

Sent: Friday, March 5, 2021

Subject: IPI Guidance for HD Truck Advanced Technology Replacement for Carl Moyer

IPI Team:

As the final in-use requirements for the Truck and Bus (TB) and Drayage Regulations approach the January 1, 2023 compliance deadline, eligible 2007 to 2009 engine model year (EMY) diesel truck replacement projects funded closer to the end of this year may find that meeting the delivery and post-inspection of the replacement vehicle before January 1, 2022 is not achievable. If delivery and post-inspection cannot be achieved before January 1, 2022, replacement vehicles meeting the 0.2 grams per brake horsepower hour (g/bhp-hr) NO_x standard no longer achieve a full year of surplus to the 2010 standard compliance deadline of January 1, 2023 set by TB and Drayage Regulation and are no longer eligible for funding in accordance with Chapter 4, Section C.2.(A)(5) (2017 Carl Moyer Guidelines, page 4-14).

In recognition of this, we want to clarify opportunities that remain to fund eligible and compliant baseline diesel trucks to an optional 0.02 g/bhp-hr NO_x standard or cleaner. Advanced technology heavy-duty replacement trucks (e.g., CNG or electric powered) meeting an optional 0.02 g/bhp-hr NO_x standard or cleaner are not subject to a 2010 compliance deadline set by the TB and Drayage Regulations; thus, Chapter 4, Section C.2.(A)(5) does not apply, and the emission reductions achieved going from the 0.2 g/bhp-hr NO_x standard to an advanced technology, meeting a 0.02 g/bhp-hr NO_x standard or cleaner, may be funded using the advanced technology cost-effectiveness limit of \$100,000 per ton in accordance with Chapter 4, Section B.2 (2017 Carl Moyer Guidelines, page 4-5). This funding option is available for compliant 2007-2009 EMY diesel trucks prior to the January 1, 2023 compliance deadline. The fleet(s) under consideration must be compliant with applicable regulation(s) throughout the funding process.

Delivery and Post-Inspection on or after January 1, 2022

Air Districts evaluating projects where the delivery and post-inspection of the heavy-duty replacement truck will be on or after January 1, 2022, and one full year of surplus is no longer available to meet the 0.2 g/bhp-hr NO_x standard, may consider funding emission reductions in excess of the TB and Drayage Regulations' 0.2 g/bhp-hr NO_x standard. This can be done using the second step of the two-step grant calculation for the emission reductions achieved between the 0.2 g/bhp-hr NO_x standard to the 0.02 g/bhp-hr NO_x standard or cleaner for a diesel heavy-duty truck replacement using the advanced technology cost-effectiveness limit provided the following criteria are also met (2017 Carl Moyer Guidelines: Example Calculations, page 34 to 36):

- The fleet(s) is compliant with applicable regulation(s) throughout the funding process;
- The eligible baseline heavy-duty diesel truck must be replaced prior to January 1, 2023;
- Project life is considered in accordance with Section B.4 and in consideration of any regulatory requirements that may reduce the actual project life;
- Surplus requirement has been met in accordance with C.1.(H);
- The replacement heavy-duty truck qualifies for the Advanced Technology Limit (i.e., advanced technology engine meeting a 0.02 g/bhp-hr NOx standard or cleaner);
- Project eligibility criteria set by Section C.2(A) and C.2.(D) are fulfilled;
- All other Carl Moyer Program requirements and eligibility criteria apply.

If you have questions regarding this IPI notice, please contact carlhelp@arb.ca.gov.

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