

Truck Replacement Program

Electric Yard Truck Option Guidelines

The goal of this program is to reduce emissions from diesel engines in heavy-duty yard trucks that operate at least 100% of the time within the District boundaries (see page 7 for map) by replacing the old, high polluting yard trucks with new, zero emission electric yard trucks. **Funds are provided on a first come, first served basis and applicants must obtain approval and have a signed, executed contract from the District prior to the purchase or transfer of any equipment. Any equipment purchased or transferred prior to contract execution is ineligible as this is not a rebate program.**

I. General Information

Yard Trucks are either manufactured as on-road or off-road certified vehicles. The program requirements for on-road and off-road yard trucks differ thus it is important to know which requirements apply to your equipment. Please refer to the engine EPA Family name or your manufacturers' specifications to determine if your equipment is on-road or off-road certified. The District may consider projects that deviate from the guidelines on a case-by-case basis.

A. Program eligibility requirements

1. The replacement vehicle must be in the same weight class as the existing vehicle (e.g. Class 8 old truck can be replaced with a class 8 new truck).
2. 100% of the total annual usage must be within the District's boundaries.
3. Equipment Leasing is **NOT** allowed. If financing is necessary, the equipment purchase must be financed with a conventional purchase loan.
4. The fleet must be in compliance with all rules and regulations, not have any outstanding violations, open cases, and be up to date on annual reporting with all other applications funded through the District.
5. Fleet Compliance – The following table provides assistance in determining which state regulation may apply to your vehicle, however, it is the sole responsibility of the fleet to ensure compliance with the appropriate regulation and should not be a substitute for reading the actual regulation text, nor does it constitute legal advice.

Engine Type & Use	Applicable Regulation
Off-Road Engine	
Used at ports & intermodal rail yards to carry cargo containers with or without chassis and meets the definition of "yard truck" in the Cargo Handling Equipment Regulation	Cargo Handling Equipment Regulation https://ww2.arb.ca.gov/our-work/programs/cargo-handling-equipment
Used in NON -Agricultural operations	Off-Road Regulation www.arb.ca.gov/ordiesel
Used in Agricultural Operations or for the first processing of agricultural products	On-Road Truck and Bus Regulation http://www.arb.ca.gov/dieseltruck
On-Road Engine	
Used in Agricultural Operations or for the first processing of agricultural products	On-Road Truck and Bus Regulation http://www.arb.ca.gov/dieseltruck
Used at ports & intermodal rail yards to carry cargo containers with or without chassis and meets the definition of "yard truck" in the Cargo Handling Equipment Regulation	Cargo Handling Equipment Regulation https://ww2.arb.ca.gov/our-work/programs/cargo-handling-equipment
All other on-road engines not subject to the Cargo Handling or Off Road Regulations	On-Road Truck and Bus Regulation http://www.arb.ca.gov/dieseltruck

6. Surplus Requirement – Vehicles must meet surplus time requirements as indicated in the table below. Surplus time is the amount of time, in years, from when the new, replacement vehicle is put into service and the compliance date for the old vehicle.

Minimum Surplus Requirements	
Applicable Regulation	Minimum Required Years of Surplus
On-Road Truck and Bus Regulation	1 year
Cargo Handling Equipment Regulation	3 years
Off-Road Regulation	Large Fleets - 3 years Medium Fleets - 3 years Small Fleets - 2 years

B. Participant Requirements:

1. Submit a completed application to the District.
2. Not purchase, make down payments, or take possession of the replacement truck prior to the issuance of an executed contract—doing so will render the project ineligible for funding.
3. Have owned the old truck for, at minimum, the past 24 months.

4. Demonstrate the old truck is domiciled within the boundaries of the District boundaries (page 7) and operates 100% of the time within the District boundaries.
5. Surrender the old truck to a District approved dismantler for destruction within 30 days of receiving the new truck.
 - a. The old truck must be delivered to the dismantler in operable working condition and must be rendered permanently inoperable within 90 days of receiving the new truck and prior to the applicant receiving reimbursement from the District.
6. Agree to allow the District, its representative(s), the California Air Resources Board (CARB) or the Environmental Protection Agency (EPA) to inspect the replacement truck upon request any time for the duration of the project life.
7. Properly maintain the replacement truck in good operating condition and according to manufacturer's recommendations.
8. Certify that there are no outstanding ARB violations for equipment associated with the old truck on the application.

II. Funding

- A. Funding is awarded at 45% of the total eligible cost of the replacement truck as a reimbursement not to exceed \$200,000 for Class 7 – 8.
- B. Eligible costs include the cost of the cab and chassis including parts that are integrated into the vehicle.
 1. The eligible cost is calculated based on the invoiced price prior to any grants, incentives or non-manufacture discounts being applied.
 2. Eligible items include standard and optional equipment, taxes, licensing and delivery costs associated with the purchase of the vehicle.
 3. Ineligible items include off-board charging cabinet, extended warranty, custom paint, and other items that are not integrated into the vehicle.
- C. Funding will be decreased at time of reimbursement if the final invoice is less than the quoted amount to insure the funding amount does not exceed 45% of the final eligible cost. However, funding will not be increased if the final invoice is greater than the quoted amount.

III. Old Truck Eligibility

- A. **On-Road** manufactured trucks must meet the following eligibility requirements:
 1. Have an Engine Model Year of 2009 or older.
 2. Have a Gross Vehicle Weight Rating (GVWR) of 26,001 or more pounds (Class 7 - Class 8).
 3. Be owned by the applicant for the past 24 months.
 4. Be in compliance with and registered in the applicable state regulation reporting database.
 5. Be registered with the ARB Truck Regulations Upload and Compliance Reporting System (TRUCRS)
 6. Operate one hundred percent (100%) of the time within the District boundaries (page 7) for the past 24 months prior to the application submission date.
 7. Be in operating condition at the time of application submission.

- a. Operating condition will be determined through an inspection process conducted by Dealership staff or District staff prior to issuing a contract. Trucks found to be non-operational during the inspection process will be deemed ineligible for the Program.

B. Off-Road manufactured trucks must meet the following eligibility requirements:

1. Have an engine that is either uncontrolled, Tier 1, Tier 2 or Tier 3 certified.
2. Be owned by the applicant for the past 24 months.
3. Be in compliance with and registered in the applicable state regulation reporting database.
4. Operate one hundred percent (100%) of the time within the District boundaries (page 7) for the past 24 months prior to the application submission date.
5. Be in operating condition at the time of application submission.
 - a. Operating condition will be determined through an inspection process conducted by Dealership staff or District staff prior to issuing a contract. Trucks found to be non-operational during the inspection process will be deemed ineligible for the Program.

IV. Documentation

The following documentation must be submitted for each truck on application. Please note that documentation will vary depending in if your old truck and engine is certified for on-road or off-road use.

For All Trucks

- A. Proof of insurance** for the past 2 years
- B. Proof of compliance** with applicable state regulation.
 1. Copy of compliance certificate.
 2. Copy of fleet list from State reporting database
- C. Copy of an itemized quote** for new zero emission trucks:
 1. Quote should represent the type and style of truck you would like to purchase. It should include all itemized features you will want on the truck you purchase as this quote will be used to determine possible incentive amounts.

For On-Road Certified Trucks: In addition to the items listed above for All Trucks, on-road certified trucks must also provide the following:

- D. Copy of title**, free of any lien holders, on which the applicant is listed as the registered owner of the truck.
 1. Titles on which the lien holder has signed the release of interest for the truck will be accepted.
- E. Usage documents**
 1. Provide documentation that identifies the odometer readings covering each 12-month period for the previous 24 months. Types of documents can include, but are not limited to:
 - a. Maintenance records, Biennial Inspection of Terminals (BIT inspection), daily logs.
 - b. Documentation must clearly identify the truck by ID number, license plate, or VIN.
- F. California DMV Registration** for the past 24 months:
 1. Current cab card plus past 24 months from date of application submittal.
 2. California DMV Vehicle Registration Information Record printout may be substituted for past DMV Registration if expired cab cards are not available. The printout can be obtained online at

<https://www.dmv.ca.gov/portal/dmv/detail/online/vrr> or by mail by submitting a Request for Driver Record Information form (INF 1125) to DMV.

- a. Partial Year Registration Exception: If the old truck operates seasonally, the registration must indicate partial year registration and must cover at least 3 months per 12 month period for the previous 24 months.

For Off-Road Certified Trucks: In addition to the items listed above for All Trucks, off-road certified trucks must also provide the following:

G. Proof of Ownership for the previous 2 years. One (1) of the following documents can be provided to show proof of ownership:

1. Bill of Sale for the old equipment (preferred)
2. Tax Depreciation Logs
3. Property Tax Records
4. Bank Appraisals for the Equipment
5. Other documentation to be approved on a case-by-case basis by District staff

H. Usage documents

1. Provide documentation that identifies the hour meter reading 24 months prior to the date of application submittal. Types of documents can include, but are not limited to:
 - a. Maintenance records, daily logs or other documentation to be approved on a case-by-case basis by District staff.
 - b. Documentation must clearly identify the truck by ID number or VIN.

V. Process Overview

- A. All applications received will be subject to a **review process**, which will include the following:
 1. Verification of the truck owner's eligibility to participate in the Program.
 2. Verification that the proposed project is consistent with these Guidelines.
- B. If the application is **incomplete**, a letter and/or an email will be sent to the applicant indicating the reason(s).
- C. If the application is **ineligible**, it will be canceled and a letter will be sent to the applicant indicating the reason(s).
- D. When the application has been **deemed complete**, the project will be assigned for inspection by District staff. A District inspector will contact the applicant to schedule the inspection.
 1. If the applicant has selected a dealership for the purchase of the replacement truck, the dealership can perform the pre-inspection prior to application submittal to reduce the processing time.
 2. Dealerships must submit inspections on the Dealership Pre-Inspection Form, which can be obtained by contacting Program staff at 559-230-5800, along with digital pictures.
- E. Contracts will be issued on a first come, first served basis until program funds are exhausted.
- F. Payments from the District shall be made directly to the participant named on the contract upon receipt of a completed Claim for Payment packet submitted by the participant to the District.
- G. Projects that are awarded a contract will be subject to a project life up to five (5) years commencing on the day the replacement truck is purchased, as indicated on the dealership's final sales invoice.
 1. Applicants will be required to submit annual reports to the District for the life of the project. Annual reports will be provided by the District and mailed to applicants annually approximately one year from the date of the final sales invoice.

VI. Inspection

The following inspections are required to be completed. A District inspector will contact the vehicle owner to schedule a time to perform the inspections at the appropriate times throughout the process. A visual inspection of the vehicle (in person or virtually) along with photographs of the vehicle, VIN number, GVWR, and engine information will be obtained and reviewed.

A. Pre-Inspection – completed prior to contract offer

1. Upon receipt of a complete application, District staff will assign the project for pre-inspection.
 - a. The current vehicle must be in operational condition at the time of application submission and District pre-inspection.

B. Post Dismantle Inspection – completed at the Dismantler facility and prior to reimbursement payment

C. Post New Inspection – completed after the Participant has taken delivery of the new vehicle and prior to the reimbursement request payment

VII. Dismantler Requirements

The Program requires the current truck to be permanently destroyed. Destruction of the current truck's chassis and engine permanently removes the old, high-emitting truck from operation. This requirement has been established to ensure that emission reductions are real. It prevents the current truck from being moved into another locale to continue emitting high levels of pollutants. A list of participating dismantlers can be found at www.valleyair/grants/truck-replacement.htm that current trucks can be delivered to for destruction.

A. Eligibility

1. Dismantler is required to enter into an agreement with the District in order to participate in the Program.

B. Performance

1. The Dismantler must agree to perform the following dismantling requirements:
 - a. Destroy the current truck within 60 days of receipt.
 - b. Completely sever the frame rails so that the frame is no longer capable of being used in a truck.
 - c. Destroy and render useless the current truck's engine.
 - i. A minimum 5-inch diameter hole must be punched into the engine block.
 - d. Not destroy any identifying numbers on the truck and/or its engine such as the Vehicle Identification Numbers (VIN) or engine serial numbers.
 - i. If the truck VIN or engine serial number cannot be located, the truck must not be scrapped or destroyed until notification is made to District staff for assessment.
 - e. The Dismantler may not use or permit the use of the current truck, except use as necessary to move it for destruction or storage.
 - f. Notify the District that the current truck is destroyed and ready for inspection within 10 days of the current truck's destruction. Notification to the District of the destroyed current truck must be made using the District's Notice of Destruction Form. Additional copies of the Form can be obtained by calling program staff at (559) 230-5800.
 - g. Allow the destruction of the engine and current truck to be documented by the District.
 - i. The District must verify in-person the proper destruction of the current truck and its engine. District staff must also verify the current truck's VIN and engine serial number.

- ii. The Dismantler must not remove the current truck from their property, or part out a current truck, until a post-destruction-inspection by the District has been performed and the Dismantler has been given approval by the District.
- h. File a Notice of Acquisition/Report of Vehicle to be Dismantled (REG 42) and provide a copy of proof of this filing to the District inspector during the in-person verification of destruction.

VIII. Applicant Resources

A. Web Resources

1. To assist applicants participating in the District's incentive programs, the District has developed a Program Web Page. This page contains links to the California Air Resources Board website where you can obtain a list of eligible engines, associated Executive Orders and other technical information. The Applicant Resource Web Page can be found at www.valleyair/grants/truck-replacement.htm
2. When preparing an application, we ask that you utilize the information presented within the links on this page. By submitting complete application packets with accurate information, we can reduce the amount of time and resources necessary to process your application.

IX. Map of District Boundaries

