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**Cc:** [Garcia, Lindsay@ARB](mailto:Garcia,Lindsay@ARB); [Hopkins, Chris@ARB](mailto:Hopkins,Chris@ARB); [Moore, John@ARB](mailto:Moore,John@ARB); [Buffington, Michelle@ARB](mailto:Buffington,Michelle@ARB); [Winters, Derek@arb](mailto:Winters,Derek@arb)  
**Subject:** FW: South Coast AQMD - Balboa Island Ferry Scenarios and Contract Execution Status  
**Date:** Tuesday, October 22, 2024 3:29:52 PM  
**Attachments:** [image003.png](#)  
[image001.png](#)  
**Importance:** High

Hi,

Please add the below email from South Coast AQMD to the Proposed Revisions to the Carl Moyer Memorial Air Quality Standards Attainment Program Guidelines docket.

Thank you,  
Debbie



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Mobile Source Control Division  
(279) 208-7423

**From:** Walter Shen <[WShen@aqmd.gov](mailto:WShen@aqmd.gov)>  
**Sent:** Friday, September 20, 2024 11:16 AM  
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**Subject:** South Coast AQMD - Balboa Island Ferry Scenarios and Contract Execution Status

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Hi Mirian –

Happy Friday and apologies again for this delayed email! We wanted to check on a few things and get our thoughts together before we submitted this email to you for review.

As we mentioned yesterday during our call, South Coast AQMD is working with Balboa Island Ferry (BIF) on their ZE project for their (3) short-run ferries. In our discussions with BIF, we ran a few scenarios and outcomes based primarily on (1) date of new Moyer GL amendment and adoption of new CE cap and (2) project life available based upon CHC regulation extensions. The scenario table is below and based upon several discussions, “Scenario 2” (highlighted) would be best suited for BIF with the maximum funds needed for the viability of the project, which will allow for the use of the 2017 Moyer GL’s 2-step, \$522K CE cap (with a 2 year project life):

	Scenario 1	Scenario 2	Scenario 3	Scenario 4
	<i>Execute Contract Before CARB Board in October for CMP GL</i>		<i>Execute AFTER CARB Approves CMP GL</i>	
CHC Extension Received	No	Yes	No	Yes
C/E	\$522K	\$522K	\$120K	\$120K
Project Life	1 year	2 years (?) *see CARB email below	1 year	2 years (?) *see CARB email below
Number of Boats	2	3	2	3
Award Amount	\$1,570,196	\$3,903,738	\$547,035	\$1,360,009

*\*Please note for Scenario 2, Project life of 2 years was used for both step 1 and step 2.*

We are urging CARB to expedite the ZEAT application because South Coast AQMD needs an approved ZEAT before we execute the contract with BIF; and our intent is to *execute the contract before CARB approves the Carl Moyer GL amendment on October 24<sup>th</sup>*. If we do not execute before October 24<sup>th</sup>, our understanding is that the new 2024 Moyer GL and the new \$120K CE cap (single step) will have be used and the project reevaluated, and thus the funding amount will drastically be impacted (see “Scenario 4”

above). That will be roughly a 65% decrease in funding.

South Coast AQMD is seeking clarification and approval to continue using the 2017 Carl Moyer GL with the 2-step \$522K CAP for this project with BIF, even after the CARB Board approval date of October 24<sup>th</sup>. Will that be possible? The GL language below is what triggered this request.

Also, attached is an Excel NOT for the scenarios in the table above, but to showcase that the new 2024 GL cap of \$120K single-step is NOT sufficient to provide comparable funding, especially in light of the updated EF and LF being applied towards the funding calculations. We are seeing up to 80% decrease of funds as compared to the 2-step \$522K cap from the 2017 Moyer GL. Please see Row 1 for the various calculation methodologies.

Please take a look and let me know if we can meet to discuss further – thanks Mirian!!

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[https://ww2.arb.ca.gov/sites/default/files/classic/msprog/moyer/guidelines/2017/2017\\_cmpgl.pdf](https://ww2.arb.ca.gov/sites/default/files/classic/msprog/moyer/guidelines/2017/2017_cmpgl.pdf)

## CHAPTER 2: GENERAL CRITERIA

The criteria listed below apply to all Carl Moyer Memorial Air Quality Standards Attainment Program (Moyer Program) projects. In addition to the criteria below, Moyer Program projects must also meet the additional project criteria found in the applicable source category chapter and the Program Administration Chapter. In cases where there is a conflict between the Guidelines and statute, the Moyer Program statutory provisions take precedence over the Guidelines. In cases where the source category requirements conflict with either the criteria listed below or Program Administration requirements, the source category requirements take precedence.

- A. Covered emission reductions obtained through Moyer Program projects must not be required by any federal, State or local rule or regulation, memorandum of agreement, memorandum of understanding, settlement agreement, mitigation requirement, or other legal mandate.
- B. If a Moyer Program project contract has not been fully executed prior to the approval date of an air quality management district or air pollution control district (air district) governing board or Air Resources Board (ARB) rule or regulation (or the promulgation date of a federal regulation) the air district must consider the rule or regulation when evaluating a project's eligibility. If a Moyer Program project contract has been fully executed prior to that date, the air district does not need to consider the rule in evaluating whether the project's emission reductions are surplus.
- C. An air district must consider all applicable rules or regulations when determining eligibility for a project. If an existing contract is amended to increase the total Moyer Program funding of the project, then the air district must reevaluate eligibility and consider all applicable rules or regulations. If the total dollars do not increase, then the air district does not need to reevaluate eligibility.
- D. A grant applicant subject to an in-use regulation may be eligible to receive funding through the Moyer Program if the applicant has met all compliance requirements of applicable regulations. Documentation of regulatory compliance must be provided by applicants to air districts upon funding.