



METROPOLITAN
TRANSPORTATION
COMMISSION

Agenda Item 3a

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Memorandum

TO: Legislation Committee

DATE: February 1, 2013

FR: Executive Director

W. I. 1131

RE: AB 8 (Perea)/SB 11 (Pavley): Extension of Carl Moyer Program

Background

These identical 50-page bills include numerous changes to several air quality programs, including a regulation related to hydrogen fueling stations, a tire abatement fee, and fees authorized under the Air Quality Improvement Program, established by AB 118 (Nunez) in 2007. Of particular interest to MTC is an extension until 2024 of the Carl Moyer Program, which is otherwise scheduled to sunset in 2015.

Recommendation: Support

Discussion

The Carl Moyer program, now in its 15th year, provides grant funding for cleaner engines and equipment. Administered by local air districts, eligible projects include cleaner on-road, off-road, marine, locomotive, lawn & garden, light duty passenger vehicles being scrapped and agricultural equipment. In the Bay Area, the funds are administered by the Bay Area Air Quality Management District (Air District) with a focus on reducing air pollution emissions from local heavy and medium duty engines. Grants must be used to support improvements that go beyond compliance with current law, including equipment that complies at least three years in advance of state regulations.

In 2012, the Air District had approximately \$15 million in Carl Moyer funds available. Historically, the Bay Area has not fared as well as the Central Valley and Southern California in funding allocations even though the Bay Area has a large number of people affected by diesel particulates. While we are not recommending the inclusion of a formula distribution in this legislation, MTC will work with the Air District to ensure that these funds are spent in an equitable manner. As shown in the table below, project eligibility is focused on cleaning up the existing vehicular and marine fleet, as well as its energy sources. Importantly, the funding plan adopted by the Commission for the electrification of the Peninsula Corridor for Caltrain and for California High Speed Rail anticipates \$20 million from this funding source.

Eligible Categories	Eligible Projects
Agricultural Equipment	Install verified emission control devices
Locomotives	Replace older heavy-duty engines with newer and cleaner engines
Trucks	Replace older equipment with newer and cleaner equipment
Off-Road Equipment	Purchase new equipment that is cleaner than the law requires
Marine & shore power	Install electric idling-reduction equipment

Source: BAAQMD web site <http://www.baaqmd.gov>. Note: No relationship between eligible projects and eligible categories — projects may be eligible under multiple categories.

While projects may be funded anywhere within the Air District's jurisdiction, the district prioritizes projects in six communities which have a disproportionate share of the heavy duty engines in operation:

- Concord
- Richmond/San Pablo
- Western Alameda County
- San Jose
- Redwood City/East Palo Alto
- Eastern San Francisco

In the last cycle of approved projects, funds were used for a combination of off-road equipment upgrades, including major construction equipment replacements, marine engine repower, and truck replacements.

Bill Also Extends AB 118 Clean Vehicle Funds

Another key benefit of these bills is the extension the Alternative and Renewable Fuel and Vehicle Technology Program established by AB 118 (Nunez, 2007), which is scheduled to sunset in 2016. Generating \$200 million per year through a combination of smog abatement fees, vehicle and vessel registration surcharges, and special license plate fees, the program is the primary source of state funding in support of clean vehicle and equipment projects, research on biofuels production, air quality impacts of alternative fuels, and workforce training in this field.

Staff recommends a support position on AB 8 and SB 11 to demonstrate our support for continued funding of transportation-related air quality improvements. While these bills include some provisions that fall outside MTC's purview, staff recommends your support on the basis of the extension of the Carl Moyer and AB 118 program.

Known Positions

Support

See Attachment 1 for a complete list as of January 28.

Oppose

None known.



Steve Heminger

SB 11/AB 8 Support List

Updated 1/28/2013

BUSINESS ASSOCIATIONS

Alliance of Automobile Manufacturers
California Trucking Association
CALSTART (co-sponsor)
California Natural Gas Vehicle Coalition
California Dairies, Inc.
California Electric Transportation Coalition
California Independent Oil Marketers
Association
California Trucking Association
Global Automakers Association
Western States Petroleum Association

SMALL BUSINESS ASSOCIATIONS

CA Service Station & Automotive Repair
Assoc.

PUBLIC HEALTH ASSOCIATIONS

American Lung Association (co-sponsor)
Coalition for Clean Air

AGRICULTURAL ASSOCIATIONS

California Association of Winegrape
Growers
California Farm Bureau Federation
California Grape & Tree Fruit League
Nisei Farmers League
California Rice Industry Association
Western Agricultural Processors Association
California Citrus Mutual
California Cotton Ginners & Growers
Association

FLEETS and BUSINESSES

United Postal Service (UPS)

AIR QUALITY AND ENERGY

REGULATORY AGENCY

Bay Area AQMD
CAPCOA (co-sponsor)
San Joaquin Valley Unified APCD
Waste Management Government Affairs

ENVIRONMENTAL GROUPS

Environmental Defense Fund
Natural Resources Defense Council

**CLEAN TRANSPORTATION TECH
MANUFACTURERS AND SUPPLIERS**

Caterpillar
CODA Automotive
Dow Kokam
Efficient Drivetrains, Inc.
Electric Vehicles International, LLC
Greenkraft, Inc
Hydrogenics Corporation
Motiv Power Systems, Inc
Navistar, Inc.
Odyne Systems, LLC
Pacific Ethanol
Propel Fuels
Quallion
Quantum Technologies
Smith Electric Vehicles
Technology Partners
Tesla Motors
Transpower
US Hybrid Corporation

EDUCATIONAL ORGANIZATIONS

King Canyon Unified School District
Napa Valley Unified School District