

District Highlights

February 20, 2014 Actions by the Governing Board

District Governing Board Offers Recommendations to the California Air Resource Board to Address Concerns Regarding the State's Truck Rule

On a number of occasions the District Governing Board has expressed concerns with the unintended consequences of the State Air Resources Board's truck regulations. The Board has emphasized that more actions are necessary to ensure effective and expeditious implementation of the regulations while averting detrimental economic impacts to California's economy. Towards that end, the District Governing Board adopted a number of recommendations for the State Air Resources Board's consideration.

The following guiding principles were used in crafting potential regulatory and policy changes:

1. Trucks constitute the largest source of NO_x emissions in the San Joaquin Valley and meeting stringent federal ozone and particulate standards require significant reductions in truck emissions throughout the Valley. Therefore, must ensure that we achieve the necessary reductions by the prescribed deadlines in State Implementation Plans.
2. We must be cognizant of the fact that a number of fleets have already invested significant capital in efforts to comply with the regulation. Therefore, any regulatory and policy changes should avoid creating an unfair competitive disadvantage for these fleets.
3. To ensure equity and to maintain emission reduction goals, any extensions to short-term deadlines must be offset with substantially earlier full compliance with the rule.
4. Do best to avert severe economic impact to truckers and their customers, in particular with independent owner/operators.
5. Provide for an orderly transition to full compliance.

The specific recommendations adopted by the District Governing Board are summarized here:

1. Potential changes to the State Truck and Bus Regulation:
 - a. Provide an option whereby truckers can choose an alternative compliance path that waives the early installation of particulate filters in exchange for the earlier purchase of 2010-compliant replacement trucks.
 - b. Provide an exemption for low-mileage trucks that are deployed in specific vocations that demand application-specific configurations with substantial added cost.
 - c. Provide for a phased-in implementation of truck replacements over a three-year period for the following compliance deadlines that currently require the complete replacement of all trucks for the following specific model years:
 - i. Compliance Year 2015: all pre-1994 trucks must be

replaced with 2010-compliant trucks

- ii. Compliance Year 2017: trucks in the Agricultural Vehicle Extension operating over 10,000 miles per year must be replaced with 2010-compliant trucks

- d. Consider a truck “trade-up” program to achieve emissions reductions where replacements to 2010-compliant trucks are not economically feasible or cost-effective.
- e. Establish a mechanism whereby case-by-case compliance schedules can be approved by the State Air Resources Board for fleets that are able to demonstrate that due to conditions beyond their control, requiring compliance would result in either (1) an arbitrary or unreasonable taking of property, or (2) the practical closing and elimination of a lawful business.

2. More funding for truck replacements:

- a. Allocate all remaining Proposition 1B Goods Movement Emission Reduction Program to diesel truck replacements, with priority given to owner/operators and small fleets.
- b. Allocate a portion of Cap and Trade revenues to provide funding for the replacement of existing trucks with 2010-compliant diesel trucks that result in reductions of both criteria pollutants and greenhouse gas emissions. This should be pursued both through administrative and legislative means.

3. Potential changes to grant program policies:

- a. Currently, the State Air Resources Board’s policy is to permanently disqualify fleets from grant eligibility if an applicable deadline has been missed. We recommend that State Air Resources Board separate enforcement from grant eligibility requirements and allow truck owners that propose to achieve surplus reductions beyond those required by regulation to qualify for funding.
- b. Increase the funding percentage for owner/operators that may not be able to secure necessary loans for truck replacements due to credit-worthiness and other financial constraints.

- 4. To address equity issues for those fleets that have already taken actions and made significant financial investments to comply with the regulation, the Board recommended that ARB extend several early compliance credits including credits for early PM filter installation, early addition of vehicles with OEM filters, adding alternative fuel vehicles, downsizing fleets and adding advanced technology vehicles. The Board recommended extending these compliance credits from 1 to 3 years depending on the particular categories.

Carl Moyer Funds from Great Basin Air Pollution Control District Being Utilized to Reduce Pollution in the Valley

The District accepted \$216,193 in Carl Moyer Program funds from the Great Basin Air Pollution Control District to fund emission reduction projects within the San Joaquin Valley. Over the past several years, the District has developed strong partnerships with neighboring air districts to ensure that incentive funds provide the intended benefits of reducing emissions within the region. Due to the Valley Air District’s well documented success in effectively and efficiently administering incentive programs, the District has accepted funding from several neighboring air districts that may not have the resources to effectively utilize the funds prior to the statutory deadlines. These funds not only reduce emissions in the San Joaquin Valley but also reduce emissions within the Great Basin Air District through reduced transport.

The District's Governing Board Sending Thank You Letter to Key Congressional Members for Securing Air Quality Mitigation Funding in the Farm Bill

The Governing Board voted to authorize the Chair to sign thank you letters to members of congress that played a direct major roll in securing \$125 million in air quality mitigation funding in the Farm Bill. The air quality funding in the Farm Bill is crucial to achieving voluntary incentive based reductions in emissions from agricultural equipment prior to regulatory deadlines. Through the last Farm Bill, the Valley received over half of the air quality mitigation funds in the Farm Bill. Letters were approved for Senators Feinstein and Boxer for their work to have air quality mitigation funding included in the Senate Farm Bill, Congressmen Costa and Denham for their work on the Farm Bill Conference Committee, and Congressman McCarthy for reaching out to garner support from Members of Congress from other parts of the country. Additionally, the Board authorized the Chair to sign letters to Senator Stabenow, Michigan who Chairs the Senate Agriculture Committee, and Congressman Lucas, Oklahoma who Chairs the House Agriculture Committee.

February Healthy Air Living Tip

Pollution levels can vary greatly throughout the day. Did you know that you can access **real-time, localized** air quality information designed to help you minimize the negative health impacts of exercise and other outdoor activities when air pollution levels are high?

Ref: http://www.valleyair.org/Programs/RAAN/raan_landing.htm

Tip: Be informed about the air quality in your area when planning outdoor activities. Visit the District's RAAN website and register to receive real-time air quality email updates by visiting the RAAN webpage at http://www.valleyair.org/Programs/RAAN/raan_landing.htm.

For more clean air tips, see www.healthyairliving.com.

January District Activities

Outreach and Communications

- In January, wood-burning curtailments continued Valley-wide, resulting in a high volume of public and media calls. Additionally, OC issued health cautions relating to a wildfire in Tulare County and particulates stirred up by high winds. Annual report production and website updates and redesign continued.
- OC staff responded to 27 media calls and 221 public calls and emails, and issued two news releases in January.

Grant and Incentive Programs

- The District received 435 incentive program applications in January. 140 were for the Wood Stove Change-Out Program and 93 were for the Heavy Duty Engine Program.
- \$1,648,661 was placed under contract in the Heavy Duty Engine Program in January and 177 claims were paid.
- In January, \$397,710 was paid out in REMOVE II program claims.
- \$97,150 was paid in Burn Cleaner program claims in January and 174 claims were processed.

| January 2014 | Applications | Grants Offered | | Grants Executed | | Amount Paid | |
|------------------------|---------------------------|------------------------------|-----------------------|------------------------------|-----------------------|-----------------------|-----------------------|
| Program | Number Received & Entered | Number of Contracts sent out | Sum of Grant Funding | Number of Contracts Executed | Sum of Grant Funding | Number of Claims paid | Sum of Grant Funding |
| Heavy Duty | 93 | 94 | \$3,697,759.10 | 50 | \$1,648,661.80 | 177 | \$5,842,225.24 |
| School Bus | 5 | 5 | \$433,740.25 | 7 | \$431,859.49 | 35 | \$737,850.15 |
| On-Road Prop 1B | 0 | 0 | \$0.00 | 0 | \$0.00 | 23 | \$1,060,000.00 |
| Lawn and Garden | 1 | 2 | \$400.00 | 2 | \$400.00 | 4 | \$700.00 |
| REMOVE | 194 | 342 | \$228,530.34 | 342 | \$228,530.34 | 2,219 | \$397,701.83 |
| Burn Cleaner | 140 | 146 | \$79,750.00 | 146 | \$79,750.00 | 174 | \$97,150.00 |
| Technology Advancement | 0 | 1 | \$417,050.00 | 1 | \$500,000.00 | 0 | \$0.00 |
| Public Benefit | 2 | 0 | \$0.00 | 3 | \$123,332.30 | 28 | \$421,140.25 |
| Totals | 435 | 590 | \$4,857,229.69 | 551 | \$3,012,533.93 | 2,660 | \$8,556,767.47 |

| Reductions from Executed Contracts (tons) | | | |
|---|----|-----|-------|
| Nox | PM | ROG | Total |
| 208 | 25 | 14 | 247 |

Operations Overview

- **Compliance** completed 3,309 inspections in January. 481 NOVS were issued. Mutual settlement case completions totaled 430.
- **Permits** received 204 applications in January. 248 permits were issued.
- **Strategies and Incentives** received 21 smoking vehicle reports in January.
- **The District** received 143 environmental documents for review in January.

Upcoming Meetings

Governing Board*

9 a.m. Thursday, March 20

Citizens Advisory Committee*

10 a.m. Tues., March 4

Environmental Justice Adv. Grp.

5 p.m. Thurs., Feb. 27

Meetings are held in the Fresno office Governing Board Room and via video teleconference to the Modesto and Bakersfield offices. Details: www.valleyair.org *Webcast