthia Ravenstein, MSRC Contracts Administrator, reported after 11 months the Local Government Partnership Program has closed. Ultimately there was 67% participation rate from the eligible applicants, which is almost every city and county within South Coast. There's a few that chose not to participate with the AB 2766 Subvention Fund, so they were not eligible for this program. There was an unprecedented amount of outreach with MSRC staff, MSRC's outreach coordinator, SCAQMD's Public Affairs and Transportation Staff and County Transportation Commission staff really trying to get the word out. We did have 31 applicants from cities who have never participated in a Local Government Match Program before. San Bernardino County had the highest participation rate and San Bernardino County and LA County tied for the percent of the potential funding that was requested from their various jurisdictions. There were 48 additional applications that came and 47 are being recommended for funding for a total of $5,100,575. The Subcommittee has deferred action on the application from the City of San Bernardino, more information is being requested.

MSRC-TAC Member Tim Olsen commented this is MSRC money identified here, is the match money coming from different places? Ms. Ravenstein replied it is. They were certainly encouraged to use their AB 2766 Subvention Funds and I'm not sure whether you're familiar with this. The funds are split three ways, in which 40% of it goes directly through the SCAQMD to the cities and counties, and so they were certainly encouraged to use that. That was kind of the inception of the match program in the first place, to try to get the cities and counties to use that money on good projects, but there was not a limitation on what they could use for their match and we tried to encourage them to look at other funding sources for a lot of these. Mr. Olsen commented I noticed most of these are ZEV infrastructure or vehicles. Ms. Ravenstein replied we do not require that they specify at this time exactly what the match is, we do need to know it ultimately because they're going to get reimbursed but in some cases they haven't decided for sure what they are going to use. Mr. Olsen replied that would be of interest just to know what's working from the other sources. Is interoperability required for the electric vehicle charging? Ms. Ravenstein replied that was not a requirement in this solicitation. I've already had a lot of thoughts from various conversations I've had with some of the prospective applicants and what the MSRC might want to consider in a future solicitation, this was pretty broad. They had fairly free rein on what it was that they could propose. Mr. Olsen commented that's an issue with the fast chargers. Mr. Gorski added it's going to be a huge issue. I just don't know if we are really ready yet to actually stipulate requirements at this point. The more of these we put in well, it's going to be an obvious issue then because we can't have so much infrastructure being put in without having some type of regulation to ensure that the grid doesn't go belly up. We’re going to be looking towards the regulatory agencies and the utilities to give us that guidance as to what should be included to ensure that there's smart charging going on as opposed everyone putting in their own discreet chargers,so there's a beginning of a vehicle grid integration proceeding that.

Mr. Olsen commented there is a beginning of a vehicle grid integration proceeding, and we should probably weigh in, between the Energy Commission, Public Utilities Commission, and CARB. There's a lot of a lot of controversy over what technology and standard. It's an issue right now with fast chargers, when we deploy money we insist on multiple charging capabilities at one site, which is very expensive, just because there's more than one standard. With a level two, there's a way to handle that, not a big enough issue. For the medium duty heavy-duty, there's no standard right now and we don't want to see that duplicated where you have multiple technologies and the companies creating these are spending half a billion to a billion dollars just on their own technology. Feedback is needed from the ground level installers and the funders.

Mr. Gorski replied we're aware of some of the work that EPRI is currently building with some of the larger heavy-duty electric vehicle deployments which are happening within the South Coast region, and we know of the modeling work that EPRI is doing with Ramble to develop a dynamic charging model, which could be used to help optimize a charging scenario for a given location. From our perspective, we just don't have the ability to dictate any standards or any other types of operability connectivity because we just don't know what it is yet.

MSRC-TAC Member Lorelle Moe Luna questioned if any feedback has been received from cities that did not submit a project? What were some other reasons as to why they haven't submitted it, perhaps in the future there's a possibly for more coordination regionally. Mr. Gorski replied we're still getting calls from people who are ready to submit. We tried to disseminate the notice to as many entities within each city as we could, starting at the top, the mayor, the city manager, and public works director. What we know is that in some cases it simply doesn't flow down until the last minute and literally we received telephone calls two days before the due date. We struggle with this every time, it's how do you get the notice to those individuals who actually are going to do something with it.

Mr. York commented Lorelle actually raises a pretty good question, something that we haven't as a group considered, but we will have that opportunity to have that discussion in the next Work Program. I'm sure working with staff, we can find out a way that would be appropriate. We do have larger groups at the table that do touch all the agencies within their region. The goal is to have some significant air quality improvements or impacts. If one of our local, like RCTC or a local transportation group could represent and put together a bigger project that touches many of the agencies and the agencies agreed to their share, I think that there's something for us to have that kind of discussion.

MSRC-TAC Member Martin Buford added it might be a good idea to kind of keep a list of those that you've got information from and those that are asking for information and those are your first points of contact in the future. Hopefully, they're still in the position. If not, they will know who this should go to and sooner rather than later they'll pass it on. Video messages as well, that maybe explains some key points of the program.

> ON MOTION BY MSRC-TAC VICE-CHAIR AJ MARQUEZ, AND SECONDED BY MSRC-TAC MEMBER JAIME LAI, THE MSRC-TAC UNANIMOUSLY VOTED TO RECOMMEND APPROVAL OF AWARDS TO THE 48 CITIES TOTALING $5,100,575, AS DESCRIBED IN THE ATTACHED STAFF REPORT.

ACTION: MSRC staff will include these contract awards on the next MSRC agenda for approval.

Agenda Item #9 – Consider Funding for Application Received under the Hydrogen Infrastructure Partnership Program

Ray Gorski, MSRC Technical Advisor, reported this on behalf of the Infrastructure Subcommittee. This is the first proposal which has been received under the Hydrogen Infrastructure Partnership Program. This really is a collaborative effort. There's four main participants in the program, the MSRC, South Coast AQMD, California Energy Commission and the California Air Resources Board, and the whole idea here was to acknowledge that those agencies are doing work in hydrogen. They also have the expertise, and they're out working with those entities which are in the best position to install hydrogen refueling infrastructure throughout the South Coast District. We understand where the expertise lies, the MSRC wanted to offer a pool of money, that in the event a project found itself in the position where it could use more money to become viable, the MSRC in concert with the partners could consider funding it. We're really looking to have the program partners bring forth to the MSRC and its TAC for consideration projects that they have internally vetted through their own processes, whether it be from the California Energy Commission with their hydrogen program or the South Coast AQMD with its Technology Advancement Program or the California Air Resources Board.

The first application was submitted by the South Coast AQMD on behalf of the University of Irvine. This is to do a very large-scale expansion of their existing hydrogen station, which is located in the Irvine area of Orange County. This station has been in operation since it was a research and development facility many years ago and it's been actually upgraded several times. The project for consideration today would increase the throughput of the station by approximately 400%. It's trying to ensure that manufacturers understand that hydrogen refueling is available when they launch their hydrogen fuel cell cars and we have at least three manufacturers, which have done or are doing that and probably more to come. The station also accommodates heavy-duty vehicles. We understand that Orange County will be operating fuel cell buses and fuel cell shuttles, so there's definitely a hydrogen component which can accommodate the larger vehicles. They've set it up, so that they have the larger vehicles refueling at night such that it doesn't negatively impact the light-duty vehicles which are being introduced into the air district. We feel that the location is good because it's in an area where the demographics are favorable towards early adoption of some of the advanced technology vehicles, and they are working closely with the automobile manufacturers when these vehicles launch.

One of the things that was deliberated by the TAC Infrastructure Subcommittee was that this project has gone through technical evaluation. We're relying very heavily on the South Coast Air Quality Management District and their expertise to give us the assurances that this project is in fact worthy of an investment of MSRC funding. They have done that from a technical perspective and programmatically, the District is also offering to provide $400,000 to the program and we're hopeful the California Energy Commission will also add $400,000 to the program, when its business meeting is held this September.

The request is $1 million in MSRC funding. The total funding available under the program is $3 million, however, and the MSRC wrote into that Program Announcement that they have the ability to add money as needed throughout the course of the program. It has a minimum of two years in duration and they can extend it at their discretion.

MSRC-TAC Member Tim Olsen questioned will this be capital investment or is it also O & M? Naveen Berry, Assistant DEO of Science and Technology Advancement, replied it's both. Mr. Olsen added the target is at least 500 kilograms per day throughput, a thousand would be even better, that tends to be a break-even point for station owners. Mr. Berry added subsequently, they've gotten two buses at UC Irvine and are continuing to provide fueling for the Orange County Transportation Authority. Mr. Olsen commented we have 35 operating stations in California, most of them in Southern California, and another 15 in development. This is what we were expecting by sometime in 2019--50 stations roughly, and 5,000 passenger vehicles using those stations.

MSRC-TAC Alternate Rick Teebay commented 800 kilograms is about how many fill ups? Mr. Berry replied on their bus uses they typically need around a 100 kilograms a day. The light-duty average is about 3 1/2 kilograms, but they're not a daily use. Mr. Teebay questioned is this going to be produced on site or is the hydrogen going to be trucked in? Mr. Berry replied it's going to be trucked in with liquid backup systems. That's where the added volume with the renewable component comes in. Air Products, right now, does 33% hydrogen in a renewable matter.

ON MOTION BY MSRC-TAC MEMBER MARTIN BUFORD, AND SECONDED BY MSRC-TAC MEMBER KELLY LYNN, THE MSRC-TAC UNANIMOUSLY VOTED TO RECOMMEND APPROVAL OF AN AWARD OF $1,000,000 TO UNIVERSITY OF CALIFORNIA, IRVINE.

ACTION: MSRC staff will include this contract award on the next MSRC agenda for approval.

Agenda Item #10 – Other Business

Ray Gorski, MSRC Technical Advisor, said we are planning to have the joint Retreat, both MSRC and the MSRC-TAC, here for about four hours on the 23rd of October. We're planning on starting sometime in the mid-morning probably about 10 a.m. and adjourning no later than about 2 o'clock. The MSRC Chair has asked that this Retreat really focus in on a few things: Firstly, lessons learned from prior years and the most currently implemented Work Program; and secondly, to have a real understanding of who's doing what from an air quality perspective. We'll be working with the regulatory agencies to get their perspectives, really trying to identify issues for the MSRC in their policymaking capacity to address. And at the end, everyone should have a real understanding of where the MSRC sits in this in the big world of incentive programs and what the MSRC should be prioritizing their future investments in.

There's going to be a relatively sizable amount of money for the MSRC to invest and while it pales in comparison to some of the other large-scale programs that the state has, it still for this region not insignificant. The MSRC really has expressed their desire to focus in on what have we done? How does it work? What did we learn? What should we be? How do we play nice with everyone else?

The next steps will be the MSRC direction to the TAC, to form Subcommittees and bring back program concepts for their consideration. From a timeline perspective, realistically, if we do this at the end of October, with the holidays coming on, there will probably be limited actual work products produced in November and December. I would suggest that we all really hit the ground running the first of the year. Having a good understanding of the investments that are being made by other agencies is going to be critical because the MSRC has always expressed and continues to express their desire that we be supportive of the efforts of the regulatory agencies, that we not try to duplicate those efforts, and if there's something which is falling through the cracks that maybe the MSRC can pick it up, if it is a worthy program.

Looking forward to everyone's attendance and participation on the 23rd. Give us your ideas. Give us your thoughts on what you'd like to hear, what your ideas are and we’ll be more than happy to do our best to incorporate those into the day's agenda.

MSRC-TAC Chair Dan York commented I wanted to ask the group and staff, our next meeting’s October 4th, but I thought it could be an agenda item where we could have discussions about the Work Program--what worked well, could be a dry run for staff and the group as far as the slides that you’re presenting. We should add that as an agenda item for the October 4th meeting. For future agenda items, if over the next year we spent time for example, looking at what’s CARB doing in the region, some of the big programs and how can we be a partner in that and if we can include--even if it's a five minute presentation-- the different various groups to educate our group.

It'd be good to have a list of what our Subcommittees are and what their role is and see if there's something that you may find a passionate interest in that you would want to participate in, if you haven't had the privilege to participate in a Subcommittee. I want to challenge staff and this may be something that's kind of that victory/fact sheet. I've heard a lot of statistics earlier, I was at a meeting where were they were talking about the wonderful program that CARB's doing with UC Riverside, and the equivalence of cars that are going to be taken off the road, is pretty substantial. I'm sure we've got a fact sheet as to what this program has done. We are the spokespersons for this group and I think it would be cool if we had that kind of a cheat sheet.

PUBLIC COMMENTS:

No public comment.

ADJOURNMENT

THERE BEING NO FURTHER BUSINESS, THE MSRC-TAC MEETING ADJOURNED AT 2:06 P.M.

NEXT MEETING: Next meeting: Thursday, October 4, 2018, 1:30 p.m., at the South Coast Air Quality Management District.

(Minutes prepared by Penny Shaw Cedillo)