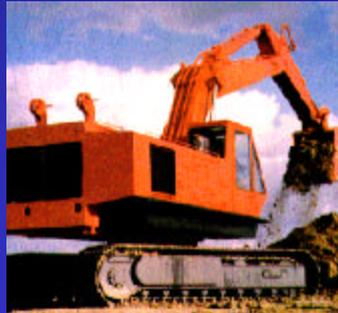


Carl Moyer Program Guidelines and the Agricultural Assistance Program

2005 Revisions

November 17, 2005



Outline

- Background
- Proposed Revisions
- Modifications to Staff Proposal
- Recommendations

Background

Health Effects

- Ozone
 - Increases premature deaths, reduced lung functions, respiratory symptoms
- Particulate matter
 - Increases premature deaths, hospital admissions, respiratory diseases
 - Diesel PM identified as toxic air contaminant

Background

Carl Moyer Program

- Incentive program to obtain SIP-creditable emission reductions
 - Incremental cost of cleaner technology
 - Real, surplus, quantifiable, enforceable
- Provide real emission benefits
- ARB-District partnership
 - ARB develops and adopts Guidelines
 - Districts retain flexibility in implementation

Background

2004 Statutory Changes

- SB 1107 and AB 923
 - Provide \$141 million per year through 2015
 - Add ROG and PM emissions
 - Include new source categories
 - Establish new program for agricultural sources
- Potential clean air benefits:
 - 72 tons/day of smog forming pollutants
 - 3 tons/day of toxic diesel PM

Background

Funding Distribution

- Smog Check Fee and Tire Fee
 - Local district programs – 86.4%
 - ARB for multi-district projects – 9.6%
 - Administration and outreach – 4%
 - 2% ARB administration
 - 2% District outreach
- \$2 Motor Vehicle Fee
 - Local district programs – 100%

Expanded Guidelines

- Formalize administrative requirements
- Add ROG and PM
- Expand source categories
 - Agricultural sources
 - Light-duty vehicles
 - On-road fleet modernization
- Encourage zero-emission projects
- Other changes

Administrative Requirements

- Program transparency
- Minimum requirements for ARB/Districts
- Oversight, audits, and enforcement
- Provisions to recapture funds from “at-risk” districts
- Department of Finance program evaluation in early 2006

Cost-Effectiveness

- Include ROG and PM
- Weight NOx and ROG equally
- Combustion PM weighted by 20
 - PM more expensive to control
 - Greater health impacts
- Weighted C/E (\$/ton):

$$\frac{\$14,300}{\text{weighted ton}} = \frac{\text{Annualized Cost}}{\text{NOx} + \text{ROG} + (20 \times \text{PM}_c)}$$



Agricultural Sources

- Expanded agricultural source category
 - Stationary engines and area-wide sources
- Extends program to non-engine agricultural sources
 - Criteria not yet developed
 - Planned for 2006





Agricultural Assistance Program

- New incentive program for previously unregulated agricultural sources
- Can only be funded with \$2 DMV Fee
- Follow Carl Moyer Program Guidelines
 - May be used to comply with regulations
- Non-engine projects eligible when guidelines developed



Light-Duty Programs

- Allow projects that meet existing car scrap regulations
- Evaluate remote sensing (RSD) and vehicle repair program in the South Coast
- Return to the Board late next year to modify car scrap regulations



Fleet Modernization

- Replace oldest trucks with newer trucks
- Based on two pilot programs
- Emission reductions surplus to fleet turnover
 - Target vocations using oldest trucks
 - Strict requirements for replacement vehicles
- Districts must submit fleet modernization plan for ARB approval



Zero-Emission Projects

- Require districts to encourage zero-emission projects
 - Increased outreach, priority processing, set-aside funds
- Implement new legislation for off-road zero-emission projects (SB 467)
 - Develop pilot program in 2006

Other Changes

- Allow non-diesel engines/equipment
- Streamline application process
 - Voucher/rebate pilot program
 - Small business outreach
- Set statewide policy for engine disposal
- Require retrofit on engine repower projects
- Reflect new regulations
- Incorporate newest emission rates

Modifications to Staff Proposal

- District schedule for fund obligation
 - Additional flexibility for districts to be developed with CAPCOA
- Engine disposal for repower projects
 - Engine must be rendered useless
- Retrofits for on-road repowers
 - Require highest level retrofit available
- Evaluate school bus fleet modernization
- Monitoring flexibility for SI ag engines

Staff Recommendations

- Approve the proposed Carl Moyer Program Guideline revisions
- Establish the Agricultural Assistance Program

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