

SAN JOAQUIN VALLEY
AIR POLLUTION CONTROL DISTRICT**ZERO-EMISSION FORKLIFT PROGRAM****Program Guidelines**

The San Joaquin Valley Air Pollution Control District (District) is currently accepting applications requesting monetary incentives to replace existing Large Spark Ignition (LSI) forklifts with zero-emission, battery electric replacement forklifts, according to the terms and conditions described in these guidelines. 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. 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. Funding

Projects will be funded on a first come, first serve basis and submittal of application does not guarantee funding. Applicants must have a signed, executed contract from the District prior to purchase and installation of new equipment.

A. Incentive amounts will be calculated at a maximum of 80% of the eligible costs of the new forklift.

1. The state's Carl Moyer Program cost-effectiveness limit (\$/ton of emissions reduced) is used to determine the maximum funding amount for each project. Therefore, based on cost-effectiveness, the maximum funding amount for an individual project may be less than 80%.
- B. In the event that the program is substantially over-subscribed, the District reserves the right to limit funding to \$500,000.00 per entity, per calendar year.

II. General Requirements

- A. Submission of a program application **does not** guarantee funding. **Applicants must have an executed contract with the District prior to the purchase of any new equipment.**
- B. Co-funding, or stacking, with other local, State and Federal funding programs may be allowed on a case-by-case basis. If co-funding is approved for your project, the total amount funded between all local, State and Federal funding programs shall not exceed 85% of the total eligible costs, with a minimum 15% applicant cost-share. Please contact program staff for more information on potential co-funding opportunities.
- C. Applicants must be in compliance with the California Air Resources Board's (CARB) LSI Fleet Regulation and are surplus to the ZE Forklift Regulation, and have either met the final Fleet Average Emission Level (FAEL) for fleets of 4 or more forklifts, or be exempt from the regulation, as follows:
 1. Agriculture crop preparation non-forklift equipment and Pre-1990 forklifts.
 2. Forklifts used exclusively in fields to harvest and maintain crops through the FARMER program
 3. Small fleets (one to three forklifts)
- D. The following types of industries/equipment are NOT eligible for funding due to regulatory requirements:
 1. **Food retail stores, cold storage, and confined space operations (such as freezers)** which are currently required to be zero-emission for worker safety.
 2. **Equipment that are part of a rented or leased fleet** due to the regulatory requirements for rental and lease equipment subject to the LSI Fleet Regulation.
- E. Applicants must submit information to the District regarding fleet size, compliance status, attestation of compliance, and certify that the fleet list is accurate and complete.
- F. No funds will be issued for maintenance or repairs related to the operation of the existing or new equipment.

III. Existing (Old) Forklift Requirements

- A. Be mobile, self-propelled, off-road (not certified for on-road use), in-use equipment with an LSI (Gas/Propane) engine.
 - 1. Diesel-powered forklifts used in agricultural operations are not eligible under this program but may be eligible for replacement through the Agricultural Tractor Replacement Program. Information on this program can be found on the District website at <https://ww2.valleyair.org/grants/tractor-replacement-program/>
- B. Been owned and operated in California for the previous two (2) years. The applicant must submit supporting documentation as outlined in section VII below. (see page 5).
- C. Must have a minimum of 1 year of surplus time relative to the LSI Fleet Regulation and Zero-Emission Forklift Regulation. Surplus time is the amount of time, in years, from when the new, replacement forklift is put into service and the compliance date for the old forklift.
 - 1. More information regarding the Zero-Emission Forklift Regulation, along with the associated compliance deadlines, can be found on CARB's website [here](#).
- D. Be in operational condition at the time of application submission **and** District inspections. The applicant must submit documentation demonstrating that the old equipment has been in operational condition for the previous year (see page 5).
- E. Must be destroyed or rendered permanently inoperable in accordance with program guidelines after the replacement equipment is placed into operation. Destruction of the old equipment must be performed by a participating dismantler contracted with the District.

IV. New Forklift Requirements:

- A. Be zero-emission. Zero-emission replacement equipment is not required to be certified or verified by CARB. However, replacement equipment must emit zero tailpipe emissions from its on-board source of power (such as all-electric or hydrogen fuel cell vehicles) and may not undergo any modification that would allow propulsion by any other means.
 - 1. The zero-emission replacement equipment must be new. (i.e. manufactured from new parts that have never been the subject of retail sale.)
 - 2. The zero-emission replacement must serve the same function and perform the same work as the current equipment.
- B. Be mobile and self-propelled
- C. Be domiciled within the boundaries of the District
- D. Have a horsepower rating no greater than 135% of the original manufacturer rated horsepower (baseline horsepower) for the old equipment engine.
 - 1. If the replacement equipment is not available in the old equipment horsepower range, the District may approve a greater than 135% increase in horsepower on a case-by-case basis.
 - 2. In such cases, the eligible funding amount will be based on a horsepower rating not to exceed 135% of the baseline horsepower, or the cost of a motor/equipment whose horsepower is no higher than 135% of the existing engine horsepower.
- E. Have an operating hour meter to record annual usage in hours.

- F. Applicant agrees to attach a “Funded in part by the Valley Air District” sticker to the side panel of the replacement equipment (sticker will be provided and attached by a District inspector during the post-inspection prior to incentive reimbursement). Funding will not be dispersed if the aforementioned sticker is not attached and clearly visible for the post-inspection pictures.

V. New Equipment Ineligible for Funding

- A. Equipment that is NOT self-propelled such as pallet jacks and self-propelled “lifts” such as scissor lifts or similar.
- B. Replacement equipment powered by compression ignition (diesel) or LSI (gas/propane).
- C. Additional attachments that are not normally sold with the original equipment, as determined by the District.

VI. Applicant Requirements

- A. **Not make purchase, make payments toward, and/or take possession of the replacement equipment prior to receiving a fully executed contract from the District.**
- B. Remain the owner of the replacement equipment through the full term of the agreement.
 - 1. If the replacement equipment is sold during the agreement term, the new owner of the equipment must assume the agreement obligations with the District and comply with the terms and conditions outlined in the original agreement. The District must approve the equipment ownership change prior to sale.
- C. Maintain the replacement equipment in accordance with manufacturer specifications.
 - 1. The applicant takes sole responsibility for ensuring that the engine and/or equipment is/are in operational condition throughout the agreement period.
- D. Maintain replacement value insurance for the replacement equipment through the full term of the agreement.
- E. Operate at least seventy-five percent (75%) of the replacement equipment’s annual hours within California and fifty percent (50%) within District boundaries (see page 8).
- F. Ensure a minimum of a 3 year or 5,000 hours powertrain warranty for the replacement equipment.
 - 1. Warranty must cover parts and labor
 - 2. Optional or Extended warranty contract are eligible for funding to satisfy the warranty requirement
- G. Ensure the old equipment is destroyed or rendered permanently inoperable. Destruction must be performed by a participating dismantler, contracted with the District.
- H. Submit annual useage reports to the District through the full term of the agreement.
- I. Install and maintain an operational hour meter on the replacement equipment. Future annual hours of equipment operation for determining emission reductions must be based only on readings from an installed and fully operational hour meter.
 - 1. The cost of an hour meter is eligible for incentive funding and should be included in the quoted price if the equipment does not have a functioning meter at the time of the project

2. If during the project life, the hour meter fails for any reason, the hour meter must be repaired or replaced as soon as possible at the owner's cost.

VII. Documentation

Category	Required Documents
Ownership	<p>The applicant must provide ONE of the items from the following list showing ownership of the old equipment for the previous two (2) years (24 months):</p> <ul style="list-style-type: none"> • Bill of Sale for the existing (old) equipment is preferred • Tax depreciation logs • Property tax records • Equipment insurance records • Bank appraisals for the equipment • Maintenance/service records • General ledgers • Fuel records specific to the existing equipment that identify equipment owner • Other documentation approved by the District and CARB on a case-by-case basis
Annual Usage	<p>The applicant must provide ONE of the items from the following items showing operational status of the old equipment for the previous one (1) year (12 months):</p> <ul style="list-style-type: none"> • Revenue and usage records that identify operation, standby, and down hours for the existing equipment. • Routine inspections which document the operating condition of the existing equipment (OSHA of workplace required) • Employee timesheets linked to specific equipment use • Repair work orders specific to the equipment • Other documentation approved by the District and CARB on a case-by-case basis
Compliance	<p>Applicants must submit their printout from the applicable reporting system (DOORS) to allow for verification of fleet size and compliance status. For the DOORS system, the printout should show the following information:</p> <ul style="list-style-type: none"> • DOORS snapshot to include ID and entity name (fleets of 4 or more) • DOORS EIN of existing equipment (fleets of 4 or more) • DOORS compliance attestation (fleets of 4 or more) • Small Fleet verification form (fleets of 1 to 3)

VIII. Inspection Requirements

Phase	Timing	Requirements
Pre-Inspection	After application submittal and prior to contract offer	District will contact applicant to schedule pre-inspection of existing equipment. Inspection will include photos of the forklift(s) for documentation of the operational condition & to verify the specifications.
Post Old - Inspection	After delivery of old equipment to dismantler	District will perform the inspection of the old equipment at the dismantling facility to verify the correct equipment was received by the dismantler & document proper destruction of the equipment.
Post New - Inspection	After delivery of new equipment to applicant	District will contact applicant to schedule an inspection of the new equipment. Inspection will include photos of the new forklift(s) for documentation of the operational condition & verify specifications.

IX. Project Process

Phase 1 - Application Submission and Approval

Phase 1 Steps	Description
Application Submission	Submit an application to the District via either email, standard mail, fax, or hand delivery.
Supporting Documentation	Submit, along with the application, support documentation outlined in section VII Documentation of these guidelines.
Pre-Inspection	<ul style="list-style-type: none"> Performed by District staff, pictures taken, and equipment information verified.
Staff Review and Assessment	<ul style="list-style-type: none"> Supporting documentation and pre-inspection reviewed for eligibility determination. Emission reduction and incentive calculation performed Additional documentation is requested, if needed
Project Approval and Offer	If deemed eligible, draft contract offer sent to the applicant to review, sign and return to the District.

Phase 2 – Contract Execution

Phase 2 Steps	Description
Offer/Signature	Applicants sign the draft contract and return to the District for final signatures and contract execution
Order/Purchase & Dismantle	Upon receipt of the Executed Contract: <ul style="list-style-type: none"> Applicant places order for or makes purchase of the new forklift. Within 60 days of the new forklift invoice date the old forklift must be delivered to a certified dismantler.
Contract Expiration	The Applicant will have one (1) year from the date of contract execution to purchase/take delivery of the new forklift and surrender the old forklift to an approved program dismantler. Please refer to your contract to verify contract terms.

Phase 3 – Reimbursement

Phase 3 Steps	Description
Claim For Payment Packet Submission	Upon delivery of the new forklift and delivery of the old forklift to a certified dismantler, applicant submits a Claim Packet to the District via either email, standard mail, fax, or hand delivery.
Documentation	A complete Claim for Payment packet will include, but is not limited to: <ul style="list-style-type: none"> Signed Claim for Payment form (provided by District) Old Forklift Status Form (provided by the District) Final Invoice from dealership Proof of Insurance Proof of Payment Copy of Warranty

Inspections	<p>Upon receipt of the Claim for Payment, District staff will schedule an appointment to perform the following inspections (see section VIII of these guidelines for detailed description):</p> <ul style="list-style-type: none"> • Post Inspection of new forklift at the applicant’s facility • Dismantle of old forklift at the certified dismantler’s facility
Staff Review & Assessment	<p>Supporting documentation & post-inspections reviewed for eligibility. Additional documentation is requested if needed</p>
Payment	<p>Payment will be issued within sixty (60) working days of a completed post-inspection and upon receipt of a complete claim for payment packet.</p> <ul style="list-style-type: none"> • Payment not to exceed 80% of total eligible costs. • Payment is issued in the form of a check directly to the applicant.

X. Map of the San Joaquin Valley Air Pollution Control District Boundaries

