

San Joaquin Valley Air Pollution Control District AB 617 Community Emission Reduction Program

Heavy-Duty Truck Replacement Emission Reduction Program Plan

Stockton Community

Project Identification

Project Identification: *HD.1: INCENTIVE PROGRAM FOR HEAVY DUTY TRUCKS REPLACEMENT WITH ZERO AND NEAR ZERO EMISSION TECHNOLOGY*

This is a Community Identified Project included and prioritized in the California Air Resources Board (CARB) and District adopted Community Emission Reduction Programs (CERP). This Heavy Duty Truck Replacement Program measure is part of California Climate Investments, a statewide initiative that puts billions of Cap-and-Trade dollars to work reducing greenhouse gas emissions, strengthening the economy, and improving public health and the environment — particularly in disadvantaged communities.

This measure will reduce emissions from heavy-duty diesel trucks that operate within this communities by providing incentives for the transition to zero emission trucks. New, zero emission trucks funded with this measure will displace existing diesel powered trucks on routes servicing the community. In **XX** 2023, the community voted and approved modifications to the original measure to include a new purchase option for zero emission trucks. [will need to be included if CSC approves of this project plan]

Community Support

This measure received broad support from the Stockton Community Steering Committees (CSC) and was included in the respective adopted Community Emission Reduction Program. This plan was developed and modeled after existing plans and resources for similar projects within the state of California and includes feedback received from the CSC to create a plan to address the unique needs of the community. Information about the Steering Committees is included below:

- (1) Name(s) of the community group(s):**
 - a. Stockton Steering Committee [Map](#)
- (2) Purpose of community group(s)**
 - a. AB617 Community Engagement and Public Input
- (3) Total number of members in the community group(s)**
 - a. Stockton – 34 members
- (4) Date(s) of formation/establishment**
 - a. Stockton – March 2020

- (5) A description of the decision-making process must be included.**
 - a. Stockton Steering Committee [Charter](#)
- (6) Community Support Demonstration**
 - a. Stockton [CERP](#)
 - b. Community Prioritization Exercise [Prioritization Survey Results](#)
 - c. Approval of Measure Modification – Date **XX**

MECHANISM FOR INFORMING COMMUNITY

This measure has been discussed at Community Steering Committee meetings in addition to the outreach activities conducted to inform residents of the program and requirements for participation. The outreach conducted has included and will continue to include the following:

- Social media
- Mailers
- Print ads
- Press releases and press events
- Events, town halls, webinars, etc.
- Other ideas as brought up by committee

Additionally, the District and CSC have jointly developed a tool to track progress of each measure adopted within the CERP. This tracker is updated monthly and includes updates such as number and types of projects contracted, funding allocated, project-associated benefits to the community, and other information specific to each measure. The tracker is shared directly with CSC members ahead of each regularly scheduled CSC meeting and is available on the community webpage in both English and Spanish.

Participant Requirements

(A) Participant Requirements

The Zero-Emission Truck Pilot Program (Program), **outlined in XX.# of the CERP**, aims to displace truck trip miles currently accomplished with diesel-fueled trucks with trips using zero-emission vehicles. This project plan outlines how the District will create and implement an incentive program to offset the costs of zero emission trucks for interested fleets domiciled in and/or operating in the community boundaries.

Program incentives may be awarded to truck owners who operate on-road heavy-duty diesel trucks with GVWR over 14,000 lbs for at least 52 regular trips per year within the community boundaries. The contract life for the initial program will be three years.

- Applicant must provide documentation of existing trips sufficient to calculate emission reductions from zero-emission equipment including, but not limited to:

- Existing truck information including VIN, engine model year, EPA Family Name and horsepower,
 - Number, mileage, and location of existing combustion-fueled trips
- Applicant must commit to a contracted minimum mileage using the zero-emission equipment for trips within the community boundaries for the duration of the project.
- Applicant must confirm timing of availability of charging/fueling infrastructure sufficient to operate zero-emission equipment funded through the Program
- Applicant must provide written proof of zero-emission vehicle or powertrain certification or verification via CARB or EPA executive order.
- Applicant must provide data on operation of zero-emission equipment
 - Number, mileage, and location of zero-emission trips over project duration
- Applicant must make equipment available for inspection by District and California Air Resources Board staff, and make available for outreach opportunities to encourage others to try zero-emission trucks,
- Applicant must certify compliance with all air quality regulations and California regulations and best practices for truck driver employment and subcontracting.
- Applicant must agree to submit annual usage information on the new zero-emission truck and the old diesel powered displaced truck starting 1 year after the new truck was purchased as indicated by the final sales invoice. Usage information will include, but is not limited to:
 - Number of miles and/or trips driven within the community boundaries for the new, zero-emission truck
 - Downtime the new, zero emission truck had and whether or not the displaced diesel truck was used during that time.
 - Certify continued ownership and location of the truck
- For the current effort, truck scrappage is not required, but in future years as the program matures, the program may implement a scrappage requirement

(B) Application Process

The Program will begin as a first-come, first-served process unless demand outpaces available resources. The District will advertise fund availability through local dealerships, CSC, and other interested parties. The District will provide instructions to access and submit applications on the District website.

Applications must include the required information as described in this Project Plan. As the District receives applications from fleets, projects will be reviewed to determine eligibility, completeness, emission reductions, and cost effectiveness. This may involve the District requesting additional information from applicants or visiting potential project sites.

Participation in the program occurs in three phases: Application Submission and Approval, Contract Execution and Reimbursement (Claim for Payment). Each of these phases are summarized in the tables below.

Table 1: Phase 1 - Application Submission and Approval

Phase 1 Steps	HD.1 CERP
Submission	Submit an application to the District via either email, standard mail, fax, or hand delivery.
Supporting Documentation*	Submit, along with the application, the following support documentation: <ul style="list-style-type: none"> • Route documents • Proof of domiciled location • New truck quote • Fleet Compliance Certificate
Staff Review and Assessment	<ul style="list-style-type: none"> • Supporting documentation reviewed for eligibility determination. • Additional documentation is requested if needed
Project Approval and Offer	If deemed eligible, draft contract offer sent to the applicant to review, sign and return to the District.

* A detailed description of supporting documentation requirements is located in Exhibit B.

** A detailed description of pre-inspection requirements is located in Exhibit A.

Table 2: Phase 2 – Contract Execution

Applicant	HD.1 CERP
Signature	Participants sign the draft contract and return to the District for final signatures and contract execution
Fund availability	Funds are not guaranteed until a contract has been issued and executed.
Contract Expiration	The participant will then have a specified amount of time to purchase/take delivery of the new truck and surrender the old truck to an approved program dismantler.

Upon execution of the contract, the District provides the participant with a Claim for Payment Packet, which includes necessary forms and instruction on how to request reimbursement, see table 3 below. Once a Participant has purchased and taken delivery of their new truck they may submit their completed claim packet. The submission of a claim packet initiates the scheduling of the post-inspections, which must be completed before incentive funds can be paid. The post-inspection of the new truck will verify the correct new equipment was purchased and meets the criteria set forth in the contract. The District staff will review submitted claim packets and post-inspection then reimburse for eligible costs, up to the contracted amount.

Table 3: Phase 3 – Reimbursement (Claim for Payment)

Applicant	HD.1 CERP
Submission	Submit Claim Packet to the District via either email, standard mail, fax, or hand delivery.
Documentation	<ul style="list-style-type: none"> • Claim for Payment form (provided by the District) • Final Invoice from dealership • Proof of Payment • DMV Registration • Proof of Insurance • Copy of Warranty
Eligible Costs	All costs associated with the chassis, engine, tax and license fees and applicable specialty body needed for the truck to be deployed
Ineligible Costs	<ul style="list-style-type: none"> • Fees associated with finance document preparation. • Other grants or incentives
Inspections	<ul style="list-style-type: none"> • Post Inspection of new truck
Staff Review and Assessment	<ul style="list-style-type: none"> • Supporting documentation & post-inspections reviewed for eligibility • Additional documentation is requested if needed
Payment	<ul style="list-style-type: none"> • Not to exceed 90% of eligible cost. • Payment issued in the form of a check to the participant. • A 2-party check (Participant & Dealership) requested by Participant.

Funding Amounts

The approved CERP’s provide incentive funding for operators to displace their diesel powered trucks with zero emission, clean truck technologies that operate within the community. This funding includes \$10 million for the Stockton community.

Projects meeting program requirements will be funded at 90% of the eligible cost of the new truck, not to exceed \$500,000 per truck. Eligible costs include the chassis, applicable tax and license fees, and specialty body costs necessary for vocation.

Depending on the makeup of weight classes of the new trucks purchased through this measure, this funding will provide for the deployment of, at minimum, **XX** trucks in the Stockton Community.

Project Selection and Reporting

Projects will be approved on a first come, first served basis determined by the submittal of a complete program application. A complete application will include information on the truck’s route to ensure selected projects are providing a benefit to the community by either being domiciled within the community or traveling a portion of their time through the community.

All projects that receive funding under this program must comply with the requirements described in Chapter 3 Section H of the CAPP Incentives 2019 Guidelines. This will involve the preparation of Mid- Cycle and Yearly reports, which the District will prepare based on information collected from project participants. Some of the information to be included in these reports is described below:

CAPP Incentives reporting requirements for Mid-Cycle Reports:

- Report the required project information in the (Carl Moyer Program Clean Air Reporting Log (CARL) Database
- Report program-level information in the CAPP Incentives Supplemental Document for CERP projects funded with CAPP incentives

CAPP Incentives reporting requirements for Yearly Reports:

- Report the required project information in the CARL Database
- Report program-level information in the CAPP Incentives Supplemental Document for CERP projects funded with CAPP incentives
- Output generated by the Required Reports utility of CARL Database
- Contract execution and liquidation status for each grant year of CAPP incentives
- A list of any projects identified as nonperforming and a brief narrative of any related enforcement actions

Participants must ensure that project-related information is complete, correct, supported by documentation, and supplied to the District upon request for the preparation of reports. Contractors (purchasers or leasers) who violate or fail to meet program requirements will be required to return funds in proportion to the time program requirements have not been met. Meanwhile, the District must acknowledge that the most up-to-date reporting requirements have been received and incorporated, and commit to maintaining documents in support of the reports in the District's system of record. Finally, this documentation must be made available to CARB staff upon request.

The above is not an exhaustive list of reporting requirements for participants in this program. Please refer to the CAPP Incentives 2019 Guidelines for a complete list.

Emission Reductions and Quantification Methodology

A. Regulatory Compliance

Applicants must certify their compliance with all applicable statutes, rules and regulations for the project.

B. Emission Reductions

Greenhouse gas and criteria pollution reductions (particulate matter (PM), reactive organic gases (ROG) and nitrogen oxides (NOx)) will be calculated based on the number of miles performed by the zero-emission trucks using the emission factors and methodology for on-road equipment outlined in the [HVIP program](#) as provided by CARB using online spreadsheet calculator (https://ww2.arb.ca.gov/sites/default/files/auction_proceeds/carb_lct_onroad_tool_final_2021.xlsx) or equivalent. The District will quantify emission reductions surplus to all local, State, and federal regulations.

Relative Exposure Reductions

A. Mechanism of Exposure Reduction

The Program will result in exposure reductions to employees, residents, and visitors to the community by reducing emissions from diesel trucks operations in the area.

Exposure to PM, NO_x, and ozone can have health impacts and reducing those exposures can provide health benefits to the community.

Qualitative Benefits

In addition to criteria pollutant and greenhouse gas emission reductions, the Program will also provide qualitative benefits such as:

- Reduced exposure to criteria pollutants to drivers using the zero-emission trucks or other people working around that equipment
- Potential fuel cost and maintenance cost savings with zero-emission trucks
- Knowledge sharing among businesses to test work cases for zero-emission equipment