



Community Air Protection incentives, and by extension, the material included in this Project Plan, 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.

Incentivos de Protección del Aire Comunitario, y por extensión, el material incluido en este Plan de Proyecto, forma parte de [las Inversiones del Clima de California](#), un iniciativa estatal que destina miles de millones de dólares de Cap-and-Trade para la reducción de gases de efecto invernadero, fortalecimiento de la economía y mejoramiento de la salud pública y el medio ambiente – especialmente en comunidades en desventaja.

1 Project Identification

1.1 Background

In 2020 and 2021, the San Diego Portside Environmental Justice Community (“Portside” or “Community”) developed a [Community Emissions Reduction Program \(CERP\)](#) to address local air quality concerns as part of the state-wide AB 617 Community Air Protection Program (CAPP). The CERP was a collaborative effort by the San Diego County Air Pollution Control District (“District”) and the Portside Community Steering Committee. As part of the CERP development, various strategies to reduce emissions in and around the community were developed and vetted. These strategies were included in the final CERP that was approved by the California Air Resources Board (CARB) in October 2021.

This document serves as the Project Plan for the Short-Haul Zero Emission Truck Pilot Project (“Truck Pilot”). It was drafted according to the guidelines laid out in the Community Air Protection Program Incentives 2019 Guidelines. It describes the nature of the strategy, its history of support by the Community, requirements for entities desiring to participate and receive project funding, how these projects will benefit the community through improved air quality or exposure reduction, as well as other key aspects.

1.2 Project Description

The Truck Pilot, outlined in Action E1 of the CERP, aims to replace 20,000 truck trip miles currently accomplished with diesel-fueled trucks with trips using zero-emission vehicles. This project plan outlines how the District, in partnership with the San Diego Port District, will create and implement an incentive program to offset the costs of zero emission trucks for interested partners doing business on Port tidelands.

1.3 Benefits

The main benefits of the Truck Pilot include reductions in diesel particulate matter, nitrogen oxides and greenhouse gas emissions by replacing trips using diesel combustion equipment with trips using zero-emission equipment. The District also anticipates the Truck Pilot will answer questions for businesses unfamiliar with zero-emission vehicles and an opportunity to observe these trucks in real-world applications to show how the trucks can be incorporated into their business operations.

2 Community Support

2.1 Background – Community Steering Committee

In 2018 the District assembled a Community Steering Committee (CSC) to work in partnership with the District on all aspects of the AB 617 program in Portside. This advisory committee is tasked with guidance, communication and feedback on various aspects of the AB 617 program implementation, including the CERP. The CSC currently consists of 25 members representing local residents, community groups, environmental justice organizations, businesses, labor, the Port District and the Navy. Since 2018 the CSC has met regularly to discuss issues of interest. These meetings provide an opportunity for the CSC and the public to share information about monitoring, incentive, enforcement, planning, and other actions that impact air quality in the Community. The CSC strives for consensus in decision-making, and the voting processes included in the [Portside CSC Charter](#) specify that votes of the committee members are taken and recorded, and members can specify a roll call vote if desired.

2.2 Specific Support for Truck Pilot Project

Throughout the CERP process, residents and businesses in Portside participated in over a dozen Portside Community Steering Committee (CSC) and the Truck Subcommittee [meetings](#), recommending this project be included in the CERP and outlining the expectations of this program. The CERP was adopted by a unanimous vote of the CSC on June 15, 2021. The CSC selected the Truck Pilot Project as one of their top three priorities of CERP actions through a survey at the May 18, 2021 meeting.

At the September 21, 2021 and the January 18, 2022 meetings the CSC was briefed on the basic elements of this proposed Truck Pilot and at the January meeting the committee supported without objection moving forward with the draft framework with an initial funding level of \$4 million.

2.3 Outreach

For the initial round of funding, the District intends to work closely with the Port District to leverage their existing outreach to truck operators at the Port and to alert potential participants to the availability of the program. This outreach is specifically targeted to truck owners/operators who have drayage operations on Port Tidelands, where there are known, consistent, short haul trips that fit the criteria noted in Action E1 of the CERP. Existing outreach efforts have included surveys, direct email or phone outreach to eligible entities, and meetings. Depending on program demand, outreach can be expanded to include truck owner/operators who make less frequent trips to the Port or who make trips in Portside.

3 Participant Requirements

3.1 Participant Requirements

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

- Applicant must provide documentation of existing Port trips sufficient to calculate emission reductions from zero-emission equipment
 - Existing truck information including VIN, engine model year, horsepower
 - Number, mileage, and location of existing combustion-fueled trips
- Applicant must commit to using the zero-emission equipment for trips on or around Port tidelands a contracted minimum mileage during the pilot project duration
- Applicant must confirm timing of availability of charging/fueling infrastructure sufficient to operate zero-emission equipment funded through the Pilot
- 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 pilot 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.
- For the current effort, truck scrappage is not required, but in future years as the program matures, the program may implement a scrappage requirement

3.2 Application Process

The District anticipates 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, the Port District, and other interested parties at the start of the solicitation. The District will provide instructions to access and submit applications on the District website, and include a due date by which applications must be submitted. Applicants will submit applications during a project solicitation period determined by the District. Applications must include the required information as described in this Project Plan. As the District collects applications from interested entities, projects will be reviewed to determine emission reductions, cost effectiveness, and other selection parameters. This may involve the District requesting additional information from applicants or visiting potential project sites. When the application review process is complete, the District will inform applicants if they have been selected and provide details on the project award amount and next steps. The CSC will be

informed of the project participants via updates at the regularly scheduled CSC meetings and postings on the District website.

4 Emission Reductions and Quantification Methodology

4.1 Regulatory Compliance

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

4.2 Emission Reductions

Greenhouse gas and criteria pollution reductions (particulate matter (PM), reactive organic gases (ROG) and nitrogen oxides (NO_x) 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.

5 Relative Exposure Reductions

5.1 Mechanism of Exposure Reduction

The Truck Pilot will result in exposure reductions to employees, residents, and visitors to the Portside 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.

6 Qualitative Benefits

In addition to criteria pollutant and greenhouse gas emission reductions, the Truck Pilot 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

7 Key Project Parameters

7.1 Funding Amounts and Eligible Costs

The Truck Pilot can provide a maximum of either 90% of the zero-emission truck eligible cost or up to \$250,000 per truck, whichever is lower. The Truck Pilot project encourages co-funding within the limits of the various funding sources. Determination of co-funding opportunities will be made on a case-by-case basis. Eligible costs for trucks include capital cost of the cab and chassis with equipment necessary for business functions of existing trucks currently providing service on the specified routes. Equipment purchase or leasing is allowed.

8 Project Selection

8.1 Selection Criteria

Applications received by the District will be reviewed and approved in a first-come first-served basis by District staff to determine eligibility with the CERP goals and specific requirements of the Truck Pilot. Resources are allocated based on the available unencumbered incentive funding with feedback from the CSC. If more applications are submitted than available resources can fund, projects will be ranked based on criteria informed by the goals of the CERP, including:

Goal 1: By 2031, reduce Diesel PM from 2018 levels by 80% in ambient air at all Portside Community Locations

Goal 2: Medium-Duty and Heavy-Duty trucks servicing Portside Community to be 100% ZEV 5 years ahead of the California state requirements.

Goal 4: Reduce emissions from HD/MD trucks servicing indirect sources by 100% 5 years in advance of regulatory requirements.

and CSC feedback, such as:

- Reducing amount of PM and NOx emission reductions directly in the Portside community
- cost effectiveness of those reductions
- workforce development benefits
- project readiness
- community involvement

9 Reporting Requirements

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.