CHAPTER 9: LAWN AND GARDEN EQUIPMENT REPLACEMENT

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I. Guidance

This chapter describes the minimum criteria and requirements for the Carl Moyer Memorial Air Quality Standards Attainment Program (Moyer Program) Lawn and Garden Equipment (L&GE) replacement projects. L&GE replacement provides a streamlined approach to reduce emissions from certain small off-road engines (SORE) by replacing existing combustion L&GE with cordless, zero-emission electric L&GE. Zero-emission electric L&GE are not required for use by end users, so the emission benefits are surplus. The Moyer Program provides funding for vouchers to offset part of the cost of the replacement electric L&GE.

Please note that to fund projects in this category, Chapters 2 and 3 include general provisions and administrative requirements. Appendices A-E provide additional supporting information.

A. Projects Eligible for Funding

1. New Replacement Cordless, Zero-Emission Electric L&GE Purchase

The purchase of new cordless, zero-emission electric L&GE to replace the existing combustion L&GE that is to be scrapped is eligible for funding under this program. Eligible equipment categories are listed in Table 9-1.

2. Averaging, Banking, and Trading Program Exclusion

An applicant who uses project funds under the Moyer Program to acquire cordless, zero-emission L&GE, is precluded from relying upon the equipment or the related emission reductions as credits or offsets under any state or federal emissions averaging, banking, or trading program.

B. Maximum Eligible Funding Amounts

This chapter is open to residential and commercial applicants. Commercial applicants must provide information with supporting documenting consistent with Chapter 9, Section 7.D(d)-(f) to be eligible for the maximum commercial funding amounts in Table 9-1.

Per Chapter 2, Section L, residential and commercial applicants are required to have a minimum of a 15% cost share. Applicants are eligible for up to the maximum listed voucher amount in Table 9-1 as long as the 15% applicant cost share requirement is met. Air districts have the discretion to waive this requirement when funding public entities or small business applicants as defined in the air district requirements in Chapter 9, Section C.5 and the District's Policies and Procedures (P&P).

Table 9-1
Maximum Eligible Funding Amounts (Dollars)

Equipment	Residential Grant Amount	Commercial Grant Amount
Chainsaws/Trimmers/	\$300	\$700
Edgers/ Brush cutters		
Leaf blowers/	\$200	\$1,400
Vacuums		
Walk Behind Lawn Mowers	\$330	\$1,500
Ride-on or Stand/Sit Mowers	\$2,000	\$15,000

1. Eligible Project Costs

- (A) Batteries acquired as a part of the zero-emission L&GE purchase.
- (B) Chargers, charging cables, adapters, and other charging equipment acquired as a part of the zero-emission L&GE purchase that is necessary for the equipment to function.
 - (1) Charging equipment flexibility does not extend to facility upgrades or equipment that is permanently installed in a facility.
 - (2) Facility upgrades and equipment that would require permanent installation may be eligible through Chapter 10.
- (C) Districts have the discretion to allow the purchase of additional batteries or charging items per L&GE up to the maximum voucher amount.
- (D) The total voucher amount must be less than or equal to 100 percent of the total purchase costs.
 - For example, if a commercial applicant buys one leaf blower, two batteries, and one charging cable and the total cost of all four combined exceeds \$1,400, the voucher will be capped at \$1,400 and the applicant will pay the remaining balance out of pocket. Alternatively, if a commercial applicant buys one leaf blower, two batteries, and one charging cable and the total cost of all four combined is \$1,000; the voucher will be capped at \$1,000.
- (E) Provided project funding does not exceed total project cost, the cost of batteries and/or chargers intended to be used with multiple pieces of equipment may be spread across multiple equipment exchanges of a single applicant.
 - For example, if a commercial applicant purchases an edger and a trimmer, and three batteries to use between the two of them, the cost of the batteries may be spread across the trimmer and edger provided that the total funding

amount does not exceed the combined maximum allowable voucher amount of \$1,400 for both pieces of equipment.

2. Co-Funding

As allowed under Chapter 2, Sections K, N, or M, an air district may contribute additional non-Moyer Program funds towards the purchase of L&GE. The sum of all Moyer Program funds, including but not limited to, Air district match funds and local Assembly Bill (AB) 923 funds, cannot exceed voucher amounts in Table 9-1.

- (A) Air districts must follow co-funding procedures per Chapter 3, Section N: Co-funding Moyer Program Projects with Other Funding Sources, except Chapter 3, Section N.3: Mitigation Funds.
- (B) Air districts have the discretion to waive Chapter 3, Section N.5: Applicant Cost Share when funding small business applicants as defined in the air district requirements in Chapter 3, Section D.5, and the District's Policies and Procedures (P&P).

3. Moyer Match Funds

Moyer Match Funds are funds under an air district's budget authority that will be applied towards eligible Moyer Program projects in accordance with the matching requirements of the program. See Health and Safety Code Sections 44287(c) and 44287.2(c).

C. Project Criteria

The criteria listed below are the minimum requirements for L&GE replacement project participants (both individual and business applicants). All projects must also conform to the following requirements:

1. Chapter 2: General Criteria except for the following Sections

- L. Applicant cost share
- BB. California Air Resources Board (CARB) verification and certification of technology

2. Chapter 3: Program Administration, except for the following Sections

- U. Project Application Requirements
- Z. Project Pre-Inspection
- AA. Project Post-Inspection
- BB. Project Invoice and Payment
- CC. Air District Grantee Annual Reporting
- DD. Air District Audit of Projects
- EE. Nonperforming Projects

Although this chapter primarily outlines a voucher program model, air districts may choose to write contracts for public agencies or commercial operations. If this option is elected the maximum allowable grant amount per equipment is still limited to the pertinent value listed in Table 9-1.

3. Bulk-Purchasing

Bulk-purchasing discounts from electric L&GE manufacturers or merchants are allowed.

4. Participant Requirements

All participants must meet the following requirements to be eligible for funding:

- (A) Application Form: To be approved for L&GE replacement funds, the applicant must meet L&GE replacement program requirements and submit an application. Once the application is approved by the air district or third-party, the applicant will be notified of their approval.
- (B) Applicant must certify in the application:
 - (1) California Residence: Participants (individual and/or business applicants) must reside in California. A business resides in California if its principal place of business is physically located in California. Air districts may add the requirement that businesses have held a business license for at least two years prior to submitting their application and participants reside within the air district. Public agencies are eligible to participate and may be eligible for the commercial voucher grant amounts at the discretion of the implementing air district. Public agencies include but are not limited to public schools and parks.
 - (2) Own and Operate: The participant must currently own and have operated the existing combustion L&GE in California for two years prior to submitting an application.
 - (3) Replacement Cordless, Zero-Emission Electric L&GE Operation in California: The participant must intend to own and operate the new replacement cordless, zero-emission electric L&GE in California for a minimum of 36 months from the date of purchase.
 - (4) Destruction: Within 60 days of receiving the replacement L&GE, the participant must surrender the existing combustion L&GE to the district, hazardous waste materials disposal, recycling company, or third-party program administrator for destruction.

5. Existing L&GE Requirements

Each existing combustion L&GE must meet the following conditions before the L&GE replacement application can be approved and the applicant awarded a voucher.

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- (A) Operational Combustion L&GE: The existing combustion L&GE must be in operational condition. The L&GE must be able to start, move, and have all operational parts intact. Applicant certifies operability on the application form.
- (B) Delivery of the Existing Combustion L&GE to the air district or air district-Specified Facility: The participant must deliver the existing operational combustion L&GE to the air district or air district-specified facility within 60 days of receiving the replacement L&GE. The air district or air district-specified facility must reject the existing L&GE if it is deemed inoperative.

6. Replacement L&GE Requirements

All replacement L&GE must meet the following requirements before a voucher is awarded to the participant:

- (A) New, Cordless, Zero-Emission Electric L&GE: The replacement L&GE must be new, cordless, and zero-emission electric.
- (B) Like for Like Replacement: The new replacement L&GE must serve the same function and perform the same work as the baseline L&GE or be within the same equipment category as shown in Table 9-1. For example, a chainsaw must be replaced with a chainsaw, trimmer, edger, or brushcutter.
- (C) Purchase: The replacement L&GE may be purchased from a participating air district, a participating manufacturer, or participating merchant, as chosen by the implementing air district. The sum of project funding from all sources may not exceed the total project cost. Eligible project purchases must at a minimum include the purchase of a piece of L&GE, but can be any combination of the following:
 - (1) L&GE alone or in combination with
 - (2) Batteries or
 - (3) Charging Equipment

The purchase of a battery and/or charging equipment without L&GE equipment is ineligible.

7. Air District Requirements

An air district implementing the program must meet the following requirements:

(A) Updated Air district's Moyer Program Policies and Procedures: The air district must update its current Moyer Program P&P's describing their program consistent with these Guidelines (as amended) within two (2) months after they begin implementation of the L&GE replacement program (as amended). Air districts are not required to submit to CARB, but it must be available to CARB upon request.

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- (1) Air districts are not required to implement both residential and commercial components of these Guidelines, and only required to include the component that will be implemented.
- (2) If applicable, Air District Moyer Program P&Ps are to include the following:
 - (a) Example third-party agreements
 - (b) Detailed description of the payment process
 - (c) Small business definition

(B) Agreements

- (1) An air district may have written agreements with both of the following parties:
 - (a) A hazardous waste materials disposal company.
 - (b) A recycling company.

The agreements can be included as part of the air district's agreements with the same entities for other Moyer projects. The recycling company and the hazardous waste material company can be the same company.

- (2) If an air district is working with either or both of the following parties:
 - (a) A cordless, zero-emission electric L&GE manufacturer, or
 - (b) A cordless, zero-emission electric L&GE merchant, the air district must have a written agreement with that party.

The agreement must include the requirements of Chapter 9, Section C.8 (Participating Manufacturer Requirements) or Chapter 9, Section C.9 (Participating Merchant Requirements), as applicable, and Chapter 3, Section X: Minimum Contract Requirements, except for the following subsections: 5. Contract Term, 6. Project Specifications, 7. Maintenance, 10. Reporting.

- (C) Third-Party: An air district may enter into an agreement with a third-party to manage some of the air district's program requirements. The third-party must agree to comply with all L&GE replacement program requirements. The air district must train the third-party on L&GE replacement program requirements and include an example of the agreement in its P&P's.
- (D) Application: Applications, at a minimum, must have the following information:
 - (1) Information about the Applicant:
 - (a) Name.
 - (b) Mailing Address (including city, state, zip code).
 - (c) Physical Address (if different from mailing address).

- (d) If a business, then provide the Official Business or Organization name that is concurrent with the business license or Employer Identification Number. Alternatively, a business can be verified if the Official Business or Organization name can be matched on the contractor license board website, a fictitious name statement, or is registered with the local chamber of commerce. If a proprietorship, then provide a W9 to verify the business name and tax number.
- (e) If a business, then provide a Business or Organization Address (the principal place of business).
- (f) Employer Identification Number or Personal or Business Tax Identification Number (if applicable).
- (g) Phone Number.
- (h) Date of Application.
- (2) Information about the Applicant's Existing Combustion L&GE:
 - (a) Manufacturer (if known).
 - (b) Model Year (if known).
 - (c) Engine Family (if known).
 - (d) Equipment Category.
- (3) Information about the Applicant's Replacement L&GE:
 - (a) Categories of L&GE that will be replaced.
 - (b) Number of L&GE that will be replaced per category.
 - (c) What L&GE will be co-funded.
 - (d) All Co-funding sources.
- (4) Section for the applicant to certify the following information is accurate and true:
 - (a) Existing L&GE is operational.
 - (b) Applicant resides in California.
 - (c) Applicant currently owns and has operated the existing combustion L&GE in California for two years prior to submitting an application.
 - (d) From the date of purchase, applicant intends to own and operate the new, cordless zero-emission electric L&GE in California for a minimum of 36 months and is not acquiring the replacement L&GE for resale.
 - (e) "I have disclosed all additional co-funding sources and discounts that will be applied to my purchase."

- (f) "I have not purchased replacement L&GE that I am seeking funding for prior to applying to this program."
- (g) "The information provided in the application is true and correct and meets the minimum requirements of the L&GE replacement program."
- (h) "I understand that an incomplete or illegible application may be immediately rejected, and I will be notified."
- (i) "I understand as an applicant that incentive programs have limited funds and shall terminate upon depletion of program funding."
- (5) A box for the applicant to check and sign to certify the information included in (4) is true and correct.
- (E) Application Approval: The application approval process consists of the following steps:
 - (1) Applicant submits signed application to the air district or third-party.
 - (2) Air district or designated third-party reviews and approves application (if appropriate) and returns it to applicant or notifies applicant of approval. Application review and approval may be conducted on-site at a L&GE exchange event.
 - (3) Air districts may follow up with an applicant in order to complete an incomplete or illegible application.
- (F) Operational Condition of Existing L&GE: Air district or air district-contracted facility or third-party must ensure that each existing L&GE is in apparently operational condition. The air district or air district-specified facility or third-party must reject the existing L&GE if it is deemed inoperative.
- (G) Project Payment: Air districts must include in their P&P's a detailed description of the process through which the air district provides payment to the cordless, zero-emission electric L&GE manufacturer, merchant and/ or applicant.
- (H) Merchant, Manufacturer or Applicant Reimbursement Package: Prior to receiving reimbursement, a participating manufacturer, participating merchant, or the applicant must submit a reimbursement package to the air district. The reimbursement package must be submitted to the air district within 75 days of receiving the replacement L&GE. The following documents should be included in the reimbursement package:
 - (1) Invoice or receipt that shows the final purchase price for all items.
 - (2) Recycling, disposal, or destruction receipt.
 - (3) The name and address of the participant (individual or business).
 - (4) Copies of original applications if third-party received original applications.
- (I) L&GE Destruction Documentation:

- (1) Districts must confirm that within 60 days of receiving of the replacement L&GE, the participant surrendered the existing combustion L&GE to the district, hazardous waste materials disposal, recycling company, or third-party program administrator for destruction.
- (2) All existing combustion L&GE must be destroyed and rendered permanently unusable and irreparable within 60 days of receipt consistent with Chapter 9, Section C.10.
- (3) Air districts must collect from their participating recycling companies, hazardous waste materials disposal, or third-party administrators' documentation that shows the number of L&GE destroyed.
- (J) Audit and Monitoring: Air districts must allow CARB to monitor their L&GE replacement program, which may include audits of the air district's implementation of the program.
- (K) Reporting in Clean Air Reporting Log (CARL): Air districts must follow the reporting, recordkeeping and other requirements described in Chapter 3 of the Carl Moyer Guidelines, including, without limitation, Sections O, P, and Q.

8. Participating Manufacturer Requirements

Participating manufacturers' agreements must include the following information:

- (A) Covered L&GE: Information about the cordless zero-emission electric L&GE covered by the agreement:
 A statement the manufacturer understands the eligible equipment in this program is limited to Section B.
- (B) Manufacturer Qualifications: A statement that the manufacturer meets the following minimum qualifications for participation in the L&GE replacement program and shall continue to meet these qualifications throughout its participation in the L&GE replacement program.
 Manufacturer has had a valid Employer Identification Number and California business license for a minimum of the last two years.
 Manufacturer agrees to allow the air district or CARB to inspect cordless, zero-emission electric L&GE or audit program records covered under this agreement during normal business hours.
- (C) Recalls: A statement that as soon as reasonably possible, manufacturer shall notify the air district and individually notify any and all purchasers of equipment through this Program of any recall of the L&GE or any of its constituent parts ordered by manufacturer or by a government agency.
- (D) Air District Does Not Warrant or Endorse L&GE: A statement that the air district does not warrant or endorse the manufacturer's L&GE for any purpose, including materials, workmanship, merchant ability or fitness for use. Nothing

- in the air district/manufacturer contract shall be construed as a warranty or endorsement.
- (E) Averaging, Banking, and Trading Program Exclusion: Manufacturers must abide by CCR, title 13, Section 2408.1(a).
- (F) Return of Funds: A statement that, should the manufacturer fail to show that they are implementing the Program consistent with the L&GE replacement program requirements, the manufacturer or merchant shall return to the air district funds in proportion to any loss of emission reductions compared with the projected reductions of the agreement.

9. Participating Merchant Requirements

Participating merchants' agreements must include the following:

- (A) Merchant Qualifications: A statement that the merchant meets the following minimum qualifications for participation in the L&GE replacement program and shall continue to meet these qualifications throughout its participation in the L&GE replacement program.
 - (1) Merchant has had a valid business license issued in California for a minimum of the last two years.
 - (2) Merchant agrees to allow the air district or CARB to inspect cordless, zeroemission electric L&GE or audit program records covered under this Agreement during normal business hours.
- (B) Invoice or Receipt: A statement that the merchant shall show on the replacement L&GE invoice or receipt the voucher amount. The receipt of voucher funds does not lower the base price of the L&GE, nor does it reduce the tax basis of the L&GE but is an incentive to the L&GE owner that will result in a lower price paid by the participant.
- (C) Return of Funds: A statement that, should the merchant fail to show that they are implementing the Program consistent with L&GE replacement program requirements, the manufacturer or merchant shall return to the air district funds in proportion to any loss of emission reductions compared with the projected reductions of the agreement.

10. Participating Hazardous Waste Materials Disposal, Recycling Company Requirements, or Third-Party Administrator

Optional destruction and disposal agreements with participating hazardous waste materials disposal, recycling companies, or third- party administrators to destroy or dispose of the existing combustion L&GE must include the following:

(A) Destruction of L&GE: A statement that the hazardous waste materials disposal, recycling company, or third-party administrator, shall destroy the combustion L&GE and engine within 60 days of receipt such that the L&GE and engine is no longer operable or repairable.

(B) Receipt of L&GE Destruction: A statement that the hazardous waste materials disposal, recycling company, or third-party administrator, shall notify the air district that the combustion L&GE is destroyed by sending the air district documentation indicating the number of L&GE destroyed.

D. Emission Benefits

L&GE replacement provides emission benefits by providing L&GE owners the incentivized option of purchasing zero-emission L&GE instead of a higher polluting combustion L&GE. Regulation does not require zero-emission electric L&GE to be purchased or used by end users, so the emission benefits are surplus. Emission reductions are the difference in emissions from a new SORE combustion powered L&GE and zero-emission electric L&GE.

II. Acronyms

Acronym	Definition
AB	Assembly Bill
CARB	California Air Resources Board
CARL	Clean Air Reporting Log
L&GE	Lawn and Garden Equipment
P&P	Policies and Procedures
SORE	Small Off-Road Engines

III. Definitions

<u>Existing Combustion Lawn and Garden Equipment</u>: Operational combustion lawn and garden equipment owned and operated in California by the applicant.

<u>Lawn and Garden Equipment</u>: Equipment used to maintain lawns and gardens. This equipment is generally, but not exclusively, powered by spark-ignition engines. This equipment is traditionally used in applications such as lawn mowers, edger's, trimmers, leaf blowers, and chainsaws. Equipment that does not fall into this category includes golf carts, specialty vehicles, generators, pumps, and other small utility equipment.

<u>Lawn and Garden Exchange Event</u>: An occasion where participants' existing combustion lawn and garden equipment are exchanged for new cordless, zero-emission electric lawn garden equipment or vouchers for new, cordless, zero-emission electric lawn and garden equipment.

Replacement Electric Lawn and Garden Equipment: Cordless, zero-emission electric lawn and garden equipment.

IV. References

<u>Small Off-Road Engine Exhaust Emission Regulations.</u>

https://govt.westlaw.com/calregs/Browse/Home/California/CaliforniaCodeofRegulations?guid=I952DFAE05A1E11EC8227000D3A7C4BC3&originationContext=documenttoc&transitionType=Default&contextData=(sc.Default)

California Health and Safety Code.

https://leginfo.legislature.ca.gov/faces/codesTOCSelected.xhtml?tocCode=HSC&tocTitle=+Health+and+Safety+Code+-+HSC

<u>Code of Federal Regulations (June 17, 2013) 49 CFR 535.7 - Averaging, Banking, and Trading (ABT) Program.</u>

https://www.law.cornell.edu/cfr/text/49/535.7

<u>California Air Resources Board (June 2013) Emission Reduction Offset Transaction Costs</u> Summary Report for 2012.

https://ww2.arb.ca.gov/sites/default/files/2020-06/erc_report_12.pdf