

State of California  
AIR RESOURCES BOARD

Resolution 00-39

November 16, 2000

Agenda Item No.: 00-11-3

WHEREAS, section 39600 of the Health and Safety Code authorizes the Air Resources Board (ARB or Board) to do such acts as may be necessary for the proper execution of its powers and duties;

WHEREAS, Measure M4 of the State Implementation Plan for Ozone adopted by the Board on November 15, 1994 calls for incentives for the early introduction of lower-emission technologies for heavy-duty vehicles to achieve near-term emission reductions of nitrogen oxides (NO<sub>x</sub>);

WHEREAS, sections 44275-44299 of the Health and Safety Code, added by Assembly Bill 1571 (Villaraigosa; Stats. 1999, ch. 923) establish the Carl Moyer Memorial Air Quality Standards Attainment Program (the Carl Moyer Program), to be administered by the ARB and the California Energy Commission;

WHEREAS, the Governor and the Legislature appropriated \$98 million (\$25 million for 1998/1999, \$23 million for 1999/2000, and \$50 million for 2000/2001) to fund the Carl Moyer Program for the first three years;

WHEREAS, section 1 of Assembly Bill 1571 declares that steady progress in reducing particulate emissions is essential for meeting air quality goals;

WHEREAS, section 44287(b) of the Health and Safety Code authorizes the ARB to propose revisions to the Carl Moyer Program Guidelines when necessary to improve the program's ability to achieve its goals;

WHEREAS, section 44297(b) of the Health and Safety Code created a 13 member Carl Moyer Program Advisory Board (Advisory Board) to assess the implementation of the program and determine whether the program should continue to be funded;

WHEREAS, the Advisory Board recommended, in its March 31, 2000 report to the Governor and the Legislature, that the program be revised to address particulate matter (PM) reductions and that the Board consider modifying the air pollution control districts' matching fund requirement;

WHEREAS, section 44287(b) of the Health and Safety requires that the proposed revised guidelines be available to the public 45 days before final adoption by the Board with at least one public meeting to discuss proposed changes;

WHEREAS, section 44283(f) of the Health and Safety Code allows the air pollution control districts to offset incremental fuels costs if specified criteria are met;

WHEREAS, ARB staff proposes revisions to the Carl Moyer Program Guidelines to ensure that projects funded with third year funds (\$50 million) continue to produce real, quantifiable, cost-effective, and enforceable emissions reductions;

WHEREAS, section 44287(e) of the Health and Safety Code sets air districts' matching fund requirements at \$1 district funds for each \$2 from the Carl Moyer fund;

WHEREAS, section 44287(f) of the Health and Safety Code authorizes the ARB to adjust the ratio of district's matching funds if necessary in order to maximize the benefits of the program considering the financial resources of the district;

WHEREAS, section 44283(a) specifies that the cost-effectiveness of funded projects shall be limited to \$12,000 per ton of NOx reduced in California;

WHEREAS, section 44283(i) of the Health and Safety Code authorizes the Board to adjust the cost-effectiveness limit of the program to reflect current inflation and cost of living adjustments;

WHEREAS, section 44282(f) of the Health and Safety Code authorizes the Board to revise the minimum percentage NOx reduction criterion for retrofits and add-on equipment as necessary to improve the ability of the program to achieve its goals;

WHEREAS, the Board finds that:

The emission reductions resulting from the Carl Moyer Program are critical for California to fulfill obligations under the State Implementation Plan, to reach attainment of national ambient air quality standards, to mitigate off-cycle emissions from diesel trucks and to enable local air districts to meet the requirements imposed by section 176 of the Federal Clean Air Act and the EPA implementing regulations (conformity plans) and to prevent the loss of federal highway dollars in California;

It is necessary and appropriate to revise the Carl Moyer Program Guidelines based on the ARB's and local air districts' experience with first and second year projects, as well as new emission inventories approved by the Board;

It is necessary and appropriate to revise the Carl Moyer Program Guidelines to address the recommendations of the Advisory Board and include PM reductions and incremental fuel costs;

It is necessary and appropriate to modify the air districts' matching fund requirement according to recommendations made in the Advisory Board Report, released March 31, 2000 to the Governor and the Legislature;

It is necessary and appropriate to adjust the cost effectiveness limit to account for cost of living increases that occurred over the past three years;

It is necessary and appropriate to revise the minimum percentage NOx reduction criterion for retrofits and add-on equipment to 15% to improve the ability of the program to achieve its goals;

It is necessary and appropriate that the Carl Moyer Program Guidelines be revised to ensure that future cost-effective emission reductions from projects funded through the program continue to be real, quantifiable and enforceable; and

It is necessary and appropriate to adopt the staff's proposed revisions to the Carl Moyer Program Revised Guidelines.

WHEREAS, the Board also finds that the demand for funding for viable and beneficial projects far outweighs the availability of funds and that additional dependable funding would enhance the effectiveness of the process and the benefits of the program.

WHEREAS, proposed revisions to the Carl Moyer Program Guidelines, included as Attachment A, were made available to the public on July 27, 2000 as required by Health and Safety Code section 44287(b); and

WHEREAS, staff held a series of public workshops from August 7 through August 11, 2000 to consider public comments on the proposed revisions, as required by Health and Safety Code section 44287(b).

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the revisions to the Carl Moyer Program Guidelines, included as Attachment A hereto, and incorporated by reference herein.

BE IT FURTHER RESOLVED that the Board directs the Executive Officer to return to the Board in Spring 2001 with a status report on the Carl Moyer Program and a proposal regarding the need to continue the program beyond the third year.

BE IT FURTHER RESOLVED that the Board directs the Executive Officer to pursue substantial and ongoing funding for the Carl Moyer Program in order to achieve additional emission reductions from heavy-duty engines and vehicles and to improve air quality.

I hereby certify that the above is a true and correct copy of Resolution 00-39, as adopted by the Air Resources Board.

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Marie Kavan, Clerk of the Board

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November 16, 2000

**Identification of Attachments to the Resolution**

**Attachment A:** The Carl Moyer Program Revised Guidelines, November 2000

**Attachment B:** The Carl Moyer Program Revised Guidelines, as initially proposed and made available to the public on July 27, 2000