

# Proposition 1B: Goods Movement Emission Reduction Program 2011 Funding Awards

Board Hearing  
December 16, 2011



**Air Resources Board**  
California Environmental Protection Agency

## Board Actions Today

Award  
Fall 2011  
Proceeds

Approve  
Spring 2012  
Process

Support  
Truck  
Reuse

## Bonds are Economic Drivers

- ▶ Voters approved \$42B in bonds (2006)
- ▶ Infrastructure for transportation, housing, education, flood control, and natural resources
- ▶ Budget provides fiscal authority but need bond sales to provide cash
- ▶ “Accountability and transparency”

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## Prop 1B: Goods Movement Emission Reduction Program

- ▶ \$1B to reduce emissions from freight transport in the four trade corridors
- ▶ Goal: reduce emissions/risk as quickly as possible in heavily impacted communities
- ▶ Achieve early or extra reductions from diesel trucks, locomotives, ship berths, cargo equipment, and harbor craft
- ▶ Statute defines participants and process

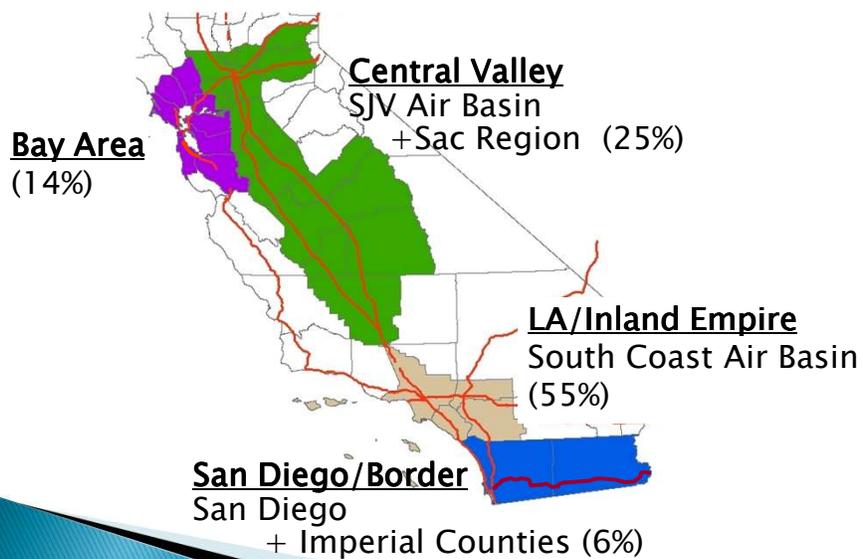
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## 2008/2010 Program Guidelines

- ▶ Administrative procedures
- ▶ Overall Program funding targets by trade corridor and category
- ▶ Specifications for eligible projects and \$
- ▶ Competitive grant process
- ▶ *Added in 2010* – “priority reserve” funding concept for drayage trucks

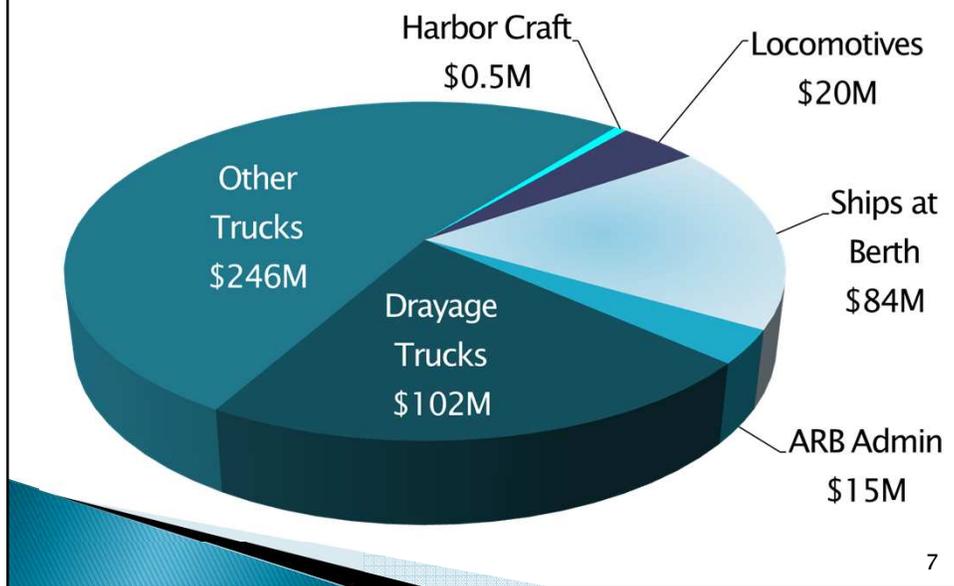
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## Trade Corridors & Funding Targets



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## Allocations to Date (\$468M)



## Trucks/Truck Stop Electrification



## Benefits by Trade Corridor (\$468M)

Trade Corridor	Funded Projects	Reductions (tons)*	
		PM	NOx
LA/Inland	3,350	1,120	31,100
Central Valley	2,100	670	16,000
Bay Area	1,525	470	8,500
SD/Border	425	90	2,200
<b>Total</b>	<b>7,400</b>	<b>2,350</b>	<b>57,800</b>

\*over the contract term

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## Spring 2011 Truck Solicitation

Local Agency	Funding Demand	Available Funding
South Coast	\$96M	\$43M
San Joaquin	\$133M	\$44M
Sacramento	\$11M	\$10M
Bay Area	\$34M	\$15M
San Diego	\$14M	\$7M
Imperial	\$11M	\$4M
<b>Total</b>	<b>\$299M</b>	<b>\$123M</b>

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## Truck Solicitation Unmet Demand

Local Agency	Unmet Demand*	
	Projects	Funding
South Coast	1,140	\$53M
San Joaquin	1,790	\$89M
Sacramento	40	\$1M
Bay Area	540	\$19M
San Diego	160	\$7M
Imperial	160	\$7M
<b>Total</b>	<b>3,830</b>	<b>\$176M</b>

\*about 20% fallout expected

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## 2007 Drayage Regulation

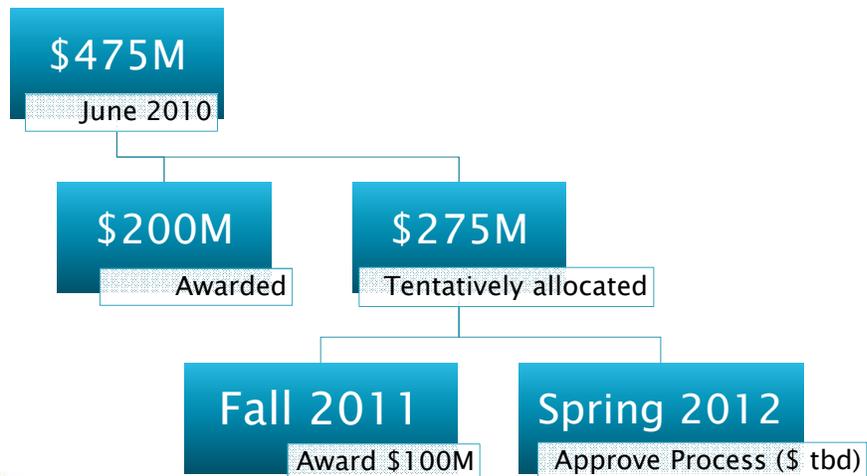
- ▶ Trucks serving ports/rail yards statewide
- ▶ Phase 1: PM Filters
  - 2,300 trucks have PM filters
  - 7,500 trucks do not have PM filters
- ▶ Phase 2: 2007 emission levels (PM+NOx)
  - 13,300 trucks already compliant
- ▶ Amendments now final and effective
- ▶ Public incentives to date – \$200M

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# Staff Proposal

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## Program Funding



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## Expedited Timeframe for \$100M

- ▶ Governor's direction – use bond funds for  
*“...expediting projects, moving cash out of accounts and into projects that create jobs and improve state infrastructure as taxpayers intended.”* (Brown, 2011)
- ▶ ARB must transfer funds based on approved project lists no later than April 2012
- ▶ Minor Guidelines changes to support

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## Fall 2011 Bond Proceeds

- ▶ \$100 Million
- ▶ Priority drayage funding
  - Grants and loan assistance
  - Maximum of \$66.6M
  - Bay Area and South Coast to administer
- ▶ Other truck funding
  - Restore San Diego/Border corridor funds temporarily re-directed to Valley (\$5.5M)
  - Unmet Spring 2011 demand

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## Distribution of \$100M *50% Drayage Truck Response*

Trade Corridor	Drayage Trucks	Other Trucks	
		Redirect/Restore	New Grants
LA/ Inland	\$7.0M	--	\$40.3M
Central Valley	--	(\$5.5M)	\$15.3M
Bay Area	\$23.8M	--	--
SD/ Border	--	\$5.5M	\$9.4M
ARB	\$5.0M	--	--
<b>Total</b>	<b>\$35.8M</b>	<b>--</b>	<b>\$65.0M</b>

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## Cumulative Corridor Allocations *If 50% Drayage Truck Response*

Trade Corridor	Total Funds	Overall %	<i>Corridor Target %</i>
LA/Inland	\$296.4M	54%	<i>55%</i>
Central Valley	\$134.1M	24%	<i>25%</i>
Bay Area	\$87.0M	16%	<i>14%</i>
SD/Border	\$30.8M	6%	<i>6%</i>
<b>Subtotal</b>	<b>\$548.3M</b>	<b>100%</b>	<b><i>100%</i></b>
ARB admin/loan	\$20.5M	--	--
	<b>\$568.8M</b>		

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## Possible Spring 2012 Proceeds

- ▶ Additional loan assistance for newer drayage trucks
- ▶ Other truck funding
  - Unmet demand from Spring 2011 solicitations
  - Trade corridor funding targets
  - Local agency resources

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## Drayage Grants

### Grant Funding

- Trucks with 1994–2003 engines & PM retrofits by June 2010
- Up to \$30,000
  - \$25,000 if Prop. 1B \$ used for retrofit

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## Additional Drayage Assistance

### Improved Access to Loans

- Trucks with 1994–2003 engines and PM retrofit by June 2010
- Trucks with 2004 engines and PM retrofit by June 2010
- Trucks with 2005–2006 engines, **if funding becomes available**

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## Truck Reuse

- ▶ Reuse of drayage trucks with retrofits
  - Replace trucks with 2017+ deadlines
  - Multiple years of emission reductions
- ▶ Propose San Joaquin District administer



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## Future Funding

- ▶ Fall 2012 and later
- ▶ Assess advanced technology/cost
- ▶ Update project specifications
- ▶ New ARB call for agency projects
- ▶ Meet trade corridor funding targets



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## Recommendation for Board Action

- ▶ Adopt Resolution 11-40
  - Primary/backup project lists
  - Delegation to Executive Officer
  - Minor Guideline changes
  - Support for truck reuse

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