Proposition 1B: Goods Movement Emission Reduction Program

Proposed Updates to Program Guidelines

January 25, 2013
Overview

- Current program
- Progress
- Proposed revisions
- Staff recommendations
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
Core Elements

Required by statute:

- Program guidelines
- Local agency role
- Early or extra reductions (PM/NOx)
- Match funding
- Competitive process
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 Handling Equipment Rule
- Harbor Craft Rule
State Bond Funding Flow

- Bond Sales
- ARB
- Local Agency
- Equipment Owner

- Received funds to date ($587M)
- Competitive process to select projects
Progress
Funding To Date

- Harbor Craft: $0.1M
- Locomotives: $18M
- Ships at Berth and Cargo Handling Equipment: $82M
- Port/Rail Yard Trucks: $126M
- Heavy Duty Trucks: $338M
- Loan Assistance: $5M
Project Results

- 10,700 cleaner diesel and natural gas trucks
- 25 low-emission locomotives
- 37 ship berths w/ grid-based power
- 1 harbor craft upgrade

Estimated emission reductions
- 4.8 million lbs. PM
- 132 million lbs. NOx
Goods Movement Online Database

Source Category
- Heavy Duty Diesel Trucks & Truck Stop Electrification
- Port Trucks (FY 2007-08 only)
- Ships at Berth & Cargo Handling Equipment
- Locomotives & Railyards
- Commercial Harbor Craft
- ALL

Trade Corridor

[Map of California showing different trade corridors and areas]
Community and Local Agency Input

- Public workshops – November 2012
- Local agency input
- Stakeholder input
Proposed Revisions to Program Guidelines

- Eligible projects
  - Regulatory requirements
  - Technology
  - Cost
- Program administration
Heavy Duty Diesel Trucks

- Revise eligibility requirements
  - Include Class 6
  - Model year revisions
  - Minimum mileage
- Require MY2010-emission levels
  - 83% cleaner than MY2007 (NOx)
- Streamline implementation
Heavy Duty Diesel Trucks

Replacement – MY1994-2006 engines

- $50K for a new Class 8 truck
- $40K for a used Class 8 truck
- $35K for a new or used Class 7 truck
- $25K for a new Class 6 truck
Zero-Emission Trucks

- $65K – $105K combined funding
- Priority ranking
- Expedited processing
Locomotive and Rail Yards

- Require Tier 4 standard (available 2015)
  - 90 – 95% cleaner than uncontrolled
- Increase funding
- Operational flexibility
Locomotive and Rail Yards

Line-haul locomotive - upgrade to Tier 4
Up to the lower of:
- 70% or $2.1M if operational by 2015, or
- 60% or $1.8M if operational by 2016

Switcher/MHP locomotive - upgrade to Tier 4
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-emission technology
- Require a minimum cost-effectiveness
Ships at Berth and Cargo Handling Equipment

Grid-based shorepower
- Provide progress payments
- Up to $3.5 million per berth

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

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

Replacement or repower funding

- Lower of 50% or $175/hp for tugs, tows, crew and supply vessels
- Lower of 80% or $280/hp for other vessels

Hybrid power system

- Lower of 80% or $100/hp
- Combine w/ replacement or repower funds
- All eligible vessel types
Program Administration

- Modifications to make Program more effective based on prior experience

- Streamlining:
  - Reduce documentation
  - Simplify reporting requirements
  - Allow solicitations prior to grant awards
Next Steps (Proposed)

- **FEB**
  - Notice of funding availability

- **MAR**
  - Spring Bond Sale

- **APR**
  - Local agency project applications

- **MAY**
  - Public review and ARB staff evaluation

- **JUN**
  - Board hearing to award grant funds
Staff Recommendations

- Adopt the 2013 update to the Guidelines
- Establish priorities for next rounds of funding as follows:
  - Trucks
  - Locomotives
  - Transition to zero-emission technologies