Proposition 1B: Goods Movement Emission Reduction Program

Funding Plan Year 4

Background

- The San Joaquin Valley’s challenges are unmatched by any other region in the State.
  - topography, climate, geography
  - two major transportation corridors connecting northern and southern California

San Joaquin Valley
- Hot, sunny summers
- VOC, NOx
- Ozone Problem
- Cool, foggy winters
- Particulate problem
Recent Audit

- ARB reviewed the Districts grant programs including Proposition 1B
- The Audit concluded “the District’s incentives programs are efficiently and effectively achieving their emissions reduction objectives.”

Proposition 1B Background

- One billion dollars of voter approved funding for emission reductions
- Target goods movement emissions along California’s trade corridors
- Administered by local agencies

Funding

- Over $98,488,800 in executed truck project contracts
  - 1,999 Replacement Vehicles
  - 140 Retrofit Installations
- Estimated reductions
  - 660 tons of PM
  - 15,484 tons of NOx
- $150 million available
Year 4 Guidelines

• ARB has adopted the updated guidelines for the next round of 1B funding

• Priorities
  – Truck Replacement and Repower
  – Zero-Emission Truck Projects
  – Locomotive Replacement or Upgrade

Truck Project Eligibility

• Heavy-duty diesel truck
  – Class 8 (GVWR 33,001 lbs and above)
  – Class 7 (GVWR 26,001-33,000 lbs)
  – Class 6 (GVWR 19,501-26,000 lbs)

• Goods Movement
  – 2 years registration
    – Current year and prior year
  – Mileage Documentation for the past 2 years verifying vehicle miles traveled

  • 75% CA & 10% SJV operation for the past 2 years

Truck Project Eligibility (cont.)

• Minimum VMT in CA each year for past 2 years:
  – Class 7 and 8
    • 20,000 miles
  – Class 6
    • 10,000 miles

• No outstanding ARB violations

• Demonstrate fleet compliance with ARB Statewide Truck and Bus Rule
Replacement Projects

<table>
<thead>
<tr>
<th>Replacement Vehicle Type</th>
<th>Maximum Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class 8</td>
<td>$50,000.00</td>
</tr>
<tr>
<td>Class 7</td>
<td>$35,000.00</td>
</tr>
<tr>
<td>Class 6</td>
<td>$20,000.00</td>
</tr>
</tbody>
</table>

- Model Year 2013 or Newer Engine
- Used Model Year 2010

Replacement Projects

- Requirements
  - 5 years/500,000 mile contract
  - Class must remain same for old and new truck
  - Used replacement truck mileage
    - Class 8 - less than 500,000 miles
    - Class 6 & 7 - less than 250,000 miles
  - Scrap old truck
    - Must be operational at time of scrap
    - May turn in 2 old trucks for 1 new truck
    - Agree to 90% or 100% CA only operation

Repower Projects

<table>
<thead>
<tr>
<th>Project Type</th>
<th>Maximum Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class 8</td>
<td>$20,000</td>
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<tr>
<td>Class 7</td>
<td>$10,000</td>
</tr>
<tr>
<td>Class 6</td>
<td>$10,000</td>
</tr>
</tbody>
</table>

- Model Year 2013 or Newer Heavy Duty Engine
- Model Year 2013 or Newer Medium Heavy Duty Engine
Repower Projects

• Requirements
  – 5 years/500,000 mile contract
  – Scrap old engine
  – Agree to 90% or 100% CA only operation

3-Way Truck Transaction

• Truck A: MY 1998-2006 with Level 3 PM Filter
• Truck B: MY 1993 or Older
• Truck C: New truck meets 2010 emission, same class Truck A
  • Truck B is scrapped. Truck A may be transferred to another owner.

• Funding:
  1. $50,000 for new Truck C if Truck A is Class 8.
  2. $40,000 for used Truck C if Truck A is Class 8.
  3. $35,000 for new or used Truck C if Truck A is Class 7.
  4. $25,000 for new Truck C if Truck A is Class 6.

Locomotive Project Eligibility

• Diesel Freight Locomotives with no or minimal emission control technologies
• Fuel Usage of 20,000 gallons or more annually
• 50% operation in California Trade Corridors & 10% SJV operation for the past 2 years
**Locomotive Projects**

- Opportunity to Replace, Rebuild or Repower

<table>
<thead>
<tr>
<th>Unit</th>
<th>Switcher (1,006-2,300 HP) or Medium Locomotive (2,301-4,000 HP)</th>
<th>Line-Haul (4,001+ HP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>If operational by 12/31/15</td>
<td>Lower of 60% of cost or $1.8 Million</td>
<td>Lower of 70% of cost or $2.1 Million</td>
</tr>
<tr>
<td>If operational by 12/31/16</td>
<td>Lower 50% of cost or $1.5 Million</td>
<td>Lower of 60% of cost or $1.8 Million</td>
</tr>
</tbody>
</table>

- Locomotive Emissions Capture and Control System
  - Up to 50% of eligible costs for emission treatment systems

**Other Funding Opportunities**

- **Truck Electrification Infrastructure**
  - Maximum funding: 50% of eligible costs
  - Must meet: .10 pounds of weighted emissions per grant dollar
  - Total reimbursement based on demonstrated first year usage
  - 10 Year Project life
- **Ships at Berth**
  - Grid-Based Power
  - Non-Grid Based Power
  - Ship Emissions Capture and Control System
- **Commercial Harbor Craft**
  - Repower and Replacement Options
- **Cargo Handling Equipment**
  - Repower or Replace rubber-tired gantry crane or replace a yard truck with zero-emission units

**Program Process**

- Applications from District to ARB due March 15, 2013
- ARB awards funding – June 2013
- Applications available to public – Summer 2013
- Applications reviewed and ranked
- Pre-inspection of the current equipment
- Sign contract with the District
  - After execution, new equipment can be purchased
- Claim submitted
- Post inspection of new equipment and old scrapped equipment
- Check issued for the eligible agreement amount
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Public Comment and Questions