Public Meeting to Consider Proposed Revisions to the Carl Moyer Program Guidelines

California Environmental Protection Agency
Air Resources Board

April 28, 2011
Dr. Carl Moyer

1937 - 1997
History of the Carl Moyer Program

Established in 1998 to help improve air quality in California

- Provides funding for cleaner technology
- Reduces emissions above and beyond regulations
- Complements, not replaces, regulations

Health & Safety Code Requirements

- Achieve surplus emission reductions of Reactive Organic Gases (ROG), Oxides of Nitrogen (NOx) and Particulate Matter (PM)
Air District Partners are Key to Success

Air District Implementation

- Outreach: find good projects
- Application review and approval
- Project enforcement
- Dealer training
Moyer Funds Spent on Cleaner Engines Have Substantially Reduced Emissions

Over $680M in State funds provided

Cost-effectiveness of $9,000/ton
Moyer Has Funded Over 24,000 Cleaner Engines since 1998

Heavy-Duty On-Road: 4,500
Off-Road: 1,900
Marine: 800
Agricultural Sources: 5,500
Locomotives: 130
Light-Duty On-Road: 11,000
The Moyer Program Benefits to Public Health

- About 100,000 fewer tons of Ozone precursors
- About 6,000 fewer tons of toxic PM
- ~90 premature deaths avoided per program year
The Moyer Program Provides Additional Economic Benefits

$30 benefit for every $1 spent*

Reduced health-related costs

Fewer lost work days and missed school days

* "The Benefits and Costs of the Clean Air Act: 1990 – 2020" (USEPA, March 1, 2011)
The Moyer Program Supports Green Business Development

- Encourages investments in research and development
- Accelerates cleaner technologies
The Moyer Program Benefits Participants in Many Ways

**Safety**
- Newer, safer vehicles and equipment

**Reliability**
- Higher reliability = Lower maintenance costs

**Strength**
- Increase net worth of businesses
- Greater stability in a changing economy
The Moyer Program is the Foundation of Other Incentive Programs

One of the First Incentive-Based Programs

- Lower-Emission School Bus Program
- Proposition 1B: Goods Movement Emission Reduction Program
- Air Quality Improvement Program (AQIP)
Program Revisions Since the Last Board Hearing

- Expanded funding opportunities for on-road and off-road fleets
- Simplified administrative requirements for air districts and applicants
- Addressed fleets struggling as a result of the recession
Why Further Revisions are Needed

- Reduced number of eligible projects
- New and updated regulations
- Downturn in the economy
- Respond to stakeholder participation and feedback
- Develop new funding opportunities
- Streamline implementation
Revised Surplus Methodology Expands Funding Opportunities

- Revised baseline used to determine surplus emissions
- Current Baseline: Regulatory Emission Benefit Analysis
- Proposed Baseline: Regulatory Requirements and Compliance Dates
Proposal Will Give On-Road Fleets More Opportunities

- **Extend Funding**
  - Current: funding through 2011
  - Proposed: funding through 2021

- **Fleet Size**
  - Increase from 3 vehicles to 10

- **Retrofits**
Proposal Will Give Off-Road Mobile More Opportunities

- Extended Funding
  - Current: funding through 2015
  - Proposed: funding through 2025

- Minimum Project Life
  - Small Fleets: Reduced from 3 years to 2 years
Proposal Gives More Opportunities for Agricultural Sources

- **Extended Funding**
  - Increased available funding for surplus portable engines
  - No limitation for unregulated fleets

- **Local Rules**
  - Agricultural source eligibility
Proposal Will Give Marine Sources More Opportunities

- Extend Shore Power Funding
  - Considered surplus with documented compliance

- Eligible Cost
  - Clarified shore power criteria

- Equipment Type
  - Allow non-road engines for auxiliary repowers
Proposal Will Add Opportunities for Other Categories

Expand opportunities by utilizing Federal Surface Transportation Board definitions for classifications.

Increased weight ceiling from 8,500 pounds to 10,000 pounds (Aligns with BAR program).
Improvements in Program Administration

- **Partnerships with Air Districts**
  - Continue to streamline and simplify

- **Project Support**
  - Flexibility for participants
New Funding Opportunities
New Off-Road Voucher Incentive Program

Uses Existing On-Road VIP as Model

Small and Medium Fleets Eligible

Project Types
- Agricultural tractors
- Construction tractors, loaders and backhoes

Eligibility
- Horsepower range: 25-175
- Equipment only; retrofits in the future
Other New Categories for Funding

- Emergency Vehicles
- Lawn and Garden Equipment
# Concepts Not Incorporated in Today’s Proposals

- Merging components of base program and Voucher Incentive Program
- Extend shore side shore power eligibility beyond 2014
- Increase Off-Road VIP funding levels
- Change definition of public funds for cost-effectiveness calculation
- Offer more funding opportunities for trucks used in dray-off activities
Overview of Today’s Proposed Revisions

- Open Up Funding Opportunities
- Maximize Limited Funding and Resources
- Continue to Adjust as Necessary
Staff Recommendation

Approve Resolution and 2011 Carl Moyer Program Guidelines

Including staff’s suggested changes

Reaffirm Executive Officer authority to make changes