

**Shasta County Department of Resource Management  
Air Quality Management District  
Carl Moyer Heavy-Duty Low Emission Vehicle Incentive Program**

## **INTRODUCTION**

The Carl Moyer Program is designed to substantially reduce emissions of oxides of nitrogen (NO<sub>x</sub>), a smog-forming pollutant. The Carl Moyer Program is also expected to reduce the fine particulate (PM) component of diesel exhaust which contributes to particulate air pollution and is a toxic air contaminant. Eligible projects must produce real, quantifiable emission reductions that are not required by any local, state, and/or federal rule or regulation, Memorandum of Understanding (MOU), or other legally binding document. Additional information about the program can be obtained by going to the California Air Resources webpage at: <http://www.arb.ca.gov/msprog/moyer/guidelines/current.htm>.

All projects funded must be cost-effective. Cost-effectiveness is a measure of dollars provided to a project for each ton of covered emission reductions. To calculate cost-effectiveness, the project grant amount is annualized based on the project's life and a discount rate. This annual cost is then divided by the project's estimated annual emission reductions (cost no more than \$16,000 for each weighted ton of NO<sub>x</sub>, combustion PM, and ROG emissions reduced).

This program provides incentives to purchasers of low-emission technologies, including:

- ❖ On-road vehicles with a gross vehicle weight rating of greater than 14,000 pounds
- ❖ Off-road self-propelled vehicles with an engine rated at 25 horsepower or greater
- ❖ Agricultural pumping applications with an engine rated at 25 horsepower or greater

The Shasta County Air Quality Management District is seeking companies, fleet operators, and individuals interested in replacing older engines with newer engines with substantially lower emissions. This program encourages replacing an older, higher-emission engine with a newer, lower-emission engine instead of rebuilding an engine to its original emission standard. The intent is to provide the applicant an incentive to shift into lower-emission engine technology. The maximum incentive available for eligible agricultural projects is \$25,000 each, for off-road and on-road projects the maximum is \$50,000, and for certain off-road projects using Tier II and Tier III engines the maximum is \$75,000. **This program requires that purchasers of low-emission technologies apply for incentive approval prior to low-emission technology purchase.**

**On-Road Vehicle:** A self-propelled motor vehicle repower with a gross vehicle weight rating of greater than 14,000 pounds that is manufactured for or designed primarily for use on public roads.

**Off-Road Vehicle:** A self-propelled motor vehicle repower that is not an on-road vehicle and that has an engine horsepower rating of 25 or greater.

**Agricultural Operations:** An engine used primarily for pumping water for agricultural purposes that is not regulated by any local, state, and/or federal rule or regulation and that has a horsepower rating of 25 or greater.

## **GENERAL PARTICIPATION**

1. Any individual, company, or public agency may apply to receive an incentive under this program. The application will be evaluated in a manner consistent with the policy outlined in this document.
2. New original equipment manufacturer (OEM) low-emission engine replacement applications shall be eligible for this program.
3. The Shasta County Air Quality Management District (SCAQMD) reserves the right to reject an application that meets the program criteria, **but** in the SCAQMD's opinion is not in good faith. All projects will be funded out of the same allocation of funds.
4. Funds will be awarded based on NO<sub>x</sub>, combustion PM, and ROG reduction cost-effectiveness. Projects will be funded starting with the most cost-effective to the least cost-effective projects during the initial application process. In the event that applications are submitted on the same day and rank the same for cost-effectiveness, projects will be funded in the order they were received until funds are exhausted. If there are any funds left over after the initial application process, projects will be funded on a first-come, first-serve basis to all applications that meet the criteria and requirements, while program funds are available.
5. The SCAQMD requires that participants furnish certificates of insurance coverage. Self-insurance can satisfy this requirement upon approval by the Air Pollution Control Officer (APCO) or his designee.
6. Applications will be evaluated on the usage (e.g. miles, hours, fuel consumption) expected in the South Central Urban Region (SCUR). It is the expectation of the SCAQMD that the actual engine usage be at least that of the usage in the application. However, not less than 75 percent of the application usage in the SCUR must be achieved on an annual basis. Otherwise, reimbursement to the SCAQMD may be required on a prorated basis. The APCO may relieve the applicant of reimbursement depending on the circumstances. This requirement shall be for the term of the Incentive Agreement which is at least three years for mobile projects.
7. Gasoline-to-diesel engine replacements are not eligible to participate in this incentive program.

## **GENERAL PROGRAM CRITERIA**

The following restrictions apply to qualifying projects:

1. The purchase is NOT required by any local, state, and/or federal rule or regulation, including, but not limited to, EPACK requirements, existing regulations, memoranda of agreement/understanding, or other legally binding document.

2. Participant agrees that any emission reductions associated with the purchase of the low-emission technology will be retired in the interest of air quality improvement. Participant waives, for all time, its right to claim emission reduction credits which may accrue at anytime as a result of the use of the low-emission technology which is funded under this program, and agrees not to apply to the SCAQMD or any other Air Quality Management District or Air Pollution Control District.
3. Participant agrees to provide the SCAQMD with all the information regarding the application for and/or receipt of cost-share for any project involved in an application for SCAQMD incentive funds.

## SPECIFIC PROGRAM AREA INFORMATION

### **Replacement of an Older Engine with a Newer Lower-Emission Engine**

This program area encourages replacing an older higher emission engine with a newer lower-emission engine instead of rebuilding an engine to its original emission standard. The intent is to provide the applicant an incentive to shift into lower-emission engine technology. Typically this shift will not be associated with a change in fuel. Since there are usually other associated benefits with the newer technology (e.g. fuel economy improvements, lower maintenance, and warranty), the incentive amount is limited to a maximum of \$25,000 for agricultural engines and \$50,000 to \$75,000 for mobile use engines.

The technology must be certified for sale in California and show at least a 15 percent NOx reduction level from the baseline engine being replaced. Gasoline-to-diesel repowers are not eligible to participate in this program.

The SCAQMD will determine the incentive amount in an effort to maximize funding distribution. The maximum incentive will be no greater than \$75,000.

### **On-Road Application Limitations**

Repower replacement engines must be ARB certified engines with a model year of 1991 or newer.

## APPLICATION PROCESS

1. Complete the "Checklist for eligibility criteria for Heavy-Duty On-Road Diesel Vehicles and Application", "Checklist for eligibility criteria for Heavy-Duty Off-Road Equipment and Application", or "Checklist for eligibility criteria for Stationary Agricultural Irrigation Pump Engine and Application"
2. Complete and attach the appropriate forms for **each** lower emission engine.

3. Attach the forms to each application and submit the package to the SCAQMD at the following address (**please do not fax original application**):

Carl Moyer Program  
Air Quality Management District  
Shasta County Department of Resource Management  
1855 Placer Street, Suite 101  
Redding, CA 96001

4. Application will be reviewed by SCAQMD staff to determine that all the required information has been provided and that all the program requirements are met. If the application does not meet the program requirements, the applicant will be contacted so that the information can be provided. The SCAQMD reserves the right to request additional information of the applicant and can deny the application if such requested information is not provided.
5. Applications are currently being accepted.

SCAQMD staff will notify the applicants of project selection, then prepare four original incentive agreements and send them to the applicant for signature. Upon return of the agreements signed by the applicant to the SCAQMD, the SCAQMD will process the agreements and will schedule the agreement for consideration at the next available Air Pollution Control Board meeting. Please contact the Air Quality Management District for exact dates and/or agenda. Funding is only authorized after both the applicant and the SCAQMD have executed the agreement.

## INSURANCE REQUIREMENTS

### Verification of Coverage

Participant shall furnish the District with certificates evidencing the coverage required below. Certified copies of required endorsements must be attached to provided certificates. All certificates are to be received and approved by the SCAQMD before work commences. The SCAQMD reserves the right to require Participant to provide complete, certified copies of any policy of insurance offered in compliance with these specifications. As an alternative to insurance certificates, Participant's insurer may voluntarily provide complete, certified copies of all required insurance policies, including endorsements, effecting the coverage required by these specifications.

### Minimum Scope of Insurance

During the term of this Agreement, Participant shall, at its sole expense, obtain and maintain in full force and effect the type and limits of liability requirements as follows:

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence from CG 0001, most recent edition).
2. Insurance Services Office form CA0001 (most recent edition) covering Automobile Liability, code 1 (any auto).
3. Worker's Compensation insurance as required by the State of California.

#### Minimum Limits of Insurance

Participants shall maintain limits no less than:

1. **General Liability:** \$1,000,000 for each occurrence for bodily injury, personal injury and property damage. If commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. **Automobile Liability:** \$1,000,000 for each accident for bodily injury and property damage.
3. **Worker's Compensation:** Statutory

#### Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII. The District may waive or alter this requirement, or accept self-insurance in lieu of any required policy of insurance if, in the opinion of the Risk Management Manager, the interest of the SCAQMD and the general public are adequately protected.

#### REIMBURSEMENT PROCESS

1. Upon execution of the incentive agreement by both parties, the program participant shall have 180 days to complete the replacement of an older engine with a newer lower-emission engine. **The APCO may, at his discretion, extend this time upon written request by the participant.**
2. The participant can invoice the SCAQMD for the incentive funding upon completion of the engine repower, as verified by SCAQMD staff. Participant shall provide SCAQMD one original invoice containing:
  - Participant's name
  - Address
  - The incentive agreement number
  - The incentive amount
  - Engine serial number
  - Detail of work done and parts installed

3. Proof of insurance should be received before the agreement is signed.
4. Participant is responsible for destruction of old engine and must make the engine available for inspection by the SCAQMD or its agent.
5. The SCAQMD shall notify the participant within 5 working days after receipt of the invoice whether additional information is required. Once all information has been provided, the SCAQMD shall provide the incentive amount to the participant within 45 calendar days.