



PROPOSITION 1B

Goods Movement Emission Reduction Program

Proposed Updates to Program Guidelines

June 25, 2015



Overview

- Current program
- Progress
- Proposed revisions
- Staff recommendations

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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

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Core Elements

Required by statute:

- Program guidelines
- Local agency role
- Early or extra reductions (PM/NOx)
- Match funding
- Competitive process

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PROGRESS

Program Funding to Date

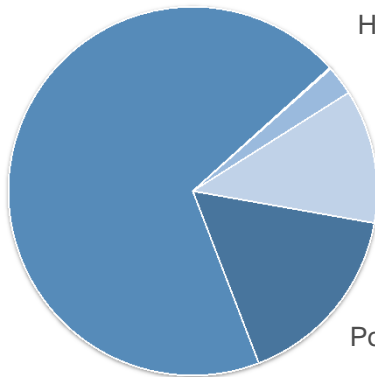
Heavy Duty Trucks **\$518M**

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
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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
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Proposed Revisions to Program Guidelines



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

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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

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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
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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
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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

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Transport Refrigeration Units (TRUs)

** NEW OPTIONS **

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



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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



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Cargo Handling Equipment

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



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Ships at Berth

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



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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%



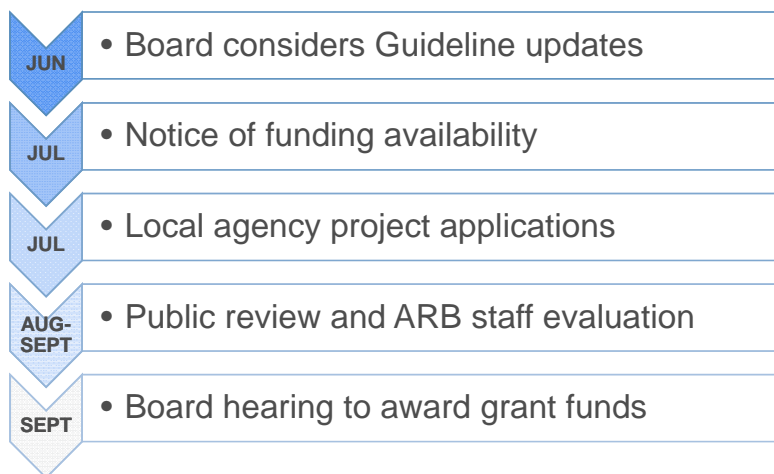
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Program Administration

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

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Next Steps



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Staff Recommendations

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