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Arnold Schwarzenegger Governor

February 10, 2010

Mail-Out #MSC 10-06

TO: All Interested Parties

SUBJECT: CARL MOYER PROGRAM: ADMINISTRATIVE CLARIFICATIONS FOR SHOREPOWER PROJECTS

This mail-out provides clarification to the 2008 Carl Moyer Program Guidelines (Guidelines), Chapter 9, Marine Vessels, and offers guidance on expenditure definitions for marine shorepower projects – specifically for shore-side shorepower projects. The intent of this mail-out is to assist local air districts with implementation of these shorepower projects while fulfilling the administrative requirements found in Section 18 (b and c) of the Program Administration portion of the Guidelines.

Shorepower is unique when compared to other Carl Moyer Program projects. These marine projects require a two-party structure, a shore-side (pier or berth) and a ship-side retrofit, to achieve real and quantifiable emission reductions. During hotel mode, electricity supplied by the land-based power grid is used in lieu of marine auxiliary engines, reducing idle emissions. The inherent complexity of these shore-side shorepower projects, including lengthy construction lead times and the need for multi-agency interaction (e.g. Port Authority, local public utilities, etc.) requires a clarification to the expenditure definition.

For shore-side shorepower projects to be considered expended pursuant to Section 18 of the Program Administration portion of the Guidelines, the following requirements must be met:

- The necessary customized equipment for each location (e.g. pier, dock) has been procured and invoiced. Examples of eligible equipment could include a transformer, grounding switches, a service breaker, a capacitor bank, and cranes or booms for cable management that have been customized for installation at the project location.
- The customized equipment is present on-site and ready for installation.
- 75 percent or more of the Moyer eligible customized equipment costs or total project costs (including non-Moyer eligible infrastructure costs borne by the applicant or local public utility), whichever is greater, has been paid on and liquidated (not accounting for withholds) by the June 30th expenditure deadline.

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 our website: <u>http://www.arb.ca.gov</u>.

California Environmental Protection Agency

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Ship-side shorepower projects, which are similar to other engine-based retrofit projects, do not require extensive construction schedules. These projects remain subject to the expenditure requirements as stated in Section 18(b and c).

These clarifications are effective immediately.

If you have any questions or need further clarification, please contact Duong Trinh at (626) 350-6560 or via email at <u>dtrinh@arb.ca.gov</u>.

Sincerely,

/s/

Robert H. Cross, Chief Mobile Source Control Division

cc: Duong Trinh Air Pollution Specialist Carl Moyer Off-Road Section