

IIJA Reimagining Highway Investments Sub-Working Group

Meeting #3: Carbon Reduction Program, July 22, 2022, | 1:00 pm – 2:00 pm

Meeting Recap

- Discussed the Carbon Reduction Program
 - FHWA local funding guidelines
- Discussed apportionment and followed-up with requested information
- Presented timeline to develop CRP strategy

Revised Timeline

1. Carbon Reduction Program (CRP) Sub-Working Group initiated – 4/11/22
2. CRP Federal Guidance Released – 4/21/22
3. Guidelines, Strategy Development Kickoff – Fall '22
4. CRP Strategy due to FHWA – November '23

Comments and Discussion

- Given the large volume of eligible CRP project types, it would be helpful for CalSTA to prioritize those that offer the greatest potential for carbon reduction (e.g., heavy-duty electric vehicle charging and/or hydrogen fueling would dramatically reduce freight GHG emissions vs. petroleum-based diesel). Have you narrowed down the project qualifications list?
 - Narrowing down the list still.
 - Most of this group is in line with what CARB has recommended.
 - Goal this year is to get funding out ASAP.
 - Will have more conversations about narrowing project eligibility requirements.
- Our main concern is that natural gas or propane is included in the IIJA language. Does Caltrans have the legal authority to change or remove the list?
 - We will take this back and confirm. It is my understanding that we can narrow the eligibility list based on our priorities.
 - In terms of natural gas and propane, we did not receive any information from this SWG or anyone that they plan on using CRP funds for these types of projects or infrastructure.
 - Please let us know which type of projects you plan on submitting.
- Will there be reporting requirements?
 - Federal guidelines mention reporting metrics, but the details are yet to come – we need to work with you on project-by-project basis if there are metrics worth capturing.
 - Will have more discussion as we get into the fall and project manager is on board.
- For the CRP program States are required to coordinate and consult with MPOs prior to receiving funding and prior to determining project activities. Specifically, 23 CFR 175 (e)(3) and (e)(4) requires the State to coordinate with MPOs, for

Urban Areas, and to consult with RTPA or MPOs, for rural areas, before obligating funds to an eligible project.

- We will have to come up with a mechanism, but we are not there yet for this year. Until then, we will look at it on a case-by-case basis to ensure they align with the Statewide Strategy.
- Are any suggestions / ideas from this group on the best way to cover this requirement?

Partial Apportionment Distribution

- New population category created for local apportionment. Federal Notice N4510.864 split 5k to 200k population in urbanized areas into two groups:
 - 200k – 50k & 50k – 5k; new boundaries not yet available
 - Updates coming after boundaries become available
 - Per Census Bureau website: estimated release date for 2022 Urban Area Maps is December 2022.
- Intent in releasing partial apportionment information is to obligate funding for projects that will submit this year
 - Agencies that wish to submit projects in the 200k range this year should submit CMAQ type projects or projects which you feel are identified in the Statewide Strategy; submit through districts and our Program Office will work with you in identifying projects
- We've asked for partial apportionments to be released because a lot of regions were looking at CMAQ loans and struggling to find loans. We thought CRP funds in lieu of CMAQ funds could help with current obligation, but we haven't received any requests yet.

State Exchange

- Cannot be exchanged with State any area funds
- Population-based distribution limits exchange
- Cannot find eligible state projects in pop areas if exchanged

Next Steps

- We will relay smaller population distributions as soon as we have it
- We are thinking about the development of a Carbon Reduction Strategy and assigning a program manager to lead the CRP Strategy effort
- Strategy Discussion to take place this fall – dates to come in next meeting
 - Will include SWG, MPOs, and other stakeholders
- What types of performance metrics do we want to capture for these types of projects?
- Focus OA on before end of this FY
- CRP strategy due Nov. 2023 to FHWA
- [INFORMATION: Carbon Reduction Program \(CRP\) Implementation Guidance \(dot.gov\)](#)

---Meeting Adjourned---