



PROPOSITION 1B

Goods Movement Emission Reduction Program

Proposed Updates to Program Guidelines



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 equipment used for transporting freight
- **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/NO_x)
- Match funding
- Competitive process

1B Goods Movement Grant Process

ARB adopts Program Guidelines proposed today.

```
graph TD; A[ARB adopts Program Guidelines proposed today.] --> B[ARB solicits project proposals from local agencies. The Board awards funds.]; B --> C[Local agencies solicit, evaluate, and fund eligible projects.];
```

ARB solicits project proposals from local agencies.
The Board awards funds.

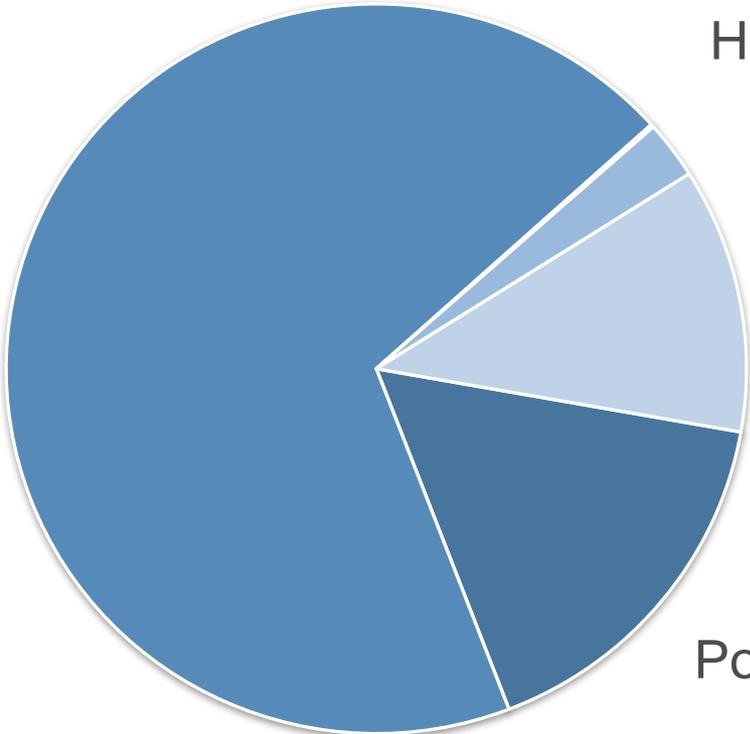
Local agencies solicit, evaluate, and fund eligible projects.



PROGRESS

Program Funding to Date

Heavy Duty Trucks **\$518M**



Harbor Craft **\$1M**

Locomotives **\$19M**

Ships at Berth and Cargo Handling Equipment **\$84M**

Port/rail yard trucks **\$118M**

\$220 million remaining

Results to Date

Projects operational or in-progress

- ~12,000 trucks replacements or retrofits
- 25 locomotives upgrades
- 37 ship berths equipped with shore power
- 3 commercial harbor craft upgrades

- Estimated cumulative emission reductions
 - 2,200 tons PM
 - 85,000 tons NOx

Input for Revisions

- Three public workshops – April 2015
 - Diamond Bar
 - Fresno
 - Sacramento (webcast)
 - Sustainable Freight: Pathways to Zero and Near-Zero Emissions Discussion Draft
 - Draft Heavy Duty Technology and Fuels Assessment: Overview
 - Local Agency Input
 - Stakeholder Input
-

Proposed Revisions to Program Guidelines



- Project eligibility
 - Recognize regulatory requirements
 - Incentivize advanced technology
- Program administration
 - Expedite implementation
 - Improve effectiveness

Priorities for Remaining Funds

To help meet air quality and climate goals:

- Zero emission and near-zero emission technologies
- Small truck fleets
- Tier 4 locomotive projects

Heavy Duty Diesel Trucks

Overview

- Increased funding for advanced technology projects
- Expanded timelines for commercialization of advanced technology
- Large fleets: advanced technology/alternative fuel
- Continued support for small fleets
- Infrastructure for fuel cell and electric trucks

Zero and Near-Zero Emission Trucks

- Up to \$200,000 for class 7 and class 8 zero emission trucks
- Up to \$150,000 for class 7 and class 8 hybrids capable of zero-emission miles
- Up to \$100,000 for class 7 and class 8 low-NOx (0.02g/bhp-hr NOx) engines

Truck Re-Use

** NEW OPTIONS **

- Expand to include 2007-2009 engine model years
 - Large fleets purchase advanced technology/alternative fuel
 - Small fleets purchase new 2015+ engine or advanced technology/alternative fuel
- Roadworthy trucks with 2007-2009 engine made available for re-use

Transport Refrigeration Units (TRUs)

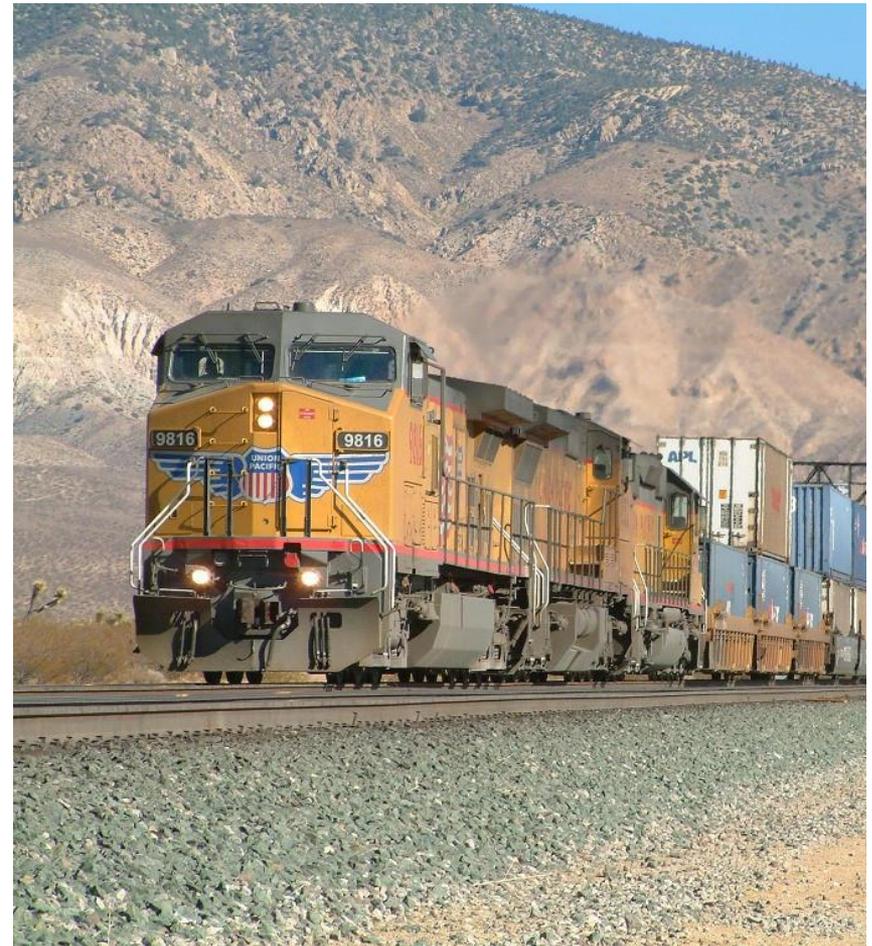
** NEW OPTIONS **

- Funding to replace TRUs with zero emission equipment
- Infrastructure funding to support zero emission TRUs



Locomotive and Rail Yards

- Increased funding for all Tier 4 options
- Expanded timeline to allow for availability
- Pro-rated grants for line-haul locomotives, based on California operation
- Differential funding for scrapped versus banned engines



Cargo Handling Equipment

- Increased funding for electric and fuel cell equipment
 - Yard trucks
 - Lifts
 - Rubber tired gantry cranes (RTGs)
- Charging infrastructure



Ships at Berth

- Hood technology to capture emissions while docked
- Minor change to the operational efficiency requirement



Commercial Harbor Craft

- Increased funding for Tier 4 and hybrid
- Expand eligible equipment to include:
 - Auxiliary engines
 - Replacement of Tier 2 engines
 - Expand vessel types
- Reduce trade corridor use requirement to 51%



Program Administration

- Streamline compliance checks
- Simplify ranking requirements for undersubscribed truck solicitations
- Extend grant timelines for contracts involving advanced technology

Additional Changes

- Correct project life for electric charging and fuel cell fueling infrastructure to 5 years from 10 years
- Eligible Class 6 trucks include 1998-2009 Model Year engines
- Clarify trucks subject to ARB's Drayage Truck Rule are eligible for funding
- Clarify that eligible cost for the replacement of a transportation refrigeration unit includes the cost of an electric power plug

Next Steps

JUN

- Board considers Guideline updates

JUL

- Notice of funding availability

JUL

- Local agency project applications

AUG-
SEPT

- Public review and ARB staff evaluation

SEPT

- Board hearing to award grant funds

Staff Recommendations

- Adopt the 2015 updates to the Guidelines, including the priorities for next round of funding as follows:
 - Advanced technologies
 - Small truck fleets
 - Tier 4 Locomotives