



Board Meeting



Proposition 1B: Goods Movement Emission Reduction Program

Year 4 Funding Awards and Guidelines Revisions



July 25, 2013



Summary of Recommendations for Board Action

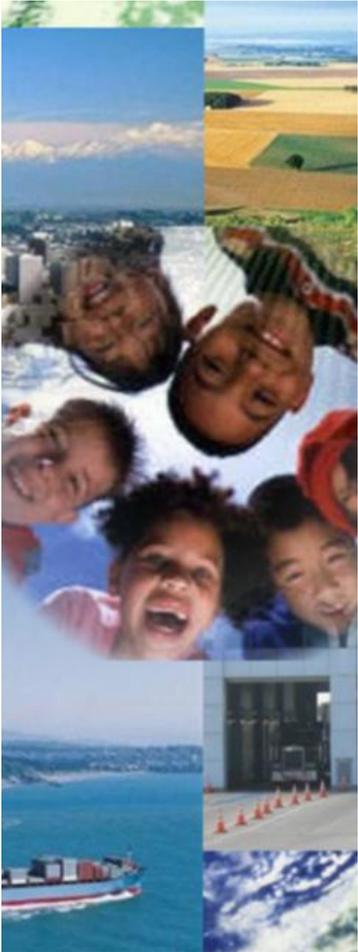
Funding Awards

Year 4
\$154 million

Guidelines Updates

Truck Filter
Substrate
Replacement
Program

Prop 1B: Goods Movement Emission Reduction Program



- \$1 billion to reduce emissions/risk in heavily impacted communities
- Achieve early or extra reductions by upgrading or replacing diesel equipment in four priority trade corridors
- Priority on diesel PM and NOx; with some co-benefits for climate

Trade Corridors

Bay Area

Central Valley

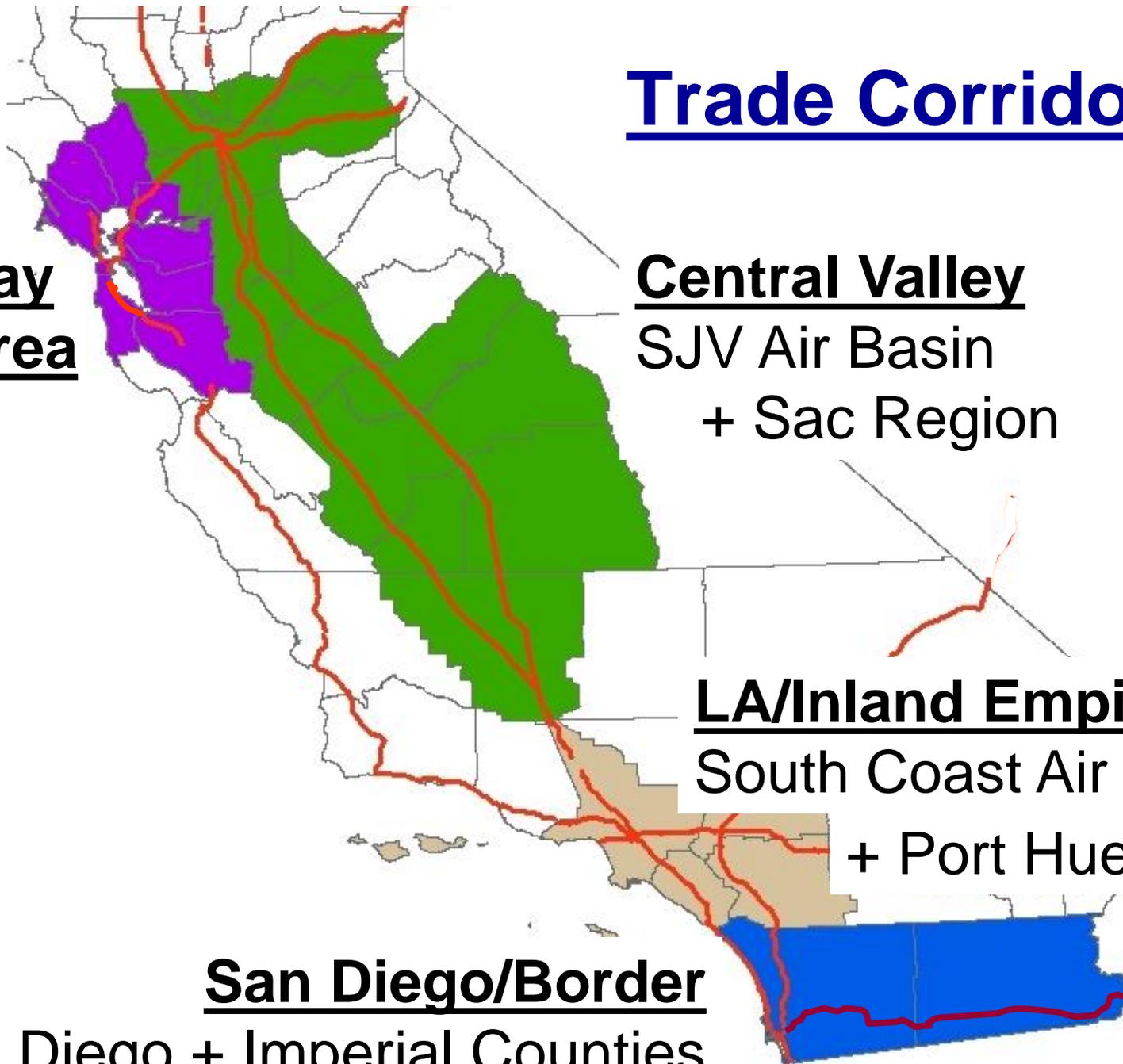
SJV Air Basin
+ Sac Region

LA/Inland Empire

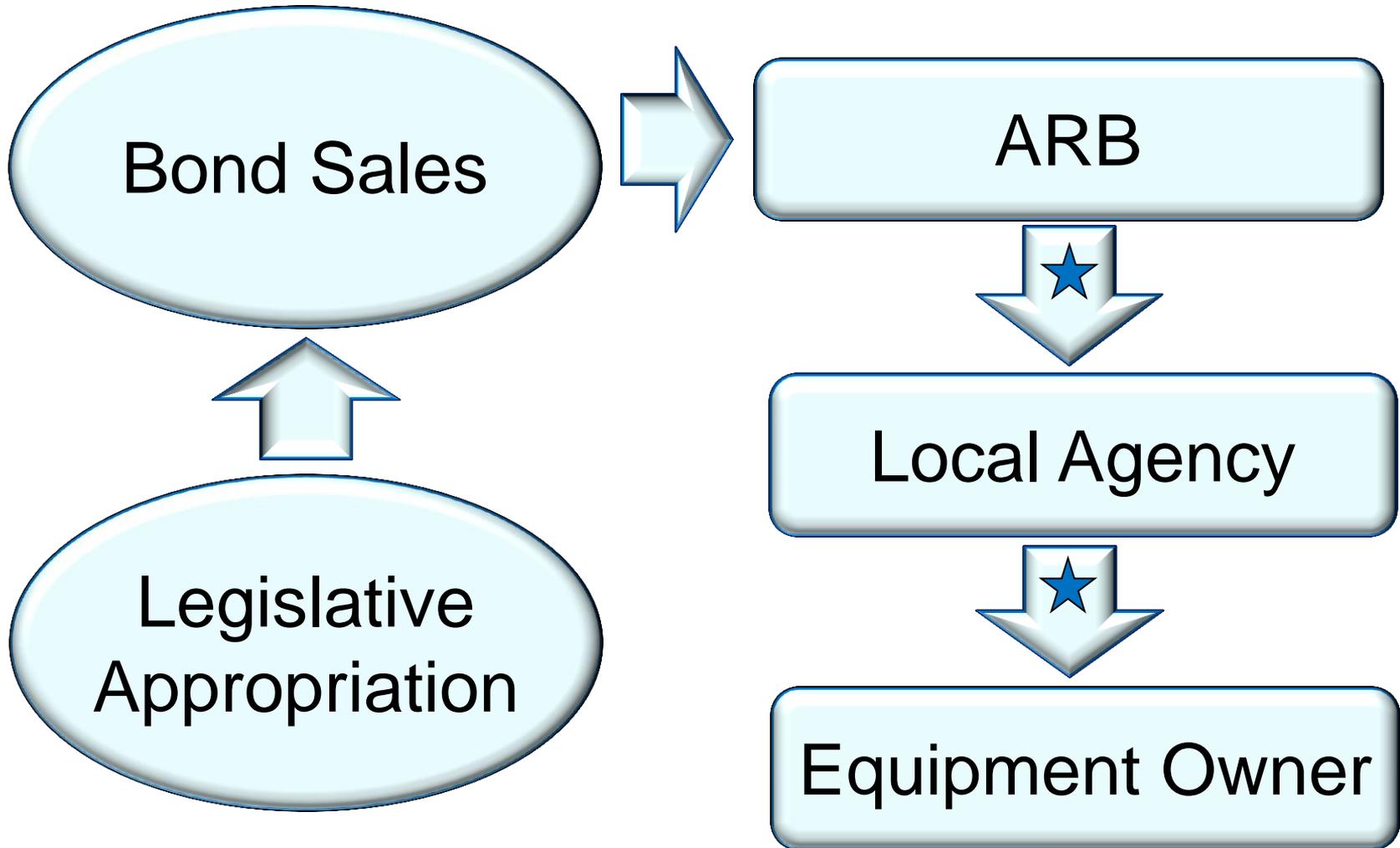
South Coast Air Basin
+ Port Hueneme

San Diego/Border

San Diego + Imperial Counties



State Bond Funding Flow



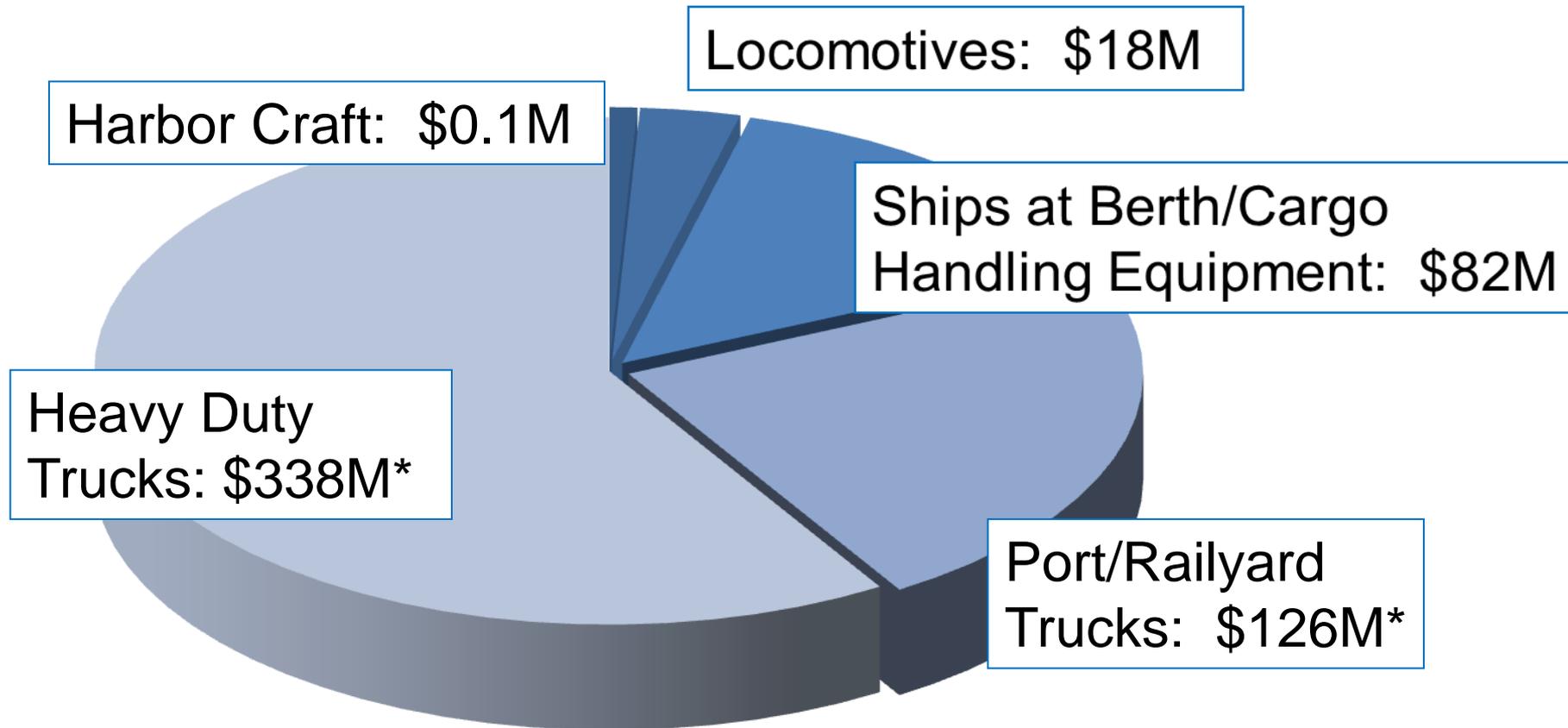
★ Competitive process to select projects

Program Benefits To-Date

Trade Corridor	Bond \$	# of Equip.	Reductions (lbs)	
			PM	NOx
LA/Inland Empire	\$ 308M	5,000	2,411,000	68,924,000
Central Valley	\$ 139M	2,400	1,669,000	35,844,000
Bay Area	\$ 88M	2,400	518,000	20,585,000
San Diego/Border	\$ 29M	650	209,000	4,907,000
Truck Loan Assistance ARB Administration	\$ 23M	*	*	*
Total	\$587M	10,450	4,807,000*	130,260,000*

* Combined with grants to enable truck replacements for small fleets.

Distribution of Project Funds To-Date



*Includes funds for the truck loan assistance program.

Moving Forward



Year 4 Funding

\$154 Million



Year 4 Applications for \$550M

Trade Corridor	Funds Requested
Bay Area	\$ 55M
Central Valley	\$207M
Los Angeles/Inland Empire	\$230M
San Diego/Border	\$ 27M
Truck Loan Assistance Program (all)	\$ 31M
Total	\$ 550M

Basis for Recommendations

Category/
Corridor
Funding
Targets

Board
Priorities

Local
Agency
Requests/
Priorities

Trade Corridor Targets

Trade Corridor	Target Corridor Percent	Corridor Percent Prior to New Awards
Bay Area	14.0%	15.7%
Central Valley	25.0%	24.6%
Los Angeles/Inland Empire	55.0%	54.6%
San Diego/Border	6.0%	5.1%

Recommended Allocations

Trade Corridor	Year 4 Funds* (millions)
Bay Area	\$ 9.9
Central Valley	\$ 36.9
Los Angeles/ Inland Empire	\$ 78.5
San Diego/ Border	\$ 13.1
Multi-Corridor Truck Programs	\$ 11.6
ARB Administration (maximum)	\$ 4.0
Total	\$154.0

Recommended Allocations (cont.)

Trade Corridor	Funding Category	Local Agency	Year 4 Funds (millions)
Bay Area	Trucks	Bay Area	\$ 9.9
Corridor Total			\$ 9.9
Central Valley	Trucks	San Joaquin Valley	\$ 29.5
		Sacramento Metro	\$ 7.4
Corridor Total			\$ 36.9

Recommended Allocations (cont.)

Trade Corridor	Funding Category	Local Agency	Year 4 Funds (millions)
Los Angeles/ Inland Empire	Trucks	South Coast	\$ 78.5
Corridor Total			\$ 78.5
San Diego/ Border	Trucks	San Diego	\$ 6.15
		Imperial	\$ 6.15
	Harbor Craft	San Diego	\$ 0.80
Corridor Total			\$ 13.1

Recommended Allocations (cont.)

Trade Corridor	Funding Category	Year 4 Funds (millions)
Multi-Corridor Truck Programs	Truck Loan Assistance	\$ 5.3
	Truck Filter Substrate Replacement	\$ 6.3
Total		\$ 11.6

Multi-Corridor Truck Program

Truck Loan Assistance

- Existing program that provides funding for loan guarantees for truck upgrades for owners of smaller fleets
- Owners need additional access to financing opportunities
- Up to \$5.3 million in Year 4 funding for loan guarantees to support truck owners receiving Proposition 1B funds

Multi-Corridor Truck Program

Truck Filter Substrate Replacement

- New – install new ceramic substrate in the empty filter housings for trucks with a specific recalled diesel particulate filter
- Recapture PM emissions reductions
- Fund full amount of ceramic substrate and installation (estimated at ~\$3,000/truck)
- Up to \$6.3 million in Year 4 funding
- Administering agency(s) to be determined

Recommendations and Benefits by Trade Corridor

		Reductions (lbs)	
Trade Corridor	Bond \$	PM	NOx
LA/Inland Empire	\$ 78.5M	169,900	6,016,000
Central Valley	\$ 36.9M	80,000	2,832,000
Bay Area	\$ 9.9M	21,500	762,000
San Diego/Border	\$ 13.1M	31,200	1,065,000
Truck Loan Assistance (all)	\$ 5.3M	-	-
Truck Filter Substrate Replacement (all)	\$ 6.3M	45,700	n/a
Total	\$150.0M	348,300	10,676,000

Revisions to Guidelines

- Truck filter substrate replacement program
- Streamlined grant process
 - Reduce time between bond issuance and expenditure
 - Coordination with Department of Finance and local agencies

Public Input

- Local agency concerns
 - Level of demand for truck grants
 - Opportunity for small truck fleets
- ARB response:
 - Allow 2nd/3rd trucks in small fleets to compete
 - Joint outreach to maximize applicant pool

Next Steps

Summer ARB coordinates on administrative changes; districts/ARB conduct outreach; equipment owners apply

Fall Districts evaluate and rank project applications

Winter Districts sign contracts with equipment owners

2014 New trucks are operational by Dec 31, 2014

Recommendation for Board Action

- Adopt Resolution 13-34
 - Identifies primary and backup projects for funding
 - Revises the Guidelines to include a limited truck filter substrate replacement program
 - Directs staff to further improve fiscal accountability and expenditure timeframes