



January 14, 2022

Notice of Public Meeting to Consider Proposed Updates to the Carl Moyer Memorial Air Quality Standards Attainment Program Guidelines, Chapter 4: On-Road Heavy Duty Vehicles

Invitation to Participate

The California Air Resources Board (CARB or Board) is pleased to invite you to participate in a public meeting to consider proposed updates to the Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program) Guidelines (Guidelines), Chapter 4: On-Road Heavy-Duty Vehicles (Chapter 4). On November 19, 2021, the Board approved amendments to the Carl Moyer Program cost-effectiveness limits and funding caps for optional advanced technology and zero-emission replacement on-road projects for the on-road category. During the hearing, stakeholders indicated a desire for further administrative changes, outside the immediate scope of the Board hearing, to streamline administrative requirements and processes that would better ensure program participation and accountability in the program.

CARB staff has had numerous discussions with air districts and stakeholders, regarding these issues. As a result of these collaborative efforts, and under authority delegated to the Executive Officer by [Resolution 21-24](#), CARB staff are providing proposed updates to Chapter 4 of the Carl Moyer Program Guidelines for On-Road Heavy-Duty Vehicles for consideration.

This meeting is webinar only and will be conducted in English and Spanish; no in-person attendance will be available. Interactive audio is accessible with either your

computer's audio using the link provided or the dial-in number below. The webinar will be recorded for later viewing.

Date: March 1, 2022
Time: 10:00 a.m. – 12:00 p.m.
Location: Zoom Webinar/Teleconference

Register

After registering, you will receive a confirmation email containing information about joining the workshop. Please use the link and password to join the workshop the morning of the meeting. If you are using a tablet or smart phone, please download the Zoom app. Ensure the [latest version of Zoom](#) is installed on your device.

Staff's presentation, and any additional webinar related documents, will be made available prior to the meeting on [CARB's website](#).

Board Approved Changes

The Board approved increasing the cost-effectiveness thresholds to ensure the Carl Moyer Program continues to focus on developing the most advanced zero-emission and low emission technologies, consistent with encouraging further emissions reductions. Cost-effectiveness changes include:

| Cost-Effectiveness (CE) Limit Types | Old CE Limits (\$/ton) | New CE Limits (\$/ton) |
|---|------------------------|------------------------|
| Base Limit | \$30,000 | \$33,000* |
| Optional Advanced Technology Limit | \$100,000 | \$109,000* |
| On-Road Optional Advanced Technology Limit – 0.02 g/bhp-hr NOx or cleaner | \$100,000 | \$200,000 |
| On-Road Optional Zero-Emission Limit** | \$100,000 | \$500,000 |
| School Bus (combustion) | \$276,230 | \$300,000* |

*Adjusted for inflation only

**Includes zero-emission school buses

In general, staff also found substantially higher incremental costs for zero-emission vehicles and equipment in various applications and source categories due to lower volumes. As a result, the Board also approved increasing the maximum funding

amounts that will ensure that those incremental costs can be covered by the program. Changes include:

- Increase State Funding Caps for Light Heavy-Duty (LHD), Medium Heavy-Duty (MHD), and Heavy Heavy-Duty (HHD) trucks
 - Optional Low NOx Replacements
 - MHD 0.02 g/bhp-hr from \$80,000 to \$120,000
 - HHD 0.02 g/bhp-hr from \$100,000 to \$160,000
 - Zero-Emission Replacements or Conversions
 - LHD Truck or Bus from \$80,000 to \$170,000
 - MHD Truck or Bus from \$150,000 to \$180,000
 - HHD Truck or Bus from \$200,000 to \$410,000

Board approved modifications to the Carl Moyer Program Guidelines are available on [CARB's website](#) in strikeout and underline.

Summary of Proposed Changes

The following sections highlight the major updates proposed for Chapter 4 of the Carl Moyer Program Guidelines for On-Road Heavy-Duty Vehicles. In general, staff expects the proposed changes would increase funding opportunities and participation, align the Guidelines to be consistent with Board priorities, and clarify requirements in order to simplify program administration. On-road heavy-duty projects funded under staff's proposed changes would still need to meet the program's Guideline requirements.

Staff's proposed changes to address these remaining issues include:

- Update Eligible Replacement and Repower Options
- Increase Flexibility for Required Minimum Annual Usage in California
- Air Districts Requirements:
 - Remove pre-dismantle inspection
 - Allowance of remote inspections procedures
 - Reimbursement adjustment to occur after dismantler accepts baseline vehicle
 - Allow limited delays in destruction of baseline vehicle at the dismantler if documented in file.
- Dealership and Dismantler Requirements

- Require dealerships work with air district to understand the program
- Allowance of air district authorized third party to deliver baseline vehicle to dismantler
- Restrict delivery of baseline vehicle stripped for parts where dealership is responsible in ensuring integrity and dismantler has authority to reject

Staff's proposed modifications to the Carl Moyer Program Guidelines are available on CARB's website in strikeout and underline at [CARB's website](#).

Background

Since 1998 the Carl Moyer Program has reduced criteria pollutant emissions, including oxides of nitrogen (NOx) and reactive organic gases (ROG) that contribute to ozone formation, as well as particulate matter (PM). The Carl Moyer Program provides grants that fund up to the incremental cost of cleaner-than-required engines, equipment or vehicles, and emission reduction technology. The projects must yield emission reductions above and beyond or before it is required by regulation and are constrained by cost effectiveness limits for projects meeting the required emission standard (e.g., at least a certified 0.2 grams per brake horsepower-hour NOx standard), an optional advanced technology standard (e.g., at least a certified 0.02 grams per brake horsepower-hour NOx standard), or a zero-emission standard. Emission reductions produced by Carl Moyer Program-funded projects must be creditable in the State Implementation Plan (SIP).

The Carl Moyer Program has been successfully implemented through the cooperative efforts of the CARB and the air districts. Health and Safety Code Section 44286 directs CARB to oversee the Carl Moyer Program by managing program funds; developing and revising guidelines, protocols, and criteria for covered vehicle projects; and determining methodologies used for evaluating project cost-effectiveness. Air districts are responsible for selecting projects for funding, providing grants to public and private entities those projects, and monitoring the projects. CARB is responsible for monitoring air district implementation of the program and ensuring funded projects meet Guideline requirements and are meeting expected emission reductions for the life of the projects.

SB 129, known as "The Budget Act of 2021," made appropriations for the support of state government for the 2021-2022 fiscal year. Section 116 of The Budget Act of 2021 directs \$45 million to local air districts in severe or extreme nonattainment. The \$45 million is to be used in the Carl Moyer Program, to purchase eligible non-diesel medium- and heavy-duty vehicles emitting no more than 0.02 g/bhp-hr of

NOx, as certified by CARB, that replace diesel vehicles. Projects must be under contract by the end of the 2022–2023 fiscal year, after which remaining monies are to be used for the purchase of eligible zero-emission medium- and heavy-duty vehicles that replace diesel vehicles. The funds shall be available for encumbrance or expenditure until June 30, 2024. The Budget Act of 2021 additionally stipulates that the projects must make use of existing re-fueling infrastructure and self-certify that no new infrastructure will be needed to support their use.

SB 129 makes funding available to air districts designated as severe non-attainment or extreme non-attainment. At this time, the only air districts that meet these criteria are the South Coast Air Quality Management District (South Coast AQMD) and the San Joaquin Valley Air Pollution Control District (San Joaquin Valley APCD). Because the funding is explicitly identified as intended to address the issue of diesel trucks, staff proposes to allocate the funds proportionally to these two air districts, based on the population of existing medium- and heavy-duty trucks and buses registered within the respective air districts.

Health & Safety Code Section 44287 authorizes CARB to revise the Guidelines when it is necessary to improve the ability of the program to achieve its goals. Section 44287 also instructs CARB to work with California's air pollution control and air quality management districts (air districts), provide a 45-day public comment period, and hold at least one public meeting to consider public comments prior to adopting any updates to the Guidelines.

Written Comment Period & Comment Submittal

Today initiates the start of the 45-day public comment period before final adoption. The public comment period will begin January 14, 2022. Comments must be submitted, and received **no later than 5:00 p.m. on February 27, 2022**. Interested members of the public may present comments orally or in writing at the meeting and may provide comments by electronic submittal before the meeting.

Electronic Submittal

For questions regarding the public meeting, contact [Ms. Sondra Wynne](#), Air Resources Engineer, or [Mr. Femi Olaluwoye](#), Manager.

Special Accommodation Request

If you require a special accommodation or need this document in another language or in an alternate format (i.e., Braille, large print), please contact [Isabel Guerra](#) as soon as possible, but no later than 15 business days before the scheduled webinar. TTY/TDD/Speech to Speech users may dial 711 for the California Relay Service.

Clearing California Skies for Over 50 Years

CARB is the lead agency for California's fight against climate change, and oversees all air pollution control efforts in the state to attain and maintain health-based air quality standards.

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