

Decarbonizing the San Diego Region Project Proposal

The San Diego Association of Governments (SANDAG) respectfully submits this proposal for the San Diego-Chula Vista-Carlsbad MSA (San Diego Region) pursuant to U.S. Environmental Protection Agency's (EPA) Climate Pollution Reduction Grants program (CPRG) Implementation Grants (Funding Opportunity Number EPA-R-OAR-CPRGI-23-07). This grant proposal focuses on greenhouse gas (GHG) reduction measures from the San Diego Regional Priority Climate Action Plan (PCAP), which was completed and submitted to EPA on March 1, 2024. SANDAG is confident that the seven measures proposed here - a subset of measures in the PCAP - will achieve significant, measurable, and sustainable GHG reductions and can be implemented before October 2029. These measures will be implemented by SANDAG and partner agencies including the San Diego County Air Pollution Control District (SDAPCD) and San Diego Community Power (SDCP), as the lead portfolio administrator of the San Diego Regional Energy Network (SDREN). In California, RENs can manage and implement energy efficiency, renewable energy, and electrification programs.

The San Diego region is situated in the southwest corner of the United States and shares a border with Mexico, giving it a dynamic binational economy. The San Diego region is home to 3.3 million residents and has a rich diversity of peoples and cultures, including 17 federally recognized Tribal Nations with jurisdiction over 18 reservations – the most of any county in the United States (U.S.). The consequences of climate change are increasingly impacting this unique region year after year, through sea level rise, more frequent and severe weather events, and wildfires.

1. Overall Project Summary and Approach

1.a Description of GHG Reduction Measures. There is an urgent need to invest in measures that will reduce GHG emissions in the San Diego region to address the climate crisis, improve air quality, and benefit the health of residents. The region is home to the busiest Land Port of Entry in the Western Hemisphere with an average of 70,000 vehicles entering the region each day – contributing to GHG emissions and air pollution locally. Additionally, the region's unique topography includes a mountain range along the eastern boundary that traps air pollution. Climate change is already impacting the region with increased risk of wildfires, sea level rise, extreme heat, and dangerous flooding. It is critical that investments be made here now to reduce the GHG emissions that are driving the climate crisis. Furthermore, historic disinvestment and under-resourcing have left many low-income and disadvantaged communities (LIDACs) overburdened by these impacts and with fewer resources to cope.

The GHG measures described in this proposal will benefit LIDACs in the region vulnerable to the impacts of climate change and help ensure that they are not left behind but lifted up through the transition to a decarbonized future. Sectors such as transportation, buildings, and energy account for over 80% of the San Diego region's GHG emissions and the measures proposed will fund programs and projects benefiting LIDACs. Implementing the GHG measures in this proposal will have significant co-benefits to air quality and human health. Each measure was included in the San Diego Regional PCAP, submitted to and accepted by the EPA in March 2024. Through the process of refining the measures for this workplan, some projects and programs have been renamed to describe their purpose more accurately. Table 1. serves as a reference for the PCAP measures and related proposed programs.

Table 1: Grant Proposal Programs and Projects

Measure in PCAP	Program in Proposal and PCAP Action
Transportation	
T.1 Increase Adoption of Zero-Emission Vehicles	Regional Zero-Emission Light-Duty Vehicle Incentive Program (T-1.1 and T-1.4)*
T.2 Increase Zero-Emission Vehicle Charging Infrastructure	Regional Zero-Emission Medium- & Heavy-Duty (MD/HD) Vehicle Charging Infrastructure Program (T-2.2)
T.3 Expand Active Transportation Opportunities	Regional Active Transportation Program (T-3.1)
T.4 Increase Use of Public Transit	Regional Transit Incentive Programs (T-4.1)
	Bus Rapid Transit (BRT) Project (T-4.2)
Building Energy Use	
B.1 Electrify Buildings	Regional Building Electrification Program (B-2.1 and B-2.2)*
Clean Energy	
CE.1 Increase Solar & Energy Storage	Regional Residential Solar & Energy Storage Program (CE-1.2)

*Starred programs described in the table above address more than one of the measures described in the San Diego Regional Priority Climate Action Plan.

1.a.1 Regional Zero-Emission Light-Duty Vehicle Incentive Program. CPRG Goals: Decarbonizing the transportation sector is critical to addressing the climate crisis, with transportation accounting for about 50% of the GHG emissions in the San Diego region. This measure will accelerate the adoption of zero-emission vehicles (ZEVs) by offering rebates to reduce the purchase cost of ZEVs for low- and moderate-income households and for municipal fleets. ZEVs use cleaner fuel sources, such as electricity, rather than gas or diesel, and do not produce harmful exhaust gases such as CO₂ and ozone. This measure has been identified as a priority by many local jurisdictions, agencies, and stakeholders; it will significantly reduce GHG emissions, and it will improve ZEV affordability and access for residents in LIDACs.

Features & Tasks: This program will fund approximately 5,000 rebates for residents to purchase new or used ZEVs and for municipal fleets to purchase new light-duty ZEVs. Higher incentives, outreach and education will target LIDAC residents throughout the region, including Tribal communities. The municipal fleet component will be open to local governments, regional agencies, and Tribal governments. The program will be based on successful rebate programs such as the former CA [Clean Vehicle Rebate Project](#). Through a Caltrans planning grant, SANDAG is doing the research and development for this program now, with significant input from CBOs serving LIDACs and community members on vehicle purchase practices, types of vehicles purchased (new, used, model year, etc.), cost and finance concerns, and resources needed to consider a ZEV purchase. Based on this input, robust engagement in the program, including financial literacy and information about ZEVs from trusted voices, will be included.

Milestones: Milestones include executing a contract with a 3rd party administrator, completion of final program design package, implementation manual, technical assistance plan, and website prior to launch in year 1. In years 1-5 will be community outreach events to enable participation by LIDAC residents and fleets, expending of annual budgets, and completion of semi-annual reports and a final report.

Risks: As with many application-based incentive programs, challenges with application submittal and proper documentation are a risk, so SANDAG will provide robust and proactive technical assistance to applicants. Income-based program requirements can be cumbersome and deter low-income resident

participation, so SANDAG is exploring less intrusive income verification methods such as participation in other state or federal programs that already require verification. Past state programs have been oversubscribed quickly and left many LIDAC residents without access to funds, so SANDAG plans to reserve at least 50% of funds for those residing in LIDACs and fleets in LIDACs.

1.a.2 Regional Zero-Emission MD/HD Vehicle Charging Infrastructure Program. CPRG Goals:

Medium- and heavy-duty (MD/HD) vehicles are a major source of local air pollutants that negatively impact urban air quality and human health. This is exacerbated by idling at the San Diego region's busy border crossings and disproportionately affects LIDACs located near freight corridors, ports, and distribution centers. SDAPCD prepared the [Portside Community Emissions Reduction Plan](#) (CERP) and [International Border Communities CERP](#) in coordination with these communities, who strongly advocated for the electrification of trucks, buses, and cars to reduce health impacts and address climate. The health impacts of gas- and diesel-powered vehicles are clear and alarming—a study published in 2021 found that in San Diego's environmental justice communities, there is an association between elevated particulate matter (PM_{2.5}) concentrations and hospital visits due to heart attacks, revealing a clear environmental injustice for residents in communities of color and residents living near the San Diego-Tijuana border.¹ However, the lack of charging infrastructure presents a significant obstacle to wider deployment of zero-emission MD/HD vehicles. There is only one public fast charging station accessible to MD/HD vehicles in the region (at TruckNet Truck Stop near the Otay Mesa Port of Entry). To increase access to truck charging and accelerate the transition to zero-emission MD/HD vehicles, SDAPCD will incentivize the installation of charging infrastructure. This will reduce GHG emissions while accelerating actions to reduce harmful air pollutants in overburdened LIDACs.

Features & Tasks: This program will provide incentives to purchase and install MD/HD truck or bus charging infrastructure, which could include publicly accessible chargers and private depots in San Diego County. The program will expand the existing successful Carl Moyer and Community Air Protection incentive programs administered by SDAPCD through a competitive reimbursement program for installing charging infrastructure.

Milestones: Major milestones include execution of contract with SDAPCD and infrastructure project solicitation in year 1, execution of contracts with successful applicants in years 1-2, project review and evaluation completion, installation of chargers in years 2-4, and the completion of the semi-annual reports and final report.

Risks: A delay in the completion of electrical upgrades at sites needed to facilitate the installation of MD/HD charging infrastructure could lead to delays in the implementation of this measure. SDAPCD will mitigate these risks through significant outreach and technical assistance to participants and the SDG&E.

1.a.3 Regional Active Transportation Program. CPRG Goals: California and SANDAG are prioritizing investments that reduce our dependence on driving and improve healthier mobility options for people and the environment like biking and walking. Active transportation reduces vehicle miles traveled (VMT), a key contributor to GHG emissions and tailpipe pollutants. Active transportation is a clean mobility solution identified in local CAPs, SANDAG's Regional Plan, the Portside and Border CERPs, and demanded from our CBOs and climate advocates in our community workshops. As part of prioritizing PCAP measures, SANDAG received over \$200 million in project requests from local governments for bike projects. Moreover, given that only 12% of low-income residents in the San Diego region live within a ½ mile of transit, it is critical to provide safe pedestrian and bike-friendly mobility choices that can connect more people to community amenities and transit.

¹ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8629926/>

Features & Tasks: This program will provide incentive funding to local governments and Tribal governments to construct active transportation projects that connect the regional bike network and/or increase access to safer bike lanes/paths in underserved areas. SANDAG has developed and administered multiple active transportation grant programs for local governments when funding has become available. The demand for bike grants always far exceeded the funds available, so CPRG would enable more projects to be built. Past grants have been limited to SANDAG's member agencies, but CPRG funds would enable SANDAG to offer a grant program to both local and Tribal governments.

Milestones: Major milestones include program launch, issuance of call for projects, execution of agreements with selected projects in year 1. Quarterly progress reporting by recipients post award through completion. Project evaluation and community outreach when projects are completed in years 3-5. Program evaluation in year 5, completion of the semi-annual reports and final report.

Risks: Insufficient staffing had created delays in a previous grant program. To mitigate this, sufficient staffing resources have been identified and vetted with senior management. Subrecipients could also experience challenges implementing their projects like delays due to contracting or insufficient staffing. To mitigate this, the grant application process will thoroughly vet projects to ensure that funds are awarded only to projects with the greatest likelihood of completion.

1.a.4 Regional Transit Incentives Programs. CPRG Goals: Over 40% of the region's GHG emissions come from passenger vehicles, so programs that incentivize car-centric residents to try transit and for youth 18 and under to take transit reduces VMT, a key metric for GHG emissions from transportation. Reducing car trips through increased transit use reduces air pollution and GHGs from our largest emitting sector. Transit incentive programs were selected based on significant CBO and community support for transit, especially for the youth transit passes that reduce transportation costs for families across the region, which is a higher cost burden for families in LIDACs.

Features & Tasks: This program will expand transportation incentives including the Youth Opportunity Pass (YOP) to provide free transit to all youth 18 and under and the Try Transit program to provide free 30-day passes to commuters to take transit instead of driving to work. YOP has been a successful pilot, nearly doubling the average number of monthly riders and tripling the number of youths regularly riding transit, with disadvantaged communities and routes near schools seeing the largest increases in youth ridership. In its first year, YOP is estimated to have reduced regional VMT by approximately 6 million miles. The project is currently a pilot program with funding through late 2026, and CPRG would allow the program to be extended for 3 additional years. CPRG would also enable the expansion of the "Try Transit" Program to underserved communities in the region through partnering with CBOs and outreach targeting transit-oriented developments. The current program is offered to participating local employers for employees through SANDAG's transportation demand management programs. Try Transit is for people who are not current transit riders to have a one-month free transit trial to encourage behavior change in favor of public transit ridership. Both programs will aid in reducing GHG emissions by replacing car trips with transit trips.

Milestones: Major milestones for YOP include an extension of executed agreements with transit operators MTS and NCTD for SANDAG to reimburse them for YOP fares. Program outreach events through CBOs and partnerships with schools that have lunch programs. Major milestones for Try Transit include the identification of outreach sites, hosting of community engagement events, and development of transit usage reports. Other milestones for both programs include the completion of the semi-annual reports, final reports, and program evaluation.

Risks: Given that YOP is a proven pilot program, the risks of successful implementation are minimal. However, exceeding the capacity of transit vehicles due to additional ridership could reasonably impact the effectiveness of this measure. This risk will be mitigated as additional capacity is added as services continue to be restored post-COVID-19 pandemic. As low participation in the Try Transit program could

impact the effectiveness of this measure, SANDAG will proactively solicit and incorporate feedback about participant needs to ensure effective program design and participation.

1.a.5 BRT Project. CPRG Goals: Given that passenger vehicles account for over 40% of GHG emissions and nearly 80% of commuters drive alone, it is critical to provide safe and reliable alternatives to driving passenger vehicles.² Bus rapid transit (BRT) moves people faster by making fewer stops, using designated bus lanes where needed, and green light priority at intersections to travel quicker through traffic and encourage the use of public transit. Moving to next-generation transit and extending transit access and use of low- and no-emissions buses are priorities for California and SANDAG to improve air quality and reduce GHGs. This measure was selected based on input from community outreach, the lack of transit connections, and the potential to expand YOP benefits to this rural community.

Features & Tasks: This project will implement one new BRT route in a transit desert, a part of the region without daily service or high-frequency transit service. BRT Express Route 277 is identified in SANDAG's 2022 San Vicente Comprehensive Multimodal Corridor Plan (SV CMCP) and draft 2025 Regional Plan. This BRT route will provide a lower GHG transportation option for residents by connecting the rural community of Ramona to employment centers in the City of Poway and making a key connection to the transit station in the City of San Diego. This route will utilize existing roadway infrastructure that has been recently equipped with digital communications infrastructure, which expands access to reliable and affordable broadband and establishes the necessary infrastructure to implement operational and safety improvements.

Milestones: Major milestones include the completion of the conditions analysis, stakeholder analysis, alternatives analysis, and environmental analysis, as well as the development of the design and engineering plan and operations plan. Others include conducting public outreach and noticing, initiating operation of the route, and the completion of the semi-annual reports and final report.

Risks: A lack of capacity by U.S. companies to supply new buses could lead to delays of this measure. To mitigate this, SANDAG will plan bus purchase orders early.

1.a.6 Regional Building Electrification Program. CPRG Goals: California plans to achieve carbon neutrality by 2045, and the San Diego region seeks to do its part by decarbonizing the building and transportation sectors. Natural gas in buildings accounts for approximately 12% of the region's GHG emissions. This measure will reduce GHG emissions and improve indoor air quality by replacing natural gas-powered equipment used for heating, water heating, cooking, and other functions with high-efficiency electric appliances and equipment. This measure was selected based on local CAP priorities, strong community input for building electrification support, and because it will include education, outreach, and targeted technical assistance in LIDACs.

Features & Tasks: This program will be implemented by San Diego Community Power (SDCP) as the lead agency for the SD Regional Energy Network (SDREN). It will provide technical assistance, financial incentives, and direct installation to replace gas water heaters and HVACs with heat pumps for residents in San Diego County (including tribal communities). The program will help make heat pumps the preferred technology when customers are replacing space and water heating equipment at the end of life or adding cooling to existing heating equipment. It will build on TECH (Technology and Equipment for Clean Heating) Clean California, an existing statewide initiative, that aims to accelerate the adoption of clean space and water heating technology across California homes through efforts such as providing supplemental customer incentives, contractor training, technical assistance, and customer education and outreach.¹ The program will work with regional load serving entities (LSEs) to ensure that newly installed measures are integrated into flexible load programs, supporting the integration and balancing

² <https://www.sandag.org/regional-plan/sustainable-growth-and-development/greenhouse-gas-emission-targets>

of utility-scale renewable generation assets. SDCP will reassess existing incentives and market developments at the time of program launch and consider including municipal buildings (owned by local governments, regional agencies, and/or Tribal governments) as eligible participants. It will reduce GHG emissions by supporting the transition from fossil fuel-based space and water heating to efficient electric heat pump technologies.

Milestones: Major milestones include the completion of incentive integration, conducting marketing education and outreach activities, launching the incentive program, and the completion of the semi-annual reports and final report.

Risks: Lack of awareness of heat pump technology among customers could impact the effectiveness of this measure. To mitigate this, SDCP will host educational workshops and webinars with materials that are culturally appropriate and linguistically diverse. Another potential risk would be technical issues related to equipment installation, which SDCP will mitigate by providing panel upsizing training, permitting and inspection support, and training for code officials on installation best practices.

1.a.7 Regional Residential Solar & Energy Storage Program. **CPRG Goals:** Increasing onsite solar energy generation and storage also helps to expand the green economy, reduce utility bills, and improve energy resilience. Electricity is the second largest source of regional GHG emissions at 21%. As the building and transportation sectors move towards full electrification and the severity and impact of climate hazards worsen in the region, it is essential to increase solar and energy storage to ensure access to clean, reliable energy sources. The San Diego region has the highest electricity rates in the continental U.S. This measure was selected because of its strong GHG reduction impact, its ability to reduce the electricity cost burden for LIDAC participants, and its role in supporting the local solar and storage workforce which has experienced cutbacks due to changes in state net energy metering tariffs changing the rate of return on solar installations.

Features & Tasks: This program will be implemented by SDCP as the lead agency for the SDREN and it will provide technical assistance and financial incentives to install residential solar and storage systems. It will support single-family residential homeowners and multifamily owners and renters within San Diego County (including in tribal communities) to use clean energy and support the grid by installing solar and battery storage (or complementing an existing solar system with a battery) in their homes or multifamily facility. It provides an upfront incentive to minimize the initial cost of the system. SDCP is launching a smaller-scale version of this program in the first half of 2024, and CPRG funding will augment the existing program and expand it to the entire region.

Milestones: Major milestones include finalizing the marketing plan, hosting training seminars and workshops, solidifying partnerships with Community-Based Organizations (CBOs), process automation, and completing the semi-annual reports and final report.

Risks: Delays in system manufacturing could delay the implementation of this measure. To mitigate this, SDCP will have open enrollment for battery manufacturers rather than relying on a single vendor.

1.b Demonstration of Funding Need

1.b.1 Regional Zero-Emission Light-Duty Vehicle Incentive Program. The state rebate program ended. The SDAPCD rebate program caps eligibility at household income of 300% federal poverty level and requires scrap of a vehicle from 2009 or older. Many low- and moderate-income households (up to 400% FPL) have no rebate available to make ZEVs affordable. The federal tax credit has limited vehicles and does not help households with limited tax liability like low-income households. SANDAG receives federal Congestion Mitigation and Air Quality (CMAQ) funds, but these are currently planned for other essential programs. SANDAG was awarded a Caltrans Planning Grant to research and design ZEVIP but has not yet identified or secured a funding source for implementation. CPRG will enable SANDAG to efficiently capitalize on completed research and design work to implement this program.

1.b.2 Regional Zero-Emission MD/HD Vehicle Charging Infrastructure Program. According to the San Diego Regional MD/HD ZEV Blueprint, to transition to zero-emission MD/HD vehicle at scale across the region, thousands of additional chargers will need to be installed. Based on data from these current programs, providing 50% or more of the project cost in the form of an incentive is effective in encouraging candidates to complete charging installations. CPRG funding is critical to ensure that this transition occurs, especially for communities most impacted by freight air pollution, because existing funding sources, including through California's Clean Transportation Program, will only fund a small fraction of the resources necessary to support this. Currently, the two incentive programs that SDAPCD administers for installation of EV charging of MD/HD vehicles have funding to support 11 projects. CPRG funding will substantially expand the number of MD/HD vehicle charging stations by incentivizing the purchase of approximately 200 additional charging stations. Also, California sought funding through the IJIA Charging and Fueling Infrastructure (CFI) grant program but was not awarded any funding.

1.b.3 Regional Active Transportation Program. SANDAG has managed several cycles of a discretionary grant program for local governments, the TransNet Active Transportation Grant Program (ATGP), funded through a half-cent countywide transportation sales tax. However, the demand for projects through this program has dramatically outpaced the amount of funding available and SANDAG. The California Active Transportation Program (ATP), a discretionary grant program offered by the California Transportation Commission, also offers grants using federal and state funding. Unfortunately, the ATGP and ATP are significantly oversubscribed every round due to insufficient funding and were limited to participation by our local governments. CPRG is needed to help meet existing large regional demand and would be open to Tribal governments also.

1.b.4 Regional Transit Incentive Programs. SANDAG has explored several sources of state and federal funding for transit incentives, including the Low Carbon Transit Operations Program, EPA, and CMAQ. Funding for the pilot YOP program has been primarily CMAQ, however, CMAQ funds are not available to fund beyond the pilot stage, limiting the opportunity to expand YOP. CMAQ funding has also been utilized for the employee commuter Try Transit program, but many other strategies compete for and currently utilize CMAQ as their funding source. CPRG funding would allow for the expansion of both transit incentive programs and further maximize their proven benefits.

1.b.5 Bus Rapid Transit Project. As described in Section 4, Ramona, located in a more rural unincorporated area of the county, is the community that this project will benefit. Regional BRT projects that have received federal and state funding to date have been in more urban areas which can generate higher ridership numbers, making them more competitive for funds. CPRG would enable SANDAG to prioritize expanding high frequency transit service to part of the county with limited access to transit.

1.b.6 Regional Building Electrification Program. CPRG funds will enable SDCP to offer its first building electrification program that will provide comprehensive services and equipment that will complement and can be stacked with statewide programs: the TECH Clean California initiative and the CA Equitable Building Decarbonization Direct Install program. CPRG funds will enable SDCP to also provide electrification equipment and services to sites that are ineligible for the state programs.

1.b.7 Regional Residential Solar & Energy Storage Program. CPRG funds are needed to address the burden of customer costs associated with implementing solar and battery storage systems. CPRG funds will supplement and expand countywide the benefits of SDCP's existing program that is set to launch in a part of the county in the first half of 2024 to provide customers with a performance incentive

to dispatch, at minimum, 50% of the battery during peak hours and receive an incentive of \$0.10/kWh for actual performance for 10-years. While there are funding sources available to assist LIDAC customers with new solar and battery storage systems, installations have still been cost-prohibitive without the added financial and technical support that CPRG would provide.

1.c Transformative Impact

1.c.1 Regional Zero-Emission Light-Duty Vehicle Incentive Program. The program has dual goals of reducing GHG emissions and increasing access to ZEVs for low- and moderate-income households and LIDACs, including in Tribal communities. There are still limited new and used vehicle options available at lower price points, and cost parity is not expected before 2031, so incentives are essential to make ZEVs a viable option for LIDAC residents. Input gathered during the design phase of this program has revealed that low-income residents are apprehensive about purchasing ZEVs due to several factors and that the purchase cost must be comparable to a gas vehicle, even though ZEVs reduce GHG emissions and protect the environment. This program seeks to address these barriers through incentives for new and used vehicles, outreach, and education, and may also spur additional, indirect ZEV adoption as more community members see and ride in ZEVs. Lastly, this program will be replicable and scalable to other regions or to a wider local population in future iterations.

1.c.2 Regional Zero-Emission MD/HD Vehicle Charging Infrastructure Program. This program will help spur the transition to zero-emission MD/HD vehicles by providing much-needed infrastructure. This region has significant truck travel at the U.S.-Mexico border, Port of San Diego, and along major corridors but feedback from truck operators and industry has been that they need to see more ZEV trucks and charging operating in the region to gain confidence to transition. The APCD has a zero-emission truck pilot that this charging program will complement. This program will help facilitate the wholesale transformation of goods movement and other hard-to-abate sectors to zero-emission technologies. Funding this visible, effective charging infrastructure program will provide confidence to the business community and will accelerate the deployment of zero-emission trucks.

1.c.3 Regional Active Transportation Program. This program provides the critical funding necessary for local and Tribal governments to expand bike facilities that will make their communities healthier and safer. By building a regional network of active transportation facilities, we are seeing year-over-year increases in biking and walking, communities getting connected, and reduced VMT. SANDAG has extensive experience managing regional grant programs for local governments, which can be replicated in other regions in need of infrastructure improvements but lacking the funding source and/or mechanisms to do so.

1.c.4 Regional Transit Incentive Programs. YOP leverages the existing transit system and fare collection infrastructure to deliver a product that is transformational for young people. 92% of YOP users said they ride transit more because of the program, and 79% said they plan to continue riding transit as adults. For Try Transit, historical data shows that almost 30% of those who try transit become regular transit users, so funding for this incentive is expected to reduce VMT and achieve long-term change in commuter habits. Both YOP and Try Transit create a culture of transit use that increases ridership and reduces regional GHG emissions. These programs have proven results and provide scalable, replicable models to reduce GHG emissions wherever there is transit service.

1.c.5 Bus Rapid Transit Project. SANDAG's 2021 Regional Plan and draft 2025 Regional Plan identify more than 50 BRT routes throughout the region to reduce GHG emissions and expand high-frequency transit options. With CPRG funds, SANDAG can complete planning, design, and

implementation for Route 277 along the State Route 67 corridor and lay the foundation for replicating that process for other BRT routes. This route is the first in the State to install digital communications infrastructure as part of the California Middle-Mile Broadband Initiative, which aims to bring internet connectivity to homes, businesses, and community institutions. Broadband infrastructure, such as bus queue jumps at key intersections, is critical to enable bus technologies and operational improvements. BRT and the supporting technology make bus trips faster, safer, and more attractive to the community. These types of technological improvements for Route 277 will also serve as the testing and proving ground for other BRT projects and the learnings will be transferable.

1.c.6 Regional Building Electrification Program. This program is transformative in that in addition to the direct reduction in GHG emissions resulting from customer adoption of heat pump technologies, SDCP will also work with regional load serving entities (LSEs) to enroll equipment installed through this program into their flex load programs. This strategy creates a secondary value stream for participating customers, increasing the economic performance of these retrofit projects while providing a valuable source of resource adequacy for LSEs like SDCP and SDG&E. This program aligns the overall customer load with the growing supply of intermittent renewable generation, accelerating long-term decarbonization of the electricity supply. Building electrification and decarbonizing buildings are still new concepts for the general public, so the education and technical assistance provided by this program will increase local knowledge of the health and climate benefits of decarbonization.

1.c.7 Regional Residential Solar and Energy Storage Program. The innovative structure of this program is transformative, as compared to existing solar and energy storage programs, because it subsidizes the cost of storage. This approach enables more residents in the region—especially residents in LIDACs, to utilize this GHG-reducing technology that will also reduce their utility bills. This program is critical to support the transition to a decarbonized energy system and can be replicated elsewhere and adapted to include the commercial sector. Additionally, this program could serve as a model for maintaining green jobs in the solar and storage industry, as the San Diego region has experienced a downturn in the workforce since the new regulatory structure of the Net Billing Tariff (“NBT”) went into effect last year and reduced the monetary credit received by property owners from their solar systems.

2. Impact of GHG Reduction Measures

To reduce emissions on a truly impactful scale, our proposal focuses on the highest sources of GHG emissions in the San Diego region. Transportation represents over 50% of GHG emissions – the largest individual source of regional emissions. To target transportation emissions, we will increase ZEV adoption, increase public transit use, and expand active transportation opportunities. Electricity emissions account for 21% of the region’s GHG emissions. To reduce electricity emissions, we focus on transitioning to clean onsite energy sources and support clean energy electrification of the building energy sector. Natural gas accounts for about 12% of regional GHG emissions. To reduce natural gas GHG emissions – and improve indoor air quality – we will incentivize the transition away from natural gas to high-efficiency electric appliances and equipment. Tables 2 and 3 below outline the GHG reductions that can be achieved by implementing these measures.

2.a Magnitude of GHG Reductions from 2025 through 2030

Table 2: GHG Reductions from 2025-2030 by Measure

Measure	CH ₄ MT	CO ₂ MT	N ₂ O MT	CO ₂ e MT	Durability Score*
Regional Zero-Emission Light-Duty Vehicle Incentive Program	-0.3	6,000	0.1	6,026	2.5

Regional Zero-Emission MD/HD Vehicle Charging Infrastructure Program	-0.02	941	0.003	941	2.4
Regional Active Transportation Program	0.03	3,658	0.1	3,673	6.8
Regional Transit Incentive Programs	0.06	6,901	0.1	6,932	1.0
Bus Rapid Transit Project	0.01	1,546	0.0	1,546	3.4
Regional Building Electrification Program	1.5	11,435	0.1	11,500	3.4
Regional Residential Solar & Energy Storage Program	1.2	8,926	0.1	8,976	3.1

*Durability score: Score reflects the ratio of long-term to short-term emissions. This value is a proxy (0-10) for durability. The higher the value, the more durable the reductions.

Total GHG Reduction Estimations for 2025-2030: 39,594 MT CO₂e

2.b Magnitude of GHG Reductions from 2025 through 2050

Table 3: GHG Reductions from 2025-2050 by Measure

Measure	CH ₄ MT	CO ₂ MT	N ₂ O MT	CO ₂ e MT	Durability Score*
Regional Zero-Emission Light-Duty Vehicle Incentive Program	-0.7	15,220	0.3	15,276	2.5
Regional Zero-Emission MD/HD Vehicle Charging Infrastructure Program	-0.04	2,250	0.008	2,251	2.4
Regional Active Transportation Program	0.16	25,012	0.3	25,107	6.8
Regional Transit Incentive Programs	0.06	6,901	0.1	6,932	1.0
Bus Rapid Transit Project	0.04	5,324	0.1	5,345	3.4
Regional Building Electrification Program	5.3	39,332	0.3	39,555	3.4
Regional Residential Solar & Energy Storage Program	3.7	27,767	0.2	27,925	3.1

*Durability score: Score reflects the ratio of long-term to short-term emissions. This value is a proxy (0-10) for durability. The higher the value, the more durable the reductions.

Total GHG Reduction Estimations for 2025-2050: 122,391 MT CO₂e

2.c Cost Effectiveness of GHG Reductions: Several factors are relevant to assessing the cost-effectiveness of GHG reduction value. A key consideration is sector dynamics and market conditions. Different sectors, such as transportation, buildings, and energy, have varying cost structures and operational complexities. As a result, projects and programs within each sector have different cost-effectiveness profiles. Market dynamics, supply chains, and demand for specific technologies affect costs as well. Another factor is location – local labor costs, availability of resources, and local regulations all impact the feasibility and cost-effectiveness of a program. Lastly, prevailing costs must be considered. The existing costs associated with implementing specific technologies or practices play a significant role. If certain technologies are expensive or require substantial investments, their cost-effectiveness will likely be affected.

Cost Effectiveness of GHG Reductions: \$5,026

Breakdown: \$199,000,000/39,594 GHG MT CO₂e = \$5,026/MT CO₂e

2.d Documentation of GHG Reduction Assumptions: Only the GHG emissions reductions that will occur as a result of EPA's CPRG grant funding were quantified. In the case of partial funding, the fraction of the total funding for GHG measures that the CPRG funding represents of the entire project cost was scaled up by the same fraction to quantify the GHG emissions associated with the CPRG funding. It does not include those that would already occur because of regulatory requirements or other funding sources. Please see the Technical Appendix, which describes GHG reduction assumptions including the

GHG reduction estimate method, models and tools used, measure implementation assumptions, GHG reduction estimate assumptions, reference case scenario, measure specific activity data, and cumulative GHG reduction estimates for 2025-2030 and 2025-2050 for each measure included in this proposal.³ The included GHG reductions are in carbon dioxide equivalent (CO₂e). Additional details, including annual emissions reductions CO₂, CH₄, and N₂O, are included in the Optional GHG Emission Reduction Calculations Spreadsheet (GHG Spreadsheet).

3. Environmental Results – Outputs, Outcomes, and Performance Measures

3.a Expected Outputs and Outcomes

3.a.1 Regional Zero-Emission Light-Duty Vehicle Incentive Program. Outputs: Within the grant term, SANDAG anticipates issuing an estimated 5,000 rebates and distributing \$20M in rebate funding with 50% of funds designated for fleets and residents that reside in LIDACs.

Outcomes: The two key expected outcomes are reduced exposure to smog-causing air pollution and GHGs, and increased LIDAC access to EVs through higher incentives and robust education and outreach. Rebates will accelerate the transition to EVs by replacing gas-powered vehicles 5-10 years earlier than required under current regulations. The program will increase demand for high-quality jobs in EV and charging operations and maintenance space, such as mechanics, electricians, and other technicians.

Estimated GHG reductions by 2030: 6,026 CO₂e

Estimated GHG reductions by 2050: 15,276 CO₂e

3.a.2 Regional Zero-Emission MD/HD Vehicle Charging Infrastructure Program. Outputs: SDAPCD anticipates an estimated 200 charging ports to support MD/HD trucks and/or buses to be installed by participants under this incentive program. Other outputs will be the number of applications received and awarded, both regionally and benefiting LIDACs.

Outcomes: As a result of this measure, the number of MD/HD charging sessions in the region will increase, supporting MD/HD ZEVs. The program will play an important role in removing a significant barrier to ZEV adoption: access to infrastructure. Non-ZEV MD/HD trucks are a major source of air pollutants, negatively affecting public health, particularly near distribution centers, ports, and freight corridors. This measure is recognized in SDAPCD's Community Emissions Reduction Plans to reduce air pollutants for our most overburdened communities adjacent to port operations and along the US-Mexico border.

Estimated GHG reductions by 2030: 941 CO₂e

Estimated GHG reductions by 2050: 2,251 CO₂e

3.a.3 Regional Active Transportation Program. Outputs: The cost of constructing a bicycle facility varies greatly by location and type (Class I through Class 4), and the miles of active transportation projects constructed will depend on the specific grant applications that SANDAG receives. Based on survey data on bicycle facility needs and the average cost per mile from local jurisdictions, we estimate that over 10 miles of active transportation projects (including 5.2 miles of Class I multi-use paths and 5.1 miles of Class IV cycle tracks) could be built with CPRG funding. Other outputs will be the number of grant proposals received and awarded both regionally and for LIDACs.

Outcomes: Provide additional safe, pedestrian, and bike-friendly mobility options to residents of the San Diego region. The construction of new active transportation facilities will provide greater access to active transportation, allow people to live healthier lifestyles, and contribute to positive public health outcomes.

Estimated GHG reductions by 2030: 3,673 CO₂e

³ Based on guidance in the Phase II Notice of Funding Opportunity (NOFO) EPA-R-OAR-CPRGI-23-07.

Estimated GHG reductions by 2050: 25,107 CO₂e

3.a.4 Regional Transit Incentives Programs. Outputs: The YOP pilot incentive program distributed more than 60,000 PRONTO transit cards to youth and about 100,000 online PRONTO accounts activated by new youth transit riders. With the CPRG investment, we can extend free transit for existing youth riders and expect about 10,000 more new participants annually or 30,000 over 3 years of funding. For the Try Transit incentive program, we expect to provide free transit to over 1,000 people who would otherwise drive to work, and that approximately 300 people will continue to ride transit instead of driving after their participation in the Try Transit incentive program ends (based on results of the existing program for employers). Another output will be the number of participants residing in LIDACs.

Outcomes: The YOP transit incentive program will reduce GHG emissions from private automobile trips in San Diego County by encouraging a mode shift from cars to transit for youth. The program will significantly reduce GHG emissions and improve air quality in communities throughout the region. Data gathered during the first year of the pilot estimated that YOP reduced local VMT by 6 million miles, reducing CO₂ and particulate emissions in the region. We anticipate the Try Transit program will increase transit ridership and decrease VMT and GHG emissions. This is supported by data gathered during the pilot with 422 people, in which nearly one-third of participants continued to ride public transit after their participation in the program ended.

Estimated GHG reductions by 2030: 6,932 CO₂e

Estimated GHG reductions by 2050: 6,932 CO₂e

3.a.5 BRT Project. Output: Deployment of four compressed natural gas (CNG) buses (electric buses will be considered), operating every 30 minutes during peak periods, substantially augmenting the current 1-day/week service level. The new CNG buses are expected to serve over 300,000 riders annually and reduce VMT from passenger vehicles. This new transit service will connect rural areas of the County to the regional transit network, increasing access to job centers, educational opportunities, and public services for residents in a currently underserved area of the county.

Outcomes: This project will increase transit ridership, providing the first high-frequency transit connection to car-dependent rural communities in the northeast area of the region. Providing transit service in this highly traveled and congested rural corridor will reduce VMT, GHG, and air pollutants from cars for residents in the Ramona community and the City of Poway. This service will also allow youth in the unincorporated areas of the County to benefit from SANDAG's YOP Program, which provides free transit to youth 18 and under.

Estimated GHG reductions by 2030: 1,546 MT CO₂e

Estimated GHG reductions by 2050: 5,345 MT CO₂e

3.a.6 Regional Building Electrification Program. Outputs: The installation of an estimated 4,000 heat pump water heaters, and 4,500 heat-pump HVAC units. Other outputs will be the number of participants and funding expended both regionally and in LIDACs.

Outcomes: This program will achieve several outcomes, including the adoption of efficient, flexible space conditioning and water heating in homes, a reduction in exposure to indoor air pollution, and a reduction in GHG emissions.

Estimated GHG reductions by 2030: 11,500 CO₂e

Estimated GHG reductions by 2050: 39,555 CO₂e

3.a.7 Regional Residential Solar and Energy Storage Program. Outputs: with CPRG funding, the program can complete an estimated 8,500 projects, generating over 131,000 MWh of solar for LIDAC communities and dispatching over 63,560 MWh of battery storage regionwide. An additional 244,240

MWh of generated solar output is projected outside of CPRG funding at market rate or through an external rebate program (e.g., another rebate exists for low-income multi-family solar. Other outputs will be the number of program participants and funding expended both regionally and in LIDACs.

Outcomes: The program will lower electric bills for customers installing solar and storage systems by 35% on average, reduce peak demand costs for customers, increase participation in distributed generation programs, and reduce demand on the electric grid during peak hours. Additionally, it will benefit the solar and storage industry and workforce, which have been negatively impacted by the state's transition to a Net Billing Tariff (NBT). NBT reduced the credit received by property owners for generating solar power and reduced the demand for installations, reducing available jobs for solar and storage installers, providers, and manufacturers, and supporting installation companies.

Estimated GHG reductions by 2030: 8,976 CO₂e

Estimated GHG reductions by 2050: 27,925 CO₂e

3.b Performance Measures and Plan

3.b.1 Regional Zero-Emission Light-Duty Vehicle Incentive Program. The program will track the number and dollar value of rebates distributed, as well as the percentage designated for fleets and residents in LIDACs, through the application tracking process outlined in Section 3.c.1. SANDAG will require progress reports from a 3rd party administrator that tracks and reports program expenditures, technical assistance, and participation overall and by LIDACs. In coordination with SDAPCD, SANDAG will use program performance data to quantify the co-pollutant changes overall and in LIDACs that result from program deployment, which will be included in the second semi-annual report and the final report. Quantification of the GHG emission reductions will use the methodology outlined in Section 2.d. with actual program performance.

3.b.2 Regional Zero-Emission MD/HD Vehicle Charging Infrastructure Program. The number of charging ports installed will be tracked through documentation of completed projects. The number of charging sessions and energy utilization will be quantified by tracking the usage of the incentivized infrastructure in consultation with SDAPCD, the sub-awardee for this program. SANDAG will gather progress reports from sub-awardee SDAPCD and will use the data to quantify the co-pollutant changes overall and in LIDACs that result from program deployment, which will be included in the second semi-annual report and the final report. Quantification of the GHG emission reductions will use the methodology outlined in Section 2.d. with actual program performance.

3.b.3 Regional Active Transportation Program. The number of miles of constructed active transportation projects will be tracked through required reporting from local jurisdictions and Tribal governments participating in this grant program. SANDAG will track overall participation in the grant program by projects benefiting LIDACs including in Tribal communities. Public use of the new active transportation projects will be determined by tracking the number of users post-construction compared to pre-construction. In coordination with SDAPCD, SANDAG will use program performance data to quantify the co-pollutant changes overall and in LIDACs that result from program deployment, which will be part of the second semi-annual report and the final report. Quantification of GHG emissions reduction will use the methodology outlined in Section 2.d. with actual program performance.

3.b.4 Regional Transit Incentive Programs. For the extension of the YOP Pass transit incentive program, SANDAG will track the number of youths that participate in the program through the number of PRONTO cards (the contactless payment system for automated fare collection of public transit services in the San Diego region) distributed to youth. The number of transit rides taken, high use routes, and rides that originate in LIDACs also will be tracked. For the expansion of the Try Transit

program, SANDAG will track the number of program participants through the issuance of Pronto cards and who activates the transit cards. To track the number of people who continue to ride public transit after the Try Transit program ends, we will gather and evaluate survey data from participants. A transit usage report will be developed to inform future Try Transit programs. For both transit incentive programs, SANDAG will gather progress reports from our transit operators, NCTD and MTS, and use the data to quantify the co-pollutant changes in general and in LIDACs that result from the programs' deployment, which will be part of the second semi-annual report and the final report. Quantification of GHG emission reductions use the methodology outlined in Section 2.d. with actual program performance. Program participation and outcomes are showcased on SANDAG's Open Data Portal.

3.b.5 BRT Project. This project will establish a new, daily transit service during peak hours to a car-dependent area of the region that is not connected to the regional transit network. The number of transit riders using this BRT route will be tracked through quarterly and annual monitoring of boardings. Actual ridership data will be compared to the modeled estimates of the riders per day served by the route. SANDAG will work with MTS to monitor progress and quantify the VMT and GHG emission reductions using the methodology outlined in Section 2.d. with actual program performance. In coordination with SDAPCD, SANDAG will use program performance data to quantify the co-pollutant changes overall from the replacement of car trips with bus trips that result from program deployment, which will be part of the second semi-annual report and the final report.

3.b.6 Regional Building Electrification Program. Progress on building electrification will be tracked through the number of heat pump water heaters and heat pump HVAC units, which sub-awardee SDCP will provide in progress reports to SANDAG. Changes in the rate of heat pump adoption will be measured against adoption rates in similar areas of southern California that are not participating in the program, such as Orange County, which has a similar climate, housing stock, and electricity rates. Reductions in indoor air pollutants (e.g., CO, NO₂, PM2.5, and NO_x) will be estimated by modeling the amount of air pollutants released by fossil fuel powered equipment and will be included as part of the second semi-annual report and the final report. Demand flexibility will be monitored by tracking kWh shifted from on-peak to off-peak periods, control hours, and enrollment in demand flexibility programs. Finally, GHG emissions reductions will be assessed by comparing the CO₂ emissions from fossil fuel water heaters and furnaces to the CO₂ equivalent emissions from electricity consumption by the new equipment, using Power Content Labels from local electricity providers in San Diego County.

3.b.7 Regional Residential Solar and Energy Storage Program. The number of projects, MWh of solar for LIDAC communities and MWh of battery storage will be tracked within the secure dashboard that SDCP will develop. SANDAG will work with sub-awardee SDCP to monitor progress and quantify the GHG emission reductions with consultant support using the methodology outlined in Section 2.d. with actual program performance. SANDAG and SDCP will use program performance data to quantify the co-pollutant changes overall and for LIDACs to be included as part of the second semi-annual report and the final report.

3.c Authorities, Implementation Timeline, and Milestones. SANDAG is the federally designated Metropolitan Planning Organization for the San Diego region and is governed by a Board of elected officials representing the 19 local governments in the region. SANDAG is also the federal and state co-lead agency for air quality planning with the SDAPCD. Through state law, SANDAG is the San Diego Regional Consolidated Agency (Consolidated Agency). This designation consolidated regionally significant transit planning, programming, project development, and construction under SANDAG while day-to-day operations responsibilities remain with the transit operators MTS and NCTD. For all GHG

measures, SANDAG will submit semi-annual reports summarizing technical progress, accomplishments, and milestones achieved including a description of outputs and outcomes, planned activities for the next six months, and a summary of expenditures to date. In year 1, SANDAG will work with sub-awardees to prepare a quality assurance project plan for this project and identify quality assurance measures for each GHG measure. SANDAG will also submit a final report with a summary of the GHG reduction measures implemented, outputs and outcomes achieved, and costs of the measures. The implementation timeline and milestones for each measure are listed below, along with the agencies responsible for implementing the measure or whose cooperation is necessary for its success and their authority to implement the measure.

3.c.1 Regional Zero-Emission Light-Duty Vehicle Incentive Program. Responsible Party and Authority: SANDAG has the authority to implement and oversee regional incentive programs. After EPA notification of funding awards in June 2024, SANDAG will begin a competitive procurement process in July 2024 at our expense to hire a third-party program administrator to implement this rebate program. The administrator will need demonstrated experience administering successful EV incentive programs. Procurement will be completed in Year 1.

Timeline and Milestones: In year 1, SANDAG to execute contract agreement with third-party administrator, collaborate with the administrator to complete the program implementation manual, communications and technical assistance plan, configuration of the rebate program website, and launch of program. Targeted LIDAC engagement and outreach through CBO and non-governmental organization (NGO) partners will also occur in year 1 and be offered in languages predominant in each community. In years 2 through 4, the program will be ongoing with education, outreach, and technical assistance offered to residents, Tribal governments, and Tribal residents, as well as continued processing of applications, distributing incentive payments, and tracking program performance. In year 5, if any rebate funds are remaining, additional outreach and engagement will continue with focus on LIDAC communities. SANDAG and the administrator will complete required program reporting and prepare a report to the community and EPA on program results. Outside of CPRG funding, SANDAG will explore funding and partnership opportunities to continue the program from 2030-2034.

3.c.2 Regional Zero-Emission MD/HD Vehicle Charging Infrastructure Program. Responsible Party and Authority: SANDAG will sub-award to partner agency (SDAPCD) to expand an existing incentive program they already administer. SDAPCD has the authority to implement and oversee this program and has a strong track record of implementing MD/HD vehicle and infrastructure incentive programs, having successfully administered over \$157 million in funding since 1999 for similar programs. SANDAG and SDAPCD have a strong history of cooperation and will work cooperatively to ensure program success. Timeline and Milestones: In year 1, SANDAG will execute an agreement with SDAPCD to implement the program. SDAPCD will launch its first solicitation for infrastructure projects and begin contracting with successful applicants. Charging infrastructure installations will occur between years 1 and 5; SDAPCD will monitor grantee progress. In year 3, SDAPCD will conduct an evaluation of projects and determine if additional solicitations are necessary to expend all program funds. SDAPCD and SANDAG will close out the program in year 5 and assess the future need for regional MD/HD infrastructure funding.

3.c.3 Regional Active Transportation Program. Responsible Party and Authority: SANDAG will be responsible for administering this program, which will be based on past regional active transportation grant programs that SANDAG administered when funding was available. Eligible program participants will be local governments and Tribal governments that have the local land use authority to construct bike and other active transportation projects in their jurisdictions and territories.

Timeline and Milestones: After notification of award, SANDAG will develop a grant program to launch in year 1. SANDAG will issue a call for projects, review applications, select projects, and award grants to sub-recipients. In years 1 and 2, SANDAG will contract with sub-recipients for each project, after which they will have from years 2 to 5 to construct the active transportation projects and provide quarterly progress reports to SANDAG. In years 3-5 as projects are completed, each sub-recipient will provide final deliverables and report on performance to SANDAG.

3.c.4 Regional Transit Incentive Programs. Responsible Party and Authority: As the Consolidated Agency, SANDAG is responsible for and has the authority to administer the transit incentive programs. SANDAG currently implements the YOP pilot program with funds expiring in late 2026. SANDAG executed a memorandum of understanding (MOU) with MTS and NCTD for coordination on fare policy and YOP implementation. SANDAG will use CPRG funds to amend its existing MOU with the transit agencies and extend the pilot through October 2029. SANDAG currently manages the Try Transit incentive program as part of our transportation demand management programs and will coordinate with MTS and NCTD, who will subsidize half of the transit pass costs, provide the portal for card activation, and track usage. SANDAG will partner with its CBO partners for outreach to LIDACs and will issue a competitive bid for a contractor to support public outreach, assist with route planning, administer surveys, and provide reports on performance.

Timeline and Milestones: The YOP transit incentive program is currently in place as a pilot program expiring in 2026. SANDAG will continue the YOP pilot during years 1 and 2 through other funding. In year 2, SANDAG will amend a long-term agreement with MTS and NCTD to launch the expansion of the program to operate from years 3 to 5. The Try Transit incentive program is currently available to employees of employers who participate in our transportation demand management program. In year 1, SANDAG will coordinate with CBOs and property managers to develop outreach material and launch the expansion of the program. In years 2-5, SANDAG will hold quarterly outreach events at 17 locations, input participant transit passes into the agency portal for usage tracking, and survey participants at the close of their participation in the program.

3.c.5 BRT Project. Responsible Party and Authority: SANDAG is the lead agency responsible for and with the authority to implement the project. As the Consolidated Agency, SANDAG undertakes transit planning, programming, project development, and construction in coordination with the transit operators that address day-to-day operations. SANDAG will partner with MTS as the transit operator and Caltrans as the highway facility operator for the project. Other partner agencies include the County of San Diego, City of Poway, and City of San Diego, within which the project will be implemented.

Timeline and Milestones: In year 1, SANDAG will kick off the project, complete an existing conditions analysis, execute a stakeholder analysis, draft alternative routes, and carry out public outreach. In year 2, SANDAG anticipates continued public outreach and finalizing the alternatives analysis, design and engineering plan, operations plan, and environmental analysis. In year 3, SANDAG anticipates completing infrastructure updates, publishing public notices, and initiating operation of BRT Express Route 277. Years 4 to 5 include operation of the route and monitoring and evaluation of transit ridership numbers.

3.c.6 Regional Building Electrification Program. Responsible Party and Authority: SANDAG will sub-award to SDCP as the implementing agency for the San Diego Regional Energy Network (SDREN). SDCP will have the authority to implement regionwide energy programs through SDREN in late 2024 when the CA Public Utilities Commission (PUC) is expected to approve the application filed by SDCP and the County of San Diego to form a REN. RENs are a means for local governments and agencies to administer energy programs on behalf of their communities in California. SDCP is the community choice aggregator

and load serving entity (LSE) for the cities of Chula Vista, Encinitas, La Mesa, Imperial Beach, and National City, as well as unincorporated San Diego County. SDCP in partnership with the County of San Diego can offer this regionwide program and will coordinate with other LSEs.

Timeline and Milestones: In year 1, SANDAG will execute an agreement with SDCP representing SDREN to implement the program. During the first year of the award, SDREN will develop a monitoring, education, and outreach plan, conduct outreach activities (leveraging the SDCP network of CBOs to raise awareness of the incentives and the existing network of contractors serving the San Diego region), and launch the first round of heat pump water heater and heat pump HVAC incentives. The program will operate through years 2 to 5, with the incentives distributed expected to grow annually.

3.c.7 Regional Residential Solar and Energy Storage Program. Responsible Party and Authority: SANDAG will sub-award to SDCP as the implementing agency for SDREN, which will have the authority to implement incentive programs and provide technical assistance. SDREN will be led by SDCP and the County of San Diego, with representation countywide, and will coordinate with other load serving agencies in the region. The PUC is expected to approve SDREN in late 2024. SDCP through SDREN will coordinate with installers, solar and storage providers, and contractors to promote the program to customers throughout San Diego County and to enroll customers in the program and will work with battery manufacturers to operationalize the battery dispatches to align periods of high demand to support the grid and allow customers to participate in the program.

Timeline and Milestones: In year 1, SANDAG will execute an agreement with SDCP representing SDREN to implement the program. SDCP is launching a sub-regional Residential Solar and Energy Storage Program in the first half of 2024 for 6 of 19 local jurisdictions. CPRG funds will allow the program to expand County-wide, including all Tribal governments and low-income multifamily applicants. In year 1, SDREN will complete the marketing plan and bolster IT development to automate and simplify processes to allow more installers and customers to participate. SDREN will also launch education and training to increase program knowledge and develop strategic partnerships with new CBOs to engage with hard-to-reach communities and low-income multifamily sites. In years 2-5 SDREN is expected to fund the completion of 1,400-2,200 projects annually, with growth in project numbers each year.

4. Low-Income and Disadvantaged Communities

4.a Community Benefits: Despite the San Diego region's pleasant weather and ocean views, numerous challenges threaten the health and safety of its residents. For example, the cost of living is extremely high while incomes remain stagnant—recent research shows that one in ten San Diego County residents lives in poverty.⁴ LIDACs are further overburdened by the impacts of climate change and air pollution. The regional programs outlined in this proposal will provide benefits to all CEJST-identified LIDACs in the region. A complete list of CEJST census tract IDs impacted by these measures is provided as an "Other Attachment" to the application. The following section describes community benefits, including specific LIDAC benefits, of each measure. No anticipated negative impacts to LIDACs will result from the proposed measures.

4.a.1 Regional Zero-Emission Light-Duty Vehicle Incentive Program (ZEVIP): The ZEVIP will accelerate ZEV adoption in the San Diego region. A 2023 American Lung Association report stated the expected public health benefits from a national transition to ZEVs, including 89,300 fewer premature deaths, 2.2 million fewer asthma attacks, and 10.7 million fewer lost workdays. Expected local benefits to LIDACs from the ZEVIP include reduced air pollution (GHGs and co-pollutants) and improved public health in communities where the program enables more ZEVs to replace gas-powered vehicles. To

⁴ <https://www.sdfoundation.org/news-events/sdf-news/new-report-shows-1-in-10-san-diegans-live-in-poverty/>

quantify and report these benefits, SANDAG will work with the 3rd party program administrator to track applications and program metrics such as the percent of funds distributed to LIDACs, as well as the number and types of marketing, education, outreach, and technical assistance events or efforts in LIDACs. The program will be open to all LIDACs in the region including the 17 sovereign Tribal nations.

4.a.2 Regional Zero-Emission MD/HD Vehicle Charging Infrastructure Program: The program will prioritize projects that benefit LIDACs as part of the application review process. Anticipated benefits to LIDACs and other communities where zero-emission charging infrastructure is installed include reduced GHG emissions and diesel particulate matter, along with reductions in other co-pollutants like NO_x as the program facilitates the transition to zero-emission MD/HD vehicles. SDAPCD has strong relationships with LIDAC communities developed through the implementation of the Community Air Protection Program (CAPP). LIDAC benefits will be tracked using the methods used for regular quantification and reporting of Community Emission Reduction Plan (CERP) actions in the CAPP.

4.a.3 Regional Active Transportation Program: To maximize benefits to LIDACs, the program will give priority to projects located in or benefiting LIDACs. The installation of active transportation projects will benefit communities' air quality and public health. Users of CPRG-funded infrastructure will also benefit from having access to safe pedestrian and bike-friendly mobility choices that can connect them to community amenities and transit and, in turn, help to alleviate conditions such as obesity, heart disease, high blood pressure, and stress.

4.a.4 Regional Transit Incentive Programs: Ridership increases that have been observed during the Youth Opportunity Pass (YOP) pilot have been especially impactful in LIDACs, as bus ridership for routes that pass through historically disadvantaged communities has outpaced that of other routes. Approximately 70 percent of transit riders in San Diego County are considered low-income, many of them traveling from LIDACs throughout the region. According to a YOP pilot survey, 89 percent of program participants from LIDACs regularly used the program to get to school, a higher proportion than the population overall. To determine key populations to target for the expansion of the Try Transit program, staff will use CEJST, along with additional resources and tools to identify and prioritize LIDACs. Both programs facilitate greater transit ridership, which reduces the number of car trips in LIDACs, along with GHG emissions and exposure to air pollution from vehicles.

4.a.5 BRT Project: While this project is not located in a CEJST-designated LIDAC, it will benefit the community of Ramona, which is currently a transit desert with no existing high-frequency transit service for its more than 20,000 residents. Without reliable, high-quality transit service, residents have no option other than a personal vehicle to reach job or educational opportunities and other resources outside of their local community. Implementation of this route will provide access to transportation alternatives that can replace car trips and reduce GHG emissions. Given that Ramona is near numerous Tribal Reservations (which are designated as LIDACs), the project is anticipated to provide some benefit to those communities (which include census tract IDs including 06073016902, 06073020903, and 06073020807).

4.a.6 Regional Building Electrification Program: Anticipated community benefits include reduced indoor air pollution from fossil fuel appliances, efficient cooling for homes in heat-vulnerable areas, and ventilation in communities heavily affected by outdoor air pollution—all of which are major issues disproportionately impacting LIDACs in the San Diego region. SDCP will partner with CBOs to ensure culturally appropriate outreach and supportive services are provided, facilitating access to the program

for residents in LIDACs. SDCP will also work to encourage enrollment in demand flexibility programs, to offset potential increases in electricity bills resulting from fuel switching.

4.a.7 Regional Residential Solar and Energy Storage Program: The energy burden for customers in LIDACs is much higher than for market-rate customers in the San Diego region, and it is especially difficult for LIDAC customers to afford solar and storage systems. By incentivizing remaining costs (on top of any other low-income solar programs that may apply), this program will greatly facilitate the opportunity for LIDAC customers to install a solar and storage system at no cost. This program also provides a performance incentive to customers based on their participation in the program, meaning LIDAC customers may receive approximately \$200-\$500 annually (depending on participation and system size) for up to 10 years.

4.b Community Engagement: The measures outlined in this proposal were designed and selected based on extensive community engagement. This section describes how stakeholder input, including from LIDACs, has been incorporated into this proposal, and how LIDACs will be meaningfully engaged during the implementation of the measures. First, SANDAG leveraged existing relationships with CBOs, climate advocacy groups, and other nonprofits throughout the San Diego region, representing many of the LIDACs in the region to solicit input. As described in Appendix A, “Outreach and Engagement Documentation” for the San Diego Regional PCAP, SANDAG staff also provided updates and solicited input from stakeholders on more than a dozen occasions, including two workshops on the PCAP to solicit input on priorities from the community. SANDAG then held workshops in December 2023 and January 2024 covering the PCAP, which included charettes, breakout groups, and other interactive activities that included participation from CBOs, climate advocates, and community groups. Continued community engagement is critical to the programs in this proposal, as described in greater detail below.

4.b.1 Regional Zero-Emission Light-Duty Vehicle Incentive Program: Throughout the period of performance, SANDAG will carry out community engagement and will share program information with the LIDACs it intends to serve through our Social Equity Working Group and Tribal Transportation Working Group. SANDAG will build on past momentum and leverage relationships, such as those with CBOs throughout the region, to conduct outreach and engagement for this program. This will include creating materials, such as the program application and outreach materials, that reflect and address the diverse needs of different communities in the region including language accessibility, institutional barriers, and geographic location. Stakeholders at SANDAG’s second PCAP climate workshop expressed a strong desire for incentives for low-income communities to purchase EVs.

4.b.2 Regional Zero-Emission MD/HD Vehicle Charging Infrastructure Program: SDAPCD currently facilitates community steering committees in the Community Air Protection Program and coordination of programs through their Office of Environmental Justice. Through these mechanisms, SDAPCD meaningfully engages community members who provide a variety of perspectives and opinions. The steering committees are made up of residents, government partners, and businesses, who possess deep relationships within their respective communities. Meetings are conducted in both English and Spanish to reflect the predominantly spoken languages in the region. The committees provide feedback on SDAPCD programs and will do so for this program. They provide priorities for incentive projects and, through various activities, articulate their strong focus on facilitating the transition to zero-emission technologies in their communities. Stakeholders at SANDAG’s PCAP climate workshops PCAP expressed a strong desire for MD/HD truck electrification, particularly in border and portside communities.

4.b.3 Regional Active Transportation Program: SANDAG will leverage relationships with CBOs, our Social Equity Working Group, and Tribal Transportation Working Group to promote awareness of the program and obtain input on the types and locations of facilities that LIDAC communities need. SANDAG will also engage its 19 local governments, bike advocacy organizations, and other active transportation stakeholders to ensure their experience in constructing and utilizing active transportation facilities is considered to maximize benefits to LIDACs and communities that need active transportation infrastructure most. These efforts will respond to stakeholders at both workshops that SANDAG held on the PCAP, who expressed a strong desire for an expansion of active transportation projects that will provide safe and accessible bike lanes and that connect to transit.

4.b.4 Regional Transit Incentive Programs: For the YOP pilot, SANDAG coordinated with over 100 schools and community organizations to share information about the program and distribute transit cards to youth who needed them, including many in LIDACs. SANDAG created and distributed toolkits in English and Spanish and fliers in 14 languages to ensure that families from all backgrounds could comfortably receive information about the program. With this CPRG-funded expansion of YOP, SANDAG will build on and leverage existing relationships. For Try Transit, SANDAG will partner with its Social Equity Working Group members to serve as liaisons to their communities; this strategy embraces the “promotora” model for dissemination of program information in LIDACs and other communities, leveraging their established trust with community members. Stakeholders at both of SANDAG’s PCAP climate workshops expressed a strong desire to expand transit incentives.

4.b.5 BRT Project: The planning process for Route 277, the new high-frequency transit service to Ramona, will start by drafting an engagement strategy that will identify key LIDAC representatives and community engagement methods. This work will leverage past efforts by Ramona residents who have long advocated for this service. The strategy will establish varying means for staff to collect input, potentially including an interactive website, workshops or pop-up events, surveys, and partner agency stakeholder meetings. Key materials will be translated per SANDAG’s Language Assistance Plan and be available to share digitally and as hard copies as needed to ensure widespread accessibility. Live interpretation at public events will be provided as needed or identified for community members. Stakeholders at both of SANDAG’s PCAP climate workshops expressed strong support for adding BRT services to increase transit ridership and expand mobility choices.

4.b.6 Regional Building Electrification Program: Meaningful outreach, engagement, and inclusion of diverse perspectives are central to the success of this program, particularly in LIDACs. SDCP will ensure robust engagement through its CBO relationships to share program information through trusted community channels. SDCP will also coordinate with the County and SANDAG and their regionwide CBO partnerships. Furthermore, SDCP will work closely with local labor unions to host workshops and webinars to highlight the benefits of participating in the program, fostering buy-in from key stakeholders, and ensuring inclusive workforce and community representation throughout program implementation. Stakeholders at both of SANDAG’s PCAP climate workshops expressed strong support for a regional building electrification program that prioritizes equity, supports high-paying green jobs, and provides technical assistance to those who need it most to participate, particularly in LIDACs.

4.b.7 Regional Residential Solar and Energy Storage Program: For this program, SDCP will collaborate with and rely on identified stakeholders (i.e., contractors, battery manufacturers, CBOs) with trusted community networks to disseminate program knowledge consistently to customers, particularly LIDACs. SDCP will also coordinate with the County and SANDAG with their regional CBO partnerships. The program staff will work with local public agencies to ensure educational information about solar and

storage is dispersed among their respective communities. Other engagement strategies include creating materials in multiple languages and requesting feedback on the program from customers and the community to refine and improve outreach and engagement methods throughout the period of performance. Stakeholders at both of SANDAG's PCAP climate workshops expressed strong support for increasing access to solar and battery storage, particularly in LIDACs, and supporting green jobs.

5. Job Quality

It is critical to ensure that transitioning to GHG reducing-technologies and programs looks to prioritize emerging skills, high-quality jobs, and continued workforce development along with GHG emissions reductions. To assess best practice job quality activities, SANDAG leveraged the County of San Diego's workforce development study ["Putting San Diego County on the High Road: Climate Workforce Recommendations for 2030 and 2050."](#) The report provides job creation estimates as well as recommendations for prioritizing job quality in the transportation, buildings, and clean energy sectors. SANDAG also is committed to implementing the U.S. Department of Labor and Department of Commerce's Good Jobs Principles. Finally, SANDAG has established a Community Benefits Agreement with the San Diego County Building and Construction Trades Council, which helps create economic sustainability benefits for the region through employment and training programs to help systemically marginalized individuals. These collective priorities are essential to ensure that proposed GHG emission-reducing measures generate a variety of high-quality jobs for the region.

Transportation: The transportation-related programs in this proposal increase demand for skilled mechanics, electricians, and other technicians working on EVs or charging stations, bus routes, and new active transportation infrastructure projects, all of which spur the creation of high-quality jobs. Potential transportation-specific requirements drawn from the workforce development study are: (1) requiring that EV charging stations be installed by EVITP-certified electricians; (2) structuring pre-apprenticeship programs to help disadvantaged workers access and succeed in electrician apprenticeship (supply side); and (3) incorporating responsible employer policies for publicly funded projects to incentivize cleaner vehicles for transportation network companies (TNCs).

Buildings: The Regional Building Electrification Program can create high-quality jobs and a diverse, highly skilled workforce by providing training for the installation of electrification equipment. The program team will collaborate with local labor unions to encourage their members' enrollment and participation, expanding the available pool of skilled workers. Potential buildings-specific requirements drawn from the workforce development study are: (1) supporting electric-ready buildings by aggregating neighborhoods for electric service upgrades, performed by pre-qualified contractors; (2) pre-qualifying contractors seeking incentives for electrification; and (3) using the state-certified apprenticeship system to train workers involved in building electrification.

Clean Energy: The Regional Residential Solar and Energy Storage Program incentives present an opportunity for expanded installation growth of regional clean energy assets, which in turn supports high-quality jobs and employee benefits. Moreover, San Diego's regional approach could provide a blueprint easily replicated across the state. Potential clean energy-specific requirements drawn from the workforce development study are: (1) supporting models of distributed solar that are community scale (rather than installed on individual homeowners' roofs) in order to lower costs per MW and to facilitate contracting models requiring labor standards; (2) using the state-certified apprenticeship system to train workers involved in the installation and construction of renewable energy facilities; and (3) expanding pre-apprenticeship and education programs to ensure that workers from disadvantaged communities can access and succeed in state-certified apprenticeships.

6. Programmatic Capability and Past Performance

6.a Past Performance and Reporting Requirements. Below is a list of four federally funded or non-federally funded assistance agreements that SANDAG is performing or has performed within the last 3 years. These agreements are direct awards to SANDAG.

Project 1 Title: LOSSAN Intermodal Improvement Program

Assistance Agreement Number: Trade Corridor Enhancement Program Baseline Agreement – TCEP-P-2021-07B

Federal or non-federal agency: California Transportation Commission (CTC) – State of California

Agreement Description: Agreement to provide funding from the TCEP program to LOSSAN (Los Angeles-San Diego-San Luis Obispo) projects to SANDAG. The agreement includes requirements to submit quarterly program progress reports in addition to a final completion report and final delivery report.

Contact: Kayla Giese

Successful Management and Completion of Agreement: Reporting and managing of the grant occur in an online system called CalSmart, managed by the State. Staff continually works with Project Managers to manage schedules of reporting and ensure reports are submitted in a timely manner. SANDAG Staff worked with State staff to provide the necessary closeout paperwork and submit necessary forms in the CalSmart system.

Project 2 Title: Del Mar Bluffs Stabilization Phase 5

Assistance Agreement Number: CA-2021-195-00

Federal agency and Assistance Listing Number: Federal Transit Administration – CFDA 20507

Agreement Description: The purpose of the award is to fund the Del Mar Bluffs Stabilization 5 Project as an ongoing effort to maintain a stable track bed along the coastal bluffs, protecting the railroad from bluff retreat, landslides, and seismic events and providing quarterly Milestone and Federal Financial Reports.

Contact: Rusty Whisman

Successful Management and Completion of Agreements for Project 2-4: Reporting and managing of the grants occurs in an online system called TrAMS, managed by the Federal Transit Administration. Dedicated staff works with Project Managers to collect data and enter all data into the system in a timely manner. SANDAG staff works with Federal staff to close out grants once all reports have been submitted and all funding has been expended.

Project 3 Title: Central Mobility Hub

Assistance Agreement Number: CA-2020-267-01

Federal agency and Assistance Listing Number: Federal Transit Administration – CFDA 20507

Agreement Description: The purpose of the award is to fund Preliminary Engineering and Environmental Analysis for the Central Mobility Hub concept. Activities include conducting alternatives analysis, preliminary engineering, and environmental analysis for Central Mobility Hub and Airport Connection.

Contact: Rusty Whisman

Successful Management and Completion of Agreement: See response in Project 2 above.

Project 4 Title: Capital and Regional Planning

Assistance Agreement Number: CA-2021-197-00

Federal agency and Assistance Listing Number: Federal Transit Administration – CFDA 20507

Agreement Description: The purpose of this Grant is to replace Overhead Contact Systems (OCS) Insulator and Catch Cables throughout the Green Line and replace the catenary assembly originally installed. The grant also supports ongoing metropolitan planning.

Contact: Rusty Whisman

Successful Management and Completion of Agreement: See response in project 2 above.

6.b Reporting Requirements. Below is a history of meeting the reporting requirements for each agreement mentioned in section 6.a.

Project 1 Title: LOSSAN Intermodal Improvement Program

Required Report Submittal: All Quarterly Reports were submitted and approved. Closeout paperwork was submitted for one of these projects as of March 2024 and has been accepted by the state.

Timely Reporting: Project was reported on in a timely manner

Progress Reporting: Progress was made per the agreement

Project 2 Title: Del Mar Bluffs Stabilization Phase 5

Required Report Submittal: Quarterly Milestone and Financial Reports have been submitted on time

Timely Reporting: Project was reported on in a timely manner

Progress Reporting: All updates to Milestones provide sufficient explanation when needed and all financial reports were submitted in a timely manner

Project 3 Title: Central Mobility Hub

Required Report Submittal: Quarterly Milestone and Financial Reports have been submitted on time

Timely Reporting: Project was reported on in a timely manner

Progress Reporting: All updates to Milestones provide sufficient explanation when needed and all financial reports were submitted in a timely manner

Project 4 Title: Capital and Regional Planning

Required Report Submittal: All updates to Milestones provide sufficient explanation when needed and all financial reports were submitted in a timely manner

Timely Reporting: Project was reported on in a timely manner

Progress Reporting: Project progressed as expected and progress reports were submitted per the agreement.

6.c Staff Expertise. SANDAG is well positioned to deliver on near-term climate action measures and achieve the goals of the CPRG program. SANDAG has a nearly 15-year history of collaboration with local jurisdictions to advance climate action planning. SANDAG has provided tools and resources to aid local governments in climate action and adaptation planning such as the Regional Climate Action Planning (ReCAP) Framework, Climate Action Data Portal, and Regional Resilience Framework. As illustrated in the examples above in sections 6.a and 6.b, SANDAG has a proven track record of successfully implementing a wide variety of projects and programs, including strategic climate and transportation planning projects as well as construction projects like bikeways. Based on SANDAG's demonstrated leadership and the opportunity presented by the CPRG program, SANDAG and the San Diego region seek to be a model for decarbonization at scale by implementing effective, replicable, and scalable GHG reduction measures. Because SANDAG has undertaken a thorough, collaborative process to develop this proposal. SANDAG is confident in the success of the measures outlined in the proposal – which respond to strong demand from local jurisdictions, Tribal governments, and communities.

SANDAG staff are highly qualified and prepared to successfully implement the proposed measures. Under the leadership of the Deputy Director of Environmental Compliance and Climate, who has over 30 years of experience in environmental compliance and advanced mitigation planning and permitting, the Climate team will lead the Zero-Emission Light-Duty Vehicle Incentive Program. The Climate Planning Manager, who leads a team of planners, brings over 25 years of experience in climate action and clean transportation planning. SANDAG's Mobility Planning team will lead the Regional Transit Incentive

Program and Bus Rapid Transit Project, under the leadership of the Deputy Director of Mobility Planning, who has over 30 years of transportation planning experience. The Regional Active Transportation Program will be led by SANDAG's Grant Program Manager, who holds 20 years of experience with grant program development and sub-recipient monitoring, procurement, and contracting. Lastly, SANDAG's Principal Research Analyst, who brings nearly 20 years of experience in applied research and performance monitoring, will assist planning staff with programmatic performance and data monitoring support. For more information on each staff member, please see the attached resumes/biographical sketches.

In addition, SANDAG has a strong track record of working with SDAPCD and SDCP, the agencies that will be sub-awarded to lead the Regional Zero-Emission Medium- and Heavy-Duty Vehicle Charging Infrastructure Program, Regional Building Electrification Program, and the Residential Solar and Energy Storage Program. As such, SANDAG does not anticipate any obstacles related to their staff capabilities and capacity to implement these programs.

7. Budget

7.a Budget Detail. The following section describes, at a high level, the cost of each GHG measure by budget category. For more information about the budget, including detailed explanations of costs and a year-by-year breakdown, please see the attached Budget Narrative and Budget Table Spreadsheet.

Grant Management. The total budget for this work is \$930,632. This includes \$256,864 in personnel costs for SANDAG staff to manage the grant award, plus \$195,037 in fringe benefits and \$289,357 in indirect costs for SANDAG staff. This budget also includes \$14,374 in travel costs for SANDAG staff to attend conferences and/or workshops directly related to the GHG reduction measures in this proposal. Lastly, this budget includes \$175,000 in contractual costs for a consultant to perform quantitative analyses (e.g., GHG emissions reductions, air pollutants, etc.) required for progress reporting to EPA.

Regional Zero-Emissions Light-Duty Vehicle Incentive Program. The total budget for this program is \$25,000,000. This includes \$510,907 in personnel costs for SANDAG staff to manage the program, execute and manage contracts, and provide legal guidance, plus \$387,931 in fringe benefits and \$575,536 in indirect costs. The budget also includes \$3,650,000 in contractual costs for a contractor(s) to administer the incentive program and provide marketing, education, outreach, and technical assistance services. Lastly, this budget also includes \$19,875,625 in participant support costs in the form of rebates/incentives for residents, municipal fleets, and Tribal government fleets.

Regional Zero-Emission MD/HD Vehicle Charging Infrastructure Program. The total budget for this program is \$11,441,996, all of which is under other costs as a sub-award to SDAPCD for the implementation of this program.

Regional Active Transportation Program. The total budget for this program is \$41,296,928. This includes \$185,456 in personnel costs for SANDAG staff to manage the program, plus \$140,817 in fringe benefits and \$208,916 in indirect costs. The budget also includes \$57,600 in contractual costs for a consultant to perform labor compliance monitoring for state and federal prevailing wage requirements. Lastly, the budget includes \$40,704,138 in participant support costs to serve as the pass-through funding for selected subrecipients to implement active transportation projects.

Regional Transit Incentive Programs. The total budget for this program is \$21,783,157. This includes \$138,684 in personnel costs for SANDAG staff to manage and oversee both the YOP and Try Transit

programs. In addition to personnel costs, the budget includes \$105,303 in fringe benefits and \$156,228 in indirect costs for staff. For travel, there is \$7,038 budgeted for mileage for staff to attend community Try Transit events. Supplies cost a total of \$67,453 and include transit cards and public information materials for YOP, plus a laptop, projector and screen, and printed fliers for Try Transit events. Contractual costs total \$609,149 and are for a contractor to supplement staff capacity and assist with management of the Try Transit Program. The budget also includes \$20,699,303 for other costs, comprised of subawards to transit operators for YOP fare reimbursement and services and participant support costs for Try Transit.

BRT Project: The total budget for this project is \$15,354,049. This includes \$1,181,745 in personnel costs for SANDAG staff to manage the project and conduct route planning work, along with \$897,299 in fringe benefits and \$1,314,869 in indirect costs for SANDAG staff. The budget also includes \$1,638 in travel for staff's mileage to attend site visits and workshop presentations. Equipment costs a total of \$7,020,000 and includes four buses to operate the route as well as bus station equipment to retrofit the current infrastructure. For supplies, \$46,498 is budgeted for public engagement materials such as fliers and informational or educational materials about the new route. The budget includes \$850,000 in contractual costs for consultants to provide planning, environmental compliance, and outreach and engagement services. Lastly, the budget includes \$4,042,000 in other costs as a sub-award to MTS to perform maintenance and operations of the route.

Regional Building Electrification Program. The total budget for this program is \$35,999,402, all of which is under other costs as a sub-award to SDCP for the implementation of this program.

Residential Solar Program. The total budget for this program is \$47,193,836, all of which is under other costs as a sub-award to SDCP for the implementation of this program.

7.b Expenditure of Awarded Funds. SANDAG has extensive experience with managing grant funds and successfully completing grant deliverables. For all GHG reduction measures described in this proposal, SANDAG will leverage its comprehensive, agency-wide contracting, finance, and accounting system referred to as the Enterprise Resource Program. Numerous SANDAG staff will coordinate, including planning project managers, grants staff, and finance staff, to ensure that grant funds are expended and tracked properly. Climate staff who are overseeing the overall grant award have established relationships with SDAPCD and SDCP and will regularly communicate through program check-in meetings to certify that programs are on track to be completed on time and within budget. For more information about the expenditure of awarded funds, please see the attached Budget Narrative.

7.c Reasonableness of Costs. For SANDAG-led GHG reduction measures, all costs described above and listed in the attached Budget Table Spreadsheet are informed by current and projected SANDAG personnel costs, fringe rates, and indirect cost rates. Other sources for reasonableness of costs include current and past contracts for contracted work, market research, and average costs of materials and supplies. For GHG reduction measures being implemented by SDAPCD and SDCP, similar assumptions were made in detailed program budgets (available to EPA upon request) and reviewed by SANDAG staff. For more information about the reasonableness of costs, please see the attached Budget Narrative.