

# THE CARL MOYER PROGRAM

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CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY



Air Resources Board

# Today's Agenda

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- ◆ **Background**
- ◆ **Overview of SB1107, AB923, AB1394**
- ◆ **Program Advisories Implementing AB923**
- ◆ **Potential Guideline Modifications**

# The Carl Moyer Program

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## ▲ Purpose

- Obtain early NOx emission reductions from engines
  - Clean air goals (1994 ozone SIP)
  - Reduce NOx, also PM
- ## ▲ Provides grants to districts to fund local projects
- Incentives pay incremental cost of cleaner engines

# Current Project Criteria

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- ▶ Emission reductions must be surplus: not required by any existing regulation or legal agreement
- ▶ Must operate >75% in California
- ▶ Cost-effectiveness limit--\$13,600 per ton
- ▶ Minimum emission reductions
  - New vehicles--30%
  - Repowers or retrofits--15%

# Funding Through Year 6

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- ◆ Amount of Funding through year 6
  - \$154 million
- ◆ Funding Sources
  - Years 1 through 4 annual budget appropriations
  - Years 5 and 6 through Proposition 40

# Types of Projects Funded

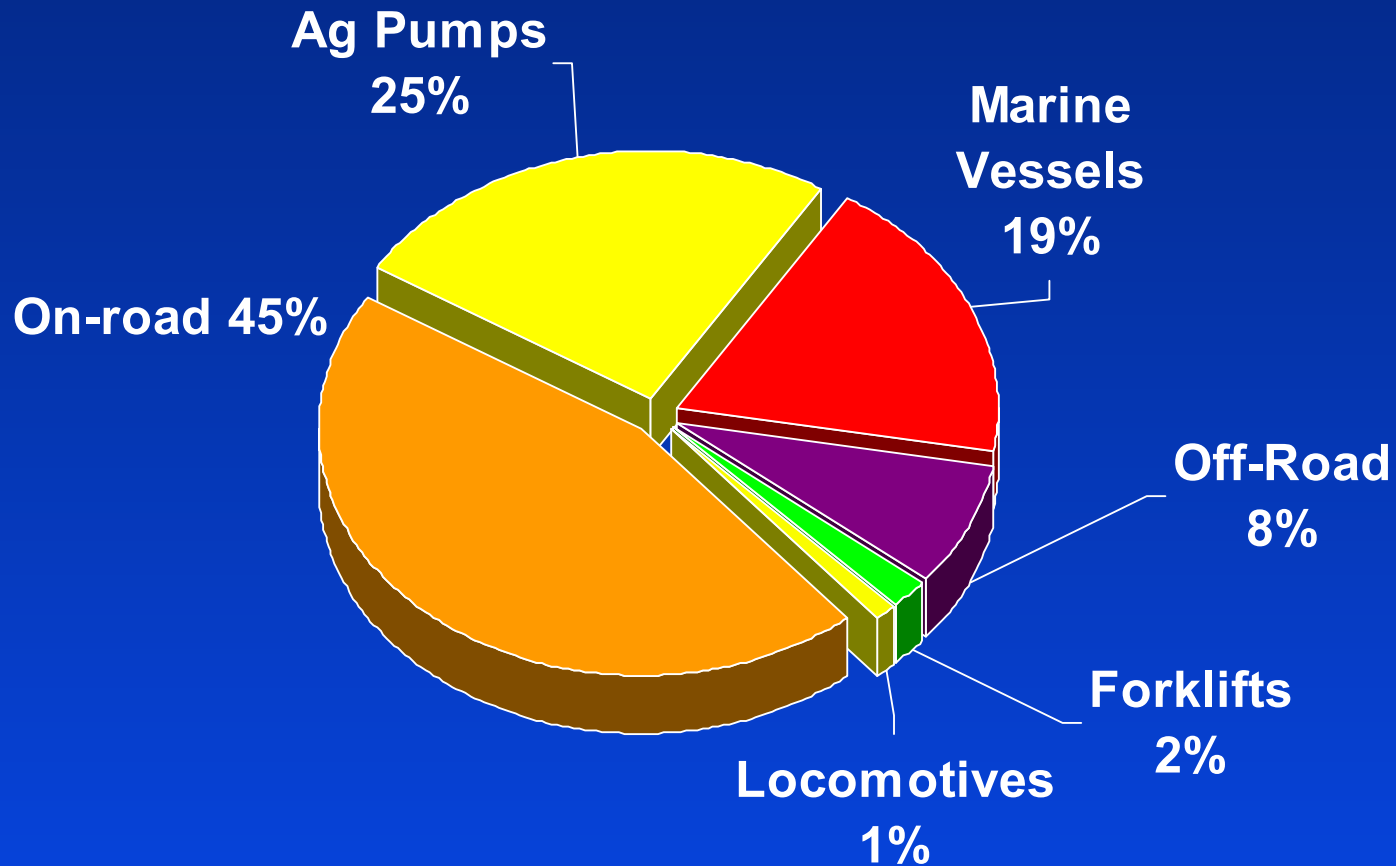
## (Years 1-6)

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- ◆ About 7,000 engines funded
- ◆ Alternative fueled engines
  - Line-haul trucks, refuse haulers, urban transit buses, school buses, agricultural equipment
- ◆ Electric forklifts
- ◆ Diesel-to-diesel marine vessel and agricultural pump repowers

# Types of Projects Funded

## Preliminary Estimates



**\*Years 1-6**

# Total Estimated Program Benefits (Years 1-6)

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- ◆ About 18 tons/day of NO<sub>x</sub>
- ◆ Over 1 ton/day of particulate matter
- ◆ About \$3,000/ton of NO<sub>x</sub>



# Future Program

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- ◆ Year 7 and beyond
  - Governor and Legislature secured continued funding through 2015 (SB1107, AB923)
  - Expanded the Carl Moyer Program
  - Today's meeting begins expansion of the program

# Upcoming Schedule

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- ◆ Three Workshop Periods
  - 1st Series - November and December 2004
  - 2nd Series - Late March 2005
  - 3rd Series - Late June 2005
- ◆ Guidelines available for public comment:  
September 2005
- ◆ Board Hearing: November 2005

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# SB1107, AB923, & AB1394 Overview

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- ◆ SB 1107 (FY04-05 budget)
  - Established a continued source of funding: \$61 million from adjustment to Smog Check fees
- ◆ AB 923 (Firebaugh)
  - Provided up to \$80 million from additional funding sources: tire fees and increase in DMV fees
  - Revised program requirements
  - Included new district allocation funding formula
- ◆ AB 1394 (Levine)
  - Incorporated heavy-duty fleet modernization

# SB1107, AB923, & AB1394 Overview

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- ◆ FY 04/05 (year 7) ~ \$30.5 million available  
January 2005
- ◆ FY 05/06 (year 8 & subsequent)
  - Air Resources Board ~ \$86 million
    - \$61 million from Smog Check fees
    - \$25 million from tire fees (reduced to \$16 million in 2007)
  - Air Districts ~ up to \$55 million
    - Local Boards may approve \$2 increase in DMV fees
    - SMAQMD and BAAQMD approved
  - BAR (AB 2128)
    - Additional funding for Smog Check scrap program

# Impacts of AB923/AB1394

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- ◆ Add PM & ROG emissions
  - Revise cost effectiveness
  - Review/revise current guidelines
- ◆ Add fleet modernization
- ◆ Add light-duty projects (e.g., car scrap)
- ◆ Add additional agricultural sources
- ◆ Incorporate new funding allocations
- ◆ Review administrative requirements
  - Reporting, auditing, match, district outreach, etc.

# Today's Agenda

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- ◆ **Background**
- ◆ **Overview of SB1107, AB923, AB1394**
- ◆ **Program Advisories Implementing AB923**
- ◆ **Potential Guideline Modifications**

# Proposed Program Advisories

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- ◆ Provide interim guidance to implement AB 923
- ◆ Extend existing Board-adopted policies
- ◆ Allow projects with existing protocols/regulations to proceed
- ◆ Defer projects for new sources and programs until Board adoption of funding protocols
  - New agricultural sources
  - Light-duty parts replacement



# Proposed Program Advisories

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- ◆ NOx, ROG, and PM Cost-Effectiveness and Project Life
- ◆ Fleet Modernization
- ◆ Voluntary Vehicle Scrap
- ◆ Motor Vehicle Fees
- ◆ Agricultural Sources

# (Proposed Program Advisories)

## NOx, ROG, and PM Cost-Effectiveness

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- ◆ Include NOx, PM and ROG reductions
- ◆ Give extra weight for combustion PM10 emission reductions (combustion PM10 x 10)
- ◆ Maintain maximum of \$13,600 per ton
- ◆ Reduced minimum project life
  - 3 years
  - 1 & 2 years on a case-by-case basis

(Proposed Program Advisories)

**NO<sub>x</sub>, ROG, and PM Cost-Effectiveness**

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**Annualized Cost**

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**[ NO<sub>x</sub> + 10 (combustion PM<sub>10</sub>) +  
non-combustion PM<sub>10</sub> + ROG ]**

# (Proposed Program Advisories)

## Fleet Modernization

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- ◆ New Moyer category created by AB 1394
- ◆ ARB will develop fleet modernization guidelines by November 2005
- ◆ ARB currently monitoring pilot programs
  - Sacramento
  - Southern California (Gateway Cities)

(Proposed Program Advisories)

# Voluntary Vehicle Scrap

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- ◆ Can be funded under Carl Moyer Program or \$2 motor vehicle fee
- ◆ Use existing ARB regulations governing scrap programs
- ◆ Projects must meet \$13,600 per ton cost-effectiveness threshold

# (Proposed Program Advisories)

## Motor Vehicle Fees

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- ◆ \$2 surcharge can be used for four types of projects:
  - Moyer - use Carl Moyer guidelines
  - School Bus - use ARB Low-Emission School Bus Guidelines
  - Scrap - use ARB car scrap regulation
  - Agricultural sources - use agricultural source Program Advisory
- ◆ ARB will monitor \$2 surcharge projects

# Today's Agenda

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- ◆ **History of the Program**
- ◆ **Overview of SB1107, AB923, AB1394**
- ◆ **Program Advisories Implementing AB923**
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# Funding

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- ◆ Local District Programs – 86.4%
- ◆ ARB for Multi-district Projects – 9.6%
  - Marine Projects
  - Retrofit Rebate
  - Locomotives
- ◆ Administration – 4%
  - 2% ARB Admin
  - 2% District Admin



# Program Administration

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## ◆ What won't change

- Local districts request and receive applications for funding, make grants, and monitor projects
- Select projects based on state guidelines
- Environmental justice funding requirement
- District match funding: grants for Moyer-eligible projects, infrastructure, alternative diesel fuels
- Multi-district projects: targeted funding/district administration

# Program Administration (cont.)

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- ◆ What may change
  - Applications, reporting and auditing process
  - Standard contract language
  - Standard monitoring process
  - Automated vehicle locators
  - Discontinue 25% PM reduction requirement

# Guideline Modifications

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- ◆ Emission reductions must be real, quantifiable, surplus, and enforceable
- ◆ Existing Chapters will be modified
  - Baseline inventory
  - Control technology and efficiency
  - “Certified” / “verified” systems
  - Interaction with new ARB/District rules
  - Reduced Allowable Project Life
  - Cost-effectiveness limit for cost of living adjustments
- ◆ Covered Pollutants include NO<sub>x</sub>, PM, and ROG

# Guideline Modifications (cont.)

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- ◆ Re-evaluate disposition of old engines
- ◆ Consider including retrofits on all repowers where available
- ◆ Additional Source Categories
  - Expand Agricultural Irrigation Pumps to Agricultural Sources
  - Expand Forklift Chapter to include Large Spark Ignited Engines
  - TRUs
  - Light-duty Vehicle Scrap
  - Fleet Modernization

# Contact Information

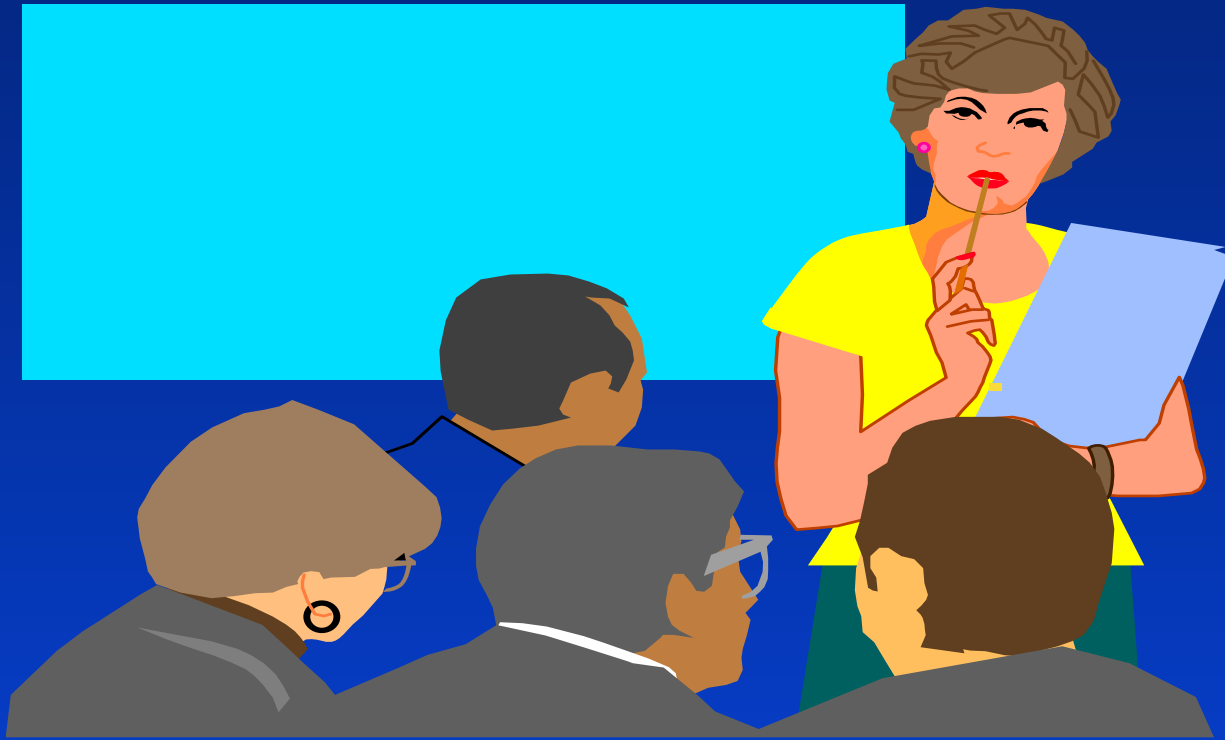
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**QUESTIONS AND COMMENTS**