COMMISSION AGENDA ITEM 8a



METROPOLITAN
TRANSPORTATION
COMMISSION

Agenda Item 5a Bay Area Metro Center 375 Beale Street San Francisco, CA 94105 TEL 415.778.6700 WEB www.mtc.ca.gov

Memorandum

TO: Planning Committee DATE: July 6, 2018

FR: Executive Director

RE: <u>Diesel Free by '33 Statement of Purpose</u>

Summary

Two of the key objectives of Plan Bay Area 2040 were climate protection and healthy and safe communities. Staff has been working closely with the Bay Area Air Quality Management District on these objectives and proposes that we support the Diesel Free by '33 *Statement of Purpose*.

Background

Governor Jerry Brown announced in 2017 that he would be hosting a Governor's Climate Summit this year in September. The Bay Area Air Quality Management District responded to the call for speakers, affiliated events, and sessions by proposing an affiliated event at the Bay Area Metro Center. The theme of the proposed event is "Diesel Free by 33," a call for the 101 cities throughout the Bay Area and cities beyond to commit to going diesel free in their cities by 2033. MTC/ABAG staff is working with the Air District, and planning has begun on this event during the summit week, September 10 -14, 2018.

Approach

The Air District is currently seeking commitments to sign on to the Diesel Free by '33 *Statement of Purpose* which joins signers together on a path to reduce and eliminate diesel emissions by '33 and embark on a collaborative process to share solutions and ideas. The Air District is developing a website where interested parties can review the *Statement of Purpose*, get additional information, and sign electronically.

Staff recommends the committee refer to the Commission and authorize the Chair to sign the Bay Area Air Quality Management District's Diesel Free by '33 *Statement of Purpose* on behalf of MTC. The ABAG Executive Board will consider similar approval and authorization of the *Statement of Purpose* at its July 19th meeting. In addition, staff will develop implementation actions including:

- Promoting purchase of zero emission buses (ZEBs), recognizing the:
 - o Limited funding availability for buses and supportive ZEB infrastructure (chargers, fueling), though efforts will be made to secure additional funding
 - o Implementation requirements specified by the Innovative Clean Transit (ICT) regulation recently unveiled by the California Air Resources Board (CARB)
 - o Impact on fleets by automated technology in 2033
- Encouraging cities to sign the *Statement of Purpose* in connection to climate action planning efforts:
 - o Many cities address diesel emission reduction by planning to transition their municipal fleet or stationary sources to cleaner fuels in their climate action plans. These cities could consider signing the Diesel Free *Statement of Purpose* highlighting their diesel free actions
 - o Cities developing climate action plans could consider signing the *Statement of Purpose* by committing to eliminate their diesel use (mobile, stationary) by 2033

Next Steps

Staff will report back to the Commission on progress toward conversion to ZEBs, and will work with partner agencies, including the Air District, to provide technical assistance and funding as additional information becomes available.

Air District staff will review the *Statement of Purpose* with the Executive Committee at its July 23, 2018 meeting and will ask the full Board to adopt it at its August meeting.

Steve Heminger

Attachment:

- Attachment A: Diesel Free By 2033 Statement Of Purpose
- Presentation

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Planning Committee Attachment A July 6, 2018 Agenda Item 5a

DIESEL FREE BY 2033 STATEMENT OF PURPOSE

The intention of this *Statement of Purpose* is to establish a goal to reduce diesel emissions in local communities throughout California and beyond. The need for this action is immediate. Diesel exhaust takes a tremendous toll on both the global climate and public health.

By signing the *Statement of Purpose*, mayors, city and county governments, industry and businesses leaders will join the Bay Area Air Quality Management District and the Metropolitan Transportation Commission to showcase our collective leadership to identify and adopt innovative solutions to eliminate diesel emissions and black carbon from our communities.

Diesel exhaust causes significant public health effects and accelerates climate change. The California Air Resources Board estimates that on-road diesel and off-road mobile engines comprise 54 percent of the State of California's total black carbon emissions, a short-lived climate pollutant that is contributing significantly to global climate change. Diesel air pollution is highly toxic and can have an immediate impact on the health of residents in communities where emissions are most concentrated. The impacts will fall most heavily on communities and populations already significantly impacted by air pollution, environmental hazards, and economic inequality.

The signatories may each develop their own individual strategies to achieve the goal of reaching zero diesel emissions in their communities. Signatories to this agreement express their intent to:

- 1. Collaborate and coordinate on ordinances, policies, and procurement practices that will reduce diesel emissions to zero within their jurisdictions, communities or companies;
- 2. Share and promote effective financing mechanisms domestically and internationally to the extent feasible that allow for the purchase of zero emissions equipment;
- 3. Share information and assessments regarding zero emissions technology;
- 4. Build capacity for action and technology adaptation through technology transfer and sharing expertise; and
- 5. Use policies and incentives that assist the private sector as it moves to diesel-free fleets and buildings.
- 6. Periodic reporting to all signers of progress towards the zero diesel emissions goal.

This *Statement of Purpose* is intended to accelerate action toward meaningful progress in support of all climate protection agreements. It is not the intent of the signatories to create through this *Statement of Purpose* any legally binding obligation. For purposes of this *Statement*, "diesel emissions" and "diesel exhaust" means emissions or exhaust emitted from the combustion of petroleum-based diesel fuel.

Signatories are committing to develop an implementation strategy to reduce diesel emissions in their jurisdictions, share solutions, and report progress. Together, we will forge a path toward a cleaner, healthier future by reducing diesel emissions in our communities, states, and beyond.



Governor's Global Climate Action Summit

Governor's purpose:

- Event: September 12-14 in San Francisco
- Importance of city, county and state leadership and action in achieving int'l climate goals
- Inspire public commitments, calls to action by government leaders, businesses and organizations
- Showcase innovative solutions to reducing GHG emissions

What the event will look like:

- 15,000 attendees from government, business and civil society
- Main venue at Moscone Center
- "Affiliate" events" throughout SF, Bay Area and beyond

BAAQMD Affiliated Forum

Bay Area Climate Leadership Forum

- High profile, local govt. focused event at 375 Beale
- Audience:
 - Mayors, elected officials from Bay Area and beyond
 - Regional business, civic affiliations, community leaders
- Focus-Bay Area climate innovation and leadership
- Public release of pledge to go diesel-free
- Goal: drive momentum toward region-wide diesel free solutions as catalyst promoting further action



Forum Agenda

- Opening "Mayors Roundtable"
 - Bay Area, California and international mayors
- Pledge presentation, signing, media event
- Community-based solutions
 - Business leaders, NGO's
- Inspiring, high profile keynote speakers
- Afternoon reception



Diesel-free by 33

The **Diesel-free by 33** Statement of Purpose and Leadership Forum provide a perfect intersection between climate protection and reducing community exposure

- Meets Governor's priorities:
 - Significant, public commitment to climate protection
 - Advances objectives of AB 617
- Achieves Air District's goals
 - Reduces an important source of GHG emissions (black carbon)
 - Reduces community exposure to particulate matter



Diesel-free by 33

Proposed MTC/ABAG Actions for the Diesel Free by '33 Statement of Purpose:

Promoting purchase of zero emission buses (ZEBs), recognizing the:

- Limited funding availability for buses and supportive ZEB infrastructure (chargers, fueling), though efforts will be made to secure funding
- Implementation requirements specified by the Innovative Clean Transit (ICT) regulation recently unveiled by California Air Resources Board (CARB)
- Impact on fleets by automated technology in 2033

Encouraging cities to sign the pledge in connection to climate action planning efforts:

- Many cities address diesel emission reduction by planning to transition their municipal fleet or stationary sources to cleaner fuels in their climate action plans. These cities could consider signing the Diesel Free Statement of Purpose highlighting their diesel free actions
- Cities developing climate action plans could consider signing the Statement of Purpose by committing to eliminate their diesel use (mobile, stationary) by 2033



Diesel-free by 33

Recommendation

Refer the Diesel Free by '33 Statement of Purpose to the:

Commission to authorize the Chair to sign on behalf of MTC



Prepared by the Bay Area Air Quality Management District



June 2018

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Availability of Zero-Emission Technologies

The Bay Area Air Quality Management District (BAAQMD) recently assessed options for replacing diesel combustion vehicles and equipment with zero-emission technologies to help the San Francisco Bay Area region and other communities achieve the goal of "Diesel Free by 2033." This document provides a summary of the status of these technologies based on a literature review and BAAQMD staff's knowledge. Technology assessment reports from the California Air Resources Board (ARB) and the National Renewable Energy Laboratory are the primary sources of information used in this assessment¹.

Table 1 summarizes the status of zero-emission technologies for categories of equipment and vehicles that account for significant air pollution and greenhouse gases generated in the region. A technology readiness level of "commercially available" is assigned to categories that are readily available for purchase and have comparable costs to conventional technologies with or without incentives, "early commercialization" is assigned to technologies that are commercially available but have higher capital costs than similar conventional technologies due to low sales volumes, "demonstration phase" is a description of technologies that as of 2018 are being tested in very small quantities² and that may reach early or full commercialization level by 2033, and "not yet available" refers to categories of equipment and vehicles that have not yet been demonstrated and it is unknown when they will be commercialized.

Table 1: Summary of status of zero-emission technologies

Technology Readiness Level	Vehicle / Equipment Category		
	Light-duty cars/SUVs		
	Buses		
	Cargo handling equipment		
Communicille	Locomotives - switchers/yard goats		
Commercially Available	Ocean going vessels (at berth)		
Available	Transportation refrigeration units		
	Medium-duty trucks		
	Batteries for emergency or backup power (~5kW or shorter load durations)		
	Fuel cell systems for emergency or backup power (~5-20kW)		
Early	Small construction equipment		
Commercialization	Batteries for emergency or backup power (>5kW)		
Demonstration	Heavy-duty trucks		
Demonstration	Cargo handling equipment (container top/side picks)		
	Commercial harbor craft		
Not Yet Available	Large construction equipment		
	Locomotive - line haul		
	Ocean going vessels (at sea)		

Buses

Buses are typically 35 to 45 ft. in length (or longer) and are primarily used to transport passengers³. Buses can range in size from small shuttles with



https://www.arb.ca.gov/msprog/tech/tech.htm, https://www.nrel.gov/docs/fy14osti/60732.pdf

3

https://www.arb.ca.gov/msprog/tech/techreport/ta overview v 4 3 2015 final pdf.pdf

https://law.justia.com/codes/california/2017/code-veh/division-1/section-233/

seating for 10 to 20 passengers, to school and transit buses that can seat 40 to 80 passengers, to articulated and double-decker buses that can carry over 200 passengers. In the Bay Area, most buses are propelled by an internal combustion engine (ICE) that burns diesel or compressed natural gas, or as a hybrid that operates on a combination of diesel fuel and batteries.

Battery electric buses are commercially available for use as transit, school, and shuttle buses^{4, 5, 6}. Recent advancements in battery and wireless inductive charging technologies are also making wide adoption of battery electric buses more feasible and cost-effective. Other zero-emission bus technologies, including hydrogen fuel cells, are actively being tested and demonstrated in the Bay Area^{7, 8}. Many Bay Area transit agencies have started to test or deploy zero-emission buses, such as the San Francisco Municipal Transportation Agency and San Mateo County Transit District, or SamTrans, who have committed to fully electrify bus fleets by 2035 and 2033, respectively^{9, 10}.

Light Duty Vehicles

Light-duty vehicles include motorcycles and four-wheeled passenger cars, i.e., sedans, crossovers, hatchbacks, vans, SUVs, and light-duty trucks that have a



Gross Vehicle Weight Rating (GVWR) of 10,000 lbs. or less¹¹. In the Bay Area, there are nearly six-million light-duty vehicles registered with more than 100,000 of these being zero-or near zero emissions. As of 2018, fully zero-emission battery electric cars are commercially available and the full lifecycle cost of ownership is nearly the same as conventional equivalent vehicles¹². Multiple manufacturers (e.g., General Motors, Nissan, Tesla, Toyota, Volkswagen) offer at least one vehicle model, and more models are expected to come into the market in the coming years¹³. Light-duty hydrogen fuel cell cars, fully electric vans, and light-duty trucks are in the early commercialization stage but are expected to be commercially available within the next few years^{14, 15, 16, 17}.

Medium- and Heavy-Duty Trucks

Medium- and heavy-duty trucks are large motor vehicles that are primarily used to transport goods and equipment. Medium-duty trucks range in GVWR from 10,001 to 26,000 pounds (lbs.) and heavy-duty trucks have a GVWR of



26,001 lbs. and above. Medium- and heavy-duty trucks have historically been powered by diesel or natural gas internal combustion engines.

⁴ https://www.arb.ca.gov/msprog/tech/techreport/bev_tech_report.pdf

https://www.californiahvip.org/eligible-technologies/#your-clean-vehicles

https://electrek.co/2018/05/07/all-electric-trucks-lion-electric/

⁷ http://www.actransit.org/environment/the-hyroad/

https://www.arb.ca.gov/msprog/tech/techreport/fc_tech_report.pdf

https://www.sfmta.com/press-releases/san-francisco-commits-all-electric-bus-fleet-2035

https://www.prnewswire.com/news-releases/samtrans-orders-10-proterra-catalyst-e2-buses-and-sets-a-100-percent-zero-emission-fleet-goal-by-2033-300613692.html

¹¹ https://www.epa.gov/emission-standards-reference-guide/vehicle-weight-classifications-emission-standards-reference-guide

https://www.sciencedirect.com/science/article/pii/S030626191731526X?via%3Dihub

https://www.driveclean.ca.gov/

¹⁴ https://www.nissan.co.uk/vehicles/new-vehicles/e-nv200.html

¹⁵ http://www.businessinsider.com/electric-suvs-coming-to-market-soon-2018-4

http://workhorse.com/pickup/

¹⁷ https://www.arb.ca.gov/msprog/acc/mtr/appendix c.pdf

Today, medium-duty battery electric delivery trucks are commercially available^{18,19}. These trucks are well-suited for local applications as their typical 100-mile range allows the vehicle to return-to-base for refueling. Zero-emission technologies for other medium-duty applications and heavy-duty trucks are being developed and demonstrated with a limited number of models^{20,21,22,23,24}. In California, specifically the Bay Area, several early tests and demonstrations of zero-emission medium- and heavy-duty trucks are being conducted, including battery electric delivery trucks operating in urban areas²⁵ and battery electric heavy-duty trucks operating in and around the Port of Oakland²⁶.

Many vehicle manufacturers, both those long established in the industry and new start-up companies, are developing zero-emission medium- and heavy-duty vehicles, and some are already producing vehicles at low volume²⁷. Among the larger automotive companies, Daimler has announced that it expects to begin production on a fully electric heavy-duty truck in 2020²⁸.

Transport Refrigeration Units

A transport refrigeration unit (TRU) is defined as a refrigeration system powered by a diesel integral (inside housing) internal combustion engine designed to control the environment of temperature sensitive products that are transported in trucks and refrigerated trailers. TRUs may be capable of both cooling and heating. Zero-emission technologies (battery electric, plug-in electric, fuel cell, cryogenic, etc.) for TRU are commercially available; however, these options have specific infrastructure and operational requirements that need to be considered by fleet operators²⁹.

Mobile Cargo Handling Equipment

Mobile cargo handling equipment (CHE) is any mobile equipment used at ports, rail yards, and warehouse distribution centers to either handle freight or to perform other on-site activities, such as maintenance. Types of CHEs include yard trucks, top handlers, side handlers, reach stackers, forklifts, and gantry cranes, dozers, excavators, and loaders. In 2018, most CHEs, especially the larger vehicles, are powered by diesel internal combustion engines.



Today, there are several options for deploying zero-emission technologies for cargo handling equipment, such as automated electric equipment, electric rubber tired or rail mounted gantry (RTG or RMG) at container terminals, fuel cell and battery electric fork lifts, yard trucks at distribution centers, electric aircraft ground support equipment, battery electric belt



¹⁸ https://www.arb.ca.gov/msprog/tech/techreport/ta overview v 4 3 2015 final pdf.pdf

https://electrek.co/2018/06/15/ups-fleet-1000-electric-vans-workhorse/

https://www.californiahvip.org/eligible-technologies/#your-clean-vehicles

https://www.californiahvip.org/vehicles/byd-6f-t7-class-6-cab-forward-truck/

https://www.arb.ca.gov/msprog/tech/techreport/bev_tech_report.pdf

https://www.californiahvip.org/vehicles/motiv-all-electric-powertrain-for-ford-f59-4/

http://www.zenith-motors.com/wp-content/uploads/2013/05/Brochure122017.pdf

²⁵ http://www.cte.tv/wp-content/uploads/2018/05/ACT-BYD Goodwill press-release FINAL1-1.pdf

https://www.portofoakland.com/press-releases/port-oakland-first-battery-powered-truck-enters-fleet/

²⁷ https://www.trucks.com/2018/05/01/research-group-electric-truck-technology-advancing/

https://www.theicct.org/sites/default/files/publications/Zero-emission-freight-trucks_ICCT-white-paper_26092017_vF.pdf

https://www.arb.ca.gov/msprog/tech/techreport/tru 07292015.pdf

loader, electric baggage tug, are commercially available^{30, 31, 32, 33}. Zero-emission technologies for container top/side picks currently are not commercially available^{34, 35} although two electric container top picks are currently being demonstrated at the Port of Los Angles³⁶.

Construction & Earthmoving Equipment

Construction and earthmoving equipment refers to heavy-duty vehicles, specially designed to move, compact, haul, hoist, earth and other loose or bulk materials; and other types of construction equipment, such as bulldozers, graders, excavators, scrapers, loaders, trenchers, and backhoes³⁷. In 2018, most of these vehicles and equipment are powered by diesel internal combustion engines.

Zero-emission technologies are in the early commercialization stage for smaller construction equipment^{38,39,40}. The technology for providing full battery electric heavy-duty machinery will require further technological improvements as it has yet to meet parity with conventional powertrains⁴¹.

Locomotives



A locomotive is a self-propelled vehicle used to push or pull trains, and the combination of locomotive(s) pulling freight or passenger railcars forms a

train. Most of the freight and passenger locomotives in the Bay Area are powered by a diesel-electric system whereby an internal combustion engine that is fueled by diesel drives an electrical generator or alternator, which in turn powers electric motor(s) that drive the wheels⁴².

While electric train and rail technology is commercially available, it would currently be cost prohibitive to widely deploy this technology for long haul freight and passenger use. Therefore, in the near-term, the most technologically feasible and cost-effective advanced technology available to reduce toxic and criteria pollutant emissions is the installation of a compact aftertreatment system (e.g., combination of Selective Catalytic Reduction and Diesel Oxidation Catalysts) onto new and remanufactured diesel-electric freight interstate line haul locomotives. Emissions in communities that are disproportionally impacted by diesel emissions can be further reduced by augmenting this control equipment with a combination of on-board batteries and geo-fencing technologies.

Zero-emission technologies are commercially available for switch (yard) operations (e.g., a railway electrification system that provides power through overhead or third line power line). Battery electric technologies are also being tested for switch (yard) locomotives in other parts of the United States⁴³.

³⁰ https://www.arb.ca.gov/msprog/tech/techreport/che_tech_report.pdf

https://orangeev.com/

https://www.californiahvip.org/eligible-technologies/#your-clean-vehicles

https://www.arb.ca.gov/msprog/tech/techreport/ta_overview_v_4_3_2015_final_pdf.pdf

https://blog.hyster.eu/see-hyster-talk-zero-emissions-container-handling/

https://www.joc.com/regulation-policy/la-lb-officials-say-zero-emissions-cargo-equipment-viable-2030 20180504.html

https://www.portoflosangeles.org/Board/2017/October%202017/101917 Regular Agenda Item 6 Transmittal 1.pdf

https://www.slideshare.net/SagarRadadiya/construction-equipments-introduction-and-classification

³⁸ https://www.zeecrane.com/

https://www.volvoce.com/global/en/news-and-events/news-and-press-releases/volvo-ce-unveils-100-percent-electric-compact-excavator-prototype/

⁴⁰ http://www.kramer-online.com/en/discover-kramer/zero-emission/the-kramer-5055e/

⁴¹ http://network.bellona.org/content/uploads/sites/3/2018/06/ZEC-Report-1.pdf

https://www.arb.ca.gov/msprog/tech/techreport/final_rail_tech_assessment_11282016.pdf

Ocean-Going Vessels

Ocean-going vessels (OGV) are large vessels designed for deep water navigation. Types of OGVs include large cargo vessels such as container vessels, tankers, bulk carriers, and car carriers, as well as passenger cruise vessels. These vessels transport containerized cargo, bulk items such as vehicles, cement, and coke, liquids such as oil and petrochemicals, and passengers. OGV propulsion (main) engines are primarily fueled by residual fuel oil and auxiliary engines that are mainly powered by diesel fuel. The majority of vessels that visit California ports are foreign-flagged vessels⁴⁴.

As of 2018, technologies (e.g., shore-side power, fuel cells, and emissions capture and control systems) are commercially available that enable vessels at dockside to achieve zero and near-zero emissions. Other than nuclear power, no other zero-emissions technology has been developed for vessels at sea⁴⁵; however, an all-electric autonomous container ship is being planned in Norway⁴⁶.

Commercial Harbor Craft

Commercial harbor craft means any private, commercial, government, or military marine vessel including, but not limited to, passenger ferries, excursion vessels, tugboats, ocean-going tugboats, towboats, push-boats, crew and supply vessels, pilot vessels, fishing vessels, research vessels, U.S. Coast Guard vessels, hovercraft, emergency response harbor craft, and barge vessels that do not otherwise meet the definition of ocean-going or recreational vessels Nearly all commercial harbor craft vessels are powered by diesel fuel.

While no zero-emission technologies are commercially available for harbor craft, dedicated battery electric systems are being developed for larger ships but have not yet been adopted for commercial harbor craft. Also, several demonstration and early commercialization projects are underway including a zero-emission hydrogen fuel cell ferry project funded by the ARB with funding from the "California Climate Investments" (CCI) program⁴⁸ that is being administered by the BAAQMD in partnership with Golden Gate Zero Emission Marine Inc. Another demonstration project funded by US Environmental Protection Agency (USEPA) will convert an existing ferry to full electric in Alabama. Proton Exchange Membrane or Polymer Electrolyte Membrane (PEMFC) systems have been used in harbor craft demonstrations in New York⁴⁹, electric ferries are being built and operated in Norway^{50,51}, and a hybrid tugboat has been demonstrated at the Ports of Los Angeles and Long Beach⁵².

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⁴³ https://www.arb.ca.gov/msprog/tech/techreport/final rail tech assessment 11282016.pdf

https://www.arb.ca.gov/msprog/tech/techreport/ogv_tech_report.pdf

⁴⁵ https://www.arb.ca.gov/msprog/tech/techreport/ogv_tech_report.pdf

⁴⁶ https://newatlas.com/autonomous-electric-shipping-container-vessel/49477/

https://govt.westlaw.com/calregs/Document/I0FD137A0A3C111E0BACCB30E82542E24?viewType=FullText&originationContext=documenttoc&transitionType=CategoryPageItem&contextData=%28sc.Default%29&bhcp=1 www.arb.ca.gov/ccifundingguidelines

https://www.arb.ca.gov/msprog/tech/techreport/draft_chc_technology_assessment.pdf

https://www.workboat.com/news/shipbuilding/alabama-looks-first-u-s-electric-ferry/

https://electrek.co/201<u>8/03/05/all-electric-ferries-battery-packs/</u>

https://www.arb.ca.gov/newsrel/2010/hybridtug.htm

Stationary Engines

According to the BAAQMD emissions inventory, there are approximately 7,600 stationary diesel engines registered in the Bay Area. Although particulate matter emissions from stationary diesel engines are typically higher than on-road diesel sources, the facilities using them are generally not required to upgrade to cleaner equipment. This is because many engines predate the BAAQMD's permitting rules or because the equipment is meant for emergency or backup



power and the hours in which it can operate outside of an emergency are extremely limited. For example, off-road diesel engines are generally exempt from fuel formulation requirements (such as sulfur content) and exhaust gas aftertreatment. However, there are alternatives to stationary diesel engines that are cost-competitive, especially when paired with financing and incentives.

Hydrogen fuel cells are a cost-competitive alternative to diesel engines for 5-10kW loads, especially when paired with currently available federal tax incentives. Batteries are appropriate alternatives for smaller or portable applications, particularly ones with lower power draws (~5kW) and shorter load durations (~8 hours); see Table 2 below.

While there are some cost-competitive zero emissions options in the lower kW range, it should be noted that most backup generators currently registered with the BAAQMD (92%) operate in the 35kW range and above. These generators are expected to become a more viable option for larger back-up applications within the next 15 years due to improved energy efficiency and management practices as well as lower costs for more reliable and energy dense batteries. This may also be accelerated when batteries are teamed with renewable power solutions and regulations requiring carbon pricing or market-based carbon control programs such as California's AB32 Cap-and-Trade Program.

Table 2: Estimated Annual Cost of Ownership for Backup Generator Equipment in the 4 to 6kW Range

Load Duration For power loads in 4-6kW range	Diesel	Fuel Cell System w/ Federal Tax Incentive	Battery	Incentives
8 hours 30-50kWh	\$120/ kWh	\$115/kWh	\$160/kWh	Leverage existing federal tax incentives for fuel cells; Consider offering incentives for batteries
3 days 200-400kWh	\$16/ kWh	\$17/kWh	\$90/kWh	Leverage existing federal tax incentives for fuel cells; Support R&D for reducing battery costs and increasing lifetimes
1 week 700-1000kWh	\$6/ kWh	\$9/kWh	\$80/kWh	Not yet cost-effective to replace diesel for heavy demands; Support R&D for reducing battery costs and increasing lifetimes

[■] Cost-competitive with diesel
■ Cost-competitive with additional incentives
■ R&D is recommended

Cost of ownership includes permitting and installation costs, annual maintenance costs, and annual fuel costs in backup scenarios. Source data: *Backup Power Cost of Ownership Analysis and Incumbent Technology Comparison*, National Renewable Energy Laboratory, September 2014.

Upcoming California Regulations Requiring Zero-Emission Technology

Mobile source vehicle and equipment emissions are regulated by the ARB and the USEPA. The following is a brief listing of categories of mobile sources that are being targeted for new regulatory requirements by ARB:

- Zero-emissions cargo handling equipment regulation for ARB Board consideration in 2022, with potential starting date of 2026
- Trucks: Advanced Clean Truck Rule (formerly last mile delivery rule) to be considered in 2019 and zero-emission drayage truck regulation to be developed for ARB Board consideration in 2022 (with 2026-2028 starting date)
- Commercial Harbor Craft at Seaports amendments for ARB Board consideration in 2020, with a potential starting date of 2023
- Zero-emission transportation refrigeration unit regulation for ARB Board consideration in 2019, with a potential starting date of 2020+
- School & Transit Buses
- Freight Facilities

Commitments to Adopt Zero-Emission Technologies and Reduce Petroleum Consumption Around the World

In California, the following zero-emission technology and petroleum goals have been identified by Governor Brown and other State and local agencies:

- Governor Brown identified reducing petroleum use in cars and trucks in 2015 by up to 50 percent by 2030 as one of the key climate change strategy pillars that are needed to reduce emissions to meet the 2030 greenhouse gas emissions target⁵³.
- In 2012, Governor Brown issued Executive Order B-16-12 directing state government to help accelerate the market for zero-emission vehicles (ZEVs) in California and sets targets for adoption of 1.5 million ZEVs in California by 2025.
- Assembly Bill 739 requires that 30% of newly purchased vehicles by state agencies be zero-emission by 2030⁵⁴.
- The California Sustainable Freight Action Plan has identified a goal of transitioning to zero-emission technology by deploying over 100,000 freight vehicles and equipment capable of zero-emission operation and maximizing near-zero emission freight vehicles and equipment powered by renewable energy by 2030⁵⁵.
- ARB is in the process of proposing a goal of achieving a zero-emission transit system by 2040⁵⁶ and a
 goal of replacing existing diesel airport ground support equipment with zero-emission equipment by
 2032⁵⁷.
- The Bay Area Plug-In Electric Vehicle Readiness Plan (2013) adopted goals of 110,000 EVs on Bay Area roads by 2020 and 250,000 EVs by 2025. The BAAQMD's 2017 Clean Air Plan has set a longerterm goal of 90% of the Bay Area fleet being zero-emission by 2050.

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⁵³ https://www.arb.ca.gov/cc/pillars/pillars.htm#factsheets

https://www.arb.ca.gov/msprog/actruck/mtg/180531presentation.pdf

http://dot.ca.gov/hq/tpp/offices/ogm/cs_freight_action_plan/Documents/CSFAP_Main%20Document_FINAL_07272016.pdf

https://arb.ca.gov/msprog/ict/meeting/mt180611/180611presentation.pdf

https://www.arb.ca.gov/msprog/offroad/gse/presentationjune6.pdf

The San Pedro Bay Ports Clean Air Action Plan 2017 requires that, beginning in 2035, all trucks entering the port must be zero-emission or pay a fee⁵⁸.

The following map and Table 3 show petroleum reduction commitments made around the world.

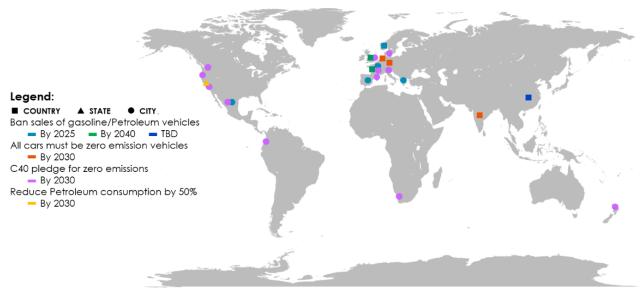


Table 3 - Commitments to Petroleum Reduction

Date	Country/State/City	Commitment	
	Norway, Madrid, Athens	Ban sales of petroleum-fueled vehicles by 2025	
2025	Paris, Mexico City	Ban sales of petroleum-fueled vehicles by 2025;	
	,	C40 Pledge*	
	Netherlands, Germany, India	All cars must be ZEVs by 2030	
2030	London, Los Angeles, Copenhagen, Barcelona, Quito, Vancouver, Cape Town, Seattle, Auckland, Milan	C40 Pledge*	
	California	Reduce petroleum consumption by 50% by 2030	
2040	France, Britain	Ban sales of petroleum-fueled vehicles by 2040	
TBD	China	Ban sales of petroleum-fueled vehicles by date TBD	

^{*}C40 Pledge to transition to "Fossil-Fuel-Free Streets" by: 1) procuring, with our partners, only zero-emission buses from 2025 and 2) ensuring a major area of our city is zero emission by 2030⁵⁹.

⁵⁸ https://www.arb.ca.gov/msprog/actruck/mtg/180531presentation.pdf

http://c40-production-

images.s3.amazonaws.com/other uploads/images/1418 Fossil Fuel Free Streets Declaration.original.pdf?15087 42654

Attachment A: Funding Opportunities for Zero-Emission Vehicles and Fueling Infrastructure

California Emissions Reduction Funding

This section summarizes funding opportunities that are currently available in most parts of California to help transition to zero-emission vehicles, equipment, and infrastructure.

- Carl Moyer Program (CMP): The CMP is a state-funded program offering grants to owners of heavy-duty vehicles and equipment, including trucks, buses, agricultural and marine equipment, and locomotives, to reduce air pollution from heavy-duty engines. Engine owners must operate CMP-funded vehicles and equipment within the BAAQMD's jurisdictional boundaries, and priority is given to projects that reduce emissions in impacted communities. More information can be found at www.baaqmd.gov/moyer.
- Community Health Protection Grant (AB134/617): AB 617 directed the California Air Resources Board, in conjunction with local air districts, to establish the Community Air Protection Program. AB 134 appropriated \$250 million from the Greenhouse Gas Reduction Fund to reduce mobile emissions in communities most affected by air pollution. The Bay Area has been allocated \$50 million of these funds for emission reduction projects. These funds will be used to implement projects under the Carl Moyer Program, and optionally under the Proposition 1B Goods Movement Emission Reduction Program. More information can be found at http://www.baaqmd.gov/plans-and-climate/community-health-protection-program/grant-program.
- California Climate Investments (CCI) and Greenhouse Gas Reduction Fund (GGRF): CCI is a statewide initiative that puts billions of Cap-and-Trade dollars, established by AB 1532 and SB 535 through the GGRF, to work by reducing greenhouse gas emissions, strengthening the economy, and improving public health and the environment—particularly in disadvantaged communities, low-income communities, and low-income households. More information can be found at https://ww2.arb.ca.gov/our-work/programs/california-climate-investments.
- California Clean Vehicle Rebate Project (CVRP): GGRF is the primary funding source for the CVRP, which promotes clean vehicle adoption in California by offering rebates of up to \$7,000 for the purchase or lease of new, eligible zero-emission vehicles, including electric, plug-in hybrid electric and fuel cell vehicles. More information about this program can be found at: https://cleanvehiclerebate.org/eng/about-cvrp.
- Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP): The HVIP was formed by
 the California Air Resources Board as a result of the Air Quality Improvement Program following the
 passing of the California Alternative and Renewable Fuel, Vehicle Technology, Clean Air, and Carbon
 Reduction Act of 2007 (AB 118, Statutes of 2007, Chapter 750). HVIP offers point-of-sale incentives
 for clean trucks and buses. More information can be found at
 https://www.californiahvip.org/about/#why-clean-vehicles.
- Enhanced Fleet Modernization Program (EFMP): The EFMP) is a voluntary car retirement (scrap) and replacement incentive program. The goal of the program is to incentivize lower-income California motorists to scrap their older, high-emitting cars and replace them with newer, cleaner and more fuel-efficient cars. The EFMP Plus-Up Program for the Bay Area is currently under development. More information can be found at: https://www.arb.ca.gov/msprog/aqip/efmp/efmp.htm.

- Volkswagen (VW) Settlement Funds:
 - Electrify America: The settlement requires VW to invest \$800 million in Zero-Emission Vehicle (ZEV) projects in California and more information about this program can be found at: https://www.electrifyamerica.com/.
 - Environmental Mitigation Trust (Trust): The settlement allocates about \$423 million from an Environmental Mitigation Trust (Trust) to California. The Trust will provide focus fund on "scrap and replace" projects for the heavy-duty sector, including on-road freight trucks, transit and shuttle buses, school buses, forklifts, and port cargo handling equipment, commercial marine vessels, and freight switcher locomotives.

More information can be found at https://www.arb.ca.gov/msprog/vw info/vsi/vsi.htm.

California Energy Commission (CEC): The CEC's Alternative and Renewable Fuel and Vehicle
Technology Program (ARFVTP) invests in the energy innovation pipeline for the development and
deployment of alternative and renewable fuels and advantage transportation technologies to help
meet the state's goals of reducing greenhouse gas emissions and petroleum dependence in the
transportation sector. More information can be found at
http://www.energy.ca.gov/contracts/transportation.html.

San Francisco Bay Area

- Local Sources: Local sources of funding in the Bay Area include the Transportation Fund for Clean Air (TFCA), which collect revenue from a \$4 surcharge fee on vehicles registered in the Bay Area to fund cost-effective clean air vehicle and trip reduction projects that reduce on-road motor vehicle emissions within the BAAQMD's jurisdiction. More information can be found at: http://www.baaqmd.gov/grant-funding/funding-sources.
- Pacific Gas & Electric (PG&E) Funds:
 - PG&E provides \$500 clean fuel rebates to customers with EVs (more information at https://www.pge.com/en_US/residential/solar-and-vehicles/options/cleanvehicles/electric/clean-fuel-rebate-for-electricvehicles.page?WT.mc_id=Vanity_cleanfuelrebate-ev.
 - PG&E also launched the EV Charge Network program to accelerate California's transition to a clean transportation future by offering electric vehicle charger installation. More information can be found at https://www.pge.com/en_US/business/solar-and-vehicles/your-options/clean-vehicles/charging-stations/ev-charge-network.page.

Federal Funding Sources

- Environmental Protection Agency's (EPA) Diesel Emissions Reduction Act (DERA) Program: The EPA's
 DERA Program provides support for projects that protect human health and improve air quality by
 reducing harmful emissions from diesel engines. More information can be found at
 https://www.epa.gov/cleandiesel.
- Federal Highway Administration's (FHWA) Congestion Mitigation and Air Quality Program (CMAQ):
 Administered by the FHWA, the CMAQ supports surface transportation projects and other related
 efforts that contribute air quality improvements and provide congestion relief. More information
 can be found at https://www.fhwa.dot.gov/environment/air quality/cmag/.

Attachment B: Financing Opportunities for Zero-Emission Alternatives to Stationary Diesel Engines

This section summarizes some of the financing opportunities that are currently available to businesses and agencies to help transition to zero-emission alternatives to stationary diesel engines.

San Francisco Bay Area

Pacific Gas & Electric Energy Efficiency Financing: PG&E provides interest-free loans with on-bill financing to commercial customers to adopt new, energy-efficient equipment. Eligible project types include lighting, heating, ventilation and air conditioning (HVAC), electric motors, refrigeration, food service equipment and water pumps. Loans range from \$5,000 to \$100,000, and up to \$250,000 for government agencies. More information can be found at:
 https://www.pge.com/en_US/business/save-energy-money/financing/energy-efficiency-financing.page.

California Funding Programs

- California Hub for Energy Efficiency Financing (CHEEF): CHEEF is a program of the California
 Alternative Energy and Advanced Transportation Financing Authority (CAEATFA). CHEEF's energy
 efficiency financing pilot programs offer loans and credit enhancements for eligible energy projects
 for residential (single-family and affordable multifamily units), small business, and commercial
 customers (including for-profit, non-profit, and government entities of any size). At least 70% of the
 financed amount must go towards energy efficiency or demand response measures. Up to 30% of
 the financed amount may fund non-energy efficiency improvements. More information can be
 found at https://www.thecheef.com/commercial.
- California Infrastructure and Economic Development Bank (IBank):
 - California Lending for Energy and Environmental Needs (CLEEN): CLEEN is a program of the IBank which provides financing, including direct loans and publicly-offered tax-exempt bonds, to help meet the state's goals for greenhouse gas reduction, water conservation, and environmental preservation. MUSH (municipalities, utilities, schools, and hospitals) are eligible for loans ranging between \$500,000 and \$30 million for projects spanning energy generation, energy conservation, and energy storage. More information can be found at: http://www.ibank.ca.gov/cleen-center/.
 - Small Business Loan Guarantee Program (SBLGP): SBLGP is a program of the California Infrastructure and Economic Development Bank (IBank) which provides loan guarantees of up to \$2.5 million or up to 80% of the loan amount to small businesses that experience barriers to capital access. Loan funds can be used for a variety of business-related purposes including construction, expansion, and disaster relief. More information can be found at: http://www.ibank.ca.gov/small-business-finance-center/.
- Self-Generation Incentive Program (SGIP): The California Public Utilities Commission's SGIP program
 offers rebates to commercial and residential customers for installing distributed energy systems
 such as stationary engines, fuel cells, and energy storage systems. For example, incentives for
 battery systems can be as high as \$400 per kWh. More information can be found at:
 http://www.cpuc.ca.gov/sgip/.

Federal Programs

- Rural Energy for America Program (REAP): USDA's REAP program provides agricultural producers and small businesses located in eligible rural areas with guaranteed loan financing and grant funding for renewable energy systems or energy efficiency improvements. More information can be found at: https://www.rd.usda.gov/programs-services/rural-energy-america-program-renewable-energy-systems-energy-efficiency.
- Property Assessed Clean Energy (PACE): PACE financing programs provide loans to commercial and
 residential property owners to cover upfront costs of installing energy efficiency and renewable
 energy improvements, including energy generation with renewable fuels. Loans are repaid through
 property tax assessments over 5 to 25 years. PACE programs are currently available in 35 states.
 More information can be found at: https://www.energy.gov/eere/slsc/property-assessed-clean-energy-programs.

Attachment C: Zero-Emission Trucks and Buses Available in California Eligible for Hybrid Voucher (HVIP) funding from Air Resources Board

Category	ОЕМ	Model	
	Blue Bird	Blue Bird Electric Powered All American School Bus	
	Blue Bird	Blue Bird Electric Powered Vision School Bus 4x2 Configuration	
	BYD Motors	BYD C10 45' All-Electric Coach Bus	
	BYD Motors	BYD C6 23' All-Electric Coach Bus	
	BYD Motors	BYD K11 60' Articulated All-Electric Transit Bus	
	BYD Motors	BYD K7M 30' All-Electric Transit Bus	
	BYD Motors	BYD K9 40' All-Electric Transit Bus	
	BYD Motors	BYD K9S 35' All-Electric Transit Bus	
Bus	Complete Coach Works	Complete Coach Works Zero Emission Propulsion System	
	Lion Bus	eLion School Bus Type C, 4x2 All-Electric	
	Gillig	Gillig 29' ePlus Battery Electric Low Floor Bus	
	Gillig	Gillig 35' ePlus Battery Electric Low Floor Bus	
	Gillig	Gillig 40' ePlus Battery Electric Low Floor Bus	
	Motiv Power Systems	Motiv EPIC 6 on Ford F59 Platform School Bus - 5 Battery	
	Motiv Power Systems	Motiv EPIC 6 on Ford F59 Platform School Bus - 6 Battery	
	New Flyer	New Flyer Xcelsior 35' All-Electric Transit Bus	
	Proterra	Proterra 35' Catalyst XR+	
Pue School Pue	GreenPower	GreenPower SYNAPSE 72 All-Electric School Bus	
Bus, School Bus	Motiv Power Systems	Motiv EPIC 4 Dearborn on Ford E450 Platform School Bus	
	GreenPower	GreenPower EV Star All-Electric Min-eBus	
	GreenPower	GreenPower SYNAPSE All-Electric Shuttle Bus	
	Motiv Power Systems	Motiv All-Electric Powertrain for Ford E450	
Shuttle Buses	Phoenix	Phoenix Motor Cars ZEUS 300 Shuttle Bus	
	GreenPower	GreenPower EV250 30' All-Electric Bus	
	GreenPower	GreenPower EV350 40' All Electric Bus	
	GreenPower	GreenPower EV550 45' All-Electric Double Decker Transit Bus	
	New Flyer	New Flyer 60' Xcelsior All-Electric Transit Bus	
	New Flyer	New Flyer Xcelsior 40' All-Electric Transit Bus	
	Proterra	Proterra 35' Catalyst E2	
	Proterra	Proterra 35' Catalyst FC	
Shuttle Buses	Proterra	Proterra 35' Catalyst FC+	
	Proterra	Proterra 35' Catalyst XR	
	Proterra	Proterra 40' Catalyst E2	
	Proterra	Proterra 40' Catalyst E2 Max	
	Proterra	Proterra 40' Catalyst E2+	

	Proterra	Proterra 40' Catalyst FC	
Proterra		Proterra 40' Catalyst FC+	
Proterra 40' Catalyst XR		Proterra 40' Catalyst XR	
	Proterra	Proterra 40' Catalyst XR+	
	Motiv Power Systems	Motiv All-Electric Powertrain for Ford F59	
Bus, Truck	Motiv Power Systems	Motiv All-Electric Powertrain for Ford F59 Starcraft e-Quest XL School Bus	
	Motiv Power Systems	Motiv All-Electric Powertrain for Ford F59 Starcraft e-Quest XL School Bus	
	Chanje	Chanje V8070 All-Electric Panel Van	
Delivery	Workhorse Group	Workhorse 4x2 E-100 All-Electric Step Van	
	Zenith Motors	Zenith Motors Electric Cargo Van	
Dolinem, Twisk	BYD Motors	BYD T5 Class 5 Cab-Forward Delivery Truck	
Delivery, Truck	Motiv Power Systems	Motiv All-Electric Powertrain for Ford F59	
Refuse	BYD Motors	BYD T9M Class 8 Refuse Truck	
Shuttle Bus	Zenith Motors	Zenith Motors Electric Passenger Van	
	BYD Motors	BYD Q1M Electric Yard Tractor	
Terminal Truck	Orange EV	Orange EV T-Series 4x2 Terminal Truck Conversion of Kalmar Ottawa Truck, Extended Duty (N)	
	Orange EV	Orange EV T-Series 4x2 Terminal Truck Extended Duty (N)	
	BYD Motors	BYD Q3M (8TT) Class 8 Battery-Electric Tractor Trailer	
Terminal Truck,	Orange EV	Orange EV T-Series 4x2 Terminal Standard Duty	
Truck	Orange EV	Orange EV T-Series 4x2 Terminal Truck Conversion of Kalmar Ottawa Truck Standard Duty	
	BYD Motors	BYD T7 Class 6 Cab-Forward Truck	
Truck	Chanje	Chanje V8100 All-Electric Panel Van	
	Lightning Systems	Lightning Systems Ford Transit 350HD with LightningElectric Drivetrain	
	Phoenix	Phoenix Motor Cars ZEUS Electric Flat Bed Truck	
Utility with Electric Power	Altec Industries, Inc	Altec 12E8 JEMS ePTO with Exportable Power	
Take-off	Altec Industries, Inc	Altec JEMS 1820 and 18E20 ePTO	

Attachment D: Availability of Mobile Source Zero-Emission Technologies

Availability	Vehicle/Equipment	References	Notes
	Light-Duty Cars/SUVs	https://www.arb.ca.gov/msprog/a cc/mtr/appendix c.pdf	
	Buses	https://www.arb.ca.gov/msprog/tech/techreport/bev_tech_report.pdf	
	Cargo Handling Equipment	https://www.arb.ca.gov/msprog/tech/techreport/che_tech_report.pdf	Not available for container top/side picks
Commercially Available	Locomotives: Switchers/Yard Goats, Passenger	https://www.arb.ca.gov/msprog/tech/techreport/final rail tech assessment 11282016.pdf	Catenary and electrified third rail technologies are available
	Ocean Going Vessels at Berth	https://www.arb.ca.gov/msprog/tech/techreport/ogv_tech_report.pdf	Shorepower, Bonnet
	Transportation Refrigeration Unit (TRUs)	https://www.arb.ca.gov/msprog/tech/techreport/tru_07292015.pdf	
	Medium-Duty Trucks	https://www.arb.ca.gov/msprog/tech/techreport/bev_tech_report.pdf	Delivery trucks are commercially available

Availability	Vehicle/Equipment	References	Notes
Early Commercialization	Small Construction Equipment	http://network.bellona.org/content/uploads/sites/3/2018/06/ZEC-Report-1.pdf, http://www.krameronline.com/en/discoverkramer/zero-emission/the-kramer-5055e/,	Available by 2020
	Heavy-Duty Trucks	https://www.arb.ca.gov/msprog/tech/techreport/bev_tech_report.pdf	Available by 2020
Demonstration	Commercial Harbor Craft	https://www.arb.ca.gov/msprog/tech/techreport/draft chc technology assessment.pdf	Demonstration project in Bay Area 2018-2019 to demonstrate zero-emissions hydrogen fuel cell ferry
	Container Top/Side Picks	https://www.joc.com/regulation-policy/la-lb-officials-say-zero-emissions-cargo-equipment-viable-2030 20180504.html; https://www.portoflosangeles.org/Board/2017/October%202017/101917 Regular Agenda Item 6 Transmittal 1.pdf	Battery electric top picks demonstrated in Los Angeles
Not Yet Available	Large Construction Equipment	http://network.bellona.org/content/uploads/sites/3/2018/06/ZEC-Report-1.pdf	
	Ocean Going Vessels at Sea	https://www.arb.ca.gov/msprog/tech/techreport/ogv_tech_report.pdf	Vessel speed reduction is available; all-electric autonomous container ship to be built in Norway
	Locomotive - Line Haul	https://www.arb.ca.gov/msprog/tech/techreport/final rail tech assessment_11282016.pdf	No technologies are available other than catenary or 3rd rail electrification that are too costly to deploy