

Emission Reduction Incentive Program
Truck Dismantler Meeting

Prop 1B: Goods Movement
Emission Reduction Program

March 18, 2008

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Agenda

- Proposition 1B Overview
- Open Discussion
- Next Steps

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Incentive Program Successes

- The District has operated highly successful incentive programs since 1992
- District awarded over \$190 million
- Reduced 59,000 tons of lifetime emission reductions (NOX, PM, ROG)

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Incentive Program Successes

District has recently been audited by three separate State agencies

- Establishes District as one of the most effective incentive programs in the State

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Prop 1B Funding Overview

- Voter-approved Proposition 1B
 - \$1 billion for emission reductions from activities related to the movement of freight along California's trade corridors and not required by law or regulation

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Proposition 1B Trade Corridor Funding Targets

- ARB staff recommendations:
 - 55% - Los Angeles/Inland Empire
 - **25% - Central Valley**
 - 14% - Bay Area
 - 6% - San Diego/Border Region

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Prop 1B Projects

- Trucks
- Locomotives
- Ships
- Harbor Craft
- Cargo Handling Equipment

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Proposition 1B Truck Projects

- Heavy Duty Diesel Truck Projects
 - Retrofit
 - Repower
 - Replace
 - Three Way Truck Transaction

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Eligible Heavy-Duty Trucks

- ✓ Class 8 heavy-duty diesel truck used to move goods
- ✓ California Registration (base plate or IRP) for the past 2 years
- ✓ At least 50% operation within the trade corridors the last 2 years

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Retrofit

Funding available up to \$5,000 to retrofit a 2006 or older truck with Level 3 DPF that reduces diesel PM by at least 85%

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Repower

Funding available up to \$20,000 to Repower a 2003 or older truck with a new engine that meets 2007 emission standards

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Replacement

Funding available up to \$50,000 to replace a 2003 truck with a diesel or alternative fuel truck meeting 2007 emission standards

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Three-Way Truck Transaction

Additional Eligibility Requirements:

- Truck A: MY 2003 –2006
- Truck B: MY 1990 or older

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Three-Way Truck Transaction

Funding up to \$50,000 to:

- 1) Replace Truck A with a diesel or alternative fueled truck meeting 2007 emission standards (Truck C)
- 2) Equip Truck A with ARB verified Level 3 DPF; and
- 3) Scrap Truck B

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Application Process

- Air District will develop applications and establish a time frame for accepting applications
- Following the close of the application period, applications will be reviewed, competitively ranked, and selected in order of cost effectiveness
- The District will notify applicants of the results of this process

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Application Process (cont)

- District staff will conduct a pre-inspection of the existing equipment
- Applicant and owner will enter into a contract agreement
- Applicant can then order the equipment applied for
- Old Engine or Truck is scrapped

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Application Process (cont)

- Following notification from the applicant that the new equipment has been received and the old equipment has been scrapped the District will conduct a post inspection
- Following a successful post-inspection the District will issue a check for the eligible amount

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Scrap Requirements

District shall ensure that old equipment is scrapped and associated materials disposed of in an environmentally acceptable manner

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Scrap Requirements

Scrapping operations and material disposal applies to:

- Truck engine repower and truck replacement
- Harbor craft engine repower and vessel replacement
- Locomotive engine repower and replacement projects

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Scrap Requirements

The destruction of any engine without a verifiable serial number or project number stamped on the equipment does not fulfill the requirements of this program.

Dismantlers must verify the serial number or project number stamp

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Scrap Procedures

The following procedures apply to all repower and replacement projects:

- Prior to destruction, old equipment must be in operable working condition as documented in the equipment pre-inspection
- The engine block including the frame and engine shall be physically destroyed in a manner to prevent future operation

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Scrap Requirements

- Licensed dismantlers are required to enter into an agreement with the District to qualify for participation
- Funding is not available for any salvage or material disposal costs
- All equipment to be scrapped must have a complete, visible, and legible serial number or a project number stamp

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Scrap Requirements

- Licensed Dismantler must dismantle and destroy the vehicle within 60 days of receipt
- The District must provide digital photographs showing the destruction of the vehicle. Photos taken by dismantlers must be received within 10 business days of the engine being scrapped

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Scrap Procedures

For truck replacement projects:

- Cut the vehicle frame rails to ensure that the vehicle can not be used again
- Have digital photo documentation to show the old vehicle was dismantled/destroyed
- The equipment owner must file a VIN hold and a "Non-Repairable Vehicle Certificate" with the DMV, and submit a copy to the District

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Scrap Procedures

Front of vehicle with hood down



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Scrap Procedures

Right side of vehicle with hood down



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Scrap Requirements

Left side of vehicle with hood down



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Scrap Procedures

- Serial number that is printed on the tag inside the cab or on the frame rail



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Scrap Procedures

Engine side view



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Scrap Procedures

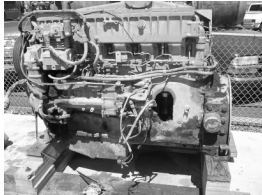
Engine serial number either stamped on the block or on the tag



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Scrap Procedures

- Destroyed engine block either inside or outside truck body



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Open Discussion

- Additional procedures that could be implemented to ensure the correct engine or vehicle is destroyed

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Next Steps

- Establish specific procedures
- Identify all interested dismantlers
- Sign agreements between interested dismantlers and District

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