



# Update on Existing Grant Agreements for Proposition 1B Programs

## GOODS MOVEMENT



## SCHOOL BUS

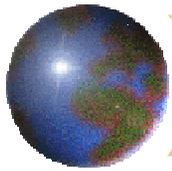


May 28, 2009



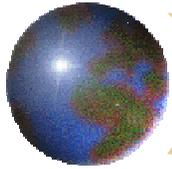
**Air Resources Board**

California Environmental Protection Agency



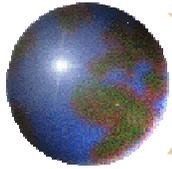
# Overview

- Progress
- Funding
- Staff proposal
- Recommendations



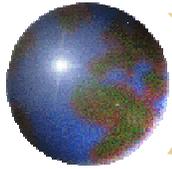
## ***Progress – Goods Movement***

- 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



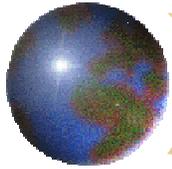
## ***Progress – School Bus***

- ARB guidelines in March 2008
- 35 grants to local districts in April 2008
- Local agency action Jun-Dec 2008
- Grants suspended in Dec 2008



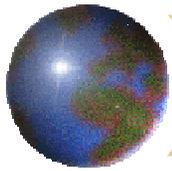
## ***Funds Received to Reimburse ARB for Payments Made in 2008***

- ✓ \$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<sup>st</sup> year grant agreements:

- \$139M for goods movement
- \$110M for school bus

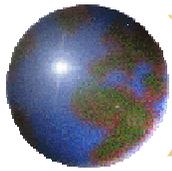
To allocate 2<sup>nd</sup> and 3<sup>rd</sup> year installments:

- \$500M for goods movement



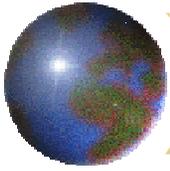
# ***Changes to Existing Prop. 1B Guidelines & Grant Agreements***





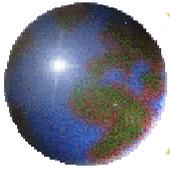
## ***Need for Changes***

- ⊕ 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

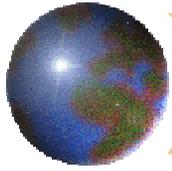


## ***Funding Obligation\****

### Goods movement and school bus

- ➊ 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

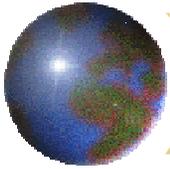


## ***Funding Timelines\****

### 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

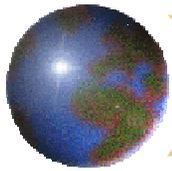


## ***EO Authority\****

### Goods movement and school bus

- ➊ 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

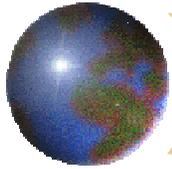


## ***Port Truck Retrofits\****

### 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

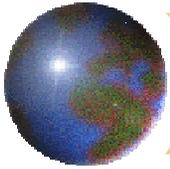


## ***Other Truck Replacements\****

### 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

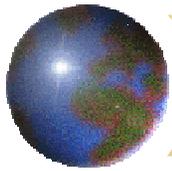


## ***Truck Contract Term\****

### 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

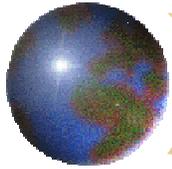
\*Board Action Needed



# ***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

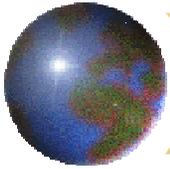


## ***Response to Regional Demand\****

### 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)

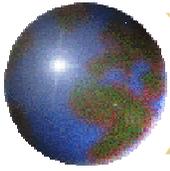
\*Board Action Needed



## ***POLA/POLB Port Trucks***

### Goods movement

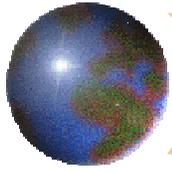
- ⊕ Port gate fees structure is limiting demand
- ⊕ Ports may amend fee structure
- ⊕ Otherwise, ARB may need to transfer administration of \$98M grant for port trucks from POLA/POLB to South Coast District



# ***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