

# **2023 Annual Demonstration Report San Joaquin Valley Agricultural Equipment Incentive Measure**

*Covering Projects Completed Through 12/31/2023  
May 15, 2024*



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## Introduction

The California Air Resources Board (CARB or Board) *San Joaquin Valley Supplement to the 2016 State Strategy for the State Implementation Plan* (Valley State SIP Strategy) contains the State's emission reduction commitment for the San Joaquin Valley (Valley) attainment demonstration for the 24-hour particulate matter standard of 35 µg/m<sup>3</sup> (2006 24-hour PM<sub>2.5</sub> standard) in 2024 and annual particulate matter standard of 12 µg/m<sup>3</sup> (2012 annual PM<sub>2.5</sub> standard) in 2025, including a commitment to adopt an agricultural equipment incentive measure. On December 13, 2019, CARB adopted the San Joaquin Valley Agricultural Equipment Incentive Measure (Valley Incentive Measure) to fulfill the commitment for Board consideration by 2020 and demonstrate how an increment of emissions reductions from incentive programs will be quantified towards the State's aggregate commitment in the California State Implementation Plan (SIP). CARB submitted the Valley Incentive Measure to U.S. Environmental Protection Agency (U.S. EPA) to be included in the California SIP. U.S. EPA proposed to approve the Valley Incentive Measure on March 23, 2020 and finalized approval of a majority of the projects in the Valley Incentive Measure on December 27, 2021 (86 FR 73106)<sup>1</sup>. CARB staff anticipates that U.S. EPA will finalize approval of the remaining projects in the future.

For the Valley Incentive Measure, CARB staff collaborated with San Joaquin Valley Air Pollution Control District (District) staff to identify agricultural equipment that are captive in the Valley and which are funded by CARB's Carl Moyer Memorial Air Quality Standards Attainment Program (Moyer Program) and Funding Agricultural Replacement Measures for Emission Reductions Program (FARMER Program), and by United States Department of Agriculture Natural Resources Conservation Service (NRCS) Environmental Quality Incentive Program (EQIP) to achieve the emissions reductions from this effort. In U.S. EPA's final action, they approved the portions of the Valley Incentive Measure that were attributed to projects funded through the Moyer Program and the FARMER Program. These reductions were credited against CARB's 2024 and 2025 aggregate emission reduction commitment for the 35 µg/m<sup>3</sup> 24-hour PM<sub>2.5</sub> and 12 µg/m<sup>3</sup> annual PM<sub>2.5</sub> standards in the Valley.

According to U.S. EPA guidelines, emissions reductions achieved from the implementation of an incentive program can be credited towards the state's aggregate commitment if they meet the following integrity elements: enforceable, quantifiable, surplus, and permanent.<sup>2</sup>

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<sup>1</sup> Federal Register, U.S. EPA final rulemaking on Agricultural Incentive Measure (web link: <https://www.federalregister.gov/documents/2021/12/27/2021-27798/air-plan-approval-california-san-joaquin-valley-unified-air-pollution-control-district>)

<sup>2</sup> See "Guidance on Incorporating Voluntary Mobile Source Emission Reduction Programs in State Implementation Plans (SIPs)," October 24, 1997, at page 6-7; "Improving Air Quality with Economic Incentive Programs," January 2001 at Section 4.1; "Incorporating Emerging and Voluntary Measures in a State Implementation Plan (SIP)," September 2004 at pages 3-4' and "Diesel Retrofits: Quantifying and Using Their Emission Benefits in SIPs and Conformity," February 2014 at pages 27-29.

The reductions achieved in the Valley from turning over agricultural equipment between the years 2015 and 2023 meet these integrity elements.

As part of the U.S. EPA-approved Valley Incentive Measure enforceable commitment, CARB must submit annual demonstration reports. This 2023 Annual Demonstration Report includes the reporting of any changes to 2011 Moyer, 2017 Moyer, and FARMER Program Guidelines and their related impacts on program integrity, description of CARB's and District's actions in ensuring Moyer and FARMER Program integrity, respectively, and identification of projects implemented in the prior year for each program and their corresponding details, as listed in CARB Resolution 19-26 and Valley Incentive Measure Technical Clarifications dated November 23, 2020.

This annual report on the Valley Incentive Measure shows the continued progress made towards incentivizing the turnover of older diesel agricultural equipment to the cleanest technology. As part of the Valley Incentive Measure, CARB committed to reducing 5.9 tons per day (tpd) of oxides of nitrogen (NOx) emissions and 0.3 tpd of fine particulate matter (PM<sub>2.5</sub>) emissions in 2024 by funding 5,446 agricultural equipment replacement projects, and reducing 5.1 tpd of NOx emissions and 0.3 tpd PM<sub>2.5</sub> emissions in 2025 by funding 4,723 agricultural equipment replacement projects, in accordance with the Moyer Program, FARMER Program, and NRCS Guidelines. Based on U.S. EPA's final approval on the Valley Incentive Measure, CARB's original commitment was adjusted to reflect only the Moyer and FARMER Program associated emissions reductions. This adjustment resulted in a SIP-approved CARB commitment to reduce 4.83 tpd NOx emissions and 0.24 tpd PM<sub>2.5</sub> emissions in 2024 and 4.46 tpd NOx emissions and 0.26 tpd PM<sub>2.5</sub> emissions in 2025 (86 FR 73106)<sup>3</sup>. The projects achieving the emissions reductions commitment for 2024 were required to be completed and in place no later than December 31, 2023 and are thus due in this report, while the 2025 emissions reductions commitment will be due next year. This annual report will demonstrate how CARB has met the U.S. EPA-approved Valley Incentive Measure commitment in 2024 and is on track to achieve the U.S. EPA-approved Valley Incentive Measure commitment in 2025.

This annual report includes a summary of the projects funded and completed and aggregate emission reductions achieved through 2023 from the Moyer and FARMER programs towards the U.S. EPA-approved Valley Incentive Measure commitments, projects funded and completed and aggregate emission reductions achieved through 2023 from the NRCS program, discussion of changes to Program Guidelines, and descriptions of CARB, District, and NRCS actions during the prior year to confirm project compliance.

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<sup>3</sup> Federal Register, U.S. EPA final rulemaking on Agricultural Incentive Measure (web link: <https://www.federalregister.gov/documents/2021/12/27/2021-27798/air-plan-approval-california-san-joaquin-valley-unified-air-pollution-control-district>)

## Projects Funded and Completed through December 2023

### Funding Update

The State Legislature has directed millions of dollars towards incentive programs to reduce emissions of air pollutants and their precursors. These incentive programs focus on accelerating the turnover of older and dirtier vehicles and pieces of equipment to newer and cleaner ones. Since the Board adopted the Valley Incentive Measure, the State Legislature and the Governor, through the Cap and Trade Expenditure Plan, continue to identify new funding towards replacing agricultural equipment in the Valley.

The Valley Incentive Measure identified already implemented Moyer Program, FARMER Program, and NRCS projects post-inspected. Additionally, the Valley Incentive Measure included future projects from the first two years of FARMER Program funding. The District received approximately \$155 million from the first two years of FARMER Program funding to spend on agricultural equipment projects in the Valley. As detailed below, of the \$155 million, the District has expended \$146,392,593 from the FARMER Program on projects through December 2023. Since the first two years of funding, an additional \$365,591,105 of FARMER funding has been allocated to the District to fund additional projects. The District has made significant progress in implementing the FARMER Program and continues to do so.

### Fourth Year: Moyer Program and FARMER Program

In April 2024, CARB received Moyer Program and FARMER Program project information from the District. All projects from the April 2024 submittals to CARB are included in Appendix A of the 2023 Annual Demonstration Report. Appendix A reports on the status and progress of the Moyer Program and FARMER Program projects and associated emissions reductions in 2024 and 2025. As detailed in the Valley Incentive Measure, only the FARMER Program will report on newly completed projects. Projects from the Moyer Program completed after July 2019 were not included as a part of the Valley Incentive Measure and will be credited towards the SIP aggregate commitment either as substitute projects as needed, or in a later action. Given that U.S. EPA has yet to act on the NRCS Program projects and the deadline for projects to be completed towards the 2024 year has passed, CARB has only included the projects from Moyer Program and FARMER Program in the summary totals, and NRCS Program projects are discussed separately later in the report.

### Summary - Fourth Year: Moyer Program and FARMER Program

CARB has achieved the U.S. EPA-approved Valley Incentive Measure emission reduction commitment for 2024 and is on track to achieve the 2025 U.S. EPA-approved emission reduction commitment. Tables 1 and 2 aggregate the Moyer Program and FARMER Program results from Appendix A and compares the total emissions reductions to the U.S. EPA-approved Valley Incentive Measure commitment. In the fourth year, there were no

projects removed from the Moyer Program and 8 projects removed from the FARMER Program.

**Table 1: Combined Projects (Moyer Program and FARMER Program) in 2024<sup>4</sup>**

<b>Combined Projects in 2024 - Moyer Program and FARMER Program</b>	<b>Number of Projects</b>	<b>NOx (tpd)</b>	<b>PM2.5 (tpd)</b>
<b>2023 Annual Demonstration Report</b>	4,750	4.93	0.27
<b>U.S. EPA-Approved Valley Incentive Measure Commitment</b>	4,404	4.83	0.24

**Table 2: Combined Projects (Moyer Program and FARMER Program) in 2025<sup>5</sup>**

<b>Combined Projects in 2025 - Moyer Program and FARMER Program</b>	<b>Number of Projects</b>	<b>NOx (tpd)</b>	<b>PM2.5 (tpd)</b>
<b>2023 Annual Demonstration Report</b>	4,442	4.65	0.26
<b>U.S. EPA-Approved Valley Incentive Measure Commitment</b>	3,981	4.46	0.26

To meet the emissions reduction commitment, the Valley Incentive Measure allows the use of substitute measures and/or rules. The Moyer Program continues to fund additional projects that are not credited towards the Valley Incentive Measure. Since the Moyer Program projects are already demonstrated in the Valley Incentive Measure, emissions reductions from these newly completed projects are an appropriate substitute if necessary. If the substitution is not necessary, then these emissions reductions will be credited in a future action. The following sections provide additional detail on the progress that each incentive program, the Moyer Program and the FARMER Program, have achieved.

## **Moyer Program**

Appendix A is a list based on the Moyer Program projects subject to the 2011 Moyer Program or 2017 Moyer Program Guidelines that were committed to in Appendix H of the Valley Incentive Measure. Appendix A provides updates on the status of the projects.

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<sup>4</sup> May not add due to rounding

<sup>5</sup> May not add due to rounding

Tables 3 through 6 compare the 2011 and 2017 Moyer Program projects from Appendix H of the Valley Incentive Measure with projects included in Appendix A of this report as applicable in 2024 and 2025. In summary, one project was removed and instead included as a FARMER project to correct for the incorrect funding source reported in prior years, and 55 projects had updated post-inspection dates. The changes in emissions totals are reflected in this year’s report, and the remaining 2011 and 2017 Moyer Program projects continue to achieve significant emissions reductions.

**Table 3: Status of 2011 Moyer Program Projects in 2024<sup>6</sup>**

<b>2011 Moyer Program in 2024</b>	<b>Number of Projects</b>	<b>NOx (tpd)</b>	<b>PM2.5 (tpd)</b>
<b>2023 Annual Demonstration Report Appendix A</b>	1,427	1.396	0.055
<b>Valley Incentive Measure Appendix H</b>	1,428	1.409	0.057

**Table 4: Status of 2011 Moyer Program Projects in 2025<sup>7</sup>**

<b>2011 Moyer Program in 2025</b>	<b>Number of Projects</b>	<b>NOx (tpd)</b>	<b>PM2.5 (tpd)</b>
<b>2023 Annual Demonstration Report Appendix A</b>	1,120	1.114	0.044
<b>Valley Incentive Measure Appendix H</b>	1,069	1.098	0.043

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<sup>6</sup> May not add due to rounding

<sup>7</sup> May not add due to rounding

**Table 5: Status of 2017 Moyer Program Projects in 2024<sup>8</sup>**

<b>2017 Moyer Program in 2024</b>	<b>Number of Projects</b>	<b>NOx (tpd)</b>	<b>PM2.5 (tpd)</b>
<b>2023 Annual Demonstration Report Appendix A</b>	888	1.193	0.069
<b>Valley Incentive Measure Appendix H</b>	889	1.199	0.069

**Table 6: Status of 2017 Moyer Program Projects in 2025<sup>9</sup>**

<b>2017 Moyer Program in 2025</b>	<b>Number of Projects</b>	<b>NOx (tpd)</b>	<b>PM2.5 (tpd)</b>
<b>2023 Annual Demonstration Report Appendix A</b>	887	1.193	0.069
<b>Valley Incentive Measure Appendix H</b>	889	1.199	0.069

## **FARMER Program**

Appendix A is a list based on the FARMER Program projects that were committed to in Appendix J of the Valley Incentive Measure. In the Valley Incentive Measure, completed projects were included much like the Moyer Program. In addition to the completed projects, the Valley Incentive Measure also included commitments from the FARMER Program for projects to be completed after the development of the Valley Incentive Measure but using the first two years of FARMER funding.

Appendix A provides updates on the status of the projects including changes to the equipment type category for projects and changes to the new engine tier and horsepower for projects. Further, 5 projects, including 2 from what was originally reported in Appendix J, were removed due to a change in the funding source from FARMER to another District program. The changes in emissions totals are reflected in this year's report. Table 7 compares the completed FARMER Program projects from Appendix J of the Valley Incentive Measure with projects included in Appendix A of this report as applicable in 2024 and 2025.

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<sup>8</sup> May not add due to rounding

<sup>9</sup> May not add due to rounding



**Table 7: Status of FARMER Program Projects Completed Prior to Adoption of the Valley Incentive Measure, in 2024 and 2025<sup>10</sup>**

<b>FARMER Program in 2024 and 2025</b>	<b>Number of Projects</b>	<b>NOx (tpd)</b>	<b>PM2.5 (tpd)</b>
<b>2023 Annual Demonstration Report Appendix A</b>	258	0.257	0.016
<b>Valley Incentive Measure Appendix J</b>	267	0.266	0.017

For the FARMER Program projects, the Valley Incentive Measure committed approximately \$155 million from the first two years of FARMER Program funding for agricultural equipment projects in the Valley. Appendix J of the Valley Incentive Measure estimated the number of future projects and emissions reductions based on the 267 completed projects and remaining balance of approximately \$135 million from the original \$155 million. Through December 2023, the District has expended \$127,721,439 of the approximately remaining \$135 million to complete 2,177 projects.

Table 8 compares the newly completed FARMER Program projects from Appendix J of the Valley Incentive Measure with projects included in Appendix A to this report as applicable in 2024 and 2025. Through December 2023, the District has spent approximately 95% of the approximately remaining \$135 million in funding, yet more projects have been completed and these are achieving more reductions than the estimates included in Appendix J of the Valley Incentive Measure.

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<sup>10</sup> May not add due to rounding

**Table 8: Status of FARMER Program Projects Completed Since Adoption of the Valley Incentive Measure, in 2024 and 2025<sup>11</sup>**

<b>Row</b>	<b>FARMER Program in 2024 and 2025</b>	<b>Number of Projects</b>	<b>NOx (tpd)</b>	<b>PM2.5 (tpd)</b>	<b>FARMER Funding</b>
<b>A</b>	<b>2023 Annual Demonstration Report Appendix A</b>	2,177	2.08	0.13	\$127 million
<b>B</b>	<b>Valley Incentive Measure Appendix J</b>	1,793	1.87	0.12	\$135 million
<b>C</b>	<b>Percent Complete (A / B = C)</b>	121%	111%	108%	95%

Table 9 and 10 compare the NOx and PM<sub>2.5</sub> cost effectiveness from Appendix J of the Valley Incentive Measure and Appendix A. Tables 9 and 10 show that projects accounted for in Appendix A of this report have better cost effectiveness than the estimates made in Appendix J of the Valley Incentive Measure, and Appendix A is achieving emissions reductions with less funding. In summary, the originally submitted FARMER Program projects are all accounted for, there are 217 newly completed FARMER Program projects since last year in addition to the 1,963 newly completed projects reported in the 2020, 2021 and 2022 Annual Demonstration Reports, and the projects are achieving above the estimated emissions reductions. Together these projects achieve a significant amount of emissions reductions and are estimated to help meet the Valley Incentive Measure emission reduction commitments.

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<sup>11</sup> May not add due to rounding

**Table 9: FARMER Program NOx Cost Effectiveness<sup>12</sup>**

Row	FARMER Program	Valley Incentive Measure Appendix J	2023 Annual Demonstration Report Appendix A
A	FARMER Projects Funded	\$19,432,040	\$127,721,439
B	NOx Emissions Reductions	0.27	2.08
C	Average Dollar Per Ton Per Day of NOx (A / B = C)	\$72,631,624	\$61,272,898

**Table 10: FARMER Program PM<sub>2.5</sub> Cost Effectiveness<sup>13</sup>**

Row	FARMER Program	Valley Incentive Measure Appendix J	2023 Annual Demonstration Report Appendix A
A	FARMER Projects Funded	\$19,432,040	\$127,721,439
B	PM <sub>2.5</sub> Emissions Reductions	0.02	0.13
C	Average Dollar Per Ton Per Day of PM <sub>2.5</sub> (A / B = C)	\$1,138,036,685	\$995,104,705

### Conclusion: U.S. EPA-approved Valley Incentive Measure Programs

On December 27, 2021, U.S. EPA-approved the Moyer Program and FARMER Program projects as part of the Valley Incentive Measure (86 FR 73106)<sup>14</sup>. Collectively, projects funded under the Moyer Program and FARMER Program have now exceeded the SIP-

<sup>12</sup> May not add due to rounding

<sup>13</sup> May not add due to rounding

<sup>14</sup> Federal Register, U.S. EPA final rulemaking on Agricultural Incentive Measure (web link: <https://www.federalregister.gov/documents/2021/12/27/2021-27798/air-plan-approval-california-san-joaquin-valley-unified-air-pollution-control-district>)

approved commitments of 4.83 tpd NOx and 0.24 tpd PM2.5 in 2024, have exceeded the number of projects originally quantified for 2024, and are on track to achieve the 2025 SIP-approved commitment.

## NRCS

As discussed above, U.S. EPA has yet to finalize the approval of NRCS projects as part of the Valley Incentive Measure. CARB continues to work with the U.S. EPA, NRCS, and the District to support a final action to approve providing SIP credit for the NRCS projects. In accordance with the *2014 Addendum to the 2010 Statement of Principles* and as discussed in the Valley Incentive Measure, NRCS continues to provide CARB with the applicable NRCS project information and is summarized below.

In April 2024, NRCS submitted and certified the 2024 NRCS Annual Report, which includes updates from what was originally reported as part of the Valley Incentive Measure due to the discovery of overreported equipment usage. NRCS staff continues to work to verify usage and emissions reductions estimates for all projects. Appendix B contains the 2024 NRCS Annual Report project list based on the NRCS projects that were committed to in Appendix I of the Valley Incentive Measure. Appendix B updates the status of the projects, including changes to the annual hours of operation for a project or if a project is no longer eligible for credit. Over the last two years of efforts to verify equipment usage, NRCS staff found that the annual usage of equipment was being overreported by about 49%. As a result, the 2024 NRCS Annual Report includes an adjustment factor based on the average reduction seen from validated projects to account for the overreporting seen throughout the program. Additionally, 7 projects originally committed to and reported in prior years were omitted from the dataset. CARB will continue to work with NRCS moving forward to verify the data and ensure our reporting is accurate. Tables 11 and 12 compare the NRCS projects from Appendix I in the Valley Incentive Measure and Appendix B of this report as applicable in 2024 and 2025, respectively.

**Table 11: Status of NRCS Projects in 2024<sup>15</sup>**

<b>NRCS in 2024</b>	<b>Number of Projects</b>	<b>NOx (tpd)</b>	<b>PM2.5 (tpd)</b>
<b>2023 Annual Demonstration Report Appendix B</b>	1019	0.56	0.04
<b>Valley Incentive Measure Appendix I</b>	1042	1.07	0.06

<sup>15</sup> May not add due to rounding

**Table 12: Status of NRCS Projects in 2025<sup>16</sup>**

<b>NRCS in 2025</b>	<b>Number of Projects</b>	<b>NOx (tpd)</b>	<b>PM2.5 (tpd)</b>
<b>2023 Annual Demonstration Report Appendix B</b>	730	0.34	0.02
<b>Valley Incentive Measure Appendix I</b>	742	0.61	0.04

## Changes to Guidelines

The Valley Incentive Measure requires CARB to report any changes to the 2011 and 2017 Moyer Program and FARMER Program Guidelines, and to NRCS Guidelines and related impacts on program integrity. Since the Valley Incentive Measure was adopted, there have been no changes to the FARMER Program Guidelines, and minimal changes with no related impacts to the program integrity of the 2011 and 2017 Moyer Program Guidelines, or the NRCS Guidelines. In April and November of 2022, the Board adopted limited changes to the Moyer Program to support the State Legislature’s allocation of \$45 million to fund on-road trucks through the Moyer Program, as well as broader changes to cost-effectiveness thresholds to ensure the Moyer Program continues to focus on developing the most advanced zero-emission and low emission technologies, consistent with encouraging further emissions reductions. These changes are limited and have no integrity element impacts to the Moyer Program as it relates to Valley Incentive Measure.

## Confirmation of Project Compliance

### Program Oversight

#### Moyer Program and FARMER Program

CARB works with the District to administer programs that provide financial incentives that clean the air by advancing lower emitting engines and technologies, including through the Moyer Program and FARMER Program. The District and CARB share a commitment to make these incentive programs work efficiently and effectively to clean the air.

California Health and Safety Code sections 39500, 39808, 44286, and 44291 give CARB the authority and direction to oversee the implementation of incentive programs. The Board works to ensure the programs are conducted in a manner consistent with applicable laws and guidelines and that expected emissions reductions are achieved. CARB oversight

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<sup>16</sup> May not add due to rounding

increases incentive program accountability by providing a mechanism to identify program deficiencies, make corrections, and ensure public funds are spent in a manner consistent with statutory intent. The objectives of this oversight include:

- Identify strengths of district programs that can be shared with other districts, providing stronger outcomes for incentive programs statewide;
- Identify training needs for air district staff;
- Highlight areas in State guidance that require clarification;
- Help CARB understand local challenges in program implementation; and
- Strengthen the working relationship between State and local entities.

For 2017 Moyer Program Guidelines and FARMER Program Guidelines, project reviews are found in Chapter 3, Section R of the 2017 Moyer Program Guidelines, approved by the Board on April 27, 2017. For 2011 Moyer Program Guidelines, project reviews are found in Chapter 3, Section U of the 2011 Moyer Program Guidelines, approved by the Board on April 28, 2011. The *Policies and Procedures* document provides districts and the public additional information on how reviews and audits are conducted for the Moyer Program and other incentive programs.<sup>17</sup> The current version of these Policies and Procedures is available to the public on the CARB website. CARB may deviate from these Policies and Procedures with reasonable cause. If this occurs, the district under review will be notified and any significant variations in policy or procedure will be described in the program review report issued by CARB.

As part of this oversight responsibility, CARB conducted a review of the incentive programs implemented by the District. In January 2013, CARB published "*Incentive Program, Program Review Report, San Joaquin Valley Air Pollution Control District Fiscal Years 2006-07 through 2009-10*" that documents CARB's scope of the review, the projects selected for review and site inspection, a resulting finding, and discussion of commendable efforts.<sup>18</sup> CARB conducts reviews of air district incentive programs on a rotational basis, and as such, another review of the District's program will be conducted in the next few years.

CARB's program review has concluded that the District's Moyer Program is efficiently and effectively achieving its emission reduction objectives. The single finding in this report identifies a condition with one Carl Moyer Program agricultural pump electrification project that the District and grantee fully remedied during the course of the review. The report also commends the District for voluntarily implementing the Lower-Emission School Bus Program.

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<sup>17</sup> *CARB Program and Fiscal Reviews For California Emissions Reduction Incentive Programs, April 2018.*  
[https://ww3.arb.ca.gov/msprog/moyer/audits/program\\_review\\_policies\\_procedures\\_final\\_18apr2018.pdf](https://ww3.arb.ca.gov/msprog/moyer/audits/program_review_policies_procedures_final_18apr2018.pdf)

<sup>18</sup> *San Joaquin Valley AQMD Program Review Report (ca.gov)*

## NRCS

NRCS has the delegated authority to promulgate regulations to carry out EQIP; these regulations were originally codified by the federal Agricultural Improvement Act of 2018, more commonly known as the Farm Bill, and exist at title 7, part 1466 of the Code of Federal Regulations. EQIP has been authorized and modified through subsequent reauthorizations of the Farm Bill. After each reauthorization of the Farm Bill, NRCS updates its regulations as necessary to reflect any modifications made to its programs by updates to the Farm Bill. NRCS issues interim rules in which the promulgated rules take effect immediately, but also are accompanied by a period for the public to submit comments. NRCS issued an interim rule following the 2018 Farm Bill but did not make any changes to its EQIP regulations.

Conservation practices are the substantive core of EQIP. NRCS is required to develop and provide a list of conservation practices that are eligible for EQIP payments. To that end, NRCS has provided Conservation Practice Standards (CPS) in its General Manual establishing the minimum level of quality for planning, operating, and maintaining a conservation practice. Each national CPS is maintained in the National Handbook of Conservation Practices (NHCP). The initiation of development or review of a CPS begins with the national discipline lead, who works with an interdisciplinary review or development team to guide the CPS through quality assurance review and internal review from state resource conservationists and engineers, and national technology specialists within NRCS. The CPS is then published in the Federal Register for public review and comment for at least 30 days. After addressing any public comments, NRCS releases the final CPS through a NHCP notice, and the final CPS is included in the NHCP and relevant projects are then eligible for EQIP funding.

If NRCS establishes a new CPS, states may adopt the new national CPS as needed; if NRCS modifies or removes a CPS, then states must accordingly modify or remove the CPS from their Field Office Technical Guide (FOTG). The FOTG is the official "NRCS source of resource information and interpretations of guidelines, criteria, and requirements for planning and implementation of conservation practices" at the state and local level. The FOTG contains the CPSs adopted by the states, as well as other technical information to achieve the desired resource conservation. As noted earlier, the NRCS adopts national CPSs, and the states adopt those applicable to their resources, with any necessary tailoring or modifications, into their FOTG. EQIP participants must then develop and carry out any conservation practices in accordance with the standards in the FOTG.

## Project Oversight

### Moyer Program and FARMER Program

The District is responsible for implementing the Moyer Program and FARMER Program in the Valley. The District performs the following to ensure the projects meet all requirements in the 2017 Moyer Program Guidelines.

- Perform a pre-inspection to verify that all the old agricultural equipment's information on the application including vehicle identification number, engine serial number, etc. are as specified in the original application;
- After the new agricultural equipment arrives, perform a post inspection to ensure the new agricultural equipment has the correct specifications;
- Perform a pre-dismantle inspection to verify that the replaced agricultural equipment in the application is the same agricultural equipment going to the dismantler and that the replaced agricultural equipment has not been stripped; and
- Perform a post destruction inspection to verify that the correct agricultural equipment was destroyed properly, including a hole in the engine block and frame cut in half to ensure the engine is inoperable.

## NRCS

NRCS is responsible for implementing EQIP projects in the Valley. NRCS California State Conservationist, in accordance with the *2014 Addendum to the 2010 Statement of Principles* and NRCS Data Certification Letter dated October 28, 2019, certifies that the data from the 2023 NRCS Annual Report meets the following criteria:

- The emissions reductions for each EQIP project identified in the annual report were calculated in accordance with the applicable NRCS conservation practice standard and related guidelines;
- The annual report does not include any funded project that NRCS has found to be in violation of its EQIP contract; and
- The information provided in the annual report is true and accurate to the best of their knowledge.

## Sample Project

Appendices C, D, and E of the 2023 Annual Demonstration Report show examples of the photos and documentation included in inspection reports for a project under the Moyer Program, the FARMER Program, and NRCS, respectively; each sample project is one of those included in Appendices A or B, as applicable. The photos show the replaced engine being destroyed. Photos are a typical form of documentation verifying destruction of the replaced engine. A picture of the engine serial number is provided to verify the engine is on the relevant project list.