



Air Resources Board



Matthew Rodriguez
Secretary for
Environmental Protection

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

Edmund G. Brown Jr.
Governor

August 27, 2013

Mail-Out #MSC 13-20

TO: All Interested Parties

SUBJECT: PUBLIC MEETING TO CONSIDER CHANGES TO THE CARL MOYER PROGRAM GUIDELINES AND THE VOUCHER INCENTIVE PROGRAM GUIDELINES FOR ON-ROAD HEAVY-DUTY VEHICLES

The California Air Resources Board (ARB) invites you to participate in a public meeting to consider proposed changes to the Carl Moyer Memorial Air Quality Standards Attainment (Carl Moyer) Program Guidelines and Carl Moyer Program On-Road Heavy-Duty Vehicles Voucher Incentive Program (On-Road VIP) Guidelines; both of which are herein referred to as the Guidelines. The proposed changes are summarized in the following "Proposed Revisions to the Guidelines" section of this Mail-Out.

The meeting will be held at the following time and place:

Date: Wednesday, September 18, 2013
Time: 10:00 – 12:00 p.m.
Place: Air Resources Board
9528 Telstar Avenue
El Monte, California 91731

California Environmental Protection Agency
Air Resources Board
5th Floor, Room 510
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, available only at the time of the meeting, is 1-866-917-4579. The passcode is 7167787.

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 complements California's

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

regulatory program by funding emission reductions that are surplus, i.e., early and/or in excess of what is required by regulation. The On-Road VIP is part of the Carl Moyer Program and is a streamlined funding option for heavy-duty diesel vehicle replacements and retrofits.

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

Changes to the Guidelines may be approved and implemented by the Executive Officer or designee after a public meeting and consideration of public comments. The purpose of the public meeting is to explain the proposed changes and receive public comments for consideration. The public comment period for these revisions will be 45 days from the date of this notice. If approved, the changes will be implemented through the issuance of a Mobile Source Mail-Out posted on the following ARB website:
<http://www.arb.ca.gov/msprog/mailouts/mailouts.htm>.

Proposed Revisions to the Guidelines: The following sections summarize the proposed revisions to the current Carl Moyer Program Guidelines and On-Road VIP Guidelines. The Guidelines attached to this notice present the additions as underlined text while ~~strikeout~~ text indicates deletions. Only those portions containing the proposed modifications from the existing language are included. All other portions of the Guidelines remain unchanged and are indicated by the symbol “*****” for reference. All of the proposed changes are intended to further reduce emissions by updating eligibility requirements and/or encouraging participation.

CARL MOYER PROGRAM GUIDELINES

1. Clarify Precedence in Conflicting Source Category and General Requirements (Attachment 1: Chapter 2, pg. 2-1, Attachment 2: Chapter 3, Section A, pg. 3-1)

Chapters 2 and 3 specify general program eligibility and administration requirements. Source category chapters give specific requirements appropriate for each source category. Although rare, there are cases in which the chapters have conflicting requirements such as Family Emission Limit (FEL) engine eligibility and inspection requirements. The proposed changes in Chapters 2 and 3 will clarify that if there are conflicting requirements between the source category chapters and Chapters 2 and 3, the source category chapters will take precedence.

2. Expand Funding Opportunities for Fleets Surplus to Log Truck Phase-in Option of the Truck and Bus Regulation

(Attachment 3: Chapter 4, Section A., Table 4-1 and Section E.2.(E) , pgs. 4-1 and 4-3, Attachment 4: Chapter 5, Sections A and C.3.(A), pgs. 5-1 and 5-2)

Chapters 4 and 5 restrict funding for surplus emission reductions to the small fleets (10 vehicles or less) to clean up the oldest technology (baseline engine model years 2002 or older). The proposed change expands funding opportunities for log trucks subject to the Regulation to Reduce Emissions of Diesel Particulate Matter, Oxides of Nitrogen and Other Criteria Pollutants, from In-Use Heavy-Duty Diesel-Fueled Vehicles (Statewide Truck and Bus Regulation) and registered under the Log Truck Phase-in Option, an alternative compliance path. The Log Truck Phase-in Option sets declared log trucks into a percentage-based turnover schedule that requires engine upgrades to 2010 emission standards over a 10-year period. Besides the restriction on increasing the number of log trucks using the option beyond those existing in the fleet as of 2009, the regulation has no limitations on fleet size eligibility under this alternative compliance path. Also, there are no restrictions on eligible baseline engine model years. The regulation requires truck owners using the option to report by January 31, 2014 and after the reporting deadline an owner may not opt out. Considering the fixed replacement schedule of the alternative compliance path, staff proposes that log trucks have no fleet size or baseline engine model year funding eligibility restrictions. However, to promote the distribution of funds to more applicants, staff proposes that no more than 10 trucks under common ownership be funded each year. The result of this change will increase the eligibility of projects while ensuring surplus emission reductions.

3. Remove Reflash Requirements for Truck Replacement Projects

(Attachment 3: Chapter 4, Section D.1.(D), page 4-2, Attachment 4: Chapter 5, Section C.2.(I), pg. 5-2)

Currently, all vehicles in the fleet that are eligible for a low oxides of nitrogen (NOx) software upgrade (reflash) to be re-flashed. When the reflash requirement was first introduced in April 2008, the Statewide Truck and Bus Regulation had not yet been adopted and more 1993 through 1998 model year engines were on the road. Under the regulation, these model year engines will start being upgraded to engines with lower NOx standards starting January 1, 2015. Recently, staff has learned that truck owners may be charged to reflash each truck (excluding rebuilds) and held liable for any damage caused by the reflash which can become costly. In addition, neither the on-road regulations nor the On-Road VIP require the reflash and the Goods Movement Emission Reduction Program (GMERP) only requires it for retrofit projects. Considering all these factors, staff proposes to rescind the reflash

requirement from Chapters 4 and 5. Staff proposes that it only be required for retrofit projects funded through Chapter 4 consistent with GMERP.

4. Clarify Section in Chapter 4 Applicable to Fleet Modernization

(Attachment 4: Chapter 5, Section A., pg. 5-1)

Chapter 5 specifies requirements for fleet modernization projects. In addition to the requirements in Chapter 5, all eligibility requirements from Chapter 4, Section E pertaining to vehicles subject to on-road regulations must also be met. The proposed change clarifies that Chapter 4, Section E is also applicable to fleet modernization projects.

5. Allow Off-road Engines with a FEL Above the Current Tier 4 Standards but Below the Tier 3 Standards to Be Eligible for Repower and Replacement Projects

(Attachment 5: Chapter 7, Section D.1, new section (G) and (H), page 7-1;
Attachment 6: Chapter 9, Section C.3.(A) (4) and (5), page 9-1)

To increase the availability of eligible off-road engines and equipment that can be funded under the Carl Moyer Program, staff proposes to allow engines with a FEL above the current standard to be eligible for repower and replacement projects. At this time, the number of current Tier off-road engines available for repower and replacement projects is limited due to technical constraints. Also, during this time of transition from the Tier 3 to the Tier 4 standards, many engine manufacturers are certifying previous model year Tier 3 engines as interim Tier 4, Tier 4 Phase-Out, or Tier 4 Phase-In/Alternative NOx engines with a FEL above the current Tier 4 standard. As such, ARB staff proposes to allow Tier 4 engines certified to a FEL above the Tier 4 standards to be eligible for Carl Moyer Program funding. The emission reduction calculations must use emission factors for the previous applicable Tier.

6. Allow Equipment Built Under the Flexibility Provisions to Be Eligible for Off-road Replacement Projects

(Attachment 6: Chapter 9, Section C.3.(A)(8), page 9-2)

Similar to the proposed change described in number 5 above, staff proposes to address the limited availability of equipment that meets the current Tier by allowing funding for equipment produced under the “flexibility provisions for equipment manufacturers” as detailed in the California Code of Regulations, title 13, section 2423(d). The proposed change also will limit eligible “flexibility” equipment to

equipment produced with an engine at or below the Tier 3 standard, or Tier 2 for engines less than 50 horsepower or greater than 750 horsepower.

ON-ROAD VIP GUIDELINES

Optional Local Eligibility Requirement

(Attachment 7: Summary, page 2 of 7, Section C.1.O, page 3 of 7, Section C.2.(A)(5)-(7), page 3 of 7, Section C.7.(N), page 4 of 7, Appendix A , page 5 of 7, Appendix B, Section 7., page 6 of 7, Appendix E, page 7 of 7)

The On-Road VIP was created to streamline the surplus replacement or retrofit of old, high-polluting, heavy-duty vehicles. The majority of funding has come from Carl Moyer Program funds reserved for multi-district projects. Accordingly, the program has been implemented on a statewide basis, meaning districts do not have the discretion to set more stringent requirements based on local priorities. With more of the funding coming from local Moyer allocations, districts have requested program flexibility that would allow them the option to focus on local residents or applicants that use their vehicles in certain regional areas. Considering the districts' comments, staff proposes that air districts have the discretion to add a local eligibility requirement to their VIP based on the applicant's residence or area of operation as reported in the VIP application.

Submittal of Comments and Agency Contact Person: Interested members of the public may present comments either in person at the meeting, via telephone, or in writing. All comments on this matter must be received no later than October 11, 2013 (45 days after the date of this Mail-Out).

Postal address: Danielle Robinson
California Air Resources Board
Mobile Source Control Division
9480 Telstar Avenue, Suite 4
El Monte, California 91731
Electronic mail: drobinso@arb.ca.gov
Telephone: (626) 575-6775

Please note that under the California Public Records Act (Government Code section 6250 et seq.), written and oral comments, attachments, and associated contact information (e.g., 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.

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Accommodations: These facilities are accessible to persons with disabilities. If you require a special accommodation or need this document in an alternate format (e.g., Braille, large print) or another language, please contact Danielle Robinson at (626) 575-6775 or drobinso@arb.ca.gov as soon as possible before the meeting. TTY/TDD/Speech to Speech users may dial 711 for California Relay Service.

Si necesita acomodación especial, o si necesita este documento en un formato alternativo (por ejemplo, sistema Braille, o en impresión grande) u otro idioma, por favor llame a Sra. Adriana Smith (916) 323-5450 o asmith@arb.ca.gov tan pronto como sea posible antes de la reunión prevista. Para el Servicio Telefónico de California para Personas con Problemas Auditivos, o de teléfonos TDD pueden marcar al 711.

Sincerely,

/s/

Annette Hebert, Chief
Mobile Source Control Division

Attachments (7)

cc: Danielle Robinson
Air Resources Engineer
Mobile Source Control Division

Adriana Smith
Air Pollution Specialist
Mobile Source Control Division