

## IMPLEMENTATION GUIDE FOR THE CLEAN OFF-ROAD EQUIPMENT VOUCHER INCENTIVE PROJECT

**Date:**



California Environmental Protection Agency  

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 **Air Resources Board**

Note: This is a draft version of the Implementation Guide made available for public comment that may be reflected in the CORE project administrator solicitation. Staff requests comments to be submitted electronically no later than November 21, 2018 to Eloy Florez, Air Pollution Specialist, at [eloy.florez@arb.ca.gov](mailto:eloy.florez@arb.ca.gov).

## DISCUSSION DRAFT

### EXECUTIVE SUMMARY

In 2012, Assembly Bill (AB) 1532 (Pérez, Chapter 807), Senate Bill (SB) 535 (De León, Chapter 830), and SB 1018 (Budget and Fiscal Review Committee, Chapter 39) established the greenhouse gas reduction fund (GGRF) to receive auction proceeds from California's Cap-and-Trade Program<sup>1</sup> and to provide the framework for how the auction proceeds are administered in furtherance of the purposes of AB 32 (Nunez, Chapter 488, 2006). AB 134 (2017) appropriated \$140 million from the Greenhouse Gas Reduction Fund for demonstrating and deploying advanced technology in freight equipment. Of that appropriation, \$40 million was allocated to the Clean Off-Road Equipment (CORE) Voucher Incentive Project by the Fiscal Year 2017-18 Funding Plan for Clean Transportation Incentives<sup>2</sup>, approved by the Board on December 14, 2017.

The CORE Voucher Incentive Project, analogous to the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP), is a new project intended to accelerate commercial deployment of zero-emission off-road freight technologies by providing a streamlined voucher process for potential purchasers to receive funding to offset the higher cost of such technologies. CORE voucher amounts are based on the incremental cost of the piece of zero-emission off-road equipment being purchased. Additional funding is available for equipment deployed in disadvantaged communities, as well as bulk purchases, extended warranties, and charging infrastructure. The CORE project targets commercialized zero-emission products that have not yet achieved a significant market foothold. The following types of equipment are currently eligible for a CORE voucher:

- On- and off-road terminal tractors<sup>3</sup>,
- Transport refrigeration units,
- Forklifts (greater than 8000 lbs. lift capacity),
- Container handling equipment,
- Airport cargo loaders,
- Wide-body aircraft tugs,
- Railcar movers, and
- Rubber-tired gantry cranes.

This Implementation Guide sets forth the guidelines and conditions for prospective manufacturers, dealers, and fleets to follow when participating in the CORE project. Topics of this Implementation Guide include eligibility criteria for manufacturers, eligible equipment types, conditions of participation, requirements and restrictions, and processes for obtaining and redeeming a CORE voucher.

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<sup>1</sup> <https://www.arb.ca.gov/cc/capandtrade/capandtrade.htm>

<sup>2</sup> [https://www.arb.ca.gov/msprog/aqip/fundplan/proposed\\_1718\\_funding\\_plan\\_final.pdf](https://www.arb.ca.gov/msprog/aqip/fundplan/proposed_1718_funding_plan_final.pdf)

<sup>3</sup> On-road terminal tractors are also included in the CORE project given their similarity to off-road terminal tractors

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## A. PROJECT OVERVIEW

### 1. Background

In 2007, Assembly Bill (AB) 118 created the Air Quality Improvement Program (AQIP), a voluntary incentive program implemented by the California Air Resources Board (CARB or Board), to fund clean vehicle and equipment projects, air quality research, and workforce training. Subsequently, in 2012, the Governor Brown signed into law three bills, AB 1532 (Pérez, Chapter 807), Senate Bill (SB) 535 (De León, Chapter 830), and SB 1018 (Budget and Fiscal Review Committee, Chapter 39), that established the greenhouse gas reduction fund (GGRF) to receive auction proceeds from California's Cap-and-Trade Program<sup>4</sup> and to provide the framework for how the auction proceeds are administered in furtherance of the purposes of AB 32 (Nunez, Chapter 488, 2006), including supporting long-term, transformative efforts to improve public health and develop a clean energy economy. Funding from the Cap-and-Trade Program is administered by several different California agencies, and the investments made are collectively called, California Climate Investments. The suite of implementing legislation also offers strong direction for investing a portion of the auction proceeds to benefit disadvantaged communities, including specific allocation requirements in SB 535 bolstered by AB 1550 (Gomez, Chapter 369, Statutes of 2016).

Each fiscal year, CARB staff submits a proposed Funding Plan to the Board for approval that serves as the blueprint for expending GGRF and AQIP funds appropriated to CARB in the State budget. The plan establishes CARB's priorities for the funding cycle, describes the projects CARB intends to fund, and sets funding targets for each project.

In 2017, Governor Brown signed into law Assembly Bill 134 (AB 134), which appropriated up to \$140 million from GGRF for advanced freight equipment demonstrations and pilot commercial deployments. The Fiscal Year (FY) 2017-18 Funding Plan for Clean Transportation Incentives, approved by CARB in December 2017, allocated \$40 million of the \$140 million appropriation to the Clean Off-Road Equipment (CORE) Voucher Incentive Project, which established a streamlined voucher process for fleets ready-to-purchase specific zero-emission equipment to receive funding to offset the higher cost of such technologies.

The CORE project is intended to accelerate deployment of cleaner off-road technologies and benefits the citizens of California by providing immediate air pollution and GHG emission reductions. Additionally, the project deploys and advances the critical technologies necessary in order for California to

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<sup>4</sup> <https://www.arb.ca.gov/cc/capandtrade/capandtrade.htm>

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meet its long-term air quality and climate change goals. The CORE project is also supportive of Executive Order B-32-15, which directed the development of the California Sustainable Freight Action Plan<sup>5</sup>. This action plan was released July 29, 2016, and includes three main targets:

- Improve freight system efficiency 25 percent by increasing the value of goods and services produced from the freight sector, relative to the amount of carbon that it produces by 2030;
- Deploy over 100,000 freight vehicles and equipment capable of zero-emission operation and maximize near zero-emission freight vehicles and equipment powered by renewable energy by 2030; and
- Establish a target(s) for increased State competitiveness and future economic growth within the freight and goods movement industry.

This Implementation Guide is intended for manufacturers, dealers, and fleets that participate in the CORE project. It sets forth project elements, such as eligibility criteria, requirements and restrictions, as well as the process for obtaining and redeeming a CORE voucher. The Implementation Guide was developed by CARB staff through a public process in coordination with the Project Administrator.

## 2. Project Description

The CORE project provides a streamlined voucher process for fleets ready-to-purchase specific zero-emission equipment to receive funding to offset the higher cost of such technologies. This project is analogous to the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP)<sup>6</sup>, but specifically targets commercialized zero-emission off-road freight equipment<sup>7</sup>. CORE provides vouchers to California purchasers and lessees of zero-emission off-road freight equipment on a first-come, first-serve basis, with increased incentives for equipment located in disadvantaged communities.

As with many new technologies, one of the primary barriers to broad market adoption of zero-emission off-road equipment is limited production volumes. The increased costs associated with limited production make zero-emission equipment less cost competitive and can deter fleets from investing in such equipment even if there are anticipated benefits. The CORE project helps address the cost barrier for zero-emission off-road freight equipment by

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<sup>5</sup> [http://dot.ca.gov/hq/tpp/offices/ogm/cs\\_freight\\_action\\_plan/Documents/CSFAP\\_FINAL\\_07272016.pdf](http://dot.ca.gov/hq/tpp/offices/ogm/cs_freight_action_plan/Documents/CSFAP_FINAL_07272016.pdf)

<sup>6</sup> <https://www.californiahvip.org/>

<sup>7</sup> On-road terminal tractors are also included in the CORE project given their similarity to off-road terminal tractors.

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helping offset the incremental cost of purchasing and deploying such equipment.

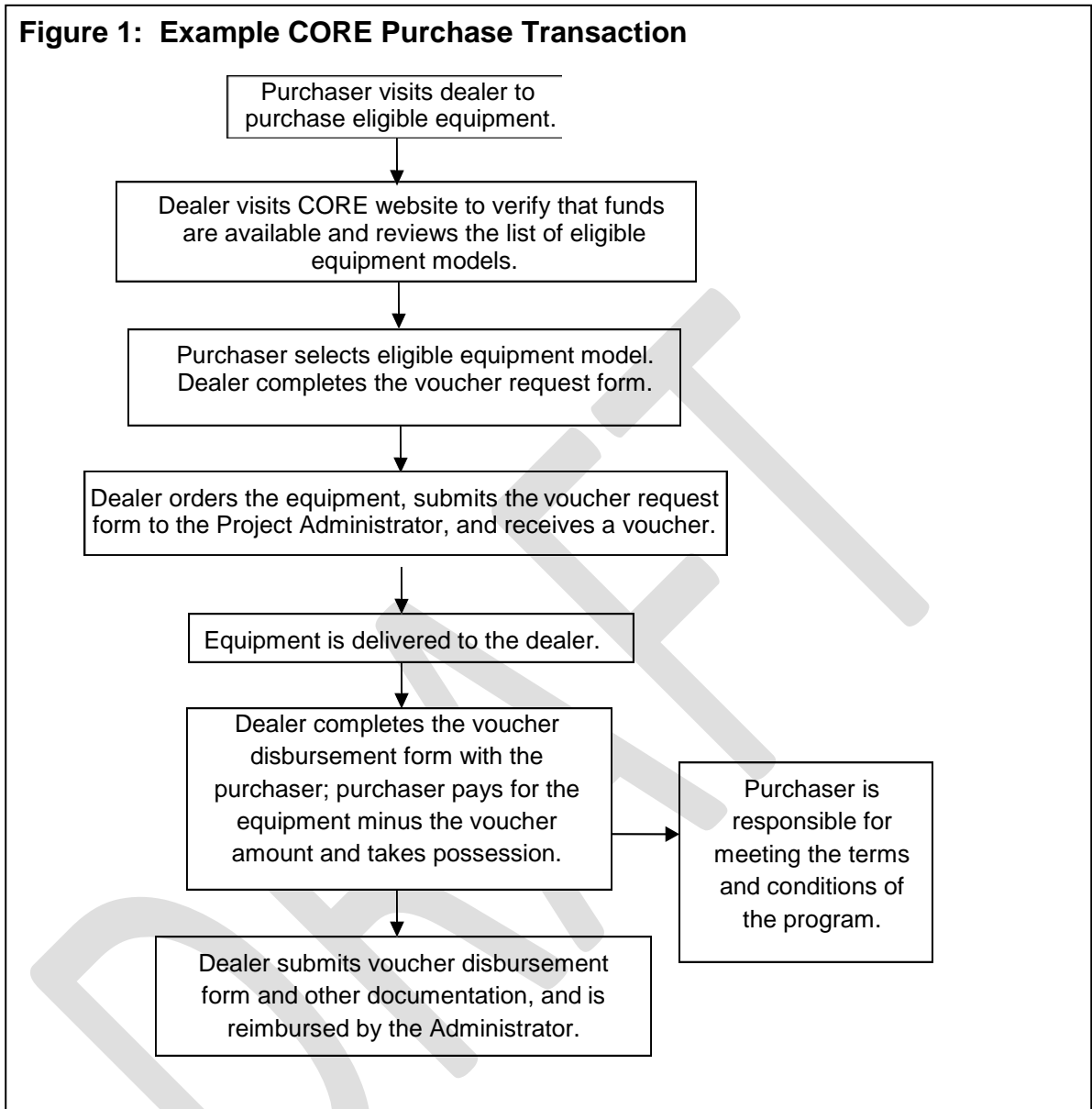
Voucher enhancements are intended to assist business operations in the transition to zero emission equipment with funding for infrastructure, extended warranty, or bulk acquisition.

### **3. Project Framework**

Through the process described below, manufacturers shall work with CARB staff to have their equipment added to the CORE project's equipment model eligibility list. Equipment dealers and fleets shall use the CORE project website [Insert URL], developed by the Project Administrator, to view eligible equipment models and base voucher amounts, request and redeem vouchers, and obtain other information about the project.

Figure 1 illustrates a hypothetical equipment dealer sale and voucher reimbursement transaction. This flow chart is based on the transaction model from HVIP.

**Figure 1: Example CORE Purchase Transaction**



#### **4. Disadvantaged Communities**

In 2014, the California Environmental Protection Agency (Cal/EPA) identified disadvantaged communities for the purposes of SB 535 using the California Communities Environmental Health Screening Tool (CalEnviroScreen 2.0). In 2017, Cal/EPA updated the list of disadvantaged communities based on the newer CalEnviroScreen 3.0 model and identified low-income communities for the purposes of implementing AB 1550. CARB will use the 2017 CalEnviroScreen 3.0-based list of disadvantaged communities and newly identified low-income communities to determine compliance with AB 1550 requirements. More information on the



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CalEnviroScreen model and disadvantaged communities is available on Office of Environmental Health Hazard Assessment's website<sup>8</sup>.

To ensure CORE continues to meet its goal of providing funding in disadvantaged communities, and to satisfy AB 1550 requirements, a portion of CORE funding would be held in reserve. Throughout the project year, if data show that CORE is not meeting AB 1550 goals, funding will be earmarked for vehicles located in disadvantaged communities. As part of the reporting requirements associated with Low Carbon Transportation funding, CARB will track where these funds are spent so the portion that is spent in disadvantaged and low-income communities can be calculated and reported in future annual reports to the Legislature.

Consistent with several strategies in the FY 2017-18 Funding Plan to increase vehicle deployments in disadvantaged communities, the CORE voucher program has higher zero-emission off-road voucher amounts for projects that benefit disadvantaged communities.

### **B. ELIGIBLE EQUIPMENT TYPES**

CORE vouchers are intended for off-road equipment and repowers (conversions) of such equipment that are:

- Zero-emission;
- Commercialized; and
- Commonly used in freight applications.

Specifically, the CORE project applies to the following types of zero-emission equipment:

- On- and off-road terminal tractors,
- Transport refrigeration units (TRU),
- Forklifts (greater than 8,000 lbs. lift-capacity),
- Container handling equipment,
- Airport cargo loaders,
- Wide-body aircraft tugs,
- Railcar movers, and
- Rubber-tired gantry (RTG) cranes.

Additional types of commercially available zero-emission off-road equipment will be considered on a case-by-case basis.

Per the language in AB 134, the \$140 million Low Carbon Transportation allocation "shall not be allocated for the purchase of fully automated cargo handling equipment. For the purposes of this paragraph, 'fully automated' means

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<sup>8</sup> <https://oehha.ca.gov/calenviroscreen>

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equipment that is remotely operated or remotely monitored, with or without the exercise of human intervention or control.”

**C. VOUCHER AMOUNTS**

The voucher amount for an eligible piece of equipment consists of a model-specific base voucher amount and voucher enhancements (described below) that may apply. The base voucher amounts, which are determined by CARB staff in consultation with the Project Administrator, depend on multiple factors, including, but not limited to, the incremental cost of the zero-emission equipment over its internal combustion counterpart and whether the funded equipment will be used in a disadvantaged community. Actual model-specific base voucher amounts are determined using information provided in a manufacturer’s CORE application and other data.

**1. Maximum Base Voucher Amounts**

Table 1, below, sets forth the maximum base voucher amounts for each eligible equipment type. The maximum base voucher amounts exclude any voucher enhancement(s) (e.g., infrastructure, bulk deployments, etc.).

**TABLE 1: MAXIMUM BASELINE VOUCHER AMOUNTS**

Equipment Type		Maximum Base Voucher Amount (\$)*
On- and Off-Road Terminal Tractors	New Tractor	--
	Conversion Kit	--
TRU (Truck and Trailer)	New TRU (≥23 HP)	--
	Conversion Kit (≥23 HP)	--
	New TRU (<23 HP)	--
	Conversion Kit (<23 HP)	--
Forklift	8,001 – 12,000 lbs. capacity	--
	12,001 – 20,000 lbs. capacity	--
	20,001 – 33,000 lbs. capacity	--
	>33,000 lbs. capacity	--
Container Handling Equipment	>33,000 lbs. capacity	--
Airport Cargo Loader	≤ 20,000 lbs. capacity	--
	>20,000 lbs. capacity	--
Railcar Mover		--
Wide-Body Aircraft Tug		--
Rubber-Tired Gantry Crane		--

\* Cannot exceed \$500,000 pursuant to the FY 2017-18 Funding Plan.

## 2. Disadvantaged Communities

For equipment that the purchaser commits to operating at least -- percent of its time within a disadvantaged community for the first three years from the date of sale/lease, an additional 10 percent may be added to the model-specific base voucher amount (before voucher enhancements). In such cases, the purchaser must agree to ensure that such piece of equipment will, in fact, achieve this operating requirement. In addition, the purchase must allow the manufacturer to collect, aggregate, and transmit telematics data from the equipment piece to CARB, the Project Administrator, or their designee for the purpose of verifying operation within a disadvantaged community.

If it has been determined that the operational threshold was not met, CARB reserves the right to recoup the additional monies paid out (i.e., the additional 10 percent).

## 3. Voucher Enhancements

Within CORE, voucher enhancements provide additional funding to help overcome barriers to adoption. Voucher enhancements are in addition to the model-specific base voucher amount determined by CARB. The following is a list of the available voucher enhancements:

### a. Bulk Deployments

CORE provides voucher enhancements to fleets that complete a bulk CORE-project order representing at least 25 percent of all applicable equipment within a fleet. The voucher enhancement is \$-- per unit.

In order to qualify for this enhancement, fleets must order all pieces of equipment at the same time and have the dealer notify the Project Administrator, as part of the voucher request, that each ordered piece is part of a bulk deployment purchase. The request must include an inventory of the fleet's existing equipment, so that the Project Administrator can verify that the percentage threshold has been met.

### b. Extended Warranties

As described in section D.2.f.i., a base warranty of three (3) years or 6,500 hours is required for all new equipment or repowered conversion systems. However, CORE voucher enhancements are also available for extended warranties. The extended-warranty enhancement amounts are described in Table 2, below.

**TABLE 2: EXTENDED WARRANTY VOUCHER ENHANCEMENTS**

Warranty Term*	Maximum Voucher Amount per EVSE (\$)
6 years/16,000 hours	--
7 years/18,500 hours	--
8 years/21,000 hours	--

\* Whichever occurs first, years or hours.

In order for a purchaser to qualify for this enhancement, the manufacturer must have described the extended warranty in their CORE Application.

c. Infrastructure

The CORE project offers voucher enhancements to cover the capital and installation costs of electric vehicle supply equipment (EVSE). For TRUs, in particular, the CORE project allows for multiple infrastructure enhancements per voucher to address application-specific operational needs. For example, TRU-equipped trailers are capable of transporting both dry goods and goods that require a climate-controlled environment. Because battery-electric TRUs are expected to recharge during loading and unloading events, warehouses with both dry and cold storage areas would likely need EVSE installed at the dock doors in both areas. In addition, trailers often queue in staging areas for extended periods of time while waiting to be loaded or unloaded, so EVSE may be required in those areas as well.

In order to qualify for this voucher enhancement, dealers, on behalf of the purchaser, shall provide in the voucher request the number of EVSE units that will be installed to support the CORE-funded equipment. The Project Administrator may request additional information to validate the enhancement request.

Table 3, below, sets forth the maximum amounts applicable to the installation of charging equipment under CORE.

**TABLE 3: INFRASTRUCTURE VOUCHER ENHANCEMENTS**

Equipment Type		Maximum Voucher Amount per EVSE (\$)
New Terminal Tractor		--
TRU (Truck or Trailer)*	≥ 23 HP	--
	< 23 HP	--
Forklift (All lift capacities)		--
Container Handling Equipment		
Airport Cargo Loader		--
Wide-Body Aircraft Tug		--
Railcar Mover		--
Rubber-Tired Gantry Crane		--

\* Up to 3 units per TRU.

i. Fast-Charging or Hydrogen Fueling

Fleets incorporating fast-charge (greater than level 2\*) facilities or hydrogen fueling infrastructure are eligible for a voucher enhancement of up to \$-- per piece of equipment.

(\*Society of Automotive Engineers Standard J1772)

ii. Inductive Charging

With inductive charging, there is no direct connection (i.e. the inductive system does not require a physical connection to be made). Inductive chargers are typically located either overhead or in the roadbed beneath the equipment. Inductive charging systems are very convenient requiring little driver attention but are more costly than conductive systems. To encourage initial market penetration for commercialized zero-emission equipment units with inductive charging technology, the voucher infrastructure enhancement helps offset capital costs associated with such technology.

Maximum Voucher Enhancement: \$-- per piece of equipment.

#### **4. Maximum Allowable Voucher Amount**

The total CORE voucher amount (including the base equipment amount and voucher enhancements) plus all other CARB incentives may not exceed 100 percent of the total equipment cost (excluding taxes and fees). CORE funding may not pay for any taxes or fees associated with the acquisition of the equipment piece. Any federal, state or local taxes as well as any municipal, local, dealer, or DMV fees, must be paid by the fleet or other funding source that would allow for reimbursement of such expenditure(s).

The total equipment cost is to be determined by CARB staff in consultation with the Project Administrator and equipment manufacturer, based upon the equipment sale price, typical industry standard costs for that equipment technology and type, and other factors.

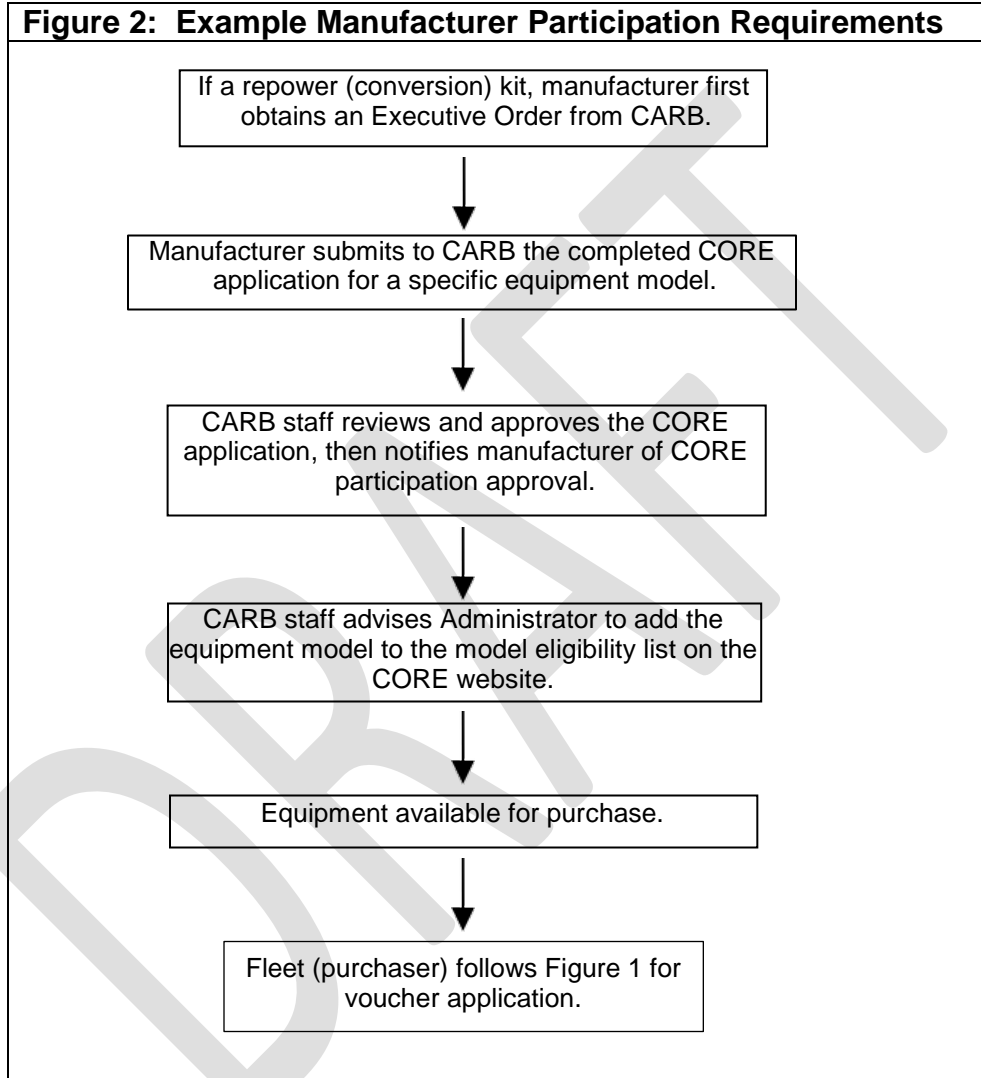
#### **5. Category Funding Caps**

In order to promote broad application of CORE funding across multiple equipment types, any individual equipment-type category may not receive more than -- percent of the funding allocated for Year 1 of the CORE project. Should the funding for a particular type of equipment be capped, new voucher requests for that equipment type will be placed on a contingency list for future funding. The contingency list will be managed by the Project Administrator.

**D. EQUIPMENT MODEL ELIGIBILITY CRITERIA**

**1. Equipment Model Eligibility Overview**

Figure 2 illustrates the required process for qualifying an equipment model for CORE participation.



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### 2. Model-Eligibility Criteria

The following sets forth the model-specific eligibility criteria for qualifying an equipment model for the CORE project. Requirements may require supporting documentation as part of the CORE application.

- a. An equipment model approved for CORE participation is deemed commercial-ready and, as such, CANNOT be funded as part of a demonstration project once CORE approval has been granted by CARB staff. If requested by the manufacturer, CARB staff will consider an equipment model nearing the documented successful completion of a current demonstration project, if said model will be sold to an end-user at the completion of the project (i.e., the equipment is neither scrapped nor recaptured into the manufacturer's fleet).
- b. Manufacturers must make a good faith effort to stock replacement parts, or make them readily available to dealership service centers, other manufacturer-authorized service providers, and fleets with manufacturer-trained in-house technicians, or through the secondary market.
- c. Equipment models must meet all applicable local, state, and federal laws, ordinances, and requirements, including, but not limited to, all *applicable* safety, air quality regulations, and registration requirements (e.g., for an on-road terminal tractor).
- d. All equipment models must have an on-board, non-resettable, functioning hour meter.
- e. A repower (conversion) kit must be:
  - i. Covered by an effective Executive Order from CARB,
  - ii. Installed only in equipment (no older than 10 years) with an existing internal combustion engine,
  - ii. Installed by a manufacturer-approved installer.
- f. Each piece of new equipment or repower (conversion) kit must be covered by a warranty meeting the criteria, below:
  - i. The warranty period is, at minimum, three years or 6,500 hours (whichever comes first).
  - ii. For a new piece of equipment, all applicable powertrain components (including, but not limited to, the energy storage system, fuel-cell stack, motors, and powertrain and thermal management systems), electronic components, telematics components, on-board charging or fueling components, all components along driveline (except for maintenance items,



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such as tires), and the equipment chassis (including, but not limited to, the frame, cross members, and cab structure) shall be warranted against defects, workmanship, and corrosion for the full warranty period.

- iii. For a repower (conversion) kit, all components of the conversion kit as well as all the work and chassis components modified or replaced to enable the integration of the repower kit shall be warranted against defects and workmanship for the full warranty period. The warranty shall also cover corrosion damage for all repower components as well as equipment chassis components that experience greater exposure to moisture and other environmental conditions due to the integration of the repower kit.
- v. Damage that occurs because of an incorrectly sized powertrain or other incompatibility between the powertrain and the vehicle (e.g., driveline failures due to excess torque) shall be covered for the full warranty period.
- vi. The warranty shall cover all parts and labor costs.
- vii. The warranty must be fully transferrable to subsequent equipment purchasers for the full warranty period.
- viii. If the manufacturer offers an extended warranty that qualifies for a voucher enhancement, the warranty must be offered for every piece of equipment purchased through the CORE project that is covered by the same CORE Application.
- ix. If the manufacturer offers an extended warranty that qualifies for a voucher enhancement, the battery warranty may be prorated after the first 60 months (5 years) of coverage. If the battery warranty is prorated, the warranted battery value must be, at minimum, equal to the percentage of the remaining coverage period (in months) relative to the total number of months beyond 60 months that the battery is covered.

For example, assuming an extended warranty of 7 years (84 months) and an \$8,000-cost of a new battery:

- Battery coverage through month 60: Full \$8,000
- Coverage at 72 months: \$4,000

$$\frac{12 \text{ months remaining coverage}}{24 \text{ months total extended coverage}} \times \$8,000 \text{ battery cost} = \$4,000$$

- Coverage after month 84: \$0

- g. A manufacturer must establish at least one service and repair facility in the state of California for the equipment model.

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- h. Each equipment model must be installed with a functioning telematics system that is accessible to CARB staff and the Project Administrator.

### 3. CORE Application

In order to qualify a specific equipment model for the CORE project, manufacturers must complete the CORE Application (Appendix A) and submit said application to CARB. The application must demonstrate conformance with all specified conditions of CORE participation. The following is a summary of the information and documentation that must be provided as part of the application:

- a. General business information
- b. Dealership network information. The Project Administrator will work with CARB and participating manufacturers to develop/maintain a list of participating dealers. The eligible dealership list will be made available on the CORE project website and will be used to streamline project access while ensuring project transparency and accountability.
- c. Specific equipment application, including usable battery energy and the method used to determine it, or fuel-cell range.
- d. Information on California service location(s)
- e. Maintenance and service protocols
- f. Service and Repair Plan. Manufacturers are required to develop and submit to CARB a written service and repair plan that minimizes equipment downtime and service timeframes. This plan should include:
  - i. Number of in-state and out-of-state service technicians for both basic repairs and high-voltage repairs.
  - ii. Method of addressing service and maintenance needs anywhere the equipment is deployed in the state.
  - iii. Method of communicating service and maintenance requirements to the fleet/end user.
  - iv. Explanation of replacement parts availability.
  - v. Expected labor times required for major and minor repairs.
  - vi. Projected costs of major and minor repairs outside of warranty.
  - vii. Method of sending details of the warranted repairs to the

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Project Administrator on a quarterly basis or as needed.

- e. Description of telematics system / system management and method of transferring telematics information to the Project Administrator.
- f. If a repower (conversion) kit, the current Executive Order (EO).
- g. Information needed to determine the base voucher amount.
- h. Warranty information, including extended warranties offered that qualify for a voucher enhancement.
- i. Cost of major components, such as the energy storage system.

Once the application is reviewed and approved by CARB staff, the CORE Project Administrator will add the approved equipment model(s) to the Model Eligibility List (MEL) on the CORE project's website. The MEL is a list, managed by the Project Administrator, containing the list of all CORE approved off-road equipment models eligible for voucher funding. The MEL may also contain other information provided by the manufacturer in the application process (e.g., battery capacity, load capacity, gross vehicle weight rating, etc.). The Project Administrator will be responsible for developing and updating the MEL under the guidance of CARB staff. Models not on the MEL are not eligible for CORE funding.

CARB has sole discretion to either approve or disapprove an equipment piece and to determine eligibility for funding. CARB can take up to 30 days to review a manufacturer's application for eligibility.

Once a manufacturer and its equipment model are deemed eligible to participate in CORE by CARB staff, the manufacturer and equipment model must maintain conformance with the minimum eligibility criteria. If it is determined that the manufacturer or equipment model fails to conform with any of the minimum eligibility criteria, the model will immediately be removed from MEL. Should that occur, the model would no longer be eligible for CORE funding until the failure is remedied to the satisfaction of CARB.

The manufacturer must notify CARB of any changes, modifications, or alterations affecting performance at least 30 days before the implementation of said changes, modifications, or alterations. In such cases, CARB could require a new CORE Application, if warranted.

## **E. MANUFACTURER DUTIES AND REQUIREMENTS**

For the purposes of CORE, a *dealer* is defined as a vendor of a fully assembled and completed equipment piece, or a vendor that sells and/or installs repower (conversion) kits.

The following entities may be considered eligible dealers for the purposes of CORE Incentives:

- An equipment dealership that has a written agreement with the manufacturer, which has had a valid business license for the past two years, and which has an official dealer number.
- A manufacturer that manufactures CORE-eligible equipment pieces and sells equipment directly to fleets.
- An equipment manufacturer that has a written agreement with another manufacturer and has had a valid business license for the past two years.
- A powertrain or power system manufacturer that manufactures drive systems meeting the CORE requirements for a conversion, or a dealer that offers the system for sale.

### **1. Dealer-Level Responsibilities**

Manufacturers are required to ensure its participating dealers meet CORE requirements, which include, but may not be limited to:

- a. Become familiar with CORE Incentives requirements.
- b. Participate in dealer training and registration.
- c. Provide accurate information to CORE equipment purchasers, the Project Administrator, and CARB staff.
- d. Provide accurate and complete documentation of the equipment purchase to the Project Administrator.
- e. Provide reasonable assistance to CARB or its designees to obtain updated purchaser information, inspect vehicles, and review CORE Incentives related records during the first three years after vehicle receipt and final payment by the purchasing fleet, whichever is later.
- f. Maintain written records of sales transactions for equipment funded with a CORE voucher (including, but not limited to, the vehicle Bill of Lading, vehicle invoice, and proof of purchase) for three years after the vehicle receipt and final payment by the fleet, whichever is later. Such written records must be provided to CARB (or its designee) upon request.

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Because of the specialized nature of certain off-road equipment, it is understood that some manufacturers will be “direct sellers” and serve as both the manufacturer and dealer. In these cases, the dealer requirements and commitments set forth in this document are to be met by the manufacturer as it is acting as both manufacturer and dealer.

### **2. Conversion Installation Documentation**

Installation of a CORE-funded conversion system must be performed by a manufacturer-approved installer. Manufacturers must ensure conversion installers submit documentation to the Project Administrator for each installation demonstrating that said conversion was installed in a piece of equipment (no older than 10 years) with an existing internal combustion engine.

### **3. Sales Disclosure**

Manufacturers must ensure the purchaser is notified, at the time of equipment order, of the following:

- a. CORE requirements (e.g., reporting, tampering, telematics, etc.);
- b. Capabilities of the service-and-repair network (e.g., number of locations, distance/proximity to location of intended use, etc.);
- c. The process that must be followed in order to obtain repair services or maintenance for funded equipment;
- d. The usable battery energy of the equipment being purchased, as determined in accordance with these guidelines;
- e. Fuel-cell range; and
- f. Infrastructure costs and requirements.

### **4. Quarterly Warranty Reports**

Manufacturers must submit warranty reports to the Project Administrator every quarter for all vehicles still under warranty with the following information:

- a. Number of failures in the powertrain and driveline,
- b. Percentage of vehicles affected by the failures,
- c. List of failed components and the number of failures for each,
- d. Approximate date of failure,
- e. Method of repair,
- f. Date of repair,
- g. Estimated cost of replacement part, and
- h. Actual labor cost of repair.

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### 5. Extended Downtime Report

For a failure (occurring during the warranty period) requiring the equipment to be down for more than 10 business days, the manufacturer must submit an extended downtime report (EDR) to CARB and the Project Administrator. Such a report must be submitted within 30 days following the repair, but no later than 60 days after the purchaser first sought repair services for the failure. An EDR requires the following:

- a. An explanation of the cause of the failure,
- b. An explanation of the delay in repair,
- c. Method of repair,
- d. How much time was needed to complete the repair (including the time for equipment tear down, part(s) allocation, repair, and reassembly), and
- e. Explanation of any necessary revisions to the manufacturer's service-and-repair protocols (e.g., user training, part modification, etc.).

### 6. Quarterly User Experience Reports

The manufacturer shall be responsible for working with fleets and providing quarterly user experience reports to the Project Administrator. Fleets must cooperate with the manufacturer in the preparation of these reports. Reports are due within 90 days of the end of each quarter.

The quarterly user experience reports must cover, at a minimum, all equipment pieces within the first three years after the voucher redemption date. It is the manufacturer's responsibility to ensure reports are submitted to the Project Administrator in a timely manner. Quarterly user experience reports shall include the following information:

- a. Fleet or manufacturer concerns,
- b. Fleet maintenance procedures,
- c. Fleet interaction with the manufacturer for repairs, and
- d. Fleet or manufacturer recommendations.

## F. GENERAL FLEET PARTICIPATION CONDITIONS

In order to participate in the CORE project, fleets (purchasers) must agree to and conform with all the following conditions:

1. Fleets must be available for follow-up inspections, if requested by the Project Administrator, CARB, or CARB's designee.
2. Fleets must operate CORE-funded equipment for a minimum of 800 hours annually, for the first three years (three-year average). Fleets

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unable to meet this requirement must advise the Project Administrator, in writing, as to why the equipment was unable to meet its usage target. Failure to complete minimum usage requirements or report limited use, may restrict fleets or manufacturers from further funding participation.

3. Fleets may not make or allow any modifications to the equipment's control systems, hardware, or software calibrations. Modifications during the program period can void the warranty and can result in forfeiture of voucher funds.
4. CORE-funded equipment must operate 100 percent of its time within California for at least the first three years after the voucher redemption date. Where applicable, equipment registered in a California county that borders another state or Mexico (and emergency-response equipment) may be granted permission to accrue up to 25 percent of their usage each year outside of California, if requested and approved by the Project Administrator, in writing, prior to the piece of equipment being deployed out of state. Requests must be made in writing to the Project Administrator.
5. Fleets must maintain insurance as required by law. If the purchased equipment is destroyed or otherwise deemed permanently inoperable due to an accident or for any other reason, the equipment purchaser must notify the Project Administrator, in writing, within two weeks of the equipment being destroyed or becoming inoperable. The written notification must adequately demonstrate that the specific funded piece of equipment has become inoperable. The Project Administrator or CARB could request supporting evidence, such as photographs of the inoperable piece of equipment with license plates or other identifying markings, applicable insurance or police documentation, etc. Reimbursement for losses may be required during the project period.
6. Fleets must respond in a timely manner to CORE-required surveys/questionnaires from the dealer or manufacturer on equipment usage. Fleets that fail to submit accurate and timely information in response to annual usage surveys/questionnaires may be prohibited from future CORE participation.
7. Fleets must be in good standing in the Diesel Off-Road On-Line Reporting System (DOORS). Off-road equipment acquired through the CORE project must be reported to the DOORS system, where applicable.
8. Fleets must provide CARB, the Project Administrator, or their designees all requested information related to any equipment purchased with a CORE voucher (including purchase, lease, or rental agreements) within ten days of written request for such information.

Failing to conform with any of the above conditions, or providing false or misleading information, could result in forfeiture of voucher funds and a fleet being restricted from further participation in CARB funding programs.

## **G. VOUCHER REQUESTS**

A CORE voucher may be requested for an eligible equipment model (listed on the MEL) on order or purchased by a specific customer (i.e., fleet). The dealer shall work with the equipment purchaser to complete the voucher request form (available on the CORE project webpage). The voucher request must be associated with a real and completed equipment order.

Funding for this project is limited, so any actions intended to reserve funding for prospective purchases are prohibited. In addition, it is prohibited to cancel an existing voucher application for the purposes to reapplying in an attempt to secure greater funding, should future funding become available. Such cancellations could result in a manufacturer or dealer being restricted from further participation in the CORE project.

### **1. Voucher Request Process**

The following sets forth the CORE voucher request process. All applicable information and documentation listed below, and information supporting applicable voucher enhancements, must be provided within the specified timeframes in order for the voucher request to be deemed complete. Once all voucher request forms and information are received by the Project Administrator, a voucher will be issued within five business days.

The dealer is responsible for ensuring the accuracy of the equipment and dealership information on all voucher request forms it submits to the Project Administrator. Submission of false information on this form may result in cancellation of the voucher request, recapture of funds, and the restriction from further participation in the CORE project. In addition, CARB may seek other remedies available under law.

#### **a. Electronic Voucher Request**

Voucher requests shall be made electronically by a participating dealer at the CORE website [Insert URL], which the Project Administrator, in coordination with CARB staff, will develop and maintain. The CORE webpage will include all the information necessary for a dealer, in conjunction with an equipment purchaser, to complete and submit a voucher request. The CORE webpage will provide a system for dealers to quickly, effectively, and transparently request and redeem vouchers.

The Project Administrator will review the voucher request form for eligibility and provide vouchers on a first-come, first-served basis until voucher incentive funds are depleted. Only completed and accurate voucher request forms will be accepted.



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Voucher funds are reserved at the time of the electronic voucher request. Voucher requests are accepted into the queue in the order received from the online request system. The Project Administrator will maintain a contingency list of vouchers requested once the initial voucher project funding is fully subscribed. The contingency list will be used if vouchers are rejected (and funding unobligated) or if additional project funding becomes available.

### b. Supplemental Voucher-Request Documentation

Once an electronic voucher request made, the dealer must submit, via certified mail, the following documentation to the Project Administrator at the [Insert URL]:

- i. The completed voucher request form signed by both the dealer and the equipment purchaser;
- ii. The equipment purchase order (any purchase orders provided by the dealer must represent a real equipment order.); and
- iii. A copy of the purchaser's employer identification number (Tax ID), or other official identification with signature.

The above documentation must be submitted within 14 calendar days of the electronic voucher request.

### c. Equipment Validation Information

The dealer must also provide to the Project Administrator, within 30 calendar days of the electronic voucher request, the vehicle identification number (VIN) or an equipment serial number that uniquely identifies the equipment piece, and the expected delivery date. This information confirms that the dealer has made an order. The order should be placed prior to, or in conjunction with, making a voucher request. The VIN or serial number must match the equipment piece identified on the voucher request in order to redeem the voucher. The Project Administrator or CARB may verify the validity of a voucher by visual inspection, photos, or physical inspection of the equipment.

## 2. Voucher Request Rejection

Failing to conform to any of the above may result in the rejection of the voucher request. The Project Administrator will notify the dealer if a voucher request has been rejected, in writing, within five business days of such determination. Any rejections will include the reason for a rejected voucher request.

## H. VOUCHER REDEMPTION

### 1. Redemption Conditions

Once a piece of equipment (which has funding reserved under the CORE project) has been delivered, purchased, and is ready to be placed into service, the dealer must submit the voucher and required documentation to the Project Administrator for redemption. CORE voucher redemption requests must also meet the following conditions:

- a. The voucher redemption form is complete and accurate.
- b. The equipment description (e.g., serial number) and purchaser listed on the voucher request form match the information contained in the completed purchase transaction documentation. CARB and the Project Administrator are not responsible for payment on a voucher if the equipment model or purchaser do not match those described on the voucher request form. If the dealer has a new purchaser for a piece of equipment (which has funding reserved under the CORE project), the dealer and new purchaser will have to request a new voucher.
- c. The equipment has been delivered, the purchaser has made final payment to the dealer (less the voucher amount), and if applicable, the equipment has been registered with the Department of Motor Vehicles. For a repower (conversion) kit, the voucher may be redeemed when the fleet takes delivery of the converted equipment and has paid any balances due (less the voucher amount).
- d. The dealer has provided copies of the Bill of Lading and final equipment invoice that confirm delivery and purchase specifications. The Bill of Lading and final equipment invoice are signed and dated, and the final equipment invoice shows that the voucher amount has been fully discounted from the equipment purchase price.
- e. The dealer has provided financial documentation identifying the method and date of final payment. Acceptable forms of documentation include a copied check or a transaction receipt showing an electronic money transfer. If lease or financial arrangements involve a third party, the dealer must provide a copy of the lease or financing contract with the title-holder or lien-holder clearly indicated.
- f. The equipment must be new and have no more than 100 hours at time of the final delivery inspection. Vouchers for equipment with more than 100 hours may be redeemed on a case-by-case basis at the sole discretion of CARB considering the evidence and explanation justifying such usage.
- g. The original equipment inspection form signed by the dealer, a third party designated by the dealer, or CARB must be provided by the

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- dealer to the Project Administrator prior to voucher redemption.
- h. The dealer has provided to the Project Administrator the original voucher redemption form signed by both the dealer and the purchaser. The form must be provided via mail to the Project Administrator (or its designee).
  - i. All documents submitted to the Project Administrator, or its designee, for processing the voucher redemption request clearly indicate the voucher number.
  - j. The dealer has submitted all voucher redemption documentation within 60 days after equipment delivery to the fleet's location. Failure to provide all the required documentation by this deadline will nullify the voucher.
  - k. For repower (conversion) kits, the dealer has provided to the Project Administrator the final invoice documenting the detailed installation service within 14 days of acceptance of the converted equipment.
  - l. The equipment has been reported in DOORS, if applicable.

The dealer is responsible for ensuring the accuracy of the equipment and dealership information on all voucher redemption forms it submits to the Project Administrator. Submission of false information on this form may result in cancellation of the voucher request, recapture of funds, and the restriction from further participation in the CORE project. In addition, CARB may seek other remedies available under law.

### **2. Voucher Redemption Request Review and Payment**

When program funding is available, it is the goal of CORE to provide payment to the dealer within five business days from the time the eligible voucher redemption form and all associated documentation is received by the Project Administrator. If the voucher payment is delayed for more than ten business days from the time the eligible voucher redemption form and associated documentation is received, the Project Administrator must notify the dealer by phone or email at the earliest possible time of such delay.

### **3. Voucher Redemption Request Appeals**

Voucher applications that have been denied or cancelled by the Project Administrator may be appealed within 10 days of the date of the cancellation. If the only basis for an appeal is that the applicant disagrees with the policies set forth in the CORE Terms and Conditions and the Implementation Guide, there is no basis for an appeal. A formal letter of appeal must be postmarked within 10 days of a cancelled application and addressed to the following:

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[Insert Mailing Address]

Appeals made by email, fax or phone will not be considered. The appeal shall contain all facts and documentation upon which the appeal is based. Failure to supply this information shall be grounds for rejection of the appeal. A written response to the appeal will be provided by CARB staff within 60 days of receipt. CARB's decision shall be final and binding.

### **I. VOUCHER RENEWALS**

1. Vouchers will be valid for three months from the time issued by the Project Administrator. A participating dealer may renew a voucher within three months through the modification of the electronic voucher record online, which will automatically extend the voucher for an additional three months.
2. Vouchers not renewed within any three-month period will be deemed expired, and the requested funds will be allocated to the next eligible participant.
3. Vouchers should be redeemed within one year (365 days) of the electronic voucher request. The Project Administrator and CARB will review voucher extension requests beyond one year on a case-by-case basis. Factors considered include, but are not limited to:
  - a. The projected equipment delivery date;
  - b. Funding expenditure deadlines;
  - c. Demand from other participants for remaining available funding; and
  - d. The good faith efforts of the purchaser, dealer, and manufacturer to complete the purchase and place the equipment into service.

The Project Administrator will maintain written documentation regarding approval of voucher reservations that are extended beyond a one-year period for three years after voucher redemption.

### **J. RESALE OF EQUIPMENT**

Fleets participating in the CORE project are expected to keep each piece of CORE-funded equipment and meet all applicable project requirements for a minimum three-year period (continuous) after the equipment purchase date. However, resale of a piece of equipment may be allowed within this three-year period if necessitated by unforeseen or unavoidable circumstances. For these circumstances, resale of a CORE-funded piece of equipment must receive CARB written approval prior to resale.

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For equipment resold within three years of the original purchase date (and after CARB provides written approval):

1. The original equipment purchaser must inform the new purchaser, in writing, about the CORE voucher incentive amount and applicable CORE project requirements;
2. The new purchaser must agree, in writing, to meet all applicable CORE project requirements applicable to the equipment; and
3. The new purchaser must provide any relevant equipment, fleet, use, and ownership information to the Project Administrator within 30 calendar days.

The Project Administrator may require additional documents or information from the new purchaser, such as:

1. A mailing address, phone number and email (if any);
2. A copy of the new title documenting of the vehicle ownership (if applicable);
3. A written commitment to meet the CORE terms and conditions;
4. A written commitment to complete and return the annual usage survey/questionnaire as required by the original voucher; and
5. Transfer agreement that includes price, transfer date, and terms of the agreement.

If the piece of equipment is moved out of the state or resold, and the new equipment purchaser does not agree, in writing, to meet all applicable CORE requirements, the original equipment purchaser or lessee must refund promptly to the Project Administrator a prorated portion of their voucher, in an amount equivalent to the original voucher amount divided by 36 months and then multiplied by the number of months remaining in the original 36 month period (rounded to the nearest month):

Forfeited Voucher Amount =  
(Original Voucher Amount ÷ 36 Months) x (36 – number of months since equipment purchase or lease origination date).

The original equipment purchaser must notify the CARB Project Liaison in writing of its intent to sell the piece of equipment at least seven calendar days prior to the equipment resale. Within seven calendar days after the equipment resale, the original equipment purchaser must notify the CARB Project Liaison that the piece of equipment has been resold and provide the mailing address, phone

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number and email (if any) of the new purchaser as well as the equipment resale price. CARB reserves the right to pursue all remedies available under the law for noncompliance with these requirements.

### **K. EQUIPMENT LEASE AND RENTAL**

Any fleet that enters into a rental or lease agreement for a CORE-eligible model of three or more years with a leasing company (e.g., bank, finance company) shall be considered the equipment purchaser and eligible for voucher funding. Conversely, fleets acquiring equipment for a term less than three years, such as from a rental agency (e.g., equipment rental business), are not eligible for funding.

Leasing or rental companies are eligible for voucher funding. Any equipment leasing or rental company that leases or rents equipment originally purchased with a CORE voucher must disclose the voucher amount and voucher terms to the equipment renter or lessee if the transaction takes place within three years of the CORE voucher redemption date for that piece of equipment. In addition, the lease or rental agreement must include all commitments needed from the lessee or renter to ensure that: 1) the piece of equipment operates 100 percent in California, as required; 2) all required annual activity reports are submitted to the Project Administrator; and 3) information to verify conformance with all CORE conditions is provided to CARB staff, the Project Administrator, or their designee upon request. CARB reserves the right to review, or direct the Project Administrator to review, lease or rental agreements to confirm appropriate disclosures are made. Ultimately, for equipment that a leasing or rental company has purchased with a CORE voucher, said leasing or rental company will be held liable for any nonconformance with CORE conditions and requirements, including the requirement to submit annual activity reports.

### **L. BATTERY LEASING**

Arrangements in which a piece of equipment (with the exception of the battery) is purchased and the battery is separately leased to the equipment purchaser may be allowed on a case-by-case basis if the battery lease term is a minimum of three years. If applicable, this arrangement shall be indicated on the voucher request form.

### **M. PROJECT NONPERFORMANCE AND FALSIFICATION**

The voucher request form and voucher redemption form are both legally binding and enforceable agreements. Nonperformance of CORE terms, conditions, and requirements could result in the cancellation of a voucher request, the recovery of CORE funds, and/or the disqualification of equipment models. In addition, CARB reserves the right to restrict CORE participation of a specific

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manufacturer, subcontractor, dealer, or fleet if it has been determined that such entity has repeatedly violated CORE project conditions.

Furthermore, providing false or misleading information to CARB, the Project Administrator, or their designees (such as submitting false information to CARB or the Project Administrator for the purpose of artificially increasing the amount of a voucher), is strictly prohibited. If a participating manufacturer, its subcontractor, dealer, or fleet is found to have provided false or misleading information, it could result in the cancellation of voucher requests, recovery of CORE funds, and disqualification of equipment models. In addition, CORE participation could be restricted for all entities involved. CARB may seek other remedies available under law.

For the duration of the project, participating manufacturers, their subcontractors, dealers, and fleets may be subject to individual review by CARB staff, the Project Administrator, or their designees to assess performance (business and equipment), product durability, existing support services, product offerings, and project conformance.

### **N. DEFINITIONS**

“Project Administrator”

“Voucher Number”

### **O. ACRONYMS**

[PLACE HOLDER]

## **Attachment A: CORE Eligibility Application**

This attachment describes the information a manufacturer needs to submit to the California Air Resources Board in order to qualify an equipment model for the CORE project.

### **SECTION A - GENERAL MANUFACTURER AND EQUIPMENT INFORMATION**

#### **1. Cover Letter (Request for Review)**

Please submit the application with a cover letter addressed to the Chief of the Mobile Source Control Division. This letter must explicitly state the nature of the request. Please submit one and only one request per equipment model, per model year.

#### **2. General Business Information**

- a. Name of manufacturer,
- b. Contact person,
- c. Mailing address,
- d. Phone number, and
- e. Email address.

#### **3. Technical and physical description of the zero-emission equipment and/or conversion system**

Please provide the following and any necessary supporting documentation (reports, data, diagrams, etc.) for the equipment:

- a. Equipment model number(s) and trade names;
- b. Total historical sales of the applicable piece of equipment;
- c. Years the applicable piece of equipment has been offered for sale;
- d. Description of the equipment material(s), construction, physical form factor, and dimensions (include diagrams, photographs, etc.);
- e. Intended application(s) and corresponding expected useful life, geographic range, operating hours, other work metric, as applicable;
- f. List of auxiliary (non-propulsion) internal combustion engines and/or fuel-fired heaters installed on the equipment (if applicable);
- g. Sample equipment or conversion-system label;
- h. End-of-life disposal plan for the equipment and zero-emission powertrain, including the energy storage system; and
- i. Attestation to the adherence to safety regulations (e.g., National Highway Traffic Safety Administration, Occupational Safety and Health Administration, etc.) and/or testing certifications (e.g., Underwriters Laboratories, Electrical Testing Laboratories, etc.), if applicable.



#### **4. Zero-Emission Powertrain**

Please provide the following and any necessary supporting documentation (reports, data, diagrams, etc.) for the powertrain:

- a. Technical and physical description of the zero-emission powertrain;
- b. Description and capacity of energy storage systems (batteries and/or fuel storage tanks);
- c. Rated output of battery packs, fuel-cell stacks, and electric motors, as applicable;
- d. Expected longevity of energy storage system, charger, inverter, and motors in its intended application
- e. Description of powertrain material(s), construction, physical form factor, and dimensions (include diagrams, photographs, etc.); and
- f. Cost of major components, such as the energy storage system.

#### **5. Testing Methodologies and Results**

Description of tests performed on the equipment or conversion system. Include as necessary, documentation, and data for the following (as applicable):

- a. Usable battery capacity;
- b. Rated output testing (for battery packs, fuel-cell stacks, and electric motors);
- b. Battery/fuel cell life and method of calculation;
- c. Vibration testing methods and results;
- d. Shock testing methods and results;
- e. Thermal testing methods and results;
- f. Safety related data and testing;
- g. Real-world miles/hours of use;
- h. Duty-cycle information; and
- i. Attestation that the data and information provided are factually true and complete.

#### **6. Information to be Distributed to Owners and Operators**

Provide the following:

- a. Copy of the owner's manual or available draft;
- b. Detailed charger specifications, including plug/connector type and whether the charger is on- or off-board;
- c. Description of the charging or refueling procedures and any fast recharging capability (if included in owner's manual, indicate the page numbers).

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- c. Required powertrain and equipment maintenance schedules (If included in owner's manual, indicate the page numbers); and
- d. Description of the standard and available warranties for the zero-emission powertrain components and equipment, along with any optional extended warranties available to the buyer.

### **7. Service-and-Repair Information**

Provide the following:

- a. Description of the diagnostic system (faults and conditions that will trigger an alert to the operator), data connector (e.g., Society of Automotive Engineers standard, wired/wireless, etc.), and the controller area network protocol (e.g., Society of Automotive Engineers Standard J1939);
- b. Dealer-level diagnostic repair manual, if available;
- c. Dealer-level diagnostic software, if available;
- d. Statement as to whether the repair manual and diagnostic software is available to end users and third-party repair facilities, if applicable;
- e. Process and cost to an end user or third-party repair facility to gain access to the repair manual and diagnostic software, if applicable;
- f. Statement as to whether proprietary tools (physical, software, hardware or other) are needed to service and repair the equipment;
- g. Statement as to whether proprietary repair tools are available to end users and third-party repair facilities, if applicable; and
- h. Process and cost to an end user or third-party repair facility to gain access to proprietary repair tools, if applicable.

### **8. Dealer and service network**

Provide the following:

- a. List of participating dealers, including:
  - i. Name of facility;
  - ii. Addresses;
  - iii. Contact person;
  - iv. Phone number;
  - v. Email address; and
  - vi. State license number(s).
- b. List of the service-and-repair facilities in California capable of addressing all service, maintenance, and repair needs of the funded equipment. Include:
  - i. Name of facility;

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- ii. Addresses;
  - iii. Contact person;
  - iv. Phone number;
  - v. Email address; and
  - vi. State license number(s).
- c. Description of procedure for addressing maintenance requirements for eligible equipment.
- d. Description of replacement parts and their availability in the United States and California, including.
- i. Part manufacturer information;
  - ii. Location where parts are stocked;
  - iii. List of parts that are proprietary or protected;
  - iv. Statement as to whether replacement parts are available to end users and third-party repair facilities; and
  - v. Pricing model for replacement parts made available to end users and third-party repair facilities, if applicable.

### **SECTION B – SERVICE, MONITORING, AND OPERATIONAL CONTROLS, CONVERSIONS**

#### **1. Service-and-Repair Plan**

Manufacturers are required to develop and submit to CARB, a written service-and-repair plan that minimizes equipment downtime and service timeframes. This plan should include:

- a. Number of in-state and out-of-state service technicians for both basic repairs and high-voltage repairs;
- b. Method of addressing service and maintenance needs anywhere the equipment is deployed in the state;
- c. Method of communicating service and maintenance requirements to the fleet/end user;
- d. Explanation of replacement parts availability;
- e. Expected labor times required for major and minor repairs;
- f. Projected costs of major and minor repairs outside of warranty; and
- g. Method of sending details of the warranted repairs to the Project Administrator on a quarterly basis or as needed.

#### **2. Monitoring System**

The equipment's drive, power, battery storage, and general operation systems should be monitored for system failures that could affect use and durability. At a minimum, this includes monitoring:

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- a. Charge failures (for battery-electric systems), and
- b. Drive system / power system / energy storage warning or failures.

In addition, the following parameters must also be monitored:

- a. Equipment mileage/hours\*
  - b. GPS data (when applicable)\*
  - c. Idle (On with no movement or use profile)\*
  - d. Location and time of first key on and last key off of the work day
  - e. Charging/refueling events and duration
  - f. Cumulative charging time and energy charged
  - g. State of charge at beginning and end of charging/refueling events
  - h. Battery cycle life or cycle count
  - i. Battery state of health (as defined by the manufacturer)
  - j. Hours and percentage of total time when the equipment is operating (“key on”) within and outside of a disadvantaged community (when applicable)
  - k. Service / maintenance events
- (\* = at 1 Hertz, for aggregation)

### **3. Telematics and Data Collection System(s)**

A telematics (and the database to which the data are transferred) is required. The telematics system shall be capable of real-time (or near real-time) data collection and transmission and be capable of storing and making available up to three (3) years of historical data from individual equipment pieces.

- a. Describe how data will be collected, transmitted, stored, and made available to CARB, the Project Administrator, or their designee (i.e., software, hardware, wireless networks).
- b. Describe how the telematics system(s) will be capable of collecting data on the failures and parameters specified in Section B.2.
- c. The manufacturer must make accessible to CARB, the Project Administrator, and the equipment owner/operator the data collected during the project duration for at least six (6) years from the equipment delivery date. Explain how you will store and provide long-term access to collected data.

### **4. Tell-tale Information**

All eligible equipment is required to provide current state indicators or “tell-tales.” The tell-tales serve as warning indicators to the user of necessary maintenance and or required service. Additionally, tell-tales will indicate potential failures or

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operations outside of norm. Explain how your equipment will address the required tell-tales.

### **5. Information on Charge, Fuel, and Range Indicators**

Manufacturer must provide description of how equipment displays information on remaining charge, fuel, and range, as applicable.

### **6. Additional Information on Conversion Kits**

In order for a manufacturer to have a conversion kits qualified for the CORE project, it must also comply with the following:

- a. Provide the CARB Executive Order for the conversion system.
- b. Describe the following:
  - i. Authorization process for conversion-system installers, and
  - ii. Equipment labeling procedures.
- c. Describe warranty coverage and the process for obtaining service.
- d. Provide a cost summary of the conversion kit, including installation costs.

### **7. Terms of Approval**

- a. Equipment model eligibility is valid for one model year only. Manufacturers who desire to have their equipment be eligible to receive incentive funding in subsequent model years must re-submit a new CORE Application. In cases where the evaluation criteria and equipment have not changed, CARB will provide a process that allows manufacturers to expedite eligibility renewal.
- b. Once the equipment model is CORE-approved by CARB, no additional technical, mechanical, software, or design changes can be made unless CARB is notified and such changes and the changes are approved.
- c. CARB reserves the right to request more information and to ask follow-up questions of manufacturers.

## **Attachment B: Purchaser/Lessee Terms and Conditions CORE Voucher Request**

As a condition of participating in the California Air Resources Board's (CARB) Clean Off-Road Equipment (CORE) Voucher Incentive Project, the purchaser/lessee must comply with all terms and conditions below:

1. I have read, understand and agree to all applicable terms, conditions, and requirements set forth in the CORE Implementation Guide.
2. I agree to register the equipment (except for military vehicles) in California with the Department of Motor Vehicles (DMV), if applicable.
3. I agree to allow CARB, the Project Administrator, or their designee to verify registration through the DMV.
4. I agree not to modify the equipment's powertrain or engine software calibrations.
5. I agree to operated and maintained the equipment as recommended by the manufacturer to ensure equipment durability, efficiency, and reliability.
6. I agree to remain in compliance with all applicable federal, state, and local air quality rules and regulations.
7. I agree to operate the equipment such that 100 percent of its use will be in California for a minimum of three years from the date of purchase/lease unless: 1) the equipment is used for the purpose of emergency response; or 2) the equipment address identified in the voucher request is in a county that borders Arizona, Nevada, Oregon or Mexico. In these two cases only, the piece of equipment may operate outside of California for up to 25 percent of its use, if a written request to do so is included with this voucher request form, and the request is approved by CARB, Project Administrator, or their designee. Military equipment is not subject to this requirement.
8. I agree to retain ownership/lease of the equipment for at least three years from the date of purchase/lease, unless given explicit prior written approval by CARB to sell the piece of equipment.
9. I agree to keep written records of the equipment purchase/lease for three years after the purchase/lease date and provide CARB, the Project Administrator, or their designee with these records within ten days of their request. These records could include, but are not limited to, the equipment invoice, proof of purchase, DMV records, equipment payment information and related bank records, and purchaser/lessee fleet information.
10. I agree that the purchased/leased equipment, and the emission reductions it may generate, shall not be used to comply with a compliance obligation of any person or entity.
11. I agree to complete the annual usage survey and questionnaire, and submit the information to the Project Administrator, for the first three

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- consecutive years from the date of purchase/lease. Military vehicles and equipment are not subject to this requirement.
12. I agree to the manufacturer's terms for usage of the equipment's telematics system. Additionally, I agree to allow the manufacturer to have access to the equipment's telematics information, so that the manufacturer is able to fulfill its reporting obligation to CARB. Such information could include aggregated data on the equipment's location to determine operating time within disadvantaged communities. Military vehicles and equipment are exempt from this requirement.
  13. I agree to be available for follow-up inspections by CARB, the Project Administrator or their designee, if requested.
  14. The information provided in the voucher request, including all supporting documentation, is true and correct.
  15. I have the legal authority to apply for incentive funding on behalf of the purchasing entity described in this agreement.
  16. I agree that failure to comply with the terms of this agreement may result in repayment to CARB of voucher funds received.
  17. I understand that CARB reserves all rights and remedies available under the law to enforce the terms of this agreement.

By signing the CORE Voucher Request and Terms and Conditions Form, I acknowledge that I have read and understand, and agree to be bound by, the terms and conditions as outlined above and in the CORE Implementation Guide.

<b>I certify under penalty of perjury that the information provided is accurate.</b>	
Name of Equipment Purchaser/Lessee: _____	
Signature of Equipment Purchaser/Lessee: _____ Date: _____	
_____	
City: _____	State: _____

PLEASE RETURN SIGNED DOCUMENTS TO:  
CORE Voucher Request Processing  
c/o

## Attachment C: Dealer Terms and Conditions CORE Voucher Request

1. I have read, understand and agree to all applicable terms, conditions, and requirements set forth in the CORE Implementation Guide.
2. The equipment and equipment order information identified on this form is true and correct.
3. I understand that this CORE voucher request is only valid for this specific purchaser/lessee and this specific equipment piece, and that any voucher provided based on this voucher request shall be deemed null and void if the purchaser/lessee or equipment identified herein changes prior to voucher redemption or if the manufacturer, dealer, or purchaser violates any of the applicable terms and conditions of the CORE project.
4. I have the legal authority to participate in the CORE project as the Dealer described in this agreement.
5. I understand that CARB reserves all rights and remedies available under the law to enforce the terms of this agreement.

By signing the CORE Voucher Request and Terms and Conditions Form, I acknowledge that I have read and understand, and agree to be bound by, the terms and conditions as outlined above and in the CORE Implementation Guide.

**I certify under penalty of perjury that the information provided is accurate.**

Name of Dealer Representative: \_\_\_\_\_

Signature of Representative: \_\_\_\_\_

Date: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_

PLEASE RETURN SIGNED DOCUMENTS TO:  
CORE Voucher Request Processing  
c/o