

**SAN JOAQUIN VALLEY
AIR POLLUTION CONTROL DISTRICT**

**ELECTRIFIED DAIRY FEED
MIXING PROGRAM**

**ELIGIBILITY CRITERIA AND APPLICATION
GUIDELINES**

The San Joaquin Valley Air Pollution Control District (SJVAPCD) is currently accepting applications requesting monetary incentives to convert existing dairy feeding operations to an electrified dairy feed operation, according to the terms and conditions described in these guidelines. For additional information, assistance or to receive application 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, email, or visit our website:

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

General Program Information

- A. Eligible entities are dairies and other confined animal facility operation (CAFO's) which currently utilize diesel powered equipment to run their feeding operation.
- B. Projects will be selected for funding on a first come, first served basis as determined by the application complete date. Submission of a program application **does not** guarantee funding.
- C. This program will provide an incentive in the amount of 65% of the total cost of eligible equipment and infrastructure, up to a maximum cost effectiveness of \$30,000 per ton of emissions reduced.
1. The incentive amounts may be reduced after the claim for payment has been finalized, depending on all eligible items invoiced.
 2. Funding for this component is variable based on total cost of project and total calculated emission reductions
- D. The Electrified Dairy Feed Mixing Program has three (3) components to it. While the new electric equipment is a mandatory component for this program, infrastructure, mobile off-road equipment, and mobile on-road equipment will vary per operation. However, since the main objective of the program is to reduce emissions from the current feeding operation every project funded **must** have a change in the structure of the feeding operation with the elimination of some diesel powered equipment. A description of the components are as follows:
- 1. Infrastructure and new electric equipment.**
 - a. Infrastructure that will be needed to convert to an all-electric feed operation along with the new electric equipment. This category may include but is not limited to the following:
 - Electric mixer(s) with motors (**required**)
 - Conveyer system
 - Concrete for new stationary mixing station
 - Electrical infrastructure
 - Feed box(s) for the heavy-duty trucks
 - Electric feed pushers
 - Back-up generators are **NOT** eligible
 - 2. Off-road mobile diesel equipment** (tractors and loaders) used at the facility to mix, deliver and maintain the feeding operation.
 - a. Replacement and/or new purchase of tractors/loaders
 - b. Reduction of hours of off-road mobile equipment currently owned.
 - For example, a Tier 3 or newer wheel loader that currently operates 20 hours per day which will be reduced to 7 because of the new mixing station. These reductions will help to qualify your project with a lower cost-effectiveness
 - 3. On-Road mobile Trucks** used at the facility to mix, deliver and maintain the feeding operation.
 - a. Elimination, replacement and/or new purchase of heavy-duty trucks that will deliver the feed.
- E. Due to the complexity of this program it is strongly encouraged to meet with District staff prior to submitting an application. This will help ensure that all equipment associated with the project is accounted for and considered when calculating the emission reductions and total incentive amount. You can make an appointment by calling (559) 230-5800.

Component 1 - Infrastructure and New Electric Equipment

A. Eligible costs and equipment

1. Infrastructure that will be needed to convert to an all-electric feed operation along with the new electric equipment. This category may include, but is not limited to, the following:
 - Electric mixer(s) w/motors (**required**)
 - Conveyer system
 - Concrete
 - Electrical infrastructure
 - Feed box(s) for the heavy-duty trucks
 - Electric feed pushers
2. Some items may not be eligible for funding such as, but not limited to demolition, moving of existing structures, and equipment not directly related to feeding.
 - a. **Back-up generators are not eligible for funding.**
3. Participant must not start any infrastructure work, purchase new equipment, make payments toward infrastructure or equipment, and/or take possession prior to a fully executed contract from the District.
 - a. Work and/or equipment that is started/purchased prior to a fully executed contract will **not** be an eligible cost and will **not** be included in the calculation for incentive funding.

Component 2 - Off-Road Mobile Diesel Equipment Component

A. General Information and Eligibility Criteria:

1. Equipment under this component will either have a reduction in hours and be kept by the participant or will be replaced.
 - Eligible incentive amounts may be reduced after the claim for payment has been finalized, depending on all eligible items invoiced.
3. The replacement of two (2) or more old, like equipment with one (1) new replacement equipment is eligible for funding. Each of the old equipment and the new replacement equipment must comply with all appropriate program criteria.

B. Existing (old) Equipment must:

1. Be mobile, self-propelled off-road agricultural in-use equipment with a compression-ignition (CI) engine greater than or equal to 25 horsepower. Examples of eligible equipment include, but are not limited to; wheel tractor, wheel loader, and forklifts.
2. Have been owned and operated in California for the previous two (2) years. If selected for funding, the participant must submit supporting documentation (see page 6).
3. Be in operational condition at the time of application submission **and** SJVAPCD inspections. If selected for funding, the participant must submit documentation demonstrating that the old equipment has been in operational condition for the previous year (see page 7).
4. For equipment that is being replaced, the old equipment must be destroyed or rendered permanently in-operable after the new equipment is placed into operation. Destruction of the old equipment must be performed by a participating dismantler contracted with the SJVAPCD. Participant is required to refer to "Payment Procedures" document for full destruction requirements.

C. Replacement (new) Equipment must:

1. Have an engine meeting the most recent Model Year California emission standard.
 - a. Interim Tier 4 (interim Tier 4, Tier 4 Phase-Out, Tier 4 Phase-In/Alternate NOx) and Tier 4 Final engines participating in the averaging, banking and trading program that are certified to family emission limits (FELs) higher than the applicable emission standards, as designated on ARB's Executive Order, are eligible to participate in the Carl Moyer Program. The appropriate emission factor for calculating emission reductions and cost-effectiveness shall be equivalent to the emission factors associated with the Tier 3 for engines 50 to 750 horsepower and Tier 2 for engines less than 50 horsepower or greater than 750 horsepower.
 - b. Interim Tier 4 and Tier 4 Final engines participating in the averaging, banking and trading program that are certified to FEL below the applicable emission standards, as designated on ARB's Executive Order, are eligible to participate in the program. The appropriate emission factor for calculating emission reductions and cost-effectiveness shall be the emission factors associated with the applicable interim Tier 4, (interim Tier 4, Tier 4 Phase-Out, Tier 4 Phase-in/Alternate NOx) or Tier 4 Final emission standard.
 - c. The engine in the new equipment must be certified to a NOx emission standard that is at least 15 percent lower than the emission standard(s) applicable to the existing engine and be certified to either the current applicable emission standard, or to a FEL NOx or NOx+non-methane hydrocarbons (NMHC) level that is lower than the required emission standard.
 - d. For CI equipment, engines that are participating in the "Tier 4 Early Introduction Incentive for Engine Manufacturers" program, as detailed in California Code of Regulations, title 13, section 2423(b)(6), are eligible for Carl Moyer Program funding provided that they are certified to the final Tier 4 emission standards. The ARB Executive Order for these engines indicates that the engines are certified under this provision. The emission rates for these engines used to determine cost-effectiveness shall be equivalent to the emission factors associated with Tier 3 engines.
 - e. Interim Tier 4 CI engines between 75 and 750 hp, certified to the Phase-In, Phase-Out, and Alternate NOx standards as detailed in California Code of Regulations, title 13, section 2423(b)(1)(B), are eligible for funding.
 - f. Equipment manufactured under the "Flexibility Provisions for Equipment Manufacturers", as detailed in California Code of Regulations, title 13, section 2423(d) are eligible for funding as replacement equipment, provided the equipment meets the Tier 3 or cleaner level. Eligible equipment produced under the flexibility provisions whose reference engine family is certified to an FEL are also subject to the provisions of section (1) or (2) above. Equipment manufactured under the "Flexibility Provisions for Equipment Manufacturers," with an engine whose reference engine family meets a standard, Tier or FEL less stringent than Tier 3 standard (or Tier 2 standard for engines less than 50 horsepower or greater than 750 horsepower), are ineligible for funding.

- g. The certification emission standard and/or Tier designation for the engine must be determined from the Executive Order or United States Environmental Protection Agency Certificate of Conformity (for federally preempted engines) issued for that engine. ARB Executive Orders for off-road engines may be found at <http://www.arb.ca.gov/msprog/offroad/cert/cert.php>
2. Be mobile, self-propelled off-road equipment.
3. Have a horsepower rating no greater than 125 percent of the original manufacturer rated horsepower (baseline horsepower) for the old equipment engine.
 - If the new equipment is not available in the old equipment horsepower range or the higher horsepower equipment will result in equal or less annual emissions, the SJVAPCD may approve a greater than 125 percent increase in horsepower on a case-by-case basis. Documentation from the manufacturer will be required.
4. Not have been previously owned and be indicated as new by the dealer at the time of purchase. Used equipment is not eligible for funding as replacement equipment.
 1. Equipment that served as rentals, were previously leased, or were floor/demonstration models may be eligible on a case-by-case basis determined by SJVAPCD staff prior to funding. Documentation from the dealer may be required.
 2. Equipment must have less than 250 hours at the time of sale.
5. Have only the minimum attachments normally sold with the original equipment as determined by SJVAPCD staff. Only eligible items will be considered for funding.
 - Implements or attachments on the new replacement equipment may be eligible for funding if the existing equipment was also similarly equipped, and the replacement equipment requires such implements or attachments to perform the same activities as the existing equipment. Such instances will be reviewed and approved on a case-by-case basis by the SJVAPCD.
6. Have an operating hour meter to record annual usage in hours.

Component 3 - On-Road Truck

A. General Information and Eligibility Criteria

1. Equipment under this component will either have a reduction in hours and be kept by the participant, be eliminated with **no** replacement or will be replaced.

B. Current (Old) Truck must:

1. Have a Gross Vehicle Weight Rating (GVWR) of 14,001 or more pounds (Class 4 - Class 8).
2. Have an Engine Model Year of 2009 or older.
3. Be owned by the applicant for the past 24 months.
4. Be currently registered and have been registered (California base-plated or Special Vehicle) in the state of California for the past 24 months prior to the application submission date.
5. Be based within the San Joaquin Valley APCD boundaries as determined by the registered address on the last 6 months of DMV Registration.
6. Be in compliance with any applicable State regulations for on-road trucks.
 - a. If applicable, be registered with the ARB Truck Regulations Upload and Compliance Reporting System (TRUCRS).
7. Be in operating condition at the time of application submission.
 - a. Operating condition will be determined through an inspection process conducted by contracted Dealership staff or District staff prior to issuing a contract. Trucks deemed non-operational during the inspection process will be deemed ineligible for the Program.
8. Have a title, free of any lien holders, on which the applicant is listed as the registered owner of the truck.
 - a. Titles on which the lien holder has signed the release of interest for the truck will be accepted.

C. Replacement Truck must:

1. Be equipped with an engine that meets or exceed the 2010 emission standard of 0.20 g/bhp-hr NOx (FEL and CERT values).
2. Have a GVWR rated at 14,001 pounds or greater.
3. Not be a glider kit.
4. If the replacement truck is used, have less than the miles indicated below on the odometer:
 - a. Class 8 Truck – less than 600,000 miles on the odometer
 - b. Class 7 Truck - less than 350,000 miles on the odometer
 - c. Class 4 – 6 Trucks – less than 25,000 miles on the odometer
5. Commit to being registered with the DMV within the District boundaries (page 15) during the project life.

Steps to Apply

Projects will be funded first come, first served based on the date the application is deemed complete. To help ensure that your application is submitted complete, please follow the steps below:

A. Before you fill out an application:

1. Identify all old diesel powered equipment currently being used in the feed mixing operation at your facility. Please use a spreadsheet to identify your equipment as described below:
 - a. Make, Model, Model Year of the equipment and its engine
 - b. Engine Horsepower, EPA Family Name and Tier level (off-road only)
 - c. Annual usage in hours for off-road equipment and miles or fuel use for on-road equipment
2. For the above mentioned equipment, identify which pieces will:
 - a. Be replaced with a new piece of equipment
 - b. Be kept but have a reduction in usage
 - c. Be destroyed but NOT replaced
3. Identify new mobile equipment that will need to be purchased to convert the operation to an Electric Mixer.
 - a. Obtain **quotes** from dealers for each piece of new equipment that is needed
4. Identify infrastructure and new stationary equipment that will need to be purchased or completed such as, but not limited to; electrical work, concrete work, electric mixer(s), and conveyor(s).
 - a. Obtain **quotes** from sub-contractors and/or dealers for each

B. Application Requirements:

1. Fill out one (1) Form A for the Organization, including additional pages with answers & diagrams to questions on page 2.
2. Fill out appropriate Form(s) for the equipment identified in section A (1) above. Use one page per piece of equipment
 - a. Off-Road equipment – use Form B
 - b. On-Road Equipment - use Form C
3. Fill out one Form D for each piece of **new mobile** (on and/or off road) equipment identified in section A(3) above
4. Fill out Form E for all **new stationary** equipment (electric mixer, conveyor) and/or **infrastructure** work Identified in step A (4) above.
5. Fill in **all applicable fields**. District staff is available by phone, email or in person at the Fresno office to assist you in filling out the application (see contact information below).
6. Submit completed Forms A-E along with all quotes and the first page of the IRS W9 form to:

SJVAPCD Strategies and Incentives Department
1990 East Gettysburg Avenue Fresno, CA 93726-0244
Phone: (559) 230-5800 ■ Fax: (559) 230-6112 ■ Email: grants@valleyair.org

Don't forget to retain a full copy of the completed application for your own records. For additional assistance, please contact staff in the Strategies and Incentives Department at (559) 230-5800

MAP OF THE SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT BOUNDARIES

