CHAPTER 1: PROGRAM OVERVIEW

Table of Contents

I.Overview 1-2

A.Background 1-3

B.Program Legislative History 1-5

C.Summary of Changes for the 2024 Guidelines 1-7

II.Acronyms 1-12

III.Definitions 1-12

IV.References 1-16

I. Overview

The Carl Moyer Memorial Air Quality Standards Attainment Program (Moyer Program or Program) is a grant program that funds the incremental cost of cleaner-than-required engines, equipment, and other sources of air pollution. Since 1998, the Moyer Program has been successful in cost-effectively reducing smog-forming and toxic emissions while improving public health, supporting the California economy, and achieving other ancillary emission reduction benefits (e.g. greenhouse gas emissions). Although air pollution regulations have significantly reduced emissions and improved air quality across the State, many areas of California continue to experience unhealthy air. The Moyer Program complements California's regulatory and other incentive programs by providing incentives to encourage the purchase of cleaner technologies while requiring scrap of the older technology. Although the Moyer Program has grown in scope, it retains its primary objective of obtaining cost-effective and surplus emission reductions to be credited toward California's legally-enforceable obligations in the State Implementation Plan (SIP) – California's road map for attaining health-based national ambient air quality standards. Emission reductions achieved through the Moyer Program are surplus, enforceable, quantifiable, and permanent.

Moyer is the flagship incentive program at the California Air Resources Board (CARB or the Board) and its structure and core principles have helped shape numerous other incentive programs, within CARB and at local and federal levels. CARB's incentive programs complement other CARB programs, other state and federal agency programs, and local air district programs, as well as actions taken by other local government entities. Funds are leveraged by investments made by the private sector and members of various communities throughout the state. Every person and business that chooses to participate in CARB's incentive programs contributes toward California being able to achieve our clean transportation, air quality, and climate goals. Each program has its own statutory and policy direction, but, collectively, they fit together to support California's multiple public health, air quality, climate change, and equity goals. Staff coordinates regularly with other state agencies and local air districts to ensure these investments are complementary.

The last comprehensive update to the Moyer Program Guidelines (Guidelines) was in 2017. Since then, there have been advancements in technology, strengthening of federal ambient air quality standards, new statewide targets set for greenhouse gases, and new legislation and regulations that have changed the California transportation policy landscape of today. The updates to the 2024 Moyer Program Guidelines reflect changes to the program to modernize the Program for this shift.

CARB and California's air pollution control and air quality management districts (air district or district), who implement Moyer Program projects, congregated in the fall of 2023 to discuss the Moyer Program and its Guidelines. Subsequently, several teams, called subcommittees, were formed that focused on a specific program category. Each subcommittee included CARB and air district participation. In consultation with each other at these regularly hosted meetings, the subcommittees closely reviewed the Guidelines per

category or topic in a collective effort toward updating the Guidelines. Additionally, CARB held a total of three public, virtual and hybrid (in-person and virtual), workshops to introduce the process and progress of the updates to the Guidelines and receive feedback on the concepts. These Guidelines reflect the collaborative effort and feedback received from our air district partners and the public stakeholders.

A. Background

The Moyer Program has been a successful and popular air pollution reduction program. Since 1998, Moyer Program grants have enabled the owners of mobile sources (and some stationary sources) to go beyond regulatory requirements by retrofitting, repowering, or replacing their engines to gain early or extra emission reductions. Over the past 25 years and counting, more than $1.5 billion in program grants have cleaned up over 69,000 engines, reducing oxides of nitrogen (NOx) and reactive organic gases (ROG) by over 202,000 tons and toxic diesel particulate matter (PM) by over 7,400 tons. More Moyer Program statistics can be located here: Program Statistics and Reports.

Just as the Moyer Program has had success, the Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program enhances the reach of the Moyer Program by focusing on the specific source categories found in agriculture. Between the FARMER Program's inception in 2018 and March 2024, the FARMER Program has implemented $515 million in funds, which were matched with $521 million in private investments, to fund over 10,000 agricultural equipment replacement projects. These projects are expected to result in over 28,000 tons of oxides of nitrogen (NOx) and 1,650 tons of PM2.5 (particulate matter that is 2.5 microns or smaller), providing significant air quality benefits to impacted areas, including in disadvantaged and low-income communities. The FARMER Program was built following the core tenants of the Moyer program; therefore, for ease of implementation of both programs, air districts now have the ability to use Moyer dollars directly on Moyer-eligible FARMER Program projects. More information on the statistics for the FARMER Program can be located here: Farmer Program Outreach Materials.

The Moyer Program has been successfully implemented through the cooperative efforts between CARB, air districts, and the public. The Health and Safety Code (H&SC) directs CARB to oversee the program by managing and distributing funds; developing and revising guidelines, protocols, and criteria for covered project types; and determining methodologies to evaluate project cost-effectiveness. Air districts follow the Board-approved Guidelines to select, fund, and monitor specific clean air projects in their areas, providing grants to public and private entities for the incremental cost of cleaner-than-required engines and/or equipment. Each air district may focus its funds on specific source categories, tailoring projects to meet local air quality objectives while still ensuring the proper and responsible use of State funds.

Emission reductions funded through the Moyer Program must be permanent, surplus, quantifiable, and enforceable to meet the underlying statutory provisions and be SIP-creditable. To ensure that projects are surplus to regulations, funded projects must not be required by any federal, State or local rule or regulation. In cases except for

infrastructure and light-duty vehicle projects, the project life, the period in which surplus emission reductions are delivered, must be at least one year, so that the program does not fund actions that would otherwise be taken to comply with regulatory deadlines. A maximum project life is also established to ensure that the emission reductions remain real for a specified period.

The Guidelines require that emission control technologies be certified or verified by CARB or by United States Environmental Protection Agency (U.S. EPA) when CARB does not have an applicable certification or verification program. Robust administrative requirements also help ensure emission reductions are enforceable and are achieved for the life of a project. Grantees sign contracts or agreements enforceable for the life of a project. Their replaced engines must be scrapped. Incentive program reviews conducted by a third-party contractor and fiscal audits by Department of Finance help ensure Moyer funds are serving the purpose of achieving expected emission reductions.

1. Project Types

The Moyer Program funds projects involving a wide variety of vehicles and equipment. Project types include replacements, repower, retrofit, conversion, vehicle retirement (car scrap), and infrastructure. More details on eligible project types can be found in the source category chapters of the Guidelines. Other projects may be eligible; interested applicants should reference the details in each section and consult with their local air district for additional solicitation material, program brochures, and to discuss potential Moyer Program projects.

2. Reimbursement Options

The Moyer Program offers contracts or vouchers to grantees through the air district. Contracts are allowed for all category project types. Vouchers are allowed for on-road heavy-duty projects through the On-Road Heavy-Duty Voucher Incentive Program (VIP), off-road through the Off-Road VIP (ORVIP), and for lawn and garden equipment through Chapter 9 of the Moyer Program Guidelines.

3. Funding Sources

The Moyer Program has been funded through a variety of mechanisms since its inception in 1998. In the program's first four years, the California Legislature funded the Moyer Program through annual budget appropriations. Voter approval of *Proposition 40: The California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002* provided program funding for the fifth and sixth years.

Bills enacted in 2004 (Senate Bill (SB) 1107 and Assembly Bill (AB) 923) provided for continuous funding of the Moyer Program thereafter. The Moyer Program is authorized funds annually from the following sources:

(A) **Smog Abatement Fee:** SB 1107 adjusted the smog abatement fee collected for new vehicles registered by the Department of Motor Vehicles (DMV) from $6 to $12, while extending the new vehicle Smog Check exemption period. Owners of vehicles that are 6 or less model years old are required to pay the

$12 smog abatement fee annually. SB 1107 funds do not have a sunset date. Subsequently, AB 1274 is an amendment to SB 1107, where it requires owners of vehicles that are 7 or 8 model years old to also pay a $25 smog abatement fee annually. This additional fee is directed to fund the Moyer Program (H&SC Section 44091.1). No fees are collected and go towards the Moyer Program after the vehicle is older than 8 model years old, which an owner must then get their vehicle smog checked biennially.

(B) **AB 923:** AB 923 adjusted the tire fee that is assessed on purchasers of new tires from $1 per tire to $1.75 per tire (Public Resources Code Section 42885). This legislation had sunset in 2015, AB 8 extended that date through 2023, and AB 2836 extended this date to January 1, 2034.

CARB receives from DMV the funds from the additional $6 portion of SB 1107 smog abatement fees, and from the Board of Equalization the funds from the additional $0.75 portion of AB 923 tire fees. CARB distributes these funds, to air districts following a statutory formula (H&SC Section 44299.2).

In addition, AB 923 gave air district governing boards the authority to increase the vehicle registration surcharge by $2 to pay for specific clean air incentive programs, including projects eligible for grants under the Moyer Program. AB 923 $2 DMV funds have become the primary source of the 15 percent Moyer match required of air districts receiving more than the minimum allocation. Air districts may adopt the $2 Motor Vehicle Registration fee, providing the air districts with additional funds annually for incentive projects. The $2 DMV surcharge fees are sent directly by DMV to the air districts.

B. Program Legislative History

The Moyer Program was created in 1998 when $25 million was included in the Fiscal Year 1998-1999 State budget to fund a lower-emission heavy-duty engine incentive program. CARB adopted the first set of Moyer Program Guidelines in early 1999, and legislation (AB 1571) enacted in 1999 formally established the statutory framework for the program (Health and Safety Code (H&SC) Section 44275 et seq.). The program initially focused on reducing NOx emissions from heavy-duty diesel engines to implement a strategy in the 1994 California SIP for ozone that called for the early introduction of cleaner engines. The scope of the program has expanded over the years with statutory changes adding both new covered pollutants and new source categories.

Legislation enacted in 2001 (AB 1390) required air districts with a population of over 1 million to expend 50 percent of Moyer Program funds for projects that operate or are based in environmental justice areas (H&SC Section 43023.5). Legislation enacted in 2004 (AB 923 and SB 1107) provided increased and continued funding through 2015 while significantly expanding the Moyer Program.

AB 923 expanded the Moyer Program to include light-duty vehicle projects and agricultural sources of air pollution as defined in H&SC Section 39011.5(a). AB 923 also

expanded the Moyer Program from a NOx-focused incentive program to include projects that also reduce ROG and particulate matter (PM). This change allowed the Moyer Program to address California's air pollution challenges more comprehensively, including the air toxic risk associated with emissions from diesel engines. Additional legislation enacted in 2004 (AB 1394) directed CARB to include in the Moyer Program heavy-duty fleet modernization projects that reduce NOx and/or PM emissions through the replacement of old trucks.

Legislation enacted in 2005 (SB 467) required CARB to revise the Moyer Program Guidelines to include projects in which an applicant turns in off-road equipment powered by internal combustion engines and replaces that equipment with new zero-emission technologies.

Legislation enacted in 2006 (SB 225) provided additional resources for program administration to address the expansion of the program. This legislation increased allowable expenditures for air districts' program administration from 2 percent of program funds for outreach to 5 percent for air districts with one million or more inhabitants and to 10 percent for those with less than one million inhabitants. CARB was provided 4 percent of program funds for outreach, oversight, and administration. These additional resources enabled CARB and the air districts to improve program accessibility, efficiency and accountability.

Legislation enacted in 2009 (SB 3) allows a maximum project life of 10 years for off-road farm equipment projects. This legislation also allows for funding of these off-road farm equipment projects up to the compliance date as determined by statute, regulation or rule.

Legislation enacted in 2010 (AB 1507) required CARB to revise the Guidelines by July 1, 2011, to allow for the combination of Moyer Program funds with funds designed to reduce greenhouse gas emissions from federal programs or the Alternative and Renewable Fuel and Vehicle Technology Program, without including them in the cost-effectiveness calculation for the Moyer Program funds.

Legislation enacted in 2013 (AB 8) extended funding of AB 923 tire fees ($1.75 per tire) through year 2023, effectively reauthorizing the Moyer Program and associated local funds through that year. AB 8 also directed CARB to convene a working group and work with local air districts to evaluate the Moyer Program and provide recommendations for program changes. The efforts of this working group led to SB 513.

Signed by the Governor in 2015, SB 513 provided new flexibilities that allow the Moyer Program to continue to make a viable contribution to emission reductions in California into the future. SB 513 was implemented in two phases; the early revisions became effective January 1, 2016, following a public meeting and 45-day public comment period, under authority delegated to the Executive Officer. The most noteworthy changes enabled by SB 513 included:

1. Updated cost-effectiveness criteria, authorizing the Board, in collaboration with the air districts, to establish and revise cost-effectiveness limits to account for the

costs of technology and regulation;

2. Allowed for a separate school bus cost-effectiveness limit which aligned the Program to fund at the levels equivalent to the Lower-Emission School Bus Program;
3. Expanded opportunities for infrastructure projects; and
4. Allowed project co-funding without penalizing cost-effectiveness.

Legislation enacted in 2021 (SB 129) provided a one-time cumulative sum of $45 million for local air districts in severe or extreme nonattainment through the Carl Moyer Program for the purchase of non-diesel medium- and heavy-duty vehicles emitting no more than 0.02 grams per brake horsepower-hour (g/bhp-hr) NOx or lower, as certified by CARB, that replace diesel vehicles. Projects must have been completed by the end of fiscal year 2022–23, after which remaining monies may have been used for the purchase of zero-emission medium- and heavy-duty vehicles that replace diesel vehicles. These funds are to be liquidated by the affected air districts, South Coast Air Quality Management District and San Joaquin Valley Air Pollution Control district, by June 2026.

Legislation enacted in 2022 (AB 2836) extended authorization of the Moyer Program, extending all previous sunset provisions in the Moyer Program's governing Healthy and Safety Code and Vehicle Code statutes. All pre-existing sunset dates were extended from January 1, 2024 out to January 1, 2034.

Legislation enacted in 2024 (SB 1158) extended liquidation of the Moyer Program funds from four years following reservation to six years following disbursement in Healthy and Safety Code 44287(j).

C. Summary of Changes for the 2024 Guidelines

The 2024 Guidelines are proposed as an update to the Moyer Program to reflect the modernization of the program. Each chapter of the guidelines has been reformatted to include its own Table of Contents including Acronyms, Definitions, and References pertinent to the respective chapters. The key program changes to be implemented through these Guidelines include the following.

1. Updates to Chapters

(A) **Changes to Chapter 3: Program Administration.** Chapter 3 of the Program Guidelines for program administration is updated to provide clarification to the existing chapter, increase air district flexibility where possible, and improve administration processes within the program. Added flexibility to program administration includes the expansion of eligible costs, such as taxes, warranty, insurance, and transport fees for zero-emission technology projects. The Program will also allow for a lease-to-own option for projects going to zero-emission technology. The timeline for when a baseline is to be scrapped if it was replaced with a zero-emission vehicle or equipment is extended, which also allows for the air district to extend the grantee's contract liquidation timeframe. Changes to important

processes will help streamline administration, improve funding distribution efficiency, and reduce the need for physical paperwork such as updating the grant fund allocation timelines (i.e., electronic record keeping, e-signatures, and virtual inspections), as well as allowing the discretion of the air districts to complete 1099 forms to address tax implications. Additional checks and balances further strengthen program implementation, as seen in requirements for the air district Policies and Procedures Manual, and the addition of Desk Reviews and the use of third-party contractors for Program Review at the CARB staff level. The chapter also defined direct and indirect administration costs more clearly, ensuring these is no ambiguity, and provided more direction for handling nonperforming air district programs and projects. Additional co-funding allowances and opportunities will be facilitated through the creation of a dedicated website. Lastly, recognizing the rise in the cost-of-living rates and because air district responsibilities have increased, the program will increase the total administration fund allocation for air districts from 6.25 percent (for air districts with a population over one million) and 12.5 percent (for air districts with a population less than one million), than a million be adjusted to 12.5 percent and 15 percent, respectively.

(B) **Changes to Chapter 4: On-Road.** Chapter 4 of the Program guidelines for on-road heavy-duty vehicles was last updated in 2022. The 2024 updates to Chapter 4 include expanding eligible costs (i.e., taxes, warranty, insurance, and transport fees), allowing a lease-to-own option, and extending the timeline to up to 6 months for when a baseline is to be scrapped if it was replaced with a zero-emission vehicle at the discretion of the air district; all of which are equitable considerations for small fleets and small businesses. Further guidance is provided for compliance checks, ensuring applicants are eligible to participate in the program. The chapter also clarifies that vehicles that have a CARB Executive Order for zero-emission exemption conversion are eligible as conversion and new replacement projects. Warranty requirements are updated for all zero-emission vehicle categories, as well as dealership requirements and dismantler requirements. For example, warranty requirements must meet CARB's Zero-Emission Powertrain Certification Regulation warranty requirements, clarity in roles and responsibilities was provided for dealership requirements, and new guidance is added for dismantlers regarding the baseline DMV documentation process. Also, past case-by-case approvals have been assessed and subsequently prompted updates to the case-by-case determination processes which support air districts in funding eligible projects more efficiently. Language in the chapter is also updated to align with State regulations, rules, standards, and the emissions inventory in consideration of certification, surplus, and compliance requirements.

(C) **Changes to Chapter 5: Off-Road.** Chapter 5 of the Program guidelines for

off-road is updated to expand eligible project types and opportunities for zero-emission projects, as well as updating baseline and replacement engine requirements that further supports the State's emission goals. Funding opportunities for engines below 25 horsepower, transport refrigeration units, and utility terrain vehicles have been introduced to the chapter, supporting a wider range of off-road projects. Replacement zero-emission projects will no longer require case-by-case determinations, will allow extended warranties as an eligible cost, and up to a 6-month destruction delay option is available, improving project implementation. Agricultural projects will continue to be funded through the Moyer Program but implementation will follow the FARMER Program Guidelines.

(D) **Changes to Chapter 6: Locomotive**. Chapter 6 of the Program guidelines for locomotives is updated to reflect the requirements of the In-Use Locomotive Regulation, which passed in April 2023. Updates include clarification on engine destruction requirements, allowing a leasing option for zero-emission locomotive replacements, and reducing the need for case-by-case determinations. The eligible project list is expanded to allow retrofits and conversions, as well as two-for-one replacement projects, which are efficient ways to modernize fleets. Additionally, the funding percentages for switcher locomotives are increased to 85 percent, flexibility for project lives are applied by allowing partial year project lives with a minimum of a 1-year project life (i.e., 1 year and 6 months), and the CARB verification requirement will also allow for CARB approval for zero-emission projects.

(E) **Changes to Chapter 7: Marine**. Chapter 7 of the Program guidelines for marine was last updated in 2023 which included changes and updates that support the Commercial Harbor Craft (CHC) regulation amendments. The CHC amendments accelerated turnover of diesel engines to Tier 4 marine performance standards plus diesel particulate filter performance standards, added new vessel categories, and requires zero-emission or zero-emission capable hybrid technology for selected vessel types. With the 2024 updates, the chapter is updated to expand opportunities for zero-emission and zero-emission capable hybrid projects which are eligible for the advanced technology cost-effectiveness limit. The eligible costs list is also expanded to support the transition to zero-emission technology. Additional eligible costs for zero-emission or zero-emission capable hybrid include costs required for design and engineering, third-party sea trials, dry docking, and U.S. Coast Guard inspection fees. Additionally, the warranty requirements are updated to align with the 3-year warranty requirements established in the Clean Off-Road Equipment Voucher Incentive Project Program Guidance is provided for vessel replacements, zero-emission projects, and zero-emission capable hybrid projects that will reduce the need for case-by-case determinations.

(F) **Changes to Chapter 8: Light-Duty Vehicles.** Chapter 8 of the Program guidelines for Light-Duty Vehicles has been updated and includes an increase

to the maximum grant amount, increase in the project life, and updates to the Retried Vehicle Emissions Reduction table. The maximum grant amount was previously $1,500 and has increased to $3,000.

(G) **Changes to Chapter 9: Lawn and Garden Equipment.** Chapter 9 of the Program guidelines for Lawn and Garden Equipment was last updated in 2023. Changes include expanding the eligible equipment types, updating the maximum voucher amounts, and allowing commercial operators as eligible applicants. For the 2024 Moyer Guideline update, most of the proposed changes to the chapter aimed to clarify existing chapter requirements or to expand air district flexibility in implementing the program. Non-permanent charging equipment and charging cables are added as eligible project costs, ensuring participants have the necessary infrastructure to support their new equipment without incurring additional out-of-pocket expenses. Also, the program has increased the baseline equipment delivery of the operational lawn and garden equipment to air districts, dismantlers, or other third parties to 60 days. This extension provides participants with more time to comply with the requirements and ensures a smoother transition.

(H) **Changes to Chapter 10: Infrastructure.** Chapter 10 of the Program guidelines for infrastructure, along with Chapter 4 and On-Road VIP, was last updated in 2022. For the 2024 Moyer Guideline update, the program is introducing portable power as a new project type, additional project types are now eligible without requiring a case-by-case determination (i.e., transport refrigeration units, truck stop electrification, off-grid solutions, micro-grids, and mobile re-fuelers), and new electric vehicle charging protocols are added. Other updates include raising the funding percentage for all project types, allowing additional costs and fees as an eligible cost, and removing the CARB verification requirement for co-funded projects. Moving forward, the pre-inspection requirement is only applicable to conversion or expansion projects with existing hardware, uptime requirements for publicly accessible and non-publicly accessible projects are aligned, flexibility is provided for publicly accessible stations with restricted access to operate during their regular business hours, and flexibilities were added to the competitive bidding process.

(I) **Changes to On-Road Heavy-Duty Voucher Incentive Program.** Volume II of the Moyer Program, the On-Road Heavy-Duty VIP Guidelines, was last updated in 2022. The 2024 updates to the On-Road Heavy-Duty VIP Guidelines in 2024 aligns with the updates to Chapter 4, though with a significant change to the fleet size eligibility. Fleets of up to 20 vehicles with 8,500 lbs. or more gross vehicle weight rating may be eligible to apply. However, the maximum number of replacement heavy-duty trucks of 14,001 lbs. or greater that could be funded under VIP will remain at 10 trucks to maintain a level playing field with traditional small fleets and retain the spirit of the program.

2. Updates to Appendices.

(A) Appendix A has been updated for all acronyms.

(B) Appendix B has been updated for all definitions.

(C) Appendix C has been updated to reflect the updates to the cost-effectiveness calculation methodology, as well as reformatting of the formulas and calculations.

(D) Appendix D has been updated for all tables for emission reduction and cost-effectiveness calculations, which reflects the up-to-date emission inventory model per category.

(E) Appendix E has been updated to include the cost-effectiveness limits, discount rates, and capital recovery factors. Historical information, such as past cost-effectiveness limits and discount rates, is also illustrated. This appendix was previously the chapter references, but these will be found in each of the respective chapters for ease of reference.

3. Updates to Cost-Effectiveness Limits.

Since the approval of the 2017 Moyer Program Guidelines, the dual cost-effectiveness limit, known as the two-step calculation, was implemented. For advanced technology projects, the incremental emission reductions were considered separately, and the calculations were applied twice. The first series of calculations was made using the base cost-effectiveness limit and the emission reductions going up to the cleanest required standard, and the second series of calculations was made using the advanced technology cost-effectiveness limit and the emission reductions beyond the cleanest required standard. Appropriate results from steps one and two are then combined accordingly to determine a project's grant amount, emission reductions, and cost-effectiveness.

The 2024 Guidelines simplifies cost-effectiveness calculations by returning exclusively to a one-step approach that streamlines the process. A respective cost-effectiveness limit would be applied in a single step for each project, no longer needing a two-step approach. This one-step approach will continue to support conventional projects, engines and equipment exempt from pertinent regulations, and advanced technologies. It also aligns with the approach proposed by the FARMER Program, further streamlining and simplifying incentives. The appropriate numeric cost-effectiveness limit applied depends on the type of project, as specified in the source category chapters.

II. Acronyms

Acronym	Definition
AB	Assembly Bill
CARB	California Air Resources Board
CARL	Cleaning Air Reporting Log
DMV	Department of Motor Vehicles
EMFAC	CARB's On-Road Motor Vehicle Emission Inventory Model
g/bhp-hr	Grams per brake horsepower-hour
H&SC	Health and Safety Code
NOx	Oxides of Nitrogen
PM	Particulate Matter
PM2.5	Particulate Matter less than 2.5 microns in diameter
ROG	Reactive Organic Gases
SB	Senate Bill
SIP	State Implementation Plan
U.S. EPA	United States Environmental Protection Agency
VIP	Voucher Incentive Program

III. Definitions

Agricultural Assistance Program: A program established by Section 39011.5 of the Health and Safety Code (H&SC) providing funds for new purchase, retrofit, repower, or add-on for previously unregulated agricultural equipment.

Air District or District: An air pollution control district or an air quality management district.

Applicant Cost Share (ACS): The 15 percent or more of Moyer Eligible Cost (MEC) that is paid by the applicant, except when waived for public entity applicants.

Certification: A finding by the California Air Resources Board (CARB) or the U.S. EPA that a mobile source or emissions control device has satisfied applicable criteria for specified air contaminants.

Competitive Bidding Process: The process by which an applicant competitively selects infrastructure projects using two or more bids, or the process by which an Air District competitively selects infrastructure projects. The Air District's process, including selection criteria, must be outlined in the Air District solicitation, and approved by the Air District Board.

Cost-Effectiveness: A measure of the dollars provided to a project for each ton of covered emission reduction (H&SC Section 44275(a)(4)).

Cost-Effectiveness Limit: The maximum amount of funds the Moyer Program will pay per

weighted ton of emission reductions, using the methodology in Appendix C.

Covered Source: On-road vehicles, off-road non-recreational equipment and vehicles, locomotives, marine vessels, agricultural sources of air pollution as defined in Section 39011.5 and as determined by the State Board, other categories necessary for the State and Air Districts to meet air quality goals (H&SC Section 44275(a)(7)).

Deterioration: The increased exhaust emissions over time taking into account wear and tear on engines and emissions control devices.

Deterioration Rate (DR): Rates that estimate increased emissions of NOx, ROG and PM from engine wear and tear and other variables that increase engine emissions over time. On-road deterioration rates are established by weight class and engine model year, based on values in CARB's on-road emission inventory model (EMFAC2021). Off road deterioration rates are established by horsepower and either Tier or model year, based on values in CARB category specific inventory models.

Emission Control System: Any device, system, or element of design that controls or reduces the emissions of regulated pollutants from a vehicle.

Emission Factor (EF): A category specific estimate of emissions per unit of activity. On-road emission factors are based on CARB mobile source emission inventory model (EMFAC2021) values. Off-road emission factors are based on values applied in CARB category specific inventory models.

Expend: To make a full or partial payment of Moyer Program funds toward a project invoice for an eligible Moyer Program project.

Farm Equipment: As applied to off-road engines, includes equipment used in agricultural operations as defined in the Regulation for In-Use Off-Road Diesel-Fueled Fleets (California Code of Regulations, title 13, Section 2449(c)(1)). As applied to portable and stationary engines, includes the agricultural sources defined in Health and Safety Code Section 39011.5.

Fund: Means the Air Pollution Control Fund established pursuant to Section 43015. Section 43015 states the following:

> (A) The Air Pollution Control Fund is continued in existence in the State Treasury. Upon appropriation by the Legislature, the money in the fund shall be available to the state board to carry out its duties and functions.
>
> (B) Projects using grants, loans, vouchers, or other incentives funded in part or whole by the Air Pollution Control Fund shall be conditioned on the requirements of Chapter 3.6 (commencing with Section 39680) of Part 2, as applicable. The state board may include in an existing report its description of how projects funded by the Air Pollution Control Fund are implementing the labor standards described in Chapter 3.6 (commencing with Section 39680) of Part 2, as applicable.

Funding Amount: The amount of funds dedicated to a contracted project for reporting

purposes in CARL; this value may never exceed the grant amount.

Funding Cap: The maximum dollar amount or maximum percentage of Moyer or State funds that may be expended on a project, as specified by source category and limited by variables that include the contribution of other incentive programs, rules, regulations, and incremental cost.

Harbor Craft: (also called "Commercial Harbor Craft") Any private, commercial, government, or military marine vessel including, but not limited to, passenger ferries, excursion vessels, tugboats, ocean-going tugboats, towboats, push-boats, crew and supply vessels, work boats, pilot vessels, supply boats, fishing vessels, research vessels, United States Coast Guard vessels, hovercraft, emergency response harbor craft, and barge vessels that do not otherwise meet the definition of ocean-going vessels or recreational vessels.

Heavy-Duty Vehicles (HDV): Trucks and buses in the weight classes shown in Appendix B, Table B-1, also provided below.

Table 1

Heavy-Duty Vehicle Classification for Moyer Program On-Road Project

Vehicle Classification	GVWR
Light Heavy-Duty (LHD)	14,001 to 19,500 pounds
Medium Heavy-Duty (MHD)	19,501 to 33,000 pounds
Heavy Heavy-Duty (HHD)	Over 33,000 pounds

Incremental Cost: The cost of the project less a baseline cost that would otherwise be incurred by the applicant in the normal course of business. Incremental costs may include added lease, energy, or fuel costs pursuant to Health and Safety Code Section 44283 as well as incremental capital costs.

Large Fleet: Under the In-Use Off-Road Diesel-Fueled Fleets Regulation, a fleet with a total maximum power greater than 5,000 horsepower. A fleet must meet large fleet requirements of this regulation if the total vehicles under common ownership or control would be defined as a large fleet. All fleets owned by the United States, the State of California, or agencies thereof (i.e., an agency in the judicial, legislative, or executive branch of the federal or state government) are considered as a unit whole and must meet the large fleet requirements of the In-Use Off-Road Diesel-Fueled Fleets Regulation (California Code of Regulations, title 13, Section 2449). Under the Large Spark Ignition Engine Fleet Requirements Regulation, a large fleet is an operator's aggregated operations in California of 26 or more pieces of large spark-ignition equipment.

Liquidate: To spend all moneys for a specified fiscal year to reimburse grantees for valid and eligible project invoices and air district administration costs. Payments withheld from the grantee by an air district until all contractual reporting requirements are met may be

excluded from these amounts for the purposes of liquidation (H&SC Section 44275(a)(12)). For a specific project, liquidation refers to all funded equipment as paid in full and operational.

Local Funds: Monies provided by any unit of local government including a publicly owned utility and Joint Powers Authority (JPA).

Maximum Percentage: The maximum percentage of eligible cost that may be expended on a project as specified by source category and project type, often to reflect incremental cost.

Medium Fleet: Under the In-Use Off-Road Diesel-Fueled Fleets Regulation, a fleet with total minimum power of greater than 2,500 horsepower and with a total maximum power less than or equal to 5,000 horsepower. Under the Large Spark Ignition Engine Fleet Requirements Regulation, an operator's aggregated operations in California of 4 to 25 pieces of large spark-ignition equipment.

Model Year: The same meaning as defined in title 13, CCR, Section 2421(a)(38).

Moyer Program Funds: State funds awarded by CARB to local air districts to implement the Moyer Program, including project and administrative, and interest revenue from the awarded funds, and revenues from salvage of equipment scrapped under the program. Local funds that are under the air district's budget authority may also qualify as Moyer Program funds or match funds (see H&SC Section 44287(e)); however, certain limitations apply (see H&SC Section 44287(j)).

Project Life: The period for which the Moyer Program funds surplus emission reductions for a given project.

Publicly Accessible: An infrastructure project that is available to provide fuel or energy to all members of the general public with no physical access restrictions and no necessity to enter into a contract or sign release of liability.

Public Funds: Funds provided toward project costs by local, State or federal public entities, including grants, rebates and vouchers.

Repower: A repower is the replacement of the existing engine with an electric motor or a newer emission-certified engine instead of rebuilding the existing engine to its original specifications.

Retrofit: Modifications to the engine and fuel system so that the retrofitted engine does not have the same emissions specifications as the original engine, or the process of installing an CARB-verified emissions control system on an existing engine.

School Bus: Vehicles used for the express purpose of transporting students, kindergarten through grade 12, from home to school, school to home, and to any school sponsored activities.

Shore Power: Electrical power being provided to the ship at berth by either the local utility or by distributed generation.

Smog Check: the motor vehicle inspection and maintenance program established by California Health and Safety Code Section 44000, et seq.

State Funds: Funds provided by a State agency for the purpose of co-funding projects under the Moyer Program. State agencies include every State office, department, division, bureau, board, commission, the University of California, and the California State University.

State Implementation Plan: Under the Clean Air Act, the plan submitted by a state that demonstrates attainment or maintenance of an air quality standard through implementation of specified control measures.

Total Project Cost: The Moyer Eligible Cost and the Moyer Ineligible Cost for vehicles, equipment, engines, accessories, installation and infrastructure within a single Moyer Program project. An applicant may not accept grant funds from all sources that exceed 100 percent of total project cost excluding the Applicant Cost-Share.

Verification: A determination by CARB or the U.S. EPA that a diesel emission control strategy meets specified requirements, based on both data submitted and engineering judgement.

Vessel or Marine Vessel: Any tugboat, tanker, freighter, passenger ship, barge, or other boat, ship, or watercraft, except those used primarily for recreation.

Voucher Incentive Program (VIP): An air district incentive program using Moyer Program funds to provide a streamlined approach to replace or retrofit older, high- polluting heavy-duty vehicles or equipment with cleaner-than -required vehicles or equipment providing early or extra emission reductions. Funds for VIP projects are used to reduce some of the costs associated with replacing or retrofitting a vehicle.

Zero-Emission: A propulsion system or auxiliary power system that generates no tailpipe exhaust emissions other than water vapor or diatomic nitrogen from the onboard source(s) of power. This includes vessels utilizing a zero-emission propulsion and auxiliary power system.

IV. References

Assembly Bill 8 Alternative Fuel and Vehicle Technologies: Funding Programs
https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201320140AB8

Assembly Bill 923 Air Pollution
https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=200320040AB923

Assembly Bill 1274 Smog Check: Exemption
https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201720180AB1274

Assembly Bill 1390 Air Pollution.
https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=200120020AB1390

Assembly Bill 1394 Air pollution: Carl Moyer Memorial Air Quality Standards Attainment Program: Particulate Matter
https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=200320040AB1394

Assembly Bill 1507 Motor Vehicle Greenhouse Gas Emission Reduction Projects

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=200920100AB1507

Assembly Bill 1571 Carl Moyer Memorial Air Standards Attainment Program
https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=199920000AB1571

Assembly Bill 2836 Carl Moyer Memorial Air Quality Standards Attainment Program: Vehicle Registration Fees: California Tire Fee
https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB2836

Executive Order N-79-20
https://www.gov.ca.gov/wp-content/uploads/2020/09/9.23.20-EO-N-79-20-Climate.pdf

Health and Safety Code Section 39011.5
https://california.public.law/codes/ca_health_and_safety_code_section_39011.5

Health and Safety Code Section 44091.1
https://california.public.law/codes/ca_health_and_safety_code_section_44091.1

Health and Safety Code Section 44275
https://california.public.law/codes/ca_health_and_safety_code_section_44275

Health and Safety Code Section 44299.2
https://california.public.law/codes/ca_health_and_safety_code_section_44299.2

Health and Safety Code Section 43023.5
https://california.public.law/codes/ca_health_and_safety_code_section_43023.5

Proposition 40: The California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002
https://ballotpedia.org/California_Proposition_40,_Environment_and_Parks_Bond_Measure_(March_2002)

Senate Bill 3 Air Pollution: Grants: Farm Equipment
https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=200920102SB3

Senate Bill 129 Budget Act of 2021
https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB129

Senate Bill 225 Carl Moyer Program
https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=200520060SB225

Senate Bill 467 Carl Moyer Memorial Air Quality Standards Attainment Program
https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=200520060SB467

Senate Bill 513 Carl Moyer Memorial Air Quality Standards Attainment Program: Fees
https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160SB513

Senate Bill 1107 Vehicles: Resources
https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=200320040SB1107

Senate Bill 1158 Air Pollution: Carl Moyer Memorial Air Quality Standards Attainment Program: Liquidation Extension
https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB1158