



## Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program

Public Workshops: January & February 2018

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## Background

- AB 109 and AB 134 allocated \$135 million to CARB from three sources:
  - Air Quality Improvement Fund;
  - Alternative and Renewable Fuel and Vehicle Technology Fund; and
  - Greenhouse Gas Reduction Fund.
- Funds shall be used to reduce agricultural sector emissions.

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## Background

- Incentives for:
  - Agricultural harvesting equipment;
  - Heavy-duty trucks;
  - Agricultural pump engines;
  - Tractors; and
  - Other equipment used in agricultural operations.
- Funds must be encumbered by June 30, 2019 and expended by June 30, 2021

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## Funding Distribution



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## Proposed Funding Distribution

- Funds would be allocated to local air districts to administer
- Districts with at least 1% of the total mobile, off-road diesel agricultural equipment population included in the distribution formula
- District allocations based on each district's off-road, diesel agricultural equipment population
- District allocations capped at each district's Year 19 accepted Carl Moyer Program allocation, except for the San Joaquin Valley

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## Proposed Air District Allocations

District Name	Proposed FARMER Allocation	District Name	Proposed FARMER Allocation
Bay Area	\$7,330,000	San Diego	\$3,560,000
Butte	\$200,000	San Joaquin Valley	\$107,550,000
Colusa	\$200,000	San Luis Obispo	\$370,000
Feather River	\$360,000	Santa Barbara	\$540,000
Glenn	\$200,000	South Coast	\$6,530,000
Imperial	\$350,000	Tehama	\$240,000
Monterey Bay	\$780,000	Ventura	\$1,520,000
Sac Metro	\$2,750,000	Yolo Solano	\$520,000

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## Districts with Less than 1% of the Agricultural Equipment Population

- \$2 million proposed for districts with less than 1% of the statewide mobile, diesel agricultural equipment population to fund FARMER Program-eligible projects
- To be administered by the California Air Pollution Control Officers' Association (CAPCOA) on behalf of those districts

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## Eligible Project Categories



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## Traditional Carl Moyer Program Eligible Project Categories

- On-road, heavy-duty trucks;
- Off-road, mobile, diesel agricultural equipment (“farm equipment,” as defined in Carl Moyer Program guidelines);
- Off-road, mobile, large-spark ignition (LSI) equipment; and
- Agricultural irrigation pump engines.

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## Proposed Project Categories

- Additional project categories outside of the Carl Moyer Program
  - Zero-Emission Agricultural Utility Terrain Vehicles (UTVs); and
  - Off-Road, Mobile Agricultural Trade-Up Pilot Project (Ag Trade-Up Project) in the San Joaquin Valley.
- Executive Officer authority to approve other project categories

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## Traditional Carl Moyer Program Eligible Projects

- Provides incentives for up to 80-85% of the cost of the repowered or replacement vehicle or equipment, subject to cost-effectiveness limits and surplus emission reduction requirements
- Funding levels are based on amount of emissions reduced during project life
  - Up to \$30,000 per ton of weighted criteria and toxic emission reductions
  - Up to \$100,000 per ton of weighted criteria and toxic emission reductions for select advanced technologies
- Requires old vehicle or equipment to be scrapped

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## Zero-Emission Agricultural UTVs

- Encourages and accelerates the use of off-road, zero-emission UTVs in agricultural operations
- Incentives for up to 75% of the cost of a new zero-emission agricultural UTV
- Must own and operate UTV for at least 3 years
- Requires old UTV to be scrapped



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## Ag Trade-Up Pilot Project in the San Joaquin Valley

- Two-step transaction
  - Owner of used (Tier 2 or 3) equipment receives incentive to purchase the cleanest available equipment
  - Owner of high-emitting (Tier 0 or 1) equipment scraps equipment in exchange for previously used and reconditioned equipment (Tier 2 or 3)
- Build upon FY 16-17 project and evaluate feasibility as a new, statewide incentive type

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## Additional Project Categories

- Considering options for on-road trucks used in agriculture
  - To be added in Summer 2018 (tentative)
- Ability for CARB's Executive Officer to approve additional project categories as needed

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## Program Requirements



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## AB 1550 Requirements

- Sets investment targets for projects that are within and benefitting disadvantaged communities and low-income households or communities
- Proposed targets for FARMER are:
  - 50% of funds for projects located within and benefitting disadvantaged communities; and
  - 5% of funds for projects within and benefitting low-income communities

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## Reporting and Recordkeeping

- Annual reporting required, including:
  - Carl Moyer Program reporting requirements;
  - Fuel consumption and usage data required to estimate greenhouse gas (GHG) benefits; and
  - Census tract data required to calculate AB 1550 targets.
- Districts are responsible to ensure that the reported information is complete, correct, and supported by documentation

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## Next Steps



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## Next Steps

- Request comments by February 9
- Post proposed FARMER Program Guidelines for 30 day public comment on February 16
- Board considers FARMER Program Guidelines at public meeting in Riverside on March 22-23

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## Questions? Comments?

- Email [farmer@arb.ca.gov](mailto:farmer@arb.ca.gov)
- FARMER Website: [www.arb.ca.gov/agincentives](http://www.arb.ca.gov/agincentives)
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