

California Air Resources Board

Notice of Public Meeting to Consider Proposed Revisions to the Carl Moyer Memorial Air Quality Standards Attainment Program Guidelines

The California Air Resources Board (CARB or Board) will conduct a public meeting at the date and time noted below to consider the proposed revisions to the Carl Moyer Memorial Air Quality Standards Attainment Program (Moyer Program or Program) Guidelines (Guidelines).

Date: October 24, 2024

Time: 9:00 A.M.

In-Person Location:

California Air Resources Board
Byron Sher Auditorium
1001 I Street, Sacramento, California 95814

Remote Option:

Zoom

This public meeting may continue starting at 9:00 a.m., on October 25, 2024. Please consult the public agenda, which will be posted ten days before the October 24, 2024, Board Meeting, for important details, including the day on which this item will be considered and how the public can participate via Zoom if they choose to be remote.

Background

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, infrastructure, and other sources of air pollution. Since 1998, the Moyer Program has been successful in reducing smog-forming and toxic emissions cost-effectively. 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 program by providing incentives to obtain early or extra emission reductions, especially from emission sources in minority and low-income communities and areas disproportionately impacted by air pollution. Incentives encourage the purchase of cleaner technologies and stimulate the marketplace to manufacture cleaner technologies. 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 – California's road map for attaining health-based national ambient air quality standards.

The Moyer Program has been a successful and popular air pollution reduction program. Since 1998, the Moyer Program has enabled owners of diesel engines 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 by over 202,000 tons and toxic diesel particulate matter (PM) by over 7,400 tons. Moyer incentive funds have not only removed old, dirty equipment that would have otherwise remained in operation for years to come but have benefited the economy by increasing consumer demand for newer and cleaner technologies.

The last comprehensive update to the Moyer Program Guidelines was in April 2017 as a result of Senate Bill 513 (Beall, Stats. 2015, Ch. 610) which provided the program new opportunities and flexibility to support California's commitment to deploy zero-emission and cleaner-than-required technologies. These are essential in the State's effort to attain federal air quality standards and other strategic goals. Additionally, over the last 7 years, CARB has developed regulations to deploy zero-emission and cleaner combustion technologies, prompting the need to update the 7 source categories within the guidelines under the authority granted in California Health and Safety Code, section 44287, subdivision (a). Other drivers include:

- Executive Order N-79-20. Signed by the Governor in 2020, Executive Order N-79-20 established a target for the transportation sector that helps put the State on a path to carbon neutrality by 2045. The Executive Order sets goals for zero-emission new passenger cars and trucks by 2035, and zero-emission in-use targets for medium- and heavy-duty vehicles, and off-road vehicles and equipment in 2045 and 2035, respectively.
- Assembly Bill 2836 (Garcia, Stats. 2022, Ch. 355). Legislation enacted in 2022 (Assembly Bill 2836) extended authorization of the Moyer Program, extending all previous sunset provisions in the Moyer Program's governing Health and Safety Code and Vehicle Code statutes. All pre-existing sunset dates were extended from January 1, 2024, out to January 1, 2034.

In addition to legislative updates, this Moyer Program Guidelines update is furthermore driven by a partnership between CARB and California's 35 air pollution control and air quality management districts (air districts) to modernize, streamline, and provide alignment with other incentive programs that benefit from each other's continued success. This update aims to address the advancement in technology and regulatory changes, that has changed the overall landscape of today.

The 2024 Moyer Program Guidelines have been updated to align with CARB's mission to lead by driving innovative solutions to improve public health and the environment. These updates incorporate CARB's core values of collaboration, integrity, community, science-based approaches, and equity. The proposed updates encompass the modernization and changes to the program with consultation and collaboration with the air districts through in-person meetings where we discussed the Moyer Program and its guidelines and through virtual subcommittee meetings which enabled more focused discussions on source category programs. Additionally, CARB held a total of three public workshops (virtual and hybrid) to introduce the process and progress of the updates to the Guidelines to interested parties.

Section 44287, subdivision (a)-(b) of the Health and Safety Code requires the Board to establish, update and adopt criteria and guidelines for the Carl Moyer Program in consultation with air pollution control and air quality management districts, including proposing revisions for public review as necessary to improve the ability of the program to achieve its goals. In 2017 the Board delegated authority to the Executive Officer to adopt changes to the Moyer Program Guidelines deemed necessary in response to other Board actions and to ensure the Moyer

Program Guidelines remain effective and up to date. The changes being proposed to the Moyer Program Guidelines are extensive and comprehensive, thus CARB staff are seeking input and approval from the Board. The October 24, 2024, Board Meeting shall also serve as the public meeting pursuant to Health and Safety Code section 442287, subdivision (b) for CARB to consider public comments about the Moyer Program Guidelines amendments prior to final adoption.

Proposed Action

CARB staff will present the 2024 revisions to the Moyer Program Guidelines at the meeting. Copies of the Guidelines may be obtained from CARB's website at <https://ww2.arb.ca.gov/guidelines-carl-moyer>, on August 26, 2024. The proposed changes to the Guidelines will ensure consistency throughout the source category chapters, reflect current regulations and advances in technology, and streamline program administration. The key Program changes as part of the complete and comprehensive update are described below.

- *Cost-Effectiveness Limits.* In the 2024 Moyer Program Guidelines a simplified one-step cost effectiveness approach that streamlines the process, where the respective cost-effective limit would be applied in a single step for each project, no longer needing a two-step approach, is proposed. 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 Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program, further streamlining and simplifying incentives. The appropriate cost-effectiveness limit applied would depend on the type of project.
- *Appendices A through E.* Proposed changes to Appendices A-E will be made to reflect the changes within the proposed 2024 Moyer Program Guidelines.
- *General Criteria.* Updates to Chapter 2 of the Program Guidelines are proposed to provide clarification to the general criteria as well as updates to oxides of nitrogen reduction requirements for certain projects.
- *Program Administration.* Updates to Chapter 3 of the Program Guidelines for program administration are proposed to clarify the existing chapter and to expand on air district flexibility in implementing the program. Changes include but are not limited to, defining administrative funding, air district grantee liquidation timeframes, additional options for zero-emission technology, clarifying equity elements in project selection criteria, and fiscal tracking criteria of districts subject to Health and Safety Code section 43023.5.
- *On-Road.* Chapter 4 of the Program guidelines for on-road heavy-duty vehicles was last updated in 2022. Proposed updates include amendments to the cost effectiveness limits and funding caps for optional advanced technology and zero-emission replacement on-road projects; increasing baseline model year eligibility; and increasing flexibility for the required minimum annual usage in California, air district requirements, and dealership and dismantler requirements.
- *Off-Road.* Updates to Chapter 5 of the Program Guidelines are proposed to clarify the existing chapter, support recent off-road regulations and amendments, support the transition to zero-emission technology, and expand on air district flexibility in implementing the program to include, allowing Moyer funding of Moyer eligible FARMER projects.

- *Locomotive*. Updates to Chapter 6 of the Program Guidelines are proposed to reflect the requirements of the In-Use Locomotive Regulation, which the Board approved in April 2023. Updates include clarification on engine destruction requirements, two-step calculation for zero-emission projects, warranty requirements, increase in funding amounts, updates on minimum project life and emission factors.
- *Marine*. Chapter 7 of the Program Guidelines for marine was last updated in 2023. Updates are proposed to clarify the existing chapter including updating funding amounts, eligible project types and project criteria, as well as updated eligible costs.
- *Light-Duty*. Updates to Chapter 8 of the Program Guidelines are proposed to increase the maximum grant amount of the Voluntary Accelerated Vehicle Retirement (VAVR) Program to \$3,000 and include new VAVR emission reduction tables for the next three years for reflect more accurate data.
- *Lawn and Garden Equipment*. Chapter 9 of the Program Guidelines for Lawn and Garden Equipment was last updated in 2023. Proposed changes to this chapter aim to clarify existing chapter requirements or to expand an air district flexibility in implementing the program including updating dismantling requirements.
- *Infrastructure*. Chapter 10 of the Program Guidelines for infrastructure was most recently updated in 2023. Proposed changes to this chapter aim to clarify the existing chapter and to expand on air district flexibility in implementing the program including, but not limited to, increased funding levels, updating project criteria for added flexibility, streamlining co-funding requirements, increasing types of eligible costs, and added flexibility in pre-inspection requirements for new projects.
- *On-Road Heavy-Duty Voucher Incentive Program (VIP)*. Volume II of the Moyer Program, the On-Road Heavy-Duty VIP Guidelines, was last updated in 2022 through the Incentive Program Advisory Group (IPAG) process and the funding tables were last updated in 2023. VIP proposed changes include, but is not limited to, clarifying eligible projects, updating funding amounts, overall clarification of program requirements including requirements on air districts, dealerships, and dismantlers.

Please contact Chris Hopkins, Regulations Coordinator, at chris.hopkins@arb.ca.gov or (279) 208-7347 if you need physical copies of the documents.

Interested members of the public may present comments orally or in writing during the meeting and may provide comments by postal mail or by electronic submittal before the meeting. To be considered by the Board, written comments not submitted during the meeting, must be received **no later than October 14, 2024**, and addressed to the following:

Postal mail: Clerks' Office, California Air Resources Board
1001 I Street, Sacramento, California 95814

Electronic submittal: <http://ww2.arb.ca.gov/lispub/comm/bclist.php>

Please note that under the California Public Records Act (Government Code section 7920.000 et seq.), your written and oral comments, attachments, and associated contact information (e.g., your address, phone, email, etc.) become part of the public record and can be released to the public upon request.

Further inquiries regarding this matter should be directed to Deborah Paselk, Staff Air Pollution Specialist, Incentives Oversight Section at MoyerHelp@arb.ca.gov.

Special Accommodation Request

Consistent with California Government Code section 7296.2, special accommodation or language needs may be provided for any of the following:

- An interpreter to be available at the hearing;
- Documents made available in an alternate format or another language; and
- A disability-related reasonable accommodation.

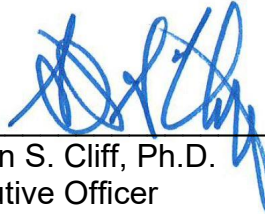
To request these special accommodations or language needs, please contact the Clerks' Office at cotb@arb.ca.gov or (916) 322-5594 as soon as possible, but no later than ten business days before the scheduled Board hearing. TTY/TDD/Speech to Speech users may dial 711 for the California Relay Service.

Consecuente con la sección 7296.2 del Código de Gobierno de California, una acomodación especial o necesidades lingüísticas pueden ser suministradas para cualquiera de los siguientes:

- Un intérprete que esté disponible en la audiencia;
- Documentos disponibles en un formato alterno u otro idioma; y
- Una acomodación razonable relacionados con una incapacidad.

Para solicitar estas comodidades especiales o necesidades de otro idioma, por favor llame a la oficina del Consejo al cotb@arb.ca.gov o (916) 322-5594 lo más pronto posible, pero no menos de 10 días días de trabajo antes del día programado para la audiencia del Consejo. TTY/TDD/Personas que necesiten este servicio pueden marcar el 711 para el Servicio de Retransmisión de Mensajes de California.

California Air Resources Board



Steven S. Cliff, Ph.D.
Executive Officer

Date: August 26, 2024

The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see [CARB's website](http://ww2.arb.ca.gov) (ww2.arb.ca.gov).