

Authorizing a Memorandum Of Agreement with the
San Diego Air Pollution Control District to
implement the Ports Truck Retrofit and
Replacement Program in an amount not to exceed
\$1,150,000

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Marine Operations

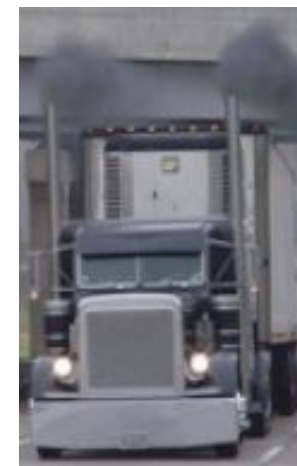
Agenda Item #35



Clean Air Program

Previous Board Action March 4, 2008
approved Clean Air Program

- Cargo Handling Equipment retrofits/replacements
- Clean Truck Program
- Shore Power (Cold-Ironing)
- Vessel Speed Reduction



March 4, 2008 Board Direction

- Develop voluntary incentive truck program with mandatory tracking and compliance elements
- Goal to have retrofits/replacements completed by June 2009
- Submit Prop 1B grant request for \$1.4 million
- Authorize 1:1 match
- Return to BPC in June 2008 with status report



Regulations to Limit Diesel Truck Emissions

- Drayage Truck Rule
 - ❑ Drayage trucks are heavy duty trucks carrying cargo through port or intermodal rail yard property
 - ❑ Currently in effect

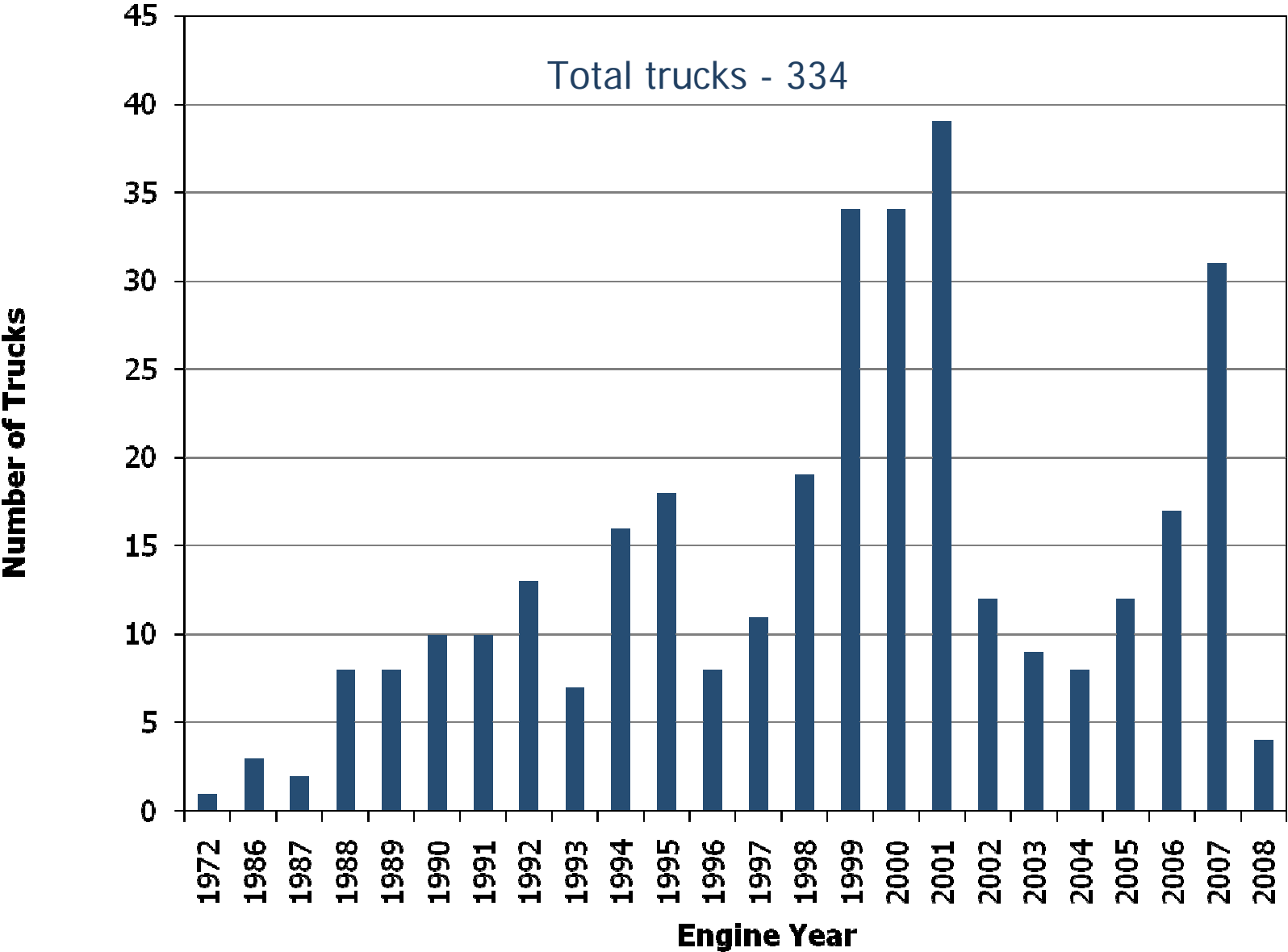
- In-use Heavy-Duty Diesel-Fueled Vehicles
 - ❑ All other on-road heavy duty diesel trucks and buses (except as exempted)
 - ❑ Currently in rulemaking, Air Board consideration in October 2008

Drayage Truck Regulations

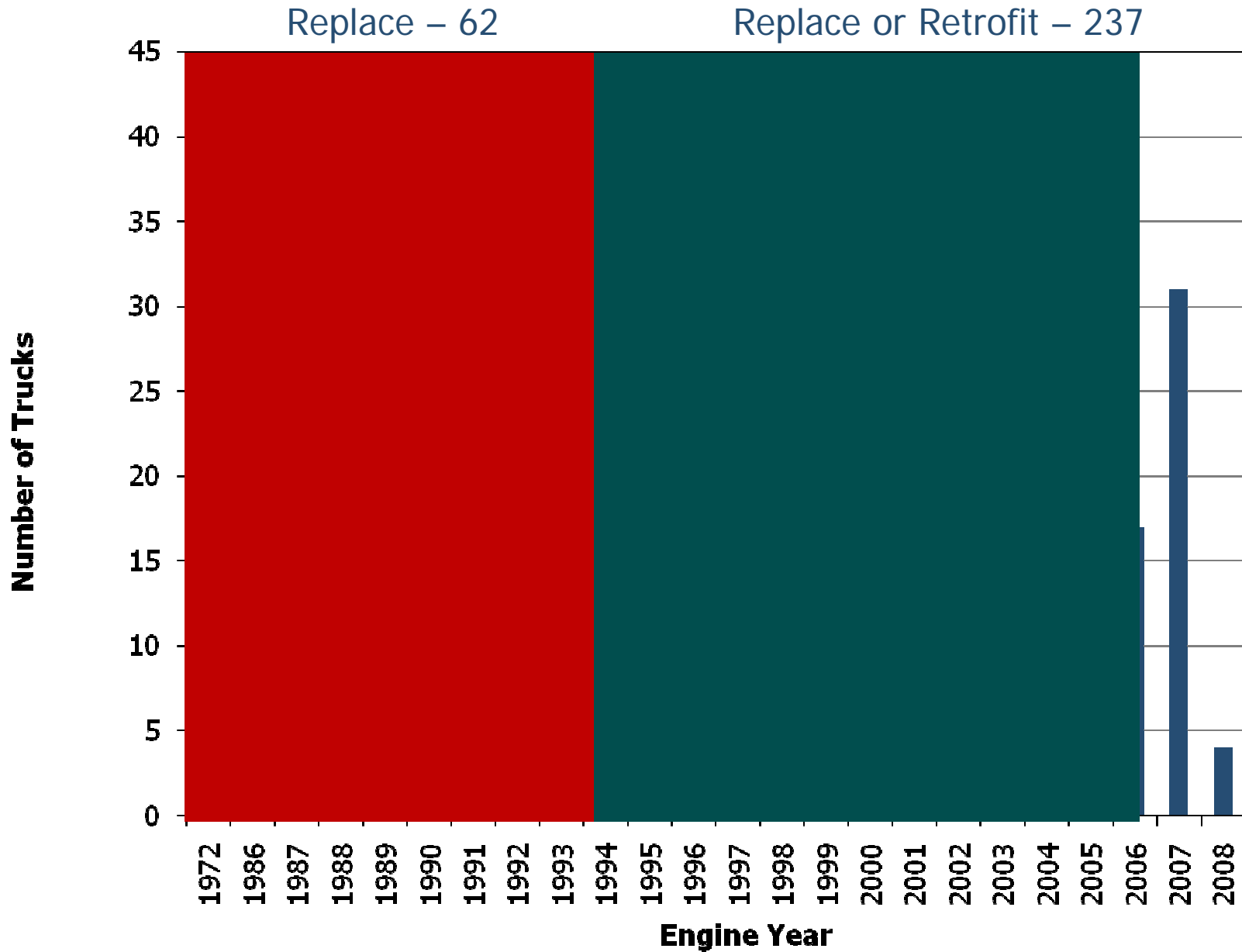
- By December 31, 2009
 - ❑ 1994 – 2003 model year engine certified to California or federal emission standards and a level 3 VDECS for PM emissions; or,
 - ❑ 2004 or newer model year engine certified to California or federal emission standards; or,
 - ❑ a 1994 or newer model year engine that meets or exceeds 2007 model year California or federal emission standards

- By December 31, 2013
 - ❑ must be equipped with an a 1994 or newer model year engine that meets or exceeds 2007 model year California or federal emission standards (including NOx)

Trucks visiting the Port of San Diego Terminals

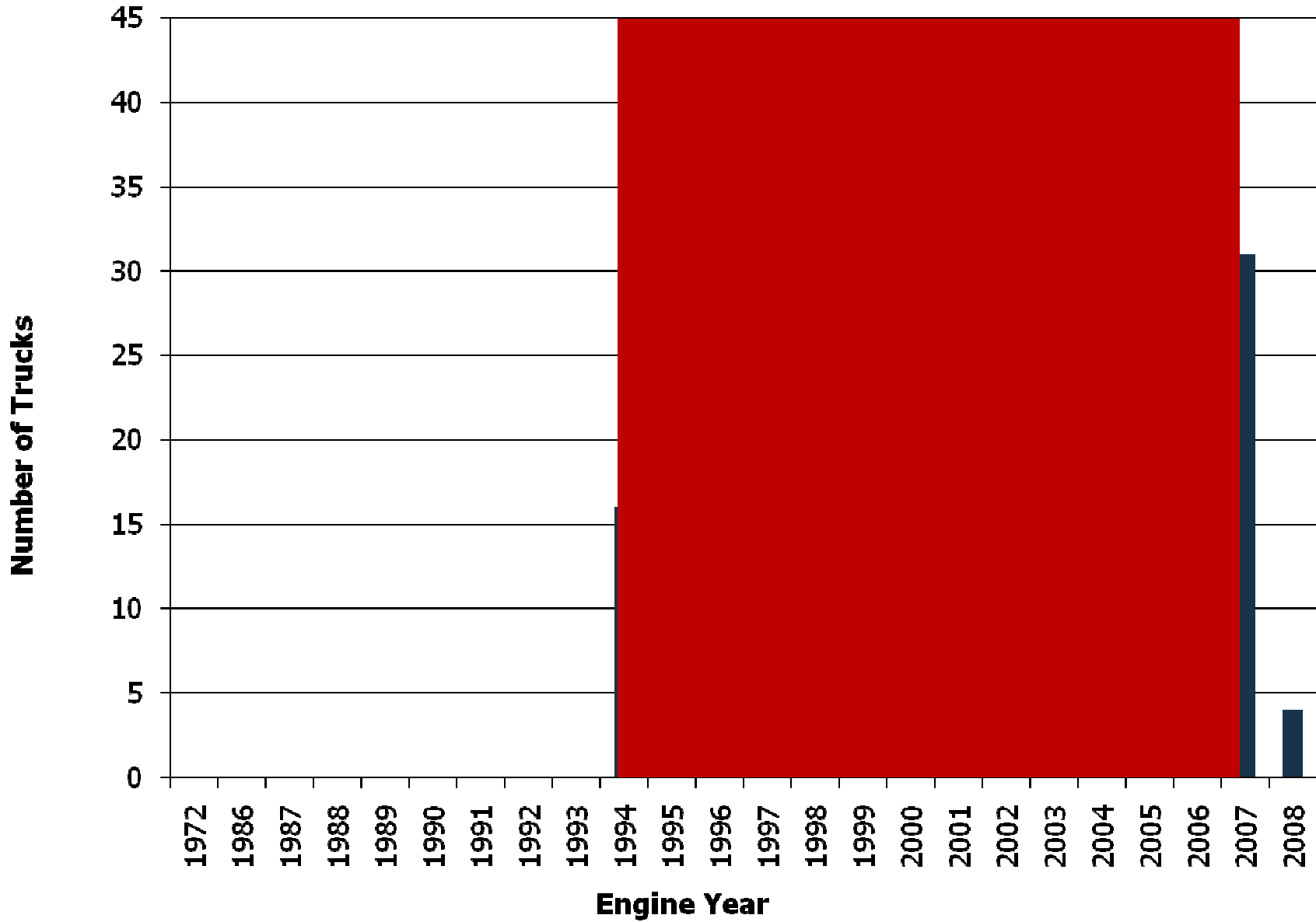


Regulatory Action Required after December 31, 2009



Regulatory Action Required after December 31, 2013

Replace – 237 (Even Retrofits)





Goods Movement Emission Reduction Program (GMERP) – Proposition 1B

- \$1 Billion over four years
- \$60 Million programmed for San Diego and Imperial Counties (inclusive of all GMERP programs)
- Port of San Diego Clean Truck Program 2007-2008
 - \$600,000 Early Grant
 - \$2,360,000 Fiscal Year 2007-08
- District match \$1.15 Million (2007-2008) and \$850,000 (2008-2009)



GMERP Requirements

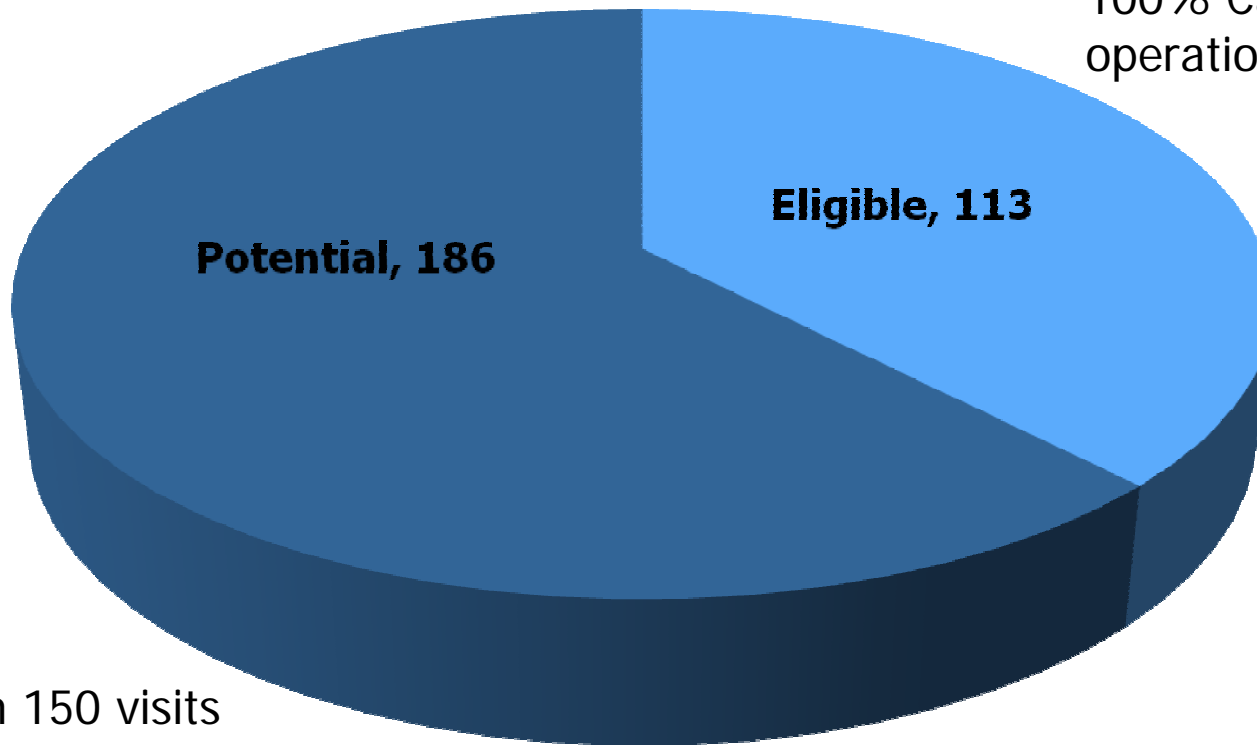
- California registration and in state operation
- At least 150 visits to Port of San Diego each year
- Duration of obligation
 - 4 years for retrofit
 - 4 to 8 years for replacement
- Operation and maintenance
- Reporting requirements
- Willingness to install tracking device
- For replacements, scrap old truck





Eligibility Based on Port visits and State operations

150 visits per year
100% California
operations



Less than 150 visits
per year or outside
state operations



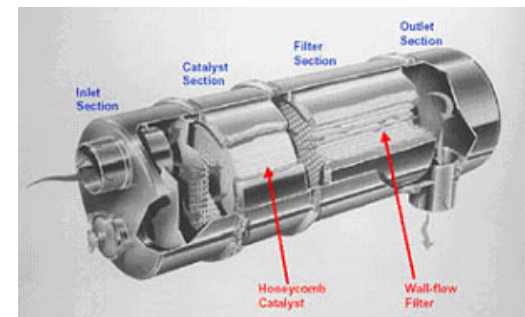
Port of San Diego Clean Truck Program Administration

- Memorandum of Agreement
 - ❑ County of San Diego Air Pollution Control District (APCD) is local implementing agency for District Clean Truck Program
 - ❑ APCD administrative fees 5% of Bond grants and \$130,000 from District for Early Grant and fiscal year 2007-2008

- APCD Administration
 - ❑ Carl Moyer experience
 - ❑ Agreement with CARB for program implementation
 - ❑ Application process with Truck Owners
 - ❑ Contracts with Truck Owners
 - ❑ Monitoring and enforcement of Truck Owner Contracts (8 years)
 - ❑ Reporting to CARB (8 years)

Truck Retrofit Option

- Retrofit with Diesel Particulate Filter (DPF) on Model Year 1994 – 2006
- Estimated cost - \$10,000 to \$15,000
- State grant – 50% up to \$5,000
- District match - 50% up to \$5,000
- Truck Owner - remainder



Truck Replacement Option

- Replace Model Year 2003 and older
- Estimated cost - \$70,000 to \$250,000
- State grant – 50% up to \$50,000
- District match - 50% of remainder up to \$50,000
- Truck Owner - remainder



Truck Replacement Option Example \$70,000 Truck

- Truck cost – \$70,000
- State grant – \$35,000 (APCD receives \$1,750)
- District match – \$17,500
- Truck Owner – \$19,250



Truck Replacement Option Example \$150,000

- Truck cost – \$150,000
- State grant – \$50,000 (APCD receives \$2,500)
- District match – \$50,000
- Truck Owner – \$52,500



Truck Tracking

- Initial tracking with manual system (gate guards logging trucks with Clean Truck Program decal)
- Integrate automated system with Marine Terminal Access Control System by Fall 2008



Replacement Scenario

- Assuming cost of \$110,000 to replace trucks
- **59** trucks will be replaced with \$2.96 Million of State grant, \$2 Million from District match, and \$1.92 Million from Truck Owner
- 20 retrofits

- Dealer outreach on June 6, 2008
- Application workshop June 16, 2008
- Applications due July 2008
- APCD Contracts with Truck Owners - October 2008
- Early Grant implemented by December 2008
- Fiscal Year 2007-2008 implemented by middle of 2010



Request Board Action

Resolution authorizing a Memorandum Of Agreement With the San Diego Air Pollution Control District to Implement the Ports Truck Retrofit and Replacement Program in an Amount Not to Exceed \$1,150,000



Ports of Los Angeles and Long Beach

- Clean Truck Programs administered by Ports of LA/LB
- \$98 Million Grant and \$144 Million Match (FY 2007-2008)
- Replacement of 1,960 trucks (1/2 diesel, 1/2 LNG) through Lease Option and Grant Option
- Mandatory programs implemented through Licensed Motor Carriers or Concessionaires (pending litigation)



Program Application Fiscal Year 2007-2008



- 30 Replacements - older than 1994
 - \$100,000 each
 - \$3,000,000 total

- 93 Retrofits – between 1994 – 2006
 - \$10,000 each
 - \$930,000 total

- Total equipment cost ~ \$4 million
 - \$2,000,000 from combination of Port and truck owners
 - \$2,000,000 from State grants



Truck Repower Option

- Replace Model Year 2006 engine with new engine
- Estimated Cost - \$40,000
- State Grant – 50% up to \$20,000
- District Match - 50% of remainder up to \$10,000
- Truck Owner - Remainder