

# **Proposed Regulation for State Implementation Plan Credit from Mobile Agricultural Equipment**



# Overview

Air Quality Needs in San Joaquin Valley

Progress Toward Cleaner Air Through Voluntary Incentive Programs

Ensuring Reductions from Incentives are Credited to the State Implementation Plan

Proposed Rule Requirements

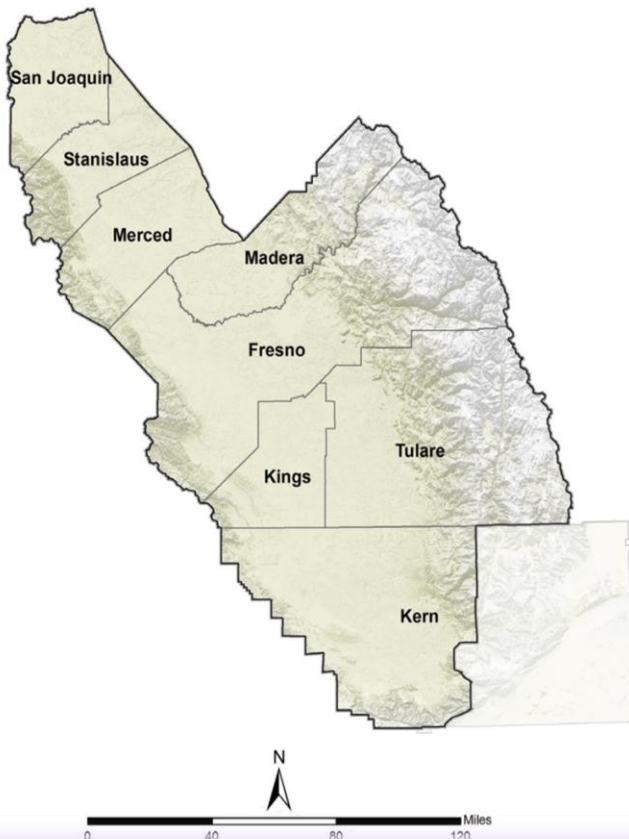
Benefits of the Proposed Rule

Recommendations





# Air Quality Needs in San Joaquin Valley



The San Joaquin Valley is the most productive agricultural region in the world

Designated as extreme nonattainment for the 8-hour ozone standard

Mobile agricultural equipment contributes to the Valley's air pollution problem

Accelerated penetration of cleaner mobile agricultural equipment needed to meet ozone standard

# Addressing Mobile Agricultural Equipment Emissions in the San Joaquin Valley

## 2007 SIP Goal

Reduce emissions of oxides of nitrogen (NOx) by 5 to 10 tons per day by 2017



## 2009 ARB Mobile Agricultural Equipment Survey

California agricultural producers, first processors, and custom operators



## 2010 Statement of Principles

Agreement on approach to ensure SIP creditability of incentive programs

# Incentives Have Reduced Emissions from Mobile Agricultural Equipment in San Joaquin Valley

Over 2,900 pieces have been replaced since 2008

\$130 Million of public funds

\$120 Million of investments by the agricultural industry



# Progress Towards Cleaner Air Through Voluntary Incentive Programs



Incentive programs include SJVAPCD local programs, ARB Carl Moyer Program, and USDA NRCS EQIP

SJVAPCD has committed over \$20 Million annually in coming years for mobile agriculture projects

Continued incentives will achieve 5 to 10 tpd in NO<sub>x</sub> emission reductions by 2017

# Developing Near and Long-Term Strategies to Meet Air Quality Goals

## Near-term Strategy

Proposed rule formalizes administrative mechanism for emission reductions

## Longer-term Strategy

Provide emission reductions in the San Joaquin Valley for attainment dates in 2023 and 2032 through deployment of cleanest technologies





# Ensuring Reductions from Incentives are Credited to the SIP



2010 - Statement of Principles

SJVACPD's Rule 9610 - requirements for local, State, and federal-funded incentive projects for SIP credit eligibility

State Implementation Plan  
Credit from Mobile Agricultural  
Equipment

U.S. EPA approves SIPs



# Proposed Requirements



Applies to San Joaquin Valley Air Pollution Control District

Use Carl Moyer Program Guidelines

Reductions must be surplus, quantifiable, enforceable, and permanent

Report projects to ARB and U.S. EPA

Documents available for public review

Project monitoring and program reviews

# Carl Moyer Program Sets the Standard

Successfully reducing emissions  
since 1998

Used as model for local  
programs throughout the State  
and for NRCS EQIP

Reductions are surplus,  
quantifiable, enforceable, and  
permanent

Reductions also meet  
U.S. EPA's guidance on  
voluntary incentive programs



# Opt-In and ARB Requirements

To opt-in, air district must notify ARB, adopt a local rule, and submit the local rule to ARB for approval

ARB must report district project data annually to U.S. EPA



# Proposed 15-Day Modifications



Specify the Carl Moyer Program Guidelines chapters and appendices that apply

Specify that air districts that opt-in must submit their local rule to U.S. EPA for approval in addition to ARB



# Benefits of the Proposed Rule

Ensures SIP credit eligibility for mobile agricultural equipment projects

Reductions meet 2007 SIP goal for mobile agricultural equipment

Encourages continued participation in incentive programs



# Environmental and Economic Impacts



No adverse environmental or economic impacts identified

No additional costs on air districts

# Comments from Stakeholders

Concern about  
enforceability of  
incentives

Require turnover of  
the fleet now to  
Tier 3 and again later  
to Tier 4





# Addressing San Joaquin Valley's Long-Term Air Quality Needs



Identify additional reductions needed

Deploy cleanest Tier 4 technologies

Continue to maximize incentive program benefits

Develop new strategies  
- Trade-up Program



# Next Steps

Staff recommends adoption of the proposed rule with the proposed 15-day Modifications

Continue working with stakeholders in addressing San Joaquin Valley's long-term air quality needs

