

# Public Workshop for the Proposed Regulation: State Implementation Plan Credit from Mobile Agricultural Equipment

July 9, 2013 – Fresno

Live Video Feed in Bakersfield & Modesto and  
Webcast via the Internet



# Overview

- Background
  - Development timeline for proposed regulation
  - San Joaquin Valley's air quality needs
  - Progress towards cleaner air through incentives
- Summary of proposed regulation
- Longer-term actions to achieve additional reductions from mobile agricultural equipment
- Next steps
- Open discussion, questions and comments

# Development Timeline for Proposed Regulation

- 2007 8-Hour Ozone State Implementation Plan (SIP) approved by U.S. Environmental Protection Agency (U.S. EPA)
- 2009 Mobile Regulation Survey of producers, first processors, and custom operators
- 2010 Statement of Principles outlining the approach to SIP-Creditability of voluntary incentive programs
  - Agreement between Air Resources Board (ARB), U.S. EPA, U.S. Department of Agriculture National Resources Conservation Service, and San Joaquin Valley Air Pollution Control District

# Development Timeline for Proposed Regulation (Continued)

- March 2012: Mobile Agricultural Equipment Regulation Development Team began outreach
- September 2012: Initial Public Workshops
- March 2013: Second Public Workshops to Present Two-step Regulatory Development
- July 2013: Present Draft Regulatory Language

# San Joaquin Valley's Air Quality Needs

- Designated as extreme non-attainment for 8-Hour ozone National Ambient Air Quality Standard
- 2007 8-Hour Ozone SIP:
  - Commitment to consider Mobile Agricultural Equipment Regulation in 2013
  - Goal of at least 5 to 10 tons per day oxides of nitrogen (NO<sub>x</sub>) reductions from mobile agricultural equipment by 2017 to accelerate air quality progress

# Progress Towards Cleaner Air Through Incentives

- Since 2008, the agriculture industry in the San Joaquin Valley has participated in voluntary incentive programs
- Replaced more than 2,500 older, dirtier mobile agricultural equipment with newer, cleaner equipment
- Over \$100M agriculture industry investments and over \$100M public funds
- Continued funding of \$20M+ in the San Joaquin Valley through 2023
- Incentive program mobile agriculture projects will reduce emissions in the San Joaquin Valley by at least 5 to 10 tons per day NO<sub>x</sub> by 2017

# Summary of Proposed Regulation

# Overview

## Purpose

- Provides mechanism for the State of California to be eligible to receive SIP credit for emission reductions in San Joaquin Valley Air Pollution Control District from incentive program mobile agricultural equipment projects

## Opt-In

- Allows similar SIP credit for incentive program mobile agricultural projects in other air districts



# Applicability of Proposed Regulation

- Defines criteria receiving SIP credit for emission reductions from incentive program mobile agricultural projects in air districts
- Places no additional requirements on the agriculture industry who are already participating in voluntary local incentive programs

# Key Definitions of Proposed Regulation

- Agricultural Operations –
  - Growing or harvesting crops including forestry and wholesale nurseries
  - Raising fowl or animals for profit, agriculture research or education
  - Crop preparation services
  - First processing after harvest
- Carl Moyer Program – State funded incentive program implemented by air districts that results in SIP creditable emission reductions

# Key Definitions (Continued)

- Mobile Agricultural Equipment – diesel, self-propelled, off-road equipment or vehicles with >25 horsepower used in agricultural operations for over half of its annual operating hours
- SIP – a plan which provides implementation, maintenance, and enforcement of the National Ambient Air Quality Standards set by U.S. EPA

# Carl Moyer Program Sets the Standard

- Since 1998, the Carl Moyer Program has provided funding to encourage the voluntary purchase of cleaner-than-required engines, equipment, and emission reduction technologies that result in SIP creditable emission reductions
- Carl Moyer program projects produce emission reductions that are surplus, quantifiable, enforceable, and permanent
- The Carl Moyer Program sets the standard that air districts must use to be eligible to receive SIP credit for mobile agricultural equipment projects

# Carl Moyer Program Core Principles

## Surplus

- Reductions are not otherwise required by federal, State, or local regulation

## Quantifiable

- Calculations for reductions are well established and can be reliably replicated
- Only ARB or U.S. EPA verified/certified technology is paid for—ensures real and measurable emission reductions

# Carl Moyer Program Core Principles (Continued)

## Enforceable

- Verified/certified technology supports enforceability
- Reductions are independently verifiable throughout the project life
- Project contracts define violations and identify who is responsible for ensuring reductions are achieved
- Grantees are required to provide all documentation necessary to demonstrate reductions are achieved
- Emissions-related information for reductions claimed are available to the public

## Permanent

- Reductions are ensured by the destruction of equipment or otherwise demonstrate how they are permanent

# Proposed Requirements for Air Districts

- Must use Carl Moyer Program Guidelines to implement incentive programs for mobile agricultural projects
- Must ensure accountability
  - Maintain records and make them available for public review
  - Monitor projects and enforce if contract terms are not met
  - Allow ARB to conduct program reviews

# Proposed Requirements for Air Districts (Continued)

- Opt-In Provisions for Air Districts
  - Notify Executive Officer of intent
  - Follow requirements of this proposed regulation
  - Adopt a rule similar to San Joaquin Air Pollution Control District Rule 9610 and submit to ARB for approval



# Environmental and Economic Impacts

- Advances Environmental Progress
  - Will continue to provide near-term emission reductions from ag operations
- Promotes air district environmental justice efforts
- Is voluntary for ag growers and imposes no new regulatory costs
- Minor additional administrative costs for air districts and ARB

# Alternatives Considered

## “No Regulation” Alternative

- Emission reductions from voluntary incentive program mobile agricultural equipment projects would not be eligible to receive SIP credit

## “Require Turnover to New Technology” Alternative

- Cleanest technology not projected to be available until 2020 for mobile agricultural equipment
- Accelerated fleet turnover is one of the strategies to be considered for upcoming Mobile Agricultural Equipment Regulation

# Longer-Term Actions to Achieve Additional Reductions from Mobile Agricultural Equipment

# Achieve Additional Reductions to Attain Revised Ozone Standard by 2032

- Work is beginning for the 2015 ozone attainment SIP
- Will include strategy to achieve long-term emission reductions from mobile agricultural equipment
  - Accelerate turnover of equipment to cleanest available technology (e.g. Tier 4 final) once available
- Strategy will be developed in parallel with SIP
- Workshop in Fall 2013
- Strategy will be taken to ARB Board in 2015

# Key Elements for Long-Term Rule

- Acceleration of cleaner technologies with a focus on Tier 4 final engines in San Joaquin Valley
- Continued opportunities for incentives
- Investments in Tier 3 and cleaner engines through 2020 to be part of compliance options
- Mechanism for ‘trade-down’ of existing Tier 3 equipment
- Develop through open public process

# Next Steps

# Next Steps

## Current Proposed Regulation:

- Continue stakeholder outreach
- Proposed regulation released for public comment in August at least 45 days prior to Board meeting
- Proposed regulation to be considered by the Board in October 2013

# Staff Contact Information

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## Mobile Agricultural Regulation Website:

<http://www.arb.ca.gov/ag/agtractor/agtractor.htm>



# Open Discussion, Questions and Comments