

## Diesel Reduction Projects - Puget Sound Clean Air Agency's Quarterly Report

Contract No: PSCAA 200900046

Reporting Period: July-September 2009

Date of Report: October 31, 2009

### Financial Summary

	July-Sept 2009	Total To Date
Funds Received	\$575,000.00	\$575,000.00
Funds Expensed:		
ABC Fuels - Shipping Lines	\$126,000.00	\$126,000.00
ABC Fuels - Admin Costs	\$5,784.57	\$5,784.57
Truck Scrappage - Contractor	-	-
Truck Scrappage - Admin Costs	\$14,206.80	\$14,206.80
DERA Cargo-handling Grant	-	-
Total Expenses	\$145,991.37	\$145,991.37
Balance - Funds	\$429,008.63	\$429,008.63

### Program Summaries

#### At-Berth Clean Fuels (ABC Fuels) Incentive Program

The intent of the ABC Fuels Incentive Program is to encourage shipping lines to use low-sulfur fuel in their auxiliary engines while at port by providing a financial incentive. Shipping lines that meet the program requirements are reimbursed \$1,500 when they use fuels with less than 0.5% sulfur while at berth. The Agency processed 84 requests for reimbursements from the shipping lines for the first two quarters of the program and issued reimbursement checks totaling \$126,000. It is estimated that the ABC Fuels Incentive program resulted in a reduction of approximately 31 metric tons of SO<sub>2</sub> during the first two quarters

The following warrants were issued:

Matson - \$7,500

APL - \$24,000

COSCO - \$31,500

Hapag-Lloyd - \$33,000

NCL - \$24,000

Maersk - \$6,000

#### Truck Scrappage and Replacement Program

During the reporting period, Agency staff developed parameters for a program to scrap drayage trucks with pre-1994 engines that serve the Port of Seattle and offer replacement

trucks through third-party truck dealers. In addition, the Agency received word that its application with the City of Tacoma for a \$2.5M grant from the federal Congestion Mitigation for Air Quality (CMAQ) program to support a truck scrappage and replacement program targeted at the Tacoma-Seattle industrial area, including the Port of Tacoma and the City of Tacoma, as well as the Port of Seattle, had been selected for funding by the Puget Sound Regional Council. These additional funds will allow the Agency to implement a greatly expanded regional truck scrappage and replacement program, leveraging the Port of Seattle's contribution significantly with federal funds. The Agency is calling this regional program the Seaport Truck Scrappage and Retrofits for Air in Puget Sound (ScRAPS) Program.

The Agency is preparing a contract with non-profit and CMAQ funding co-applicant Cascade Sierra Solutions to implement the regional truck scrappage & replacement program. This contract will be in place prior to the launch of the program. Due to the timing of the availability of the additional federal funds, the regional program will be conducted in two phases, with the first phase being focused on trucks serving the Port of Seattle. This initial phase is planned to launch in the final quarter of calendar year 2009 (second quarter of Agency fiscal year 2010). When the federal funds are released early in 2010, the second phase will launch, with more of a Tacoma emphasis. From that point on, port funds will be used to provide the 13.5% match required under CMAQ.

#### **Cargo-Handling Equipment Retrofits— Matching Funds for US EPA Grant**

The Agency is administering a grant from the US EPA under the Diesel Emission Reduction Act (DERA) to retrofit cargo-handling equipment at the Ports of Seattle and Tacoma. Each Port provided matching funds as part of the grant application. Currently, the Agency has signed contracts with all Port of Seattle terminals and has identified candidates for California Air Resources Board (CARB) Level 2 retrofits. These devices will reduce the emissions from each retrofitted piece of cargo-handling equipment by approximately 50%. The Agency is using a state purchasing contract with Instrument Sales and Service, Inc., to perform the retrofits and has submitted work orders to the contractor. All necessary temperature profiling for cargo-handling equipment, except for yard trucks, should be completed by January 2010. Once the Agency's retrofit contractor begins installing retrofit devices and invoicing the Agency, the Port's \$100K contribution to this program will begin to be drawn down.