

Fiscal Year 2022-2023 (Moyer Year 25)

Carl Moyer Program's State Reserve Project Solicitation

**Open to Air Pollution Control Districts and Air Quality
Management Districts**

California Air Resources Board

March 2, 2023

BACKGROUND AND STATE RESERVE

The Carl Moyer Memorial Air Quality Standards Attainment Program (Moyer Program) provides monetary grants for the incremental cost of cleaner than required technology. While the California Air Resources Board (CARB) is responsible for developing the Moyer Program Guidelines, the participating California air pollution control districts and air quality management districts (air districts) are in charge of administering the program. Section 44286(d) of the Health and Safety Code (HSC) gives CARB the authority to reserve up to ten percent of Moyer Program funding to directly fund any project that is a covered source and is described in Section 44281. CARB reserves the sole authority to distribute this State Reserve funding.

At the November 2021 CARB Board Hearing, several board members expressed strong interest in further accelerating zero-emission vehicles and equity work in the Moyer Program for on-road heavy-duty vehicles. Through public meetings held in 2022, CARB staff hosted the 2022 Incentives Program Advisory Group (IPAG), led by Vice Chair Sandra Berg and Board members Davina Hurt and Gideon Kracov, that identified the need to provide greater support for small fleets and small businesses statewide, improve the environmental justice performance of the program, and accelerate zero-emission truck funding. In addition to the 2022 IPAG process, the Moyer Program's cost-effectiveness limit for zero-emission technology increased to \$522,000 per weighted ton of emission reductions, approved at the November 2022 CARB Board Hearing.

For Fiscal Year (FY) 2022-2023, State Reserve funds will be directed toward Moyer eligible on-road replacement projects through the Moyer Program On-Road Voucher Incentive Program (VIP). The On-Road VIP provides small fleets with grant vouchers in a simple, streamlined, and speedy process and provides a mechanism of increased equity consideration. This would provide further support for the governor's goals to transition California to 100 percent zero-emission heavy-duty vehicles by 2045 and by 2035 for drayage trucks according to the Governor's Executive Order N-79-20.

ELIGIBLE APPLICANTS

Air districts that are willing and able to administer the On-Road VIP and meet the requirements listed below are eligible to apply for this State Reserve Project Solicitation to support the jurisdictions in transitioning California to zero-emission vehicles.

ELIGIBLE PROJECTS

This State Reserve Project Solicitation is directed at providing monetary grants to offset the cost of on-road heavy-duty vehicles within air districts. Eligible projects are limited to on-road heavy-duty vehicle replacements going to zero-emission on-road heavy-duty vehicles through the On-Road VIP Guidelines. All projects must be eligible in accordance with the On-Road VIP Guidelines.

AVAILABLE FUNDING

In FY 2022-2023, CARB has approximately \$13 million for State Reserve projects. The funding has been allocated toward eligible on-road projects under the Moyer Program On-Road VIP. If there are not sufficient applications to encumber funds, at CARB's discretion, the Executive Officer may reallocate the funds to other Moyer eligible projects.

AIR DISTRICT REQUIREMENTS TO PARTICIPATE

To participate, the air district must agree and obtain a signed board resolution or board minute order that states the air district is able to:

1. Receive and expend FY 2022-2023 funds toward on-road projects eligible in the Moyer Program On-Road VIP.
2. Comply with current Moyer Program Guidelines, mail-outs/advisories, and other written guidance by CARB.

If an air district is unable to provide a signed board resolution or board minute order at the time of application, the air district must indicate on the application the scheduled board date, while considering any applicable timing mentioned in the Moyer Guidelines. Should an air district require additional time to obtain a board resolution or board minute order beyond the date specified or require a model resolution, please contact the State Reserve administration lead for additional assistance.

ALLOCATION AND APPLICATION PROCESS

State Reserve FY 2022-2023 funds toward the replacement of on-road heavy-duty vehicle projects support the deployment of zero-emission technologies. Allocations will be calculated based on the formula described in HSC Section 44299.2 and the number of air districts that apply. Participating air districts will be awarded a minimum amount of \$200,000 and are not required to provide match funding. An air district applying for State Reserve FY 2022-2023 funds must agree and meet the air district requirements to participate and submit a complete and accurate application, which CARB will review to determine an air district's eligibility to receive funds. Administration fees will be included in the final grant award in accordance with HSC Section 44299.1.

The State Reserve application must be completed, signed by the air district, and returned to CARB **no later than March 17, 2023**. Air districts must send completed applications by email to MSCDGrants@arb.ca.gov.

GRANT AWARD AND DISBURSEMENT OF FUNDS

When application review is completed, successful air districts will be notified via email. A grant award will be made through a Grant Agreement between CARB and the participating air districts. To fully execute the Grant Agreement and thus encumber funds, Grant Agreement coversheets will be sent to the air districts to be signed and returned by the

CARB assigned due date following the solicitation period. Once the Grant Agreement has been executed and all requirements have been met, including a signed board resolution or board minute order, air districts may request up to their entire grant award in the initial disbursement. Payments will be made upon CARB's receipt of a participating air district's grant disbursement request. At CARB's discretion, funds may be transferred to another participating air district or be spent on other Moyer Program eligible projects pending CARB allowance via a subsequent mail-out. All funds must be liquidated no later than **June 30, 2027**.

MONITORING AND REPORTING REQUIREMENTS

The air district must follow all monitoring and reporting requirements as stated in the Moyer Program On-Road VIP Guidelines.

CONTACT PERSON

For questions about the application process, please contact the State Reserve administration lead via email at CARLHelp@arb.ca.gov.