

**GROSS POLLUTING VEHICLE REPLACEMENT PROGRAM
PHASE I
REMOVE II PROGRAM
GUIDELINES**

**SECTION I
INTRODUCTION**

Motor vehicles are responsible for a proportionately large amount of the ozone-forming emissions in the San Joaquin Valley Air Basin. To help solve this problem, the San Joaquin Valley Air Pollution Control District (SJVAPCD) has initiated the Gross Polluting Vehicle Replacement Program. This program is a component of the REMOVE II Program to reduce air pollution by eliminating (crushing) and replacing older, high-emitting vehicles. A total of \$2 million has been allocated to implement Phase I of the Gross Polluting Vehicle Replacement Program.

The goal of the Gross Polluting Vehicle Replacement Program is to encourage the crushing and replacing of older, high-emitting vehicles. This will identify and remove from operation vehicles that passed the last required biennial Smog Check, but may currently have emissions that exceed the Acceleration Simulation Mode (ASM) pass/fail cutpoints for that vehicle model year and class. These excessive emission levels occur due to the deterioration of the vehicle and vehicle repairs over the two-year lapse between the required Smog Checks. Therefore, by removing these vehicles from operation sooner than the vehicle would have otherwise been retired, these ozone-forming emissions will be reduced.

The SJVAPCD will solicit proposals from interested parties through a separate Request for Proposals (RFP) process for the purpose of contracting the operation and implementation of the Gross Polluting Vehicle Replacement Program. The Contractor(s) selected must enter into an explicit agreement with the SJVAPCD setting forth performance criteria and obligatory products/deliverables to ensure compliance with statutory and audit requirements.

Selected on-road light-duty vehicle owners operating off-cycle, high-emitting vehicles in the SJVAPCD may be eligible to receive monetary incentives for:

- **Vehicle Crushing**
- **Vehicle Replacement with an SJVAPCD-Approved Vehicle**

The SJVAPCD will utilize State Voluntary Accelerated Vehicle Retirement (VAVR) requirements for the implementation of the Gross Polluting Vehicle Replacement Program. Additional requirements that are more restrictive may also be implemented by the SJVAPCD.

The State VAVR and SJVAPCD requirements will be used to determine vehicle eligibility, minimum vehicle functional requirements, and calculating emission reductions. State VAVR requirements may be reviewed at: www.arb.ca.gov. SJVAPCD requirements will be provided with the RFP.

**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.

On-road motor vehicles are a significant pollution source in the San Joaquin Valley that provides an opportunity to pursue substantial emission reductions. The State and federal governments are responsible for regulating motor vehicle emissions; therefore, the SJVAPCD has administered voluntary based incentive programs since 1992 to provide financial incentives to promote the early reduction of emissions from these sources.

The SJVAPCD funded vehicle-crushing projects through the original REMOVE Program until 1995, when the Vehicle Buy-Back Program was created. The Vehicle Buy-Back Program provided \$2 million in monetary incentives from 1995-1998 for the accelerated early retirement of 4,200 pre-1981 light-duty passenger vehicles.

**SECTION III
SCHEDULE**

The following schedule outlines the **tentative** dates for Phase I of the Gross Polluting Vehicle Replacement Program:

Mid-January 2007	Approve Gross Polluting Vehicle Replacement Program
January 22, 2007	Release RFP for Contractor(s) Services with Guidelines
February 23, 2007	RFP Submission Deadline
February 26, 2007	Begin Proposal Review
April 2, 2007	Approve/Award Contractor Agreement(s)
August – September 2007	Begin Crushing Vehicles

**SECTION IV
DEFINITIONS**

The following is a list of acronyms and definitions for terms used in this guidelines document.

Acceleration Simulation Mode (ASM): This is the test type for vehicles operated on a dynamometer (treadmill like device), which simulates actual driving conditions.

Advanced Technology Partial Zero Emission Vehicle (AT PZEV): AT PZEVs meet the PZEV requirements and have additional "ZEV-like" characteristics. A dedicated compressed natural gas vehicle, or a hybrid vehicle with engine emissions that meet the PZEV standards would be an AT PZEV.

Crushing Option: A voluntary Program option involving the crushing of vehicles identified through a high emission vehicle profile. The vehicle must be crushed, stamped, shredded, or otherwise rendered permanently and irreversibly incapable of functioning as originally intended.

Emissions-Related Part: Any vehicle part which affects any regulated emissions from a vehicle that is subject to California or federal emissions standards and includes, but is not limited to, those parts specified in the "Emissions-Related Parts List", adopted by the State Board on November 4, 1977, as last amended.

High Emitting Vehicle (HEV) A vehicle that is identified as one that is emitting pollution in excess of emission standards pursuant to Title 16, Division 33, Article 5.5, Section 3340.42 of the California Code of Regulations.

Low Emission Vehicle (LEV): The current vehicle standard for light-duty vehicles sold in California.

Low Emission Vehicle Standards II (LEV II) Amendments: Amendments to California's Low-Emission Vehicle Regulations mandate that all new cars sold in California starting in 2004 will have at least an LEV or better emissions rating.

Light-Duty Vehicle: A passenger vehicle or light truck as defined in the California Vehicle Code.

Partial Zero Emission Vehicle (PZEV): PZEVs meet SULEV tailpipe emission standards, have zero evaporative emissions and a 15 year / 150,000 mile warranty. No evaporative emissions means that they have fewer emissions while being driven than a typical gasoline car has while just sitting.

Partner Facility: An emissions testing facility that is licensed by the Bureau of Automotive Repair (BAR) and approved by the Contractor/SJVAPCD for participation in the Gross Polluting Vehicle Replacement Program.

Ultra Low Emission Vehicle (ULEV): ULEVs are 50% cleaner than the average new model year car.

Vehicle Identification Number (VIN): A vehicle's unique identification number, usually 17 digits but sometimes less. Typically found on the top of the dashboard just inside the windshield on the driver's side, or on a plate/sticker in the driver's side doorjamb. The BAR code on a DMV registration renewal also contains this number. The DMV should be contacted if the VIN on a vehicle does not match the VIN on the registration form.

Super Ultra Low Emission Vehicle (SULEV): SULEVs are 90% cleaner than the average new model year car.

Zero Emission Vehicle (ZEV): ZEVs have zero tailpipe emissions and are 98% cleaner than the average new model year vehicle. These include battery electric and hydrogen fuel cell vehicles.

**SECTION V
PARTICIPATING
VEHICLE
REQUIREMENTS**

The SJVAPCD will invite individuals to participate in the Gross Polluting Vehicle Replacement Program based on profiled vehicle data that identifies potentially high-emitting vehicles. Only vehicles identified in the SJVAPCD High Emitter Profile will be eligible to participate in this Program. Once a participant is invited and chooses to participate in the Program, they must arrange with the SJVAPCD's Contractor(s) to have an emissions test performed on the vehicle. The vehicle must have an ASM test at an approved Smog Check facility. The results of the ASM test will determine the vehicle's emission levels. Only HEVs will be allowed to participate in the Replacement Option, however, any vehicle invited to participate in the Program that meets the minimum requirements may participate in the Crushing Option.

If a participant has a HEV crushed, they may be eligible for additional incentive funding by purchasing an eligible replacement vehicle that meets a standard that is cleaner than the average fleet vehicle through the Replacement Option. For the purposes of this Replacement Option, the replacement vehicle must at least meet LEV II emission standards. The new or used vehicle must have had an ASM test performed at an approved Smog Check facility. If the vehicle seller had an ASM test performed in the previous 90 days, and can provide the Vehicle Inspection Report, that will be sufficient to fulfill this requirement.

All vehicles that participate in the Gross Polluting Vehicle Replacement Program must meet all State VAVR and SJVAPCD requirements for vehicle eligibility and functionality requirements. Detailed vehicle requirements will be included in the RFP once the program has been approved.

**SECTION VI
PROGRAM OPTION
OVERVIEW**

The contractor(s) selected to operate the Gross Polluting Vehicle Replacement Program will help guide participants through the options and help coordinate the various activities performed by the partner facilities. Owners of high-emitting vehicles invited to participate in the Gross Polluting Vehicle Replacement Program will have several options to choose from in order to reduce emissions from their existing vehicle.

After a vehicle's emission status is determined through a smog test, the owner will indicate which Program option they wish to participate in. Participants with vehicles that test below the HEV threshold will only be eligible for the Crushing Option. Vehicles that fail the ASM test, and are determined to be HEVs, may choose to have the vehicles crushed and will also have the option of receiving additional monetary incentives if they purchase an eligible reduced-emission vehicle as a replacement.

The following is an overview of the two Gross Polluting Vehicle Replacement Program options:

Crushing Option

Any vehicle invited to receive an emissions test by the SJVAPCD is eligible for crushing regardless if it's confirmed as a HEV or not. Older vehicles were built to emissions stan-

dards that allowed for much higher emissions than are allowed today. Thus, crushing older vehicles reduces air pollution even when these vehicles pass their smog inspections.

In order to receive incentives for crushing, an invited vehicle must be brought to an SJVAPCD-approved dismantling/crushing facility. The operator of the dismantling/crushing facility must verify the vehicle is qualified for the SJVAPCD Program by completing the Vehicle Functional and Equipment Eligibility inspection form. The participant can then receive the grant incentive from the SJVAPCD's Contractor(s).

Replacement Option

A participant with a HEV has the option to receive greater incentive funding by replacing their vehicle with a vehicle certified to the current emission standards for light-duty. Replacement vehicles must be certified to an LEV II standard. The SJVAPCD will be a lien holder on the vehicle for a period of three (3) years. The vehicle owner cannot sell the vehicle for a period of three (3) years without the approval of the Executive Director/APCO of the SJVAPCD. Eligible replacement vehicles will be listed on an eligible vehicles list available on the SJVAPCD website at www.valleyair.org

INCENTIVE LEVEL PER VEHICLE	
Crushing Option – Total Incentive to Vehicle Owner for Crushing Vehicle:	\$1,000
Replacement Option – Total Incentive to Vehicle Owner to Crush Old Vehicle and Purchase eligible Replacement Vehicle:	\$5,000*

* Maximum incentive amount eligible per vehicle owner

SECTION VII CONTRACTOR(S) REQUIREMENTS

The selected Contractor(s) will provide general coordination and operate the basic elements of vehicle crushing under the Gross Polluting Vehicle Replacement Program. The Contractor(s) must either be an SJVAPCD approved auto dismantler, or have a binding agreement with a licensed auto dismantler for the purpose of vehicle crushing after purchase. The Contractor(s) will only crush vehicles that have been invited to participate with an official letter of invitation from the SJVAPCD indicating the Vehicle Identification Number (VIN) of the vehicle. It is anticipated that the Contractor will be awarded up to \$250 per vehicle crushed to implement the Gross Polluting Vehicle Replacement Program. The following are general responsibilities of the Contractor(s). Additional specific requirements will be included in the RFP.

- The Contractor(s) will collect Vehicle Inspection Reports generated from confirmatory ASM tests for the old vehicle, as well as from the new vehicle purchased, if applicable. The Contractor(s) will enter data from all Vehicle Inspection Reports into a database approved or supplied by the SJVAPCD. This data will then be presented to SJVAPCD staff for review. The Contractor(s) will be responsible for coordination of payment vouchers with partner emission testing facilities.
- The Contractor(s) will be responsible for coordination of participants and the business entities involved with the crushing of vehicles. The Contractor(s) will be the primary

contact for participants and will inform participants of the options available based on the results of their confirmatory ASM tests. The Contractor(s) will coordinate all the required activities necessary to successfully guide participants through the options, and manage all the necessary forms and data necessary for SJVAPCD oversight.

- The Contractor(s) will act as a purchasing agent for the vehicles that are to be crushed. The Contractor(s) will purchase vehicles to be crushed at a price established in the contract between the Contractor(s) and the SJVAPCD. The Contractor(s) will then be responsible for the crushing of the vehicle according to the Gross Polluting Vehicle Replacement Program guidelines and all applicable State and local regulations. The SJVAPCD will not reimburse the Contractor(s) for the purchase, or the overhead associated with the purchase, of an ineligible vehicle.

The Gross Polluting Vehicle Replacement Program guidelines outline the minimum responsibilities of Contractor(s) and participants. The SJVAPCD encourages Contractor(s) to be resourceful and creative in order to maximize the overall effectiveness of the Gross Polluting Vehicle Replacement Program. Proposals will be evaluated based on a demonstrated ability to complete the various tasks required for successful implementation. At least thirty (30) days prior to commencing operations as a Gross Polluting Vehicle Replacement Program Contractor(s), the Contractor(s) shall provide the SJVAPCD, in writing, on forms provided by the SJVAPCD, information demonstrating the ability to comply with all provisions of the guidelines.

Contractor(s) participating in the Gross Polluting Vehicle Replacement Program must meet all State VAVR and SJVAPCD requirements. Detailed Contractor(s) requirements will be included in the RFP.

SECTION VIII PARTNER FACILITIES

Operation of the Gross Polluting Vehicle Replacement Program will require cooperation with facilities that supply services such as smog tests, vehicle dealerships, and auto dismantling/crushing. Partnerships will be formed with companies that may perform these various functions. Partner facilities will need to be capable of accepting vouchers redeemable for cash incentives from the SJVAPCD or its Contractor(s). This Section provides general guidelines for participating facilities. Additional requirements are contained in the State VAVR Guidelines and will be included in the RFP.

Emission Testing Facilities

In order to determine vehicle eligibility and emission levels, participants will be required to have an emission test performed. These tests must be performed at SJVAPCD-authorized testing facilities. In order to partner with the SJVAPCD, an emissions testing facility must be licensed by the Bureau of Automotive Repair (BAR) to conduct ASM emission tests. The station must be able to accept an SJVAPCD payment voucher referencing the VIN of the vehicle to be tested. The station must submit the Vehicle Inspection Report to the SJVAPCD's Contractor(s) along with the voucher for reimbursement.

Dismantling/Crushing Facility

The agreement requires Contractor(s) to comply with all regulations related to the operation of a vehicle-dismantling/crushing site. The Contractor(s) will be responsible for providing copies of licenses, permits, or other documentation issued by governmental authorities having jurisdiction over these matters when requested by the SJVAPCD.

All activities associated with retiring vehicles, including but not limited to the disposal of vehicle fluids and vehicle Programs, must comply with all local, county, state, and federal regulations. These include, but are not limited to, water conservation regulations, city energy and hazardous materials response regulations, and local water agency soil, surface, and groundwater contamination regulations.

All vehicles must adhere to the State VAVR requirements for the specified holding period and website posting. Additionally, all vehicles must be confined in a holding area separate from other vehicles procured by the Contractor(s) until they are permanently destroyed. The participating dismantling/crushing facility will need to provide the SJVAPCD or the SJVAPCD's Contractor(s) with a proposal that ensures they are able to perform their Program functions according to the guidelines and State regulations governing vehicle-dismantling/crushing operations.

New and Used Vehicle Dealerships

Vehicle dealerships participating in the Gross Polluting Vehicle Replacement Program will need to enter into an agreement with the SJVAPCD that outlines dealership responsibilities and vehicle sales requirements for the participating dealers. Only SJVAPCD-approved vehicle models will be eligible for purchase. Dealerships must be able to accept SJVAPCD vouchers from Program participants that may be reimbursed by the SJVAPCD or its Contractor(s).

SECTION IX MAP OF SJVAPCD BOUNDARIES

