

AQMD's Incentive Programs



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AQMD's Incentive Programs

- Carl Moyer Program
- Lower-Emission School Bus Program
- Proposition 1B – Goods Movement Program
- Air Quality Investment Program (AQIP)

AQMD's Share of Funds

- AQMD's incentive program funding is mainly generated from SB1107 & AB923

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

Carl Moyer Program under SB1107 & AB923

- CARB revised program guidelines in July 2009
- Cost effectiveness calculated for NOx, PM, & HC combined, limit raised to \$16,400/ton
- Heavy-duty projects that achieve emission reductions earlier than required by adopted regulations
- New guideline proposals will be heard by CARB in March 2011

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



Evaluation Criteria

- Based on Board's adopted guidelines on July 8, 2005:
 - Goods Movement
 - Environmental Justice
 - Cost-Effectiveness
 - Low Emission Engine/Vehicle Preference
 - Early Commercialization of Advanced Tech.
 - Fleet Rules
 - School Buses

Program Status

- Approximately \$190M spent through Year 10
- Over 6,600 engines and equipment have been funded
- Overall program cost-effectiveness is about \$6,000 per ton

Years 11 & 12 Update

- Year 11
 - Awards for Moyer and SOON projects approved July 2009 through February 2010
 - \$16.8M for on- and off-road projects under Moyer
 - \$4.4M for large and medium off-road projects under SOON
- Year 12
 - Solicitation issued in February, closed May 2010
 - \$41.7M in proposals received for both programs
 - Awards scheduled for approval in July through October of 2010

Fleet Modernization

- Awarded \$12M to replace pre-1990 heavy-duty diesel trucks
- Last year, CARB released a Voucher Incentive Program (VIP) designed to replace fleet modernization
- VIP streamlined the approval process by:
 - Minimal application requirements
 - No GPS requirement, and
 - 5 day turn around

Voucher Incentive Program (VIP)

- Limited to owners/operators with fleets of 3 or fewer vehicles
- At least 75% operation in CA
- First-come, first-served basis
- Retrofits: \$5K to \$10K available per truck
- Replacements: Up to \$45K available per truck
- Dealerships, dismantlers, retrofit installers, and applicants subject to specific program requirements outlined in the VIP Guidelines
- \$4.8M from CARB, plus an equal match from AQMD



Lower-Emission School Bus Program Status

- Awarded \$106M for replacement & retrofit of school buses
- Funds used to:
 - Replace 621 pre-1987 school buses with 535 CNG and 86 lower-emitting diesel buses
 - Retrofit 2,777 model year 1994 and newer school buses with particulate traps

Lower-Emission School Bus Program

- CARB adopted new program guidelines in March 2008
- \$70M was allocated to AQMD under Proposition 1B
- To-date, AQMD received \$67M
- Funds to be used for:
 - Replacement of pre-1987 school buses
 - Retrofit of 1994 and newer diesel buses

Lower-Emission School Bus Program

- Only public school districts qualify for school bus replacements
 - School pays \$25K as local match and AQMD pays the balance for a new CNG bus
 - AQMD also pays funds equal to ten percent of its bus replacement contribution for infrastructure
- Both public school districts and private operators qualify for school bus retrofits
 - AQMD pays for the unit cost, installation, and maintenance cost of the retrofit system

School Bus Program Update

- In February and May 2010, the Board approved:
 - Replacement of 400 pre-1987 school buses with new CNG buses
 - Retrofit 717 buses with particulate traps
 - An additional \$10,000 per bus to public school districts for match
 - Approved infrastructure funding to be used as match by school districts for the purchase of eligible buses

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



Proposition 1B - Goods Movement Program

- Early Grant
 - AQMD funded the deployment of 132 LNG and 131 new diesel trucks for \$18.4M
 - Funding sources included Prop 1B, and additional funds from EPA and Clean Fuels for the LNG trucks
- “Year 1”
 - AQMD Board agreed to administer funds originally awarded to the Ports in the amount of \$78M
 - AQMD funded the deployment of about 1,300 drayage trucks meeting 2007 or cleaner emission levels
 - LNG trucks received an additional incentive with “mixed funds” contributed by AQMD and the Ports

Proposition 1B - Goods Movement Program

- In June 2010, the Board approved:
 - A resolution to enter into grant agreement(s) with CARB for Years 2 and 3
 - Additional projects for Year 1
 - \$3.4M for Port and intermodal rail yard trucks
 - \$17.4M for “other” goods movement trucks
 - \$3M for 4 switcher locomotive projects
 - Up to \$13M for additional LNG truck projects using Prop 1B fall through (if any) and EPA, DOE and CEC grant funds

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 are used to fund projects that reduce VOC, NOx, & CO emissions
- RFPs released semi-annually (as funds are available)
- Project Types: old vehicle scrapping, off-road repowers, CNG sweepers, CNG taxis/shuttles, lawn and garden equipment



AQIP 2010

- AQMD applied for and received \$816,000 from the AB118 program
- Match to AQMD's existing Lawn Mower Exchange Program
- A total of 9,380 new lawn mowers to be distributed in the AQMD
- Completed 12 events from May – August
 - Sold 9,335 units
 - Balance of funds will be carried over to 2011