



Air Resources Board



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Edmund G. Brown Jr.
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DATE: December 18, 2015 Mail-Out #MSC 15-30

TO: All Interested Parties

SUBJECT: APPROVED REVISIONS TO THE CARL MOYER PROGRAM
GUIDELINES AND TO THE LOWER-EMISSION SCHOOL BUS
PROGRAM GUIDELINES AS A RESULT OF SENATE BILL 513

This Mail-Out describes the most recent approved revisions to the Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program) Guidelines and to the Lower-Emission School Bus Program (LESBP) Guidelines to implement Senate Bill (SB) 513 (Beall, Chapter 610, Statutes of 2015) which will become effective January 1, 2016. Detailed descriptions of these changes were released for public comment on November 2, 2015 under Mail-Out #MSC 15-25.

In addition, staff has made modifications to the originally proposed changes described in Mail-Out #MSC 15-25 to address comments received during the public comment period. These modifications are described in the tables below and revised Guideline language attached. The approved revisions are also incorporated into the Guidelines located at:

- Carl Moyer Guidelines:
<http://www.arb.ca.gov/msprog/moyer/guidelines/current.htm>.
- LESBP Guidelines, Advisories, and Mail-Outs:
<http://www.arb.ca.gov/bonds/schoolbus/advisory/advisory.htm>

Changes made to the Carl Moyer Program include streamlining the administrative process, providing allowances for leveraging funding, increasing the ability to fund school buses, and updating the cost-effectiveness factors to account for inflation consistent with the provisions of SB 513. More substantial Guideline changes as part of fully implementing SB 513 will be developed and considered in the upcoming year to include additional source categories, extending leveraging opportunities to more grant programs, and establishing cost-effectiveness values based on the cost of technology and adopted regulations. Staff plans to seek public input on these long-term changes in 2016 and bring new program guidelines for consideration by the Air Resources Board (Board) in 2017.

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

Background: 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 regulatory program by funding emission reductions that are surplus, i.e., early and/or in excess of what is required by regulation.

The primary goal of the LESBP is to reduce school children's exposure to both cancer-causing and smog-forming pollution. The program provides grant funding for new, safer school buses and to put air pollution control equipment (i.e., retrofit devices) on school buses that are already on the road.

Health & Safety Code Section 44287 requires the Carl Moyer Program to hold at least one public meeting to consider public comments when considering proposed revisions to the Carl Moyer Program Guidelines. Changes to the Carl Moyer Program Guidelines may be approved and implemented by the Executive Officer or designee after a public meeting and consideration of public comments under the authority granted by the Board. The public meeting regarding the Guidelines revisions proposed under Mail-Out #MSC 15-25 was held on November 17, 2015. The 45-day review period ended on December 18, 2015. This executed Mail-Out serves as notice that the revisions will become effective January 1, 2016.

Modifications to the Carl Moyer Program Guidelines proposed changes under Mail-Out #MSC 15-25:

Modification	Sections Affected
<u>Streamline:</u> <ul style="list-style-type: none">• Associated Section H (implementing SB 513 changes to the AB 923 funding categories) incorporated to the districts’ Yearly Report.	<u>Chapter 3:</u> <ul style="list-style-type: none">– R.4.(B)

Modification	Sections Affected
<p><u>School Bus:</u></p> <ul style="list-style-type: none"> • Conforming changes to reflect changes to the LESBP cost cap. • Project definitions to add clarity. • School bus project cost-effectiveness limit based on LESBP cost cap values and average usage. The cost-effectiveness limit will be re-evaluated as part of the 2017 program guideline development process. • Formula modified to make it consistent with the changes in Appendix C, Section B.3. 	<p><u>Chapter 4:</u></p> <ul style="list-style-type: none"> – A.7. – B., Table 4-2 – D.1(A)(4) – D.3, D.3(A) – D.4 – E.4(A), E.4(B) <p><u>Chapter 5:</u></p> <ul style="list-style-type: none"> – B., Table 5-1 – C.5(C), C.5(D), C.5(E) <p><u>Appendix C:</u></p> <ul style="list-style-type: none"> – B.11 – C. Formula C-4
<p><u>Cost-Effectiveness:</u></p> <ul style="list-style-type: none"> • Table G-2e heading corrected to clarify that it applies only through December 31, 2015. Beginning January 1, 2016, Table G-2f becomes effective. 	<p><u>Appendix G:</u></p> <ul style="list-style-type: none"> – Table G-2e

Modifications to the LESBP Guidelines proposed changes under Mail-Out #MSC 15-25:

Modification	Sections Affected
<ul style="list-style-type: none">• Clarified that cost caps introduced with SB 513 changes cannot be exceeded.• Projects with Commitment of Funds prior to January 1, 2016 can complete those projects under the LESBP Guidelines language effective prior to this Mail-Out.• Removed fuel specificity from the cost cap values. Added cost caps for engines certified to the optional low NOx standards and for hybrid school buses.	<ul style="list-style-type: none">- <u>LESBP Project Cost Caps</u>- <u>Allowance for School Bus Projects Initiated Prior to January 1, 2016</u>- <u>Table 1</u>

If you have questions regarding the Carl Moyer Program revisions, please contact Katherine Garrison, Air Resources Engineer, at (916) 322-1522 or via email at Katherine.Garrison@arb.ca.gov. If you have questions regarding the LESBP revisions, please contact Lisa Jennings, Air Pollution Specialist, at (916) 322-6913 or via email at Lisa.Jennings@arb.ca.gov.

Sincerely,

/s/

Erik White, Chief
Mobile Source Control Division

Attachments (2)

cc: Katherine Garrison
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