

# South Coast AQMD Grant/Incentive Programs



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# AQMD's Goods Movement Related Incentive Programs

- Carl Moyer Program
  - General
  - Fleet Modernization Program
- Proposition 1B – Goods Movement Program
- Air Quality Investment Program (AQIP)
- AB118 (upcoming)
- Congressional Directed Funding
- American Recovery and Reinvestment Act of 2009 (ARRA)

# Carl Moyer Program

- Provides grant funding for cleaner than required engines, equipment, other emission reduction technologies
- 10<sup>th</sup> year of implementation
- On-Road and Off-Road Projects
- Approximately \$120M spent to-date
- Over 4,000 engines and equipment have been funded by AQMD



# AQMD Carl Moyer Program Funding Sources

	<u>Annual</u>
SB1107	\$23.8M
AB923 (\$2 DMV Fee)	\$22M
AB923 (Tire Fee)	<u>\$10M</u>
Total	\$55.8M

# Equipment

- Marine Vessel Engines
- Locomotives (LNG and Hybrid)
- Construction Equipment
- Heavy-Duty Trucks (new & retrofits)
- Forklifts
- Auxiliary Engines
- Truck Stop Electrification
- Transit Buses
- School Buses



# Main Criteria

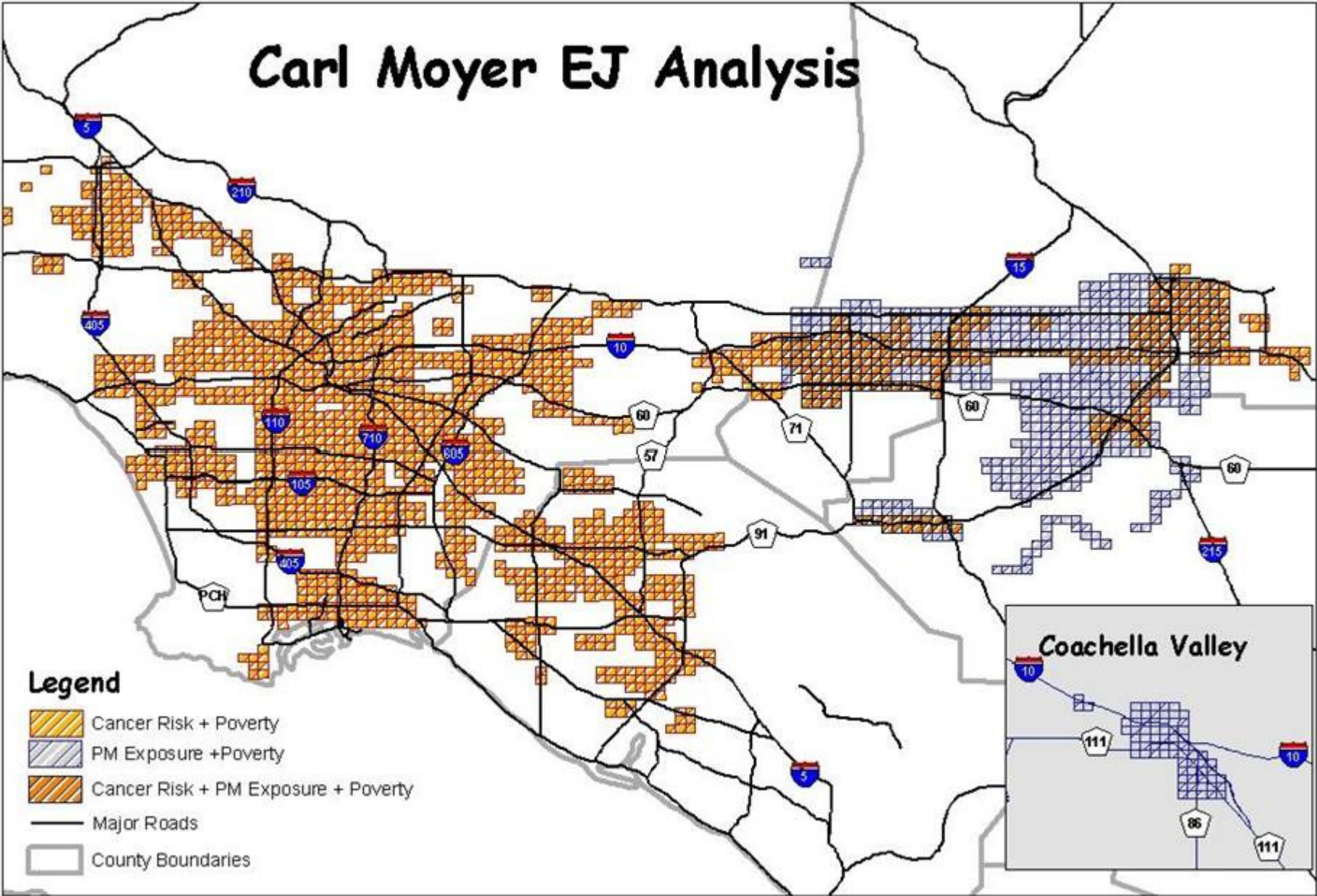
- 2008 Guidelines
- Cost effectiveness for NOx, PM, & HC combined (\$16,000/ton limit)
- Emission reductions must be “surplus” to regulatory requirements
  - Min. 3 year project life
- Funding opportunities are limited for projects subject to CARB regulations
  - Close coordination with CARB staff

# AQMD Funding Priorities

Based on Board's adopted guidelines in July 2005:

- Goods Movement
- Environmental Justice
- Cost-Effectiveness
- Low Emission Engine/Vehicle Preference
- Early Commercialization of Advanced Tech.
- Fleet Rules
- School Buses

# Carl Moyer EJ Analysis





# Fleet Modernization

- First-come first-served basis
- Replace pre-1990 diesel trucks with 2007 or newer trucks
- Up to 80% of the total cost
- Old trucks must be scrapped
- Approx. \$7M awarded to-date
- Only fleets of 3 or less trucks are eligible



Class 7 & 8

# New Voucher Incentive Program

- Streamlined Fleet Modernization Program
- Replace pre-1994 diesel trucks with new or used 2007 or newer trucks
- Funding Limits
  - 1990 or older: \$35,000 (\$25,000 in 2010)
  - 1991-1993: \$30,000 (\$20,000 in 2010)
- CARB to launch VIP in May 2009
- AQMD to contract with participating dealers and dismantlers

# Voucher Incentive Program Eligibility Criteria

- Small fleets with 1-3 HD diesel trucks
- MY 1993 or older engine
- 60,001+ Gross Combined Weight (GCW)
- 75% operation in CA in the past 2 years
- Min. 30,000 miles/yr or 4,700 gal/yr
- Must scrap old truck

# “Year 10” Carl Moyer Program

- Awards approved in July through October 2008
- Total Awarded: About \$47.2M
  - \$24.2M for on- and off-road projects under Moyer
  - \$23M for large and medium off-road projects under SOON Provision
- To be completed by June 30, 2010

# “Year 11” Carl Moyer Program

- Currently soliciting applications for Moyer and SOON Programs
- Applications due by May 1, 2009
- Approval of awards scheduled for July through October of 2009
- Funding Announcements:
  - SOON at:  
[www.aqmd.gov/rfp/attachments/2009/PA2009-03.doc](http://www.aqmd.gov/rfp/attachments/2009/PA2009-03.doc)
  - Moyer at:  
[www.aqmd.gov/rfp/attachments/2009/PA2009-06.doc](http://www.aqmd.gov/rfp/attachments/2009/PA2009-06.doc)

# Proposition 1B

- Proposition 1B approved by voters in November 2006
  - \$1 billion for projects involved in movement of freight along California's trade corridors
  - Funding available over 4 year period
  - 55% allocated to LA/Inland region
- Authorizing Legislations
  - Senate Bill 88
  - Assembly Bill 201



# AQMD Prop 1B Program

- AQMD completed a successful “Early Grant” Program:
  - \$18.4 million
  - 132 LNG trucks meeting 2010 stds
  - 131 diesel trucks (2007 and newer)
- First year’s Prop 1B funds
  - \$24M to AQMD
  - Currently on-hold due to state’s budget crisis
  - Program Announcement open for:
    - Trucks serving Ports and Intermodal Railyards
    - Locomotives



# AQMD Air Quality Investment Program (AQIP)

- Rule 2202 is designed to reduce emissions from employee commute trips
- Employer Compliance Options:
  - Clean Air Projects
  - Ride Share Programs
  - AQIP
- AQIP revenues used to fund projects that generate reductions of VOC, NO<sub>x</sub>, & CO
- Request for Proposals released semi-annually
  - Next RFP scheduled for April 2009





# Types of Projects Funded

- Old Vehicle Scrapping
- Off-road Diesel Repowering
- CNG Street Sweepers
- CNG Taxis, Shuttles
- Lawn and Garden Equipment

# AB118 Programs

- **CARB:** \$50M/yr for Air Quality Improvement Program (AQIP)
  - Clean vehicles and equipment that reduce criteria and toxic air pollutants, research on biofuels production and air quality impacts of alternative fuels, workforce training
- **CEC:** \$120M/yr for Alternative & Renewable Fuels and Vehicle Technology Program
  - Innovative fuel and vehicle technologies that reduce greenhouse gas emissions
- **CARB/BAR:** \$30M/yr for a new enhanced vehicle scrapping program

# CARB AB118 Draft Funding Plan (AQIP)

- FY 2008-09 (\$42M) for Truck LOAN Program
- Proposed Funding Plan (FY 2009-10):
  - Deployment:
    - Hybrid Truck and Bus Voucher (1,000 vehicles) \$25M
    - ZEV and PHEV Rebates \$5M
    - Lawn and Garden Equipment Replacement \$2M
    - Zero Emission All-Terrain Agricultural Vehicle Rebate \$1.3M
  - Demonstration:
    - Locomotives \$2M
    - Marine Vessels \$1M
    - Transit and School Buses \$3M
    - Off-road Equipment \$2M
    - Agricultural Equipment \$1M

# CEC AB118 Draft Investment Plan

Funding Category	FY2008-09	FY2009-10
Low Carbon	\$26M	\$36M
Ultra Low Carbon	\$10M	\$12M
Super Ultra Low Carbon	\$18M	\$23M
Vehicle/Engine Efficiency	\$7M	\$15M
Non-GHG Categories	\$9M	\$10M
Manufacturing and Production Incentives	\$5M	\$5M
<b>Total Funding:</b>	<b>\$75M</b>	<b>\$101M</b>

# AQMD Strategic Alliance with CEC

- Synergies and alignment with existing AQMD programs
- Offer experience, resources and co-funding
- Stakeholder Network
  - Technology Providers
  - Demonstration Sites
  - Outreach and Education
- Project areas with immediate potential
- Collaborate with CEC to implement

# Project Ideas for CEC AB118 Program

## **Super Ultra Low Carbon:**

LD PHEV Development/Demo  
MD PHEV Development/Demo  
EV Infrastructure  
EV Incentives  
Hydrogen Infrastructure  
Transit Bus Demos

## **Ultra Low Carbon:**

Hydraulic Hybrid Demos  
HD NG Incentives  
NG School Bus Incentives  
NG Conversions or OEM Intro  
HD NG Engine Development  
NG Infrastructure

## **Fuel Economy:**

Hydraulic Hybrid Demos

# CARB/BAR AB118 Vehicle Scrap Program

- Voluntary scrap program for high polluting cars, light- and medium-duty trucks
- Retirement Incentive
  - Base incentive: \$1,000/vehicle
  - Additional \$500 for income eligible participants
- New Voucher Program
  - Incentive for replacement vehicles
  - AQMD to administer
  - Base Voucher: \$2,000/vehicle
  - Additional \$500 for income eligible participants
- ARB to adopt regulations by July 1, 2009

# Congressional Earmark: LNG Trucks at Ports

- \$4.9M EPA Section 103 Grant
- Replace 132 pre-2004 diesel with LNG trucks
- Cummins Westport ISL G – 2010 compliant
- \$12 million, \$90,000 per truck  
Proposition 1B, EPA grant & AQMD
- Emission Reductions
  - 109 ton/yr NOx
  - 4 ton/yr PM





# ARRA: Potential Goods Movement Funding Opportunities

- DOE:
  - Alternative Fueled Vehicle Pilot Program (Clean Cities - \$300 million)
  - Electric Transportation (\$400 million)
- EPA:
  - DERA Program (\$300 million)
- DOT
  - Discretionary Program (\$1.5 billion)

# Project Ideas

- DOE (Clean Cities)
  - Buydown Incentives for Alt. Fuel Vehicles
  - Increase Number of Alt. Fuel Stations in Current Network
- DOE (Electric Transportation)
  - Electric TRU and APU on HD Trucks
  - Truck Stop Electrification
  - PHEV and EV Technology
  - Electric Shore-side Power to Marine Vessels



Balqon  
Prototype

# Project Ideas

- EPA (DERA)
  - LNG Drayage Trucks
  - Hybrid Cranes
  - Yard Hustlers
  - Zero-Emission Container Transport to Intermodal Facilities
  - Cold Ironing
  - Locomotives
- DOT
  - Zero-Emission Freight Transportation System (POLB to UP Intermodal Container Transfer Facility)
  - Electrification of the Alameda Corridor

# SCAQMD Experience and Capabilities in Administering Funding Programs

- Over 10 Years of Experience Administering Funding Programs (Carl Moyer, State Mitigation Funds, Proposition 1B, and DERA)
- Deployed Thousands of Clean Heavy-Duty Vehicles and Equipment
- Close Working Relationships with Local Vendors, Engine and Chassis Manufacturers
- Ability to Leverage Limited Funds (3 – 4 to 1) with Other Stakeholders (Local Governments, Clean Cities Coalition, Transit Agencies, Ports)
- Contracting and Auditing Mechanisms in Place and Ready to Go
- Field Personnel to Inspect Completed Projects

# For inquiries on AQMD Grant/Incentive Programs:



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