

**PROPOSED REVISIONS TO  
Chapter 5: ON-ROAD HEAVY-DUTY VEHICLES FLEET MODERNIZATION**

Modifications to the Guidelines language are indicated by underlined text. Deletions to the language are indicated by ~~strikeout~~ text. The “\*\*\*\*\*” indicates the subsequent language in the section does not change.

**Chapter 5: ON-ROAD HEAVY-DUTY VEHICLES FLEET MODERNIZATION**

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**A. Projects Eligible for Funding**

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The following HDV fleet modernization projects may be eligible for funding. Note: the existing old vehicle engine must be model year ~~2002~~ 2006 or older. Existing old school buses and log trucks may have an engine of any model year.

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**B. Maximum Eligible Funding Amounts**

Table 5-1 summarizes the maximum eligible funding for each fleet modernization project. All projects are also subject to the cost-effectiveness threshold defined in Appendix G.

**Table 5-1  
Maximum Funding Amounts for Fleet Modernization Projects**

<b><u>Oxides of Nitrogen (NOx) Certification Level<sup>1</sup> Family Emission Limit or NOx emission standard<sup>1</sup> grams per brake horsepower hour (g/bhp-hr)</u></b>	<b>Maximum<sup>2</sup></b>
0.20 g/bhp-hr (Heavy Heavy-Duty (HHD))	\$60,000
0.50 g/bhp-hr (HHD)	\$50,000
<del>0.20 g/bhp-hr (Medium Heavy-Duty (MHD))</del>	<del>\$40,000</del>
1.20 g/bhp-hr (HHD)	\$40,000
<u>0.20 g/bhp-hr (Medium Heavy-Duty (MHD))</u>	<u>\$40,000</u>
0.50 g/bhp-hr (MHD)	\$30,000
1.20 g/bhp-hr (MHD)	\$25,000
<u>0.20 g/bhp-hr (Light Heavy-Duty (LHD))</u>	<u>\$30,000</u>
<u>0.50 g/bhp-hr (LHD)</u>	<u>\$20,000</u>
<u>1.20 g/bhp-hr (LHD)</u>	<u>\$15,000</u>
School bus (used)	100% of vehicle value
School bus (new)	100% of invoice

<sup>1</sup> applies to new or used vehicles unless otherwise noted

<sup>2</sup> For fleets of three or fewer vehicles, the funding amount cannot exceed eighty percent (80%) of vehicle value for used replacement vehicle or 80% of invoice for new replacement vehicle.

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**C. Project Criteria**

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1. General Criteria

- (A) For vehicles that are subject to in-use regulations, please see the eligibility requirements in Section ~~E~~ A of Chapter 4: On-Road Heavy-Duty Vehicles.
- (B) Any fleet modernization project that would replace an existing vehicle with an off-road engine that is subject to an on-road regulation must comply with the on-road surplus requirements. For example, a yard truck with an off-road engine that is subject to the Statewide Truck & Bus Regulation (including yard trucks used primarily in agricultural operations) must comply with all off-road Carl Moyer Program criteria described in Chapters 7 and/or 9, as well as all surplus criteria described in Section ~~E~~ A of Chapter 4.

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3. Existing Vehicle Requirements

All existing vehicles must meet the following conditions:

- (A) The existing vehicle must have an engine of model year ~~2002~~ 2006 or older, except for school buses and log trucks which may have an engine and chassis of any model year.
- (B) The existing vehicle must either be 1) currently registered and have been registered in California for the past twenty-four (24) months; or 2) must have been registered in California for the previous eight (8) consecutive months supplemented by alternate documentation showing California operation for the past twenty-four (24) months.

If the existing vehicle operates seasonally, then the existing vehicle may be eligible to participate if it has been registered in California for at least three (3) ~~to six (6)~~ continuous months per twelve (12) month period for the previous twenty four (24) months. DMV partial year registration documentation for each ~~month~~ period the vehicle was registered must be included with the application.

- (C) The existing vehicle must meet the criteria for either an LHD vehicle, MHD vehicle, or an HHD vehicle, as defined below:
  - (1) LHD vehicles must have a manufacturer Gross Vehicle Weight Rating (GVWR) of 14,001-19,500 pounds.

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

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#### 4. Replacement Vehicle Requirements

All replacement vehicles must meet the following conditions:

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

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- (D) Weight Class: The replacement vehicle must be in the same weight class as the existing vehicle (either LHD, MHD, or HHD). An MHD vehicle can replace an HHD vehicle if they both have the same axle configuration (e.g. an existing HHD vehicle with two axles can be replaced with an MHD vehicle with two axles) but the funding amount must be at the MHD funding level.
- (E) Engine Class: On-road heavy-duty (HD) vehicles (with GVWR over 14,000 pounds) must be powered by an engine certified to the HD intended service class as shown on the engine certification Executive Order. However, the following cases may be allowed:
  - (1) MHD engines may be installed in HHD vehicles with GVWR up to 36,300 pounds (10 percent higher than 33,000 pounds GVWR) with written warranty verification by the engine and chassis manufacturer. A copy of the written warranty verification must be maintained in the air district project file.
  - (2) HHD engines may be installed in MHD vehicles if necessary for vocational purposes but only if the GVWR are within ten (10) percent of the HHD intended service class (i.e., GVWR of 29,701 pounds or greater).

[renumber subsections 4.(E) through 4.(I) as 4.(F) through 4.(J)]

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5. Determining Grants

Grant award determinations must be made with the following considerations:

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- (B) The emission benefit of the project is calculated based on the difference in emission factors of the replacement, new vehicle engine (new emission factors) and the baseline vehicle engine (baseline emission factors). The applicable emission factors as described in Chapter 4, Section D.1.(G) must be used.

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- (E) The minimum eligible project life for all projects is one year. The maximum eligible project life for cost-effectiveness calculations is as follows:
- (1) For fleets of three or fewer vehicles that are subject to the Statewide Truck & Bus Regulation or the Statewide Drayage Truck Regulation, ~~the minimum project life is two years and~~ the maximum project life is five years.
  - (2) ~~Fleets in a targeted vocation category of agriculture, construction, mining, forestry, and Log trucks and~~ public fleet vehicles in low-population areas have a maximum project life of five years.
  - ~~(4)~~(3) The maximum project life for 1977 and newer school buses is 11 years.
  - ~~(3)~~(4) For all other ~~fleets~~ vehicles outside subsections (E)(1) through (E)(3) above, the maximum project life is three years.
  - (5) The surplus period may be less than the maximum project life due to compliance deadlines specified in the Statewide Truck & Bus Regulation (California Code of Regulations, title 13, § 2025). See Chapter 4 Section ~~E.4. A.2.(D)~~ of these Guidelines for school bus surplus criteria.

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8. Reimbursement: To ensure that an application package is complete, the following items must be included and complete prior to reimbursement:

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(D) Digital photographs of the existing vehicle and the replacement vehicle. The air district will specify the required digital format. Reimbursement will not be processed until all photographs are received and verified by the air district. All photographs must be clear, and all VIN and engine serial numbers must be legible.

(1) Photographs of the old vehicle must include the following views:

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

(2) Photographs of the replacement vehicle must include the following views:

- ~~a. Right Side - hood down~~ At least one side of the vehicle
- ~~b. Front - hood down~~
- ~~c. Left Side - hood down~~
- ~~d.b.~~ VIN Tag - inside vehicle or on frame rail
- ~~e. VIN Tag - on frame rail~~
- ~~f. Engine - left side~~
- ~~g. Engine - right side~~
- ~~h.c.~~ Engine Serial Number and Engine Information – tag
- ~~i.d.~~ License plate
- ~~j. Rear~~
- ~~k.e.~~ Diesel Emission Control Device (if available)
- ~~l.f.~~ Odometer Reading

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9. Compliance Checks: Fleet modernization projects must complete are subject to the compliance check process described in Chapter 4, Section D.2.

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10. Dismantler Requirements

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(C) The dismantler must do the following for each vehicle:

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(4) Air district staff or the dismantler must take photographs of the destroyed engine and severed frame rails. Dismantler photographs of the destroyed engine block and severed frame rails must be provided to the air district within ten (10) business days of dismantling the vehicle. The following picture views must be taken:

- a. Front of vehicle with hood down
- ~~b. Right side of vehicle with hood down~~
- ~~c. Left side of vehicle with hood down~~
- ~~d. b. Serial number printed either on the tag inside in the cab or on the frame rail VIN tag~~
- ~~d. Engine side view~~
- ~~e. c. Engine serial number either stamped on the block or on the tag~~
- ~~e. d. Destroyed engine block either in-frame or out of frame as specified in Chapter 3: Program Administration~~
- ~~e. Completely severed frame rails~~

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