



# Bay Area Air Quality Management District Off-Road Equipment Replacement Program Dealership Training

**Welcome to the webinar**

We will begin **5** minutes



# **Bay Area Air Quality Management District Off-Road Equipment Replacement Program Dealership Training**

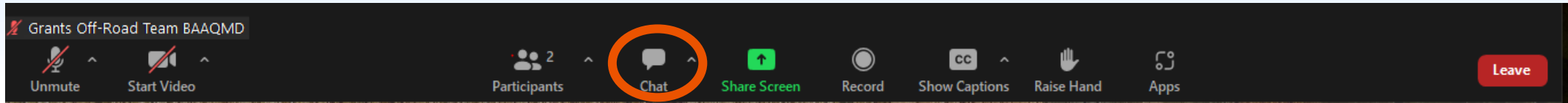
**October 24, 2024**

**Jessica DePrimo, Megan Mabry, Itsel Guzman, & Danny Anderson  
Bay Area Air Quality Management District**



# Webinar Information

This webinar is recorded



- We have muted all the participants audio and turned off video.
- Please send your questions to the "Pls send me your question - Megan" host in the chat box. We will answer them at the end of the presentation.
- Presentation slides and a recording of today's presentation will be uploaded to our website at the bottom of the "Apply Now" page after today's webinar.
- Email [tnguyen@baaqmd.gov](mailto:tnguyen@baaqmd.gov) for a copy of the slides and recording, if needed.



# Agenda

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- Background on the Air District (BAAQMD)
- Available grant programs
- Equipment Replacement Program (ERP)
- Basic eligibility requirements
- Dealership Role
- Application Assistance
- Inspections
- Questions and answers



## AIR DISTRICT

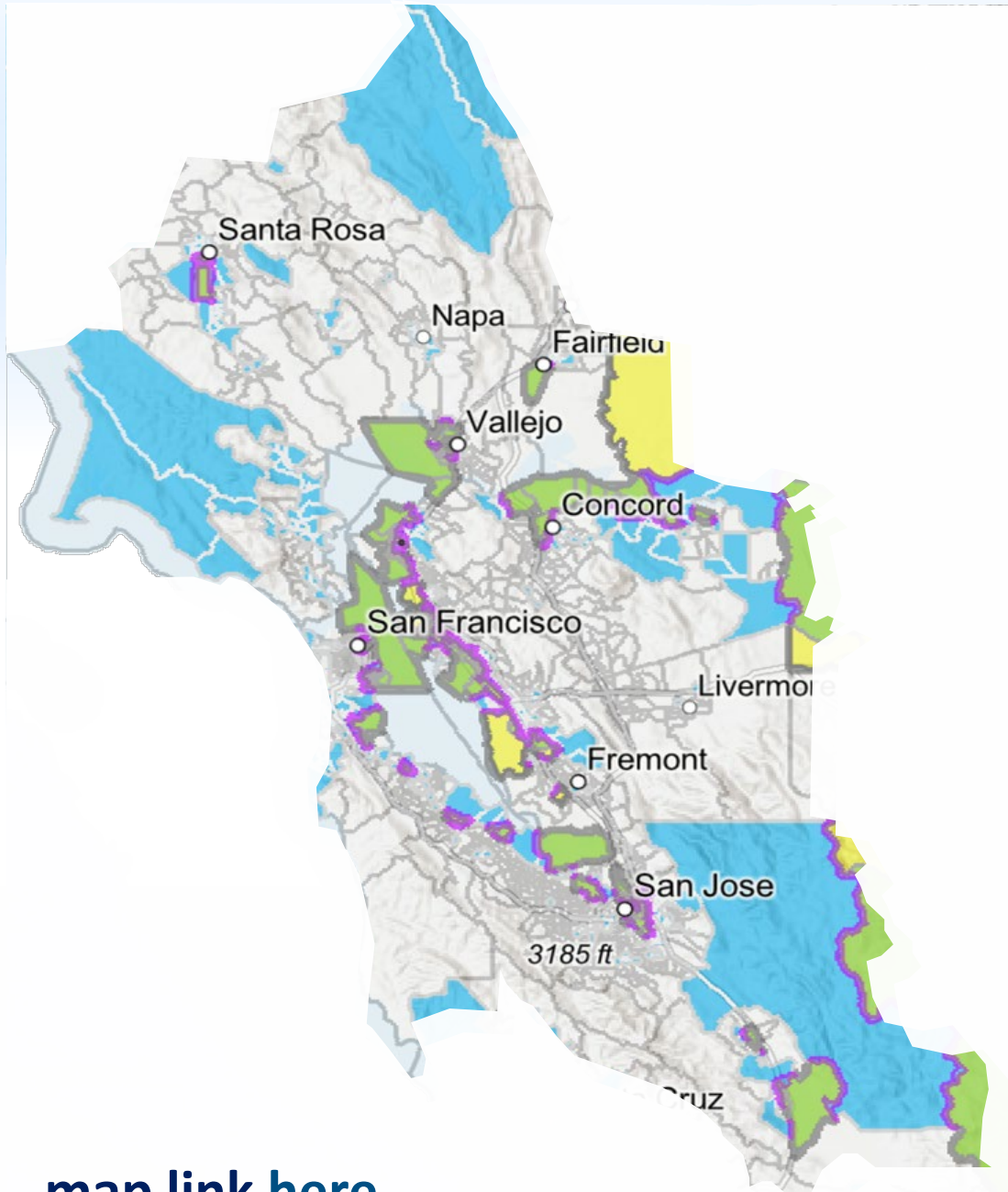
- 9 counties
- 7 million people

## AIR QUALITY AGENCY

- **Grants for mobile equipment**
  - Fund technologies and projects that reduce air pollution
  - Community input to inform Air District's outreach and project types

# Priority Areas

Includes AB 617 Communities of West Oakland, East Oakland, Richmond-San Pablo, and Bayview-Hunters Point/SE San Francisco.



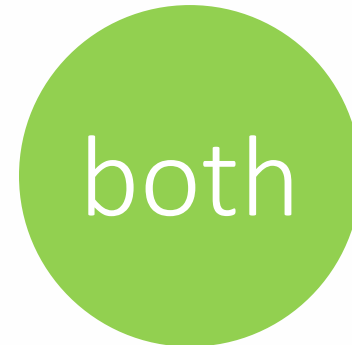
[map link here](#)



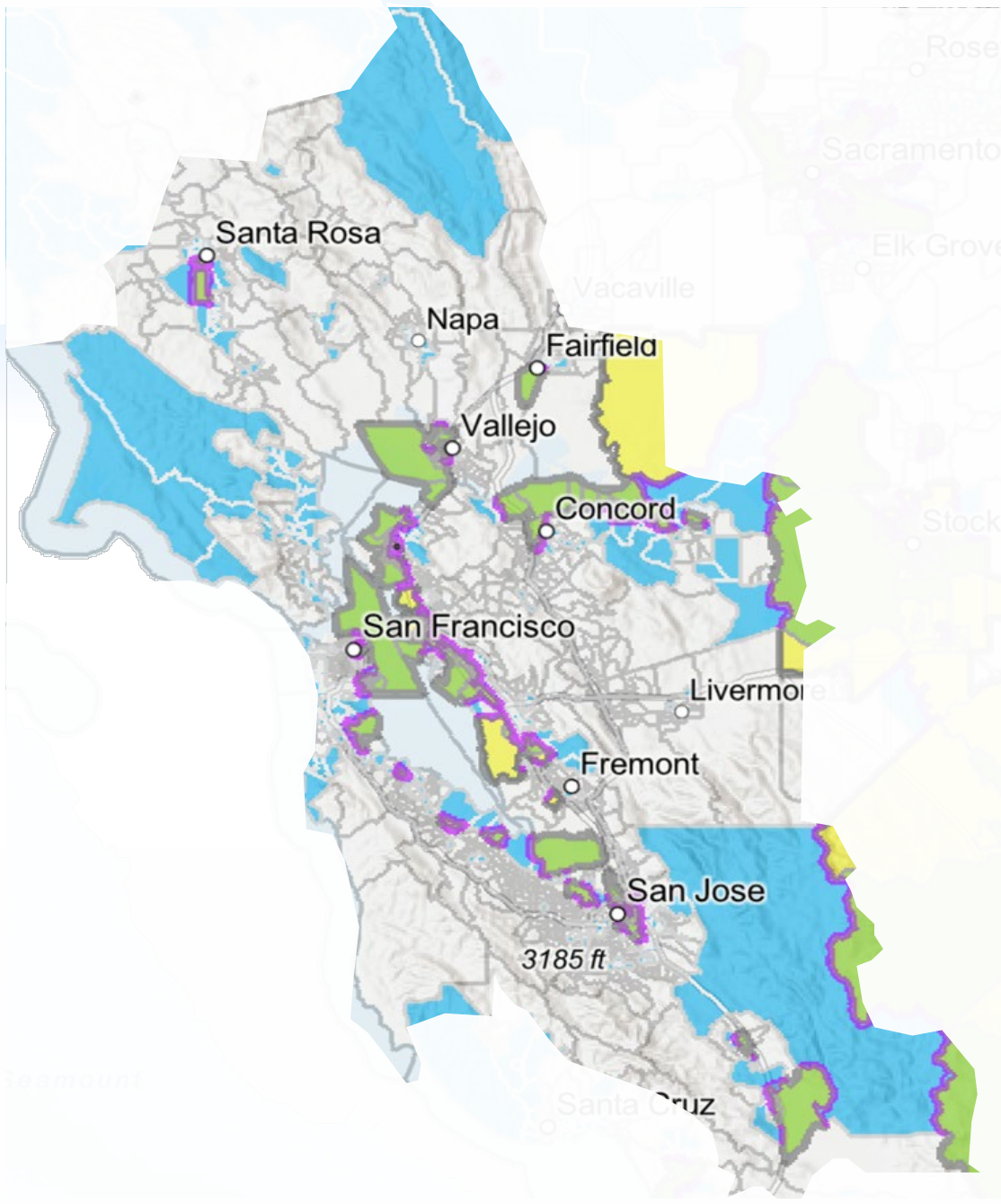
Low-income Community



Disadvantaged Community



green = blue + yellow



**\$75M**

projects in  
priority  
areas

**\$10M**

agricultural  
projects  
in any area

**\$8M**

locomotive  
projects

**Applications first come, first served**  
**Deadline: February 6, 2025 @ 5:00 p.m.**



# Project Types

## Replacement

Replace of older, dirtier equipment with newer, cleaner equipment

## Repower

Replace existing engine with a newer, cleaner engine

## Conversion

Replace or modify an original engine with zero-emission or ultra low emission motive power

## Add-on Infrastructure

Install of electric charging infrastructure to support eligible equipment





# Off-Road Projects

Application Period Ends: **Feb 6**

- Mobile off-road equipment >25 hp
  - Examples: loaders, excavators, scrapers, forklifts ( $\leq 8,000$  lbs. lift capacity), ground support equipment
- Portable engines/equipment >25 hp
  - Examples: portable generators, concrete pumps, woodchippers
- **Zero-emission projects** highly encouraged

**Grants up to 80-85\*% of eligible costs**

\*Retrofit projects not limited by maximum funding percentage

[www.baaqmd.gov/offroad](http://www.baaqmd.gov/offroad)





# Agricultural Projects

Application Period Ends: **Feb 6**

- Mobile Agricultural equipment >25 hp
  - Examples: tractors, tractor/loaders, wheel loaders, forklifts ( $\leq 8,000$  lbs. lift capacity)
- Portable and stationary Agricultural engines/equipment >25hp
  - Examples: portable generators and water pumps
- Zero-emission mobile agricultural units



**Grants up to 80-85\*% of eligible costs**

\*Retrofit projects not limited by maximum funding percentage

[www.baaqmd.gov/agriculture](http://www.baaqmd.gov/agriculture)



# Stationary/Portable Engines Application Period Ends: **Feb 6**

- Eligible engine Tier & horsepower (hp):
  - 25 hp to 50 hp with Tier 0 to 3
  - > 50 hp with Tier 3
  - > 50 hp with Tier 0 to 3 IF remote or ag emergency standby
- Diesel  $\geq$  50 hp registered with BAAQMD
- Portable engines  $\geq$  50 hp registered with CA Portable Engine Registration Program (PERP)
- Typical contract term 1 to 3 years
- New equipment in use  $\geq$  1 year before the associated compliance date.





# Equipment Replacement Program (ERP)

Application Period Ends: **Feb 6**

Reduces emissions by replacing old, highly-polluting equipment with newer, cleaner equipment earlier than would have been expected through normal attrition.

Grant funds may be used through the ERP to offset:

- part of the cost of replacement equipment
- components that ensure the replacement equipment can function the same as the existing equipment
- associated charging infrastructure

## Off-Road/ Agriculture



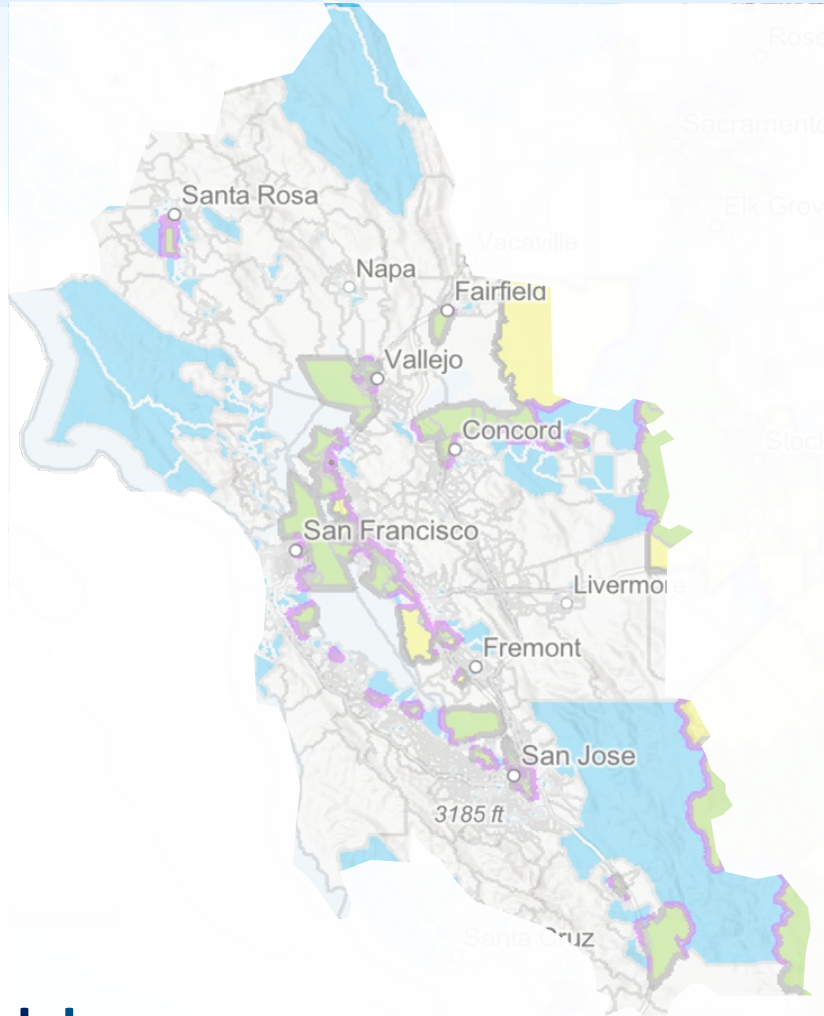


# Off-Road & Agricultural Eligibility

- **Old equipment:**
  - Used in Bay Area for previous 24 months
  - Own/operate in Bay Area 75+% of time for previous 24 months
  - Tier-3 or dirtier diesel  $\geq$  25 HP (gas  $\geq$  25HP)
  - Currently operational
- **New equipment:**
  - cleanest available diesel, hybrid, or electric
  - like-for-like equipment
  - meets the cleanest CA emission standards (e.g., Tier 4 Final or cleaner)
- **Fleet in compliance** with all applicable laws & regulations
- **Scrap and Replace:** must retire and destroy old equipment



# Geographic Eligibility



[map link here](#)



BAY AREA  
AIR QUALITY  
MANAGEMENT  
DISTRICT

Emissions Reduction Incentive Program

## 2024-2025 Geographic Eligibility Form

Funding for this cycle is only available for eligible projects where emission reductions benefit the Air District's most impacted communities, as defined below.

Applicants must complete [Page 1](#) of this form and submit it with their [application](#). Please see page 2 for additional instructions. Provided information will be verified by Air District staff.

Form:

To my best knowledge, this proposed project is: *(check applicable box)*

- **A marine vessel:**
  - Domiciled in West Oakland, East Oakland, Richmond-San Pablo, or Bayview-Hunters Point/Southeast San Francisco
  - Operating 90% within the San Francisco Bay.  
*For the purposes of this program, the San Francisco Bay includes all of the waters to the east of the Golden Gate Bridge, that include the San Francisco Bay, San Pablo Bay, and Suisun Bay, and connecting navigable waters within the Air District's jurisdiction.*
- **A locomotive:**
  - Domiciled in,
  - Operating at least 30% in,
  - With at least one stop in,  
West Oakland, East Oakland, Richmond-San Pablo, or Bayview-Hunters Point/Southeast San Francisco

OR

  - Owned and operated by a public agency, and going to zero or near-zero emission technology
- **A school bus or transit bus:**
  - Domiciled in,
  - With at least one stop in,  
West Oakland, East Oakland, Richmond-San Pablo, or Bayview-Hunters Point/Southeast San Francisco OR other areas in the Bay Area designated as disadvantaged or low-income communities
- **Off-road equipment:**
  - (non-agricultural) operating at least 30% in West Oakland, East Oakland, Richmond-San Pablo, or Bayview-Hunters Point/Southeast San Francisco OR other areas in the Bay Area designated as disadvantaged or low-income communities
  - Agricultural equipment



# Off-Road Compliance

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- No air permit violations
- Comply with any applicable air quality regulations
- Complete project before any compliance deadlines
- Cannot use funding to achieve compliance
- Call the CARB regulatory hotline for more info  
**(1-866-6-DIESEL)**



# Eligible Costs

- Base cost of equipment
- Essential features, if integral to the equipment's work.
  - Examples: 4-wheel drive, cabs, loader attachments, weights, blades
- Sales tax
- Freight charges
- Charging infrastructure associated with ZE equipment
- **INELIGIBLE:** premium additions/options, extended warranties, docking fees, non-essential attachments, optional upgrades.
- Must submit itemized quotes and include ALL costs









# Horsepower Increase

HP increase permitted?

(From baseline equipment hp to replacement's rated hp)

- Within 25% of baseline  **YES**
- Within 25% and 35%  **If no other comparable units are available within 25%, or at customer's expense**
- Above 35%  **Case-by-case approval**
- Zero Emission >25%  **YES**



# Infrastructure Funding

## The Infrastructure category includes:

- Battery charging stations (non-residential)
- Hydrogen fueling stations
- Stationary agricultural pump electrification
- Shore power
- Other infrastructure on a case-by-case basis

**Eligible costs include** design and engineering, equipment, installation directly related to the construction of the station, meter/data loggers, and on-site power generation systems such as solar and wind power generation equipment.

[www.baaqmd.gov/infrastructure](http://www.baaqmd.gov/infrastructure)



Max funding	Project Type
50%	All Projects
65%	Projects with Solar/Wind



# Preliminary Cost-Effectiveness Requests

## **Year 26 Cost-Effectiveness Request Form For potential Equipment Replacement Projects**

To get an initial run of project numbers, please complete the following form (one per piece of equipment) and provide to a Staff Specialist via email. Be aware that final eligibility and cost-effectiveness cannot be determined until a full application is received and reviewed.

### Old Equipment

Type of equipment:

Type of work owner uses equipment for:

Regulation covering this equipment (“exempt” for ag):

Fleet size (“exempt” for ag, otherwise # of equipment and total hp):

Year of manufacture of existing equipment engine:

Tier and fuel type of existing equipment engine:

HP of existing equipment engine:

Hours usage for 2022:

Hours usage for 2023:

Hours usage for 2024 ytd:

Anticipated future annual usage:

Percent operation in BAAQMD jurisdiction:

### Replacement Equipment

Year of manufacture of replacement equipment engine:

Tier and fuel type of replacement equipment engine:

HP of replacement equipment engine:

Replacement equipment cost (base equipment only):

Retrofit filter make and model (or N/A if opting out):

Retrofit filter+labor|cost (or N/A if opting out):

1. Request a Cost-Effectiveness request form from any Off-Road staff member
2. District staff will provide an estimate of potential grant funding
3. Dealer discusses grant estimate with the customer to determine if they are a good candidate to proceed with an application



# Grant Process

Dismantler has 60 days from date of delivery to destroy equipment and have it inspected by an Air District inspector

## 1. Application review & approval

- Applicant applies for grant
- If eligible/funds available, approved
- Board approval needed for  $\geq$  \$500K projects (~6 weeks)
- Dealer/District inspects old equipment

## 2. Contract execution

- District drafts contract
- Signed by applicant and Air District
- Dealer orders new equipment

**IMPORTANT: No purchase order, no deposit, no payment before getting District's permission!**

## 3. New equipment inspection

- Dealer in possession of new equipment
- Dealer/District inspects new equipment
- District approves delivery to Grantee
- Dealer sends old equipment to be dismantled/scrapped within 60 days

## 4: Old equipment destroyed

- Old equipment destroyed per District specifications
- District inspects and approves destroyed equipment

## 5. Payment

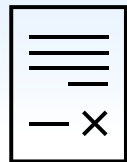
- Payment documentation is submitted to District
- A reimbursement check is mailed directly to the grantee



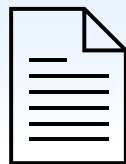
# The Dealership Role



Participate in mandatory District training to become a District-approved Dealer



Conduct business in the Bay Area and adhere to the Air District contract



Give potential applicants program info; request preliminary District grant estimates



Assist customers with online registration and application completion



Help applicants submit all required documentation for each project

Note: Dealers can provide assistance with an applicant's online application but **cannot** submit applications on behalf of an applicant



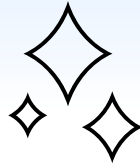
# The Dealership Role (cont.)



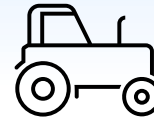
Conduct pre-inspections of existing equipment and submit inspection documents



Order new equipment or arrange for any applicable installations



Coordinate the post-inspection of the new equipment with the Air District



Coordinate destruction inspection of the old/ baseline equipment per Air District guidelines



Obtain salvage yard receipt and signature for payment request packet



Submit final payment paperwork to the Air District for reimbursement

**Note:** Dealers are subject to audit inspection by the Air District or California Air Resources Board staff



# Application Assistance

All applications must be submitted online at [www.baaqmd.gov/moyer](http://www.baaqmd.gov/moyer)

## Required documents to be collected and attached to the application

1. **Ownership documentation** showing at least two years of ownership (e.g., Bill of Sale, tax or insurance records, appraisals or surveys, or service records)
2. **Usage documentation** (for the previous 24 months from the time of application submission) signed and dated with language certifying it is accuracy
3. **General Liability Insurance** (current and future coverage if it will soon expire)
4. **Compliance documentation** through the California Air Resources Board signed and dated with language certifying it is accurate and true
  - 1) DOORS fleet list, 2) summary compliance snapshot with compliance status, and 3) DOORS generated list of previously funded equipment
5. **Quote and manufacturer specs** sheet for the replacement equipment
6. **CARB Engine executive orders** (EO) for the new and old engine
7. **BAAQMD signed regulatory compliance statement**



# Quote Itemization & Eligible Costs

- **Eligible costs:** essential to ensure replacement equipment can perform the same function as the baseline
  - This also includes freight & shipping
- **Need from you:**
  - Robust description of the baseline equipment functions
  - Communicate about how you propose to build or outfit the equipment—what considerations
  - Justifications of itemized costs
  - Clearly mark ineligible costs (optional, upgrades, etc.)

Replacement Tractor	Cost	Notes
Unit 1	\$ 73,000.00	
CAB	\$ -	Only available with CAB, baseline equipped with CAB
Loader	\$ 23,000.00	Baseline equipped with loader
Loader Arm Att	\$ 5,000.00	Attachment needed to install loader
Light Kit	\$ 1,400.00	Customer requested additional lights (not on baseline)
<b>Ag Tax 3.5%</b>	\$3,535.000	
	\$114,885.00	





# DOORS Compliance Documents

## Required DOORS documents to be collected and attached to the application

- 1) DOORS fleet list with EIN numbers showing fleet size
- 2) summary compliance snapshot showing compliance status, and
- 3) DOORS generated list of previously funded equipment

Your fleet, as currently reported, has met the off-road regulation requirements through the January 1, 2015 compliance date because it has earned BACT credits that will be applied towards the required BACT amounts through the January 1, 2015 compliance date. You will need to take action prior to December 31, 2015 in order for your fleet to be in compliance on January 1, 2016.

\*This determination is based on the make up of your CURRENT fleet in DOORS, which includes age and horsepower of engines, retrofits (if any), vehicles sold credits, (if any), exempt vehicles such as Low Use (if any), subfleets (if any), and other credits (if any).

Current Fleet Statistics	
Fleet Size	Large
Number of Vehicles:	
In Fleet Average	10
Low Use	0
Exempt Not Low Use	0
Total Vehicles	10
Total Horsepower (in fleet average)	7,000
First Compliance Date	January 1, 2014
Next Required Compliance Date	January 1, 2016

Search Vehicle By EIN:  Search Vehicle

Show Page 1 of 1 (200 rows per page) Show All Rows

Display Summary Fields Display All Fields

There are 5 vehicles for DOORS ID: 17147

The **1234567** are missing information fields. Please provide the missing information.  
Two-engine vehicles will display 2 rows with the same vehicle information but different engine information.  
To see vehicles with missing engines, please sort by Eng MY. \* Show the most recently entered/edited vehicles on top.

Line #	Vehicle Information						Engine Information								
	EIN	Veh Serial #	Your Veh #	Veh Type	Veh Manufacturer	Veh Model	Eng Serial #	Eng Manufacturer	Eng Model	Eng MY	Eng Tier	Eng Family			
<a href="#">Edit</a> <a href="#">Delete</a> <a href="#">Sell/Retire</a>	1	WC9W85	998855222		Cranes	VAC CON	12321	2011	9595959595	CHRYSLER LLC	12122111	2011	88	T3	5283963
<a href="#">Edit</a> <a href="#">Delete</a> <a href="#">Sell/Retire</a>	2	UJ3T67	8645132		Bore/Drill Rigs	AICHI	asdf	2009	8687451	AGCO	8956	2007	60	T2	8645132
<a href="#">Edit</a> <a href="#">Delete</a> <a href="#">Sell/Retire</a>	3	PG4L53	951753258456		Excavators	SUNWARD	okmjuh8	2007	789456123	CUMMINS ENGINE CO., INC	9s5d5	2007	60	T2	sdjfdgfdg
<a href="#">Edit</a> <a href="#">Delete</a> <a href="#">Sell/Retire</a>	4	UJ3T67	8645132		Bore/Drill Rigs	AICHI	asdf	2009	325556	AGCO	8956	2007	60	T2	8645132
<a href="#">Edit</a> <a href="#">Delete</a> <a href="#">Sell/Retire</a>	5	NC9X65	3454657675252		Bore/Drill Rigs	A&L	454	2000	3453465465AAA	AGCO	565	2001	50	T1U	456545654
<a href="#">Edit</a> <a href="#">Delete</a> <a href="#">Sell/Retire</a>	6	TA9M46	251251023		Cranes	ABI	hfgm	2009	546464	AGCO	sfgh	2009	150	T3	sf m
<a href="#">Edit</a> <a href="#">Delete</a> <a href="#">Sell/Retire</a>	7	NC9X65	3454657675252		Bore/Drill Rigs	A&L	454	2000	3453465465	AGCO	565	1994	50	T0	456545654

### Contact info:

DOORS Phone Number: 877-593-6677

DOORS Website:

[https://ssl.arb.ca.gov/ssldoors/doors\\_reporting/doors\\_login.html](https://ssl.arb.ca.gov/ssldoors/doors_reporting/doors_login.html)

	Vehicle Information						Engine Information			VDECS Information		Funding Information						
	Line #	EIN	Veh Serial #	Your Veh #	Veh Type	Veh Manufacturer	Eng Manufacturer	Eng MY	Eng HP	VDECS Family Name	VDECS Serial Number	Funding Source	Funding Sponsor	What was funded?			Date Contract Begin	Date Contract End
Add/Edit														Vehicle Replacement	Engine Repower	Retrofit (VDECS)	(yyyy-mm-dd)	(yyyy-mm-dd)
	1	SL8V79	23456789		Crawler Tractors	ABG	CASE CORPORATION	1996	1000									



# Inspections Overview

## **Pre-Inspection:**

- Verify old/baseline equipment information and equipment operability
- Document model year and HP in order to calculate emission reductions
- Prior to project approval

## **Post-Inspection:**

- Verify new equipment information and operability
- After project approval
- Must be approved by District before release to grantee

## **Destruction Inspection:**

- Verify destruction of baseline equipment in accordance with District guidelines
- No more than 60 days after grantee takes custody of the new equipment
- Before baseline is fully scrapped
- Must be approved by District before grant is paid



# Inspection Leads

## **Performed by the Dealer:**

- Pre-Inspections for unregulated (i.e., agricultural) equipment are typically performed by the dealer
- The dealer takes the required photos of the baseline equipment and fills out the provided inspection form to verify operability
- Dealer provides photos and completed inspection form to the Air District

## **Performed by the District:**

- All regulated pre-inspections, post-inspections, and destruction inspections



# District Inspection Process

## **Virtual:**

- Live-streamed through a video device (e.g., a smartphone or tablet)
- Either the dealer or applicant must handle the video during the inspection (no third-parties)
- Prior to the inspection, Dealer or Applicant must provide:
  - Required photos of the equipment
  - Signed affidavit stating provided photos are an accurate and true representation of the equipment
- District finalizes the inspection form

## **In-Person:**

- District will send a District Inspector on-site to perform all aspects of the inspection
- There must be someone available to show District Inspector the equipment and infrastructure (if applicable)



# Destruction Inspection

- Baseline equipment must be scrapped, and destruction inspection must be completed, no more than 60 days after the grantee takes custody of the replacement equipment.
- Destruction Requirements:
  - Destroyed engine block must have a jagged cut at least three inches at the narrowest point, the hole must be irregularly shaped, and a section of the oil pan flange must be removed as part of the hole or have a line cut through it that connects the hole
  - The chassis, or equivalent, must be cut in such a manner as to make it permanently unusable and irreparable
  - Permanent frame rails running the length of the equipment must be completely severed between the front and rear axles, removable/bolt-on frame rails or without frame rails must incur structural damage with cuts or otherwise that renders the main body of the equipment inoperable and unrepairable, and articulated equipment must incur cuts or otherwise to the articulation joints of front and rear halves of the equipment so that neither half can be joined.
- **Please ensure that equipment and engine serial numbers are still visible on the destroyed equipment at the time of destruction inspection.**



# Example Destruction Photos



**Irregularly  
shaped 3" hole  
in the engine  
block**



**Severed  
frame**

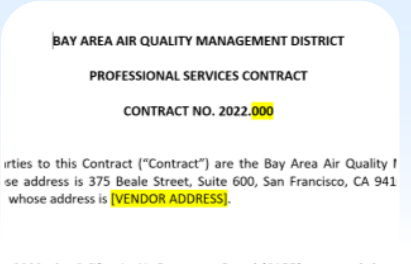
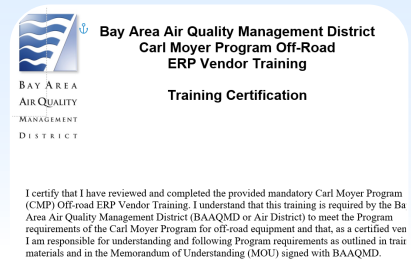
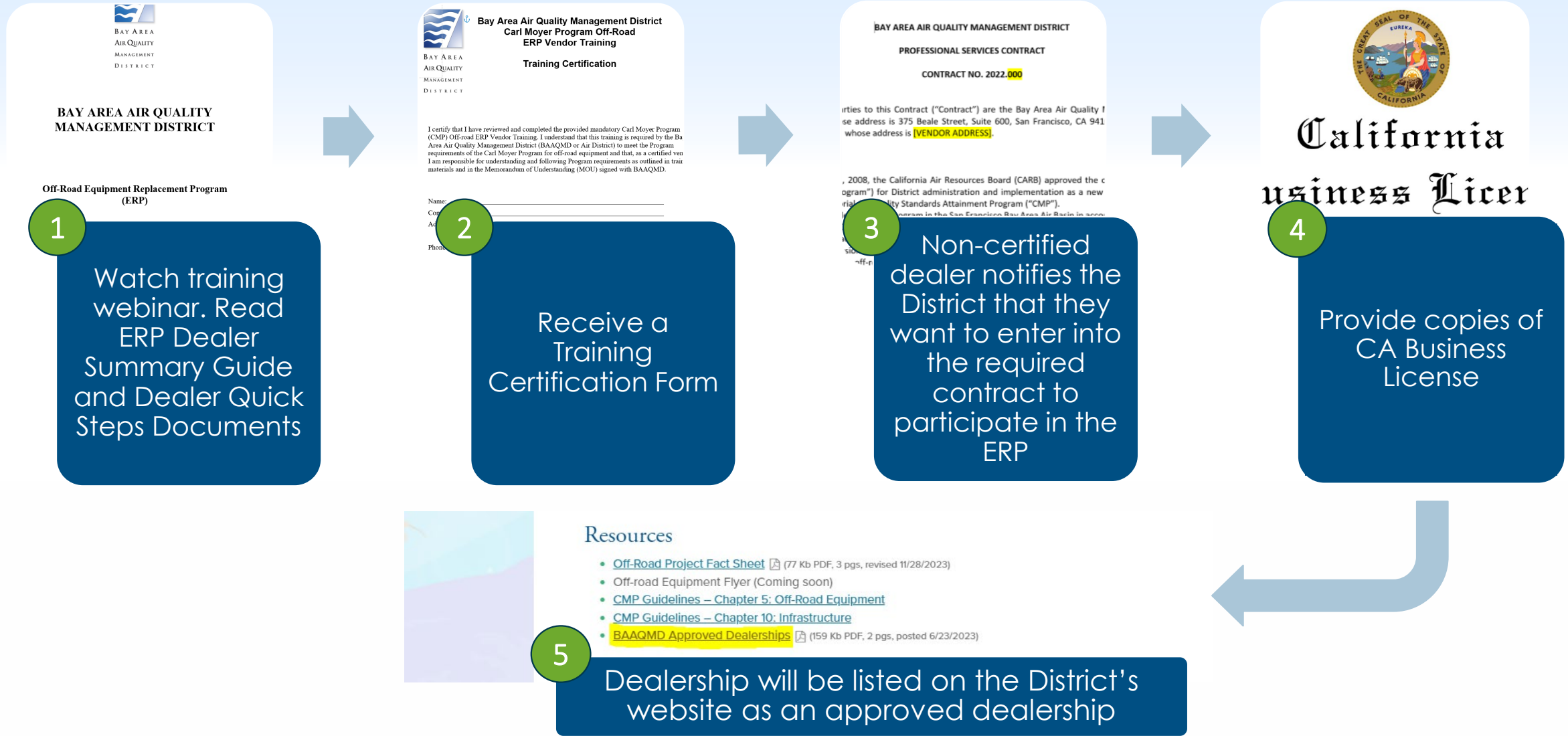


# Forklift Eligibility Updates

- CARB new rule: Zero Emission Forklifts: effective 1/1/25  
[zeforklifts@arb.ca.gov](mailto:zeforklifts@arb.ca.gov)
- Opportunities for Class 4 and 5 Large Spark Ignition forklifts are limited (some exemptions for agricultural operations)
  - Includes propane, LPG, gasoline forklifts
  - Model year (MY) phase-out (Class IV): 2018 MY and older by 1/1/28
  - MY phase-out (Class V): 2017 MY and older by 1/1/30
  - (Not applicable to diesel forklifts)
- Exception: if lift capacity is 8,001 lb or greater, **eligibility remains for the VW program**



# Becoming an Approved Dealer



### Resources

- [Off-Road Project Fact Sheet](#) (77 Kb PDF, 3 pgs, revised 11/28/2023)
- Off-road Equipment Flyer (Coming soon)
- [CMP Guidelines – Chapter 5: Off-Road Equipment](#)
- [CMP Guidelines – Chapter 10: Infrastructure](#)
- [BAAQMD Approved Dealerships](#) (159 Kb PDF, 2 pgs, posted 6/23/2023)





# Additional Resources

**California CORE website:** <http://californiacore.org/>

## California Air Resources Board

- Diesel Hotline: 866-6DIESEL or email: [8666diesel@arb.ca.gov](mailto:8666diesel@arb.ca.gov)
- The Off-Road Zone: <https://ww3.arb.ca.gov/msprog/offroadzone/offroadzone.htm>
- CARB Background on CORE: <https://ww2.arb.ca.gov/our-work/programs/clean-off-road-equipment-voucher-incentive-project>

**CA Volkswagen Mitigation Trust:** <https://www.californiavwtrust.org/zero-freight-marine/>





# Contact Information

**Carl Moyer Program:** [www.baaqmd.gov/moyer](http://www.baaqmd.gov/moyer)

**Community Health Protection Program:** [www.baaqmd.gov/ab617grants](http://www.baaqmd.gov/ab617grants)

Staff	Program	Email Address	Phone Number
Jessica DePrimo	Off-Road & Agriculture	<a href="mailto:jdeprimo@baaqmd.gov">jdeprimo@baaqmd.gov</a>	(415) 749-4693
Daniel Anderson	PERP & Stationary Agriculture	<a href="mailto:danderson@baaqmd.gov">danderson@baaqmd.gov</a>	(415) 749-8717
Kenneth Mak	On-Road	<a href="mailto:kmak@baaqmd.gov">kmak@baaqmd.gov</a>	(415) 749-8660
Clair Keleher	School Bus	<a href="mailto:ckeleher@baaqmd.gov">ckeleher@baaqmd.gov</a>	(415) 749 4692
Yu Zhang Liu	Marine Vessels & Locomotive	<a href="mailto:yliu@baaqmd.gov">yliu@baaqmd.gov</a>	(415) 749-8430

A high-angle, aerial photograph of a vast, continuous sea of white, fluffy cumulus clouds. The clouds are densely packed and extend to the horizon, creating a textured, undulating surface. Above the clouds, the sky is a clear, pale blue, with a few wispy, thin clouds visible near the horizon line. The overall scene is bright and airy, suggesting a high-altitude or tropical environment.

**Questions?**