

Placer County Air Pollution Control District

On-Road Heavy Duty Fleet Replacement Program

The On-Road Heavy-Duty and Fleet Modernization Program (On-Road Program) reduces emissions by replacing or retrofitting existing, high-polluting vehicles with newer, cleaner equipment earlier than would have been expected through normal attrition. Carl Moyer Program (CMP) funds may be used to offset part of the cost of the replacement vehicle or retrofit. This program document provides the general requirements of the On-Road Program. This program document is intended to outline the general requirements for on-road replacement projects and in no way is a replacement for the CMP Guidelines. For complete list requirements, please refer to the Moyer Program Guidelines which can be found on the District’s website by going to www.placerair.org.

I. Projects Eligible for Funding

New Replacement Vehicle Purchase: The purchase of a new heavy-duty vehicle with an engine certified to the current year emission standards to replace an existing vehicle that is to be scrapped. Replacement projects which go from diesel to an optional low NOx engine or to all electric are also eligible project types.

All on-road vehicle replacement projects must comply with the on-road surplus requirements. Vehicles eligible for replacement funding include school buses, emergency fire apparatuses, and heavy-duty on-road vehicles greater than 14,000 GVWR (very limited options for vehicles subject to the State’s Truck and Bus Regulation). Eligibility for specific projects will vary depending on fleet size, regulatory compliance option, Gross Vehicle Weight Rating (GVWR), engine model year, pollutant type, and other factors. Additional details on project eligibility can be found in Chapter 4 of the CMP Guidelines.

II. Maximum Funding Percentage

For fleets with ten or fewer vehicles over 14,000 lbs. GVWR, the State funding amount cannot exceed 80 percent of the vehicle cost (excluding taxes and fees). For fleets with more than ten vehicles, the funding amount cannot exceed 50 percent of the vehicle cost (excluding taxes and fees). School buses, repowers, and emergency vehicles are not limited by maximum funding percentages based on fleet size. The funding caps that apply to these maximum percentages of eligible cost and maximum dollar amounts, as applicable, are summarized in Tables 1 through 7 below.

Note that even if a project qualifies for a maximum funding cap, based on emission reductions, it does not mean that a project will be awarded a grant based on that amount, it is only a best case scenario. Certain factors, such as limited funds, project emission reductions, or more restrictive local requirements will likely affect final award amounts.

**Table 1.
State Funding Caps for Moyer School Bus Projects**

Project Type	Funding Cap
School Bus Diesel or Alternative Fuel Replacements	\$165,000

Project Type	Funding Cap
School Bus Optional Low-NOx or Hybrid Replacements	\$220,000
School Bus Zero-Emission Replacements	\$400,000
School Bus Repowers	\$70,000
School Bus Electric Conversions	\$400,000

Table 2.
State Funding Caps for Conventional Diesel or Alternative Fuel or Hybrid Replacements
(2013+ engine model year; 0.20 g/bhp-hr NOx or cleaner standard)

Weight Class	Funding Cap
Heavy Heavy-Duty (HHD) GVWR > 33,000 lbs.	\$60,000
Medium Heavy-Duty (MHD) GVWR 19,501-33,000 lbs.	\$40,000
Light Heavy-Duty (LHD) GVWR 14,001-19,500 lbs.	\$30,000
Emergency Vehicles GVWR > 14,000 lbs.	80% of Cost

Table 3.
State Funding Caps for Optional Low NOx Replacements

Optional Low NOx standard (g/bhp-hr)	HHD	MHD	LHD
0.02	\$100,000	\$80,000	\$70,000
0.05	\$80,000	\$60,000	\$50,000
0.10	\$70,000	\$50,000	\$40,000
Transit Buses	\$25,000		

**Table 4.
State Funding Caps for Optional Low NOx Repowers**

Vocation Type	Funding Cap
Transit Bus	\$20,000
Other Trucks and Buses	\$40,000

**Table 5.
State Funding Caps for Zero Emission Replacements or Conversions**

Weight Class/Vocation Type	Funding Cap
Transit Bus	\$80,000
HHD Truck or Bus	\$200,000
MHD Truck or Bus	\$150,000
LHD Truck or Bus	\$80,000

**Table 6.
State Funding Caps for Hybrid Conversions**

Weight Class	Funding Cap
LHD	\$7,500
MHD	\$10,000
HHD	\$15,000

III. Vehicle Replacement Requirements

Existing (Old) Vehicle Requirements: For a complete list of requirements and eligible project types, refer to Chapter 4 of the CMP Guidelines.

1. General Requirements

To receive funding, a fleet owner/operator must be compliant with all federal, State, and local air quality rules and regulations including the Periodic Smoke Inspection Program (PSIP). Surplus requirements are determined by the regulation to which a project is subject. The District must submit information regarding the project to CARB to check for outstanding violations and compliance with State regulations such as the Statewide Truck & Bus Regulation.

The existing vehicle must either be:

- a. Currently registered and have been registered in California for the past twenty-four (24) months; or

- b. Registered in California for the previous eight (8) consecutive months supplemented by alternate documentation showing California operation for the past twenty-four (24) months.
2. The existing vehicle must be in operational condition. If the existing vehicle operates seasonally, then the existing vehicle may be eligible to participate if it has been registered in California for three (3) to six (6) continuous months per twelve (12) month period for the previous twenty-four (24) months. California Department of Motor Vehicles (DMV) partial year registration documentation for each period the vehicle was registered must be included with the application. The applicant must certify that at least 75% of total usage occurs in Placer County (and 95% in the State of California). In some instances where projects do not meet the 75% total historical usage in Placer County, the APCO shall have the discretion of allowing a project to be considered for funding and shall also provide direction on what level of usage shall be used in order to evaluate the project for emission reductions.
3. The applicant must submit documentation of annual miles traveled or gallons of fuel consumed for the previous twenty-four (24) months to determine cost-effectiveness. Examples of documentation include logbooks, fuel records, and maintenance records or tax records. The applicant must also provide copies of proof of insurance for the existing vehicle for the previous twenty-four (24) months. If a fleet has recently reported in the Truck Regulations Upload and Compliance Reporting System (TRUCRS) to follow a limited usage compliance option (e.g., Low Mileage Work Truck Option, Nitrogen Oxides (NOx) Exempt Area Option, etc.), and the historical usage is outside of the limits of the option, the grant amount must be decreased to only include the usage limits of the option. Applicants that do not provide credible records to document the previous two (2) year's amount of historical operation in Placer County are not eligible for funding.
4. School Buses:
 - a. Eligible Applicants: Public school districts in California that own their own school buses are eligible for funding. Where a Joint Power Authority (JPA) has been formed by several public school districts and the JPA holds ownership of the school buses, then the JPA is also eligible for funding. School transportation contractors, non-profit agencies, private schools, and other private companies are not eligible to receive funding for school bus projects.
 - b. Truck and Bus Regulation Compliance: School buses subject to the Truck and Bus Regulation are only eligible if they meet one of the following requirements:
 - i. The existing school bus must have an OEM diesel particulate filter (DPF) installed.
 - ii. The existing school bus must be retrofitted with a DPF that reduces diesel PM emissions by at least 85 percent.
 - iii. The existing school bus must be reported in TRUCRS under the Low-Use exemption.
 - c. The existing school bus must be reported in TRUCRS under the Extension for the Unavailability of Verified Diesel Emission Control Strategy (VDECS). This extension expires on January 1, 2018, at which point such school buses will no longer be eligible for Moyer Program funding.

- d. CHP Safety Certification. All existing school buses must have a current CHP safety certification (CHP Form 292) at the time funding is awarded for the project (i.e., the school bus may not have a lapsed CHP safety certification), and it must be currently registered with the Department of Motor Vehicles (DMV).
- e. School Bus Electric Conversion Projects. The baseline vehicle chassis must be ten years old or newer. CHP requires engineering plans, certified by a California licensed engineer, to be able to safety certify the school bus.

5. Emergency Vehicles:

Eligible Vehicles: Authorized emergency vehicles as described in the California Vehicle Code 165 including, but not limited to fire apparatus, pumpers, ladder trucks, and water tenders. Other MHD and HHD diesel authorized emergency vehicles, such as prisoner buses, are also eligible for funding.

6. Additional Projects:

For a complete list of eligibility requirements and project types, refer to Chapter 4 of the CMP Guidelines.

A. Replacement Vehicle Requirements:

1. Vehicles purchased before an executed grant contract is signed by both parties are not eligible for funding and will be disqualified from the program.
2. Vehicles may only be purchased through a licensed California dealership.
3. Emission Standards: Replacement vehicles with a 2013 model year or newer engine certified to a PM emission standard of 0.01 g/bhp-hr and a NOx family emission limit or NOx standard level of 0.20 g/bhp-hr or lower are eligible for funding. New electric vehicles and non-combustion hybrid vehicles (e.g., electric vehicles powered by a hydrogen fuel cell) must have an CARB approval letter confirming the vehicle does not emit any vehicle exhaust emissions or fuel-based evaporative emissions. If the baseline engine model year is 2010, the replacement engine must be certified to a NOx standard level of 0.10 g/bhp-hr NOx or lower.
4. The replacement vehicle must have the same axle and body configuration, and be in the same weight class as the existing vehicle.
5. The replacement vehicle must serve the same function and perform the same work equivalent as the existing vehicle.
6. The replacement engine horsepower must be no more than 25 percent greater than the existing engine horsepower. In limited situations, such as the non-availability of the original horsepower range for the specific application, the District may approve a greater than 25% increase in horsepower.
7. Except for school buses, hybrids, and zero-emission vehicles, all Program Participants must purchase, at a minimum, a one-year or 100,000-mile major component engine warranty for the replacement vehicle. The warranty must cover parts and labor. It is recommended that the highest grade warranty be purchased in order to avoid expensive repairs in the future.
8. Program Participants must purchase, at a minimum, a three-year of 50,000 mile

warranty for hybrids, electric vehicles, and conversion systems.

B. Existing Vehicle Destruction Requirements:

The On-Road Program requires the existing vehicle be dismantled. The chassis and engine must be destroyed to permanently remove existing equipment from service. The vehicle being removed from service shall be delivered to a District-approved Dismantler within 60 calendar days of receiving the new replacement vehicle by the dealership where the replacement vehicle was purchased. The approved Dismantler shall destroy the engine and chassis within sixty (60) days of receipt as described in the signed Dismantler Agreement.

C. Program Participant Requirements:

The following requirements apply for the duration of the as described in the Grant Contract:

1. The Program Participant must be the registered owner of the replacement vehicle for the project life.
2. The Program Participant must maintain replacement value insurance coverage for the project life.
3. No CMP funds will be issued for maintenance or repairs related to the operation of the vehicle. The Program Participant takes sole responsibility for ensuring that the vehicle is in operational condition throughout the project life.
4. Throughout the contract term, the Program Participant must complete the following minimum reporting requirements:
 - a. Provide registration and proof of insurance to the District annually.
 - b. Provide annual reports that include information such as miles driven in Placer County and California, the amount of fuel consumed in the twelve (12) months preceding the report date, details regarding maintenance and servicing, and any other items specified by the District.
5. Except for school busses, all Program Participants must purchase, at a minimum, a one-year or 100,000-mile major component engine warranty for the replacement vehicle. The warranty must cover parts and labor. It is recommended that the highest grade warranty be purchased in order to avoid expensive repairs in the future.
6. If the replacement vehicle is involved in an accident, the Program Participant must report the accident to District staff within fourteen (14) days. The Program Participant must provide a police report of the accident, a letter from the insurance company regarding the accident, and any additional information requested by the District. The Program Participant must repair the vehicle and return it to operation, if possible. Down time due to an accident will be credited toward the performance requirements as long as the information is reported as requested and the repairs are made as soon as possible. If the vehicle is totaled, the Program Participant and District staff must come to an agreement regarding any requirements that still need to be met.
7. Emission controls on the replacement vehicle engine cannot be modified in any manner.
8. Unauthorized modification to engine performance (including changes in hp), emission

characteristics, engine emission components (not including repairs with like-OEM replacement parts), or any other modifications to the engine's emission control function are not allowed.

IV. **Vehicle Retrofit Requirements:**

- A. The following requirements apply to retrofit projects:
1. The installation of a verified diesel emission control strategy. Diesel particulate filters are required for most on-road heavy-duty diesel vehicles in California, either as OEM equipment in new trucks or through phased compliance schedules for older trucks complying with CARB rules and regulations. Funding is limited to retrofits that provide early or extra emission reductions to the regulations.
 2. Only CARB-verified retrofits are eligible for funding.
 3. Retrofit projects that reduce NOx emissions must be verified by CARB to a NOx reduction level of at least 15% from the baseline engine to claim NOx reductions from the project.
 4. Retrofit projects must use the highest level technically feasible technology verified for the engine being retrofitted. CARB considers the retrofit device that achieves the highest level of PM reductions (Level 3 – 85%) and the highest level of NOx reductions to be the highest level retrofit.
 5. To receive funding for a retrofit, a fleet owner/operator must have the retrofitted vehicle that is eligible for a low NOx software upgrade (reflash) reflashed within sixty (60) days of receipt of payment. The fleet owner/operator may self-certify to the District that the reflash has been performed by submitting receipts of reflash completion or a picture of the "Low NOx Reflash Label" from the reflashed engine to the District. Most HHD, and some MHD, engines manufactured between 1993 through 1998 are eligible for reflash.
 6. All existing school buses must have a current CHP safety certification at the time funding is awarded to retrofit a school bus (i.e., the school bus may not have a lapsed CHP safety certification), and must be currently registered with the DMV.

V. **District Administrative Requirements:**

The District staff will implement the On-Road Program using the following administrative procedures:

- A. The District's Request for Proposals (RFP) will solicit applications for on-road projects along with the other CMP categories listed in the District's Policies and Procedures Manual. Each application will be evaluated and ranked in accordance with the District's Policies and Procedures Manual.
- B. District staff may develop additional forms if necessary to collect all information, records, and price quotes necessary to evaluate the proposal and to populate the data fields in CARB's Clean Air Reporting Log (CARL) database.
- C. District staff will evaluate each proposal to verify the eligibility and cost-effectiveness in accordance with CMP Guidelines. As part of the evaluation, staff will conduct a pre-inspection of the existing equipment.
- D. After the District receives an application for any on-road project but before contract

execution, District staff will submit information regarding the project to CARB to check for outstanding violations, previous project funding, and compliance with applicable regulations. All compliance check documentation must be kept in the project file.

- E. A grant contract will be executed for each on-road vehicle replacement project that competes successfully in the RFP process and is approved by the District's Air Pollution Control Officer.
- F. Upon delivery of the new vehicle to the dealership, District staff will conduct a post-inspection. The dealership shall not deliver the new vehicle to the program participant until the post-inspection is complete, all required documents are submitted, and the vehicle's release has been authorized by the District.
- G. After District staff approves the post-inspection of the new vehicle the dealership shall deliver the new equipment to the program participant. The replaced vehicle must be delivered to a dismantler, by the dealer, within sixty (60) days of receipt of the old engine and vehicle.
- H. Reimbursement will be processed (less 10%¹) once the District confirms the following:
 - a. Approved pre-inspection
 - b. Approved post-inspection
 - c. Approved destruction of existing vehicle
 - d. Approved invoice(s)
 - e. Financing terms (if applicable)
 - f. Confirmed submittal of W-9
 - g. District listed as additional insured
 - h. Copy of new vehicle warranty, registration, title, and vehicle insurance
 - i. Proof of CHP 292 certification (school buses only)
- I. All payments will be issued to the program participant.

VI. Dealership Requirements

- A. Dealerships have the option of entering into an agreement with the District. Whether the dealership enters into an agreement or not, dealerships are still obligated to follow the Carl Moyer Guidelines and the requirements outlined within this document.
- B. Dealerships and installers must warrant that they meet the following minimum qualifications and will continue to meet these qualifications throughout participation in the Program:
 - 1. Dealership/Installer has had a valid business license issued in California for a minimum of the last two years.
 - 2. Dealership has had a valid vehicle dealership license with DMV for a minimum of the last two years. The installer is authorized by the manufacturer.

¹ Ten percent of the total awarded grant amount will be held back until the first year monitoring report is submitted to and approved by the District.

3. Dealership/Installer maintains a minimum of one employee that has successfully completed the training by the District regarding terms, conditions and requirements of the Program. If a participating dealership maintains more than one location for truck sales, then each location must have at least one employee trained.
4. Dealership/Installer agrees to allow the District or ARB to inspect vehicles or audit program records covered under the Moyer Program Guidelines during normal business hours.

C. Dealerships must:

1. Provide basic information to vehicle owners about the Moyer Program.
2. Help participants complete the application, if necessary. It is important to make sure that all information is filled out correctly and that the participant understands the meaning of the program and the contract. Once complete, the dealer may submit the application package to the District according to the agreement or MOU, if applicable.
3. Dealerships and installers must adhere to agreements or MOUs established with District, if applicable.
4. Dealerships and installers must submit all supporting documentation required under the Guidelines and if applicable, District agreement for each project.
5. Dealerships and installers must possess pre-inspection documentation of the existing and replacement engines/vehicles prior to releasing the replacement engine/vehicle to the Program Participant. If the agreement (when applicable) specifies that the District or other third party will perform any inspections, the dealership/installer must receive air district approval before releasing the replacement engine/vehicle. Upon request of the District, ARB may waive inspection requirements.
6. For replacements, the dealership must ensure the existing vehicle is in similar condition as found in the pre-inspection. The dealer should reject the condition of the existing vehicle if it is deemed non-roadworthy or if parts were stripped from the existing vehicle (except for parts essential to vocation that will be installed on the replacement vehicle).
7. The dealer or installer must deliver the existing engine/vehicle to a qualified dismantler within 60 calendar days of receipt of the existing vehicle (vehicle to be replaced). The dealer or installer must immediately notify the District of the location and date of delivery of the existing engine/vehicle to the dismantler. The participating dismantler may also pick up the existing engine/vehicle.
8. Use of Engine or Vehicle Pending Destruction: The dealer/installer may not use or permit the use of, the engines or vehicles, except use necessary to move it for destruction or storage.
9. For electric or hybrid vehicles (new or converted), the dealership/installer/manufacturer must provide the District with a copy of the owner's manual and other materials that will be provided to the purchaser/participant. The owner's manual and other materials must at least include the following information:
 - a. A brief description of the vehicle/conversion system, including major components and their theory of operation and proper operating procedures;

- b. Battery maintenance best practices and charging procedures and protocols, if applicable;
- c. A listing of necessary service intervals and service requirements that differ from the base vehicle's or engine's original manufacturer's, if applicable;
- d. A statement that the hybrid converted vehicle is subject to all in-use vehicle inspection and maintenance programs applicable to its size, type, and class;
- e. The name, physical address, e-mail address, phone number, and website, if available, of the manufacturer and authorized installer, as well as a list of the names, addresses, and phone numbers of the major dealers who supply parts for, or service the vehicle;
- f. All information necessary for the proper and safe operation of the vehicle, including information on safe handling of the battery or energy storage system, and emergency procedures to follow in the event of battery leakage or other malfunctions that may affect the safety of the vehicle operator, emergency personnel, or laboratory personnel;
- g. The product warranty statement.

VII. Dismantler Requirements

- A. If the existing engine or vehicle is replaced or removed, it must be dismantled. This requirement has been established to ensure that emission reductions are real, preventing the engine from continuing to emit high levels of pollutants. Destruction of the existing vehicle chassis and engine permanently removes the old, high emitting vehicle from service. The existing vehicle and engine specified in the application (or engine only for repower and conversion projects) must be dismantled, and may not be substituted with a different vehicle.
- B. To participate in the Program, dismantlers must:
 - 1. Enter into an agreement with the District.
 - 2. Have at least one active employee who received training by the air district on the requirements of the Moyer Program. If a dismantler has more than one location, then the dismantler must have at least one active employee trained by the District at each location that will be accepting engines/vehicles for the Moyer Program.
 - 3. Be licensed by DMV as a dismantler for at least the previous two years.
 - 4. Have had a valid business license issued in California for a minimum of the last two years.
 - 5. Possess a current, valid California Environmental Protection Agency Hazardous Materials Generators Permit.
 - 6. Be in compliance with all local, State, and federal laws and regulations.
- C. The dismantler must do the following for each engine/vehicle:
 - 1. Dismantle the old vehicle in accordance with Moyer Program Guidelines within 60 calendar days of receipt. Upon dismantler request, the District may approve an extension.

2. Destroy and render useless the existing vehicle and/or engine. At a minimum, the destruction must include the following:
 - a. Both frame rails must be completely severed between the front and rear axles.
 - b. A hole must be put 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). A section of the oil pan flange must be removed as part of the hole or have a line cut through it that connects to the hole.
3. If the vehicle is to be scrapped, the dismantler must completely sever the frame rails of the old vehicle to ensure that the vehicle will not be used again.
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, right, and left side of vehicle with hood down including license plate if available (vehicle scrap).
 - b. VIN tag (vehicle scrap).
 - c. Engine serial number either stamped on the block or on the tag (engine or vehicle scrap).
 - d. Left and right side of destroyed engine block either in-frame or out of frame (engine or vehicle scrap).
 - e. Hole in engine block (engine or vehicle scrap).
 - f. Completely severed frame rails (vehicle scrap).
 - g. Odometer Reading (vehicle scrap).
5. Prepare and submit to DMV either a "Non-Repairable Vehicle Certificate" using an "Application for Salvage Certificate or Non-Repairable Vehicle Certificate" (REG 488C), or a Notice of Acquisition/Report of Vehicle To Be Dismantled (REG 42) ensuring the VIN can never be registered again in California. Within 90 calendar days of the dismantle inspection date, the dismantler must provide verification to the District that the existing vehicle has been registered with DMV as non-revivable with a type transaction code (TTC) L10 or C26 on the DMV Reconciliation transaction receipt or other DMV documentation that satisfies this requirement.
6. Upon request of the District, ARB may approve an alternative disposition for the old engine/vehicle.
7. As specified in California Code of Regulations, title 13, section 2706(i)(3)(G), no party shall advertise, sell, lease, or offer for sale or lease, a used verified diesel emission control strategy.
8. Dismantler Inspection: Once the District is notified, a dismantler inspection will be scheduled and photos documenting the destruction of the engine will be taken in accordance with the Guidelines. The dismantler shall not move the vehicle off of their property or part out a vehicle until a dismantler inspection by the District or a designated contractor has been performed and given approval by the District.

9. Use of Engine or Vehicle Pending Destruction: The dismantler may not use or permit the use of, the engines or vehicles, except use necessary to move it for destruction or storage.