



San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT

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ELECTRIC SCHOOL BUS INCENTIVE PROGRAM

Program Guidelines

The San Joaquin Valley Air Pollution Control District (District) is currently accepting applications to replace yellow school buses that transport public school children to and from school with all electric school buses according to the terms and conditions described in these guidelines. Eligible applicants include public school districts, Joint Power Authorities (JPA), and privately owned yellow school buses that transport public school children to and from school. The goal of this program is to reduce emissions from filtered diesel engines in school buses that operate within the District boundaries (see page 9 for map). For additional information, assistance or to receive program materials, please contact:

San Joaquin Valley Air Pollution Control District
Strategies and Incentives Department
1990 East Gettysburg Avenue
Fresno, CA 93726-0244

You may also contact us by phone, e-mail, or visit our website at:

(559) 230-5800
grants@valleyair.org
www.valleyair.org/grants

I. PROGRAM OVERVIEW REQUIREMENTS

A. General Information and Eligibility Criteria:

1. Buses must be yellow school buses that are used to transport public school children to and from school to be eligible for replacement.
2. The maximum eligible incentive amount is calculated up to the cost-effectiveness limit and may not necessarily reflect the maximum funding amount of \$400,000.
3. Eligible incentive amounts may be reduced after the claim for payment has been finalized, depending on all eligible items invoiced.
4. Submission of a program application does not guarantee funding.
5. No public monies are allowed for the support of any sectarian or denominational school, or any school not under the exclusive control of the officers of the public schools. (Cal. Const. Art. 16 § 5 and Art. 9 § 8).
6. Private transportation providers that own school buses and contract with public school districts to provide transportation services for public school children are eligible for Community Air Protection funds.
7. In recognition of the difficulties faced by many school districts in replacing their oldest school buses, applicants may substitute the average annual mileage of their school bus fleet in place of the historical usage of the individual school bus to be replaced.
 - a. Only yellow school buses with a gross vehicle weight rating greater than 14,000 pounds that are utilized to transport students to and from school will be included in the average usage value.

II. APPLICANT REQUIREMENTS

A. The applicant must meet the following eligibility requirements:

1. Have owned the current bus for, at minimum, the past 24 months.
2. Submit a completed application to the District.
3. Not purchase, make down payments, or take possession of the replacement bus under funding consideration prior to the issuance of a contract—doing so will render a project ineligible.
4. Be currently in compliance with the applicable California Air Resources Board's (ARB) Truck Regulations, be filtered, and in TRUCRS.
5. Remain the owner of the replacement bus for the life of the project.
 - a. If, during the life of the project, the bus needs to be sold, the District must approve the bus ownership change **prior** to its sale. The new owner of the bus must be willing to assume the Program obligations with the District and comply with the terms and conditions outlined in the Program guidelines.
6. Maintain replacement value insurance for the replacement bus through the full project life.
7. Vendor warranty must provide protection for a minimum of 60 months or 75,000 miles, whichever comes first, and provide full warranty coverage of, at a minimum, zero-emission or all-electric

motor, drive train, batteries/energy storage system(s), parts and labor commencing on the day the new bus is purchased as indicated on the final invoice submitted for reimbursement.

8. Submit annual reports to the District through the full project life as well as comply with recordkeeping and audit requirements.
 - a. Current bus registration and insurance documentation must be kept.
9. This program requires the current (old) bus to be destroyed. Applicant must surrender the current bus to a District approved dismantler for scrapping. See page 7 of these guidelines for a description of the Dismantler requirements and approved method of destruction.
 - a. The bus must be delivered to the dismantler in operating condition.
10. Agree to allow the District or its representative(s) to inspect the replacement bus upon request any time for the duration of the project life.
11. Properly maintain the replacement bus in good operating condition and according to manufacturer's recommendations.
12. Certify that there are no outstanding ARB violations for equipment associated with the bus on the application.

III. GENERAL INFORMATION

A. Fleet Compliance:

1. Before contract execution, participants will be pre-screened for regulatory compliance, outstanding violations, open cases, and previous project funding
2. The fleet must currently be in compliance with the applicable California Air Resources Board's (CARB) Statewide Truck and Bus Regulation
 - a. For more information about truck regulations, visit <http://www.arb.ca.gov/msprog/truckstop/truckstop.htm>
3. The bus owner will report in TRUCRS vehicles Subject to the Statewide Truck and Bus Regulation. The fleet owner must also provide the air district with the following:
 - a. A copy of the TRUCRS Fleet List located on the Vehicle Info tab showing the compliance option each vehicle in the fleet is using, and
 - b. A copy of the TRUCRS General Fleet and Compliance Information Summary showing compliance located on Compliance Status tab ("Meets Small Fleet Option" will specify "yes" if the fleet is using the Small Fleet option), and
 - c. A copy of the Compliance Certificate printed from TRUCRS, if applicable
 - d. TRUCRS can be found at: https://ssl.arb.ca.gov/ssltrucrsto/trucrs_reporting/login.php
4. Bus owners must be compliant with all federal, State, and local air quality rules and regulations including the Periodic Smoke Inspection Program (PSIP).
5. School buses subject to the Truck and Bus Regulation are only eligible if they meet one of the following requirements:
 - a. The existing school bus must have an OEM diesel particulate filter (DPF) installed.

- b. The existing school bus must be retrofitted with a DPF that reduces diesel PM emissions by at least 85 percent.
 - c. The existing school bus must be reported in TRUCRS under the Low-Use exemption.
- B. Fleet Size:** All fleet sizes are eligible for funding.
- C. Weight Class:** The bus vehicle must be in the same weight class as the existing bus
- D. CHP Safety Certification:**
 - 1. 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
 - 2. School bus must also have a current CHP safety certification at the time funding is awarded for the project (i.e., the school bus may not have a lapsed CHP safety certification).

E. Ownership:

The following documentation must be submitted for each bus on application.

- 1. Copy of title, free of any lien holders, on which the applicant is listed as the registered owner of the bus
 - a. The participant must have owned and operated the vehicle the previous 24 months
- 2. Usage documents
 - a. For specific bus usage: Submit conclusive documentation (logbooks, maintenance records, tax records, etc.) of annual miles traveled covering each 12-month period for the previous 24 months.
 - b. For fleet average: Submit documentation certifying the annual fleet average.
- 3. Proof of insurance for the past 2 years.
- 4. California Registration for the past 2 years.

IV. NEW ELECTRIC BUS REQUIREMENTS

- A.** Must be a new, zero-emission electric school bus.
- B.** Have a GVWR rated at 14,001 pounds or greater.
- C.** Operate one hundred percent (100%) California operation and at least seventy-five percent (75%) operation within the District boundaries (page 9) during the project life.
- D.** Commit to being registered with the DMV within the District boundaries (page 9) during the project life.
- E.** The vendor warranty must provide protection for a minimum of 60 months or 75,000 miles, whichever comes first, and provide full warranty coverage of, at a minimum, zero-emission or all-electric motor, drive train, batteries/energy storage system(s), parts and labor. Warranties must be fully transferrable to subsequent school bus purchasers for the full warranty coverage period. Warranties must cover the following for the full warranty period (unless otherwise denoted):
 - a. Extended Motor, Drivetrain (including Battery), and Zero-Emission Components: Provide warranty coverage against defects in material and workmanship for the motor, transmission,

rear axle, and electric or zero-emission system components including the battery. Gaskets and seals are not required to be included under the warranty coverage.

- b. Frame Rails, Cross Members, and Cab: For new school buses, coverage extends to structural cracks in the frame caused by defects in material workmanship and against corrosion perforation of the cab. For school bus conversions, the all-electric school bus vendor is only responsible for damage or corrosion tied to, or resulting from, their workmanship on, or handling of, these parts.
- c. Battery Degradation Warranty: Provide warranty coverage against battery degradation below 80 percent of capacity.

V. PROCESS OVERVIEW

- A. All applications received will be subject to a review process, which will include the following:
 - 1. Verification of the school bus 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 bus, the dealership can perform the pre-inspection prior to application submittal to reduce the processing time.
- 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 school district named on the contract upon receipt of a completed Claim for Payment packet submitted by the participant to the District.
- G. The old bus being replaced must be delivered to a District contracted dismantler within sixty (60) calendar days.
- H. Projects that are awarded a contract will be subject to a **project life** up to ten (10) years commencing on the day the replacement bus is purchased, as indicated on the dealership's final sales invoice.
 - a. 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.
 - o Proof of registration and proof of insurance must be submitted along with the annual report.

VI. GENERAL

- A. The District may consider projects that deviate from the guidelines on a case-by-case basis.
- B. Remedies for project non-performance may include, but are not limited to, the following:

1. Recovery of all or a portion of the Program funds.
2. Other fiscal penalties on the bus owner based on the severity of non-performance.
3. Cancellation of the contract.
4. Prohibiting the school bus owner from participating in future District incentive programs.
5. Prohibiting a specific school bus from participating in other District incentive programs.

VII. APPLICATION PROCEDURE

A. Completing an Application

The application must be **filled out completely and as accurately as possible**. Do not leave any fields blank, as it lengthens the processing timeframe associated with the application and delays funding.

A copy of the following items must accompany the application at the time of submittal in order for the application to be deemed complete:

1. Internal Revenue Service (IRS) Request for Taxpayer Identification Number and Certification Form W-9 (Form W-9).
 - a. The **information entered into Section 1 of the application must be identical to the information on Form W-9**, as this information will be used to generate all binding documents and be used to report incentive funding to the IRS.
 - b. A copy of the IRS Form W-9 can be downloaded at www.irs.gov or by calling 1-800-829-3676.
2. Compliance verification.
 - a. A Copy of the ARB Compliance Summary and Fleet Summary from TRUCRS online reporting system.
 - b. Other documentation approved by District staff that clearly shows current compliance.
3. Copy of the current bus title.
 - a. The title must be clear of any lien holders.
4. Copy of the current bus DMV Registration for the past 24 months.
5. Copy of the current CHP safety certification (CHP Form 292).
6. Copy of proof of insurance for the past 24 months that is specific to the current bus.
7. Proof of annual mileage or fuel usage for the past 24 months specific to the bus on the application OR for the entire fleet average.
 - a. Acceptable forms of usage documentation can include, but are not limited to, maintenance records showing the date and odometer reading, CHP Inspection forms with date and odometer reading.
8. Pre-inspection section completed and required digital photographs of the current bus on application.
 - a. Physical inspection and photographs may also be completed by the District or by a dealership. Self-inspection of the current bus by the school district may allowed.

B. Dealership or Applicant Conducted Inspection

1. Pre-Inspection:

- a. School districts may complete the appropriate pre-inspection and take the required digital photos of the current truck **prior** to submitting the application to the District.
 - o A list of required photos is located on page 5 of the application.
 - o All required photos must be legible and submitted in a digital format.
- b. Any items that will be retained by the applicant should be indicated in the comment section of the inspection certification.
- c. The inspection certification must be signed and dated by the representative from the dealership or school that performed the actual inspection of the bus.
- d. Inspector must visually verify and certify the operational condition of the current bus. Non-operational buses are not eligible to apply and will not be accepted by the dealership for program participation.

VIII. DISMANTLER REQUIREMENTS

The Program requires the current bus to be permanently destroyed. Destruction of the current bus's chassis and engine permanently removes the old, high-emitting bus from operation. This requirement has been established to ensure that emission reductions are real. It prevents the current bus from being moved into another locale to continue emitting high levels of pollutants. A list of participating dismantlers can be found at <http://valleyair.org/grants/schoolbus.htm> that current buses 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

The Dismantler must agree to perform the following dismantling requirements:

1. Destroy the current bus within 90 days of receipt.
2. Completely sever the frame rails so that the frame is no longer capable of being used in a bus.
3. Destroy and render useless the current bus's engine.
 - a. A minimum 5-inch diameter hole must be punched into the engine block.
4. Not destroy any identifying numbers on the bus and/or its engine such as the Vehicle Identification Numbers (VIN) or engine serial numbers.
 - a. If the bus VIN or engine serial number cannot be located, the bus must not be scrapped or destroyed until notification is made to District staff for assessment.
5. The Dismantler may not use or permit the use of the current bus, except use as necessary to move it for destruction or storage.
6. Notify the District that the current bus is destroyed and ready for inspection within 10 days of the current bus's destruction. Notification to the District of the destroyed current bus 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.

7. Allow the destruction of the engine and current bus to be documented by the District.
 - a. The District must verify in-person the proper destruction of the current bus and its engine. District staff must also verify the current bus's VIN and engine serial number.
 - b. The Dismantler must not remove the current bus from their property, or part out a current bus, until a post-destruction-inspection by the District has been performed and the Dismantler has been given approval by the District.
8. 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.

IX. APPLICANT RESOURCES

WEB Resources

To assist applicants participating in the District's incentive programs, the District has developed a Program Web Page. This page contains a list of certified dealerships that are contracted with the District to participate in this program. Additionally, 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 <http://valleyair.org/grants/schoolbus.htm>

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.

X. MAP OF DISTRICT BOUNDARIES

