

air pollution control district SANTA BARBARA COUNTY

Agenda Item: G-1 Agenda Date: August 17, 2023 Agenda Placement: Regular Estimated Time: 15 Minutes Continued Item: No

Board Agenda Item

TO:	Air Pollution Control District Board
FROM:	Aeron Arlin Genet, Air Pollution Control Officer
CONTACT:	Emily Waddington, Air Quality Specialist, (805) 979-8334
SUBJECT:	Landscape Equipment Electrification Fund (LEEF) Program

RECOMMENDATION:

Receive and file an update on the District's Landscape Equipment Electrification Fund (LEEF) Program.

BACKGROUND:

The LEEF Program reduces air pollutant emissions from landscape equipment by incentivizing commercial users to purchase electric tools. The District Board approved two cycles of the LEEF Program, including a pilot program on December 19, 2019, and the LEEF Program Year 2 on October 15, 2020. Both LEEF programs were funded with \$100,000 from the District's Clean Air Fund. The programs distributed vouchers for the purchase of electric landscape equipment to eligible organizations including commercial landscapers as well as public agencies, schools, and nonprofits that perform their own landscape maintenance and are located or do business within Santa Barbara County. The vouchers funded a significant percentage of the purchase price for electric mowers, leaf blowers and vacuums, edgers, trimmers, chainsaws, pole saws, batteries, and chargers.

The District received considerable interest in both LEEF programs, with the pilot program operating throughout the spring and summer of 2020, and LEEF Program Year 2 operating from winter 2020 until spring 2021. Altogether, both programs provided vouchers to 46 organizations including 18 landscapers, seven public agencies, 12 schools, and nine non-profit organizations. Participants purchased a total of 729 pieces of new electric landscape equipment. The programs received interest countywide with 54% of projects located in south county (Santa Barbara and Goleta), 15% in mid-county (Santa Ynez, Los Olivos, Buellton, and Solvang), and 31% in north county (Santa Maria, Lompoc, and Guadalupe).

Aeron Arlin Genet, Air Pollution Control Officer

The District distributed surveys to participants and received valuable feedback on the user's experience with the new equipment and how to improve the program. Overall, participants were highly satisfied with the electric equipment. The largest challenge participants mentioned was the frequency and length of time required to recharge batteries. In addition to air quality benefits, organizations expressed how they enjoyed several co-benefits from use of electric equipment: quieter operation, effectiveness, no refueling required, and ease of use.

LEEF 3, the third iteration of the District's successful LEEF Program, launched on June 5, 2023, funded with \$850,000 from the California Air Resources Board's (CARB) Carl Moyer Program State Reserve Year 24 Funds. Unlike the pilot and LEEF 2 programs, LEEF 3 follows the requirements specified in the *Carl Moyer Program Guidelines, Chapter 9: Lawn and Garden Equipment Replacement (Guidelines)*.¹ One of the most important changes is that LEEF 3 requires the trade-in of a like-for-like gasoline or diesel landscape tool for every piece of electric equipment purchased through the program. The maximum amount of incentive funds per piece of equipment is determined by the *Guidelines* and depicted below in Table 1. The cost of batteries and chargers are included in these incentive amounts.

Equipment Type	Maximum Funding Amount
Chainsaws, Trimmers, Edgers, Brush Cutters	\$700
Leaf Blowers, Leaf Vacuums	\$1,400
Walk-behind Lawn Mowers	\$1,500
Ride-on or Stand/sit Mowers	\$15,000

Table 1: Maximum LEEF Funding Amount per Piece of Equipment

DISCUSSION:

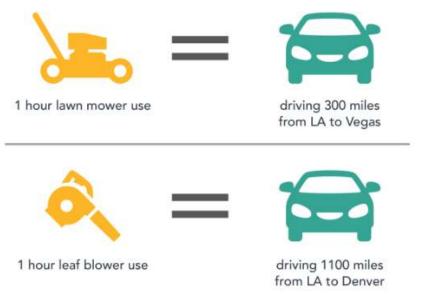
Air Quality Impacts

The LEEF Program helps reduce gasoline- and diesel-powered landscape equipment pollutant emissions including reactive organic compounds (ROCs), nitrogen oxides (NOx), particulate matter, toxic air contaminants, and carbon dioxide. These emissions lead to regional smog formation, greenhouse gas emissions, neighborhood impacts, and expose equipment operators to increased health risk. In 2022, landscape equipment emitted approximately 2% of total on-shore smog-forming emissions (ROC and NOx) in the county.² Notably, operating a gasoline-powered leaf blower for one hour creates the same amount of smog-forming emissions as driving a passenger vehicle 1,100 miles, the distance from Los Angeles to Denver (Figure 1). On a community level, every year the District receives numerous complaints about air pollution from landscape equipment in neighborhoods throughout the county. The LEEF program helps community members, organizations, and equipment operators experience the health and environmental benefits of adopting zero-emission landscape equipment.

¹ Available at <u>https://ww2.arb.ca.gov/guidelines-carl-moyer</u>

² Emission inventory data provided by CARB's CEPAM2019v1.03 - Standard Emission Tool

Figure 1: Smog-forming Emissions of Gasoline Lawn Mower and Leaf Blower Use Compared to Passenger Car Travel



Source: CARB, SORE- Small Engine Fact Sheet. Available at: <u>https://ww2.arb.ca.gov/resources/fact-sheets/sore-small-engine-fact-sheet</u>

State Actions

In December 2021, CARB approved a statewide measure to require newly manufactured small off-road engines (including those in landscape equipment) to be zero emission starting January 1, 2024. The requirement impacts new equipment being sold and does not apply to gasoline or diesel landscape equipment already in service. The regulations are expected to reduce emissions of smog-forming pollutants in California by 72 tons per day.³

To help with this transition, CARB is making incentive funds available through several programs including the Clean Off-Road Equipment Voucher Incentive Project (CORE) which provides point-of-sale discounts to small landscape businesses purchasing electric landscape equipment with an approved dealer. CARB has also dedicated nearly \$25 million statewide for California air districts to implement their own electric landscape equipment incentive programs through the Carl Moyer Program State Reserve Year 24 funds, including \$850,000 the District received to implement LEEF 3. Small landscape businesses can maximize incentive funds by stacking CORE and LEEF funds together to provide up to 100% of the cost of new electric equipment. With the District's experience operating two cycles of our LEEF Programs, District staff were able to actively participate in the design of CARB's *Guidelines* and share program materials and lessons learned with other air districts undertaking the design of their own landscape equipment incentive programs.

³ CARB, "CARB approves updated regulations requiring most new small off-road engines by zero emission by 2024." News Release 21-60, 09 Dec 202. <u>https://ww2.arb.ca.gov/news/carb-approves-updated-regulations-requiring-most-new-small-road-engines-be-zero-emission-2024</u>.

LEEF 3 Reception and Outreach

The District has received significant community-wide interest in LEEF 3 since its launch on June 5, 2023. Through the end of July, the program has received 21 applications and allocated approximately 47% of available State Reserve funds. To advertise the program, the District mailed flyers to every licensed landscape business in the county (i.e., 257 landscapers). Flyers were mailed to local retailers, the County's Green Gardener Program, and distributed in the field by District inspectors. Outreach emails were sent to landscapers, schools, and public agencies in the county and a news release was sent to the District's extensive contact list. Additionally, outreach was done via social media, and through collaboration with local organizations such as the Agricultural Commissioner's Office, Chambers of Commerce, and sustainability organizations. Program information is available on the District's website at www.ourair.org/LEEFProgram/. The webpage also includes educational resources to ensure that participants are aware of how to operate leaf blowers to minimize air quality impacts.

One of the largest challenges facing the transition to electric equipment is mistrust in the efficacy of the tools. To create opportunities for organizations to test the effectiveness of electric equipment, the District held an Electric Landscape Equipment Demo Day on July 19, 2023 at San Marcos High School in Santa Barbara. Twelve equipment manufacturers provided their suite of commercial-grade, battery-powered equipment for users to experience. A nonprofit organization, American Green Zone Alliance (AGZA), provided a presentation with information and resources to help educate landscape fleets how to successfully transition to electric. District staff also provided a presentation on the LEEF Program and other available incentive funds. The event was advertised to commercial-grade landscape equipment users and received about 70 attendees including landscapers, public agencies, and school staff. Attendees were grateful for the opportunity to test out new equipment in person and learn tips for how to successfully transition to the use of electric landscape equipment. The District is now planning another outreach event in north county this fall.

Application Window and Additional Program Funding

Due to the high-level of interest and success of LEEF 3 to-date, if the CARB funds become fully expended, the District may allocate up to \$256,250 in \$2 DMV surcharge revenues to continue program operation and keep the LEEF 3 application window open until Friday, November 3, 2023. According to state law AB 923 and the Carl Moyer Program Guidelines, the District's \$2 DMV surcharge revenues may be spent on projects allowed by the Carl Moyer Program.

FISCAL IMPACT:

LEEF 3 is funded with \$850,000 from CARB's Carl Moyer Program State Reserve Year 24 funds, a pass-through funding source that the state annually allocates to a specific project type. Of these funds, \$743,750 is designated for project funds and the remaining \$106,250 is designated for District administration. Additionally, if all CARB funds become fully expended, the District may allocate up to \$256,250 of \$2 DMV surcharge revenue to support the LEEF program, bringing total available project funds to \$1,000,000 before the application closure date. Funds for the LEEF Program and \$2 DMV surcharge revenue are included in the District's Fiscal Year 2023-24 Adopted Budget.

ATTACHMENTS:

A. Landscape Equipment Electrification Fund (LEEF) Program 3 Work Plan

ATTACHMENT A

Landscape Equipment Electrification Fund (LEEF) Program 3 Work Plan

August 17, 2023

Santa Barbara County Air Pollution Control District Board of Directors

> 260 San Antonio Road, Suite A Santa Barbara, California 93110

Santa Barbara County Air Pollution Control District's Landscape Equipment Electrification Fund (LEEF) Program 3

WORK PLAN JUNE, 2023





air pollution control district santa barbara county

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1. Overview

The Santa Barbara County Air Pollution Control District (District) designed the Landscape Equipment Electrification Fund (LEEF) program to help businesses, public agencies, non-profit organizations, and schools to adopt zero-emission lawn and garden equipment (L&GE). The third cycle of the LEEF program (LEEF 3) is administered by the District and is funded with \$850,000 from Carl Moyer State Reserve 2024 funds. Of these total funds, \$106,250 are to be used for administration funds and \$743,750 are to be used for project funds. This program follows Chapter 9: Lawn and Garden Equipment Replacement of the California Air Resources Board (CARB's) Carl Moyer Program Guidelines, updated on March 6, 2023.

The LEEF 3 program will offer vouchers to eligible organizations that are willing to trade-in gasoline or diesel-powered L&GE for their electric counterparts. Small engines in L&GE pollute at a higher rate than other equipment and vehicles, contributing to smog formation and air quality-related health impacts. Adoption of zero-emission L&GE will reduce emissions and help community members, businesses, and employees experience the benefits of cleaner technology. The LEEF 3 program will help quicken the conversion to zero-emission L&GE on a county-wide level ahead of state regulatory requirements.

2. Applicant Eligibility

Eligible organizations must be located in or operate a business within Santa Barbara County, and commit to use the equipment for a majority of the time (greater than 50%) within Santa Barbara County for a minimum of 36 months. The following organization types are eligible for LEEF vouchers:

- Commercial landscaping businesses
- Non-profit organizations
- The following entities will be eligible if they provide in-house landscape maintenance for their grounds and are located within Santa Barbara County:
 - Public agencies
 - Public/private schools or school districts
 - Commercial businesses (non-landscaping)

Commercial businesses will be required to provide their business license as part of the application. If commercial landscaping businesses or non-profit organizations are located outside of Santa Barbara County, then they must provide proof that they provide services within Santa Barbara County. Non-



profit organizations must provide their Employment Identification Number (EIN) and their non-profit status must be verified by the District. All organizations must reside within California.

The applicant must certify the following in the application:

- 1. The applicant agrees to comply with the LEEF 3 program terms.
- 2. The applicant owns and operates the existing gasoline/diesel L&GE at least 50% of the time within Santa Barbara County. The existing gasoline/diesel L&GE is in operable condition and owned by the organization.
- 3. The applicant will own and operate the new electric L&GE within Santa Barbara County a majority of the time (greater than 50%) for a minimum of 36 months from the purchase date. The organization resides in California.
- 4. Within 30 days of receiving the new electric L&GE, the applicant will surrender their existing L&GE to a participating dismantler for destruction.
- 5. The applicant has disclosed all additional co-funding sources and discounts that will be applied to their purchase.
- 6. The applicant has not purchased replacement L&GE that they are seeking funding for prior to applying to this program.
- 7. The information provided in the application is true and correct and meets the minimum requirements of the L&GE replacement program.
- 8. The applicant understands that an incomplete or illegible application may be immediately rejected, and they will be notified.
- 9. The applicant understands that incentive programs have limited funds and shall terminate upon depletion of program funding.



Maximum Funding Amount per Piece of Equipment			
Equipment Type	Amount*		
Chainsaws			
Trimmers,	\$700		
Edgers,			
Brushcutters			
Leaf blowers,	\$1,400		
Leaf vacuums			
Walk-Behind Lawn Mowers	\$1,500		
Ride-on or Stand/Sit Mowers	\$15,000		

The LEEF 3 program follows the equipment eligibility requirements of the Carl Moyer Chapter 9 Guidelines¹. Maximum eligible funding amounts by each type of electric equipment is found below:

*Batteries and chargers purchased for each piece of equipment count toward the funding amounts listed in the table above. The funding amount for each piece of equipment cannot exceed the cost of the new equipment plus any batteries and chargers.

Equipment must be new, cordless, battery-powered, and must be replacing an existing scrapable likefor-like piece of gasoline or diesel-fueled L&GE. New equipment can be purchased from any retailer or manufacturer of electric L&GE including online retailers and manufacturers. Each voucher amount is based on the purchase price of the eligible electric L&GE and does not include additional costs such as taxes, fees, accessories, and delivery charges. Actual reimbursement amounts may be reduced based on the final cost of eligible L&GE identified in the purchase receipt. If discounts are provided by the retailer or manufacturer that are not factored into the price of proposed equipment on the application, the payout will be based on the final cost paid by the program participant. There is no maximum amount of equipment that can applied for per organization.

Applications for the LEEF3 Program will be accepted until all project funds are fully distributed. Vouchers will be issued on a first-come, first-served basis to eligible applicants. When all funds are fully distributed, the District will compile the contact information of organizations who are interested in future potential funding opportunities.

¹ Available at: <u>https://ww2.arb.ca.gov/our-work/programs/carl-moyer-program-road-source-categories/carl-moyer-program-lawn-and-garden</u>



a. Cost Share

The Carl Moyer Program Guidelines require that applicants pay out of pocket for at least 15% of the cost of eligible equipment. This means the maximum voucher amount cannot exceed 85% of the new equipment costs that are eligible for funding under the LEEF Program. The cost share requirement is waived for public agencies as well as small businesses (defined as less than 100 employees and average gross receipts of ten million dollars [\$10,000,000] or less over the previous three years).

b. Co-funding

Carl Moyer State Reserve funds are able to be stacked with funds from CARB's Clean Off-Road Equipment (CORE) Program as long as the new equipment has not yet been purchased. Participants of the CORE Program who have already purchased their new equipment are not eligible for LEEF 3 funds. The CORE Program is only available for small landscaping businesses. If an eligible business wants to participate in both the CORE Program and LEEF 3, they must work with a CORE approved dealer to ensure that the equipment is not yet purchased before applying to LEEF 3. The District will conduct outreach to the eight CORE approved dealers in Santa Barbara County² to inform them of the LEEF 3 program and application process.

The applicant must provide information about all co-funding sources and funding amounts with the application. Periodically CARB staff working with CALSTART will send CORE Program payout documentation to the District. The CORE payout documentation is required before the District can reimburse participants who stack CORE and LEEF 3 program funds. The total LEEF 3 voucher cannot exceed the cost of the new equipment when combined with other funding sources.

4. Disposal Requirements

The LEEF 3 program requires the disposal of an existing like-for-like piece of gasoline or diesel-fueled L&GE for each piece of electric L&GE purchased through the program. The new replacement L&GE must serve the same function and perform the same work as the existing L&GE. For example, a blower must be replaced with a blower. Existing equipment must be in operable condition. CARB has specified that the applicant can attest to the operability of their equipment and the air districts are ultimately responsible for determining the apparent operability of the existing L&GE. The participant is to self-certify that the existing gasoline or diesel L&GE is in operable condition on the application. During application review, the District will verify that each new piece of electric L&GE to be purchased

² Available at: <u>https://californiacore.org/dealerlist/</u>



corresponds with a piece of existing gas/diesel L&GE that will be scrapped. The District will be unable to provide reimbursement for electric L&GE without proper scrappage of existing L&GE.

The District will provide a list of local participating dismantlers that will accept the existing equipment for disposal. Within 30 days of receiving the new L&GE and prior to submitting close-out documentation, the participant must scrap their existing equipment at a participating dismantler and have the dismantler provide a receipt and sign a provided Certificate of Destruction. The participant is responsible for paying any scrappage fees out of pocket with the dismantler. The Certificate of Destruction must include the amount and type of each piece of equipment that is destroyed. The participant must submit the receipt from the dismantler and the Certificate of Destruction with their final documentation for reimbursement.

5. Voucher Reimbursement

After purchasing the new equipment and disposing of existing equipment, each participant will submit their close out documents to the District for reimbursement before the voucher expiration date (within 30 days from voucher issuance). In some cases, the District may be able to provide an extension on the voucher submittal with good cause (i.e delays in receiving new equipment after purchase). However, this extension does not waive the requirement that the applicant must scrap their old gas/diesel L&GE and submit payout documentation to the District within 30 days of receiving the new L&GE.

The participant must submit the following information before payment will be disbursed:

- 1. Signed voucher;
- 2. Receipts of purchased equipment;
- 3. Substitute W-9 Form, exact form to be provided by the District;
- 4. California Form 590, exact form to be provided by the District
- 5. Certificate of Destruction, exact form to be provided by the District; and
- 6. Receipts from dismantler.

The District will reimburse the participant via check or direct deposit within 45 days of submittal of the required materials. For participants stacking funds with the CORE Program, the District must receive the final CORE Program payout documentation from CALSTART before the participant can be reimbursed. Payout funds could potentially be delayed depending on the time to receive documentation from CALSTART for CORE-funded projects.



6. Outreach and Education

The District will provide LEEF 3 program information on the District's website, <u>www.ourair.org</u>, and advertise the LEEF program to eligible organizations. The District has identified nearly 500 contacts of commercial landscaping businesses, public agencies, and schools as candidates for outreach. Additionally, the District has maintained a contact list with organizations that have expressed interest in the program.

Initial outreach ideas include:

- Postcards and emails to identified commercial landscaping businesses, public agencies, school districts, and universities in the county;
- Collaboration with L&GE manufacturers, local retailers, and CORE approved dealers with promoting awareness of the program through demo days and other outreach activities;
- Offering equipment testing opportunities through hosting an electric equipment demo day partnering with American Green Zone Alliance and C5;
- News releases (with Spanish translation) with full distribution:
 - Social media (Twitter, Instagram, Nextdoor);
 - Send to District Board members;
 - Send to District Community Advisory Council members;
 - Via MailChimp; and
- Postcards to organizations that promote green or sustainable landscaping (e.g., Santa Barbara County Green Gardener Program, Santa Barbara County Green Landscape Consortium, and the Santa Barbara County Green Business Program).
- Outreach at community events such as Earth Day, Open Streets, and the Central Coast Sustainability Summit

The LEEF 3 program will include educational components to ensure that participants are aware of how to properly dispose of gas L&GE and how to operate leaf blowers to minimize air quality impacts. Educational material will be distributed alongside information about the LEEF 3 program via postcards, emails, and news releases through the outreach strategies described above.



7. Timeline

Activity	Date
CARB Carl Moyer State Reserve Grant Agreement Executed	June 15, 2022
Public Outreach	December 2022 and ongoing
CARB Carl Moyer Chapter 9 Updated	March 3, 2023
Program Launch	June 5, 2023
Liquidation Date	December 31, 2026

8. Recordkeeping

The District will keep track of the following information for each trade-in project:

- Tracking number for each voucher (application # and voucher #);
- Name of organization;
- Mailing address and physical address;
- Phone number;
- Date of application;
- Commercial business license (if applicable);
- Employment Identification Number (if applicable);
- Proof of service in Santa Barbara County for commercial landscapers and nonprofits with-out of-county licenses;
- Self-certifications;
- Total voucher amount;
- Co-funding sources and amounts;
- Voucher expiration date;
- New equipment purchased with each voucher including equipment type, manufacturer, model, retailer, and price estimate;
- Copies of receipts for all purchased equipment;
- Equipment to be recycled including equipment type, if known also the manufacturer, model year, and engine family number;
- Date of voucher submittal;
- Tax forms (Substitute W-9 form and CA 590 form);
- Certificate of Destruction;
- Receipt from dismantler;
- Date voucher funds dispersed by District.



9. Workflow

The following workflow will be used to expend funds in a timely manner and to track information:

- 1. Applications are received and reviewed for completeness as they come in. If an application is incomplete, the applicant is notified to make corrections and resubmit.
- 2. Vouchers are issued on a first-come, first-served basis. If the application is eligible, the applicant receives a voucher with tracking number, expiration date, equipment approved for purchase, equipment approved for disposal, and a maximum eligible funding amount.
- 3. The participant purchases approved equipment and they must dispose of existing equipment and submit their closeout documentation to the District within 30 days of voucher issuance.
- 4. The District checks in with participants to ensure they are aware of upcoming voucher expiration deadlines. Extensions may be granted if the participant experiences delays in receiving their equipment. However, once the equipment is received the participant has 30 days to dispose of their equipment and submit paperwork to the District. The District must rescind vouchers that have expired.
- 5. The District processes the reimbursement request which includes the signed voucher form, receipts of purchased equipment, required tax forms, a Certificate of Destruction, and the receipt from the dismantler. The District issues payment to the participant within 45 days of receiving final close-out documentation, including CORE Program payout documentation from CALSTART (if applicable).

