Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program

Public Workshop: December 18, 2018

Background

• In FY 2017-18: $135 million allocated to CARB from three sources:
  – Air Quality Improvement Fund (AQIF);
  – Alternative and Renewable Fuel and Vehicle Technology Fund (ARFVTF); and
• Funds used to reduce agricultural sector emissions.
Types of Investments

- Agricultural harvesting equipment
- Heavy-duty trucks
- Agricultural pump engines
- Tractors
- Other equipment used in agricultural operations

FARMER Guidelines

- Approved in March 2018
- Includes eligible project categories and requirements
- Provides EO authority for expansion of the program
- Defines Board-approved funding distribution formula based on legislative direction and public feedback
Additional/Modified Project Categories

• Approved in Sep 2018
  – FARMER truck category- 65% funding for new or used trucks
  – Additional funding for equipment no longer available with similar horsepower ratings.
  – Streamlined UTV process for districts

FARMER Progress to Date

• Grant agreements executed
• Most districts have submitted disbursement requests and have received FARMER funding
• Many districts have begun spending their allocations
• Quarterly reports received (11/30/18 deadline)
• CARB may redirect funding to districts with greatest demand if milestones are not met
Questions???

Fiscal Year 2018-19 Funding

• SB 856 allocated an additional $132 million for Fiscal Year 2018-19
  – $112 million from GGRF
  – $20 million from CA Tire Recycling Management Fund
San Joaquin Valley SIP

- ~12,000 tractors to be replaced through incentives by 2024 (T0, T1, T2 over 200 hrs)
- Ag measure if reductions are not achieved
- Only district in CA with emission reduction commitments from ag

Agricultural Equipment Inventory

- Current inventory based on 2008 ag survey data
- CARB staff to conduct new survey on ag equipment
- CARB intends to update its ag inventory based on results of new survey and 2017 USDA Ag Census data
- Updated inventory to be included in the FARMER distribution formula
Fiscal Year 2018-19 Funding Distribution

- CARB to utilize existing, CARB Board-approved funding distribution formula for FY 2018-19 funds
- 80 percent of funding to SJVAPCD
- 20 percent of funding to remaining districts based on agricultural equipment emissions and air quality attainment status

Tentative Air District Allocations (FY 2018-19)

<table>
<thead>
<tr>
<th>District Name</th>
<th>Approx. FARMER Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bay Area</td>
<td>$1,923,000</td>
</tr>
<tr>
<td>Butte</td>
<td>$1,638,000</td>
</tr>
<tr>
<td>Colusa</td>
<td>$1,333,000</td>
</tr>
<tr>
<td>Eastern Kern</td>
<td>$712,000</td>
</tr>
<tr>
<td>Feather River</td>
<td>$2,181,000</td>
</tr>
<tr>
<td>Glenn</td>
<td>$1,403,000</td>
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<tr>
<td>Imperial</td>
<td>$1,146,000</td>
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<tr>
<td>Monterey Bay</td>
<td>$1,254,000</td>
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<tr>
<td>Sac Metro</td>
<td>$955,000</td>
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</tbody>
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<table>
<thead>
<tr>
<th>District Name</th>
<th>Approx. FARMER Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Diego</td>
<td>$1,226,000</td>
</tr>
<tr>
<td>San Joaquin Valley</td>
<td>$104,304,000</td>
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<tr>
<td>San Luis Obispo</td>
<td>$876,000</td>
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<tr>
<td>Santa Barbara</td>
<td>$644,000</td>
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<tr>
<td>South Coast</td>
<td>$1,815,000</td>
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<tr>
<td>Tehama</td>
<td>$630,000</td>
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<tr>
<td>Ventura</td>
<td>$1,192,000</td>
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<tr>
<td>Yolo Solano</td>
<td>$1,768,000</td>
</tr>
<tr>
<td>Shared Allocation Pool</td>
<td>$5,381,000</td>
</tr>
</tbody>
</table>
Questions???

Webcast Participants: FARMER@arb.ca.gov

Potential Modifications to Existing Categories

• Inclusion of tractors <25 hp into UTV category
• Ag Trade-Up Pilot Project
  – Potential to include tier 4i in trade-up interim step
Other Additions/Modifications

- Advanced technology demonstrations
- FARMER truck category
  - Potential additional funding for warranties to help ensure replacement trucks remain operational
- Others???

Next Steps

- Update CARB Board on FY 17-18 funding and FY 18-19 district allocations
- Execute district grant agreements for FY 18-19
- Develop modified and additional projects categories through public process
Questions? Comments?

• Email farmer@arb.ca.gov

• FARMER Website: www.arb.ca.gov/farmer

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