Update on Existing Grant Agreements for Proposition 1B Programs

GOODS MOVEMENT

SCHOOL BUS

May 28, 2009

Air Resources Board
California Environmental Protection Agency
Overview

- Progress
- Funding
- Staff proposal
- Recommendations
Progress – Goods Movement

- ARB guidelines in Feb 2008
- ARB funding awards in Feb/May 2008
- 21 grants to local agencies in Jun 2008
- Local agency action Jun-Dec 2008
  - 9,500 applications from owners for $385M in cleaner equipment
  - Over 300 old trucks scrapped/replaced
- Grants suspended in Dec 2008
Progress – School Bus

- ARB guidelines in March 2008
- 35 grants to local districts in April 2008
- Local agency action Jun-Dec 2008
- Grants suspended in Dec 2008
Funds Received to Reimburse ARB for Payments Made in 2008

✓ $21M for goods movement
  - Early grants: South Coast port and other trucks, San Joaquin Valley other trucks
  - Local administrative funds, as requested

✓ $12M for school bus
  - San Joaquin Valley, Monterey, Ventura, Shasta, Northern Sierra, and other districts, as requested
Funds to Restart Projects

- $90M for goods movement (*expected*)
  - Shore power at Port of Oakland (*early grant*)
  - Port/rail yard trucks in Los Angeles, Bay Area, San Diego corridors
  - Other trucks in Central Valley

- $71M for school bus (*expected*)
  - Pre-1977 buses, as required by statute
  - Retrofits & other replacements in South Coast and San Joaquin Valley
Funds Still Needed

To implement all 1\textsuperscript{st} year grant agreements:
- $139M for goods movement
- $110M for school bus

To allocate 2\textsuperscript{nd} and 3\textsuperscript{rd} year installments:
- $500M for goods movement
Changes to Existing Prop. 1B Guidelines & Grant Agreements
Need for Changes

- Delays in current funding
- Uncertain timing for additional funds
- New regulatory requirements
- Implementation issues
- Local agency requests
Mechanism for Changes

- Board approval of amendments to current program guidelines (marked with *)
- Board support for Executive Officer action on other changes
Funding Obligation*

Goods movement and school bus

- Add grant agreement provisions that:
  - Tie ARB’s funding obligation to availability of bond monies
  - Require written ARB authorization to restart projects at specified funding levels

*Board Action Needed
Funding Timelines*

Goods movement and school bus

- Extend deadlines for local agencies:
  - To sign contracts with equipment owners
  - To fully expend funds for completed projects

*Board Action Needed
EO Authority*

Goods movement and school bus

- Expand authority of ARB Executive Officer to take actions consistent with statute and Board goals to address:
  - Bond fund availability
  - Implementation issues

*Board Action Needed
Port Truck Retrofits*

Goods movement

- Reduce the early period for retrofits on port/rail yard trucks
- Extend deadline: Jun to Dec 2009, just prior to Jan 1, 2010 compliance date

*Board Action Needed
Other Truck Replacements*

Goods movement

- Reduce the early period for replacing 1998-1999 other trucks
  - 2 yrs, consistent with 1997 & older
- Extend deadline: Dec 2009 to Dec 2010

*Board Action Needed
Truck Contract Term*

Goods movement

- Shorten existing truck contract lengths
  - Replacements and repowers: 8 to 5 years
  - Retrofits: 4 to 2 years

- Apply retroactively to existing contracts, with owner’s concurrence

*Board Action Needed
Truck Funding Shifts

Goods movement

- Streamline process to transfer funds from truck retrofits to replacements
  - Retain Board priority for retrofits and documentation of effort to solicit projects
  - Eliminate need for letters between ARB and local agency
Response to Regional Demand*

Goods movement

- Shift funds from low demand categories to high demand categories to avoid reversion:
  - Bay Area: $4.3M from harbor craft to port trucks, as requested by District
  - San Diego: $2.5M from shore power to trucks (if needed)

*Board Action Needed
POLA/POLB Port Trucks

Goods movement

- Port gate fees structure is limiting demand
- Ports may amend fee structure
- Otherwise, ARB may need to transfer administration of $98M grant for port trucks from POLA/POLB to South Coast District
Truck Travel in San Diego/Border

Goods movement

- Allow San Diego District to require: 10% truck travel in San Diego/Border corridor
Board Actions

Staff recommends that the Board:

- Adopt Resolution 05-09-40 for goods movement
- Adopt Resolution 05-09-47 for school bus