Proposition 1B: Goods Movement Emission Reduction Program
2011 Funding Awards
Board Hearing
December 16, 2011

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”

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
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

Trade Corridors & Funding Targets

- **Central Valley**
  - SJV Air Basin + Sac Region (25%)

- **LA/Inland Empire**
  - South Coast Air Basin (55%)

- **San Diego/Border**
  - San Diego + Imperial Counties (6%)

- **Bay Area**
  - (14%)
Allocations to Date ($468M)

- Harbor Craft: $0.5M
- Locomotives: $20M
- Ships at Berth: $84M
- Other Trucks: $246M
- Drayage Trucks: $102M
- ARB Admin: $15M

Trucks/Truck Stop Electrification
### Benefits by Trade Corridor ($468M)

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

*over the contract term

### Spring 2011 Truck Solicitation

<table>
<thead>
<tr>
<th>Local Agency</th>
<th>Funding Demand</th>
<th>Available Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Coast</td>
<td>$96M</td>
<td>$43M</td>
</tr>
<tr>
<td>San Joaquin</td>
<td>$133M</td>
<td>$44M</td>
</tr>
<tr>
<td>Sacramento</td>
<td>$11M</td>
<td>$10M</td>
</tr>
<tr>
<td>Bay Area</td>
<td>$34M</td>
<td>$15M</td>
</tr>
<tr>
<td>San Diego</td>
<td>$14M</td>
<td>$7M</td>
</tr>
<tr>
<td>Imperial</td>
<td>$11M</td>
<td>$4M</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$299M</strong></td>
<td><strong>$123M</strong></td>
</tr>
</tbody>
</table>
### Truck Solicitation Unmet Demand

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

*about 20% fallout expected

### 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
Staff Proposal

Program Funding

$475M
- June 2010

$200M
- Awarded

$275M
- Tentatively allocated

Fall 2011
- Award $100M

Spring 2012
- Approve Process ($ tbd)
**Expeditied 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

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

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

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

<table>
<thead>
<tr>
<th>Trade Corridor</th>
<th>Total Funds</th>
<th>Overall %</th>
<th>Corridor Target %</th>
</tr>
</thead>
<tbody>
<tr>
<td>LA/Inland</td>
<td>$296.4M</td>
<td>54%</td>
<td>55%</td>
</tr>
<tr>
<td>Central Valley</td>
<td>$134.1M</td>
<td>24%</td>
<td>25%</td>
</tr>
<tr>
<td>Bay Area</td>
<td>$87.0M</td>
<td>16%</td>
<td>14%</td>
</tr>
<tr>
<td>SD/Border</td>
<td>$30.8M</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>Subtotal</td>
<td>$548.3M</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>ARB admin/loan</td>
<td>$20.5M</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

Total Funds $568.8M
**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

**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
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

**Truck Reuse**

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

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

Recommendation for Board Action

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