

Update on Heavy-Duty Projects

Stockton CSC Meeting
February 4, 2026

Placed Incentives Measures into Categories

Category 1:

Continue Until Funding Complete

- Fund these measures beyond July '26 with remaining CERP allocation
- Reassess July '27

Category 2:

Reallocate Funds from Measures

- For measures with evidence of lack of interest or need, reallocate funding

Category 3:

Additional Focus on High Reduction Measures

- For measures with emission reduction benefits and high CSC priority, continue to pursue

Category 4:

Explore Additional Opportunities

- Explore additional opportunities for emissions reduction projects that benefit community not yet included in CERP

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Category 3: Additional Focus on High Reduction Measures

For measures with high emission reduction benefits that have been prioritized by the CSC and have pathways

Heavy-Duty Truck
Replacement
\$6,000,000

Switcher Locomotives
\$6,250,000

Electric School Buses
\$1,239,264

Diesel Switcher Locomotives Program Status

- Original Funding in the CERP: \$6,800,000
 - CSC supported reallocating \$550,000 to residential lawn and garden measure
 - **Current Funding in the CERP: \$6,250,000**
- Measure provides funding for the replacement of older, high polluting switcher locomotives to switcher locomotives with cleaner engines (covers up to 95% of cost)
 - One of highest emission reducing program
 - No regulatory requirements pushing technology change
- Central California Traction Company (CCTC) is interested in replacing two units with zero-emission technology
 - First-of-its-kind project → only a handful of these units in the United States



CCTC Locomotive Project Summary

- **What does CCTC want to replace?**
 - Two switcher locomotives at the Port of Stockton, both uncontrolled engines from 1956 and 1972
 - **Uncontrolled engine** = manufactured before air pollution standards existed → dirtiest technology
- **What do switcher locomotives do at the Port?**
 - Typically move railcars short distances, loading/organizing cargo
 - Don't travel for large amount of miles, but often run for long hours (24,000 gallons of diesel fuel for each unit annually)
- **Total Project Cost: \$13,175,000**
 - Two locomotives (\$5.9M each unit)
 - Infrastructure (\$1.3M for two units)
 - Estimated lifetime emissions reductions: 213.9 tons of NO_x, 5.4 tons of PM and 13.04 tons of VOC
- Will require lead time to manufacture locomotives and coordinate with utilities to develop and install charging infrastructure

CCTC Project Location



Locomotives will operate exclusively in the Port of Stockton

Emissions Reductions Comparison



If we completed all of the funding allocated to these CERP measures, these are the estimated emission reductions that could be achieved

Funding in CERP:

\$6M in HD Trucks

\$6.8M in Passenger Vehicle Replace

\$670K in Residential Lawn and Garden

Emissions Reductions Comparison



2 Locomotives Replacements

\$12 million for 214 tons



~~39~~ 363 Truck Replacements

\$55.8 million for 214 tons



~~331~~ 23,611 Passenger Vehicle Replacements

\$485 million for 214 tons



~~1,340~~ 955,867 Lawnmower Replacements

\$478 million for 214 tons



Project Benefits

- Currently, no regulation in place to require technology change (CARB repealed in-use locomotive regulation in June 2025)
 - Requires voluntary participation and incentives will deliver clean air benefits in immediate future
- Significant clean air benefits from replacement of uncontrolled technology
- First-of-its-kind, leadership project → success in this project can result in broader adoption at Port and elsewhere
- Opportunity to continue to reduce significant emissions given challenges implementing other high-emission reducing measure (heavy-duty trucks)

Heavy Duty Truck Program Status

- Original Funding in the CERP: \$10,000,000
 - CSC supported reallocating \$4,000,000 to the Passenger Vehicle Replacement measure, current funding in the CERP: **\$6,000,000**
- District has been conducting outreach to local businesses, including attending Truck events that target fleets, CARB directs calls re: truck compliance/incentives back to the District for outreach
 - Port of Stockton facilitated meetings with port tenants
 - Recently have been working with Kingsburg Truck Center and Stockton Unified School District (SUSD), still seeing ways to understand how incentive funding can support truck replacements, but could be seeking alternative federal funds
- Continuing to see challenges with technology and infrastructure challenges, high costs, and with repeal of the waiver request for Advanced Clean Fleet (ACF) regulation, there is no enforceable regulatory requirements for private fleets to transition to electric trucks (only for public agency fleets)

Opportunities for Funding Reallocation

- CSC has supported various funding reallocations, including:
 - \$115,000 shifted to support residential wood burning
 - \$650,000 shifted to support residential lawn and garden
 - \$386,627 shifted to support commercial lawn and garden
 - \$6,000,000 shifted to support passenger vehicle replace
- District is committed to working with CSC to reallocate funds to measures, as needed
 - To make reallocation to in need measures possible, District will work with CSC to identify measures with little interest or that are not progressing as expected
- As Stockton CERP approaches 5-year milestone in July 2026, important to continue to fund projects that bring air quality improvements to the boundary

Opportunities for Funding Reallocation

FUNDING LOCOMOTIVE + INFRASTRUCTURE PROJECT

Total Project Cost (2 Locomotives + Infrastructure) \$ **13,175,000**

Proposed Funding Support (Including Needed Reallocations)

Locomotives	\$	6,250,000
Heavy-Duty Trucks	\$	6,000,000
EV Mechanic Training	\$	150,000
Truck Idling Plug-ins	\$	100,000
Heavy Duty Truck Rerouting	\$	500,000
Replacement of Woodburning Devices*	\$	175,000
	\$	13,175,000

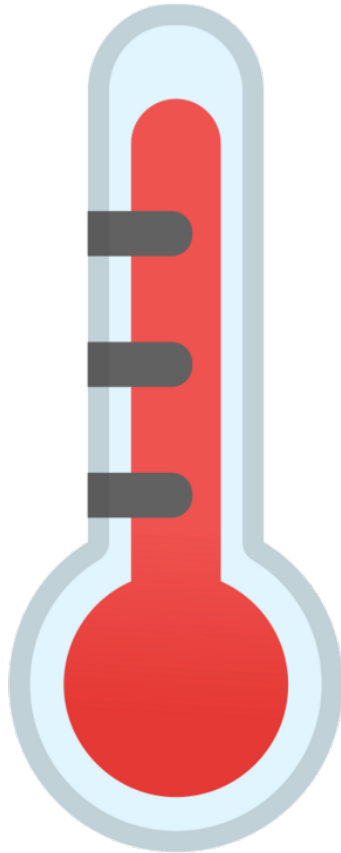
*Replacement of Woodburning Devices will have over \$160K remaining in measure

Opportunities for Funding Reallocation

CERP Measure	Funding and Emission Reductions	Status
Heavy-Duty Trucks	\$6,000,000 → 2.4 tons of PM, 114 tons of NOx, 8.4 tons of VOC	Outreach has been underway for several years and not seeing interested applicants
EV Mechanic Training	\$150,000 → 0 tons	Already efforts underway through Delta College, Valley CAN, Green Economy Lab
Truck Idling Plug-ins	\$100,000 → 0 tons	Old technology that is no longer used
Heavy Duty Truck Rerouting	\$500,000 → 0 tons	Truck reroute study is already underway through other funds
Replacement of Woodburning Devices	\$175,000 → 29 tons of PM	Outreach is underway, but seeing slow uptake of funds

Switcher Locomotives Temperature Check

Support replacement of two older, high polluting switcher locomotives with new zero-emission switcher locomotives along with supporting infrastructure needs



● **Love it.** I may have some questions, but I fully support this proposed reallocation.

● **Like it.** I may have some questions, but support moving forward.

● I still have concerns and would like to revisit at a later time.