



## **Carl Moyer Program Advisory: 04-12**

### **Diesel Hybrid-Electric Bus Offset Credits and Funding for Urban Transit Bus Fleets on the Diesel Path**

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**This advisory provides guidance on funding transit agency projects. A recent regulatory change impacts transit fleets on the diesel path.**

#### **What is the regulatory change for urban buses?**

The regulatory change (Air Resources Board hearing – 6/24/04) allows transit agencies, currently on the diesel path, to purchase diesel hybrid-electric buses that do not meet the emission standard for nitrogen oxides (NO<sub>x</sub>) of 0.5 g/bhp-hr. The increase in NO<sub>x</sub> emissions from such purchases must be offset through NO<sub>x</sub> reductions elsewhere in the fleet. The new regulation requires a transit agency to submit a mitigation plan to the ARB Executive Officer demonstrating how it will offset the increased NO<sub>x</sub> emissions. After the plan is approved, the transit agency can legally purchase the diesel HEB's.

#### **How does a transit agency mitigate the increased emissions?**

The diesel urban bus engine exhaust emission standard for NO<sub>x</sub> is 0.5 g/bhp-hr. If a transit agency plans to purchase a diesel HEB certified to a NO<sub>x</sub> emission standard of 1.8 g/bhp-hr, the excess emissions must be offset by reductions of 1.3 g/bhp-hr per HEB somewhere else in the fleet. For example, a transit agency could install NO<sub>x</sub> aftertreatment technology on its remaining diesel buses or repower an older bus with an engine certified to lower NO<sub>x</sub> emission standards.

#### **How does this effect the Carl Moyer funding of urban bus projects?**

Transit agency projects continue to be eligible for Moyer funding; however, Moyer-funded emissions reductions cannot be counted towards the requirement to offset NO<sub>x</sub> emissions when purchasing diesel HEB's.

#### **How can a district assure that a Moyer-funded transit agency project is eligible for funding?**

Prior to applying for Moyer funding for projects, transit agencies on the diesel path that plan to purchase HEB's should submit a mitigation plan to the ARB. (The regulation requires transit agencies to submit mitigation plans by January 1, 2005.) Based on these plans, District and ARB staff can then determine project eligibility. Contact Nancy Steele, [nsteele@arb.ca.gov](mailto:nsteele@arb.ca.gov) for a copy of a transit agency's mitigation plan.

#### **Where can I get additional information?**

Additional information regarding the fleet rule for transit agencies amendments for diesel HEB's can be found at <http://www.arb.ca.gov/regact/bus03/bus03.htm>

The Fleet Rule for Transit Agencies web site address is <http://www.arb.ca.gov/msprog/bus/bus.htm>.