Chapter 9: OFF-ROAD EQUIPMENT REPLACEMENT

This chapter describes the minimum criteria and requirements for Carl Moyer Program mobile, self-propelled off-road compression-ignition (CI) and large spark-ignition (LSI) equipment replacement projects. Air districts may set more stringent requirements based upon local priorities.

A. Projects Eligible for Funding

All provisions regarding the in-use regulations described in Chapters 7 and 8: Off-Road Compression-Ignition Equipment and Off-Road Large Spark-Ignition Equipment also apply in this chapter.

Equipment replacement provides incentives to replace old high-polluting off-road equipment with newer, lower-emission replacement equipment, providing real emission benefits earlier than would have been expected through normal attrition.

Please see Section C (Project Criteria) for detailed minimum eligibility requirements.

The following off-road equipment replacement projects may be eligible for funding. Note: The existing old equipment engine must be an uncontrolled, Tier 1, or Tier 2 engine.

1. New Replacement Equipment Purchase: The purchase of new equipment with an engine certified to the current emission standard or Tier to replace existing equipment that is to be scrapped.

2. Used Replacement Equipment Purchase: The purchase of used equipment with an engine certified to the current emission standard or Tier to replace existing equipment that is to be scrapped.

B. Maximum Eligible Funding Amounts

Table 9-1 summarizes the maximum eligible funding for each project type. All projects are also subject to the cost-effectiveness threshold defined in Appendix G.

Table 9-1
Maximum Percentage Eligible for
Carl Moyer Off-Road Equipment Replacement Projects

Project	Maximum
New or Used Equipment Purchase	80 percent of total equipment purchase costs
Retrofit	100 percent

C. Project Criteria

The minimum qualifications for off-road equipment replacement projects are listed below. All projects must also conform to the requirements in Chapter 2: General

Criteria and in Chapter 3: Program Administration. Participating air districts retain the authority to impose additional requirements in order to address local concerns.

1. General Criteria

(A) Funding is available for replacement of existing equipment utilizing the following engines:

(1) Large spark ignited engines larger than or equal to 19 kilowatts (kW) (25 horsepower (hp)). Engines above 25 hp but with a displacement of less than or equal to one liter may be eligible for funding on a case-by-case basis.

(2) Diesel engines larger than or equal to 25 hp.

(B) Projects involving replacement with an electric forklift are eligible for a maximum of 80 percent of total equipment purchase costs. In addition, the cost of the recharging station and corresponding installation for the funded electric forklift is an eligible cost but must be included in the cost-effectiveness calculation. The combined cost-effectiveness of the electric forklift, recharging station, and corresponding installation must be below the cost-effectiveness limit as defined in Appendix G.

(C) Project Life

(1) The maximum project life for all off-road non-farm CI equipment replacement projects is five years with the following exceptions:

a. Three years: excavators, skid steer loaders, and rough terrain forklifts as defined in Appendix B: Definitions.

b. Seven years: crawler tractors, off-highway tractors, rubber tired dozers, and workover rigs as defined in Appendix B: Definitions.

(2) The maximum project life for all off-road non-farm LSI equipment replacement projects is three years.

(3) The maximum project life for all off-road farm equipment replacement projects is 10 years. Air districts must offer a 10 year project life for farm equipment; however, applicants may request a project life less than 10 years.

(4) The maximum project life for the replacement of an LSI forklift with a zero emission forklift is 10 years. Senate Bill 467 allows these projects to incorporate the remaining life of the equipment being scrapped (three years) and the median useful life of the equipment the applicant would

have bought at the time of normal attrition (seven years). Emission benefits from two separate transactions may be included in the cost-effectiveness calculations:

a. Emission reductions from existing uncontrolled, Tier 1, or Tier 2 equipment, as applicable, to zero emission equipment.

b. Emission reductions from a new piece of equipment meeting the emission standards at the time of purchase to zero emission.

(5) A longer project life may be granted case-by-case approval if an applicant provides justifying documentation. The maximum project life does not consider regulatory requirements which may reduce actual project life below these maximum values.

(D) Equipment must be maintained in accordance with manufacturer specifications.

(E) Equipment may be purchased through an equipment dealer or a private party provided all required documentation is submitted, and the equipment meets all the requirements of the program.

(F) The replacement of two (or more) pieces of old, like equipment with one piece of replacement equipment is eligible for funding. Each piece of old existing and replacement equipment must comply with all of the appropriate criteria below. The replacement equipment must execute the same job as the old pieces of equipment. For baseline emissions calculation, the annual emissions of the two pieces of old equipment are summed. For the replacement equipment emissions calculation, the annual usage of the two pieces of old equipment is summed for the replacement equipment usage.

(1) The horsepower rating for the replacement equipment must not be greater than 125 percent of the original manufacturer rated horsepower (baseline horsepower) for the lowest horsepower of the existing equipment engine.

2. Existing (Old) Equipment Requirements

All existing equipment must meet the following conditions:

(A) The old equipment must have an uncontrolled, Tier 1, or Tier 2 engine. (For LSI, this equates to a model year 2009 or earlier engine).

(B) For old equipment with engines manufactured under the flexibility provision detailed in California Code of Regulations, title 13, section 2423(d), baseline emission rates shall be determined by using the

previous applicable Tier emission standard for that engine model year and horsepower rating. The Air Resources Board (ARB) Executive Order for these engines indicates that the engines are certified under this provision. Air districts must retain this documentation in the project file.

(C) For old equipment in which the actual engine horsepower cannot be determined based upon the engine label, manual, and engine records, the engine horsepower can be estimated by the following formula:
Engine horsepower = Power Take Off (PTO) x 120 percent.

(D) The old equipment must be registered in the Diesel Off-road On-line Reporting System (DOORS) if it is subject to the Regulation for In-Use Off-Road Diesel Vehicles (Off-Road Regulation).

(E) Equipment Ownership - The participant must have owned and operated the old equipment in California for the previous two years. The participant must be able to provide documentation of the following specific to the existing (old) equipment:

(1) Bill of sale for the old equipment, and

(2) Two years of documentation for at least one item from the list below. If a bill of sale cannot be provided, two items from the following list may be submitted in substitution:

a. Tax depreciation logs
b. Property tax records
c. Equipment insurance records
d. Bank appraisals for equipment
e. Maintenance/service records
f. General ledgers
g. Fuel records specific to the old equipment (To be used as evidence of California residency the fuel records must also identify the equipment owner)
h. Other documentation approved by ARB

(F) Annual Usage Requirement and Operational Requirement: The old equipment must be in operational condition to qualify for funding. To verify the operational status of the equipment the air district must conduct a pre-inspection of the old equipment prior to funding.

(1) If the participant provides at least two years previous usage documentation, as described below, to the air district as part of the application process, air districts may exclude the usage requirement in the project contract with the participant (per Chapter 3, Program

Administration, section Z. 6.). The following types of documents are acceptable to demonstrate usage:

a. Hour meter reading log collected at minimum of once per year from an installed and fully functioning hour meter or historical fuel usage documentation specific for the old equipment. Documentation must include fuel logs, purchase receipts, or ledger entries.
-or-

b. At least two items from the following list proving old equipment is being used by the fleet:

1. Revenue and usage records that identify operational, standby, and down hours for the equipment
2. Employee timesheets linked to specific equipment use
3. Preventative maintenance records tied to specific hours of equipment use
4. Repair work orders specific to the equipment
5. Six months of tracking normal equipment usage with a functional, tamper proof hour meter with prior air district approval
6. Other documentation approved by ARB

(2) If two years of usage documentation as required in (1) above is not available, the annual usage used to determine project cost effectiveness must be included in the project contract (per Chapter 3 Program Administration, section Z. 6.). In addition, the participant must provide documentation to demonstrate that the equipment was operational for the previous year. The following types of documents are acceptable to demonstrate that equipment is operational:

a. Maintenance/service records
b. Revenue and usage records that identify operational, standby, and down hours for the equipment
c. Routine inspections which document the operating condition of the old equipment (Occupational Safety and Health Administration or workplace required)
d. Other documents approved by ARB

3. Replacement Equipment Requirements

All replacement equipment must meet the following conditions:

(A) The new or used replacement equipment must have an engine meeting the most recent California emission standard (e.g., the current Tier). If a specific piece of equipment cannot be purchased and delivered with an engine meeting the most recent emission standard or Tier within six

months from the time the air district commits to the proposed project, then equipment with an engine meeting the previous emission standard or Tier may be purchased. For purposes of this section, an air district's commitment to a proposed project shall be consistent with that stated in their equipment replacement plan and/or their policies and procedures.

(1) At the applicant's request, confirmation of availability of equipment meeting the most recent emission standards or Tier may be limited to the same equipment manufacturer as the existing (old) equipment or engine.

(2) If the air district and the applicant do not have an executed contract within six months of project commitment, then the air district must recheck for the availability of equipment with the most recent emission standard or Tier.

(3) Documentation that equipment with an engine meeting the most recent emission standard or Tier is unavailable must be provided to the air district. Acceptable documentation that equipment with an engine meeting the most recent emission standard in unavailable include:

a. Verifiable information from the equipment manufacturer, engine manufacturer, distributor and/or dealer regarding the unavailability of equipment with an engine meeting the current emission standard or Tier.

b. Confirmation (a written declaration by the air district is acceptable) that engines from a specific manufacturer meeting the current emission standard or Tier are not certified (Executive Order is not available on ARB website). Executive Orders for off-road engines may be found at http://www.arb.ca.gov/msprog/offroad/cert/cert.php.

(4) Interim Tier 4 (interim Tier 4, Tier 4 Phase-Out, Tier 4 Phase-In/Alternate NOx) and Tier 4 Final engines participating in the averaging, banking, and trading program that are certified to family emission limits (FELs) higher than the applicable emission standards, as designated on ARB's Executive Order, are eligible to participate in the Carl Moyer Program. The appropriate emission factor for calculating emission reductions and cost effectiveness shall be equivalent to the emission factors associated with the Tier 3 for engines 50 to 750 horsepower and Tier 2 for engines less than 50 horsepower or greater than 750 horsepower.

(5) Interim Tier 4 and Tier 4 engines participating in the averaging, banking, and trading program that are certified to FEL below the applicable emission standards, as designated on ARB's Executive Order, are eligible to participate in the Carl Moyer Program. The appropriate emission factor for calculating emission reductions and cost effectiveness shall be the emission factors associated with the applicable interim Tier 4 (interim Tier

4, Tier 4 Phase-Out, Tier 4 Phase-in/Alternate NOx) or Tier 4 Final emission standard.

(6) The engine in the replacement equipment must be certified to a oxides of nitrogen (NOx) emission standard that is at least 15 percent lower than the emission standard(s) applicable to the existing engine certified to either the current applicable emission standard or to a FEL NOx or NOx+non-methane hydrocarbons (NMHC) level that is lower than the required emission standard.

(7) For CI equipment, engines that are participating in the "Tier 4 Early Introduction Incentive for Engine Manufacturers" program, as detailed in California Code of Regulations, title 13, section 2423(b)(6), are eligible for Carl Moyer Program funding provided that they are certified to the final Tier 4 emission standards. The ARB Executive Order for these engines indicates that the engines are certified under this provision. The emission rates for these engines used to determine cost-effectiveness shall be equivalent to the emission factors associated with Tier 3 engines. Air districts must retain this documentation in the project file.

(8) Interim Tier 4 CI engines between 75 and 750 hp, certified to the Phase-In, Phase-Out, and Alternate NOx standards as detailed in California Code of Regulations, title 13, section 2423(b)(1)(B), are eligible for funding. The appropriate emission factor when calculating emission reductions and cost effectiveness are listed in Appendix D, Table D-12.

(9) Equipment manufactured under the "Flexibility Provisions for Equipment Manufacturers", as detailed in California Code of Regulations, title 13, section 2423(d) are eligible for Carl Moyer Program funding as replacement equipment, provided the equipment meets the Tier 3 or cleaner level. Eligible equipment produced under the flexibility provisions whose reference engine family is certified to an FEL are also subject to the provisions of section (4) or (5) above. Equipment manufactured under the "Flexibility Provisions for Equipment Manufacturers," with an engine whose reference engine family meets a standard, Tier or FEL less stringent than Tier 3 standard (or Tier 2 standard for engines less than 50 horsepower or greater than 750 horsepower), are ineligible for funding.

(10) The certification emission standard and/or Tier designation for the engine must be determined from the Executive Order or United States Environmental Protection Agency Certificate of Conformity (for federally preempted engines) issued for that engine. ARB Executive Orders for off-road engines may be found at http://www.arb.ca.gov/msprog/offroad/cert/cert.php

(B) The replacement equipment must serve the same function and perform the same work equivalent as the old equipment (e.g., replacement of an agricultural tractor with another agricultural tractor).

(C) Only the minimum attachments normally sold with the original equipment, as determined by the air district, are eligible for reimbursement on the replacement equipment.

(D) The hp rating for the replacement equipment engine must not be greater than 125 percent of the original manufacturer rated hp (baseline hp) for the old (existing) equipment engine. In limited situations, such as where equipment in the original hp range is not available or the higher hp equipment will result in equal or less annual emissions, the air district may approve a greater than 25 percent increase in hp. Documentation must be provided that the replacement equipment will serve the same function as the old equipment.

(E) Warranty Requirements

(1) All purchasers of equipment must purchase a one-year or 1600 hour power and drive train warranty for the new or used replacement equipment. The warranty must cover parts and labor. If the purchase of new or used replacement equipment already includes a minimum one-year or 1,600 hour warranty as specified above, a 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. Warranty documentation must be provided to the air district. Warranty costs are not eligible for funding.

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

(G) The participant may obtain financing to assist in the purchase of replacement equipment. Documentation of financing must be provided to the air district.

(H) For CI equipment, an ARB verified diesel emission control system (or retrofit) is required on all replacement equipment if available. Retrofit projects that control particulate matter (PM) must use the highest level technically feasible technology available for the equipment being retrofitted.

(1) The cost of the retrofit, filters, and maintenance of the retrofit device needed during the project life is eligible for incentive funding, provided its

inclusion in the project cost still meets the weighted cost-effectiveness limit.

(2) The retrofit must be installed prior to equipment delivery to the participant and must stay in operation on the replacement equipment for the project life.

(3) If the additional cost of the retrofit causes the cost-effectiveness to be above the cost-effectiveness limit as defined in Appendix G, then the retrofit is not required.

(4) If documentation can be provided to the air district and ARB that a retrofit is not technically feasible, available, or safe, then the retrofit is not required. Documentation of retrofit unavailability for mobile cargo handling equipment must follow the process set out in the Regulation for Mobile Cargo Handling Equipment at Ports and Intermodal Rail Yards, California Code of Regulations, title 13, section 2479 (f) (2). Documentation for a retrofit that impairs the safe operation of a vehicle must follow the process set out in the In-Use Off-Road Diesel Vehicle Regulation, California Code of Regulations, title 13, section 2449(e) (8). A determination that a retrofit is not required due to safety concerns must be made prior to retrofit installation phase of a project.

(5) Availability of an ARB-verified retrofit for the replacement equipment must be determined at the time the air district commits to a proposed project. For purposes of this section, air district's commitment to a proposed project shall be consistent with that stated in their equipment replacement plan and/or their policies and procedures.

a. If the air district and the applicant do not have an executed a contract within six months of project commitment, then the air district must recheck for the availability of an ARB-verified retrofit.

b. Documentation that an ARB-verified retrofit is unavailable must be provided to the air district. Acceptable documentation of retrofit unavailability include:

1. Verifiable information from the retrofit manufacturer, retrofit distributor and/or dealer regarding the unavailability of verified retrofits.

2. Confirmation (a written declaration by the air district is acceptable) that no retrofit has been ARB-verified for the engine (the Executive Order is not available on ARB website).

(6) If offered by an air district, an applicant may opt out of the default retrofit requirement. Applicants must sign a waiver acknowledging that due to current or future regulations they may be required to install a retrofit on the funded equipment at their own cost. Air districts have the option to not offer this additional flexibility and are encouraged to evaluate individual projects based on the near source health impacts.

(7) Equipment that has been issued an exemption from retrofit installation from a specific manufacturer may be found at: http://www.arb.ca.gov/msprog/moyer/retrofit/exemptions.htm

(8) Additional information on retrofit systems is included in Appendix E: Description of Certification and Verification and on ARB's website at http://www.arb.ca.gov/diesel/verdev/vt/vt.htm.

(I) Project emission reductions must be based upon an installed and fully operational hour meter. If equipment does not have a functioning hour meter at the time of the project, the hour meter must be installed, repaired and/or replaced. If during the project life the hour meter fails for any reason, the hour meter must be repaired or replaced as soon as possible at the owner's cost. Alternatively, if fuel usage has been approved by ARB for determining emission reductions, then future annual fuel usage must be based on fuel logs, purchase receipts or ledger entries specific to the funded equipment. LSI equipment may only use the hour based calculation for determining emission reductions.

(J) New Electric Equipment

(1) For replacement with electric equipment, applicants must provide evidence of a plan to either install battery chargers for each piece of equipment funded or install fast charging units for use with multiple pieces of equipment.

(2) For replacement with electric equipment, costs for battery chargers and necessary peripheral equipment may be included in determination of the grant award. These costs are considered infrastructure and can only be paid for with air district match funds.

(3) For replacement with an electric forklift, electric equipment that is less than 19 kW may be eligible for funding if manufacturer documentation (e.g., manufacturer specification sheet) is submitted verifying the electric forklift capacity is equal to or greater than 3,000 pounds. The verification documentation must be included in the project file.

(4) For replacement with electric equipment other than a forklift that is rated less than 19 kW, equipment may be eligible on a case-by-case basis with

prior ARB approval. Documentation must be provided indicating that work performed is equivalent to that performed by a 25 or greater hp LSI engine.

(K) Replacement with zero-emission equipment other than electric must receive case-by-case approval by ARB (e.g., fuel cell equipment).

4. Existing Equipment Destruction Requirements

Equipment replacement requires that the existing high-emitting equipment be scrapped to permanently remove it from service. This ensures that emission reductions are real and prevents the existing equipment from being moved into another locale to continue emitting high levels of pollutants. Destruction of the equipment may occur either at an air district approved salvage yard or another facility in conjunction with an air district salvage inspection. Equipment salvage yards must enter into an agreement with the air district to qualify for participation.

(A) Funding is not available for the salvage of any existing equipment.

(B) The existing equipment salvage value will be negotiated between the participant, the dealership, and the salvage yard.

(C) The old equipment must be destroyed within 60 days of being replaced. The old equipment needs to be destroyed or rendered useless by destroying the engine block as described in Chapter 3: Program Administration, Section BB and by compromising the structural integrity of the equipment. This may be achieved by cutting the structural components of the equipment or some other manner approved by the air district. Documentation of the equipment's destruction must be provided to the air district within 10 days of destruction.

(D) Air districts must conduct a salvage inspection of the old equipment. Air districts may use an air district approved salvage yard in lieu of this requirement.

(E) If air districts use an air district approved salvage yard, these additional conditions must be met:

(1) Destroy the old equipment and engine within 60 days of receipt of the replacement equipment in accordance with the program guidelines.

(2) Provide the air district with all photographs required under the air district's salvage inspections requirements per section 5.(G)(3) below within 10 business days of salvaging the existing equipment.

(3) The contract must include the make, model, year, serial number, engine make, engine serial number, and the date the equipment is expected to be delivered.

(4) It is the air district's responsibility to ensure that the salvage actually occurs and to obtain a completed certificate of equipment destruction or other similar documentation as defined in the air district's plan.

5. Air District Administrative Requirements

(A) Air districts must establish an off-road equipment replacement plan before they can fund off-road equipment replacement projects. Air district administrative requirements include pre- and post-inspections, monitoring and enforcement considerations, reimbursement procedures, and the development of contracts, which are described below.

(B) Air districts may fund equipment replacement projects through a regional program administered by a designated air district. The designated air district could be either an air district located within the regional program or a large air district located outside of the regional program. A regional equipment replacement implementation plan must be established, containing all the required components as required in an individual air district's equipment replacement implementation plan. A regional equipment replacement plan must also contain detailed description of the funding mechanism among the participating air districts. All air districts participating in the regional program must sign the regional implementation plan and must adhere to all the requirements specified in such regional implementation plan.

(C) Any potential partnerships between air districts and dealers must be identified in the off-road equipment replacement plan. The plan must identify the air district's process for oversight and review of dealer identified tasks.

(D) Calculation of funding amounts must be based on the average of at least the two most recent years of documented equipment usage per section C.2.(F) above. Fleet averages cannot be used.

(E) Incentive funding can only be used to pay for items essential to the operation of the equipment.

(F) The air district must receive from the dealer proof of sale of the replacement equipment. Dealers for the purpose of this program are anyone who sells equipment, including private parties.

(G) Air districts are responsible for completing a pre-inspection of the old equipment, a post-inspection of the replacement equipment, and a salvage inspection of the old equipment if equipment destruction is not conducted by an air district approved salvage yard. Pre-inspections may be done by an air district approved dealer.

(1) Pre-inspection must verify the operational condition of the old equipment. The pre-inspection must verify, at a minimum, the following items:

a. Tires in usable condition (able to hold air, sufficient tread or tracks, etc.)
b. Steering wheel operational
c. Equipment able to start up and move backwards and forwards
d. Buckets, blades, rollers, etc. are working
e. Undercarriage structurally sound
f. Fuel tank in usable condition
g. No parts stripped
h. Equipment not vandalized
i. In addition, clear photographs of the old equipment must include the following views:

1. Right Side - hood down
2. Front - hood down
3. Left Side - hood down
4. Equipment serial number
5. Engine - left side
6. Engine - right side
7. Engine Serial Number - either tag or stamp on block
8. Equipment Identification, if available
9. DOORS Equipment Identification Number (EIN), if applicable
10. Rear

(2) The post-inspection must include clear photographs of the following views:

a. Right Side - hood down
b. Front - hood down
c. Left Side - hood down
d. Equipment serial number
e. Engine - left side
f. Engine - right side
g. Engine Serial Number and Engine Information – tag
h. Equipment Identification, if available
i. DOORS EIN, if applicable
j. Rear
k. Diesel Emission Control Device (if available)
l. Hour meter reading

(3) Salvage inspection must include clear photographs of the destroyed engine block and cut frame rails. In addition, the following views must be taken:

a. Equipment serial number
b. Engine side view
c. Engine serial number either stamped on the block or on the tag
d. Destroyed engine block either in-frame or out of frame as specified in Chapter 3: Program Administration
e. Cut structural components
f. Destroyed attachments, if scrapped
g. Other views dependent on the method of equipment destruction

(H) Post-inspection of the replacement equipment and salvage inspection of the old equipment must be completed prior to disbursement of funds.

(I) The air district is allowed to make full payment to the dealer at the time the dealer delivers the replacement equipment to the applicant under the following framework:

(1) The air district must complete the pre-inspection of the old equipment and post-inspection of the replacement equipment to make sure that all equipment complies with program requirements.

(2) The air district must sign a separate memorandum of understanding (MOU) with the dealer and the salvage yard that contains, at a minimum, the program requirements that are expected of each entity and the repercussions for non-compliance with the terms of the MOU for each entity. This shall include, but is not limited to, the requirement that the dealer delivers the old equipment to a qualified salvage yard within 30 days of the date that the old equipment was turned in to the dealer by the applicant.

(3) The air district must ensure the equipment is scrapped within 60 days of the salvage yard's receipt of the equipment through salvage inspection with the salvage yard to properly document the destruction of the existing equipment in accordance with the Carl Moyer equipment replacement program requirements.

(4) Failure on the air district's part to follow up with such salvage inspection would constitute a finding in future ARB's audit of the air district's Carl Moyer Program.

6. Dealer Requirements

(A) Air districts are encouraged to establish contracts with dealers that are selling replacement equipment to participants of this program. If air districts use equipment dealers in implementing the equipment replacement program, reimbursement cannot be issued until all forms are submitted and approved by the air district. Participants may purchase the replacement equipment from a private party, provided all required documentation is submitted. This includes warranty requirements and all other equipment replacement requirements.

(B) Equipment dealers must:

(1) Provide basic information about the equipment replacement category. Air districts will provide liaison training to dealership staff.

(2) Inform participants of rights and responsibilities as outlined in the air district and ARB guidelines.

(3) Help the participants complete the application. The equipment dealers will ensure that the participant correctly completes the application. It is important to make sure that all information is filled out correctly and that the participant understands the meaning of the program and the contract. The air district will provide all forms and certificates as appendices to the application. Once complete, the dealer will submit the application package to the air district.

(4) To ensure that an application package contains all necessary information, the dealer must make sure that all the following items are complete and included in the participant's submission to the air district, before reimbursement can be made:

a. Submit a signed and complete application.

b. Provide all documentation as required in Section C. 2. (E) and (F) of these criteria.

c. Provide certification that the existing equipment will be delivered to a qualified salvage yard. The certification must state that the equipment will be picked up by the salvage yard within 30 days of receipt of the old equipment. The certification must include the make, model, year, equipment serial number, engine make, engine serial number, and the date the equipment is expected to be delivered.

d. If equipment destruction will take place at a site other than an approved salvage yard, the application must include a timeline and description how the equipment will be destroyed.

e. Provide documentation of replacement equipment warranty.

f. Provide proof of replacement equipment financing. The financing package will enable the air district to determine the reimbursement costs that may be accrued in case the participant defaults on the contracted performance requirements.

(5) Prior to releasing the replacement equipment to the participant, the dealer must have documentation of an air district pre-inspection of the old vehicle and the post-inspection of the replacement equipment. Upon request of the air district, ARB may waive inspection requirements.

a. If the dealer is air district approved to do pre- and post-inspections, the dealer must submit digital photographs of the old equipment vehicle and the replacement equipment to the air district as defined in the pre-inspection and post-inspection requirements in Section C. 5 (G) of these criteria. The air district will specify the required digital format.

b. Reimbursement will not be processed until all photographs are received and verified by the air district.

c. Before submitting photographs to the air district, dealers must verify that photographs are clear.

(6) After the application and all required documentation have been approved by the air district, the dealer must provide the air district with proof of sale of the replacement equipment. For the purpose of this program, a dealer is anyone who sells equipment, including a private party.

7. Projects Subject to the In-Use Off-Road Diesel Vehicle Regulation

(A) Projects are subject to the general program criteria listed above.

(B) Fleets must be in compliance with the regulation in order to be eligible for and receive funding.

(1) Applicants must submit information regarding fleet size and compliance status. This information must include the DOORS-ID of the fleet, DOORS EIN of the existing (old) equipment, and, if available, DOORS EIN of the replacement equipment. All documentation submitted must be signed and dated by the applicant and include language certifying that the fleet list provided is accurate and complete.

a. Applicants should use the online fleet average calculator (http://arb.ca.gov/msprog/ordiesel/documents/documents.htm) to determine their fleets' compliance status and submit the information to the air districts.

b. Applicants must submit to the district the DOORS EIN of the replacement equipment no later than at post-inspection of replacement equipment.

c. Applicants are not required to submit information on exempted equipment. Information on exempted off-road equipment can be found in the Off-Road Regulation (California Code of Regulations, title 13, § 2449).

(C) No emission reductions achieved from a funded program can count towards a fleet's regulatory requirements for the duration of the project life.

(D) Eligibility for a project is based upon the Best Available Control Technology (BACT) requirements of the regulation.

(1) Any equipment funded through the Moyer program, and that is still under contract, must be deducted from the amount of equipment eligible for funding. For instance, a fleet that is eligible for funding to reduce emissions for 50 percent of its hp, but which has already received funding in previous years to reduce emissions from 20 percent of its hp, is only eligible for funding to reduce emissions from 30 percent of its hp.

(2) Equipment funded through the Moyer program must be included in the fleet's total horsepower from which the BACT requirements of the regulation are calculated.

(E) Large Fleets

(1) Eligible projects for large fleets, as defined in the Off-Road Regulation must provide at least three years of surplus emission reductions to the regulation, with a corresponding minimum project life of at least three years.

(2) Projects must be installed and in operation at least three years before the BACT requirements become effective for the funded equipment.

(3) The first compliance date for large fleets, as defined in the Off-Road Regulation, is January 1, 2014. The final compliance date is January 1, 2023. Funding for these fleets is available through December 31, 2016.

(4) Eligible projects for large fleets must include a PM trap beginning January 1, 2013, for engines 75 hp and greater and January 1, 2014, for engines less than 75 hp.

(5) Large fleets may have additional requirements per subsection C.7.(H) below.

(F) Medium Fleets

(1) Eligible projects for medium fleets, as defined in the Off-Road Regulation must provide at least three years of surplus emission reductions to the regulation with a corresponding minimum project life of at least three years.

(2) Projects must be installed and in operation at least three years before the BACT requirements become effective for the funded equipment.

(3) The first compliance date for medium fleets, as defined in the Off-Road Regulation is January 1, 2017. The final compliance date is January 1, 2023. Funding for these fleets is available through December 31, 2019.

(G) Small Fleets (includes Captive Attainment Area Fleets)

(1) Eligible projects for small fleets, as defined in the Off-Road Regulation must provide at least two years of surplus emission reductions to the regulation, with a corresponding minimum project life of at least two years.

(2) Projects must be installed and in operation at least two years before the BACT requirements become effective for the funded equipment.

(3) The first compliance date for small fleets, as defined in the Off-Road Regulation is January 1, 2019. The final compliance date is January 1, 2028. Funding for these fleets is available through December 31, 2025.

(H) Surplus Off-Road Opt-In for NOx (SOON) Program

(1) Fleets located in air districts that have opted in to the SOON program and that are subject to the SOON provisions are eligible for funding in accordance with the Off-Road Regulation (California Code of Regulations, title 13, § 2449.2) and must meet the applicable criteria in sections 1 through 6 above.

(2) Projects funded under SOON, are not subject to Section C.7., except for the requirements of subsection C.7.(H).

(I) For more information on eligibility of off-road diesel equipment, please see the In-Use Off-Road Diesel Vehicles Regulation Carl Moyer Program Implementation Chart available at http://www.arb.ca.gov/msprog/moyer/guidelines/supplemental-docs.htm.

8. Projects Subject to the Regulation for Cargo Handling Equipment at Ports and Intermodal Rail Yards

(A) Eligible projects must provide at least three years of surplus emission reductions to the regulation, with a corresponding minimum project life of at least three years. Much of the applicable cargo handling equipment must already be in compliance with the regulation. Therefore, very limited funding opportunities exist.

(B) For more information on eligibility of cargo handling equipment, please see the Regulation for Cargo Handling Equipment at Ports and Intermodal Rail Yards Carl Moyer Program Implementation Chart available at http://www.arb.ca.gov/msprog/moyer/guidelines/supplemental-docs.htm.

9. Projects Subject to the Off-Road Large Spark-Ignition Engine Fleet Requirement

The regulation impacts owners of fleets of four or more LSI forklifts and/or four or more LSI sweepers/scrubbers, airport ground support equipment, and/or industrial tow tractors. The fleet size is determined by aggregating an operator's equipment in the State of California.

(A) Eligible funding must provide at least three years of surplus emission reductions to the LSI fleet regulation, with a corresponding minimum project life of at least three years.

(B) Large and Medium Forklift Fleets and Fleets of Four or More Sweeper/Scrubbers, Ground Support Equipment, and/or Industrial Tow Tractors: In order to be eligible for funding, large and medium forklift fleets and fleets of four or more non-forklift LSI equipment must meet the final fleet average emission level applicable on January 1, 2013.

(C) Agricultural Crop Preparation Forklift Fleets Model Year 1990 and Newer: These fleets are required to either retrofit, repower, or replace 100 percent of their fleet by January 1, 2012 or currently meet a 3.0 g/bhp-hr fleet average HC + NOx level. Fleets that have met the 3.0 g/bhp-hr fleet average can apply for funding. Additionally, in accordance with SBx2 3,

fleets that have retrofitted/repowered 20 percent of their fleet in compliance with the regulation are eligible for funding up to the final compliance date. In order to be eligible, these projects must be under executed contract, and must be installed and in operation prior to the applicable compliance date.

(D) Fleets with equipment not subject to the off-road large spark-ignition engine fleet requirement are eligible for funding, including:

(1) Agricultural crop preparation non-forklift equipment and pre-1990 forklifts.

(2) Forklifts used exclusively in field to harvest and maintain crops.

(3) Non-forklift LSI equipment such as aerial lifts, lawn and garden tractors, commercial turf equipment, mining and construction equipment, crushing and processing equipment.

(4) Small fleets (one to three forklifts and/or one to three sweepers/scrubbers, airport ground support equipment, and/or industrial tow tractors).

(E) Parties interested in applying for funding for this equipment should contact the Carl Moyer Program staff at the air district for more detailed information.

10. Projects Subject to the Statewide Truck and Bus Regulation

This regulation impacts the eligibility of all on-road heavy-duty diesel-fueled and alternative diesel-fueled vehicles operated in California with a manufacturer's gross vehicle weight rating greater than 14,000 pounds. Although this regulation primarily affects vehicles with on-road engines, some vehicles with off-road engines are also covered. Any application for Carl Moyer Program funding to replace a vehicle with an off-road engine that is subject to an on-road regulation must comply with the applicable surplus requirements described in Chapter 4. For example, a yard truck with an off-road engine that is subject to the Statewide Truck and Bus Regulation (including yard trucks used primarily in agricultural operations) must meet the applicable on-road surplus requirements described in Chapter 4, Section E, and must also comply with all off-road project criteria described in this chapter.