



**TECHNICAL ADVISORY COMMITTEE TO THE MSRC
THURSDAY, DECEMBER 13, 2018 MEETING MINUTES
21865 Copley Drive, Diamond Bar, CA 91765 - Room CC8**

MSRC-TAC MEMBERS PRESENT:

MSRC-TAC Vice-Chair Anthony (AJ) Marquez, Orange County Board of Supervisors
Martin Buford, Regional Rideshare Agency
Adriann Cardoso, Orange County Transportation Authority
Jenny Chan (Alt.), Riverside County Transportation Commission
Steve Hillman, City of Los Angeles
Jamie Lai, Cities of Orange County
Steven Lee, Los Angeles County Metropolitan Transportation Authority
Rongsheng Luo, Southern California Association of Governments
Kelly Lynn, San Bernardino County Transportation Authority
Rick Teebay (Alt.), Los Angeles County Board of Supervisors
Vicki White, South Coast Air Quality Management District

OTHERS PRESENT:

Ruben Aronin, Better World Group Advisors
Sam Emmerson, Better World Group Advisors
Lauren Dunlap, SoCalGas
Jason Lewis, SoCalGas
Todd Pendexter, Onboard Dynamics
Kim Tran, City of Los Angeles

SCAQMD STAFF & CONTRACTORS

Leah Alfaro, Contracts Assistant
Penny Shaw Cedillo, MSRC Liaison
Ray Gorski, MSRC Technical Advisor-Contractor
John Kampa, Financial Analyst
Megan Lorenz, Principal Deputy District Counsel
Matt Mackenzie, MSRC Contracts Assistant
Cynthia Ravenstein, MSRC Contracts Administrator

CALL TO ORDER

- Call to Order
MSRC-TAC Vice-Chair Anthony (AJ) Marquez called the meeting to order at 1:34 p.m.

OPENING COMMENTS

No opening comments.

CONSENT CALENDAR (Items 1 through 2)
Receive and Approve

Agenda Item #1 – MSRC Contracts Administrator’s Report

The Contracts Administrator’s Report for November 1, 2018 through December 5, 2018 was included in the agenda package.

ON MOTION BY MSRC-TAC MEMBER KELLY LYNN AND SECONDED BY MSRC-TAC MEMBER STEVE HILLMAN, UNDER APPROVAL OF CONSENT CALENDAR ITEMS #1 – #2, THE MSRC-TAC UNANIMOUSLY VOTED TO RECEIVE AND FILE THE CONTRACTS ADMINISTRATOR’S REPORT FOR NOVEMBER 1, 2018 THROUGH DECEMBER 5, 2018.

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

Agenda Item #2 – Financial Report on AB 2766 Discretionary Fund

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

ON MOTION BY MSRC-TAC MEMBER KELLY LYNN AND SECONDED BY MSRC-TAC MEMBER STEVE HILLMAN, UNDER APPROVAL OF CONSENT CALENDAR ITEMS #1 – #2, THE MSRC-TAC UNANIMOUSLY VOTED TO RECEIVE AND FILE THE FINANCIAL REPORT FOR THE MONTH OF NOVEMBER 2018.

ACTION: No further action is required.

ACTION CALENDAR (Items 3 through 9)

Agenda Item #3 – Setting the Stage for FYs 2018-20 Work Program Development

[MSRC-TAC Members Steven Lee and Rongsheng Luo arrived during the discussion of Item #3]

Ruben Aronin, Better World Group Advisors, introduced his colleague Sam Emmerson and then reported that every other year the MSRC holds workshops which provide the ability to hear from partners and potential partners throughout the four county region. This year we had an opportunity to do that again. We have had robust participation of more than 550 participants over the years since 2011.

In 2011, participants' top three priorities were funding for CNG vehicles and infrastructure, electric vehicles and infrastructure, and bicycling programs. In 2012, we saw CNG still topping the list but there was also interest in medium-duty alternative fuel vehicles, along with continued requests for electric infrastructure, zero- and near-zero emission pilot projects for different types of fleets and trucks, equipment at the ports, bicycling, traffic signal synchronization, and education and outreach programs about benefits of cleaner technologies. Jumping ahead to 2014, infrastructure continued to be the dominant theme: CNG and EV investment for medium- and heavy-duty CNG vehicles. There was also still advocacy for bicycling programs, education and outreach. 2016 essentially saw a replication of what we heard from two years prior - kind of a "stay the course".

This past summer, we saw a lot of discussion around EV infrastructure and vehicles and frustration that a lot of the classes of vehicles that counties and cities need are unavailable. There was a really cool electric pickup truck that debuted at the Auto Show, that's coming in 2019 or 2020, but at a \$60,000 price point. Amazon is now giving up on the post office and UPS and bought 20,000 medium-duty trucks for delivery. They wanted electric trucks but there was nothing for them to buy. We did spend a lot of time discussing light-duty topics. A number of public and private entities were asking about dollars for vehicles and charging infrastructure and questioning how much needs to be available to the public. We also spent a lot of time talking about active transportation. There was the SCAG partnership last year; active transportation was the second most requested category of funding. We had to have very deliberate conversations about how do we get quantifiable emissions reductions from those investments. CNG vehicles and infrastructure were certainly still on the table. There was an understanding that the world is changing - that there's a demand for electrification - but some stakeholders were saying CNG is still cleaner than diesel. Another area that was really interesting was the need for training programs for maintenance and operation of electric and advanced technology vehicles. Other broad categories of funding included first mile/last mile, which continues to be a real challenge in the transit space. The broad picture is that we are seeing a down rating or shifting of priorities from CNG vehicles and infrastructure to EV chargers, and more of a desire for bicycling and active transportation funding. We did not hear a loud call for hydrogen, but there were some hydrogen stakeholders particularly appreciative of the current opportunity. We don't know if all the signal synchronization has been funded but we didn't hear about it for the first time.

Better World Group Advisors has compiled the information that you heard from CARB and from the Energy Commission at the Retreat. It reminds us that it continues to get more expensive to

get emissions reductions. While we do this collaboratively, figuring out where the MSRC dollars can best be leveraged is a jigsaw puzzle with so many different state programs including: the Low Carbon Transportation Program, AB 617, the Low Carbon Transit Operations Program, the Transit and Intercity Rail Capital Program, the Affordable Housing Sustainable Communities Program, as well as the Transportation Climate Communities Program. Because the Legislature extended cap and trade by a two-thirds vote, it means that they can wind up spending those dollars anywhere and I think there will continue to be fights about emissions reduction priorities. But if the economy should downshift there will be pressure on those funds just to cover general operations.

Even though California does not see eye to eye with the federal government on many things, it is worth noting that the EPA's Clean Diesel Program continues to exist for the moment with \$40 million awarded in 2018. The Federal Transportation Authority (FTA), under its Low/No Emission Vehicle Program, awarded \$84 million in 2018 to fund state and local governments to purchase or lease zero or low-emission transit buses. Tomorrow, CARB will be likely adopting the Innovative Clean Transit (ICT) rule, which will mandate that transit agencies transition to electric buses starting in 2023, with the goal of full electrification by 2040. We hope that will plough the field for other heavy duty electrification. It's estimated that the Congestion Mitigation and Air Quality Improvement Act would provide nearly half a million dollars of investments in California. The current federal tax credit for EVs is either on the chopping block - or the extension block - or will simply phase out because every automaker is capped at 200,000 vehicles. Tesla and GM are pretty close to that. Our expectation is nothing will happen and we'll see the phase-out of the federal credit for Tesla and GM; other automakers have a little more time on that.

MSRC-TAC Vice-Chair AJ Marquez questioned what is the status of the 50¢ per gasoline gallon equivalent tax credit for CNG? Mr. Aronin replied great question; I don't know the answer off hand. Mr. Marquez continued I know it's been a year by year renewal through congress and the president. It's really critical for those of us that operate a station that has a mandate to break even. That was the mandate that I got from our board. Better World Group Advisor staff member Sam Emmerson replied we will find out that information and let Cynthia know and she will forward that information to you.

MSRC-TAC Member Vicki White asked regarding the local utility programs' investments, in the case of Edison receiving additional California Public Utilities Commission funds, are these the funding amounts that they're going to have moving forward? I thought they were going to be including more support for EV infrastructure - not just the charger but also the trenching, the lines, the transformers that are needed, is that reflected? Ms. Emmerson replied this is what is in place now. MSRC-TAC Alternate Rick Teebay added one of the really critical issues is Americans with Disabilities Act compliance. If the infrastructure's for employees and they can't resolve the grading and sloping issues, it's really problematic. Mr. Aronin replied that in California we've seen push back on state incentives that are largely going to Tesla because they're not union. The other thing that we've seen in the EV circle is that the sales are remarkable in California. We're up 160% year over year in sales, and we're at 7% of new sales. When we are at a point of price parity, or we're able to explain to consumers that they are operationally at parity or below, I'm hopeful that if the tax credit goes away, car sales will stay robust, at least in the Tesla category. At the Car Show, there was a lot of talk about electric.

On the policy landscape, we're still making heads or tails of Governor Brown's surprise carbon neutrality announcement at the Climate Summit. I don't know anybody who knew that was coming and we're not really sure what that will turn into from a policy mechanism. There have been some rumblings that there may be some legislative action to codify it, but I haven't heard a whole lot more yet. Obviously, we have the new legislators just getting up and running. Transportation is our big growth initiatives problem, so beyond the goal for ZEVs, that certainly is something worth keeping in mind. Obviously, the lack of natural gas funding is just a symptom of this shift to electrification whenever possible. CARB's agenda in 2019 will be looking at a low NOx truck rule, a smog check rule for trucks, and possibly even a ZEV mandate of sorts for trucks. All of that would require a waiver and would be teed up for Action 21. Governor Brown also directed CARB to look at electrification strategies for fleets across the board. And SB 1014, which is a bill that the Governor signed, will require CARB to figure baseline emissions for the Ubers and Lyfts of the world. On the infrastructure front, Assemblymember Chang's Bill 2127 is directing CARB to do a study to look at the gaps and needs for infrastructure to meet our aggressive EV targets. And then an area that was touched on at the Retreat, we are partnering with UCLA Luskin Center for a workplace charging and multi-unit dwelling study. 41% of Californians are in single family homes, they can plug in fairly easily, but the majority of Californians including a lot in Southern California don't have such access. So how we solve the multifamily issue is going to be a real critical gap and need. On the heavy-duty front, AB 2061 removed the weight limit. You've got trucks that have heavier fuel cells or batteries and they need this exemption to be able to get them on the road.

Thinking ahead to next year, the defeat of Proposition 6 was a big huge win for all of our work. Governor Newsom has a stated campaign goal of getting diesel free by 2030, but we didn't hear him talk too much about clean transportation or climate issues in the campaign. Our expectation is that he will be as good as or better than Governor Brown on most of these issues, but it may not be his main focus. I think the fact that Mary Nichols is staying on at CARB for a couple of years means that we can expect that to stay the same. We will be looking to see who the new head of the Energy Commission will be. The issue of wildfire liability and the viability of independently owned utilities is something else that the legislature's going to be having to tackle. We'll keep you abreast through our policy updates as the picture of the new administration's leadership emerges and the key agencies that we work with as well. You may want to think about a media briefing - a check-in from Energy Commission and CARB. Rather than a ban on petroleum vehicles such as Assemblymember Ting was trying to get through last year, he's putting forward AB 40, a study bill that will have CARB study what would be required to get to 100% ZEVs by 2024. One of the things that got derailed this year because of the defense against the federal clean cars roll back is the development of post-2025 California Clean Car Standards. Presuming that we still have waiver authority, CARB would begin that work in earnest, likely making more stringent post-2025 rules with higher ZEV targets.

MSRC-TAC Alternate Rick Teebay commented in addition to the \$200 million, actually the settlement funds, it's \$800 million, it's \$200 million every 30 months. In addition to that, there is penalty money from Volkswagon. Volkswagon operating unit EA controls the \$800 million that's spread over 10 years but the CARB has responsibility for putting out the funding for the penalty. The penalty belongs to CARB. They control that funding and they're supposed to release in January. And there are a couple of targets there including the electrification of school buses. They're also providing funding for zero-emission airport shuttles that would be either

electric or fuel cell. But I am really concerned about the funding gap for infrastructure at the airports and that would be something that we would want to think about.

MSRC-TAC Member Vicki White commented it's important to note when you talk about the VW settlement that's the overall settlements, \$800 million goes to Volkswagen and that's what they term the "Electrify America" Program. The other part of it is what we call the VW Mitigation Program. CARB has already approved a mitigation plan with \$363 million for five categories, and there's a reserve of about \$63 million that CARB has not assigned or allocated. The five funding categories are statewide, and one of the categories has a \$10 million allocation for the ZEV Infrastructure project. There's another bin that Rick Teebay alluded to, that we call the bus category and that includes transit and school buses as well as private shuttles. That's not just the private shuttle buses at the airport, but any private shuttle buses can apply for the funding. The five funding categories have been assigned to three of the larger air districts in California to administer. The bus category has been assigned to San Joaquin. The Class 8 zero-emission freight trucks and the combustion category - that includes a variety of combustion, primarily diesel replacements to tier IV in the case of marine vessels or low NOx trucks for on-road vehicles - have been assigned to South Coast AQMD. And then the last two categories are assigned to the Bay Area. For more about those, on CARB's website type in VW Mitigation. Under this program, the funding amounts are already set but it's up to the air districts to come up with implementation manuals. The first solicitation will be for the bus category. It looks like it got pushed back to March, or even April. And then our combustion category will be released in July. Ray Gorski, MSRC Technical Advisor, commented the District is going to administer this on a statewide basis, which is unusual because all entities will be for applying to South Coast AQMD or San Joaquin. Ms. White commented we'll be coordinating with all the air districts in California. Mr. Gorski questioned is there going to be any formal approval for disbursement of funds or is it going to be based on purely a technical evaluation of the project? Ms. White responded that there's no formula. Some of the bins will be first come, first served and they'll have some minimum criteria. And then the other categories, like the combustion category, will be competitive where one of the factors will look at cost-effectiveness for NOx. This is a NOx Mitigation Program. Mr. Teebay added the AQMD has already done a lot of work in preparation for the school bus element. Ms. White added we've been coordinating with the other two air districts in developing the grant agreements with CARB. Each of the three air districts will have a website that will enable the applications to be submitted online.

Mr. Aronin continued, I would say anything that's happening in the legislatures now are message bills. EPA is looking at a low NOx rule, which is the first proactive thing that this administration will be doing, but we're also hearing rumblings that they could roll back just like they did with the light-duty standards. There's a lot of effort to try to save or get rid of the federal tax credits. The President had directed in the EPA in October to initiate a rulemaking that would expand the waiver for each. Where does that position the MSRC? Well, that's all for you and for the members to work out, but the drumbeat from the field, from policy and state investment certainly leads you to be looking at zero and near zero-emission vehicles and infrastructure for light-, medium-, and heavy-duty vehicles. We still have a ways to go on heavy-duty replacement but the technology is out there. From a policy perspective, there is an interest in the legislature and CARB to look at where they can push on electrification of medium-duty vehicles in particular because they're in cities and neighborhoods, so they're visible. That gives them added value beyond the direct emissions reduction. There is no need for transit agencies to wait to begin doing this transition. How do you consider programs that could incentivize moving that further,

faster and support that transition as well? AB 2061 will encourage use of cleaner fuels for heavy-duty trucks as well. In the whole space of ride sharing, we talk about the heaven scenario of shared electric autonomous vehicles that reduce congestion and air pollution, but the future also could be the hell of conventional automated personal vehicles where you have zombie cars with no one in them roaming the streets. So what role could MSRC play to encourage ride-sharing and not just the further use of personal vehicles? A lot of transit agencies are beginning to look at how they provide services beyond fixed route bus routes. Where is there a role for electric transportation car sharing that could be subsidized to make sure we've got equity built into growing transit opportunities? The idea is to use ride-hailing as a viable first mile/last mile option. How you price that and incentivize that - that continues to be a gap. Unfortunately, with low gas prices we still are seeing ride sharing that's pilfering ridership from transit. There's a long legacy of the MSRC's work in demonstration projects that could expand zero and near-zero technologies and some of the most polluting off-road heavy-duty vehicles could yield the best emissions reductions if there was some silver bullet technology or technology that could get to scale.

MSRC-TAC Member Martin Buford commented I always struggle with this using this word ridesharing in association with Uber and Lyft and that's really not what they do. Historically, ride-sharing has meant carpooling on a route that you would have taken; also including taking transit, biking, and walking. Mr. Aronin added we saw an editorial in the LA Times. The head of LA Metro was throwing out other ideas of tackling our air quality and equity transportation issues by cloning the congestion pricing idea for Downtown Los Angeles, and showing how we could design a program that made transit free for example. It's really important to think about policy design to achieve emissions reductions. Where does that fit? Among rideshare, electric bikes, and scooters, I don't know which of these are best, but that first/last mile gap is an existing problem. Getting people to accept and embrace rideshare over the ride hell, is a real challenge and some of this is cultural - how do you change behavior? They're still a small segment of the transportation package but quickly growing. As younger folks are foregoing car ownership, at least at this stage in life, it could become a ubiquitous change, if we could get it done correctly. Mr. Marquez added once Uber and Lyft got the go-ahead to operate at John Wayne Airport, Yellow Cab's staging yard in Anaheim closed and they're just a blip on my annual sales now. I don't believe that most of those Uber or Lyft drivers are driving CNG vehicles.

MSRC-TAC Member Jaime Lai commented Anaheim has had a lot of success leveraging funds. A lot of the comments we hear from smaller cities are that they have difficulty finding the matching funds for a lot of the MSRC grants. Now that there are robust pots a lot of cities or companies can access, there's probably a way of educating people that are applying for the grants that there may be a net zero contribution from the city, but they can still get the projects funded. So that may be part of our marketing as we go forward. Mr. Aronin responded we did that work on the Local Government Partnership Program, to help them know what type of implementation that they would have to do to leverage the resources. It's a really good point about how we could make something attractive to some of the applicants that are thinking that's going to be too hard. Ms. Lai added we've used grant writers to do research for us but a lot of cities don't. It would be helpful just providing all of these resources, the links, making it really easy for them. Mr. Aronin commented we have a list of other funding resources on the website, but it might be you're thinking about drill down on EV infrastructure dollars.

Agenda Item #4 – MSRC-TAC Discussions Regarding the FYs 2018-20 Work Program

MSRC-TAC Vice-Chair AJ Marquez commented at the last meeting, an action item that we left with staff was to ask the membership to give us their top three Work Program ideas. Staff has compiled those and put together a quick presentation for us.

Cynthia Ravenstein, MSRC Contracts Administrator, presented highlights from 14 organizations that responded. The results were there was a clear interest to bring back some form of Local Government Partnership Program (10 responses) and Major Events Center Program (4 responses) and Goods Movement/Large-Scale Regional NOx Reductions (4 responses). There was also widely scattered interest in other categories. Grouping categories together, there was moderate interest in some sort for Infrastructure Support, Medium- and Heavy-duty Vehicles, NOx Reduction, and VMT reduction.

MSRC-TAC Member Vicki White questioned is there a need to look at this input and see if the categories can be directly tied to the AQMP, to see which ones could be a good path towards meeting attainment? Isn't there some sort of link for the MSRC to try and make that connection with the investments? Ray Gorski, Technical Advisor, responded remember the original title of the Local Government Partnership Program was the AQMP Jumpstart Program. That by definition was directly tied to the AQMP. You could make an argument that all of these, if they result in a quantifiable air pollution reduction, would be in keeping with the AQMP. However, knowing what the primary strategies are in the AQMP, at least when you look at their mobile source strategies, moving towards zero-emission and near-zero emission is by far the District's priority. The executive summary of the AQMP doesn't mince words when it says that.

PUBLIC COMMENT: Jason Lewis, SoCalGas, commented I'm here specifically to encourage an extension of the Natural Gas Infrastructure Program. CNG is the solution right now for Class 7 & 8 trucks. As Better World Group stated, there aren't electric options for some of these applications. The main point is we need to displace diesel. Infrastructure continues to be an integral part of any of these alternative fuels options, with electric, gas or hydrogen. In the last Carl Moyer solicitation, CNG trucks were over 90% of the awards, as well as the infrastructure part of the new Carl Moyer Infrastructure Program. CNG investment is mixed at the moment. As we all know, CEC defunded the engine Voucher Incentive Program, so it will not continue past June of 2019. The good news is the Hybrid Voucher Incentive Program Low NOx Voucher went up to \$45,000 for both trucks. We're working as a workgroup in natural gas to get that to go higher. I was very happy that South Coast Air Quality Management District was actually at the board meeting for CARB asking for more money. That was very helpful to hear from our regulators that they really see an improvement in this technology. CARB is entertaining a mandatory 0.02 g/bhp-hr NOx standard which will trigger a port fee for drayage trucks, which will encourage folks to move to alternative technology. That's good news. The bad news is that truckers can go buy a truck before that SB 1 standard goes in and they can hold on to it for 18 years. So if there's not infrastructure for them to go to something that's cleaner than existing technology, they will be locked into diesel for almost two decades. We're seeing a lot of the new folks that are trying natural gas trucks are liking them. We're hearing they're putting money where their mouth is, by buying more of these. I even saw a CNG powered cement truck in my own neighborhood in Burbank, which is really nice. We need non-diesel truck alternatives today. As we saw with the last Natural Gas Infrastructure Program, there is huge demand. The Program was oversubscribed by almost 50%, even though it came in the last week. SoCalGas is doing

what we can. We can only fuel at our properties by CPUC mandate, but as I told you last meeting we are now going out for renewable natural gas. So hopefully in 2019, 100% of the natural gas at our stations will be RNG. SoCalGas also got a funding from the CPUC authorization to start dairy RNG pilots in California. So this is carbon negative California fuel that's going to be going through our pipelines hopefully in the next two years. I humbly ask the MSRC to reopen the Natural Gas Infrastructure Program with a focus on renewable natural gas. I'm happy to report to you that at a meeting last week, two of the largest fuel providers alongside SoCalGas, Clean Energy and Trillium attested that 100% of the fuel they provided their stations is renewable natural gas. I would encourage that more emphasis be placed on RNG, if you have been considering reopening the program, but I also remind you that the majority of the applications actually included renewable natural gas anyway.

PUBLIC COMMENT: Todd Pendexter, Onboard Dynamics, said we manufacture CNG compressors and I do echo Jason Lewis's comments. I feel like if we are going to reduce diesel immediately with heavy-duty trucks, CNG is certainly the only viable fuel at this time. We were introduced to the MSRC Program through a couple of customers, one of which is a school district. I talked to fleet operators all over the country and the group that seems to have the hardest time for adoption are the smaller fleets, those with 5 to maybe 12 trucks, and those are the people we're talking to here in Southern California. So I certainly want to encourage as well the Infrastructure Grant. I can see the effect that it has in encouraging adoption for some of these smaller fleets.

PUBLIC COMMENT: Kim Tran, City of Los Angeles, Bureau of Sanitation commented I would like to acknowledge and thank the AQMD board, the MSRC and the MSRC-TAC, the staff at AQMD, Vicki White and Cynthia Ravenstein and her staff for their continuous support of our clean fuel program by continuing to provide incentive funding. Without your support, we would not have been able to achieve where we are today. We operate a larger clean fuel fleet of refuse collection vehicles than anyone in the country with over 600 refuse collection vehicles operating either on LNG or CNG. Included in that amount, we also have over a hundred vehicles that are equipped with the low NOx near-zero-emission 8.9 liter natural gas engines. With that being said, I am here today to request your consideration and recommendation to the board for funding support of two specific items. One is support for purchase of refuse collection vehicles, in particular, those equipped with 8.9 liter low NOx natural gas engines. The reason is because CARB's board adopted the funding plan for the 2018-19 HVIP Program with refuse and buses excluded from the future funding. Why did CARB increase the funding amount up to \$45,000 from \$10,000 in the previous year, yet refuse and buses were excluded? In the South Coast area where we have refuse along with buses providing services in neighborhoods, use of the natural gas engine, particularly the low NOx engine, would provide a significant environmental benefit for residents. We urge the TAC to make a recommendation to the MSRC to provide funding support for the purchase of refuse collection vehicles equipped with 8.9 liter low NOx natural gas engines, with funding up to \$45,000.

MSRC-TAC Alternate Rick Teebay questioned whether the delta between the standard CNG and the low NOx version is \$45,000. Mr. Tran responded right now we don't know but we recommend that the amount provided should be able to offset the incremental cost. That's what happened in the past. We always asked the vendor to provide the documentation to demonstrate the differential cost. Mr. Teebay questioned are we funding the difference between the diesel and the low NOx engine? Ray Gorski, Technical Advisor replied Cummins is not going to

manufacture two versions of their natural gas product; it will all be 0.02. Mr. Tran commented the funding provided would be an incentive to go for additional emission reductions above and beyond the requirement under the current standard. Interestingly, \$45,000 is also provided toward the purchase of all the types of equipment equipped with 8.9 liter engines. We have a total of over a hundred vehicles equipped with a low NOx natural gas engine and those vehicles will be funded by HVIP. HVIP required us to switch to renewable natural gas to refill these vehicles. In some areas right now, we don't have the natural gas fueling infrastructure to support the deployment of these vehicles, as a result we have to take them to fuel elsewhere. Right now we're in the process of going out to bid for a new vendor to supply us with the natural gas for our CNG fueling stations throughout the City. Because of that we would like to request your consideration and recommendation to continue provide funding for the expansion of natural gas infrastructure. MSRC-TAC Member Vicki White added that the Carl Moyer program will be released in March and that would provide funding for both your vehicle side and your infrastructure side. Moyer now is open to cost-sharing funds but you will have to scrap an older vehicle, preferably an older diesel vehicle can be scrapped and replaced with a low NOx vehicle and then you can get funding under Moyer for the infrastructure as well, particularly if the equipment and infrastructure are located in a disadvantaged community. Mr. Tran responded the purchase of equipment and vehicles depend on the budget and because of that we allocate a specific amount for the fiscal year. We have a limited number of vehicles that could be purchased in the coming year but we hope, if the MSRC provides funding for infrastructure, under the Carl Moyer Program we're able to apply to seek funding to offset some of the incremental cost. Ms. White commented Carl Moyer is an annual program, starting in March it opens up for a 90-day application period. It's funding that you can count on every year for the coming years, with no sunset date as of yet. MSRC is another source and maybe we can even look to cost share depending on the process.

MSRC-TAC Vice-Chair AJ Marquez we could entertain a motion. We would like to recommend, as the tally suggests, that we continue with the Local Partnership Program as a component of the 2018-20 Work Program. That doesn't mean everything else is off the table. When the Chair returns we can address some kind of a hybrid Work Program, maybe to include "stay the course". Going through my notes from the Retreat, when the MSRC weighed in at the end regarding the course of action, the number one thing was Local Government Partnership. That was direction we received from the MSRC.

MSRC-TAC Member Martin Buford commented it might be advantageous to have some explanation of some of the ideas that came from us. I'll speak to the one "large scale with financial return". I thought it would be interesting to support a for-profit project to require a return on our investment. It would be like seed money, and then we would get 1% of the profit until they've paid us back, or 1% forever. And then all the money that is accrued would support other programs. Mr. Gorski commented that the California Energy Commission has had programs which basically said if we invest in your start-up and if you hit it big, then you owe us something in return. It's either returning the additional money we gave or some portion of the proceeds. So, that's definitely something which has been demonstrated, if not so much by the MSRC per se but in other agencies, as business strategy.

MSRC-TAC Alternate Rick Teebay commented I'd totally support the Local Program, it has made a lot of difference over the years. There's another thing that wasn't on the list that I'd like to see us do a pilot for. Boston School District had a firm come in with routing software. The

School District had 660 school buses and they were able to reduce that to 590. There's a real opportunity here. If somehow we could pilot that and see if we can make a difference, that would be pure vehicle miles traveled and fewer vehicles on the road. Mr. Gorski replied the MSRC actually did a program like that; it worked with ESRI to do exactly that. At that time it was not so much focused on buses; it was looking at package delivery and those types of programs to optimize routing to reduce VMT and associated air pollutants. The MSRC went to the point of entering into a partnership with companies to do that. The big companies of course do that already nowadays. These are probably off the shelf products that simply could be made available. I'm not sure what level of maintenance they require or if they need someone designated to operate the software or if that would be one of the services that were provided.

MSRC-TAC Member Rongsheng Luo commented at the last meeting we were asked whether we wanted a continuation of existing programs or something more revolutionary. Based on the list, it seems more likely that a continuation of the last program is desired. At that time it was mentioned that if we decide to continue then maybe we should not make too dramatic a change to existing programs. I support the implementation of the AQMP but I also think it is very important to implement innovative demonstration projects.

MSRC-TAC Vice-Chair AJ Marquez stated the Chair had thrown out the phrase hybrid program, which would involve staying the course plus something of a more strategic regional nature. We don't have to vote on all of those today and I would recommend we don't without the Chair being present to lead the discussion. But we could, if the committee would like to entertain a motion, recommend that we continue the Local Partnership Program as one of our FYs 18-20 categories.

Cynthia Ravenstein, MSRC Contracts Administrator commented we would like to take it as a recommendation to the MSRC to officially approve any subcommittees. But the leg work could be done ahead of time, to have people volunteer for the recommended subcommittees and perhaps we can look at people's availability so that as soon as the MSRC gives the okay, you can hit the ground running. If there's something that the TAC feels it's ready to move forward, it would be nice to be able to get it moving. There's only going to be one week in between the January TAC and MSRC meetings. Ray Gorski commented at the January meeting we should revisit the post-mortem on the Local Government Partnership Program, specifically to identify those areas which we feel prevented us from having 100% participation. It could also cover those other lessons learned and also your own perceptions, as many of you represent participating cities. But more or less, the purpose would be to set the stage and to have an understanding moving forward of what areas really need to be shored up. We've heard some specific lessons learned and the unfortunate thing is that the solutions aren't necessarily immediately obvious. We're going to have to look at them and make a decision as to what changes and what stays.

MSRC-TAC Vice-Chair AJ Marquez added we have some discussion ahead about how we measure the success of that program. One measure could be asking would this project have moved forward without this incentive. Yay or nay, something simple like that. We would like to agendaize that for the next meeting and have a discussion.

ON MOTION BY MSRC-TAC MEMBER ADRIANN CARDOSO, AND
SECONDED BY MSRC-TAC MEMBER VICKI WHITE, THE MSRC-TAC
UNANIMOUSLY VOTED TO RECOMMEND TO APPROVE TO CONTINUE
THE LOCAL GOVERNMENT PARTNERSHIP PROGRAM.

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

PUBLIC COMMENTS:

No public comment.

ADJOURNMENT

THERE BEING NO FURTHER BUSINESS, THE MSRC-TAC MEETING
ADJOURNED AT 3:04 P.M.

NEXT MEETING: Next meeting: January 10, 2019, 1:30 p.m., Conference Room CC8, at
South Coast Air Quality Management District.

(Minutes prepared by Penny Shaw Cedillo)