

Butte County Air Quality Management District  
Carl Moyer Program Policies and Procedures  
**ON-ROAD HEAVY-DUTY VEHICLE PROGRAM**

This document describes the policies and procedures for on-road vehicle projects funded through the Carl Moyer Program (CMP). On-road vehicle projects may include the replacement of heavy-duty vehicles with a Gross Vehicle Weight Rating (GVWR) of 14,000 pounds or greater. This document expands upon the minimum requirements of Chapter 4 (On-Road Heavy-Duty Vehicles) and Chapter 10 (Infrastructure) of the state CMP Guidelines and the District's CMP Policies and Procedures Manual.

**A. Projects Eligible for Funding**

The California Air Resources Board (CARB) has adopted many fleet rules that effect on-road heavy-duty vehicles. Various types of projects can be incentivized to provide surplus emission reductions from on-road heavy-duty vehicles.

**1. Vehicle Project Types.** Projects must include commercially available technologies certified by CARB to be cleaner than the baseline engine (unless otherwise noted). Project types and applications include:

(A) Vehicle Replacements: The replacement of an older, dirtier vehicle with a newer, cleaner one.

(B) Associated Infrastructure: Infrastructure that is associated with a replacement zero-emission (ZE) electric vehicle or alternative fuel vehicle.

**2. Project Categories.** Taking the above project types into consideration, the following categories may be eligible for funding:

(A) Heavy-Duty Trucks and Buses: Heavy-duty diesel trucks and buses with gross vehicle weight ratings (GVWR) greater than 14,000 pounds (lbs.) are subject to multiple California statewide regulations (e.g., Truck and Bus Regulation). Replacement engines certified to the optional 0.02 grams per brake horsepower-hour (g/bhp-hr) nitrogen oxide (NOx) and 0.01 g/bhp-hr particulate matter (PM) standards or cleaner are eligible. Eligibility of replacement vehicles and maximum project life may be impacted by requirements set by applicable rules, regulations, or requirements. For more information, see section C.2.(A).

(B) School Buses: School buses as defined in Vehicle Code Section 545 are subject to the Statewide Truck and Bus Regulation. The regulation requires school buses to be filtered unless operating under a CARB- issued low-mileage exemption and operating fewer than 1,000 miles per year. Project types include replacements, repowers, and conversions. Replacement engines certified to the 2010 emissions standards or cleaner are eligible. Eligibility of replacement vehicles and maximum project life may

be impacted by requirements set by applicable rules, regulations, or requirements. For more information, see Section C.2.(B).

(C) Innovative Clean Transit (ICT) Bus: Buses that are subject to the ICT regulation must be compliant with applicable regulatory requirements. Project types for surplus reductions include replacements and conversions. All transit projects must be certified to the ZE standard. Eligibility of replacement vehicles and maximum project life may be impacted by requirements set by applicable rules, regulations, or requirements. For more information, see Section C.2.(C).

(D) Solid Waste Collection Vehicles (SWCV): Vehicles must be fully compliant with applicable regulatory requirements to be eligible for funding. Replacement vehicles or repowered vehicles with engines certified to at least the optional 0.02 g/bhp-hr NO<sub>x</sub> and 0.01 g/bhp-hr PM standard or cleaner are eligible. Replacement vehicles certified to the ZE standard are also eligible. Eligibility of replacement or repowered vehicles and maximum project life may be impacted by requirements set by applicable rules, regulations, requirements. For more information, see Section C.2.(E).

(E) Public Agency and Utility Vehicles: Vehicles with GVWR over 14,000 lbs. owned by a municipality or utility must be fully compliant with applicable regulatory requirements to be eligible for funding. Replacement vehicles that are certified to the ZE or vehicles with engines certified to at least the optional 0.02 g/bhp-hr NO<sub>x</sub> and 0.01 g/bhp-hr PM standard or cleaner are eligible. Eligibility of replacement vehicles and maximum project life may be impacted by requirements set by applicable rules, regulations, or requirements.

(F) Emergency Vehicles: Emergency vehicles are not subject to in-use emissions regulations. Eligible vehicles also include prisoner transport buses. Project types mainly include replacements. Replacement engines certified to the 2010 emissions standards or cleaner are eligible. For more information, see Section C.2.(D).

## B. Determining Funding Amounts

The information contained in this section shall be used to determine the funding amount for which any given heavy-duty on-road project is eligible.

**1. Cost-Effectiveness.** The maximum amount of funding available to a project is limited by a cost-effectiveness limit (see Appendix C of the State Guidelines), in addition to the funding caps specified below.

**2. Maximum Funding Percentage.** The maximum funding cap for eligible on-road projects are summarized in Tables 1 through 6 – or 65% of the total replacement vehicle cost, whichever is lower. Where allowed by the State Carl Moyer Program Guidelines, FARMER Program Guidelines, or Community Air Protection Incentives Guidelines, a higher funding amount can be approved by the Governing Board.

### Table 1: District Funding Caps for Moyer School Bus Projects

Project Type	Funding Cap
School Bus Diesel or Alternative Fuel Replacements	\$100,000
School Bus Optional Low-NOx or Hybrid Replacements	\$100,000
School Bus Zero-Emission Replacements	\$100,000

**Table 2: District Funding Caps for Exempt Vehicle Replacements (Certified to 0.20 g/bhp-hr NOx or cleaner standard)**

Weight Class	Funding Cap
Heavy Heavy-Duty (HHD) GVWR > 33,000 lbs.	\$60,000
Medium Heavy-Duty (MHD) GVWR 19,501-33,000 lbs.	\$40,000
Light Heavy-Duty (LHD) GVWR 14,001-19,500 lbs.	\$30,000
Emergency Vehicles GVWR > 14,000 lbs.	\$100,000

**Table 3: District Funding Caps for Certified 0.1 NOx Standard or Cleaner Replacements**

Optional Low NOx standard (g/bhp-hr)	HHD	MHD	LHD
0.02 or cleaner	\$100,000	\$100,000	\$70,000
0.05	\$80,000	\$60,000	\$50,000
0.10	\$70,000	\$50,000	\$40,000

**Table 4: District Funding Caps for Zero Emission Replacements or Conversions**

Weight Class/Vocation Type	Funding Caps
Transit Bus	\$80,000
HHD Truck or Bus	\$100,000
MHD Truck or Bus	\$100,000
LHD Truck or Bus	\$100,000

**Table 5: State Funding Caps for Associated Infrastructure**

Infrastructure Project	Funding Caps
All Projects	50%
Publicly Accessible Projects	60%
Public School Buses -Battery Charging and Alternative Fueling	100%

**3. Project Life.** The minimum eligible project life for all vehicle replacement projects is one year. The minimum project life for infrastructure projects is three years. The maximum eligible project life for each project type is summarized in Table 6.

**Table 6: Maximum Project Lives for On-Road Vehicle Projects**

Project Type	Maximum Project Life
Replacements	7 Years
Transit Bus Replacements	12 Years
School Bus Replacements	10 Years
Emergency Vehicles	14 Years
Other On-Road Projects	3 Years

A longer project life may be approved on a case-by-case basis if applicants provide justifying documentation. The maximum project life does not consider regulatory requirements that may reduce the actual project life.

**5. Annual Usage.** Grant amounts will be based on the minimum of two 12-month periods of California usage during the previous 30 months. Fleet averages cannot be used. If a fleet has reported the existing vehicle in the Truck Regulations Upload and Compliance Reporting System (TRUCRS) under a limited-usage compliance option and the historical usage exceeds the limit, the usage limit for that compliance option must be used to determine the State grant amount instead. On-road calculations shall be based on historical annual mileage instead of fuel usage or engine hours due to the fact that the mileage-based exhaust emission factors are more robust. Applicants must submit conclusive documentation of the existing engine or vehicle’s mileage such as logbooks, and maintenance records maintained for individual vehicles, or CHP inspection reports. In cases where only fuel use records are available, a case-by-case request must be submitted. The applicant must provide at least two years of historical fuel usage documentation to the District. Documentation must show specific usage of the existing vehicle and may include fuel logs, International Fuel Tax Association reports for single fleets, purchase receipts or ledger entries. If the case-by-case is approved, fuel use will be converted to mileage according to the vocation.

**6. Calculating emissions.** Emission factors and deterioration rates in the State Guidelines must be used to determine the emissions of the baseline and reduced engine or ZE vehicle; consequently, the engine or motor model year and applicable emission standard will determine the relevant emission factors. For projects that contain Moyer Program funding for both infrastructure and engine replacement or repower within the same contract, only the cost of the engine replacement or repower will be considered when performing a cost-effectiveness calculation.

**7. Two-for-One Replacement Calculations.** Projects in which two old vehicles of similar design and function are replaced with one vehicle are eligible for Moyer Program grant funding. The two baseline vehicles must be in the same weight class (LHD, MHD, or HHD) but may be in different weight classes if there is a ten percent or less variation in GVWR. If the two baseline engines are not the same model year, the newest engine model year must be used when calculating emission reductions. The maximum State funding amount must also be funded according to the lighter weight class of the two vehicles. The replacement vehicle's annual usage must be determined by adding the annual usage of both baseline vehicles together. The maximum annual usage that can count toward grant determinations for the two baseline vehicles is 30,000 miles each for a maximum total annual usage of 60,000 miles for the replacement vehicle. The replacement vehicle is eligible for only one grant based on the combined usage of the baseline vehicles.

**8. Expenses Eligible for Funding.** CMP grant funding can only be used to pay for items essential to the operation of the vehicle. For replacements, eligible project costs include the cost of the cab and chassis including parts that are integrated into the vehicle. The cab and chassis cost may include but is not limited to the following:

- (A) The capital cost of the cab.
- (B) The capital cost of the chassis which may include but is not limited to:
  - (1) Engine or motor
  - (2) Transmission
  - (3) Suspension system
  - (4) Steering system
  - (5) Frame
  - (6) Electrical system
  - (7) Cooling System
  - (8) Fuel system
  - (9) Emission system

## C. Project Criteria

### 1. General Criteria

- (A) Fleet Size: All fleet sizes are eligible for funding. The following criteria must be followed for each group:
  - (1) Fleet Size 1-10: State Guidelines require that small fleets receive priority during the solicitation process. Funds may be used for school bus projects at any time.

(2) Fleet Size > 10: Large fleets will be considered after all small fleet projects have been considered during each solicitation. Fleets with more than ten vehicles must select advanced technologies meeting the certified 0.02 g/bhp NOx and 0.01 g/bhp-hr PM standard or cleaner, except for certain operating vocations and locations defined in the Statewide Truck and Bus Regulation (i.e., school buses, log trucks and emergency vehicles).

(B) Weight Class Range:

(1) The replacement vehicle must be in the same weight class as the existing vehicle. An MHD vehicle can replace an HHD vehicle if they both have the same axle configuration (e.g. an existing HHD vehicle with two axles can be replaced with an MHD vehicle with two axles) but the funding amount must be at the MHD funding level.

(2) On-road heavy-duty vehicles (with GVWR over 14,000 lbs.) must be powered by an engine or motor certified to the applicable heavy-duty intended service class as shown on the engine or ZE vehicle certification Executive Order. However, the following cases may be allowed:

a. MHD engines or motors may be installed in HHD vehicles with GVWR up to 36,300 lbs. (ten percent higher than 33,000 lbs. GVWR) with written warranty verification by the engine and chassis manufacturer. A copy of the written warranty verification must be maintained in the air district project file.

b. HHD engines or motors may be installed in MHD vehicles if necessary for vocational purposes but only if the GVWR are within ten percent of the HHD intended service class (i.e., GVWR of 29,701 lbs. or greater).

c. In cases of ZE replacement vehicles where the GVWR is not within 10 percent of the baseline engine's weight class and there is no ZE vehicle replacement available within 10 percent of the baseline vehicle's weight class that can perform the same or equivalent level of work of the baseline vehicle, the air district may approve the ZE replacement vehicle if all of the following requirements are met:

i Confirmation that the intended use of the replacement vehicle would remain the same as that of the existing vehicle.

ii Justification for the deviation in GVWR not being within 10 percent and a description of the weight difference between the battery electric powertrains of the existing and replacement vehicles (e.g., the ZE vehicle specification sheet).

iii How the ZE replacement vehicle will safely accommodate the equivalent level and scope of work that the existing vehicle performs (e.g., a letter from the manufacturer or certified statement from the applicant confirming the replacement vehicle can safely operate in the same degree as the old vehicle without adversely impacting its durability).

(3) For school bus projects, air districts may allow ZE replacement vehicles to be in a different weight class than the existing vehicle, provided the following:

- a. MHD engines or motors may be installed in HHD vehicles with GVWR up to 36,300 lbs. (ten percent higher than 33,000 lbs. GVWR) with written warranty verification by the engine and chassis manufacturer. A copy of the written warranty verification must be maintained in the air district project file.
- b. HHD engines or motors may be installed in MHD vehicles if necessary for vocational purposes but only if the GVWR are within ten percent of the HHD intended service class (i.e., GVWR of 29,701 lbs. or greater).
- c. In cases of ZE replacement vehicles where the GVWR is not within 10 percent of the baseline engine's weight class and there is no ZE vehicle replacement available within 10 percent of the baseline vehicle's weight class that can perform the same or equivalent level of work of the baseline vehicle, the air district may approve the ZE replacement vehicle if all of the following requirements are met:

(C) At least 51 percent total annual usage must occur in California. Only usage in California can be used for on-road calculations.

(D) Compliance Check:

(1) Before contract execution, participants must be pre-screened for regulatory compliance, outstanding violations, open cases, and previous project funding by supplying to the air district the registered owner's name, company name or Doing Business As (DBA), address, Vehicle Identification Number (VIN) of the vehicle being replaced/repowered/converted, and TRUCRS ID number, if applicable. VINs of vehicles not subject to in-use on-road diesel rules need not be submitted, but every vehicle in the fleet needs to be in compliance and have no outstanding violations in order to receive funding. The District shall email this information to its CARB Moyer Program liaison.

a. Except for school bus fleets, the fleet owner will report in TRUCRS vehicles Subject to the Statewide Truck and Bus Regulation. The fleet owner must also provide the air district with the following:

- i. A copy of the TRUCRS Fleet List located on the Vehicle Info tab showing the compliance option each vehicle in the fleet is using, and
- ii. A copy of the TRUCRS General Fleet and Compliance Information Summary showing compliance located on Compliance Status tab ("Meets Small Fleet Option" will specify "yes" if the fleet is using the Small Fleet option), and
- iii. A copy of the Compliance Certificate printed from TRUCRS, if applicable.

b. Owners of school bus fleets will report in TRUCRS vehicles subject to the Statewide Truck and Bus Regulation, but the fleet owner must only provide the air district with a copy of the TRUCRS Fleet List located on the Vehicle Info tab showing the compliance option each vehicle in the fleet is using.

c. Vehicles Subject to Other On-Road Regulations:

- i. Fleet information must be submitted by the air district to the ARB Moyer Program district liaison to check compliance with other

regulations such as the Public Agency and Utility Regulation, when applicable. The fleet information needed for the compliance check may change with time.

ii. To receive funding, a fleet owner/operator must be compliant with all federal, State, and local air quality rules and regulations including the Periodic Smoke Inspection Program (PSIP). The application must include a statement of compliance in which the applicant must certify that they are in compliance at the time of application submittal. The District will also include the following language with a checkbox for the fleet owner/operator to indicate compliance:

*I have read and understand that I am responsible for meeting the requirements of the PSIP. I am either currently in compliance with PSIP requirements or I have paid all penalties for non-compliance and continue to meet requirements since payment.*

d. A regulation index for statewide on-road regulations is available at <https://ww2.arb.ca.gov/road-heavy-duty-regulationscertification-programs>; and <http://ww2.arb.ca.gov/sites/default/files/truckstop/truckstop.html>.

(2) The liaison will email the District the result of the compliance check within ten business days. All compliance check documentation must be kept in the project file.

(3) If the vehicle has already received funding and is still under contract, the District will be notified and the project must be rejected.

(4) If there is an open case or outstanding violation, or if the fleet is not in compliance, the air district shall inform the participant in writing that no disbursement may be made until the owner provides proof that the fleet has been brought into compliance and all fines have been paid. If the outstanding violation is based on problems with the baseline engine (e.g., gross polluter), then the violation must be cleared. The engine owner must pay the fine for each violation and submit documentation of violation correction with, or before submitting, the invoice.

(5) *Compliance Check Tool*: A compliance check tool for the Truck and Bus Regulation is available on ARB's website located at: <https://www.arb.ca.gov/msprog/onrdiesel/tblookup.php>. To help with the initial review, air districts may check current compliance status by entering any part of the company name, TRUCRS ID, or Motor Carrier Number in the search field. Only fleets that have confirmed compliance requirements and printed their certificate will be listed. Applicants must still meet the requirements in Section C.1.(D)(1)a.

(E) Emission Reduction Technologies: Emission reduction technologies must be certified or verified by ARB and must comply with durability and warranty requirements. A technology granted a conditional certification or verification by ARB is considered certified or verified.



(F) Obtaining Financing: The participant may obtain financing to assist in the purchase of the emission reduction technology.

(G) Equipment Leasing is Not Allowed: If financing is necessary, the equipment purchase must be financed with a conventional purchase loan.

(H) Engines operating under an extension not included in the applicable regulation, such as the Statewide Truck and Bus Regulation, or under program advisory are not eligible. This includes extensions received under enforcement settlement agreements. Fleets with PM filter availability extensions and economic hardship extensions are eligible but PM reductions will not be funded. Fleet owners must submit documentation confirming extensions.

(I) The existing vehicle must be based in Butte County as shown through vehicle registration.

## **2. Project Categories and Applicable Project Types**

(A) Heavy-Duty Trucks and Buses

(1) Eligibility: Heavy-duty vehicles following the Engine Model Year Schedule or in compliance with applicable California regulations (e.g., Statewide Truck and Bus Regulation) may apply for funding. Other vehicles subject to the Statewide Truck and Bus Regulation such as heavy cranes and sweepers or other vehicles approved to use credits or extensions specified in the regulation may also be eligible.

(2) Replacement Projects: On-road vehicles subject to the Truck and Bus Regulation that are replaced with newer vehicles equipped with diesel or alternative fueled engines meeting the current standards.

(3) Other Project Types: Other project types may be eligible if approved through case-by-case and must be funded through contract.

(4) Surplus: The existing vehicle must be in compliance with applicable required emission standards (e.g., an existing vehicle subject to the Truck and Bus Regulation must be in compliance with the regulation). The existing engine must be dismantled at least one full year before the existing vehicle is required to meet a certified optional 0.02 g/bhp-hr NO<sub>x</sub> standard or ZE standard by any applicable rule, regulation, or requirement. The replacement vehicle must be delivered and post-inspected at least one full year before an upcoming compliance deadline to meet an emission standard required by an applicable rule, regulation, or requirement (e.g., replacing to a certified optional 0.02 g/bhp-hr NO<sub>x</sub> and 0.01 g/bhp-hr PM standard with delivery and post-inspection at least one year prior to any local, statewide, or federal requirement to meet a certified optional 0.02 g/bhp-hr NO<sub>x</sub> and 0.01 g/bhp-hr PM standard would be eligible).

(5) Log Truck Requirements: Log trucks using the Log Truck Phase-In option must have log bunks permanently attached at pre- and post-inspection. Vehicles taking the Log Truck Phase-In option are not eligible for two-for-one replacements as described in Section B.7.

(B) School Buses

(1) General Eligibility: School buses are eligible for Moyer Program funding if they meet the general program criteria in Section C.1., as well as additional criteria in this subsection.

(2) Eligible Applicants: Public school districts in California that own their own school buses are eligible for funding. Where a Joint Power Authority (JPA) has been formed by several public school districts and the JPA holds ownership of the school buses, then the JPA is also eligible for funding. Private transportation providers that own their own school buses and contract with public school districts to provide transportation services for public school children are also eligible for funding. Non-profit organizations, private schools, and other private companies are not eligible to receive funding for school bus projects.

(3) Truck and Bus Regulation Compliance: School buses subject to the Truck and Bus Regulation are only eligible if they meet one of the following requirements:

- a. The existing school bus must have an OEM diesel particulate filter (DPF) installed.
- b. The existing school bus must be retrofitted with a DPF that reduces diesel PM emissions by at least 85 percent.
- c. The existing school bus must be reported in TRUCRS under the Low-Use exemption.

(4) Used Vehicle Eligibility: Used school buses are not eligible as replacements. The replacement vehicle for any project must be new.

(5) Maximum District Funding Amounts: School bus projects have unique maximum grant amounts as summarized in Table 1, and also a unique cost-effectiveness limit of \$300,000/ton.

(6) Calculating Emissions: ZE school bus projects (including replacements, repowers, and electric conversions) are eligible for NO<sub>x</sub>, reactive organic gases (ROG), and PM emission reductions. All other school bus projects are eligible only for NO<sub>x</sub> and ROG emission reductions.

(7) Engine Intended Service Class: The weight class range for school buses is determined as in Section C.1.(B), but in cases where an engine's or ZE vehicle's Executive Order only specifies that the engine or ZE vehicle is certified for use in vehicles with a GVWR greater than 14,000 lbs., then the intended service class must be assumed to be MHD.

(8) CHP Safety Certification. All existing school buses must have a current CHP safety certification (CHP Form 292) at the time funding is awarded for the project (i.e., the school bus may not have a lapsed CHP safety certification), and it must be currently registered with the Department of Motor Vehicles (DMV).

(C) Transit Vehicles

(1) Eligibility: Buses subject to the ICT regulation that have achieved compliance with all applicable regulatory requirements are eligible for surplus emission reduction funding. New regulation requirements may affect surplus and funding amounts in the future.

- (2) Replacement Projects: A replacement vehicle project must be certified to the ZE standard.
- (3) Applicable Emission Factors: Emission factor tables for buses subject to the ICT regulation are included in Appendix D of the State Guidelines as Tables D-3 and D-4.
- (4) Calculating Emission Reductions: Cost-effectiveness calculations can only include emission reductions from the 2007 or newer emission factors for a up to a 12-year maximum project life. Transit Buses subject to the ICT regulation should only qualify for a project life that does not exceed surplus to the ICT regulation. No other additional emission reductions may be included. ZE projects can be funded for only NO<sub>x</sub>, and ROG, and PM surplus emission reductions.

(D) Emergency Vehicles

- (1) Eligible Vehicles: Authorized emergency vehicles as described in the California Vehicle Code 165 including, but not limited to fire apparatus, pumpers, ladder trucks, and water tenders. Other MHD HHD diesel authorized emergency vehicles, such as prisoner buses, are also eligible for funding under this chapter.
- (2) Replacement Projects: Replacement vehicles with engines certified to the 0.2 g/bhp-hr NO<sub>x</sub> and 0.01 g/bhp-hr PM standard or cleaner are eligible. The older, replaced vehicle must be destroyed. A fire truck reuse option is also available on a case-by-case basis. The fire truck reuse option allows fire departments to give away the existing old vehicle and destroy another older vehicle in its place.
- (3) Eligible Costs: Eligible project costs include those parts specified in Section B.8. but excludes parts that are not bolted on and movable, such as the tank on the water tender. In addition, the following costs are eligible:
  - a. Tax and transport for eligible parts or costs.
  - b. Labor for installation of or modification to parts eligible for funding.

(E) Associated Infrastructure

- (1) Eligibility:
  - a. The applicant must be able to demonstrate to the air district that the applicant can obtain all required land use permits from agencies needed to install and operate the station. Applicants must demonstrate that they either own the land on which the project will be located, or control it through a long-term lease, easement or other legal arrangement, for the duration of the project life. For a proposed project where the land is not owned by the applicant, an executed lease agreement or letters of commitment lasting for the duration of the project life must be signed by property owners/authorized representatives and must be submitted with the application.
  - b. Applicants must be able to provide documentation that power or fuel is being provided to the site (e.g. application, payment to the local utility company for power installation, or contract).

- (2) Eligible Costs: Eligible costs are limited to the purchase and installation of the equipment for power delivery or fueling directly related to the infrastructure project. The eligible costs listed below must utilize commercially available technologies.
- a. Cost of design and engineering, (i.e., labor, site preparation, Americans with Disabilities Act accessibility, signage).
  - b. Cost of equipment (e.g., charging/fueling units, electrical parts, energy storage equipment, materials).
  - c. Cost of installation directly related to the construction of the station.
  - d. Meter/data loggers.
  - e. On-site power generation system that fuels or powers covered sources (i.e., solar and wind power generation equipment).
  - f. Federal, sales, and other taxes.

### **3. Participant Requirements**

(A) Ownership: The participant must currently be the sole owner of the existing vehicle, documented through a copy of the existing vehicle title. The title must show no active lienholders. The title need not be a California title. In addition, the participant must have owned and operated the vehicle throughout the previous 24 months. If the title does not show sole ownership for the previous 24 months, the applicant must be listed as one of the owners or shown as a registered owner on registration documentation for the previous 24 months. If the existing vehicle title is not available, then all three of the following must be used as alternative documentation until a duplicate title is received from the California DMV: 1) a copy of the current and valid vehicle registration, 2) a copy of the DMV Vehicle Registration Record (printout), and 3) a copy of the DMV receipt for duplicate title request. A copy of the duplicate title must be received by the air district before contract execution.

(B) Usage Documentation and Self-Certification for California Minimum Usage: Documentation and self-certification must cover each of two 12-month periods in the previous 30 months. Any gap between the two 12-month periods may be permitted for usage consideration if reasoning and supporting documentation demonstrating the need for the gap are provided for air district evaluation. Covering the two 12-month periods, the participant must:

- (1) Submit conclusive documentation (logbooks, maintenance records, tax records, etc.) of annual miles traveled in California, and
- (2) Certify that at least 51 percent of total usage has been in California.

(C) Military Service Provision: If an applicant has been on active military duty at any time during the previous 24 months, documentation prior to deployment and covering the same length of time as the deployment period may be used to meet the title, registration, usage, and operation in California requirements as described in Sections C.3.(A)-(B) and C.4.(C). The applicant must submit a copy of DD Form 214, Certificate of Release or Discharge from Active Duty to verify military service during the deployment period.

- (D) Participants may only apply to one air district at a time for each project.
- (E) Participants must submit an application for funding consideration.
- (F) Participants must provide the District with the full contact information of the seller/dealer of the replacement vehicle.
- (G) The participant must be the sole registered owner of the replacement engine or vehicle for the duration of the contract term. Throughout the contract term (project life), the participant must annually:
  - (1) Provide registration and proof of insurance to the District.
  - (2) Provide reports that include items specified by the District which may include miles driven in the District and in California, and details regarding maintenance and servicing.
  - (3) Operate the engine/vehicle within California for at least the percentage of time specified in the contract.
- (H) Report accident or loss of vehicle: If the replacement engine/vehicle is in an accident or is stolen, the accident or theft must be reported to the air district within 10 business days. The participant must provide the police report, a letter from the insurance company regarding the accident or theft, and other information requested by the air district. The participant must repair the vehicle and return it to operation, if possible. If the vehicle is totaled, the participant and the air district staff must come to an agreement regarding any requirements that still need to be met. If the participant will continue the business, efforts should be made to obtain a substitute vehicle that can take over the terms of the contract. The substitute vehicle must be at least as clean as the original CMP funded vehicle, be in the same weight class, and cannot have more miles than would have been accumulated based on the mileage used to determine the funding amount, or no more than 600,000 miles for HHD vehicles, 350,000 miles for MHD vehicles, and 250,000 miles for LHD vehicles.
- (I) Any change of ownership, change in registration status, or change of mailing address during the contract term must be reported to the District within 10 business days.

#### **4. Existing Engine and Vehicle Requirements**

- (A) The existing vehicle must currently operate on diesel fuel or alternative fuel such as compressed natural gas.
- (B) The existing vehicle must have an engine model year that is 6 or more years of age prior to the current calendar year, except if it is a school bus or log truck which may be powered by an engine of any model year. The maximum chassis age for all-electric conversions must be no more than ten years old.
- (C) The existing vehicle must either be: 1) currently registered and have been registered in California for the past 24 months supported by documentation showing

no lapses (except for seasonal vehicles and those eligible under the military service provision); or 2) must have been registered in California for the previous eight consecutive months with supporting documentation supplemented by alternate documentation showing California operation for the past 24 months. California International Registration Plan (IRP) documents are acceptable. Out of State IRP or registration is not eligible. The existing vehicle must be based in Butte County

(D) If the existing vehicle operates seasonally, then the existing vehicle may be eligible to participate if it has been registered in California for three to six continuous months per 12 month period for the previous 24 months. DMV partial year registration documentation for each period the vehicle was registered must be included with the application.

(E) The participant must provide proof of insurance for the old vehicle for the previous 24 months.

(F) The existing vehicle must meet the criteria for either an LHD vehicle, MHD vehicle, or an HHD vehicle, as defined below:

- (1) LHD vehicles must have a manufacturer GVWR of 14,001-19,500 lbs.
- (2) MHD vehicles must have a manufacturer GVWR of 19,501-33,000 lbs.
- (3) HHD vehicles must have a manufacturer GVWR of 33,001 lbs. or greater.
- (4) GVWR may be documented with a photo of the vehicle manufacturer tag or a copy of the manufacturer build sheet. Air districts may request ARB approval of alternate GVWR documentation on a case-by-case basis.

(G) Engine Verification:

- (1) The District file must include a copy of the existing engine Executive Order. If an Executive Order is not available, the air district may request approval of alternative documentation on a case-by-case basis.
- (2) If the old vehicle engine tag is missing, then verification of the engine information can be satisfied with the engine serial number. The participant must provide verification of the engine make, model, model year, engine serial number, and horsepower from the manufacturer. The participant may also verify the horsepower with the results of a dynamometer test. The dynamometer test will take into account a 15 percent loss in actual horsepower, accounting for transmission loss. Verification can include a letter or a printout from an engine manufacturer or dealership. On a case-by-case basis, ARB may approve other means of obtaining the information.

(H) The existing vehicle must be in operational or roadworthy condition, as determined through a CHP Biennial Inspection of Terminals (BIT) or equivalent District-approved inspection.

(I) Glider Kits: Glider kits are replacement chassis and cabs for on-road heavy-duty vehicles. Glider kits are generally identified with a VIN starting with the letters "GL". In situations where the model years of the glider kit vehicle's chassis and engine

differ, approval determination shall be made using the model year of the engine. Existing glider kit vehicles are eligible to participate but the replacement vehicle has to be a complete Original Equipment Manufacturer vehicle; i.e., the replacement vehicle cannot be a glider kit.

(J) Existing Vehicle Body Components: The body of the existing vehicle does not play a part in the participation in the program. Program funds can only be used to purchase the new vehicle, not external body components or parts used for a particular vocation (e.g., dump body). The common practice for vehicle owners to remove non-emission related body components from the existing vehicle and place them on the replacement vehicle is still permissible as long as the components do not exist on the replacement vehicle and are not a part of the paid components for the replacement vehicle.

(K) Operation of Existing Vehicle After Approval: If the existing vehicle is in an accident or has an engine failure after receiving approval from the air district but prior to replacement, then the existing vehicle will still be eligible for receiving funds from the program as long as all other on-road requirements have been met.

## **5. Replacement Engine and Vehicle Requirements**

(A) Emission Standards: Replacement vehicles with engines certified to an optional 0.02 g/bhp-hr NO<sub>x</sub> and 0.01 g/bhp-hr PM emission standard or cleaner are eligible for funding (unless noted otherwise). New ZE vehicles must have CARB-issued executive order confirming the vehicle does not emit any vehicle exhaust emissions or fuel-based evaporative emissions. If the baseline engine model year is 2010 or newer, the replacement engine must at least be certified to a NO<sub>x</sub> standard level of optional 0.02 g/bhp-hr NO<sub>x</sub> or lower (unless noted otherwise). Replacement vehicles with engines certified to the 0.2 g/bhp-hr NO<sub>x</sub> and 0.01 g/bhp-hr PM emission standard or cleaner for vehicle categories not subject to on-road in-use regulation(s), rule(s), or requirement(s) (e.g., emergency vehicles) may be eligible. During the contract period, the replacement engine or vehicle must not be used to meet a compliance deadline set by an applicable rule, regulation, or requirement.

(B) Engine class: See C.1.(B) above.

(C) Mileage: A used HHD replacement vehicle must have less than 500,000 miles, a used MHD replacement vehicle must have less than 250,000 miles, and a used LHD replacement vehicle must have less than 150,000 miles with odometer verification to occur at the post-inspection.

(D) All-Electric Range: Electric vehicles and hybrid vehicles (new or converted) must demonstrate an all-electric range of at least 35 miles. Those with fast charge capability must demonstrate an all-electric range of at least 20 miles. If a vehicle is not certified to meet this range, it may only be approved for funding following ARB evaluation of demonstration test data verifying that minimum all-electric range

requirements are met. If demonstration data has already been submitted to another CARB funding program and approved, demonstration requirements may be waived.

(E) Horsepower: The replacement engine or ZE vehicle horsepower must be no more than 25 percent greater than the existing engine horsepower. In limited situations, such as the non-availability of the original horsepower range for the specific application, the District may approve a greater than 25 percent increase in horsepower.

(F) Weight Class: The replacement vehicle must be in the same weight class as the existing vehicle (either LHD, MHD, or HHD). An MHD vehicle can replace an HHD vehicle, or vice versa, if they both have the same axle configuration and the replacement will not carry more load than the existing vehicle while performing the same work. The funding amount must be at the MHD funding level.

(G) Body and Axle Configuration: The replacement vehicle must have the same axle and body configuration as the existing vehicle. The District may allow slight changes based on the latest technology. Changes must be requested and approved prior to the purchase of the replacement vehicle.

(H) Title: The replacement vehicle must have a clean title prior to purchase. The replacement vehicle must not have a salvage title and must not have been in an accident, repaired, and became available for resale.

(I) California Registration: The replacement vehicle must be registered in California or in the California IRP.

(J) The participant must maintain insurance coverage for the replaced/repowered/converted vehicle as required by law for the duration of the project life. The participant is encouraged to have replacement value insurance coverage to ensure complete repair or replacement in the event of major damage to the vehicle. If the vehicle is not repaired and replaced during the project life, the applicant must return prorated funds. See Section C.6.(I)(3).

(K) Warranty requirements: The following warranty requirements apply:

(1) Except for school buses, hybrids, and ZE vehicles, all participants must purchase a major component engine warranty for the replacement new or used vehicle. The warranty must cover parts and labor. If the purchase of a new or used replacement vehicle is in accordance with currently required warranty periods or warranty requirements for newer engine model years as specified in the Heavy-Duty Low NOx Omnibus Regulation then separate supplemental warranty is not required. However, it is recommended that the highest grade warranty be purchased in order to avoid expensive repairs in the future.

(2) Electric vehicles, hybrid vehicles, and conversion systems must have a minimum warranty period of 3 years or 50,000 miles. The warranty must cover the engine (if applicable) or motor, drivetrain, battery or energy storage, and



parts and labor (including any part on the converted vehicle or engine that is damaged by the hybrid conversion system).

(3) For ZE school buses, the vendor warranty must provide protection for a minimum of 60 months or 75,000 miles, whichever comes first, and provide full warranty coverage of, at a minimum, ZE or all-electric motor, drive train, batteries/energy storage system(s), parts and labor. Warranties must be fully transferrable to subsequent school bus purchasers for the full warranty coverage period. Warranties must cover the following for the full warranty period (unless otherwise denoted):

a. Extended Motor, Drivetrain (including Battery), and ZE Components: Provide warranty coverage against defects in material and workmanship for the motor, transmission, rear axle, and electric or ZE system components including the battery. Gaskets and seals are not required to be included under the warranty coverage.

b. Frame Rails, Cross Members, and Cab: For new school buses, coverage extends to structural cracks in the frame caused by defects in material workmanship and against corrosion perforation of the cab. For school bus conversions, the all-electric school bus vendor is only responsible for damage or corrosion tied to, or resulting from, their workmanship on, or handling of, these parts.

c. Battery Degradation Warranty: Provide warranty coverage against battery degradation below 80 percent of capacity.

(4) No Moyer Program funds will be issued for maintenance or repairs related to the operation of the vehicle. The participant takes sole responsibility for ensuring that the vehicle is in operational condition throughout the agreement period.

(L) Engine and Emission Control Modifications: Emission controls on the replacement vehicle engine cannot be modified except as permitted by law. Unauthorized modification to engine performance including, but not limited to, changes in horsepower, emission characteristics, engine emission components (not including repairs with like-original equipment manufacturers replacement parts), and modifications to the engine's emission control function or the electronic monitoring unit are not allowed.

(M) Service: At least one California service provider approved by the manufacturer must be available to repair and service the engine/vehicle.

## **6. Associated Infrastructure Requirements (for Zero-Emission Replacement Projects)**

(A) Battery Charging Station: Chargers must be a level 2 and higher. Equipment and parts must be new. Remanufactured or refurbished equipment and parts are not eligible.

(B) Functionality: If equipment is not functional, the grantee has 15 business days to report the problem to the air district and begin working with the air district promptly to ensure infrastructure equipment is operational. If during the project life

the fuel/energy meter fails for any reason, the fuel/energy meter must be repaired or replaced as soon as possible and is considered a maintenance expense, therefore not an eligible cost.

(C) Warranty: Battery charging stations and equipment must have at least a one year warranty. Alternative fuel infrastructure must have the minimum of a three year warranty.

**D. District Administrative Requirements**

The District staff will implement the CMP On-Road Heavy Duty Vehicle Program using the following administrative procedures:

(A) The District's Request for Proposals (RFP) will solicit applications for on-road projects along with the other CMP categories listed in the District's Policies and Procedures Manual. Each application will be evaluated and ranked in accordance with the District's Policies and Procedures Manual. On-road project applications will compete for funding with all CMP project applications.

(B) The District staff will work with equipment Dealerships and/or applicants to complete the standard "On-Road Heavy-Duty Vehicle Application" (available at <http://bcaqmd.org/incentives-grants-rebates/carl-moyer-program/>), and may develop additional forms if necessary to collect all information, records, and price quotes necessary to evaluate the proposal and to populate the data fields in ARB's Clean Air Reporting Log (CARL) database.

(C) The District staff will evaluate each proposal to verify the eligibility and cost-effectiveness in accordance with CMP Guidelines. As part of the evaluation, staff will conduct a pre-inspection of the existing equipment. The pre-inspection will included the following:

- a. Right Side -hood down.
- b. Front -hood down.
- c. Left Side -hood down.
- d. Rear
- e. VIN Tag -inside vehicle or on frame rail.
- f. Engine serial number and engine information, if available (make, model year, engine family) either tag or stamp on block.
- g. License plate.
- h. Left and right side of engine.

(D) After the District receives an application for any on-road project but before contract execution, District staff will submit information regarding the project to ARB to check for outstanding violations, previous project funding, and compliance with applicable regulations. All compliance check documentation must be kept in the project file.

(E) A Grant Contract will be executed for each on-road equipment replacement project that competes successfully in the RFP process and is approved by the District Air Pollution Control Officer. A sample Grant Contract with a section specifically for On-Road projects is included in the District's Policy and Procedures Manual.

(F) Upon delivery of the new equipment to the Dealership, the District staff will conduct a post-inspection. The Pre/Post-Inspection Form will be used. The Dealership shall not deliver the new equipment to the Program Participant until the post-inspection is complete or receives approval from the District. Photographs of the replacement engine or vehicle must include the following views:

- a. At least one side of the vehicle.
- b. VIN Tag -inside vehicle or on frame rail.
- c. Engine serial number and engine information –tag (or primary motive power components).
- d. License plate.
- e. Odometer reading.
- f. Left and right side of engine (or primary motive power components).
- g. Modifications (if any).

(G) After the District staff approves the post-inspection of the new equipment the Dealership may deliver the new equipment to the Program Participant. The existing vehicle must be delivered to a qualified dismantler within thirty (30) days after Program Participant receives the new vehicle. The Dismantler must certify that the vehicle will be destroyed within sixty (60) days of receipt if destruction is not witnessed by District staff. At a minimum, the destruction must include the following:

- a. Both frame rails must be completely severed between the front and rear axles.
- b. A hole must be put in the engine block with a diameter of at least three inches at the narrowest point. The hole must be irregularly shaped (i.e., no symmetrical squares or circles). A section of the oil pan flange must be removed as part of the hole or have a line cut through it that connects to the hole.

(H) Payment will be processed once the District confirms the following:

- a. Approved destruction of existing equipment
- b. Approved pre-inspection
- c. Approved post-inspection
- d. Approved invoice / proof of sale
- e. Financing terms (if applicable)
- f. Confirmed submittal of W-9
- g. District listed as additional insured
- h. Copy of Title of existing vehicle, signed and dated
- i. Replacement vehicle registration
- j. Replacement vehicle warranty information

All payments will be issued to the Program Participant. Two-party checks may be issued to both the Program Participant and Dealership if requested by the parties.

Associated infrastructure projects may be considered for final payment once the necessary infrastructure has been installed and connected to the electricity grid and has been demonstrated to the air district that it is fully operational during a post-inspection.

(l) Monitoring and enforcement of Grant Contracts is covered in Section XII of the District's Policies and Procedures Manual.

**E. Additional On-Road Heavy-Duty Vehicle Program Documents**

1. CMP On-Road Heavy-Duty Vehicle Application
2. CMP On-Road Heavy-Duty Vehicle Dealership Agreement
3. CMP On-Road Heavy-Duty Vehicle Dismantler Agreement
4. CMP On-Road Heavy-Duty Vehicle Project Checklist and Guide