

LIGHT-DUTY AND MEDIUM-DUTY VEHICLE COMPONENT REMOVE II PROGRAM GUIDELINES, POLICIES, AND PROCEDURES

SECTION I INTRODUCTION

The San Joaquin Valley Air Pollution Control District (SJVAPCD) is seeking applications for incentive funds for the purchase of low-emission motor vehicles, according to the terms and conditions described in these guidelines.

The purpose of the Light-Duty and Medium-Duty Vehicle Component is to encourage the early introduction of zero-emission or low-emission motor vehicles in the Valley to assist the SJVAPCD in attaining federal and state air quality standards. The widespread use of lower-emitting vehicles will improve our air quality.

The SJVAPCD is providing incentives to municipalities, government agencies, non-profit public service organizations, private companies, fleet operators, and individuals interested in the purchase of:

**New electric Motorized Bicycles for law enforcement and emergency services.
New alternative fuel on-road OEM Light-Duty and Medium-Duty vehicles with a gross vehicle weight rating (GVWR) up to 14,000 pounds, meeting one of the following California Air Resources Board emission standards:**

- Zero Emission Vehicle (ZEV)
- Partial Zero Emission Vehicle (PZEV)
- Advanced Technology PZEV (AT PZEV)
- Super Ultra Low Emission Vehicle (SULEV)
- Ultra Low Emission Vehicle (ULEV)

Funds are available for eligible vehicles that meet specific program criteria on a first-come, first-serve basis until the program funds are exhausted. These guidelines describe the policies and procedures of the Light-Duty and Medium-Duty Vehicle Incentive Component. For additional copies of Guidelines, Policies, and Procedures or applications only, please call:

(559) 230-5858

For further information please contact:

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1990 E. Gettysburg Avenue
Fresno, CA 93726-0244
(559) 230 - 5800**

www.valleyair.org

SECTION II BACKGROUND

The SJVAPCD is comprised of eight counties: San Joaquin, Stanislaus, Merced, Madera, Fresno, Kings, Tulare, and the San Joaquin Valley portion of Kern. The SJVAPCD does not meet the health based National Ambient Air Quality Standards (NAAQS) for ozone and particulate matter ten (10) microns or less in diameter (PM10), and is required to implement strategies that will result in emissions reductions. Reactive organic gases (ROG) and nitrogen oxides (NOx) are precursors that react in sunlight to form ozone. NOx is also important in the formation of secondary PM10. Internal combustion engines are a significant source category that provides an opportunity to pursue substantial emission reductions.

SECTION III ELIGIBLE PARTICIPANTS AND VEHICLES

Any individual, private company, non-profit public service organization or government agency (with certain restrictions) may apply to receive an incentive under this program.

The criteria for **eligible on-road OEM** low-emission vehicles are as follows:

- The motor vehicle must have a gross vehicle weight rating (GVWR) of 14,000 pounds or less.
- If the alternative fuel motor vehicle is capable of freeway travel, it must be certified to one of the following ARB Low-Emission Vehicle emission standards:
 - Zero Emission Vehicle (ZEV)
 - Partial Zero Emission Vehicle (PZEV)
 - Advance Technology PZEV AT (PZEV)
 - Super Ultra Low Emission Vehicle (SULEV)
 - Ultra Low Emission Vehicle (ULEV)
- With the exception of hybrid electric vehicles, **no vehicle with the ability to operate on gasoline or diesel is allowed** (e.g. dual-fuel).
- Only public agencies or non-profit public service organizations may receive an incentive for a hybrid vehicle. In addition, vehicle ownership and operations must serve the nonprofit organizational activities. The SJVAPCD will require confirmation of an organization's "active" non-profit status from the Corporate Identification Number registration (established under the Nonprofit Corporation Law) through the California Office of the Secretary of State.
- The vehicle must meet all applicable license and registration requirements with the California Department of Motor Vehicles (DMV).
- The vehicle must be new. No lease-returned or used vehicles are eligible.

Fueling infrastructure is not eligible for funding under this program.

**SECTION IV
PROGRAM
REQUIREMENTS**

In addition to the above criteria, the following elements are set forth as program requirements:

- The vehicle shall be based within the geographic area of the SJVAPCD (*See map in Section VIII*).
- Seventy-five percent (75%) or more of the vehicle miles traveled or fuel consumption will be within the boundaries of the SJVAPCD. The vehicle must be operated for at least three (3) years from the date the vehicle is placed into service with the new reduced-emission technology.
- Simple annual reports will be required for three (3) years from the beginning of vehicle operation. The reports shall include such information as vehicle miles traveled, fuel consumed, and details regarding any major maintenance problems experienced.
- The incentive amount for alternative fuel vehicles will be based on vehicle type and/or ARB emission standards, as follows:

| MAXIMUM INCENTIVE LEVEL BY VEHICLE TYPE | |
|--|---------|
| Light-Duty Vehicle Incentives (0 - 8,500 lbs. GVWR): | |
| • ZEV | \$3,000 |
| • SULEV, PZEV, AT PZEV | \$2,000 |
| • ULEV | \$1,000 |
| Medium-Duty Vehicle Incentives (8,501 – 14,000 lbs. GVWR): | |
| • ZEV/SULEV | \$3,000 |
| • ULEV | \$2,000 |
| Electric Motorized Bicycles (Law Enforcement and Emergency Services Only) | \$1,000 |

- Leased vehicles are eligible for funding at a reduced funding amount equal to one-half (½) the incentive amount for vehicle purchases. Additionally, the lease term must be at least 3 years.
- The maximum incentive level for any eligible motor vehicle cannot exceed 50% of the total vehicle purchase cost.
- If the vehicle does not complete the minimum three (3) year term set forth in this program, a pro-rated portion of the funds must be returned to the SJVAPCD.

- Only one incentive is available per vehicle. Once a vehicle has received any incentive from the SJVAPCD, that vehicle is no longer eligible for this or future SJVAPCD incentive programs.
- Purchaser agrees that any emission reductions associated with this program will be claimed and retired by the SJVAPCD in the interest of air quality improvement for the residents of the San Joaquin Valley. Purchaser waives, for all time, the right to claim emission reduction credits which may accrue at any time as a result of this program, and agrees not to apply to the SJVAPCD or any other agency for such credits.
- Other co-funding is encouraged, and may be useful to cover unfunded portions of the vehicle cost, but is not required. State of California incentives and state and federal tax credits may be available for certain vehicles.
- Evidence of available alternative fuel infrastructure (e.g. battery chargers for EVs) must be provided.

Criteria and requirements may be reviewed, as new information becomes available, and can be revised at the discretion of the Executive Director/Air Pollution Control Officer as needed.

SECTION V APPLICATION/ PROGRAM PROCESS

The application and program participation process is as follows:

1. Find a vehicle dealer offering a qualifying vehicle of your choice. A list of qualifying vehicles is located on ARB's website at: www.arb.ca.gov/msprog/ccvl/2005ccvl.htm. You may contact the SJVAPCD to ensure a selected vehicle is eligible for participation in the program. Vehicles not listed may be added or considered on a case-by-case basis.
2. Submit a completed application to the SJVAPCD to verify vehicle eligibility and to obtain authorization to receive an incentive. The SJVAPCD will set aside funding for your vehicle.
3. Sign a simple contract with the SJVAPCD agreeing to operate the vehicle in the San Joaquin Valley, to have appropriate insurance coverage, to provide annual reports on vehicle usage, and other standard provisions for a period of three (3) years.
4. Order vehicle from the dealer. **Please Note: This is not a rebate program. If you have already purchased a vehicle, you are not eligible to receive an incentive. Vehicles ordered prior to contract execution may still be eligible. However, applicants must not pay for or take delivery of vehicles without a signed contract.**

5. Take delivery of the vehicle and submit a copy of the sales contract or invoice; SJVAPCD Claim for Payment form, evidence of insurance coverage (if applicable), and other required information to the SJVAPCD.
6. SJVAPCD reviews information and processes payment.
7. Applicant fills out a one page SJVAPCD report form annually for three (3) years providing information on mileage, fuel use, and major maintenance problems (if any).

Timeframe Goals:

The SJVAPCD will make every effort to process applications quickly. If numerous applications are received, it may not be possible to meet the processing goals listed below.

1. The application is reviewed by SJVAPCD staff for completeness, generally within thirty (30) working days of receipt of the application. If the application is incomplete, it will be returned to the applicant with a description of areas in which the application is inadequate. Any revised application that is not returned by the applicant with the requested information within fourteen (14) calendar days is rendered null and void, and resubmittal is required.
2. An evaluation period of approximately thirty (30) working days will follow for staff to assess the emission reductions, cost effectiveness, and validate the project proposal and application meets all the criteria established for the program component.
3. Upon approval of the application, the SJVAPCD will prepare a standard contract for signature by the applicant and the SJVAPCD. **Please Note: Depending on the number of applications received, the contract process may take as much as eight (8) weeks to complete.**
4. The SJVAPCD will issue payment within 45 days after contract execution, given that the vehicle has been placed into service.
5. Applicant submits annual reports that contain miles traveled, fuel used, and describes any major maintenance problems experienced. The SJVAPCD maintains the right to monitor the project periodically to ensure that vehicles are kept in service.

Public natural gas fueling stations have been built in many San Joaquin Valley cities. For a natural gas station locator try the California Natural Gas Vehicle Coalition's website at www.cngvc.org, or contact your local gas utility, the California Energy Commission, or the SJVAPCD for a list of stations near you. Small-scale time-fill units are available at a

relatively low cost for home and business use. Fleets with small numbers of natural gas vehicles may find that these slow fill units meet their fueling needs. Home electrical charging systems are available at moderate cost.

**SECTION VI
INFORMATION
NEEDED FOR
APPLICATION**

The applicant must provide information about each new vehicle. Additional information may be requested during the review process if needed.

Applicant Information

- Organization name, address, contact name, person with contract signing authority, phone, fax and email.
- The geographic area where the vehicle will be operated. Seventy-five percent or more of vehicle miles traveled must occur within the SJVAPCD.

Engine and Vehicle Information

- The number of vehicles proposed.
- The specific vehicle make, model number (engine family series if applicable) and year.
- Type of alternative fuel or battery type.
- Gross Vehicle Weight Rating (medium-duty vehicles only).
- Type of activity for which the vehicle will be used.
- Estimated mileage and/or fuel usage per year for each vehicle.
- Vehicle costs.
- ARB certification standard (i.e. ULEV, SULEV, AT PZEV, PZEV, ZEV).
- Vehicle Manufacturer/Dealer information.

Maintenance (Alternative Fuel Only)

- Describe your maintenance facility and practices, including any special training required for the alternative fuel vehicle. If the training has not been completed, provide a time line for completion.

Refueling Facility Arrangements for Alternative Fuels

- Describe fully how the vehicle will be refueled, whether it will be a new facility, existing on-site facility, off-site facility, or use of mobile/skid mounted refueling equipment. Provide verification that the vehicles will have access to a refueling facility. Private individuals installing home fueling must comply with all building code and safety regulations for their community.
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SECTION VII CONTRACT REQUIREMENTS

Those applicants that receive funding must enter into explicit contracts with the SJVAPCD setting forth specific performance criteria to ensure compliance with statute and audit requirements.

Contract preparation will begin immediately upon SJVAPCD approval of an application.

Applicants who are planning a future purchase of an eligible vehicle will have one year from the contract execution date to make the purchase.

A guidance document with specific instructions for submitting the Claim For Payment form will be included along with a copy of the executed contract.

Prior to receiving any funds, the grantee must provide the SJVAPCD with the following information:

1. **SJVAPCD Claim(s) for Payment** – Claims must be signed by the designated signing authority. Claims must include the vehicle license plate number and Vehicle Identification Number (VIN) for verification of DMV registration requirements.
2. **Verification of Purchase** – Copies of the sales contract or invoice from the purchase.
3. **Verification of Insurance Coverage** – Submit a copy of an insurance policy statement or an insurance card showing the license plate and Vehicle Identification Number (VIN). If self-insured, a letter from a risk manager or the like will be acceptable.

The contract will require the applicant to perform adequate record keeping for the SJVAPCD to verify the appropriate use of government funds. It will also include reporting requirements by the applicant. Contract monitoring will be performed by SJVAPCD staff on a periodic basis. Additionally, the SJVAPCD reserves the right to conduct a fiscal audit to ensure appropriate expenditure of funds.

SECTION VIII
MAP OF THE
SJVAPCD

