



Senate Bill 513:

# **Carl Moyer & Lower-Emission School Bus Programs Proposed Revisions**

November 17, 2015

California Air Resources Board

10:00 am - 12:00 pm

# Overview

- Programs Background
- SB 513 Actions
- Proposed Guidelines Changes
  - Carl Moyer Program
  - Lower-Emission School Bus Program

# Carl Moyer and Lower-Emission School Bus Programs



# Carl Moyer Program Background

- Statewide, locally-directed program for cost-effective SIP-creditable emissions reductions
- Budgeted at \$69 Million annually
- Districts provide matching funds
- Funds cleaner-than-required equipment
- Reduce NO<sub>x</sub>, ROG and/or PM

# Lower-Emission School Bus Program (LESBP) Background

- Reduce school children's' exposure to both cancer-causing & smog-forming pollution
- Provides grant funding for newer, cleaner school buses
- Districts select projects

# Senate Bill 513 (SB 513, Beall, 2015)



# SB 513 Actions: Enhancing Carl Moyer

- Signed on October 8, 2015
- Improvements based on AB 8 public evaluation
  - Increase ability to fund school bus projects
  - Allow greater fund leveraging from multiple sources
  - Streamline the administration process
  - Adjust the cost-effectiveness limit based on cost of both technology and regulations
  - Expand project categories

# Carl Moyer Guideline Changes

- Near-term – Adjust current Guidelines
  - Implement many SB 513 enhancements
  - Annual cost-effectiveness adjustment for inflation
  - Effective January 1, 2016
- Long-term – New Guidelines
  - Workshops in 2016
  - Implement remaining SB 513 enhancements
  - Propose to the Board prior to July 1, 2017

# Better Enable School Bus Projects

- Moyer project grant not to exceed cost caps contained in the LESBP
- Program Guidelines will report average cost-effectiveness values

# Combine Funding

SB 513 Allows Applicants to stack grant funding...

- Sum total of all grants must not exceed project costs
- Avoid double-counting of emissions reductions
- Leverage without penalty to project grant amount
  - Tax credits or deductions
  - Public rebates or loans
  - Local air district penalty funds
  - Public agency applicant funds toward the project
  - ARB's Low Carbon Transportation & Air Quality Improvement Program funds
  - Allow more funds in new 2017 Guidelines

# Program Implementation Improvements

Years of experience have helped identify where the Program can be improved

- Increase district project application review period
- Provide additional funding for program implementation and outreach
- Simplify Districts' fiscal deadlines
- Restructure reallocation process to expedite expenditure of funds
- Allow all eligible Moyer projects to count toward local district match requirement

# Allows Cost-Effectiveness Adjustments

## Near-term adjustment

- Adjust solely for inflation
- Cost-effectiveness limit increases from \$18,030 to \$18,260
- Value used for contracts beginning January 1, 2016

# Long-Term Improvements: Cost-Effectiveness

- SB 513 recognized that ...
  - Cost of cleaner technology out-paced inflation
  - Grant amounts not providing the tipping point for deploying the cleanest technology
- SB 513 provides ARB the ability to adopt new values through a public process
- Factors to consider:
  - Cost of technology
  - Cost of State regulations and local district rules
- New 2017 Guidelines will include additional factors

# Long-Term Improvements: Additional Project Types

- SB 513 recognized ...
  - Need to increase pool of eligible projects that maximizes emission reductions
  - Program adapt quickly to support future clean technologies
- Include fueling and energy infrastructure projects
- Additional categories considered during public process

# Short-Term Proposal Summary:

## Carl Moyer

- Streamlining: Chapter 3 & Appendix B
- Leveraging: Chapters 2, 3, 14 & Appendix C
- School Bus:
  - Chapters 3, 4 & 5
  - Appendices A & C
  - Part 3, Agricultural Assistance Program
- Cost-Effectiveness: Appendix G

# LESBP Changes

- Allows district AB 923 funding for repower projects
- Removes statutory funding caps on natural gas tank replacements
- Raises administrative funding to 6.25 percent
- Removes ownership limitations for natural gas tank replacement & deteriorating natural gas fueling dispensers
- Updates project funding caps

# LESBP Funding Caps\*

| Project Type  | Cost Cap |
|---|----------|
| Natural Gas Tank Replacements<br>Enhancement of Deteriorating Natural Gas Fueling<br>Dispensers<br>Vehicle to Grid Infrastructure | No Cap   |
| New Electric School Bus Purchase & Electric School<br>Bus Conversion  | \$400 K  |
| New School Bus Purchase (except electric)   | \$165 K  |
| Repower   | \$70 K   |
| Retrofit (includes infrastructure and up to \$2,500 for<br>cleaning)  | \$20 K   |
| Alternative-fueled Infrastructure   | \$16.5 K |

\* For AB 923 funds and other funds that do not come with specified cost caps

# Process

- November 2, 2015:  
Released proposed changes for 45-day public comment period
- December 18, 2015:  
Public comment period ends
- January 1, 2016: SB 513 becomes law

*Intend to release final approved changes to the Program Guidelines prior to January 1, 2016.*

# Contact Information

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