

CHAPTER 2: GENERAL CRITERIA

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I. Guidance

The criteria listed below apply to all Carl Moyer Memorial Air Quality Standards Attainment Program (Moyer Program) projects. In addition to the criteria below, Moyer Program projects must also meet the additional project criteria found in the applicable source category chapter and the Program Administration Chapter. In cases where there is a conflict between the Guidelines and statute, the Moyer Program statutory provisions take precedence over the Guidelines. In cases where the source category requirements conflict with either the criteria listed below or Program Administration requirements, the source category requirements take precedence.

- A. Covered emission reductions obtained through Moyer Program projects must not be required by any federal, State or local rule or regulation, memorandum of agreement, memorandum of understanding, settlement agreement, mitigation requirement, or other legal mandate.
- B. No project funded by the Moyer Program may be used for credit under any federal or State emission averaging, banking or trading program throughout the contract term. No covered emission reductions generated by the Moyer Program may be used as marketable emission reduction credits, or to offset any emission reduction obligation of any person or entity throughout the contract term (Health and Safety Code (H&SC) Section 44281(b)).
- C. If a Moyer Program project contract has not been fully executed prior to the approval date of an air quality management district or air pollution control district (air district or district) governing board or California Air Resources Board (CARB or Board) rule or regulation (or the promulgation date of a federal regulation) the air district must consider the rule or regulation when evaluating a project's eligibility. If a Moyer Program project contract has been fully executed prior to that date, the air district does not need to consider the rule in evaluating whether the project's emission reductions are surplus.
- D. An air district must consider all applicable rules or regulations when determining eligibility for a project. If an existing contract is amended to increase the total Moyer Program funding of the project, then the air district must reevaluate eligibility and consider all applicable rules or regulations. If the total dollars do not increase, then the air district does not need to reevaluate eligibility.
- E. A grant applicant subject to an in-use regulation may be eligible to receive funding through the Moyer Program if the applicant has met all compliance requirements of applicable regulations. Documentation of regulatory compliance where applicable must be provided by applicants to air districts prior to funding.
- F. Participating air districts retain the authority to impose additional, more stringent requirements to address local concerns.
- G. The new engine, vehicle, or equipment must remain in service for the entire contract term. Throughout the contract term, the emission reductions funded by the Moyer

Program must not be used to generate credits or compliance extensions and must be excluded when determining regulatory compliance (H&SC Section 44281(b)).

- H. Projects funded by the Moyer Program must be included when determining the size of the fleet for applicable regulatory compliance, though it may not count toward regulatory compliance until the contract is completed.
- I. The State Board and the air districts shall take all appropriate and necessary actions to ensure that all covered emission reductions achieved from a Moyer Program project are creditable in the State Implementation Plans (SIP) and are enforceable, surplus, quantifiable and permanent (H&SC Section 44286(g)).
- J. CARB will provide protocols for calculating surplus covered emission reductions over the life of representative project types (H&SC Section 44283(c)).
- K. When Moyer funds are used for co-funded projects, the Moyer Program will account for all covered emission reductions for SIP purposes (H&SC Section 44287.2(a)(4)).
- L. Projects co-funded with the Moyer Program and other public funds must meet all requirements of the contributing programs. Grantees from non-public entities must provide at least 15 percent of the Moyer eligible cost (MEC) from non-public sources, applicant cost share (ACS).
- M. Applicants must report to air districts all private or public financial incentives applied for or used to co-fund Moyer projects (H&SC Section 44283(g)). The air district must ensure that the sum of the other incentive funds and the Moyer funds does not exceed the total project cost (H&SC Section 44287.2(b)). Appendix C contains an example of the calculation methodology.
- N. Moyer funds, all local air district AB 923 funds, and match funds must be included in the project cost-effectiveness calculation and are subject to cost-effectiveness limits (H&SC Section 44283(d)). Funds from sources other than those listed here are not required to be included in the project cost-effectiveness calculation (H&SC Section 44287.2(a)).
- O. Projects must have at least 75 percent of their total activity for the project life in California, unless otherwise stated in the source category chapters. Activity outside of California is excluded from the covered emission reductions used to determine grant funding and SIP emissions benefits.
- P. Projects selected for funding must meet cost-effectiveness limits per weighted ton of oxides of nitrogen (NO_x), reactive organic gases (ROG), and particulate matter (PM) reduced, as calculated in accordance with Appendix C, except in the case of infrastructure projects.
- Q. Funding is not available for projects where a spark-ignition engine (i.e., natural gas, gasoline, etc.) is replaced with a diesel engine.
- R. In circumstances where an eligible vehicle or piece of equipment has more than one engine, the air district may choose to base the cost-effectiveness calculation on

overall vehicle/equipment emission reductions rather than on a per engine basis. The project must meet the current project cost-effectiveness limit.

- S. No public monies are allowed for the support of any sectarian or denominational school, or any school not under the exclusive control of the officers of the public schools. (California Constitution Article 16 Section 5 and Art. 9 Section 8).
- T. Baseline and replacement engines operating under flexibility provided by an enforcement discretion advisory, mail-out or other advisory issued by CARB, an air district, or the United States Environmental Protection Agency (U.S. EPA) are not eligible for funding.
- U. Moyer Program grants can be no greater than a project's incremental cost.
- V. Moyer Program funds cannot be used to pay for energy or fuel costs. However, local funds under an air district's budget authority or fiduciary control (i.e., match or other local funds) may be used to fund energy or fuel costs other than standard gasoline or diesel fuel, when those costs are integral to a project receiving grant funding under the Moyer Program (H&SC 44283(f)).
- W. Project engines and retrofits must use only the fuel allowed by the engine certification or retrofit device verification during the project life. Fuel additives are prohibited unless specifically allowed in the engine certification or retrofit device verification.
- X. For a repower project, the installation of the engine must be completed in a manner that does not void the engine warranty provided by the manufacturer or any remaining warranty provided by the equipment/vehicle manufacturer.
- Y. This can occur as long as the engine complies with the requirements of the guidelines, and the old engine must be destroyed before a payment to the grantee is issued for the new engine.
- Z. The revised cost-effectiveness limit and capital recovery factors may be used by air districts once the Board adopts the updated Moyer Program Guidelines, but must be used by July 1 following its adoption. CARB will evaluate the cost-effectiveness limit and capital recovery factors annually and notify air district and the public of updates accordingly.
- AA. CARB may approve, on a case-by-case basis, projects that vary from the requirements of these Guidelines or that do not meet all eligibility criteria in the Guidelines. Projects with case-by-case approvals must provide permanent, surplus, quantifiable, enforceable, cost-effective emission reduction benefits in California for the full contract term. Additional information regarding approval of case-by-case projects is found in the Program Administration chapter.
- BB. Emission reduction technologies must be certified or verified by CARB. If a CARB certification or verification process does not exist or if engines or retrofits are preempted from CARB certification/verification, then an engine or retrofit must be certified/verified to Federal standards as applicable. For the purposes of the Moyer Program, a technology granted a conditional certification/verification by CARB is

considered certified/verified. A CARB certification process may not exist for some zero-emission technologies. See the relevant source category chapter for specific requirements for zero-emission technologies.

II. Acronyms

Acronym	Definition
AB	Assembly Bill
CARB	California Air Resources Board
H&SC	Health and Safety Code
NOx	Oxides of Nitrogen
PM	Particulate Matter
ROG	Reactive Organic Gases
SIP	State Implementation Plan
U.S. EPA	United States Environmental Protection Agency

III. Definitions

Air District or District: An air pollution control district or an air quality management district.

Applicant Cost Share (ACS): The 15 percent or more of Moyer Eligible Cost (MEC) that is paid by the applicant, except when waived for public entity applicants.

Baseline Technology: Engine technology applied under normal business practices, such as the existing engine in a vehicle or equipment for replacements, repowers, and retrofits.

Case-by-Case Determination: A process in which local air districts may request Moyer Program staff to review and approve a project that varies from the specific requirements of these Guidelines only if such approval will not adversely affect the achievement of real, surplus, quantifiable, enforceable and cost-effective emission reductions. See Chapter 3: Program Administration, Section W for additional information.

Certification: A finding by the California Air Resources Board (CARB) or the U.S. EPA that a mobile source or emissions control device has satisfied applicable criteria for specified air contaminants.

Cost-Effectiveness: A measure of the dollars provided to a project for each ton of covered emission reduction (H&SC Section 44275(a)(4)).

Cost-Effectiveness Limit: The maximum amount of funds the Moyer Program will pay per weighted ton of emission reductions, using the methodology in Appendix C.

Covered Emissions: Emissions of oxides of nitrogen, particular matter, and reactive organic gases from any covered source.

Covered Source: On-road vehicles, off-road non-recreational equipment and vehicles,

locomotives, marine vessels, agricultural sources of air pollution as defined in Section 39011.5 and as determined by the State Board, other categories necessary for the State and air Districts to meet air quality goals (H&SC Section 44275(a)(7)).

Executed Contract: A legally binding contract signed by the local air district Air Pollution Control Officer, or other air district designated representative, and the grantee to fund an eligible engine, equipment, or vehicle project that will reduce covered emissions. An executed contract is a program milestone in which parties agree to meet the obligations within the contract by a specified date.

Funding Amount: The amount of funds dedicated to a contracted project for reporting purposes in CARL; this value may never exceed the grant amount.

Grant Amount: Contracted amount of Moyer funds for a project, which may not exceed the maximum dollar amount or maximum percentage of eligible cost specified by source category and project type.

Incremental Cost: The cost of the project less a baseline cost that would otherwise be incurred by the applicant in the normal course of business. Incremental costs may include added lease, energy, or fuel costs pursuant to Health and Safety Code Section 44283 as well as incremental capital costs.

Interest Revenue: Interest generated from Moyer Program funds held by an air district in interest-bearing accounts. Interest earned on Moyer Program funds becomes Moyer Program funds.

Local Funds: Monies provided by any unit of local government including a publicly owned utility and Joint Powers Authority.

Match Funds: Funds under an air district's budget authority that will be applied towards eligible Moyer Program projects in accordance with the matching requirements of the program. See Health and Safety Code Section 44287(e) and 44287.2(c).

Maximum Dollar Amount: The maximum amount of funds that may be expended on a project as specified by source category and project type, often to reflect incremental cost.

Maximum Percentage: The maximum percentage of eligible cost that may be expended on a project as specified by source category and project type, often to reflect incremental cost.

Memorandum of Agreement (MOA) or Memorandum of Understanding (MOU): A document recording the basic terms of a proposed transaction or setting forth the principles and guidelines under which parties will work together.

Moyer Eligible Cost: Costs associated with projects that are eligible for reimbursement under the Moyer Program, prior to considering the cost-effectiveness limit or any project funding cap restrictions. This includes the sum of Moyer Paid Cost and Remaining Eligible Cost.

Moyer Ineligible Cost: Costs associated with a project that are not eligible under the Moyer Program guidelines, but are eligible project costs under other funding sources.

Moyer Paid Cost: Project costs eligible under the Moyer Program, and are to be paid by the

Moyer Program. These costs are used to determine project cost-effectiveness, except in the case of infrastructure projects.

Moyer Program Funds: State funds awarded by CARB to local air districts to implement the Moyer Program, including project and administrative, and interest revenue from the awarded funds, and revenues from salvage of equipment scrapped under the program. Local funds that are under the air district's budget authority may also qualify as Moyer Program funds or match funds (see H&SC Section 44287(e)); however, certain limitations apply (see H&SC Section 44287(j)).

Program Milestone: A measure of progress toward meeting Moyer Program grant terms or statutory requirements. Examples are contract execution, liquidation and (in Chapter 5) commitment.

Project Life: The period for which the Moyer Program funds surplus emission reductions for a given project.

Public Funds: Funds provided toward project costs by local, State or federal public entities, including grants, rebates and vouchers.

Public Entity: The State of California, a public university or college, a county, city, district, public authority, public agency, public corporation, another state government, the federal government, or any other subdivision or agency of a state government or the federal government.

Repower: A repower is the replacement of the existing engine with an electric motor or a newer emission-certified engine instead of rebuilding the existing engine to its original specifications.

Retrofit: Modifications to the engine and fuel system so that the retrofitted engine does not have the same emissions specifications as the original engine, or the process of installing a CARB-verified emissions control system on an existing engine.

Spark Ignition: A gasoline-fueled engine or any other type of engine with a spark plug (or other sparking device) and with operating characteristics significantly similar to a combustion cycle.

State Funds: Funds provided by a state agency for the purpose of co-funding projects under the Moyer Program. State agencies include every State office, department, division, bureau, board, commission, the University of California, and the California State University.

State Implementation Plan: Under the Clean Air Act, the plan submitted by a state that demonstrates attainment or maintenance of an air quality standard through implementation of specified control measures.

Total Project Cost: The Moyer Eligible Cost and the Moyer Ineligible Cost for vehicles, equipment, engines, accessories, installation and infrastructure within a single Moyer Program project. An applicant may not accept grant funds from all sources that exceed 100 percent of total project cost excluding the Applicant Cost Share.

Verification: A determination by CARB or the U.S. EPA that a diesel emission control strategy

meets specified requirements, based on both data submitted and engineering judgement.

IV. References

[California State Constitution Article 9, Section 8; Education.](#)

https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=CONS&division=&title=&part=&chapter=&article=IX

[California State Constitution Article 16, Section 5; Public Finance.](#)

https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=CONS&division=&title=&part=&chapter=&article=XVI

[Health and Safety Code Sections 44275-44299.2; Chapter 9 Carl Moyer Memorial Air Quality Standards Attainment Program](#)

https://leginfo.legislature.ca.gov/faces/codes_displayexpandedbranch.xhtml?tocCode=HSC&division=26.&title=&part=5.&chapter=9.&article=