

Proposed Near-Term Revisions to the Lower-Emission School Bus Program and Carl Moyer Incentive Program Guidelines

March 25, 2010



CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY



Air Resources Board

Presentation Outline

- Respective Program Goals & Benefits
- Proposed Lower-Emission School Bus Program Revisions
- Proposed Carl Moyer Program Revisions
- Long-term Program Opportunities
- Staff Recommendation

Lower-Emission School Bus

History & Goals

- Board established program in 2000
- Accelerate replacements & retrofits
- Reduce toxic diesel pollutants
- Benefit children's health
- Provide safer transportation



Lower-Emission School Bus Program Benefits

- Previous funding of over \$100M
 - 600 buses replaced
 - 3,800 buses retrofitted
- Current Prop 1B funding
 - \$200 million
 - Replace all pre-1977 buses
 - Replace many pre-1987 buses
 - Retrofit 1994 and newer buses



Carl Moyer Program

History & Goals

- Established in 1998 to improve air quality
- Provide emission reductions funding low-emission technologies
- Complement, not replace, regulations
- Health & Safety Code requirements
 - Covered pollutants – ROG, NOx & PM
 - Surplus emission reductions
 - SIP creditable

Carl Moyer Program

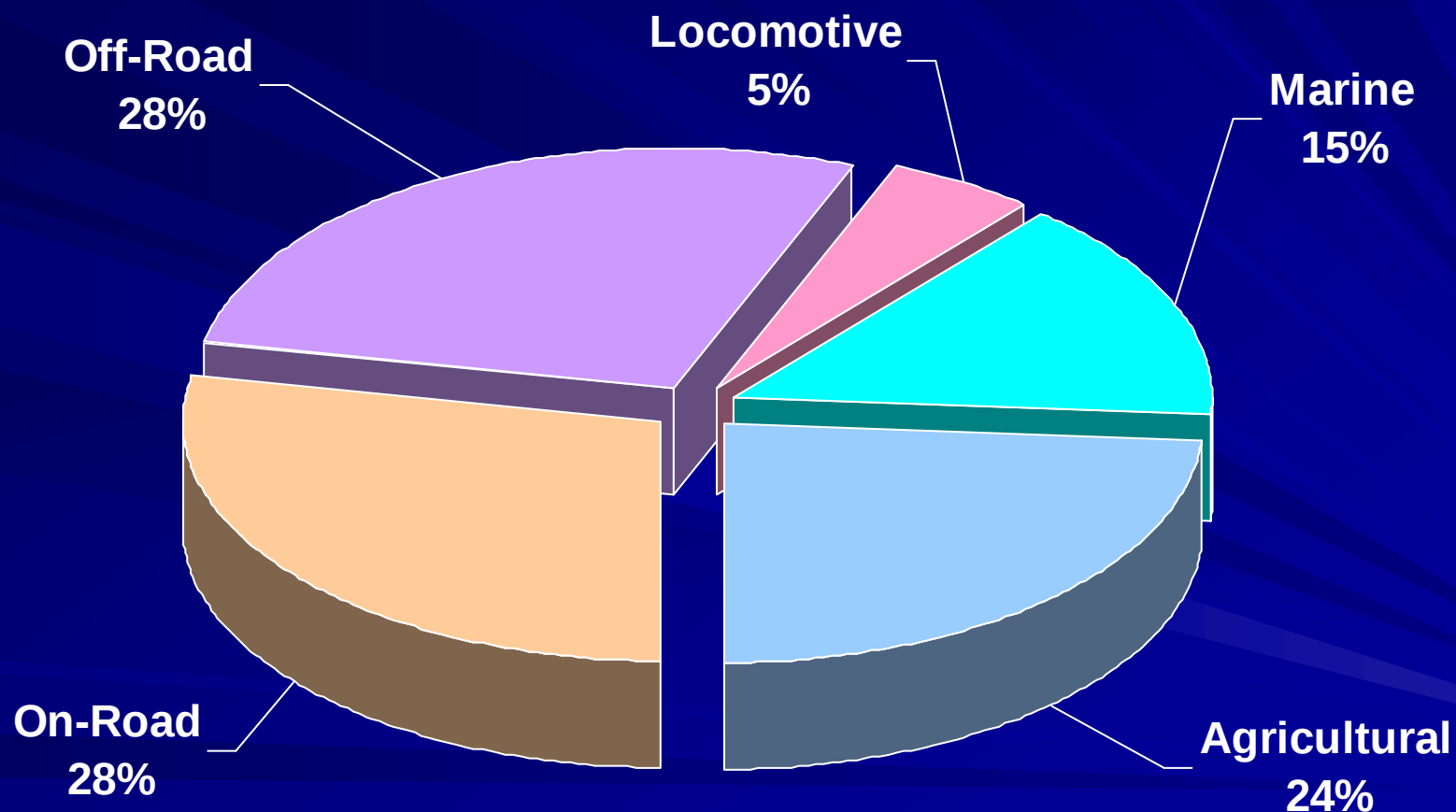
Benefits

- Over \$360M in State funds provided
- 17,700 cleaner engines
- Cost-effectiveness of \$2,600/ton NOx
- Surplus emission reductions achieved
 - 41 tpd of NOx
 - 1.5 tpd of PM



Carl Moyer Program

Funding by Project Type



Need For Changes

- Address legislation
- New regulatory requirements
- Program implementation
 - Utilize experience and lessons learned
 - Respond to stakeholder feedback
- Respond to economic changes
 - Reflect current state policy for bond programs
 - Expand access to incentive grants



Lower-Emission School Bus

Proposed Revisions

- Extend retrofit deadline date to June 30, 2012
 - Coincide with Bond sales
- Allow 2010+ MY engines purchased to meet standard of 0.5 g/bhp-hr of NOx
 - Current standard at 0.2 g/bhp-hr NOx
- Streamline the disbursement process
- Retain the cost-cap limit

Carl Moyer Program

Proposed Revisions - Equipment

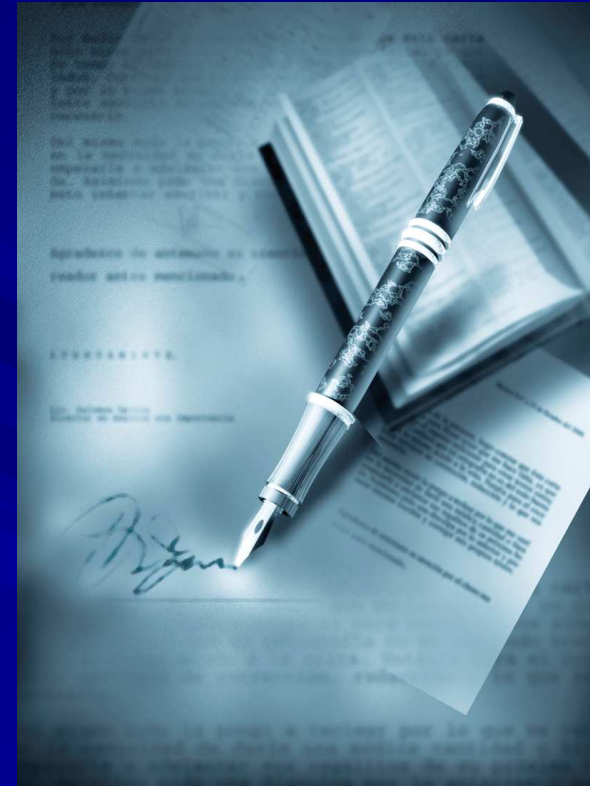
- On-road program
 - Expand Voucher Incentive Program
 - Expand Fleet Modernization
- Off-road program
 - Implement legislation - SBX 2_3
 - Continue flexibility for retrofits
- Locomotives
 - Update emission reduction calculation



Carl Moyer Program

Proposed Revisions - Administration

- Program Administration
 - Reduce requirements for small and rural air districts
 - Streamline application & fund disbursement process
- Usage requirement
 - No longer required in contract
 - Allow waiver for current contract
- Annual update of cost-effectiveness cap



Proposed Future Activity

- Develop on-road truck reuse program options in coordination with Goods Movement
- Address greenhouse gases
- Expand options for school bus purchases funded with AB923
- Coordinate implementation of all incentive programs consistent with Board direction
- Next Board update in 2011

Impacts of Proposal

- Expand program participation
- Increase funding eligibility
- Simplify implementation for local air districts
- Enable faster response to stakeholders



Staff Recommendation

Approve the proposed near-term revisions to the LESBP Guidelines and the CMP Guidelines