

# Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program

## Work Group Meeting for Additional and Modified Project Categories

August 29, 2019

The Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program Guidelines were approved by the California Air Resources Board (CARB) in March 2018. As part of the Guidelines, the Board granted CARB's Executive Officer authority to approve additional project categories or make modifications to existing project categories as needed.

CARB staff is holding this work group meeting to gather input on proposed changes to several project categories within the FARMER Program. These proposed changes would allow air districts greater flexibility in project funding.

Input from this meeting will be incorporated into the final project criteria before being approved by CARB's Executive Offices and being made available for funding by local air districts.

### Background

- Staff are considering the following program changes:
  - Modifying eligibility criteria and participant requirements within the Ag Trade-Up and Zero-Emission Ag UTV project categories beginning with FY 18-19 funds;
  - Increasing the mileage threshold for trucks with HHD engines within the Heavy-Duty Truck category (FARMER Program-specific); and
  - Adding a demonstration category.

### Ag Trade-Up Project Category (existing project category)

- If available, allow purchase of warranty as an eligible cost with repairs.
- Increase maximum hour limit on used equipment to 10,000 hours.
  - The current maximum hour limit is 8,000 hours.
- Allow repaired/reconditioned equipment to have a project life of up to 10 years.
  - Currently, the project life for the used equipment is 3 years.
- Prohibit trade-up transactions within fleets.
  - This is a new requirement to help prevent fraudulent transactions.
- Beginning with FY 18-19 funds, change the beneficiary cost share to the cost of the repairs or \$2,500, whichever is less, when total repair cost is \$8,500 or less. If repair cost exceeds \$8,500, the beneficiary must pay \$2,500 plus any costs exceeding \$8,500.

- Currently, the beneficiary covers 10 percent of the repair costs.
  - This is based upon the maximum allowable repair costs, which is \$8,500.
  - The beneficiary covers 100 percent of the repair costs exceeding \$8,500.

#### **Zero-Emission Agricultural UTV Category (existing project category)**

- Allow conventionally-fueled tractors with less than 25 hp to be replaced.
  - This category is currently limited to UTVs as the baseline equipment, and tractors less than 25 hp are not currently eligible for replacement in the Carl Moyer Program-eligible project category.
- Require a 1-year minimum warranty for zero-emission vehicles to be eligible.
  - There is currently no minimum warranty requirement for the replacement UTV.
- If new UTV comes with an extended warranty option, allow extended warranty as an eligible cost.
- Beginning with FY 18-19 funds, change incentive amount to 75 percent of the cost of a new zero-emission UTV, or \$13,500, whichever is less.
  - There is currently no maximum incentive level for this category. It is simply limited to 75 percent of the cost of a new zero-emission UTV.

#### **FARMER Heavy-Duty Truck Category (existing project category)**

- Allow used Class 7 trucks with Class 8 (HHD) engines to have up to 650,000 miles, consistent with the current mileage limit for Class 8 trucks.

#### **Demonstration Category (new project category)**

- Include opportunities to fund advanced technology agricultural equipment through a demonstration category.
- Allow various technologies to participate as long as they are not already commercially available.
- Districts must develop the solicitation through a public process and receive CARB approval to begin soliciting for projects.
- CARB must approve the application selected for the demonstration project.
- The demonstration projects must reduce greenhouse gas (GHG) emissions and may not increase criteria pollutant emissions.