



# Proposition 1B: Goods Movement Emission Reduction Program

## Concepts for Updates to Program Guidelines

November 6-8, 2012



**Air Resources Board**

**California Environmental Protection Agency**

# Goals and Strategies



- Meet health-based air quality standards
- Reduce cancer risk from air toxics
- Cut greenhouse gas emissions
- 2012 Vision for Clean Air
- Prop. 1B projects include:
  - ▣ Zero/near-zero technology
  - ▣ Upgrades to more fuel efficient engines

# **Prop 1B: Goods Movement Emission Reduction Program**

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- \$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

# Trade Corridors

Bay Area

Central Valley

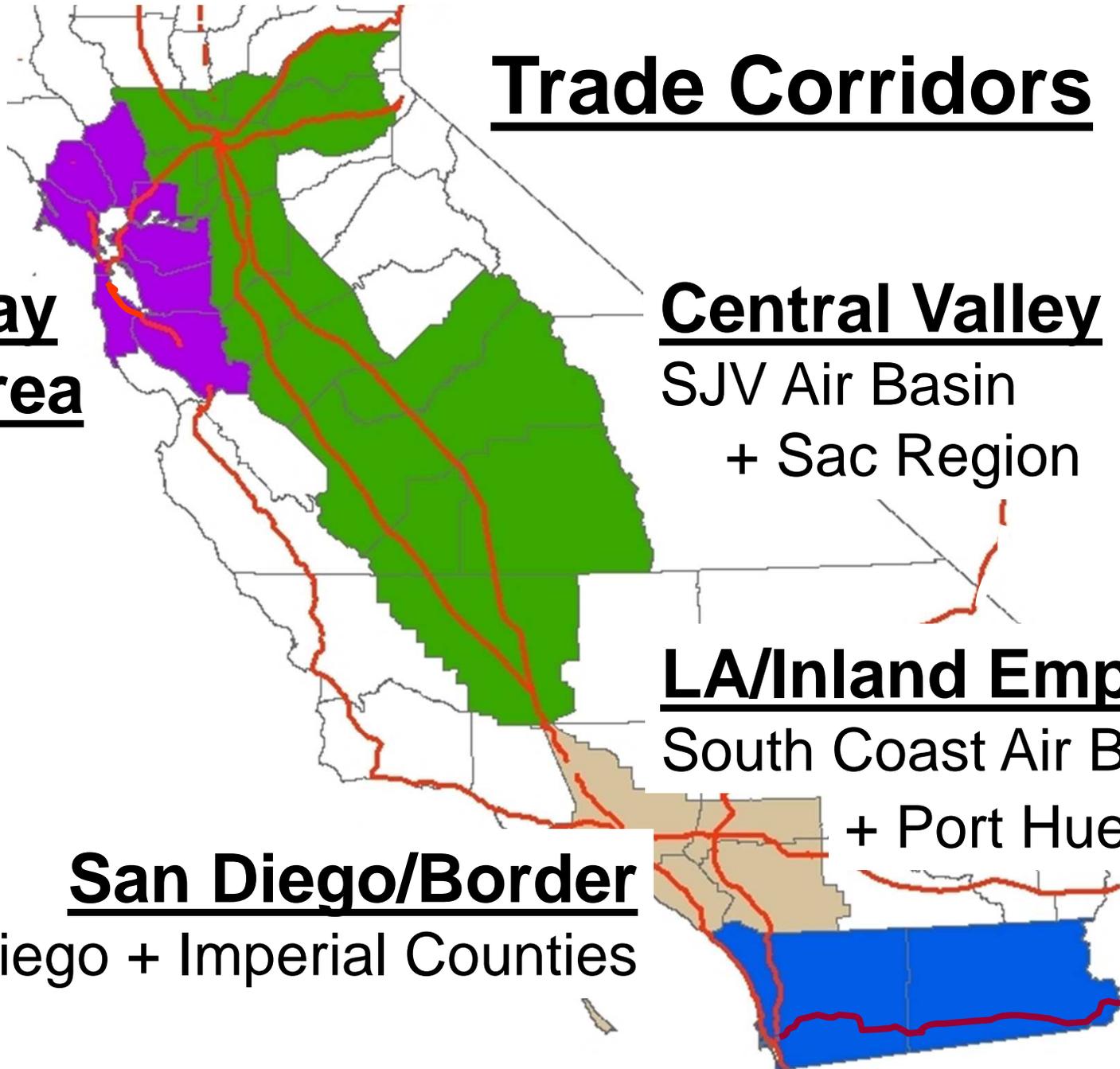
SJV Air Basin  
+ Sac Region

LA/Inland Empire

South Coast Air Basin  
+ Port Hueneme

San Diego/Border

San Diego + Imperial Counties

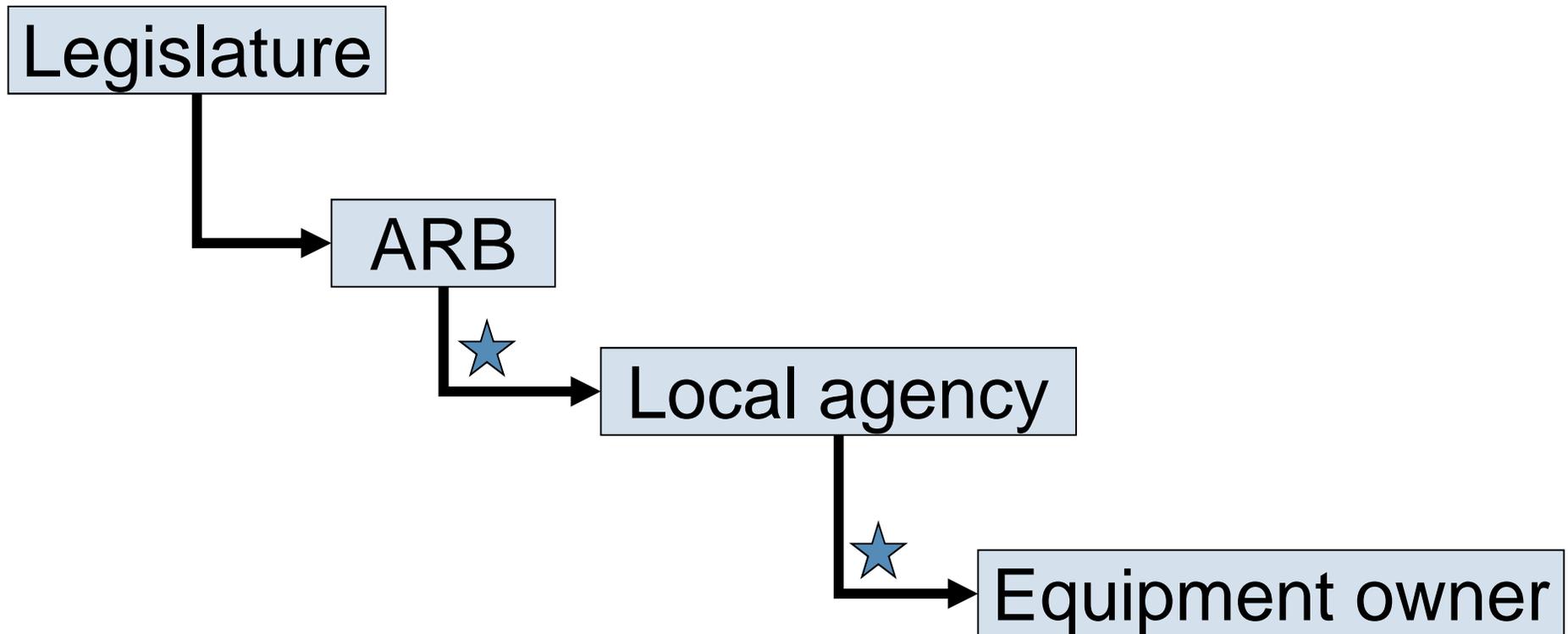


# Reductions Must be Early or Extra

*Key existing ARB rules/requirements:*

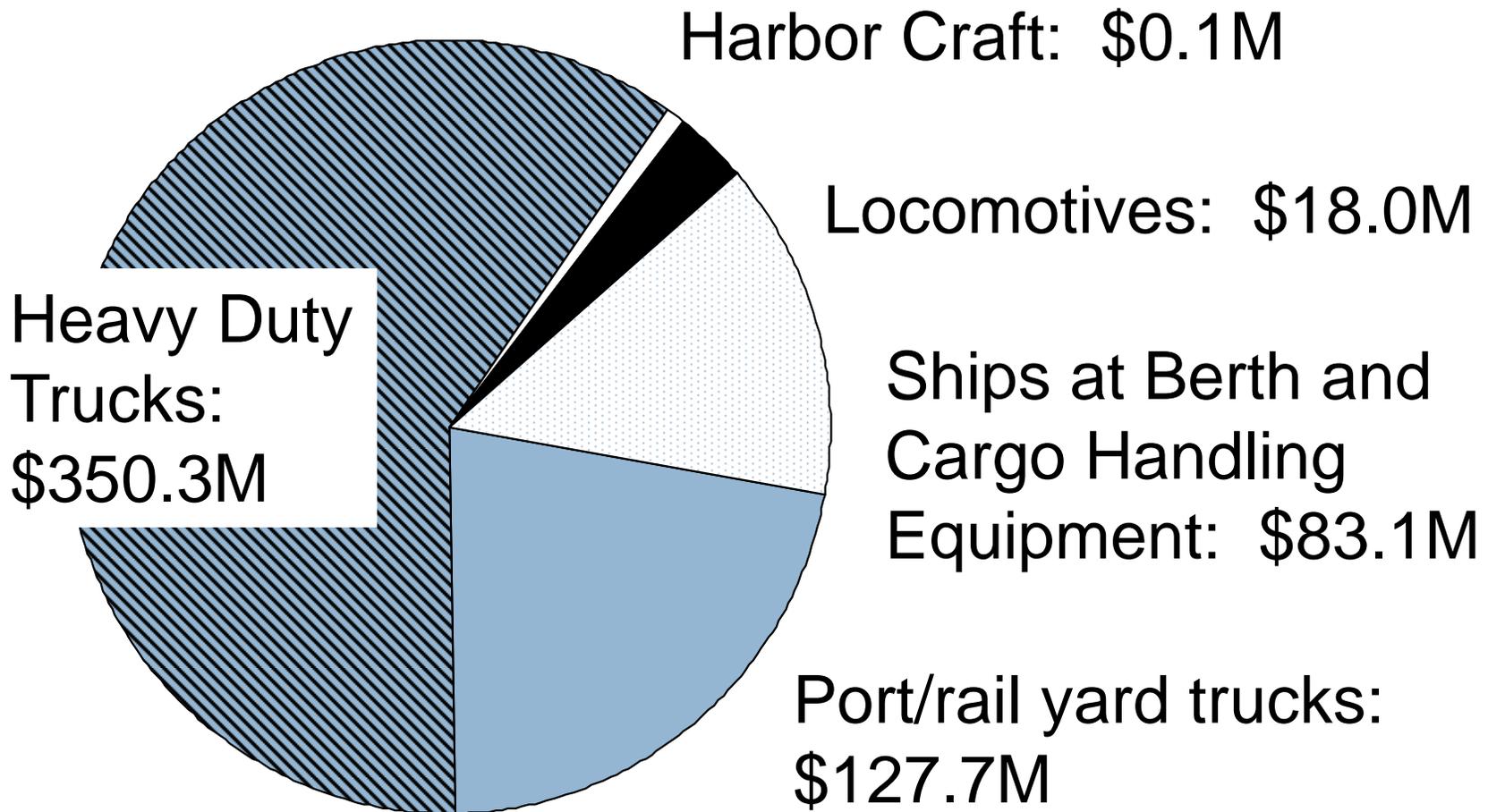
- Statewide truck and bus rule
- Port and rail yard truck rule
- Truck idling and refrigeration unit rules
- Locomotive/rail yard agreements
- Ship fuel and at-berth rules
- Cargo equipment rule
- Harbor craft rule

# State Bond Funding Flow



- Awarded funds to date (\$579.2M)
- ★ Competitive process to select projects

# Program Funding To Date



# Projected Results by 2014

- 9,600 trucks replaced or retrofitted
- 19 locomotives upgraded
- 35 ship berths equipped with shorepower
- 1 harbor craft vessel upgraded
- Estimated emission reductions
  - 4.5 million lbs. PM
  - 120 million lbs. NOx

# Community Input

- To ARB on Program requirements and funding awards within each region
- To local agencies on project proposals (i.e., priorities for trucks v. rail v. ships)



# Concepts for 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
  - 0.20 NO<sub>x</sub> CERT/FEL



Concept

# Heavy Duty Diesel Trucks

## Replacement – MY1994-2006 engines

- \$30K to replace a Class 8 truck
- \$25K to replace a Class 7 truck
- \$20K to replace a Class 6 truck

# Zero-Emission Trucks

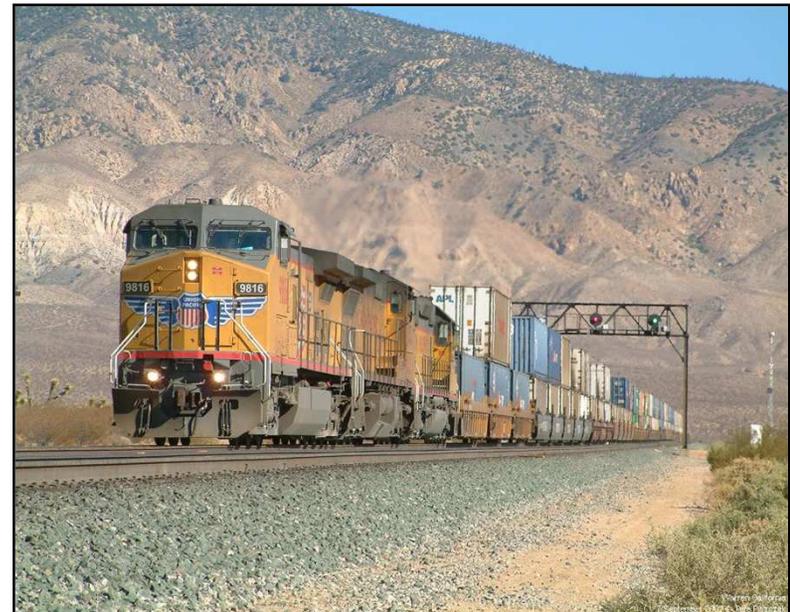
## Replacement – MY1994-2006 engines

- Provide Prop. 1B replacement funding
- Additional AB 118 funding
  - ▣ Up to \$45K
- Priority ranking

Concept

# Locomotive and Rail Yards

- Require Tier 4 standard
- Increase funding
- Operational flexibility
- Reduce project life to 10 years



# Locomotive and Rail Yards

## Line-haul locomotive

Up to the lower of:

- 70% or \$2.1M if operational by 2015, or
- 60% or \$1.8M if operational by 2016

## Switcher and MHP locomotive

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/near-zero technology
- Require a minimum cost-effectiveness



Concept

# **Ships at Berth and Cargo Handling Equipment**

## Grid-based shorepower

- Quarterly reimbursements
- Flexibility to demonstrate completion

## Rubber tired gantry crane

- Up to \$500K
- Revise eligible cost

# Commercial Harbor Craft

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



# Commercial Harbor Craft

## Tugs, Tows, Crew and Supply

- Lower of 50% or \$175/hp

## Other vessels

- Lower of 80% or \$280/hp

## Hybrid

- Lower of 80% or \$360/hp
- Available for other vessels

# Program Administration

- Evaluate ways to make Program more effective based on prior experience
- Streamlining:
  - CA registration
  - VMT documentation
  - Reporting requirements
  - Database needs

# Next Steps (2013)

*Tentative:*

**Jan 25:** Board hearing on Guidelines

**Feb:** Call for local agency proposals

**Mar:** Evaluation & workshops

**Summer 2013:**

- Award funds to local agencies  
*(contingent on cash availability)*
- Local agency solicitations for projects



## **Contact Information**



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### *Comments:*

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