

## **CALIFORNIA AIR RESOURCES BOARD**

### **NOTICE OF PUBLIC MEETING TO ADOPT REVISIONS TO THE CARL MOYER INCENTIVE PROGRAM GUIDELINES: LIGHT-DUTY VEHICLE CHAPTER**

The Air Resources Board (the Board or ARB) will conduct a public hearing at the time and place noted below to consider revisions to the Carl Moyer Incentive Program Guidelines: Light-Duty Vehicle Chapter. Consideration of the proposed revisions is tied directly to the proposed amendments to the Voluntary Accelerated Vehicle Retirement (VAVR) regulation, which is also scheduled for consideration at the same public hearing and is the subject of a separate notice. The proposed revisions to the VAVR regulation include adding criteria for the Voluntary Repair of Light-Duty Vehicles (VRV) and updating the VAVR sections in the Light-Duty Vehicle Chapter.

DATE: December 7, 2006

TIME: 9:00 a.m.

PLACE: Kern County Board of Supervisors  
1115 Truxtun Avenue  
Board Chambers, 1st Floor  
Bakersfield, CA 93301

This item will be considered at a two-day meeting of the Board, which will commence at 9:00 a.m., December 7, 2006, and may continue to 8:30 a.m., December 8, 2006. This item may not be considered until December 8, 2006. Please consult the agenda for the meeting, which will be available at least ten days before December 7, 2006, to determine the day on which this item will be considered.

For individuals with sensory disabilities, this document is available in Braille, large print, audiocassette, or computer disk. Please contact ARB's Disability Coordinator at (916) 323-4916 by voice or through California Relay Services at 711 to place your request for disability services. If you are a person with limited English and would like to request interpreter services, please contact ARB's Bilingual Manager at (916) 323-7053.

## **Background:**

The Carl Moyer Memorial Air Quality Standards Attainment Program funds projects that voluntarily reduce air emissions. Established in 1999 by sections 44275 through 44299.1 of the California Health and Safety Code (HSC), its purpose is to obtain early emission reductions (those that are not currently required by statute or regulation) in order to help California attain health-based ambient air quality standards and meet its air quality obligations under the State Implementation Plan. The Carl Moyer Program provides grants to local air districts for disbursement to applicants to fund the incremental cost of lower-emission vehicles, engines, and equipment. In essence, the Carl Moyer Program buys critical emission benefits that California needs to attain state standards and to meet federal air quality deadlines.

The Carl Moyer Program is implemented through guidelines, criteria, and protocols adopted by the ARB. The Board approved the last revisions to the Carl Moyer Program Guidelines in December 2005. In conjunction with proposed amendments to the VAVR regulation, it is necessary to revise the Carl Moyer Program Guidelines to reflect the proposed new provisions and emission information. If adopted by the Board, these proposed regulatory revisions will affect Carl Moyer Program projects.

Voluntary Accelerated Vehicle Retirement programs were first introduced in California in the early 1990s. The goal of such programs is to retire older, more polluting vehicles earlier than their expected lifetime, thereby eliminating the emissions associated with their continued operation. VAVR programs are strictly voluntary programs overseen by the ARB and administered by local air districts. To qualify for a VAVR program, a vehicle must meet registration, functionality, and equipment eligibility criteria. To accommodate car collectors and others with interest in vehicles offered for retirement, VAVR programs provide the public with an opportunity to purchase vehicles in whole or in part before the vehicles are retired.

The Health and Safety Code (sections 44100-44122) required ARB to adopt a regulation governing VAVR that included provisions for market-based, privately-operated, VAVR enterprises and the generation of emission reduction credits. The ARB adopted VAVR regulations in 1998 at title 13 California Code of Regulations (CCR) sections 2600-2611 and amended them in 2002.

Light-duty vehicle projects became eligible for Carl Moyer Program funding as a result of legislative changes enacted in 2004 (Assembly Bill 923; see HSC sections 44229 (b)(1) and (4) and section 44281 (a)(5)). The ARB first adopted project criteria for light-duty vehicle programs in the 2005 revision to the Carl Moyer Program Guidelines. At that time, the ARB approved guidelines for conventional VAVR programs operated in accordance with the ARB's existing regulations for VAVR. The ARB deferred the development of the Voluntary Repair of Light-duty Vehicles (VRV) guidelines until 2006 to allow time to fully evaluate the challenges of operating vehicle repair programs.

From March 2006 through September 2006, ARB staff held a series of public workshops to gather public comments regarding the proposed additions of criteria for the VRV as well as for the amendments to the VAVR regulation. ARB staff also worked closely with the air districts during development of the criteria and guidelines to facilitate flexibility with district programmatic needs. These guidelines are exempt from the Administrative Procedure Act (Government Code section 11340, et seq.) and instead are subject to specific adoption procedures specified in section 44287 of the Health and Safety Code, which directs ARB to allow the public 45 days to comment on any proposed revisions to the Carl Moyer Program before they may be adopted by the Board. The staff's proposed revisions were made available to the public on October 10, 2006 and will be considered by the Board at the time and place listed above.

### **Proposed Revisions:**

As part of the VAVR program, ARB staff is proposing criteria for inclusion of VRV programs in the Carl Moyer Program as an additional option for reducing emissions from high emitting vehicles. The proposed amendments to the 2002 VAVR regulation would authorize the optional use of remote sensing devices and other technologies to identify high emitting vehicles as possible candidates for voluntary retirement. These regulatory amendments will be considered in conjunction with closely related amendments to the Carl Moyer Program Guidelines. In such programs, the highest emitting vehicles in the fleet would be identified via remote sensing devices or other methods and the owners of these vehicles would be contacted and offered an opportunity to voluntarily retire their vehicles. The proposed changes to the VAVR regulation specify the framework for running a high emitter VAVR/VRV program and provide for calculating emission reductions that reflect the high-emitting nature of qualified vehicles. The proposed changes will leave in place existing provisions for conventional VAVR programs, where the emissions of the retired vehicle are assumed to reflect the average emissions of vehicles of the same model year. The changes will also establish the guidelines for inclusion of VRV under the VAVR regulation to further accelerate early emissions reductions from the light-duty vehicle fleet.

**Key Elements of the VRV:** Vehicle repair projects must achieve surplus emission reductions to receive funding under the Carl Moyer Program. Vehicle owners routinely pay for repairs on their own vehicles. Simply shifting the cost of repairs from the owner to the State does not, in and of itself, result in surplus emission reductions. Surplus emission reductions are achieved only by: (1) funding repairs that would not have occurred otherwise; and (2) accelerating repairs so they occur earlier than they would have otherwise. Distinguishing repairs that would only occur with State funding from those that would have happened in the absence of the Carl Moyer Program ("anyways reductions") is a challenge. Staff is proposing project criteria that attempt to prevent funding these "anyways reductions," and is proposing that districts evaluate their VRV plans to ensure their programs would prevent funding repairs which would have occurred in absence of the program.

Critical to the success of vehicle repair projects is ensuring that emission control system failures are correctly diagnosed and repaired so that real emission reductions are achieved. Staff is proposing project criteria requiring systematic diagnosis and repair in accordance with standard industry protocols to ensure that vehicles are correctly and efficiently repaired.

### **AVAILABILITY OF DOCUMENTS AND AGENCY CONTACT PERSONS**

The proposed revisions to the Carl Moyer Program Guidelines will be presented by ARB staff at the Board meeting. Copies of the proposed revised chapter of the Guidelines may be accessed on the ARB's web site:

<http://www.arb.ca.gov/msprog/moyer/moyer.htm>, or may be obtained from the Public Information Office, Air Resources Board, 1001 I Street, Visitors and Environmental Resources Center, 1<sup>st</sup> Floor, Sacramento, CA 95814, (916) 322-2990 at least 45 days prior to the scheduled hearing on December 7, 2006.

Further inquiries concerning this matter may be directed to the designated agency contact persons: John Kato, Manager of the Innovative Strategies Section, at (916) 322-2891 or by e-mail at [jkato@arb.ca.gov](mailto:jkato@arb.ca.gov); Andrew Panson, Staff Air Pollution Specialist, at (916) 323-2881 or by e-mail at [apanson@arb.ca.gov](mailto:apanson@arb.ca.gov); or Tom Roemer, Air Pollution Specialist, at (916) 322-1520 or by e-mail at [troemer@arb.ca.gov](mailto:troemer@arb.ca.gov).

### **SUBMITTAL OF COMMENTS**

Interested persons may present comments relating to this matter orally or in writing at the hearing, and in writing or by e-mail before the hearing. To be considered by the Board, written submissions not physically submitted at the hearing must be received **no later than 12:00 noon, December 6, 2006**, and addressed to the following:

Postal mail: Clerk of the Board, Air Resources Board  
1001 I Street, Sacramento, California 95814

Electronic submittal: <http://www.arb.ca.gov/lispub/comm/bclist.php>

Facsimile submittal: (916) 322-3928

The Board requests but does not require that 30 copies of any written statement be submitted and that all written statements be filed at least ten days prior to the hearing so that ARB staff and Board Members have time to fully consider each comment. The ARB encourages members of the public to bring to the attention of staff in advance of the hearing any suggestions for modification of the proposed action.

The public may request a copy of the modified regulatory text from the ARB's Public Information Office, Air Resources Board, 1001 I Street, Visitors and Environmental Services Center, 1<sup>st</sup> Floor, Sacramento, CA 95814, (916) 322-2990.

CALIFORNIA AIR RESOURCES BOARD

Catherine Witherspoon  
Executive Officer

Date: October 10, 2006