Proposition 1B: Goods Movement Emission Reduction Program

Concepts for Updates to Program Guidelines

November 6-8, 2012

Air Resources Board
California Environmental Protection Agency
Goals and Strategies

- Meet health-based air quality standards
- Reduce cancer risk from air toxics
- Cut greenhouse gas emissions
- 2012 Vision for Clean Air
- Prop. 1B projects include:
  - Zero/near-zero technology
  - Upgrades to more fuel efficient engines
Prop 1B: Goods Movement Emission Reduction Program

- $1B to reduce emissions from freight transport in the four priority trade corridors
- Upgrade diesel trucks, locomotives, ship berths, cargo equipment, and harbor craft
- Goal: Reduce emissions/health risk as quickly as possible in heavily impacted communities
Trade Corridors

Bay Area

Central Valley
SJV Air Basin
+ Sac Region

LA/Inland Empire
South Coast Air Basin
+ Port Hueneme

San Diego/Border
San Diego + Imperial Counties
Reductions Must be Early or Extra

Key existing ARB rules/requirements:
- Statewide truck and bus rule
- Port and rail yard truck rule
- Truck idling and refrigeration unit rules
- Locomotive/rail yard agreements
- Ship fuel and at-berth rules
- Cargo equipment rule
- Harbor craft rule
State Bond Funding Flow

- Legislature → ARB → Local agency → Equipment owner

- Awarded funds to date ($579.2M)
- Competitive process to select projects
Program Funding To Date

- Locomotives: $18.0M
- Ships at Berth and Cargo Handling Equipment: $83.1M
- Heavy Duty Trucks: $350.3M
- Port/rail yard trucks: $127.7M
- Harbor Craft: $0.1M
Projected Results by 2014

- 9,600 trucks replaced or retrofitted
- 19 locomotives upgraded
- 35 ship berths equipped with shorepower
- 1 harbor craft vessel upgraded
- Estimated emission reductions
  - 4.5 million lbs. PM
  - 120 million lbs. NOx
Community Input

- To ARB on Program requirements and funding awards within each region
- To local agencies on project proposals (i.e., priorities for trucks v. rail v. ships)
Concepts for Program Guidelines

- Eligible projects
  - Regulatory requirements
  - Technology
  - Cost
- Program administration
Revise eligibility requirements
- Include Class 6
- Model year revisions
- Minimum mileage

Require MY2010-emission levels
- 0.20 NOx CERT/FEL
Heavy Duty Diesel Trucks

Replacement – MY1994-2006 engines

- $30K to replace a Class 8 truck
- $25K to replace a Class 7 truck
- $20K to replace a Class 6 truck
Zero-Emission Trucks

Replacement – MY1994-2006 engines

- Provide Prop. 1B replacement funding
- Additional AB 118 funding
  - Up to $45K
- Priority ranking
Locomotive and Rail Yards

- Require Tier 4 standard
- Increase funding
- Operational flexibility
- Reduce project life to 10 years
Up to the lower of:

- 70% or $2.1M if operational by 2015, or
- 60% or $1.8M if operational by 2016

Switcher and MHP locomotive

Up to the lower of:

- 60% or $1.8M if operational by 2015, or
- 50% or $1.5M if operational by 2016
Ships at Berth and Cargo Handling Equipment

- Revise eligibility requirements
- Increase funding
  - Zero/near-zero technology
- Require a minimum cost-effectiveness
Ships at Berth and Cargo Handling Equipment

- **Grid-based shorepower**
  - Quarterly reimbursements
  - Flexibility to demonstrate completion

- **Rubber tired gantry crane**
  - Up to $500K
  - Revise eligible cost
Commercial Harbor Craft

- Require Tier 3 standard or cleaner
- Increase funding
- Require a minimum cost-effectiveness
- Extend California operation boundary
Commercial Harbor Craft

- **Tugs, Tows, Crew and Supply**
  - Lower of 50% or $175/hp

- **Other vessels**
  - Lower of 80% or $280/hp

- **Hybrid**
  - Lower of 80% or $360/hp
  - Available for other vessels
Program Administration

- Evaluate ways to make Program more effective based on prior experience
- Streamlining:
  - CA registration
  - VMT documentation
  - Reporting requirements
  - Database needs
Next Steps (2013)

Tentative:

Jan 25: Board hearing on Guidelines
Feb: Call for local agency proposals
Mar: Evaluation & workshops

Summer 2013:

- Award funds to local agencies
  (contingent on cash availability)
- Local agency solicitations for projects
Contact Information

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