

CALIFORNIA AIR RESOURCES BOARD

NOTICE OF PUBLIC MEETING TO CONSIDER PROPOSED REVISIONS TO THE CARL MOYER MEMORIAL AIR QUALITY STANDARDS ATTAINMENT PROGRAM GUIDELINES (GUIDELINES) FOR ON-ROAD HEAVY-DUTY TRUCKS

The Air Resources Board (ARB or Board) will conduct a public meeting at the time and place noted below to consider amendments to the Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program) Guidelines.

DATE: July 24, 2014

TIME: 9:00 a.m.

PLACE: California Environmental Protection Agency
Air Resources Board
Byron Sher Auditorium
1001 I Street
Sacramento, California 95814

This item may be considered at a two-day meeting of the Board, which will commence at 9:00 a.m., July 24, 2014, and may continue at 8:30 a.m., on July 25, 2014. This item may not be considered until July 25, 2014. Please consult the agenda for the meeting, which will be available at least 10 days before July 24, 2014, to determine the day on which this item will be considered.

Since 1998, the Carl Moyer Program has filled a critical niche in California's strategy to achieve clean air. The Carl Moyer Program provides grant funding for the incremental cost of cleaner-than-required engines, equipment, and emission reduction technologies. The Carl Moyer Program complements California's regulatory programs by funding emission reductions that are surplus, i.e., early and/or in excess of what is required by regulation. The funded projects must also meet a statutory cost-effectiveness limit that is currently set at \$17,720 per ton of reduced emissions. The current funding authority for the Carl Moyer Program is \$69 million annually with an additional \$12 million annually provided by local air pollution control districts or air quality management districts (air districts) as matching funds.

The Carl Moyer Program has been successfully implemented through the cooperative efforts of the ARB and the air districts. Health and Safety Code Section 44286 directs ARB to oversee the Carl Moyer Program by managing program funds, developing and revising guidelines, protocols, and criteria for covered vehicle projects, and determining methodologies for evaluating project cost-effectiveness. Air districts are responsible for selecting projects for funding, providing grants to public and private entities for those projects, and monitoring the projects. The ARB is responsible for monitoring air district

implementation of the program and ensuring funded projects meet Guideline requirements and expected emission reductions for the life of the projects.

Health & Safety Code section 44287 authorizes ARB to revise the Guidelines when it is necessary to improve the ability of the program to achieve its goals. Section 44287 also instructs ARB to work with California's air districts, provide a 45 day public comment period on the proposed revisions, and hold at least one public meeting to consider public comments prior to adopting any revisions to the Guidelines. In April 2014 when the Board took action to amend the Truck and Bus Regulation, stakeholders indicated concern about how the changes would impact eligibility to receive funding and how small fleets could receive priority. Staff has had numerous discussions with air districts and a public workshop on May 2, 2014, regarding these issues. As a result of these collaborative efforts, ARB staff is proposing the following revisions to the Guidelines.

Major Proposed Revisions:

The following sections highlight the major revisions proposed for the Guidelines. In general, staff expects the proposed changes would increase funding opportunities and participation, align the Guidelines to be consistent with Board priorities, and simplify program administration. Projects funded under staff's proposed changes would still need to meet the program's statutory cost-effectiveness limit.

Reduce Surplus Emission Reduction Period

Carl Moyer Program funded projects must provide emissions reductions beyond those required by regulation. Currently, the Guidelines reflect previous Board policy that small on-road fleets must take action two years prior to a compliance deadline to be eligible for funding. However, based on the Board's April 25, 2014 action regarding the Truck and Bus Regulation, staff proposes to shorten that period to one year. This would potentially reduce the amount of emissions reductions that would be realized for each project funded, but allows a longer period of eligibility, offering some funding opportunities for fleets that would otherwise have none.

Reduce Minimum California Usage Requirement

Currently, the Guidelines require at least 75 percent of a vehicle's usage to occur in California. In an effort to expand funding to fleets that do more interstate travel but are still California registered, staff proposes to reduce the usage requirement to 51 percent California usage. This would reduce the amount of emission reductions that would be realized for each project funded, but also allow some funding for fleets that would otherwise have none.

Prioritize On-Road Funding to Small Fleets

In the past few years, the Carl Moyer Program has focused on-road funding opportunities toward smaller fleets subject to the Truck and Bus Regulation. Currently, only fleets with 10 or fewer vehicles are eligible. Considering the Board's recent amendments to the Truck and Bus Regulation, public comments,

and Board member discussions, staff believes the most significant component of the effort to expand funding opportunities to small on-road fleets is to prioritize funding eligibility to fleets with three or fewer vehicles. This will focus more funding opportunities toward smaller fleets, whose owners often have fewer resources to meet compliance requirements, that are willing to reduce emissions earlier than or in excess of what the regulation requires.

Include Light Heavy-Duty Vehicles

Currently, the Carl Moyer Program limits funding to vehicles with Gross Vehicle Weight Ratings (GVWR) over 19,500 pounds. Staff proposes to expand that eligibility to light heavy-duty vehicles with GVWR over 14,000 pounds which are also subject to the Truck and Bus Regulation.

Carl Moyer Program Clarifications

Staff is proposing numerous changes to the administrative procedures that will further streamline and clarify air district administration requirements while still maintaining a robust program. These proposed revisions include:

- Specifying applicable compliance deadlines in the Voucher Incentive Program tables;
- Clarifying compliance check procedures and required documentation;
- Citing source of emission factors used in the emission reduction calculations;
- Requiring that no more than 80 percent of a vehicle's cost may be funded to ensure that granted funds do not pay for the full used vehicle cost; and
- Clarifying eligible engine/vehicle replacements.

AVAILABILITY OF DOCUMENTS AND AGENCY CONTACT PERSONS

ARB staff has prepared a *Summary of Proposed Changes to Guidelines* which includes reasons for the proposed changes. Copies of the summary and full text of the proposed Guideline revisions in underline and strikeout format may be obtained from ARB's Public Information Office, 1001 I Street, First Floor, Environmental Services Center, Sacramento, California, 95814, (916) 322-2990, on June 6, 2014. The report may also be obtained from ARB's website at <http://www.arb.ca.gov/msprog/moyer/moyer.htm>.

Inquiries regarding this matter should be directed to Danielle Robinson, Air Resources Engineer, at (626) 575-6775 or Tess Sicat, Manager, (626) 459-4435.

SUBMITTAL OF COMMENTS

Interested members of the public may present comments orally or in writing at the meeting and may provide comments by postal mail or by electronic submittal before the meeting. To be considered by the Board, written comments not physically submitted at the meeting, must be received **no later than 5:00 pm on July 21, 2014**, 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>

Please note that under the California Public Records Act (Government Code section 6250 et seq.), your written and verbal comments, attachments, and associated contact information (e.g., your address, phone, email, etc.) become part of the public record and can be released to the public upon request.

ARB requests that written and email statements on this item be filed at least 10 days prior to the meeting so that ARB staff and Board members have additional time to consider each comment.

SPECIAL ACCOMMODATION REQUEST

Consistent with California Government Code Section 7296.2, special accommodation or language needs may be provided for any of the following:

- An interpreter to be available at the meeting;
- Documents made available in an alternate format or another language;
- A disability-related accommodation.

To request these special accommodations or language needs, please contact the Clerk of the Board at (916) 322-5594 or by facsimile at (916) 322-3928 as soon as possible, but no later than 10 business days before the scheduled Board meeting. TTY/TDD/Speech to Speech users may dial 711 for the California Relay Service.

Consecuente con la sección 7296.2 del Código de Gobierno de California, una acomodación especial o necesidades lingüísticas pueden ser suministradas para cualquiera de los siguientes:

- Un intérprete que esté disponible en la audiencia;
- Documentos disponibles en un formato alterno u otro idioma;
- Una acomodación razonable relacionados con una incapacidad.

Para solicitar estas comodidades especiales o necesidades de otro idioma, por favor llame a la oficina del Consejo al (916) 322-5594 o envíe un fax a (916) 322-3928 lo más pronto posible, pero no menos de 10 días de trabajo antes del día programado para la audiencia del Consejo. TTY/TDD/Personas que necesiten este servicio pueden marcar el 711 para el Servicio de Retransmisión de Mensajes de California.

CALIFORNIA AIR RESOURCES BOARD



Richard W. Corey
Executive Officer

Date: June 6, 2014

The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our website at www.arb.ca.gov.