

PROPOSED CHANGES TO THE CARL MOYER PROGRAM GUIDELINES FOR ON-ROAD RETROFITS AND FLEET MODERNIZATION PROJECTS

Mail-Out #MSC 10-29

Summary of Public Comments and Agency Responses

The following comments were presented prior to or at the June 17, 2010 Public Meeting.

- 1. Comment:** Based on the BACT Schedule in the Statewide Truck & Bus Regulation, PM reductions are not required for 1996 trucks until January 1, 2013. Trucks that operate exclusively in NOx exempt areas, such as San Luis Obispo, are not required to reduce NOx emissions until January 1, 2021. If the proposed changes are approved, could the Carl Moyer Program provide fleet modernization funding based on NOx, ROG, and PM reductions for two years if the project is completed before January 1, 2011?

Agency Response: Funding eligibility depends on the surplus time period requirement that applies to the project. For fleet modernization projects, the minimum surplus period is three years for large fleets, and two years for small fleets. The surplus requirement applies to each pollutant that is included in the project's cost-effectiveness calculation. In the scenario described in the comment above, a fleet modernization project involving a small fleet in a NOx exempt area that is completed before January 1, 2011 would be eligible for NOx, ROG and PM funding. If the project was for a large fleet it would not be eligible for PM funding because the two year PM surplus period does not meet the three year surplus minimum for large fleets. Note that eligibility may differ for vehicles that are not subject to the Statewide Truck & Bus Regulation.

- 2. Comment:** In a fleet modernization project, if the baseline truck is designated as a NOx exempt area truck and the replacement truck has a model year 2010 or later engine that meets the NOx and PM BACT requirements of the Statewide Truck & Bus Regulation, would the replacement truck be restricted to operating exclusively in the NOx exempt area?

Agency Response: Statutory requirements for the Carl Moyer Program prohibit funding projects that are required by regulation. Therefore, if eligibility for the baseline truck is dependent on its status as a NOx exempt area truck, then the replacement truck must operate exclusively in a NOx exempt area during the contract term. Participant contracts must include a provision that requires that

the vehicle must operate exclusively in NOx exempt areas of the state. After the contract term, usage is not restricted.

- 3. Comment:** Are any changes being proposed to expand engine model year eligibility for retrofits?

Agency Response: No. Currently, only trucks in small fleets with engine model year 2004-2006 are eligible for on-road retrofit funding because of surplus emission reduction requirements. The scope of the currently proposed changes is limited to those described in the Public Meeting notice. However, additional program changes may be proposed through the Carl Moyer Program Retooling process. For more information on Retooling, please visit www.arb.ca.gov/msprog/moyer/retooling.htm.

- 4. Comment:** Are any changes being proposed to reduce the minimum three year surplus period for retrofit projects?

Agency Response: No. The minimum three year surplus period applies to all on-road retrofit projects in fleets of any size. As described in the Agency Response to Comment #3 above, additional program changes may be proposed through Carl Moyer Program Retooling process. For more information on Retooling, please visit www.arb.ca.gov/msprog/moyer/retooling.htm.