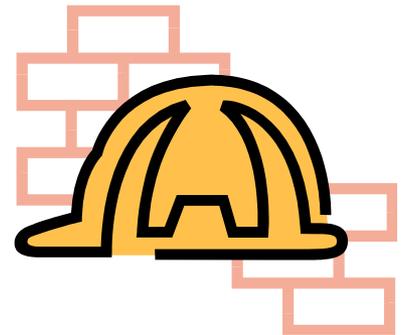


Building on Moyer's Success

Incentive Programs Advisory Group

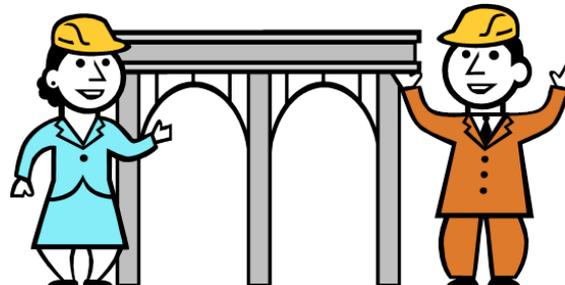
October 9, 2014



Laying the Foundation

Overarching themes from June IPAG discussions

- Moyer is successful criteria pollutant and toxic reduction program
- Moyer could expand to do more
- Provide foundation to anchor and support this effort



Four Pillars

- Leverage Funds
- Expand Project Categories
- Address Green House Gases
- Adjust Cost-Effectiveness



Leverage Funds

- Leveraging funding provides greater opportunity for emission reductions
- Statute language could allow leveraging, with any restrictions contained in the Program Guidelines
- Public process to craft Program Guidelines
- No double counting of emission benefits
- No penalizing public agencies for using public funds as match
- Keep equipment owner buy-in (~15% project cost)

Expand Project Categories

- Opportunity for achieving additional emission reductions from new projects
- Statute could be broad to allow:
 - New project categories, as needed
 - Specifics to be developed in the Guidelines
- Include projects that have shorter surplus times
- Include projects that advance technology for greater long-term benefits

Address Green House Gases (GHG)

- Projects that achieve GHG co-benefit reductions will be encouraged, not required
 - Local air districts will have option to pursue projects with GHG co-benefits
 - Specific methodology to be developed in the Guidelines
- Keep the Moyer program focused as a criteria and toxic reduction program
 - Keep GHG out of the Moyer cost-effectiveness calculation

Cost-Effectiveness (C/E)

- Project emission reductions have become much smaller with our current regulatory landscape
- Retain C/E as a benchmark for project eligibility
- Raise the current dollars per ton C/E limit
- Consider different C/E limit for advanced technology/demonstration projects that achieve significant GHG reductions

Building on the Pillars

- Statutory changes will be necessary to allow the Moyer Program to build upon these four pillars
- Guidelines changes will be needed to implement these four pillars

