



Air Resources Board



Linda S. Adams
Secretary for
Environmental Protection

Mary D. Nichols, Chairman
9480 Telstar Avenue, Suite 4
El Monte, California 91731 www.arb.ca.gov

Arnold Schwarzenegger
Governor

June 3, 2010

Mail-Out #MSC 10-29

TO: All Interested Parties

SUBJECT: PUBLIC MEETING TO CONSIDER CHANGES TO THE CARL MOYER PROGRAM GUIDELINES FOR ON-ROAD RETROFITS AND FLEET MODERNIZATION PROJECTS

The California Air Resources Board (ARB) invites you to participate in a public meeting to consider proposed changes to the Carl Moyer Program Guidelines. The proposed changes, detailed below, include raising the maximum retrofit funding amount to \$10,000 and adding fleet modernization funding eligibility for medium heavy-duty vehicles and for vehicles that operate exclusively in Oxides of Nitrogen (NOx) exempt areas. The meeting will be held at the following time and place:

DATE: Thursday, June 17, 2010

TIME: 2:30 – 3:30 p.m.

PLACE: California Environmental Protection Agency
Air Resources Board
7th Floor, Room 720
1001 I Street
Sacramento, California 95814

This meeting will also include a teleconference call-in number for members of the public who wish to participate by telephone. The call-in number and passcode will be posted to the ARB Carl Moyer Program website at www.arb.ca.gov/msprog/moyer/moyer.htm approximately 24 hours prior to the meeting.

Background: Since 1998, the Carl Moyer Program has filled a critical niche in California's strategy to achieve clean air. The Carl Moyer Program provides grant funding for the incremental cost of cleaner-than-required engines, equipment, and emission reduction technologies. The Carl Moyer Program plays a complementary role to California's regulatory program by funding emission reductions that are surplus, i.e., early and/or in excess of what is required by regulation.

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: <http://www.arb.ca.gov>.

California Environmental Protection Agency

State law (Health & Safety Code §44287) authorizes ARB to revise the Carl Moyer Program Guidelines (Guidelines) when necessary to improve the ability of the program to achieve its goals. When considering proposed revisions to the Guidelines, this section also instructs ARB to work with the implementing air districts and hold at least one public meeting to consider public comments.

The most recent changes to the Guidelines included policy and other major updates that were approved by the Board at a public hearing on March 25, 2010. However, from time-to-time, additional minor changes to the guidelines are needed which are approved and implemented by the Executive Officer or designee after a public meeting. The purpose of the public meeting in this notice is to explain such proposed minor changes and receive public comments for consideration by the Executive Officer. The public comment period for these revisions will be 45 days from the date of this notice. If approved by the Executive Officer, the changes will be implemented through the issuance of a Mobile Source Mailout posted on the following ARB website:

<http://www.arb.ca.gov/msprog/mailouts/mailouts.htm>

Proposed Revisions: The following sections highlight the proposed revisions to the Carl Moyer Program Guidelines. All of the proposed changes are intended to expand eligibility and/or encourage participation in the Carl Moyer Program.

Chapter III: On-Road Heavy-Duty Vehicles

Section IV(e)(1)(a): Raise the maximum incentive amount for retrofits to \$10,000
ARB is proposing to raise the maximum incentive amount for retrofits from \$5,000 to \$10,000. This change is necessary to align with the maximum incentive amounts in the Voucher Incentive Program and the Goods Movement Emission Reduction Program. Staff anticipates that this change will help to increase participation in this on-road funding option.

Chapter IV: On-Road Fleet Modernization

Section IV(a): Eligibility for trucks operating exclusively in NOx exempt areas
Currently, vehicles in small fleets (1-3 vehicles) throughout California with engine model years 2002 or older are eligible for funding of NOx, Reactive Organic Gases (ROG), and Particulate Matter reductions through December 31, 2011. ARB is proposing to expand eligibility in the fleet modernization program for certain vehicles that are subject to the Statewide Truck & Bus Regulation and operate exclusively in NOx exempt areas of the state as defined in title 13, California Code of Regulations (CCR), section 2025(d)(55).

- Vehicles in large fleets (4+ vehicles) with engine model years 1994-2002 are proposed to be eligible for funding of NOx and ROG reductions through December 31, 2017.
- Vehicles in small fleets (1-3 vehicles) with engine model years 1994-2002 are proposed to be eligible for funding of NOx and ROG reductions through December 31, 2018.

Vehicles in NOx exempt areas are subject to reporting requirements, which would be incorporated as a condition of funding. Beginning on January 1, 2013 for trucks with engine model year 1994-1999, and on January 1, 2014 for trucks with engine model year 2000-2002, air districts must confirm, prior to application approval, that any baseline vehicle to be replaced with fleet modernization funding meets the reporting requirements in title 13, CCR, section 2025(r)(17)(C). The owner must then provide written evidence to the air district, within 60 days of vehicle purchase, that the replacement vehicle has met the same reporting requirements.

Fleet modernization projects in NOx exempt areas must meet all other eligibility criteria described in Chapter IV of the Carl Moyer Program Guidelines. Funding deadlines, model year eligibility, and other criteria are subject to change when regulatory changes are adopted.

Section IV(c) and IV(d): Add eligibility for medium heavy-duty vehicles

ARB is proposing to add eligibility in the fleet modernization program for medium heavy-duty vehicles with a Gross Vehicle Weight Rating above 19,500 pounds. Currently, only vehicles with a declared Combined Gross Vehicle Weight or declared Gross Vehicle Weight above 60,000 pounds are eligible, which excludes some potentially cost effective projects such as dump trucks. This change is also necessary to align with the weight rating criteria in the Voucher Incentive Program.

Submittal of Comments and Agency Contact Person: Interested members of the public may present comments either in person, via telephone, or in writing at the meeting. Comments may also be submitted by postal mail or electronic mail. All comments on this matter must be received no later than July 18, 2010 (45 days after the date of this Mail-Out).

Postal address: Peter Christensen
California Air Resources Board
MSCD, 7th Floor
1001 I Street
Sacramento California 95814

Electronic mail: pchriste@arb.ca.gov

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Telephone: (916) 322-1520

Please note that under the California Public Records Act (Government Code section 6250 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. Additionally, this information may become available via Google, Yahoo, and any other search engines.

Special Accommodations: If you have a disability-related accommodation need, please go to <http://www.arb.ca.gov/html/ada/ada.htm> for assistance, or contact the ADA Coordinator at (916) 323-4916. If you are a person who needs assistance in a language other than English, please contact the Bilingual Coordinator at (916) 324-5049.

Sincerely,

/s/

Robert H. Cross, Chief
Mobile Source Control Division

cc: Peter Christensen
Air Pollution Specialist
Planning & Regulatory Development Section