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**TO: BOARD OF DIRECTORS**

**THROUGH: PHILLIP A. WASHINGTON** *PAW*  
**CHIEF EXECUTIVE OFFICER**

**FROM: MARTHA WELBORNE, FAIA** *MW*  
**CHIEF PLANNING OFFICER**

**SUBJECT: GRANT OPPORTUNITIES FOR DEPLOYMENT OF LOW OR  
NO EMISSION VEHICLES AND RELATED ACTIVITIES**

### **ISSUE**

On September 24, 2015, the Federal Transit Administration (FTA) issued a Notice of Funding Availability (NOFA) for \$22,500,000 to be awarded through a nationwide competitive process for the deployment of low or no emission transit buses. A week later, the California Air Resources Board (ARB) issued a Grant Solicitation to award up to \$23,658,000 through a statewide competitive process for the pilot deployment of commercially available zero or near zero emission transit buses, school buses, and freight and delivery trucks that benefit disadvantaged communities across the state and achieve significant reductions in greenhouse gases (GHG) and co-pollutant emissions. Applications are due to the FTA by November 23, 2015 and to the ARB by January 29, 2016. If additional funding is appropriated by Congress for Fiscal Year (FY) 2015-16, FTA may, at its discretion, also make those funds available under the NOFA. Similarly, contingent on the appropriation of funds for FY 2015-16 by the California Legislature, the ARB may make available an additional amount not to exceed \$60,000,000 under its Grant Solicitation.

### **DISCUSSION**

Both the federal and state grant opportunities for funding will allow us to compete nationally and statewide for funding of low or no emission vehicles and their support facilities, particularly our buses and related facilities. The grant programs have their specific requirements and application deadlines.

#### **Federal Grant Opportunity**

FTA's NOFA consists of federal FY 2014-15 funds appropriated by Congress, as authorized by the Moving Ahead for Progress in the 21<sup>st</sup> Century Act (MAP-21), for

Research, Development, Demonstration, and Deployment Projects. Funding priority is for the deployment of buses with the lowest energy consumption and least harmful emissions, including direct carbon emissions, when compared to other buses. The FTA will consider only applications submitted by eligible applicants for projects located in eligible areas. For our region, the Southern California Association of Governments (SCAG) is the only eligible applicant and recipient of funds for projects located in urbanized areas (UZAs) within Los Angeles County. These UZAs meet the other eligibility requirement, as they are located within areas designated “nonattainment” for ozone and “maintenance” for carbon monoxide by the U.S. Environmental Protection Agency.

In compliance with MAP-21 requirements and FTA guidance, SCAG would have to apply on our behalf, as well as on behalf of any other public transportation provider or “project team” (including other transit operators, consultants, vendors, manufacturers, systems integrators and providers of eligible facilities deemed a “Key Party”). If FTA selects any of our projects for a funding award, SCAG would be the recipient of the funds and our agency would be the subrecipient of such funds. SCAG would only serve as our pass-through agency to access all the funds awarded to implement our project(s). Applications are due to SCAG no later than November 11, 2015.

There is no limitation on the number of project applications an agency may submit. Also, there is no limitation on the funding request each agency may submit for each project application or for all of its project applications (if applicable). However, a project application should result in the deployment of at least five (5) largely identical transit buses in revenue service per location. Similarly, applications for supporting facilities should accommodate at least five (5) buses. The NOFA specifies the availability of a minimum of \$3.0 million for support facilities and related equipment. Although there is no limitation on the grant award an agency may receive, FTA may fund projects to ensure geographic diversity nationwide with what has been made available by the NOFA.

### State Grant Opportunity

ARB’s Grant Solicitation consists of \$23,658,000 in FY 2014-15 funds appropriated by the California Legislature from the Greenhouse Gas Reduction Fund, which receives all auction proceeds from the state’s Cap-and-Trade Program, for Zero-Emission Truck and Bus Pilot Commercial Deployment Projects. Successful project applications will be implemented and administered under the state’s Air Quality Improvement Program and the Low Carbon Transportation Investments Program. ARB’s request is for pilot projects that will reduce GHG emissions and provide economic, environmental, and public health co-benefits to disadvantaged communities. These projects must also demonstrate the practicality and economic viability of wide-spread adoption of a variety of zero or near zero emission medium and heavy duty vehicle technologies. The funds may also be used for: i) fueling infrastructure and minor upgrades and improvements to vehicle service and repair facilities that do not involve construction; ii) operation and

maintenance of vehicles and fueling infrastructure and relevant workforce training; and  
iii) administrative costs not to exceed 5 percent of the grant award.

Should the California Legislature appropriate \$60,000,000 for FY 2015-16, a total of \$40,000,000 will be allocated for zero emission bus pilot commercial deployments through the Grant Solicitation. Of this total, at least \$22,500,000 must be for eligible projects located within disadvantaged communities. The balance of \$20,000,000 will be allocated for zero emission truck pilot commercial deployments, with at least half of this amount for projects that provide benefits to disadvantaged communities. Any project selected for funding must be completed by April 1, 2019.

### **NEXT STEPS**

We will be fielding recommended candidate projects from Metro staff, and we will assess the input received to prepare grant applications for those projects that can best compete for the federal and state funding opportunities. For the federal funds, SCAG will submit on our behalf any applications that we may prepare in response to FTA's NOFA. Projects selected for this federal funding will be announced in spring 2016. For the state funds, we will submit applications directly to ARB for their consideration. Projects selected for this state funding also are expected to be announced in spring 2016. We will notify the Board of Directors of the outcome of any applications that we may submit for these grant opportunities.