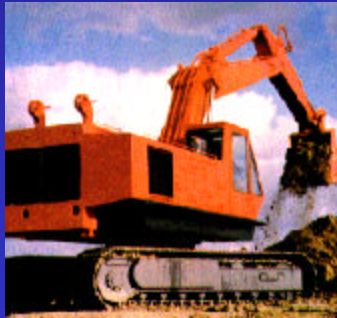


# Carl Moyer Program Guidelines and the Agricultural Assistance Program

2005 Revisions

November 17, 2005



CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY



Air Resources Board

# Outline

---

- Background
- Proposed Revisions
- Modifications to Staff Proposal
- Recommendations

# Background

## Health Effects

---

- Ozone
  - Increases premature deaths, reduced lung functions, respiratory symptoms
- Particulate matter
  - Increases premature deaths, hospital admissions, respiratory diseases
  - Diesel PM identified as toxic air contaminant

# Background

## Carl Moyer Program

---

- Incentive program to obtain SIP-creditable emission reductions
  - Incremental cost of cleaner technology
  - Real, surplus, quantifiable, enforceable
- Provide real emission benefits
- ARB-District partnership
  - ARB develops and adopts Guidelines
  - Districts retain flexibility in implementation

# Background

## 2004 Statutory Changes

---

- SB 1107 and AB 923
  - Provide \$141 million per year through 2015
  - Add ROG and PM emissions
  - Include new source categories
  - Establish new program for agricultural sources
- Potential clean air benefits:
  - 72 tons/day of smog forming pollutants
  - 3 tons/day of toxic diesel PM

# Background

## Funding Distribution

---

- Smog Check Fee and Tire Fee
  - Local district programs – 86.4%
  - ARB for multi-district projects – 9.6%
  - Administration and outreach – 4%
    - 2% ARB administration
    - 2% District outreach
- \$2 Motor Vehicle Fee
  - Local district programs – 100%

# Expanded Guidelines

---

- Formalize administrative requirements
- Add ROG and PM
- Expand source categories
  - Agricultural sources
  - Light-duty vehicles
  - On-road fleet modernization
- Encourage zero-emission projects
- Other changes

# Administrative Requirements

---

- Program transparency
- Minimum requirements for ARB/Districts
- Oversight, audits, and enforcement
- Provisions to recapture funds from “at-risk” districts
- Department of Finance program evaluation in early 2006



# Cost-Effectiveness

---

- Include ROG and PM
- Weight NOx and ROG equally
- Combustion PM weighted by 20
  - PM more expensive to control
  - Greater health impacts
- Weighted C/E (\$/ton):

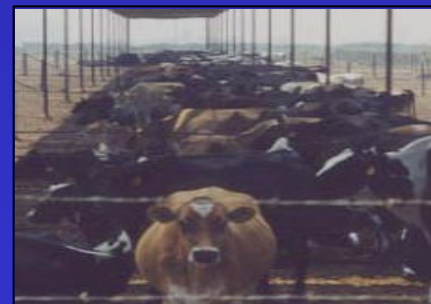
$$\frac{\$14,300}{\text{weighted ton}} = \frac{\text{Annualized Cost}}{\text{NOx} + \text{ROG} + (20 \times \text{PM}_c)}$$



# Agricultural Sources

---

- Expanded agricultural source category
  - Stationary engines and area-wide sources
- Extends program to non-engine agricultural sources
  - Criteria not yet developed
  - Planned for 2006





# Agricultural Assistance Program

---

- New incentive program for previously unregulated agricultural sources
- Can only be funded with \$2 DMV Fee
- Follow Carl Moyer Program Guidelines
  - May be used to comply with regulations
- Non-engine projects eligible when guidelines developed



# Light-Duty Programs

---

- Allow projects that meet existing car scrap regulations
- Evaluate remote sensing (RSD) and vehicle repair program in the South Coast
- Return to the Board late next year to modify car scrap regulations



# Fleet Modernization

---

- Replace oldest trucks with newer trucks
- Based on two pilot programs
- Emission reductions surplus to fleet turnover
  - Target vocations using oldest trucks
  - Strict requirements for replacement vehicles
- Districts must submit fleet modernization plan for ARB approval



# Zero-Emission Projects

---

- Require districts to encourage zero-emission projects
  - Increased outreach, priority processing, set-aside funds
- Implement new legislation for off-road zero-emission projects (SB 467)
  - Develop pilot program in 2006

# Other Changes

---

- Allow non-diesel engines/equipment
- Streamline application process
  - Voucher/rebate pilot program
  - Small business outreach
- Set statewide policy for engine disposal
- Require retrofit on engine repower projects
- Reflect new regulations
- Incorporate newest emission rates

# Modifications to Staff Proposal

---

- District schedule for fund obligation
  - Additional flexibility for districts to be developed with CAPCOA
- Engine disposal for repower projects
  - Engine must be rendered useless
- Retrofits for on-road repowers
  - Require highest level retrofit available
- Evaluate school bus fleet modernization
- Monitoring flexibility for SI ag engines



# Staff Recommendations

---

- Approve the proposed Carl Moyer Program Guideline revisions
- Establish the Agricultural Assistance Program

# Carl Moyer Program Guidelines and the Agricultural Assistance Program

2005 Revisions

November 17, 2005



CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY



Air Resources Board