

THE CARL MOYER PROGRAM GUIDELINES

2017 Revisions

VOLUME II: VOUCHER INCENTIVE PROGRAMS AND AGRICULTURAL ASSISTANCE PROGRAM



Approved by the Board: **APRIL 27, 2017**

California Environmental Protection Agency

 **Air Resources Board**



In Memory of Dr. Carl Moyer

(1937 - 1997)

This program is named in honor of the late Dr. Carl Moyer, whose extraordinary dedication, hard work, vision, and leadership made this program possible. He created and masterminded this program, in a noble effort to unite business and government in the name of public interest to improve California's air quality.

This update was a collaborative effort and has benefited from the valuable contributions of the participating air districts and all other stakeholders. The Air Resources Board appreciates the considerable efforts of air district staff both in the development of these guidelines as well as the day-to-day implementation of the Carl Moyer Program.

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THE CARL MOYER PROGRAM GUIDELINES

VOUCHER INCENTIVE PROGRAMS AND AGRICULTURAL ASSISTANCE PROGRAM

VOLUME II

(The Carl Moyer Program 2017 Guidelines are comprised of two Volumes. Volume I includes the program overview, program administration, source category chapters and appendices. Volume II includes the On-Road and Off-Road Voucher Incentive Programs, and the Agricultural Assistance Program.)

THE CARL MOYER PROGRAM GUIDELINES

PART 2 of 3

ON-ROAD VOUCHER INCENTIVE PROGRAM AND OFF-ROAD VOUCHER INCENTIVE PROGRAM



Voucher Incentive Program
REDEEM AND CLEAN!

**MOYER PROGRAM FOR
OFF-ROAD DIESEL EQUIPMENT**

REVISED AND APPROVED: APRIL 27, 2017

California Environmental Protection Agency

 **Air Resources Board**

CARL MOYER MEMORIAL AIR QUALITY STANDARDS ATTAINMENT PROGRAM

VOUCHER INCENTIVE PROGRAM GUIDELINES FOR OFF-ROAD DIESEL EQUIPMENT

These guidelines describe the minimum criteria and requirements for the Carl Moyer Memorial Air Quality Standards Attainment Program's (Moyer Program) Off-Road Voucher Incentive Program (ORVIP). The ORVIP provides a streamlined approach to reduce emissions by replacing existing, high-polluting equipment with newer, lower-emission equipment. The ORVIP provides real emission benefits by retiring the high-polluting equipment earlier than would have been expected through normal attrition or by regulation. Moyer Program funds for voucher projects are used to offset part of the cost of the replacement equipment.

Air pollution control and air quality management districts (air districts) shall utilize these guidelines as a stand-alone document and need not refer to the current Moyer Program guidelines in implementing this program. Air districts must follow all ORVIP guidelines in order to offer vouchers as a funding option. Air districts do not have the discretion to set more stringent requirements based upon local priorities. These guidelines provide implementation documents in the appendices section that must be used for funding voucher projects and may not be modified (unless otherwise noted).

A. Projects Eligible for Funding

The following ORVIP projects are eligible for funding:

New Replacement Equipment Purchase: The purchase of new equipment to replace the existing equipment that is to be scrapped. The new equipment must have an engine that meets the current California emission standards (Tier) or the current United States Environmental Protection Agency (U.S. EPA) emission standards (Tier) if it is a federally preempted engine.

B. Project Funding Amounts

The maximum total project funding amounts associated with reducing the eligible costs of an ORVIP project are pre-determined and shown in Appendix O. If there is a discrepancy between the engine horsepower of the existing and replacement equipment, then the lower horsepower should be used to determine the voucher funding amount.

C. Program Requirements

1. General Program Criteria

- (A) *Eligible Equipment:* Agricultural tractors with uncontrolled off-road compression ignition engines that are greater than or equal to 25

horsepower and less than 175 horsepower and are not currently regulated by an Air Resources Board (ARB) in-use regulation.

- (B) The following equipment are not eligible for funding:
 - (1) Equipment subject to the performance requirements of the In-Use Off-Road Diesel-Fueled Fleets Regulation (Off-Road Regulation), California Code of Regulations, title 13, section 2249 et seq.;
 - a. Equipment subject to the Regulation for Mobile Cargo Handling Equipment at Ports and Intermodal Rail Yards, California Code of Regulations, title 13, section 2479;
 - b. Equipment subject to the Large Spark-Ignition Engine Fleet Requirements, California Code of Regulations, title 13, section 2775, et seq.
- (C) *Emission Reduction Technologies:* Emission reduction technologies must be certified or verified by ARB. New federally preempted engines must be certified by the U.S. EPA and must comply with durability and warranty requirements. For the purposes of the ORVIP, a technology granted a conditional certification or verification by ARB is considered certified or verified.
- (D) *Equipment Leasing is Not Allowed:* If financing is necessary, the equipment purchase must be financed with a conventional purchase loan.
- (E) *Obtaining Financing:* The participant may obtain public and/or private financing to assist in the purchase of replacement equipment, but cannot seek additional public funded grants, except as allowed in C.2(A)(6).
- (F) Emission reductions obtained through ORVIP projects must not be required by any federal, State or local regulation, memorandum of agreement/understanding with a regulatory agency, settlement agreement, mitigation requirement, or other legally binding document.
- (G) No emission reductions generated by the ORVIP shall be used as marketable emission reduction credits or to offset any emission reduction obligation of any person or entity.
- (H) No project funded by the ORVIP shall be used for credit under any federal or State emission averaging banking and trading program.
- (I) Engines operating under a regulatory compliance extension granted by ARB, an air district, or the U.S. EPA are not eligible for funding.
- (J) Projects funded by the ORVIP may not be used to generate a compliance extension or extra credit for determining regulatory compliance.

2. Participant Requirements. All participants must meet the following requirements to be eligible for funding:

- (A) *Ownership Requirements:* The participant must currently own and operate the existing equipment. The participant must be able to provide two items from the following documentation list for the equipment:
- (1) Bill of sale for the existing equipment
 - (2) Copy of Diesel Off-road On-line Reporting System (DOORS) registration
 - (3) Tax depreciation logs
 - (4) Property tax records
 - (5) Equipment insurance records
 - (6) Bank appraisals for equipment
 - (7) Maintenance/service records
 - (8) General ledgers
- (B) *Prior Minimum Usage Requirement:* The existing equipment must have met the annual usage requirements in Appendix O during each 12 months for the previous 24 months. Participants must submit documentation verifying usage for the previous 24 months for the existing equipment. Participants may submit documentation verifying usage for up to the previous 60 consecutive months for the existing equipment.
- (C) *Documentation of Usage:* The participant must be able to provide the following in order to document equipment usage:
- (1) Hour meter reading log collected a minimum of once per year from an installed and fully functioning hour meter; or
 - (2) At least two items from the following list proving existing equipment is being used by the fleet and indicating annual hours of use:
 - a. Revenue and usage records that identify operational, standby, and down hours for the equipment;
 - b. Employee timesheets linked to specific equipment use;
 - c. Preventative maintenance records tied to specific hours of equipment use; or
 - d. Repair work orders specific to the equipment.

- (D) *Operation in California:* The existing equipment must have operated at least 75 percent of the time in California during each 12 month period for the previous 24 months. Applicant certifies this on the application.
- (E) *Applying for Funding in a Participating Air District:* Applicants may only apply to one participating air district at a time per piece of equipment.
- (F) *Additional Funding:* If an applicant receives ORVIP funding for replacing a piece of equipment, an applicant cannot receive additional funding for replacement of that same piece of equipment. However, Moyer Program funding for the addition of a retrofit for the ORVIP funded replacement equipment may be available through the air district.
- (G) *Application Package:* To be approved for ORVIP funds, the applicant must meet ORVIP Guideline requirements, submit an application, and submit all of the documentation listed in the Application Package (Appendix A).
- (H) *Specified Participating Dealership:* The participant must specify the participating dealership used for the purchase of the replacement equipment. If the application is approved, the participant must purchase the replacement equipment from the specified dealership. If the participant chooses to change dealerships, the participant must submit a new ORVIP application to the air district.
- (I) *Voucher Redemption Deadline:* The dealer and owner must agree on a date in which the replacement equipment will be delivered. The voucher will be redeemable within 30 calendar days of issuance or by the delivery date agreed upon by the dealer and owner, whichever is later. If the owner is unable to purchase the replacement equipment after a voucher has been issued, the owner must notify the dealer and the air district immediately so that funds can be reallocated.
- (J) *Two-for-One Option:* Owners may replace two existing equipment with one replacement equipment as long as all ORVIP requirements are met. The two existing equipment must have cumulatively met the annual usage requirements in Appendix O. If the two existing equipment have different engine model years, then the newest engine model year shall be used to determine the funding amount. The horsepower rating for the replacement equipment engine must not be greater than 125 percent of the original manufacturer rated horsepower (baseline horsepower) for the lowest horsepower of the existing equipment engine. Participants who utilize this option must submit a complete application for each piece of existing equipment. The applicant should specify on each application that the applicant is choosing this option by checking the Two-for-One Option box.

- (K) The owner must agree to the following terms after being approved for a replacement voucher:
- (1) If the existing equipment is subject to the reporting and labeling requirements of the Off-Road Regulation, then the applicant must include proof of equipment registration in DOORS.
 - (2) Own and operate the replacement equipment at least 75 percent of the time within California for the term specified on the Receipt of Replacement Voucher (Appendix G).
 - (3) Notify the air district if there is any change of ownership within 36 months of the date of purchase.
 - (4) Return annual usage surveys as requested by the air district.
 - (5) Do not make any modifications to the emission control system on the replacement equipment engine.
 - (6) Be available for a follow up inspection, if requested by the air district or ARB.
 - (7) Repay the voucher funding amount if the owner does not follow one or more terms as specified in the Application (Appendix A) or Receipt of Replacement Voucher (Appendix G). ARB and/or the air district will specify repayment terms.

3. Existing Equipment Requirements. All existing equipment must meet the following conditions before an ORVIP application will be approved and awarded a voucher.

- (A) *Eligible Existing Engine:* The existing engine must be uncontrolled. Verification must be submitted in the application package. Verification can include a picture of the model year on the engine plate/tag or written documentation from the manufacturer or participating dealer that matches the engine serial number to a particular model year.
- (B) *Diesel-Fueled Equipment:* The existing equipment must currently operate on diesel fuel.
- (C) *DOORS Registration:* The existing equipment must be registered in DOORS if it is subject to the reporting and labeling requirements of the Off-Road Regulation. A copy of the DOORS fleet summary sheet that shows the fleet size, DOORS ID of the fleet, and the equipment's identification number (EIN) must be submitted with the application package.

- (D) *Operational Condition Verification:* The existing equipment must be in operational condition to qualify for funding. Operating condition must be determined through an inspection by a participating dealership prior to submitting the application or by air district staff upon request. Operational equipment must be able to start, move in all directions, and have all necessary parts be operational.
- (E) *Engine Verification:* If the existing equipment engine plate/tag is missing, then verification of the engine information can be done with the engine serial number. The participant will be required to provide verification of the engine make, model, model year, engine serial number, and horsepower from the manufacturer. Verification can include a letter or a printout from an engine manufacturer or participating dealer. Engines without a visible and legible serial number must be uniquely identified by having the engine block stamped with an identification number or alternative permanent marking, such as an engine tag.
- (F) For existing equipment in which the actual engine horsepower cannot be determined based on the engine plate/tag, manual, and engine records, then the engine horsepower can be estimated by the following formula:
Engine Horsepower = Power Take Off (PTO) horsepower x 120%.
- (G) *Existing Equipment Components:* Incentive funding can only be used to purchase the new equipment and to pay for items essential to the operation of the equipment.
- (H) *Operation of Existing Equipment After Voucher Approval:* If the existing equipment is in an accident or has an engine failure AFTER receiving approval for a voucher from the air district but prior to replacement, then the existing equipment will still be eligible for receiving funds from the program as long as all other ORVIP requirements have been met.
- (I) *Delivering the Existing Equipment to the Dealer Prior to Taking Ownership of the Replacement Equipment:* The participant must deliver the existing equipment in similar condition as it was in the pre-inspection. The air district or dealer can reject the condition of the existing equipment if it is deemed not operational or if parts were stripped from the existing equipment. Reimbursement of the voucher will be withheld until the dealer or air district approves the condition of the existing equipment.

4. Replacement Equipment Requirements. All replacement equipment must meet the following requirements before funding is awarded to the participant:

- (A) *Purchased from a Participating Dealership:* The replacement equipment must be purchased from an air district approved participating dealership
- (B) The replacement equipment must be an agricultural tractor with an engine greater than or equal to 25 horsepower and less than 175 horsepower.

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

- (C) *Engine Emission Standards:* The replacement equipment must have an engine that meets the current California emission standards (Tier) or the current U.S. EPA emission standards (Tier) if it is a federally preempted engine. An ARB Executive Order or an U.S. EPA Certificate of Conformity certifying the engine meets this requirement must be included with the application package.
- (1) Engines participating in the averaging, banking, and trading program that are certified to family emission limits (FEL) higher than the Tier 4 emission standards, as designated on the ARB Executive Order, are eligible to participate in the ORVIP. The funding levels associated with Tier 3 must be used when determining allowable funding for these engines.
 - (2) Engines participating in the averaging, banking, and trading program that are certified to a FEL below the applicable emission standards are eligible to participate in the ORVIP. The funding levels 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 standards, per the Executive Order, must be used when determining allowable funding for these engines.
 - (3) 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 ORVIP funding provided 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 incentive shall be the amount associated with replacing equipment with an engine certified to the Tier 3 emission standards as listed in Appendix O.
 - (4) Interim Tier 4 engines between 75 and 175 horsepower, certified to the Phase-In, Phase-Out, and Alternate Oxides of Nitrogen (Alt NOx) standards as detailed in California Code of Regulations, title 13, section 2423(b)(1)(B), are eligible for funding. The incentive shall be the amount associated with replacing equipment with an engine certified to the Tier 4 Phase-In, Tier 4 Phase-Out or Tier 4 Alt NOx standards as listed in Appendix O.
 - (5) Equipment manufactured under the “Flexibility Provisions for Equipment Manufacturers”, as described in California Code of Regulations, title 13, section 2423(d), are eligible for Moyer

Program funding as replacement equipment, provided the engine is certified at or below the Tier 3 emission standards. Eligible equipment produced under the “Flexibility Provisions for Equipment Manufacturers” whose engine family is certified to a FEL are also subject to the provisions of Section C.4.(C)(1). Equipment manufactured under the flexibility provisions with an engine whose engine family meets a standard, Tier or FEL less stringent than Tier 3 are ineligible for funding.

- (6) The certification emission standards and/or Tier designation for the engine must be determined from the Executive Order or U.S. EPA 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>.
- (D) *Warranty Requirements:* Purchasers of new compression-ignition equipment must purchase a minimum of a one-year or 1,600-hour power and drive train warranty for the replacement equipment. The warranty must cover parts and labor. Warranty documentation must be provided to the air district. Warranty costs are not eligible for funding. If the purchase of new 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. No Moyer Program 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.
- (E) *Engine and Emission Control Modifications:* Emission controls on the replacement equipment engine cannot be modified in any manner. Unauthorized modification to engine performance (including changes in horsepower), emission characteristics, engine emission components (not including repairs with like-original equipment manufacturers replacement parts), or any other modifications to the engine’s emission control function is not allowed.

5. Air District Requirements. Air districts that decide to implement the ORVIP must follow the ORVIP Guidelines. Air districts must implement the program under the following requirements:

- (A) The ORVIP Guidelines and attachments provide all requirements for the program, therefore air districts, dealers, or grantees are not required to refer back to the 2017 Moyer Program Guidelines for Moyer Program funded ORVIP projects.

- (B) Each air district must have a resolution of the air district Governing Board that commits the air district to comply with all ORVIP requirements. If an air district has been given prior authority to adopt a program like the ORVIP, the air district must have the ability to comply with all ORVIP requirements.
- (C) Air districts may not put additional limitations on project criteria or make changes to the ORVIP Guidelines.
- (D) An air district may request Moyer Program funds if the air district chooses to use those funds to implement the ORVIP as these funds become available. In order for an air district to be approved for a funding request to implement the ORVIP, the air district must provide verification of board approval to implement the ORVIP, a copy of at least one active dealer agreement, and a copy of at least one active dismantler agreement (as mentioned in C.5.(I)).
- (E) Air districts must reject all ORVIP applications if funds are not currently available. Air districts cannot create a list of ORVIP projects to receive funding in a future date.
- (F) Air districts must create an addendum to their current Moyer Program Policies and Procedures using the air district's ORVIP and Procedures (Appendix B) within two months after they begin implementation of the ORVIP. Air districts are not required to submit this addendum to ARB, but it must be available upon request.
- (G) Air districts must use the program documents provided in the appendices. The documents may only be modified to include air district logos and air district contact information. The documents will be provided electronically to the participating air districts.
- (H) Air districts must work to contract with equipment dealerships located in their air district before contracting with dealerships located outside of their air district. Air districts that do not have dealerships within their air district can proceed directly to contract with dealerships located outside of their air basin. Air districts can contract with dismantlers located within or outside of their air district.
- (I) Air districts must contract with equipment dealerships and dismantler yards. Dealership and dismantler agreements must contain the language provided in Appendices C and D, respectively. If a dealership has multiple locations, then the air district either needs to have one agreement for each location or list each location in one agreement. The process for selection of dealerships and dismantler yards must be specified by the air district in the air district's ORVIP Policies and Procedures.

- (J) Air districts must ensure participating dealerships and dismantlers meet all ORVIP requirements. Air districts must receive all requested documents from the dealership or dismantler prior to signing an agreement. Air districts must maintain records that verify their participating dealerships and dismantlers meet the ORVIP requirements.
- (K) Air districts must provide participating dealership and dismantler contact information to ARB within ten business days of entering into agreement.
- (L) Air districts must ensure at least one representative from each participating dealership is trained on the terms, conditions, and requirements of the ORVIP. Air districts must describe how this will be accomplished in the air district's ORVIP Policies and Procedures.
- (M) Air districts must work in coordination with ARB in outreach efforts to increase participation of equipment owners, dealerships, and dismantler yards. Air districts must specify outreach efforts in the air district's ORVIP Policies and Procedures.
- (N) Air districts must provide all applicants and dealerships with application packages, inspection forms, and any other applicable ORVIP materials.
- (O) Districts may utilize the internet to securely receive applications, supporting documentation, , and other voucher forms. However, the original Receipt of Replacement Voucher (Appendix G) that includes the applicant's original signature must be received by the district. Digital signatures may be used in lieu of original signatures only if they comply with California Government Code section 16.5, and California Code of Regulations, title 2, sections 22000-22005. Scanned or faxed signatures are not acceptable for the Receipt of Replacement Voucher. Air districts are responsible for ensuring that their electronic versions of the program documents meet all program requirements. The electronic ORVIP forms must contain the same information and applicant fields as the equivalent forms in the appendices but may also include the air district's logo and other designs unique to the air district's webpage. For clarity and to aid program review and enforcement efforts, air districts should make every reasonable effort to make the electronic forms look as similar as possible to the forms contained in the appendices. Air districts are also responsible for ensuring their websites and electronic forms meet the minimum security requirements and current standards.
- (P) Air districts cannot restrict where participating dealers can send completed applications.
- (Q) Air districts must review and approve applications on a first-come, first-served basis, based on the date of receipt of the application by the air district.

- (R) Air districts must approve or reject applications within 15 business days of receipt.
- (S) Air districts must review an application package and approve a project once all program requirements have been met. To facilitate the review of the application package, the air district must confirm that all requirements on the Air District Review Checklist: Initial Review (Appendix E) have been met. The following application form fields in Table 1 are mandatory and must be filled in completely before the application may be approved:

**Table 1
Mandatory Application Form Fields**

<p>Applicant Information:</p> <ul style="list-style-type: none"> • Owner Name • Mailing Address (including City, State, Zip) • Physical Address (if different from mailing) • Owner Phone • DOORS ID of fleet (if applicable) 	<p>Third Party Information:</p> <ul style="list-style-type: none"> • Third-Party Name • Mailing address (including City, State, Zip) • Physical Address (if different from mailing) • Phone • Third Party Signature & Date (only required if a paid party other than the dealership completes the application)
<p>Existing Equipment and Engine Information:</p> <ul style="list-style-type: none"> • Equipment Make • Equipment Model • Equipment Model Year • DOORS EIN (if applicable) • Equipment Serial Number • Equipment Operational • Engine Make • Engine Model • Engine Model Year • Engine Serial Number / Engine Block Stamp or Alternative Tag (if engine serial number is not available) • Engine Operational • Fuel Used 	<p>Replacement Equipment and Engine Information:</p> <ul style="list-style-type: none"> • Equipment Make • Equipment Model • Equipment Model Year • DOORS EIN (if applicable) • Engine Make • Engine Model • Engine Model Year • Engine Family Number • Engine Operational • Fuel Used • ARB Executive Order Number or U.S. EPA Certificate of Conformity Number
<p>Dealership Information: All fields must be filled out or a business card must be attached</p>	<p>Applicant Recitals: Owner must sign and date application</p>
<p>Inspection Forms: all applicable forms must be filled in based on the information required above for the existing and replacement equipment.</p>	

- (T) Air district staff must conduct dismantler inspections. For all other inspections listed below, air districts have the option of conducting inspections or having the dealership conduct the inspections. If the air district decides to conduct the inspections, the inspections must be scheduled and completed within the following timeframes:
- (1) Pre-inspection of the existing equipment must be completed within five business days of the receipt of the application or request by the applicant or dealership.
 - (2) Post-inspection of the replacement equipment must be completed within three business days of being notified by the dealership.
 - (3) Pre-dismantle inspection of the existing equipment must be completed within three business days of being notified by the dealership. The pre-dismantle inspection is to verify the existing equipment is in similar operating condition as in the pre-inspection. If the existing equipment has been stripped of major parts or accessories, the air district may withhold payment until the existing equipment is restored to its previous state.
- (U) For approved projects, the air district must provide an Approved Voucher Package to the dealership, as applicable. Documents may be provided electronically. An Approved Voucher Package includes the following documents:
- (1) Replacement Voucher (Appendix F);
 - (2) Receipt of Replacement Voucher (Appendix G);
 - (3) Dealer Reimbursement Invoice (for immediate signature and return to the air district – Appendix H);
 - (4) Post-Inspection (replacement equipment) and Pre-Dismantle (existing equipment) Inspection Forms (Appendix I); and
 - (5) Dealer Reimbursement Package Checklist (Appendix J).
- (V) If a submitted application is incomplete, illegible, or has any unclear or missing documentation, the air district must reject the application immediately and return it to the applicant.
- (W) *Rejected Projects:* Air districts must mail or email an application rejection letter and the application package to the applicant if their application has been rejected. This letter must be issued by the end of the 15 business day review period. The air district must state the reason(s) for the rejection on the rejection letter. The air district must also notify the dealer

by mailing or emailing a copy of the rejection letter. A template of the rejection letter is in Appendix K.

- (X) *Payment Goal:* A goal of the program is to ensure payment can occur when the existing equipment is turned into the dealership and the replacement equipment is ready for purchase. The air district shall work towards achieving this goal and should notify the dealership of any delays in issuing payment.
- (Y) *Project Payment Options:* In order to achieve the payment goal, air districts have two project payment options. The first option is to immediately begin the disbursement process for the approved voucher project after receiving a signed Reimbursement Invoice (Appendix H). Payment must not be distributed until an air district-approved Reimbursement Package has been submitted by the dealership. The second option is to begin the disbursement process and issue payment within ten business days of receipt of a completed reimbursement package. Air districts must include in the air district's ORVIP Policies and Procedures the option that is implemented.
- (Z) *Air District Payment Checklist:* Air districts should use the Air District Payment Review Checklist (Appendix L) to help review if a complete reimbursement package has been submitted and payment can be issued. Air districts must keep a copy of the check with all project documents.
- (AA) If the process of payment is delayed, the air district must notify the dealership by phone or email at the earliest possible time of such delay.
- (BB) If the reimbursement package is not complete, the air district will mail or email a reimbursement package rejection letter explaining the discrepancy to the dealership (Appendix M) and keep a copy of this letter.
- (CC) Air districts must enter all project data information into the CARL database within five business days of approving an application for a voucher. Payment information should be submitted within 15 business days after payment is issued.
- (DD) Air districts must conduct the dismantle inspection of the existing equipment at the dismantler within 60 calendar days of being notified the existing equipment has been delivered to the dismantler yard. Inspection forms are in Appendix I. The dismantle inspection should include verification that the engine is destroyed and the equipment structural components are completely severed.
- (EE) Air districts must mail out annual usage survey reports to participants (Appendix N) for three years after the project has been funded. The air district must also input data from the returned surveys into CARL. ARB will ensure all other participant voucher requirements are met.

- (FF) *Records Retention:* Air districts must retain all records of approved voucher projects for a minimum of seven years from the date of issuing the voucher. For rejected projects, air districts must maintain a copy of the application, the rejection letter, and method of notification for seven years from the date the application was received.
- (GG) *Audit and Monitoring:* Air districts must allow ARB to monitor their voucher program, which includes Incentive Program Review of the air district's implementation of the program. Most ARB ORVIP reviews will occur during a regular Moyer Program Incentive Program Review; however ARB may request project information on an as needed basis.
- (HH) *Audit of Participating Dealers:* Air districts that conduct 100 percent of the ORVIP inspections are not required to audit dealerships. Air districts that do not conduct 100 percent of required inspections themselves must audit five percent of each type of inspection (pre, post, and pre-dismantle). Audits should be done randomly and occur throughout the implementation timeline of the air district. Table 2 includes the audit requirements for the air districts to follow.

**Table 2
Air District Audit Requirements**

Type of Audit Inspection	Purpose(s)	Timing of Audit Inspection
Pre-inspection	<ul style="list-style-type: none"> • Verify existing equipment is in operational condition • Verify existing equipment application information 	After application is submitted to air district but prior to approving the application.
Post-inspection	<ul style="list-style-type: none"> • Verify replacement equipment meets emission standards; or • Verify application information 	After replacement equipment is delivered and prior to payment being issued
Pre-dismantle inspection	<ul style="list-style-type: none"> • Verify existing equipment is in operational condition and has not been stripped of parts • Verify existing equipment application information 	After existing equipment is delivered to dealership and payment is issued. Existing equipment is at dealership location

- (II) *Meeting Environmental Justice Requirements:* Air districts with environmental justice (EJ) requirements shall not apply the requirements to ORVIP application review. After each year of implementation, the air district may review each funded project to determine if it helps to meet air

district EJ requirements. If those requirements have not been met, other Moyer Program funded projects will need to be used to fulfill the EJ requirement.

6. Dealership Requirements

- (A) Dealership participation is an important component of the ORVIP. Dealers are responsible for providing participants with assistance in the application process. This includes ensuring compliance with all program requirements. Participating equipment dealers are required to do the following:
- (1) Enter into an agreement with at least one air district in order to be a participating dealer in the ORVIP. Dealerships may choose to enter into agreements with more than one air district. Template language that will be included in this agreement can be found in Appendix C; the air district will provide the dealer with exact language.
 - (2) Warrant that it meets the following minimum qualifications, and will continue to meet these qualifications throughout its participation in the Program:
 - a. Dealership has had a valid business license issued in California for a minimum of the last two years.
 - b. Dealership maintains a minimum of one employee that has successfully completed the training by the air district regarding the terms, conditions and requirements of the Program. If a participating dealership maintains more than one location for equipment sales, then each location must have at least one employee trained on the ORVIP.
 - c. Dealership agrees to allow the air district or ARB to inspect equipment or audit program records covered under this Agreement during normal business hours.
 - (3) Provide accurate information about the ORVIP to applicants.
 - (4) Help the participants complete the ORVIP application package. It is important to make sure that all information is filled out correctly and that the participant understands the ORVIP requirements.
 - (5) Show the voucher amount on the replacement equipment invoice. The voucher does not reduce the purchase price of the equipment, but is an incentive to the equipment owner that will result in a lower price paid by the participant. The receipt of voucher funds does not

lower the base price of the equipment nor does it reduce the tax basis of the equipment.

- (6) Submit the completed application package to the air district. ARB recommends that dealers submit applications to the air district closest to an applicant's physical address. Incomplete application packages will be rejected and returned to the applicant. The dealer will also be notified of the reasons for rejection (Appendix K).
 - (7) Ensure the existing equipment is delivered to the dealership prior to releasing the replacement equipment.
 - (8) Ensure the existing equipment is in similar condition as found in the pre-inspection. The dealer should reject the condition of the existing equipment if it is deemed not operational or if parts were stripped from the existing equipment. Reimbursement of the voucher will be withheld until the dealer (or air district) approves of the condition of the existing equipment and is delivered to the dealership.
 - (9) Ensure the existing equipment is sent to a participating dismantler yard for destruction within 60 calendar days of owner delivery to the dealership. Immediately notify the air district of the location and date of delivery of the existing equipment to the dismantler.
- (B) *Application Package:* To ensure that an application package is complete, the dealer must ensure that all the following items are complete and included in the participant's submission to the air district. An applicant checklist is available for participants and dealerships to use (Appendix A). The following must be completed before a voucher will be issued:
- (1) Submit a signed and complete application;
 - (2) Submit all other applicant-required documentation as listed in these guidelines and on the application checklist;
 - (3) If required by the air district, inspect and provide documentation showing that the existing equipment is operational. The air district may decide to conduct the inspections and will notify the dealership of this; and
 - (4) Submit digital photographs of the existing equipment to the air district. The air district will specify the required format of digital photos as listed on the inspection form in Appendix C. Before submitting photographs to the air district, dealers must verify that photographs are clear with a minimum capture resolution of 640X480. Dealers can submit photos of more than one equipment inspection on a disk or other media as long as the pictures are

clearly labeled. All DOORS EIN (if applicable) and engine serial numbers (or alternative engine stamp or tag) must be legible.

- (C) *Dealer Reimbursement Package:* Prior to receiving reimbursement, the dealer must submit a reimbursement package to the air district. A checklist is available for the dealers (Appendix J). Parts not requiring an original signature may be provided electronically if allowed by the district. The following documents should be included in the reimbursement package:
- (1) Reimbursement Invoice (Appendix H) should be signed and returned to the air district upon receipt;
 - (2) Final dealership invoice signed by the applicant that shows the final purchase price less the voucher award;
 - (3) Original Receipt of Replacement Voucher (Appendix G) signed by the participant (original signature required);
 - (4) The original Replacement Voucher (Appendix F);
 - (5) Copy of finance documentation (if applicable);
 - (6) Copy of replacement equipment warranty;
 - (7) Inspection forms and pictures of the existing equipment after it is turned in to the dealership as specified in Appendix I;
 - (8) Inspection forms and pictures of the replacement equipment as specified in Appendix I;
 - (9) Location of the dismantler yard where the existing equipment will be destroyed; and
 - (10) Date the existing equipment is delivered to or picked up by a participating dismantler.

7. Dismantler Requirements

- (A) ARB requires that the existing equipment be destroyed. Destruction of the existing equipment's structural components and engine permanently removes the old, high-emitting equipment from operation. This requirement has been established to ensure that emission reductions are real. It prevents the existing equipment from being moved into another locale to continue emitting high levels of pollutants. Air districts will establish a list of participating dismantlers that existing equipment can be delivered to or picked up for destruction.

(B) A dismantler must enter into an agreement with at least one air district to participate in the ORVIP. Appendix D lists the terms that must be included in the air district/dismantler agreement. The following are requirements for participating dismantlers.

- (1) Participating equipment dismantlers are required to meet the following requirements in order to participate in the ORVIP and provide verification to the air district:
 - a. Have a current, valid California Environmental Protection Agency (Cal/EPA) Hazardous Materials Generators Permit;
 - b. Comply with all local, State and federal laws and regulations;
 - c. Owner must have a minimum of one active employee who received training by the air district on the requirements of the Program. If a dismantler has more than one location, then the dismantler must have at least one active employee trained by the air district at each location that will be accepting ORVIP equipment; and
 - d. Have had a valid California business license for a minimum of the last two years.
- (2) Funding is not available for the dismantling of any existing equipment.
- (3) The dismantler must agree to do the following:
 - a. Destroy the existing equipment within 60 days of receipt. The destruction method of the equipment will vary depending on the structure of the equipment:
 - i. Equipment with permanent frame rails running the length of the equipment: complete cuts of both frame rails between the front and rear axles.
 - ii. Equipment with removable/bolt-on frame rails: structural damage, with cuts or otherwise, that renders the main body of the equipment inoperable and unrepairable.
 - iii. Equipment without frame rails: structural damage, with cuts or otherwise, that renders the main body of the equipment inoperable and unrepairable.
 - iv. Articulated equipment: damage, cuts or otherwise, to the articulation joints of front and rear halves of the equipment so that neither half can be joined.

- v. Other equivalent methods of destruction are acceptable.
- b. Destroy and render useless the existing equipment's engine within 60 days of receipt. At a minimum, the destruction of an engine must include:
 - i. A hole 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).
 - ii. A section of the oil pan flange must be removed as part of the hole or have a line cut through it that connects the hole.
- c. The dismantler must notify the air district that equipment is destroyed and ready for inspection; and
- d. The destruction of the engine and equipment must be documented by the air district. The air district must verify in person the equipment identification numbers and engine serial number.

D. Definitions

For the purposes of the ORVIP, definitions are as follows:

Agricultural Tractor: A wheel type vehicle, or track vehicle designed to furnish the power to pull, carry, propel, or drive implements that are designed for agriculture.

Dismantler: A place of business whose purpose is to destroy off-road equipment and engines that also meet the requirements of Section C.7.

Equipment Components: Any components of an equipment specific to the actual vocation of the equipment. This does not include any components that are directly related to the propulsion of the equipment, common component of an equipment (i.e. steering wheel, seats, etc.) or related to the rigid structure of the tractor.

Existing Equipment: For replacement projects, the existing equipment is the equipment that will be turned in by the applicant for dismantling and destruction.

Off-Road Regulation: In-Use Off-Road Diesel-Fueled Fleet Regulation (California Code of Regulations, title 13, section 2449, et seq.).

Participating Dealership: A dealership that has an agreement with an air district to participate in the ORVIP.

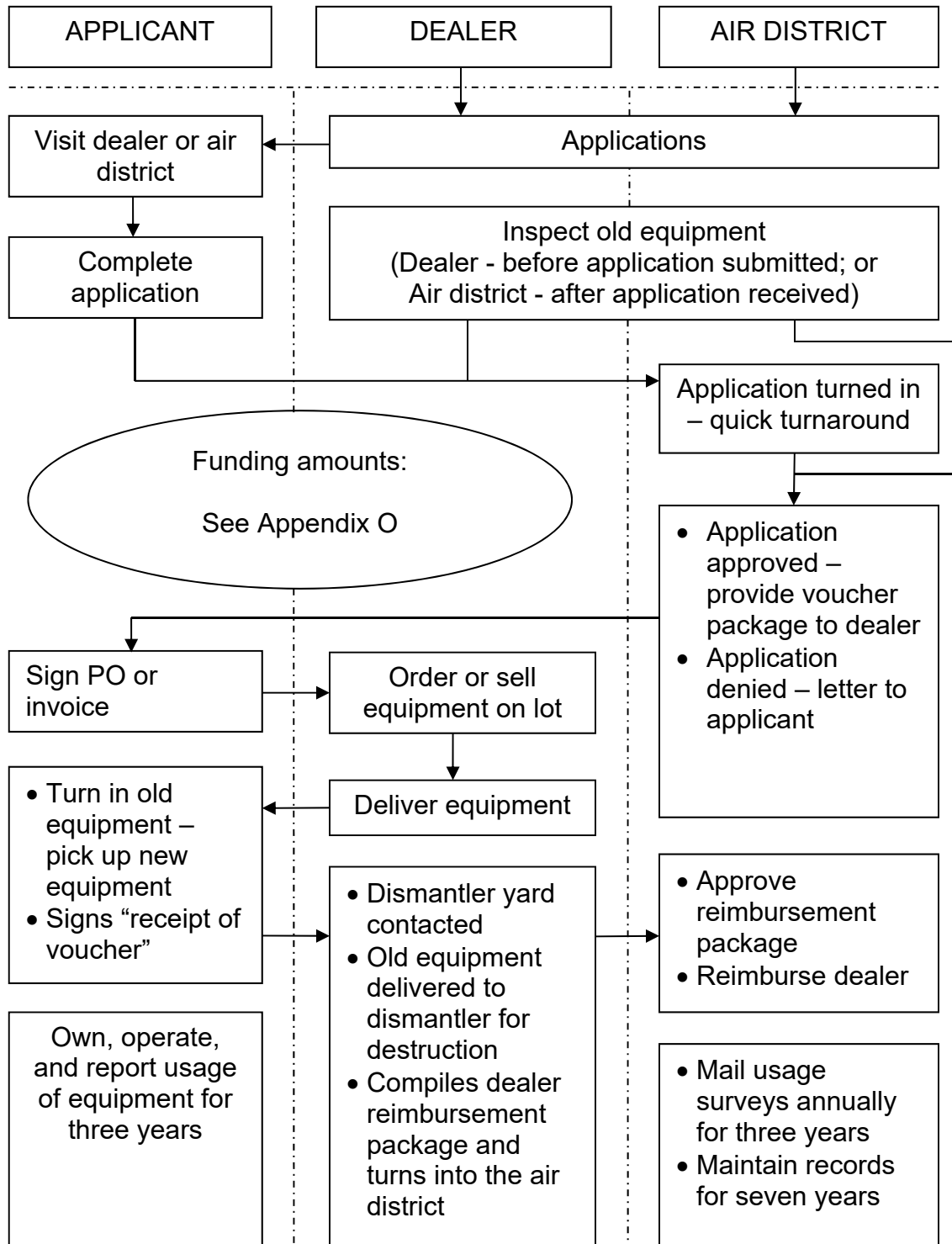
Participating Dismantler: A dismantler that has an agreement with an air district to participate in the ORVIP.

Uncontrolled Engine: An off-road diesel engine that is manufactured in the following years and is not certified to any ARB off-road diesel emission standards or any U.S. EPA non-road diesel emission standards, and that has not been retrofitted with a verified diesel emission control strategy (VDECS):

- Pre-1999 (25 to 49 hp)
- Pre-1998 (50 to 99 hp)
- Pre-1997 (100 to 174 hp)

Verified Diesel Emission Control Strategy (VDECS): An emission control strategy (retrofit device) that has been verified pursuant to the “Verification Procedure, Warranty and In-Use Compliance Requirements for In-Use Strategies to Control Emissions from Diesel Engines”, California Code of Regulations, title 13, section 2700, et seq.

Off-Road Voucher Incentive Program Equipment Replacement Flow Chart



Appendix A

OFF-ROAD VOUCHER INCENTIVE PROGRAM

Application Package

- Please print clearly or type all requested information on this application.
- Submit all supporting documentation listed on the application checklist on pg. 2.
- Complete one application for each piece of off-road equipment.
- **If the submitted application is incomplete, illegible, or any documentation is missing or unclear, the application will be rejected immediately and returned to the applicant.**

Eligibility Criteria

To be eligible for funding in the Off-Road Voucher Incentive Program (ORVIP), projects must meet the criteria described in the Off-Road Voucher Incentive Program Guidelines. These criteria include, but are not limited to, the following:

- Eligible Equipment: Agricultural tractors with uncontrolled off-road compression ignition engines that are greater than or equal to 25 horsepower and less than 175 horsepower and are not currently regulated by an Air Resources Board (ARB) in-use regulation are eligible to participate in the ORVIP.
- Eligible Engines: The existing engine must be uncontrolled. Verification must be submitted in the application package. Verification can include a picture of the model year on the engine plate or written documentation from the manufacturer or participating dealer that matches the engine serial number to a particular model year.
- Ownership Requirements: The participant must currently own and operate the existing equipment. The participant must be able to provide two items from the following documentation list:
 - (1) Bill of sale for the existing equipment
 - (2) Copy of Diesel Off-road On-line Reporting System (DOORS) registration
 - (3) Tax depreciation logs
 - (4) Property tax records
 - (5) Equipment insurance records
 - (6) Bank appraisals for equipment
 - (7) Maintenance/service records
 - (8) General ledgers

- Prior Minimum Usage Requirement: The existing equipment must have met the annual usage requirements in Appendix O, during each 12 months for the previous 24 months. Participants must submit documentation verifying usage for the previous 24 months for the existing equipment. The participant must be able to provide at least one of the following types of documentation:
 1. Hour meter reading log collected at minimum of once per year from an installed and fully functioning hour meter; or
 2. At least two items from the following list proving existing equipment is being used by the fleet:
 - A. Revenue and usage records that identify operational, standby, and down hours for the equipment;
 - B. Employee timesheets linked to specific equipment use;
 - C. Preventative maintenance records tied to specific hours of equipment use; or
 - D. Repair work orders specific to the equipment.

- Operation in California: The existing equipment must have operated at least 75 percent of the time in California during each 12 month period for the previous 24 months. Applicant certifies this on the application.

- Applying for Funds: Applicant may only apply for funds through the ORVIP to one air pollution control or air quality management district (air district) at a time per piece of equipment. Applicant cannot apply for any other grant funds to replace this equipment.

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

- Two-for-One Equipment Replacements: If an applicant is applying to replace two existing equipment with one replacement equipment, then two applications and supporting documentation must be submitted. Please specify this on the application by checking the Two-for-One Option.
 - The horsepower rating for the replacement equipment engine must not be greater than 125 percent of the original manufacturer rated horsepower (baseline horsepower) for the lowest horsepower of the two existing equipment engines.

OFF-ROAD VOUCHER INCENTIVE PROGRAM Application Checklist

Applicant Information	Dealer Information
Company:	Dealership:
Owner:	Salesperson:
Phone:	Phone:
FAX:	FAX:
Email:	Email:
<i>Option: attach business card</i>	<i>Option: attach business card</i>

√	Applicant Requirements
<input type="checkbox"/>	Completed application (signed & dated; scanned or faxed copy acceptable)
<input type="checkbox"/>	Copy of two items from ownership document list
<input type="checkbox"/>	Equipment usage documentation (for previous 24 months) <input type="checkbox"/> Hour meter reading records
<input type="checkbox"/>	Equipment usage documentation for the existing equipment must prove : <input type="checkbox"/> selected annual usage for previous 24 months
<input type="checkbox"/>	Copy of DOORS fleet summary sheet (if applicable)
<input type="checkbox"/>	Inspection Form for the existing equipment signed by a participating dealership or air district
<input type="checkbox"/>	Digital photos of the existing equipment
<input type="checkbox"/>	Verification of existing engine model year from the manufacturer or dealership
<input type="checkbox"/>	Signed and dated quote and specification sheet for the replacement equipment
<input type="checkbox"/>	ARB Executive Order for replacement equipment engine. U.S. EPA Certificate of Conformity for federally preempted engines
<input type="checkbox"/>	If replacing two existing equipment with one replacement equipment, submit an application and the above information for each existing equipment. Check the box on the application marked "Two-for-One Option"
<input type="checkbox"/>	Replacement equipment engine horsepower < 125 percent of existing equipment engine

OFF-ROAD VOUCHER INCENTIVE PROGRAM

Application

Date Received:
(For office use only)

Applicant Information

Owner Name:		Company Name:	
Mailing address:			
City:	State:	Zip Code:	
Physical address:			
City:	State:	Zip Code:	
Owner Email:		Owner Phone:	

Third Party Information

This box needs to be filled out if application is completed by anyone being paid to complete the application on the owner's behalf. Dealers do not need to complete this section.			
Third-Party Name:		Company Name:	
Mailing address:			
City:	State:	Zip Code:	
Physical address:			
City:	State:	Zip Code:	
Phone:		Email:	
Third party signature:		Date:	

Existing Equipment and Engine Information

Two-for-One Option

EQUIPMENT INFORMATION:			
Equipment Make:	Equipment Model:	Equipment Model Year:	
DOORS EIN (if applicable):	Equipment Serial Number:	Date of Manufacture:	
Fleet ID:	Equipment operational? <input type="checkbox"/> Yes <input type="checkbox"/> No		
Engine Information:			
Engine Make:	Engine Model:	Engine Model Year:	Date of Manufacture:
Engine Serial Number or Air District ID Number:		Engine Horsepower:	
Engine operational? <input type="checkbox"/> Yes <input type="checkbox"/> No	Fuel used? <input type="checkbox"/> Diesel <input type="checkbox"/> Other: _____		

Replacement Equipment and Engine Information (If Applicable)

EQUIPMENT INFORMATION:			
Equipment Make:	Equipment Model:	Equipment Model Year:	
Equipment Serial Number:		Date of Manufacturer:	
Equipment operational? <input type="checkbox"/> Yes <input type="checkbox"/> No		Estimated Delivery Date:	
Engine Information:			
Engine Make:	Engine Model:	Engine Model Year:	Date of Manufacture:
Engine Serial Number:	Engine Family Number:	Engine Horsepower:	
Engine operational? <input type="checkbox"/> Yes <input type="checkbox"/> No	Fuel used? <input type="checkbox"/> Diesel <input type="checkbox"/> Other: _____	ARB Executive Order Number or U.S. EPA Certificate of Conformity Number:	

Dealership Information (or attach business card)

Contact Person:	Business Name:		
Phone:	Address:		
City:	State:	Zip Code:	

Operational Area

Using the map below, estimate the percentage of your annual usage that will occur in each area. *This information is required, but will NOT affect your eligibility or potential funding amount.*

North Coast:	Northeast Plateau:
Lake County:	Sacramento Valley:
San Francisco Bay:	Mountain Counties:
North Central Coast:	Lake Tahoe:
South Central Coast:	San Joaquin Valley:
South Coast:	Great Basin Valleys:
San Diego County:	Mojave Desert:
Outside California:	Salton Sea:

Note: The total of all percentages must equal 100.

California Air Basins



By submitting this application, I certify under penalty of perjury that the information on this application is accurate and true:

- I am the owner of the existing equipment;
- The information provided in this application and all supporting documentation are true and correct and meet the minimum requirements of the ORVIP;
- The existing equipment must have operated at least 75 percent of the time in California during each 12 month period for the previous 24 months;
- I understand that I cannot receive additional funding for replacement of that same piece of equipment. However, Moyer Program funding for the addition of a retrofit for the ORVIP funded replacement may be available through the air district;
- The purchase of this low-emission equipment is NOT required by any local, State, and/or federal rule or regulation;
- I understand that I must be in compliance and remain in compliance with all applicable federal, State, and local air quality rules and regulations;
- I understand that an incomplete or illegible application, or if any required documentation is missing, this application will be immediately rejected and returned to me;
- I understand that I can reapply for project funding if this application is rejected because it was incomplete, illegible, or missing required documentation;
- I understand as an applicant that incentive programs have limited funds and shall terminate upon depletion of Moyer Program funding;
- I have the legal authority to apply for incentive funding for the entity described in this application;
- I understand that ARB, as an intended third party beneficiary reserves the right to enforce the terms of the ORVIP, at any time during the three year voucher term to ensure emission reductions are obtained; and
- I agree to the above statements by signing below.

Owner Signature:

Date:

Printed Name:

Title:

Please attach all documentation listed on the application checklist

Please submit this application to the air district below. If you have any questions in completing your application, please contact:

<Air District Contact Information>

Appendix B

OFF-ROAD VOUCHER INCENTIVE PROGRAM

Air District's ORVIP Policies and Procedures

NOTE to AIR DISTRICT:

The program elements listed do NOT constitute air pollution control or air quality management district's (air district's) entire Policies and Procedures. This is an addendum to the air district's already existing Policies and Procedures in order to explain how to administer the Off-Road Voucher Incentive Program (ORVIP). The terms have been prepared to facilitate the air district's preparation of their ORVIP Policies and Procedures. The air district must ensure the intent of the ORVIP Guidelines are met and include the program elements listed below into the air district's ORVIP Policies and Procedures.

4. PROGRAM APPROVAL

How the air district is obtaining approval to implement the ORVIP.

5. SELECTION OF DEALERSHIP

The processes the air district goes through to solicit and select a dealership to enter into an agreement with.

3. DISMANTLER SELECTION

The processes the air district goes through to solicit and select dismantlers to enter into an agreement with.

10. PAYMENT PROCESS

The option in which the air district chooses to reimburse and issue payment to the dealership. There are two options:

- a. To start the disbursement process as soon as they receive a Reimbursement Invoice (Appendix H), OR
- b. To start the disbursement process and issue a check within ten business days of receiving a completed Reimbursement Package (Appendix J).

11. DOCUMENTATION

The method in which the air district chooses to document the activities and progress of the ORVIP.

12. AUDITS

How the air district chooses to audit and inspect the projects. There are two options:

- a. The air district can choose to do all pre and post-inspections.
- b.) If the air district chooses to have dealerships do the inspections, the air district must audit five percent of each inspection (pre-inspection, post-inspection, and pre-dismantle inspection). The audits should be done

randomly and occur throughout the implementation timeline of the air district. The air district must outline how they will conduct audits in the air district's ORVIP Policies and Procedures.

13. DEALER TRAINING

The air district provides training for the participating dealers on the ORVIP. If the air district chooses to have dealers do the inspections, the air district must specify the media in which the inspection photographs will be submitted to the air district. The air district must work with the Air Resources Board (ARB) in coordinating training and materials.

14. DISMANTLER TRAINING

The air district provides training for the participating dismantlers on the ORVIP.

15. OUTREACH

The air district establishes an outreach goal for the ORVIP.

Appendix C

OFF-ROAD VOUCHER INCENTIVE PROGRAM

Dealership Agreement Terms to be included in Master Agreement
Between the Air District and Dealer

NOTE to AIR DISTRICT:

The terms listed do NOT constitute an air pollution control or air quality management district's (air district's) entire Agreement; standard Air District Agreement language (such as, confidentiality, termination, indemnification, insurance, etc.) must be included in conjunction with the items below. The terms have been prepared to facilitate the air district's preparation of the Agreement. The air district must include the terms listed below and supersede any additional terms included by the air district.

1. The air district has not reviewed the dealership's operations or reached any conclusion on the quality of the dealership's operations. The air district is permitting the dealership to enter into this Agreement solely because dealership has represented to the air district that it is aware of the Off-Road Voucher Incentive Program (ORVIP) Guidelines (Guidelines) goals, and agrees to abide by the Program requirements and Guidelines.
2. The air district and dealership agree that if the California Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the ORVIP, this Agreement shall be of no further force and effect. In this event the State shall have no liability to pay any funds whatsoever to the air district and dealership or to furnish any other considerations under this Agreement.
3. Payment: The air district will not pay or otherwise directly reimburse or compensate in any way the dealership for its services rendered in complying with this Agreement, but the benefit received by dealership under this Agreement is the opportunity to participate in the ORVIP, which includes the corresponding opportunity for the dealership to profit from the sale of equipment to ORVIP Participants.
4. Reduction in Equipment Purchase Price: The dealership must show the voucher amount on the replacement equipment invoice. This amount should not reduce the sales price of the equipment but should reduce the amount the participant will pay for the equipment. The receipt of voucher funds does not lower the base price of the equipment and does not reduce the tax basis of the equipment.
5. Voucher Payment: The Dealership will be reimbursed by the air district for the voucher amount once the Dealership submits a complete Reimbursement Package to the air district as outlined in the Guidelines and in this Agreement.

6. Dealership Obligations: The Dealership agrees to provide general information to Program participants about the Program. The air district will provide training to Dealership staff. The Dealership agrees to assist ORVIP participants to correctly complete and submit the Application Package to the air district. It is important to verify that all information is filled out correctly and that the participant understands the Program.
 - d. Before the air district may approve a voucher, an Application Package must be completed and submitted to the air district. The Application Package must include all required documentation as outlined in the ORVIP Guidelines.
 - e. After the air district notifies the Dealership of application approval, the Dealership will order the replacement equipment with an eligible engine, as specified in the Guidelines, and have the replacement equipment delivered to the Dealership.
 - f. Within 30 days after the owner delivers the existing equipment and original, signed title to the Dealership, the Dealership must ensure the existing equipment is sent to a participating dismantler for destruction. The air district will provide a list of participating dismantlers to the Dealership.
7. Dealership Qualifications: Dealership warrants that it meets the following minimum qualifications for participation in the ORVIP, and will continue to meet these qualifications throughout its participation in the ORVIP.
 - d. Dealership has had a valid business license in California for a minimum of the last two years.
 - e. Dealership maintains a minimum of one employee that has successfully completed the training by the air district regarding the terms, conditions and requirements of the Program. If a participating dealership maintains more than one location for equipment sales, then each location must have at least one employee trained on the ORVIP. Language must be included in the dealership agreement requiring each location have at least one employee is trained on the ORVIP.
 - f. Dealership agrees to allow the air district or Air Resources Board (ARB) to inspect equipment or audit program records covered under this Agreement during normal business hours.
8. Inspections: Inspections described below require inspection forms be completed and photographs taken to document equipment and engine. Specific requirements are outlined in the ORVIP Guidelines.

- (A) All inspections except for the dismantle inspection may be conducted by an authorized Dealership. If the air district requests the Dealership to conduct an inspection, then the inspection must be conducted as follows:
 - (1) Pre-Inspection: Submit completed inspection form and photos to air district with the application
 - (2) Post-Inspection: Submit completed inspection form and photos to air district with Dealer Reimbursement Package (Appendix J)
 - (3) Pre-Dismantle: Submit completed inspection form and photos to air district with Dealer Reimbursement Package (Appendix J)
 - (B) If the air district conducts inspections, then inspections must be conducted in accordance with the ORVIP Guidelines.
9. Dealership Reimbursement: Dealership must submit a Reimbursement Package to the air district. A description of documents in the Reimbursement Package is listed in the Guidelines. The Reimbursement Package must include:
- (A) Reimbursement Invoice (Appendix H) should be signed and returned to the air district upon receipt;
 - (B) Final dealership invoice signed by the applicant that shows the final purchase price less the voucher award;
 - (C) The original Receipt of Voucher (Appendix G) signed by the participant (original signature required);
 - (D) The Voucher (Appendix F);
 - (E) Copy of DOORS registration (if applicable);
 - (F) Copy of replacement equipment warranty information;
 - (G) Inspection forms and pictures of the existing equipment after it is turned in to the dealership as specified in Appendix I;
 - (H) Inspection forms and pictures of the replacement equipment as specified in Appendix I;
 - (I) Location of the dismantler where the existing equipment will be destroyed; and
 - (J) Date the existing equipment is delivered to or picked up by a participating dismantler.
10. Noncompliance: Noncompliance with this Agreement or Guidelines, includes, but is not limited to canceling the Agreement and recapturing voucher funds.

ARB and the air district may disqualify the Dealership from ORVIP participation and seek other remedies as available under the law for noncompliance with this Agreement or ORVIP requirements.

Appendix D

OFF-ROAD VOUCHER INCENTIVE PROGRAM

Dismantler Agreement Terms to be Included in Master Agreement Between the Air District and Dismantler Owner

NOTE to AIR DISTRICT:

The terms listed do NOT constitute an air pollution control or air quality management district's (air district's) entire Agreement; standard air district Agreement language (such as, confidentiality, termination, indemnification, insurance, etc.) must be included in conjunction with the items below. The terms have been prepared to facilitate the air districts preparation of Agreement. The air district must include the terms listed below that would supersede any additional terms included by the air district.

1. The air district has not reviewed the Dismantler Owner's (Owner) operations or reached any conclusion on the quality of the operations. The air district is allowing the Owner to enter into this Agreement solely because the Owner has represented to the air district that it is aware of the Off-Road Voucher Incentive Program (ORVIP) Guidelines (Guidelines) goals, and agrees to abide by the ORVIP requirements and Guidelines.
2. The air district and Dismantler agree that if the California Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the ORVIP, this Agreement shall be of no further force and effect. In this event the State shall have no liability to pay any funds whatsoever to the air district and Dismantler or to furnish any other considerations under this Agreement.
3. Payment: Owner will not be paid or otherwise reimbursed directly by the air district or the Air Resources Board (ARB). Rather, the benefit received by Owner under this Agreement is the opportunity to participate in the ORVIP, which carries the corresponding opportunity to profit through the receipt – for cash or free – of materials that Owner will dismantler with the intent to make a profit. Funding is not available from the air district through this Agreement for any dismantler or material costs, including hazardous waste abatement fees, labor costs, fines, permits, or other charges resulting from destruction or disposal.
4. Owner Obligation: The Owner must comply with the following requirements in accordance with the Guidelines, and submit certification to the air district verifying that the requirements have been met. Within 60 calendar days of receiving equipment under this Agreement, Owner will:
 - a. Destroy existing equipment and render it physically useless; and

- b. Notify the air district when the existing equipment (structural components and engine) has been properly destroyed and schedule a destruction inspection with air district; and
 - c. The dismantler must provide verification that the existing equipment is no longer operational. Documentation must include clear photographs of the destroyed engine block and cut frame rails. In addition, the following picture views must be taken:
 - (1) Equipment serial number;
 - (2) Engine side view;
 - (3) Engine serial number either stamped on the block or on the tag;
 - (4) Destroyed engine block as described in Section C.7.(C)(2) of the ORVIP Guidelines;
 - (5) Cut structural components as described in Section C.7.(C)(1) of the ORVIP Guidelines;
 - (6) Destroyed attachments, if scrapped; and
 - (7) Other views dependent on the method of equipment destruction.
5. Owner Qualifications: Owner warrants that it meets the following minimum qualifications for participating in the ORVIP, and will continue to meet these qualifications throughout its participation in the ORVIP. Owner must provide written proof that it meets the following qualifications within 48 hours if requested by air district staff.
- a. Owner must have a current, valid Dismantler's license issued by the California Department of Motor Vehicles.
 - b. Owner has a current, valid California Environmental Protection Agency Hazardous Material Generator and Storage Permit.
 - c. Owner must be in compliance with all local, State, and federal regulations, permits and requirements.
 - d. Owner must have a minimum of one active employee who received training by the air district on the requirements of the ORVIP. If a dismantler has more than one location, then the dismantler must have at least one active employee trained by the air district at each location that will be accepting ORVIP equipment.
 - e. Dismantler has had a valid business license issued in California for a minimum of the last two years.

6. Dismantler Inspection: Once the air district is notified, a dismantler inspection will be scheduled and photos documenting the destruction of the existing engine will be taken in accordance with the Guidelines. Owner shall not move the equipment off of their property or part out an equipment until a dismantler inspection by the air district has been performed and given approval by the air district.
7. Use of Existing Engine or Equipment Pending Destruction: Owner may not use or permit the use of, the existing engines or equipment, except use necessary to move it for destruction or storage.
8. Compliance: Because the prompt destruction of existing equipment and engines is one of the critical components of the ORVIP, and the parties agree that it will be difficult to determine the monetary damages arising from Owner's breach of the requirement to destroy the existing equipment within 60 days, Owner agrees that if it fails to destroy the engine and equipment within the 60-day period, it will pay the air district up to \$500 per day until the existing engine and equipment is destroyed and provide verification that the equipment is no longer operational. Owner may request that the air district extend the 60-day period, and the air district will not unreasonably withhold its approval of the extension request. Only written extensions are effective. Owner will not generally be eligible for an extension if the cause of the delay was within its control.
9. Noncompliance: Noncompliance with this Agreement or Guidelines, includes, but is not limited to canceling the Agreement and recapturing voucher funds. ARB and the air district may disqualify Dismantler from ORVIP participation and seek other remedies as available under the law for noncompliance with this Agreement or Program requirements.

Appendix E

OFF-ROAD VOUCHER INCENTIVE PROGRAM Air District Review Checklist: Initial Review

Owner: _____	<input type="checkbox"/> Approved <input type="checkbox"/> Rejected
Company: _____	Voucher # _____
Dealership: _____	Voucher Amount: \$ _____
Submittal Date: _____	Expiration date: _____

Verify that the following information/documents are included in the application. Use back side of checklist for additional comments if necessary.

Existing Equipment Requirements

- Verification that the engine meets the current model year California emission standards or the current model year U.S. EPA emission standards if it is a federally preempted engine
- Equipment is diesel fueled
- Existing equipment has an uncontrolled engine
- If the applicant chose the Two-for-One Option, both existing equipment meet all requirements of the ORVIP

Documentation Requirements

- Application complete, signed and dated – scanned or faxed copy acceptable
- Copy of two items from ownership document list
- Copy of DOORS fleet summary sheet (if applicable)
- Documentation of a minimum of 24 months of existing equipment usage. Specific equipment identified in documentation:
 - Meets the selected annual usage in Appendix O for previous 24 months
- Signed quote and specifications sheet for the replacement equipment (with date and price)

- Delivery date is listed and included on the voucher
 - Voucher amount is reduced from quote
 - Owner is listed as buyer
- Replacement Projects: Air Resources Board (ARB) Executive Order for the replacement engine, which demonstrates the engine is meeting current model year California emission standards or current model year U.S. EPA emission standards if it is a federally preempted engine.

Existing Equipment Inspection Requirements

- Signed inspection form of the existing equipment from either the dealer or the air pollution control/air quality management district (air district)
- Existing equipment is operational – clear evidence has been provided
- Digital photos taken at the inspection of the existing equipment are legible
- Digital photo information for existing equipment/engine make, MY, DOORS EIN (if available), serial number match application information. The photos of the engine should help verify application information. If no engine tag is available, a print out of the engine specifications will suffice.

Air District Requirements

- Issue voucher for
- Funding year: _____
 - Existing engine model year: _____
 - Annual usage: _____
 - Replacements - new: _____
 - Voucher Amount: _____

The following application form fields are mandatory and must be filled in completely before the application may be approved.

<p>Applicant Information:</p> <ul style="list-style-type: none"> • Owner Name • Mailing Address (including City, State, Zip) • Physical Address (if different from mailing) • Owner Phone • DOORS ID of fleet (if applicable) 	<p>Third Party Information:</p> <ul style="list-style-type: none"> • Third-Party Name • Mailing address (including City, State, Zip) • Physical Address (if different from mailing) • Phone • Third Party Signature & Date only required if a paid party other than the dealership completes the application
<p>Existing Equipment and Engine Information:</p> <ul style="list-style-type: none"> • Equipment Make • Equipment Model • Equipment Model Year • DOORS EIN (if applicable) • Equipment Serial Number • Equipment Operational • Engine Make • Engine Model • Engine Model Year • Engine Serial Number / Engine Block Stamp or Alternative Tag (if engine serial number is not available) • Engine Family Number • Engine Operational • Fuel Used 	<p>Replacement Equipment and Engine Information:</p> <ul style="list-style-type: none"> • Equipment Make • Equipment Model • Equipment Model Year • DOORS EIN (if applicable) • Engine Make • Engine Model • Engine Model Year • Engine Family Number • Engine operational • Fuel used • ARB Executive Order Number or U.S. EPA Certificate of Conformity Number
<p>Dealership Information: All fields must be filled out or a business card must be attached</p>	
<p>Inspection Forms: all applicable forms must be filled in based on the information required above for the existing and replacement equipment.</p>	<p>Applicant Recitals Owner must sign and date application</p>

If rejected, letter sent to applicant and the dealer was carbon copied
Reason(s) for rejection:

- _____
- _____

If approved, voucher package sent to dealer on (date): _____

Air District Staff (print name): _____ Date Reviewed: _____

Appendix F

OFF-ROAD VOUCHER INCENTIVE PROGRAM

Replacement Voucher

Congratulations! You have been approved to receive funding through the Off-Road Voucher Incentive Program (ORVIP). This voucher is redeemable for the purchase of the replacement equipment listed below. Redemption of this voucher must be completed at the dealership listed below.

Owner: please confirm the following information and sign in the first section.

Air District: _____

Voucher Number: _____

Voucher Amount: \$ _____

The Air Resources Board (ARB), as an intended third party beneficiary, reserves the right to enforce the terms of the ORVIP at any time during the three year voucher term to ensure emission reductions are obtained.

Recipient Information	Dealership Information
Owner:	Dealership Name:
Address:	Address:
City, State, Zip:	City, State, Zip:
Phone:	Phone:
Accept: <input type="checkbox"/> Decline: <input type="checkbox"/>	
Owner Signature:	Date:

Replacement Equipment Information	Engine Information
Make:	Make:
Model:	Model:
Model Year:	Model Year:
DOORS EIN (if applicable):	Engine Family Number:
Serial Number:	Serial Number:
	Engine Horsepower:
	U.S. EPA Certificate of Conformity Number or ARB Executive Order Number:

- To be eligible to redeem this voucher, the participant must purchase and take delivery of the replacement equipment within 30 days of <Date> or by the delivery date of <Date>, whichever is later. The participant must also deliver the existing equipment in similar condition to the pre-inspection to the dealership prior to taking ownership of the replacement equipment.

By signing, I validate the issuance of this voucher in accordance with the ORVIP.

Signature of Air District Representative: _____ Date: _____

Printed Name: _____

Address: _____

City, State, Zip: _____

Phone Number: _____

Appendix G

OFF-ROAD VOUCHER INCENTIVE PROGRAM

Receipt of Replacement Voucher

Air District: _____ **Voucher Number:** _____
Address: _____ **Voucher Amount:** \$ _____
Phone Number: _____

Recipient Information
Owner: _____
Address: _____
City, State, Zip: _____
Phone: _____

Replacement Equipment	Dealership Information
Make: _____	Dealership Name: _____
Model: _____	Address: _____
Model Year: _____	City, State, Zip: _____
Serial Number: _____	Phone: _____
EIN (if applicable): _____	

As a participant of the Off-Road Voucher Incentive Program (ORVIP), I agree to:

- For participants that applied for and received funding on equipment subject to the reporting and labeling requirements of the Off-Road Regulation, register the replacement equipment in DOORS database.
- If applicable, provide the DOORS EIN for the replacement equipment no later than at the post-inspection of the replacement equipment.
- Own and operate this replacement equipment at least 75 percent of the time within California for a minimum 36 months from the date of purchase.
- Notify the air pollution control or air quality management district (air district) if there is a change in ownership over the next 36 months.
- Return annual usage surveys, as requested by the air district.
- Never modify the emission control system or the engine.
- Be available for a follow up inspection by the air district or Air Resources Board, if requested.
- Pay back all incentive funds if one or more of the above terms are not met.
- I cannot receive additional funding for the replacement of that same piece of equipment. However, Moyer Program funding for the addition of a retrofit for the ORVIP funded replacement may be available through the air district.
- The Air Resources Board (ARB), as an intended third party beneficiary, reserves the right to enforce the terms of ORVIP, at any time during the three year voucher term to ensure emission reductions are obtained.

I certify under penalty of perjury that the information provided is true and correct.

Signature of Participant: _____ Date: _____

Name of Participant: _____

Original to Air District, Copy to Participant

Appendix H

OFF-ROAD VOUCHER INCENTIVE PROGRAM Reimbursement Invoice

Date:

Dealership Information
Business Name:
Address:
City, State, Zip:
Phone:
Federal Tax ID Number:

Please reimburse <Dealer Name> for <\$0.00> for the voucher number _____.

A complete reimbursement package will be turned in at the time of payment.

Thank you.

Name: _____

Signature: _____

Date: _____

Appendix I

OFF-ROAD VOUCHER INCENTIVE PROGRAM

Inspection Form

Type of Inspection:

Existing Equipment: <input type="checkbox"/> Pre-Inspection <input type="checkbox"/> Pre-Dismantle <input type="checkbox"/> Dismantle
Post-Inspection: <input type="checkbox"/> Replacement Equipment <input type="checkbox"/> Post-Inspection
Legible Pictures: <input type="checkbox"/> Yes <input type="checkbox"/> No

Applicant Information

COMPANY NAME:	INSPECTION LOCATION:
Owner Name:	
Address:	
City, State, Zip:	
Phone Number:	

Equipment and Engine Information

EXISTING EQUIPMENT **REPLACEMENT EQUIPMENT**

EQUIPMENT INFORMATION:			
Equipment Make:	Equipment Model:	Equipment Model Year:	
DOORS EIN (if applicable):	Equipment Serial Number:	Date of Manufacture:	
Fleet ID:	Hour Meter Reading:	Equipment operational? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Engine Information:			
Engine Make:	Engine Model:	Engine Model Year:	Date of Manufacture:
Engine Serial Number or Air District ID Number:		Engine Horsepower:	
Engine operational? <input type="checkbox"/> Yes <input type="checkbox"/> No	Fuel used? <input type="checkbox"/> Diesel <input type="checkbox"/> Other:	Engine Family Number:	

For Pre-Dismantler Inspection ONLY, Specify

DISMANTLER:	CONTACT NAME:	PHONE:
		Engine operational? <input type="checkbox"/> Yes <input type="checkbox"/> No

For Dismantler Inspection ONLY, Specify

DISMANTLER:	CONTACT NAME:	PHONE:
Frame Rails Cut? <input type="checkbox"/> Yes <input type="checkbox"/> No		Engine Destroyed? <input type="checkbox"/> Yes <input type="checkbox"/> No

Comments:

I certify under penalty of perjury that: 1) the information provided above is accurate, 2) the pictures are of the inspected equipment, 3) the pictures clearly depict the inspected equipment, and 4) that I understand that this inspection form is incorporated in the agreement with the <air district>.

Signature:	Date:
Authorized Name:	
Air District / Dealership:	
Address:	
City, State, Zip:	
Phone Number:	

Required Photographs

- Digital photos should be clear images with a minimum of 640x480 capture resolution. The air district will specify the digital media required to save the pictures on.
- If applicable to the replacement equipment, the DOORS EIN is not required to be photographed at the post inspection, but the EIN will need to be obtained by the post inspection.

(Check the boxes/circles of pictures taken)

Pre-inspection of existing equipment	Post inspection of replacement equipment
<ul style="list-style-type: none"> <input type="checkbox"/> Equipment from left side <input type="checkbox"/> Equipment from right side <input type="checkbox"/> Equipment from front <input type="checkbox"/> Equipment from back <input type="checkbox"/> DOORS EIN (if applicable) <input type="checkbox"/> Equipment serial number <input type="checkbox"/> Engine tag (if available)* <ul style="list-style-type: none"> ○ Engine make ○ Engine model ○ Engine serial number ○ Engine family number 	<ul style="list-style-type: none"> <input type="checkbox"/> Picture(s) of equipment <input type="checkbox"/> Equipment serial number <input type="checkbox"/> Engine tag <ul style="list-style-type: none"> ○ Engine make ○ Engine model ○ Engine serial number ○ Engine family number
Pre-Dismantler inspection of existing equipment	Dismantler inspection of existing equipment
<ul style="list-style-type: none"> <input type="checkbox"/> Equipment from left side <input type="checkbox"/> Equipment from right side <input type="checkbox"/> Equipment from front <input type="checkbox"/> Equipment from back <input type="checkbox"/> Equipment serial number <input type="checkbox"/> Engine tag (if available)* <ul style="list-style-type: none"> ○ Engine make ○ Engine model ○ Engine serial number ○ Engine family number 	<ul style="list-style-type: none"> <input type="checkbox"/> Picture(s) of equipment <input type="checkbox"/> Equipment serial number <input type="checkbox"/> Engine tag (if available)* <ul style="list-style-type: none"> ○ Engine make ○ Engine model ○ Engine serial number ○ Engine family number <input type="checkbox"/> Cut structural components <input type="checkbox"/> Irregular hole in engine block (at least three inches wide) and removed section of the oil pan flange as part of the hole or a line cut through it that connects the hole

**If engine tag is missing, a picture of the engine serial number stamped on the engine block must be submitted*

Appendix J

OFF-ROAD VOUCHER INCENTIVE PROGRAM
Reimbursement Package Checklist

Participant Name: _____ Date: _____

Voucher Number: _____ Voucher Amount: _____

Checklist for Replacement Projects

√	Documents included in Dealer Reimbursement Package
<input type="checkbox"/>	Dealer Reimbursement Invoice – signed by dealership
<input type="checkbox"/>	Final replacement equipment purchase invoice
<input type="checkbox"/>	Receipt of Voucher (original) – signed by the participant
<input type="checkbox"/>	Voucher
<input type="checkbox"/>	Copy of the replacement equipment warranty
<input type="checkbox"/>	Inspection forms and digital photos for existing equipment ready for dismantler
<input type="checkbox"/>	Inspection forms and digital photos for replacement equipment
<input type="checkbox"/>	Location of dismantler yard where the existing equipment will be destroyed
<input type="checkbox"/>	Date the existing equipment is delivered to or picked up by a dismantler

Dealership Business Name: _____

Contact Person: _____

Phone Number: _____

Appendix K

Date

Name

Company

Address

City, State, Zip

RE: Application Rejected: Off-Road Voucher Incentive Program

Dear Name:

Thank you for submitting an application to the <Air District's> Off-Road Voucher Incentive Program (ORVIP). Your application was reviewed and found to be incomplete and/or not meeting the requirements of the program. The application was rejected because:

The applicant did not meet the following ORVIP criteria listed in the guidelines

-

The application package was incomplete. The following information was not included in the application:

-

If your application was incomplete, you can re-apply to the ORVIP. If you wish to do so, you should re-apply by submitting a completed application.

If you have any questions, please contact <insert contact> at <insert phone> or <insert email>.

Sincerely,

<Name>

<Title>

cc: Dealership

Attachment: Application Package

Appendix L

OFF-ROAD VOUCHER INCENTIVE PROGRAM
Air District Payment Review Checklist

Applicant:	Company (if any):	Dealer:
Voucher Number:	Voucher Amount:	Submittal Date:

Verify the following information in the reimbursement package:

- Applicant information matches application
- Voucher number is correct
- Voucher amount is correct
- Replacement equipment information matches application, quote information, and ORVIP requirements.
- Invoice correctly shows the final price less the voucher amount

Verify that the following documents are included in the reimbursement package:

- Reimbursement invoice
- Original Receipt of Replacement Voucher signed by the applicant (original signature)
- Replacement Voucher
- Warranty information
- Completed final invoice, signed, and dated by the applicant
- Copy of two items from ownership document list
- Inspection forms and photos of the replacement equipment in dealership custody

Reimbursement approved? Yes No

Comments (Use back side of checklist for additional comments if necessary):

Funding Date: _____
Copy of check in project folder

Check Number: _____

Air District Staff (print name): _____ Date Reviewed: _____

Appendix M

May 30, 2017

Salesperson
Dealership
Address
City, State, Zip

RE: Reimbursement Package Rejection Letter: Voucher Number #_____

Dear Salesperson:

Thank you for your participation in the Off-Road Voucher Incentive Program (ORVIP). Unfortunately, the reimbursement package submitted for Voucher Number #_____ was reviewed and found to be incomplete and/or not meeting the requirements of the program. The package was rejected because:

The reimbursement package did not meet the following ORVIP criteria listed in the guidelines

-

The reimbursement package was incomplete. The following information was not included in the package:

-

If your reimbursement package was incomplete, please re-submit the entire reimbursement package including the missing documentation. If your reimbursement package did not meet the criteria of the program, please contact air district staff immediately for further explanation.

If you have any questions, please contact <insert contact> at <insert phone> or <insert email>.

Sincerely,

Name
Title
Air District
Phone Number

Attachment: Reimbursement Package

Appendix N

OFF-ROAD VOUCHER INCENTIVE PROGRAM

Usage Survey

Thank you for participating in the Off-Road Voucher Incentive Program. Please fill out this usage survey and return to the address below within five business days.

Participant Information:

Name: _____
 Address: _____

Equipment Information:

Make: _____
 Model/Year: _____
 DOORS EIN (if applicable): _____
 Serial Number: _____

I still own the equipment and have (please print legibly):

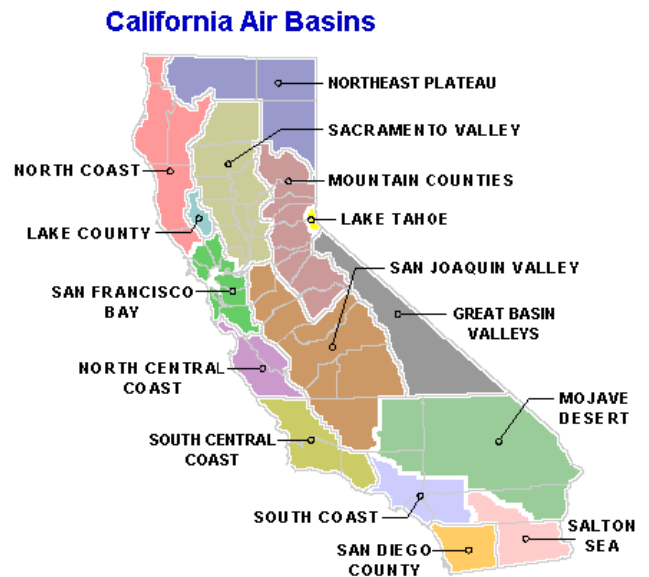
- Operated _____ hours in California in 20____;

The hour meter reading is:

--	--	--	--	--	--	--	--	--	--

I operated the equipment about _____% of the time in California in 20__.

Using the map at right, estimate the percentage of your usage that occurred in each area.	
North Coast:	Northeast Plateau:
Lake County:	Sacramento Valley:
San Francisco Bay:	Mountain Counties:
North Central Coast:	Lake Tahoe:
South Central Coast:	San Joaquin Valley:
South Coast:	Great Basin Valleys:
San Diego County:	Mojave Desert:
Outside California:	Salton Sea:
<i>Note: The total of all percentages must equal 100.</i>	



I certify under penalty of perjury that the information provided above is accurate and true.

Signature: _____
 Name: _____
 Date: _____

Return survey to:

Appendix O

Off-Road VIP Funding Matrices

VIP Replacement Funding Matrix – Agricultural Tractor					
	25-49 Horsepower		50-74 Horsepower		
Minimum Annual Usage (Hours)	Tier 4 Interim	Tier 4 Final	Tier 3	Tier 4 Interim	Tier 4 Final
200		\$2,000			\$4,000
300	\$2,000	\$3,000	\$5,000	\$5,500	\$6,500
400	\$3,000	\$4,000	\$6,500	\$7,500	\$8,500
500	\$4,000	\$5,500	\$8,000	\$9,000	\$10,500
600	\$4,500	\$6,500	\$10,000	\$11,000	\$13,000
700	\$5,500	\$7,500	\$11,500	\$13,000	\$15,000
800	\$6,500	\$7,500	\$13,000	\$15,000	\$15,000
900	\$7,000	\$7,500	\$15,000	\$15,000	\$15,000
1000+	\$7,500	\$7,500	\$15,000	\$15,000	\$15,000

VIP Replacement Funding Matrix – Agricultural Tractor								
	75-99 Horsepower				100-124 Horsepower			
Minimum Annual Usage (Hours)	Tier 3	Tier 4 Phase Out	Tier 4 Phase-In or Alternate NOx	Tier 4 Final	Tier 3	Tier 4 Phase Out	Tier 4 Phase-In or Alternate NOx	Tier 4 Final
200	\$5,000	\$6,500	\$6,500	\$7,500		\$8,500	\$9,000	\$10,000
300	\$7,500	\$9,500	\$10,000	\$11,000	\$11,500	\$13,000	\$13,500	\$15,000
400	\$10,000	\$13,000	\$13,500	\$15,000	\$15,500	\$17,500	\$18,000	\$20,000
500	\$12,500	\$16,000	\$16,500	\$18,500	\$19,500	\$22,000	\$22,500	\$25,000
600	\$15,000	\$19,500	\$20,000	\$22,500	\$23,000	\$26,500	\$27,000	\$30,000
700	\$17,500	\$22,500	\$22,500	\$22,500	\$27,000	\$30,000	\$30,000	\$30,000
800	\$20,000	\$22,500	\$22,500	\$22,500	\$31,000	\$30,000	\$30,000	\$30,000
900+	\$22,500	\$22,500	\$22,500	\$22,500	\$31,000	\$30,000	\$30,000	\$30,000

VIP Replacement Funding Matrix – Agricultural Tractor								
Minimum Annual Usage (Hours)	125-149 Horsepower				150-174 Horsepower			
	Tier 3	Tier 4 Phase Out	Tier 4 Phase-In or Alternate NOx	Tier 4 Final	Tier 3	Tier 4 Phase Out	Tier 4 Phase-In or Alternate NOx	Tier 4 Final
200		\$7,500	\$7,500	\$8,500	\$7,000	\$9,000	\$9,000	\$10,500
300	\$9,000	\$11,000	\$11,500	\$13,000	\$11,000	\$13,500	\$13,500	\$16,000
400	\$12,000	\$15,000	\$15,000	\$17,500	\$14,500	\$18,000	\$18,500	\$21,500
500	\$15,000	\$18,500	\$19,000	\$22,000	\$18,500	\$22,500	\$23,000	\$26,500
600	\$18,500	\$22,500	\$23,000	\$26,500	\$22,000	\$27,000	\$27,500	\$32,000
700	\$21,500	\$26,500	\$27,000	\$31,000	\$25,500	\$31,500	\$32,000	\$37,500
800	\$24,500	\$30,000	\$30,500	\$35,500	\$29,500	\$36,000	\$37,000	\$43,000
900	\$27,500	\$34,000	\$34,500	\$37,500	\$33,000	\$40,500	\$41,500	\$45,000
1000	\$30,500	\$37,500	\$37,500	\$37,500	\$37,000	\$45,000	\$45,000	\$45,000
1100	\$33,500	\$37,500	\$37,500	\$37,500	\$40,500	\$45,000	\$45,000	\$45,000
1200	\$37,000	\$37,500	\$37,500	\$37,500	\$44,000	\$45,000	\$45,000	\$45,000
1300+	\$37,500	\$37,500	\$37,500	\$37,500	\$45,000	\$45,000	\$45,000	\$45,000

THE CARL MOYER PROGRAM

PART 3 OF 3

AGRICULTURAL ASSISTANCE PROGRAM

AGRICULTURAL ASSISTANCE PROGRAM

The Agricultural Assistance Program provides funds for the new purchase, retrofit, repower, or add-on of previously unregulated equipment for agricultural sources. Unlike the Carl Moyer Memorial Air Quality Standards Attainment Program (Moyer Program), the Agricultural Assistance Program does not require the emission reductions achieved to be surplus. Therefore, these funds can be used to pay for compliance in certain categories. However, the Agricultural Assistance Program does follow the Moyer Program Guidelines for project selection and grant awards.

A. Background

The Agricultural Assistance Program was created through provisions of Assembly Bill 923 (AB 923, Firebaugh) and went into effect on January 1, 2005. This legislation authorizes air pollution control and air quality management districts (air districts) to increase motor vehicle fees by up to an additional \$2. Air districts receiving the additional \$2 surcharge may use the funds to implement various incentive programs, one of which is the new purchase, retrofit, repower, or of previously unregulated equipment for agricultural sources (Agricultural Assistance Program).

The statutory provisions of AB 923 also require that Agricultural Assistance Program projects follow the Carl Moyer Guidelines. Air districts will follow the 2017 Moyer Program Guideline project criteria in Chapter 2, General Criteria; Chapter 3, Program Administration; and Chapter 5, Off-Road Equipment; except as specified in Section D of this chapter, with modifications to the surplus emission reductions requirements and cost-effectiveness methodology. Air district funds applied to the Agricultural Assistance Program do not count as air district match funds in the Moyer Program.

B. Definition

“Agricultural source of air pollution,” for the purposes of AB 923 and the Agricultural Assistance Program, is defined in Health and Safety Code section 39011.5(a) as “a source or group of sources used in the production of crops or raising of fowl or animals located on contiguous property and under common ownership or control.”

Four categories of emission sources are identified as part of this definition:

1. Large confined animal facilities as defined in California Code of Regulations, title 17, section 86500.
2. Internal combustion engines, including portable and off-road engines, unless used to propel instruments of husbandry.
3. Sources subject to requirements of Title V, the federal Operating Permitting Program for major stationary sources.

4. Sources of emissions otherwise subject to air district regulation.

C. Projects Eligible for Funding

Eligible project categories are found in Chapter 5: Off-Road Equipment, Section D: Project Criteria of the 2017 Moyer Program Guidelines.

Additionally, new purchases of electric motors are eligible. These projects are eligible for up to 20 percent of the project costs, with a maximum project life of ten years.

D. Project Criteria

Two sets of criteria exist for agricultural assistance projects.

1. **Statutory Criteria.** The statutory provisions of AB 923 include requirements for Agricultural Assistance Program eligible projects:

- (A) Projects must involve the new purchase, retrofit, or repower of equipment.
- (B) Projects must reduce emissions from previously unregulated sources; that is, sources that are unregulated as of January 1, 2005 (the effective date of the legislation), but are subject to regulation at the time of the grant.
- (C) Projects must be operational and post-inspected within three years of rule adoption or before the compliance date of the rule, whichever is later.
- (D) The Air Resources Board (ARB) must determine that the applicable rule complies with Health and Safety Code sections 40913, 40914, and 41503.1 pertaining to air district's attainment plan measures. Air district's plans must be designed to achieve and maintain the State ambient air quality standards by the earliest practicable date through the use of all feasible measures. ARB routinely reviews air district's rules for compliance with these requirements and will treat agriculture-related rules the same way.

2. **Other Criteria.** Project criteria in Chapter 2, General Criteria; Chapter 5: Off-Road Equipment, and these sections of Chapter 3: Program Administration: Section S, Requirements for Project Applications; Section V, Minimum Contract Requirements; Section W, Project Pre-inspection; Section X, Project Post-inspections; and Section Y, Project Invoice and Payment, as well as other requirements of the 2017 Moyer Program Guidelines, are to be adhered to with the following exceptions:

- (A) The Agricultural Assistance Program may be used to fund projects from previously unregulated agricultural sources of air pollution for a minimum of three years from the adoption of an applicable rule or until the compliance date, whichever is later.

- (B) The cost-effectiveness of a project is based on total emission reductions over the life of the project, not surplus emission reductions.
- (C) Emission reductions in the Agricultural Assistance Program are not required to be surplus to regulations. The emission benefits of projects funded by the Agricultural Assistance Program are already counted in the emission benefits of individual local rules or State regulations.
- (D) Repower of Tier 2 engines to Tier 4 engines are eligible, as long as the compliance date of the rule has not occurred for the specific Tier 2 engine.

E. Cost-Effectiveness of Total Reductions

In order to ensure that the technologies and costs of projects funded by the Agricultural Assistance Program are generally comparable to those funded by the Moyer Program, Agricultural Assistance Program projects must meet a “cost-effectiveness of total reductions” criterion. Air districts may set more restrictive cost-effectiveness of total reductions limits when implementing local programs.

The cost-effectiveness (C/E) of total reductions is the annualized cost (AC) divided by the emission reductions (ER) as if no regulatory requirement existed:

$$C/E (\$/ton) = AC (\$/yr) \div ER (ton/yr)$$

For example, the cost-effectiveness of total reductions calculation for an agricultural irrigation pump repower would generally assume a project life of seven years, even if a local rule for agricultural use engines takes effect in two years or has already taken effect.

The annual emission reductions for each pollutant (oxides of nitrogen (NOx), reactive organic gases (ROG), and combustion particulate matter (PM)) are determined by calculating the annual emissions for the baseline technology and then subtracting from it the annual emissions of the reduced technology. Annual emissions may be calculated based on hours of operation. The formulas for calculating emissions are found in Appendix C of the 2017 Moyer Program Guidelines.

The weighted total emission reductions are estimated by taking the sum of the project’s annual emission reductions of NOx, ROG, and combustion PM using the following formula:

$$\text{Weighted Total Emission Reductions} = \text{NOx(tons/yr)} + \text{ROG(tons/yr)} + [\text{PM(tons/yr)} * 20]$$

The emission standards and load factors for off-road diesel engines and large SI engines in Appendix D of the 2017 Moyer Program Guidelines must be used for these calculations. The annualized cost is the amortization of the one-time incentive grant amount for the life of the project to yield an estimated annual cost. The capital

recovery factors used for the annualized calculation are provided in Appendix G of the 2017 Moyer Program Guidelines.

The incremental cost of a project is a percentage of new technology project costs. The percent of agricultural source engine project costs eligible for funding are in Chapter 5: Off-Road Equipment of the 2017 Moyer Program Guidelines or noted above in Section C.

General examples of calculating the cost-effectiveness of projects are provided in Appendix C of the 2017 Moyer Program Guidelines. The examples are of projects achieving surplus emission reductions. However the steps leading to the final formula are similar for both programs and may be used as a guide.

- F. NOTE.** The cost-effectiveness of total reductions cannot be directly compared to the cost-effectiveness of Moyer Program-eligible projects because it includes the total emission reductions associated with a project instead of only the surplus emission reductions.