



The Carl Moyer Program Guidelines 2024 Revisions

Volume I: Program Overview, Program Administration and Project Criteria

Approved by Board: October 24, 2024





In Memory of Dr. Carl Moyer

(1937 - 1997)

This program is named in honor of the late Dr. Carl Moyer, whose extraordinary dedication, hard work, vision and leadership made this program possible. He created and masterminded this program, in a noble effort to unite business and government in the name of public interest to improve California's air quality.

This update was a collaborative effort and has benefited from the valuable contributions of the participating air quality management districts and air pollution control districts, and stakeholders. The California Air Resources Board appreciates the considerable efforts of air district staff both in the development of these guidelines as well as the day-to-day implementation of the Carl Moyer Memorial Air Quality Standards Attainment Program.

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EXECUTIVE SUMMARY

Since 1998, the Carl Moyer Memorial Air Quality Standards Attainment Program (Moyer Program or Program) has cost-effectively reduced smog-forming and toxic emissions. Over the last 25 years the Moyer Program has served as a model for many other successful incentive programs at the local, state, and federal levels. At its core, the Moyer Program is a statewide, locally-directed program that achieves cost-effective emission reductions creditable to the State Implementation Plan (SIP) and adheres to four integrity elements: surplus, enforceable, quantifiable, and permanent emission reductions. Incentive programs are a vital component to meeting the federal National Ambient Air Quality Standards, in addition, incentives are vital to achieving localized emission reductions in disadvantaged communities. They are particularly important for providing financial support to low-income consumers, and small businesses or to sources that are outside of local or state regulatory authority.

Each year, grants through the Moyer Program help remove older, high-polluting engines that would have otherwise operated for years to come. The Moyer Program has successfully funded a wide breadth of project types including, but not limited to, off-road equipment, on-road light-duty and heavy-duty vehicles, marine vessels, infrastructure, and locomotive projects. Projects funded through the Moyer Program reduce criteria pollutant emissions, including oxides of nitrogen (NO_x) and reactive organic gases (ROG) that contribute to ozone formation, as well as toxic particulate matter (PM). Over the past 25 years and counting, the California Air Resources Board (CARB or Board) has worked alongside California's air pollution control and air quality management districts (air districts) to invest over \$1.5 billion to clean up over 69,000 engines and reduce ozone precursors (i.e., NO_x and ROG) by over 202,000 tons and particulates by over 7,400 tons.

As mentioned, the Moyer Program is a collaborative effort between CARB and air districts; CARB establishes the parameters of the program through the Guidelines and the air districts implement the Guidelines. While individual chapters have received revisions as needed, the Guidelines have not had a comprehensive review and revision since 2017. Collaboration is paramount to the Moyer Program's ongoing success; CARB staff and air districts closely reviewed the Guidelines in working groups assigned to individual categories or topics in a collective effort to update the Guidelines. Additionally, staff held three public meetings, a community meeting, and numerous one-on-one meetings with interested stakeholders to discuss the proposed changes. This proposal highlights the improvements to the Moyer Program led by CARB in partnership with California's air districts and is reflective of the feedback received from the public. These enhancements aim to modernize the Program

and create Guidelines that better serve California's air quality and align with CARB's mission to protect public health, and our communities.

The Proposed 2024 Guidelines are intended to:

- Ensure continued program accountability and good stewardship of public funds;
- Ensure Moyer Program projects provide emission reductions that the United States Environmental Protection Agency (U.S. EPA) will find creditable in the SIP;
- Emphasize emission reductions in communities with higher pollutant exposure, including communities of minority and low-income populations;
- Provide sufficient incentive to encourage California businesses to participate in and benefit from the Program, getting surplus emission reductions within cost-effectiveness limits.

The enhancements described in more detail in this report include updates to:

- General Criteria. Updates to Chapter 2 of the Program Guidelines are proposed to provide clarification to the general criteria as well as updates to NO_x reduction requirements for certain projects.
- Program Administration. Updates to Chapter 3 of the Program Guidelines for program administration are proposed to clarify the existing chapter and to expand on air district flexibility in implementing the program. Changes include but are not limited to, defining administrative funding, air district grantee liquidation timeframes, additional options for zero-emission technology, clarifying equity elements in project selection criteria, and fiscal tracking criteria of districts subject to Health and Safety Code section 43023.5.
- On-Road. Chapter 4 of the Program guidelines for on-road heavy-duty vehicles was last updated in 2022. Proposed updates include amendments to the cost effectiveness limits and funding caps for optional advanced technology and zero-emission replacement on-road projects; increasing baseline model year eligibility; and increasing flexibility for the required minimum annual usage in California, air district requirements, and dealership and dismantler requirements.
- Off-Road. Updates to Chapter 5 of the Program Guidelines are proposed to clarify the existing chapter, support recent off-road regulations and amendments, support the transition to zero-emission technology, and expand on air district flexibility in implementing the program to include, allowing Moyer funding of Moyer Program-eligible FARMER Program projects.

- *Locomotive*. Updates to Chapter 6 of the Program Guidelines are proposed to reflect the requirements of the In-Use Locomotive Regulation, which the Board adopted in April 2023 and became effective January 1, 2024. Updates include clarification on engine destruction requirements, two-step calculation for zero-emission projects, warranty requirements, increase in funding amounts, and updates on minimum project life and emission factors.
- *Marine*. Updates to Chapter 7 are proposed to clarify the existing chapter including updating funding amounts, eligible project types and project criteria, as well as updated eligible costs. Chapter 7 of the Program Guidelines for marine projects was last updated in 2023.
- *Light-Duty*. Updates to Chapter 8 of the Program Guidelines are proposed to increase the maximum grant amount of the Voluntary Accelerated Vehicle Retirement (VAVR) Program to \$3,000 and include new VAVR emission reduction tables for the next three years to reflect more accurate data.
- *Lawn and Garden Equipment*. Updates to Chapter 9 aim to clarify existing chapter requirements and expand on air district flexibility to implement the program, including updating dismantling requirements. Chapter 9 of the Program Guidelines for Lawn and Garden Equipment was last updated in 2023.
- *Infrastructure*. Updates to Chapter 10 are to clarify the existing chapter and to expand on air district flexibility to implement the program, including, but not limited to, increased funding levels, updating project criteria for added flexibility, streamlining co-funding requirements, increasing types of eligible costs, and adding flexibility to pre-inspection requirements for new projects. Chapter 10 of the Program Guidelines for infrastructure was most recently updated in 2023.
- *On-Road Heavy-Duty Voucher Incentive Program (VIP)*. Volume II of the Moyer Program On-Road Heavy-Duty VIP Guidelines is updated yearly. VIP proposed changes include, but is not limited to, clarifying eligible projects, updating funding amounts, and overall clarification of program requirements, including requirements for air districts, dealerships, and dismantlers.
- *Appendices A through E*. Proposed changes to Appendices A-E reflect the changes to acronyms, definitions, cost-effectiveness calculation methodology, tables for emission reduction and cost-effectiveness calculations, and chapter references within the proposed 2024 Moyer Program Guidelines. While each chapter now contains relevant acronyms and definitions for the chapter, complete sets remain in Appendix A - Acronyms and Appendix B - Definitions.

This staff report provides a background of the Moyer Program before detailing how the Proposed 2024 Guidelines will continue to further support harmful air emission reductions in the evolving landscape of clean air technology within California and beyond. Staff's proposed changes will ensure that the Moyer Program can utilize the technology shifts that bring California closer to the clean air future called for in our state's air pollution control strategies

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