

APPENDIX B

Clean Transportation Incentives

Fiscal Year 2017-18
Clean Off-Road Equipment Voucher Incentive Project (CORE)

IMPLEMENTATION MANUAL FRAMEWORK

February 1, 2019



NOTE: The project elements described in this Implementation Manual Framework document are tentative and subject to change based on stakeholder input, funding availability, regulatory changes, or CARB's discretion.

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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 Program¹ 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 (Committee on Budget, Chapter 14, Statutes of 2017) appropriated \$140 million from the GGRF for demonstrating and deploying advanced technology in freight equipment. Of that appropriation, \$40 million was allocated to the Clean Off-Road Equipment Voucher Incentive Project (CORE) by the Fiscal Year (FY) 2017-18 Funding Plan for Clean Transportation Incentives², approved by the California Air Resources Board (CARB or the Board) on December 14, 2017.

CORE, analogous to the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP), is a new project intended to encourage California fleets to purchase or lease currently commercialized zero-emission off-road freight equipment 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 deployment purchases, extended warranties, and charging infrastructure. CORE targets commercialized zero-emission products that have not yet achieved a significant market foothold. CORE focuses on the following types of equipment:

- On- and off-road terminal tractors³,
- 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.

However, other types of equipment that meet CORE requirements may be eligible for funding in the future.

The Implementation Manual Framework document (Framework Document) sets forth the proposed guidelines, concepts, and terms and conditions for participating in CORE. In consultation with the CARB project liaison, the Project

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

² https://www.arb.ca.gov/msprog/aqip/fundplan/proposed_1718_funding_plan_final.pdf

³ On-road terminal tractors are included in CORE given their similarity to off-road terminal tractors. CORE will replace HVIP for such vehicles once CORE vouchers become available.

Administrator shall use the Framework Document to develop an Implementation Manual with more-detailed instructions, procedures, project elements, and terms and conditions for manufacturers, dealers, and fleets to follow when participating in CORE.

Table of Contents

EXECUTIVE SUMMARY	1
A. PROJECT OVERVIEW	5
1. Background.....	5
2. Project Description.....	6
3. Project Framework.....	7
4. Disadvantaged Communities	8
B. ELIGIBLE EQUIPMENT TYPES.....	9
C. VOUCHER AMOUNTS.....	10
1. Maximum Base Voucher Amounts.....	10
2. Disadvantaged Communities	11
3. Voucher Enhancements.....	11
4. Maximum Allowable Voucher Amount	15
5. Category Funding Caps	15
D. EQUIPMENT MODEL ELIGIBILITY CRITERIA.....	16
1. Equipment Model Eligibility Overview	16
2. Model-Eligibility Criteria	17
3. CORE Eligibility Application.....	20
E. MANUFACTURER/DEALER DUTIES AND REQUIREMENTS.....	22
1. Dealer-Level Responsibilities.....	23
2. Conversion Installation Documentation	24
3. Sales Disclosure	24
4. Annual Warranty Reports.....	24
5. Extended Downtime Report.....	25
6. Annual User Experience Reports.....	26
F. GENERAL FLEET PARTICIPATION CONDITIONS	26
G. VOUCHER REQUESTS.....	28
1. Voucher Request Process	28
2. Voucher Request Rejection	30
H. VOUCHER REDEMPTION.....	30
1. Redemption Conditions	30
2. Voucher Redemption Request Review and Payment	32
3. Voucher Redemption Request Appeals.....	32
I. VOUCHER RENEWALS	32

J.	RESALE OF EQUIPMENT	33
K.	EQUIPMENT LEASE AND RENTAL	35
L.	BATTERY LEASING	35
M.	PROJECT NONPERFORMANCE AND FALSIFICATION.....	35
	Attachment A: CORE Eligibility Application.....	37
	SECTION A - GENERAL MANUFACTURER AND EQUIPMENT INFORMATION	37
1.	Cover Letter (Request for Review)	37
2.	General Business Information.....	38
3.	Technical and physical description of the zero-emission equipment and/or conversion system	38
4.	Zero-Emission Powertrain.....	38
5.	Testing Methodologies and Results.....	39
6.	Information to be Distributed to Owners and Operators.....	39
7.	Service-and-Repair Information	40
8.	Dealer and service network	40
	SECTION B – SERVICE, MONITORING, AND OPERATIONAL CONTROLS	41
1.	Service-and-Repair Plan.....	41
2.	Monitoring System	41
3.	Telematics and Data Collection System(s)	42
4.	Tell-tale Information	42
5.	Information on Charge, Fuel, and Range Indicators	43
6.	Additional Information on Conversion Kits	43
7.	Terms of Approval	43
	Attachment B: Purchaser/Lessee Terms and Conditions.....	44
	Attachment C: Dealer Terms and Conditions.....	46

A. PROJECT OVERVIEW

1. Background

In 2007, AB 118 (Nunez, Chapter 750) created the Air Quality Improvement Program (AQIP), a voluntary incentive program implemented by CARB, 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), SB 535 (De León, Chapter 830), and SB 1018 (Budget and Fiscal Review Committee, Chapter 39), that established the GGRF to receive auction proceeds from California's Cap-and-Trade Program⁴ and to provide the framework for how the auction proceeds are administered in furtherance of the purposes of AB 32 (Nunez, Chapter 488, Statutes of 2006), including supporting long-term, transformative efforts to improve public health and develop a clean energy economy. Funding from the GGRF 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 AB 134, which appropriated up to \$140 million from the GGRF for advanced freight equipment demonstrations and pilot commercial deployments. The FY 2017-18 Funding Plan for Clean Transportation Incentives (FY 2017-18 Funding Plan)⁵, approved by CARB in December 2017, allocated \$40 million of the \$140 million appropriation to CORE, which will establish a streamlined voucher process for fleets ready-to-purchase specific zero-emission equipment to receive funding to offset the higher cost of such technologies.

CORE is intended to encourage California fleets to purchase or lease currently commercialized zero-emission off-road freight equipment of cleaner off-road technologies. It benefits the citizens of California by providing immediate air pollution and greenhouse gas emission reductions. Additionally, the project deploys and advances the critical technologies necessary for California to meet its long-term air quality and climate change

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

⁵ https://www.arb.ca.gov/msprog/aqip/fundplan/proposed_1718_funding_plan_final.pdf

goals. CORE is also supportive of Executive Order B-32-15, which directed the development of the California Sustainable Freight Action Plan⁶. This action plan was released on 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.

The Framework Document sets forth the proposed guidelines, concepts, and terms and conditions for participating in CORE. In consultation with the CARB Project Liaison, the Project Administrator shall use this Framework Document to develop an Implementation Manual with more-detailed and final instructions, procedures, project elements, and terms and conditions for manufacturers, dealers, and fleets to follow when participating in CORE.

2. Project Description

CORE 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 HVIP⁷, but specifically targets commercialized zero-emission off-road freight equipment⁸. CORE provides vouchers to California purchasers and lessees of zero-emission off-road freight equipment on a first-come, first-served 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 off-road zero-emission 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. CORE helps address the cost barrier for zero-emission off-road freight equipment by helping offset the incremental cost of purchasing and deploying such equipment.

⁶ http://dot.ca.gov/hq/tpp/offices/ogm/cs_freight_action_plan/Documents/CSFAP_FINAL_07272016.pdf

⁷ <https://www.californiahvip.org/>

⁸ On-road terminal tractors are also included in CORE given their similarity to off-road terminal tractors.

CORE will also provide voucher enhancements, which are intended to assist business operations in the transition to zero-emission equipment, for infrastructure, extended warranties, or bulk deployments.

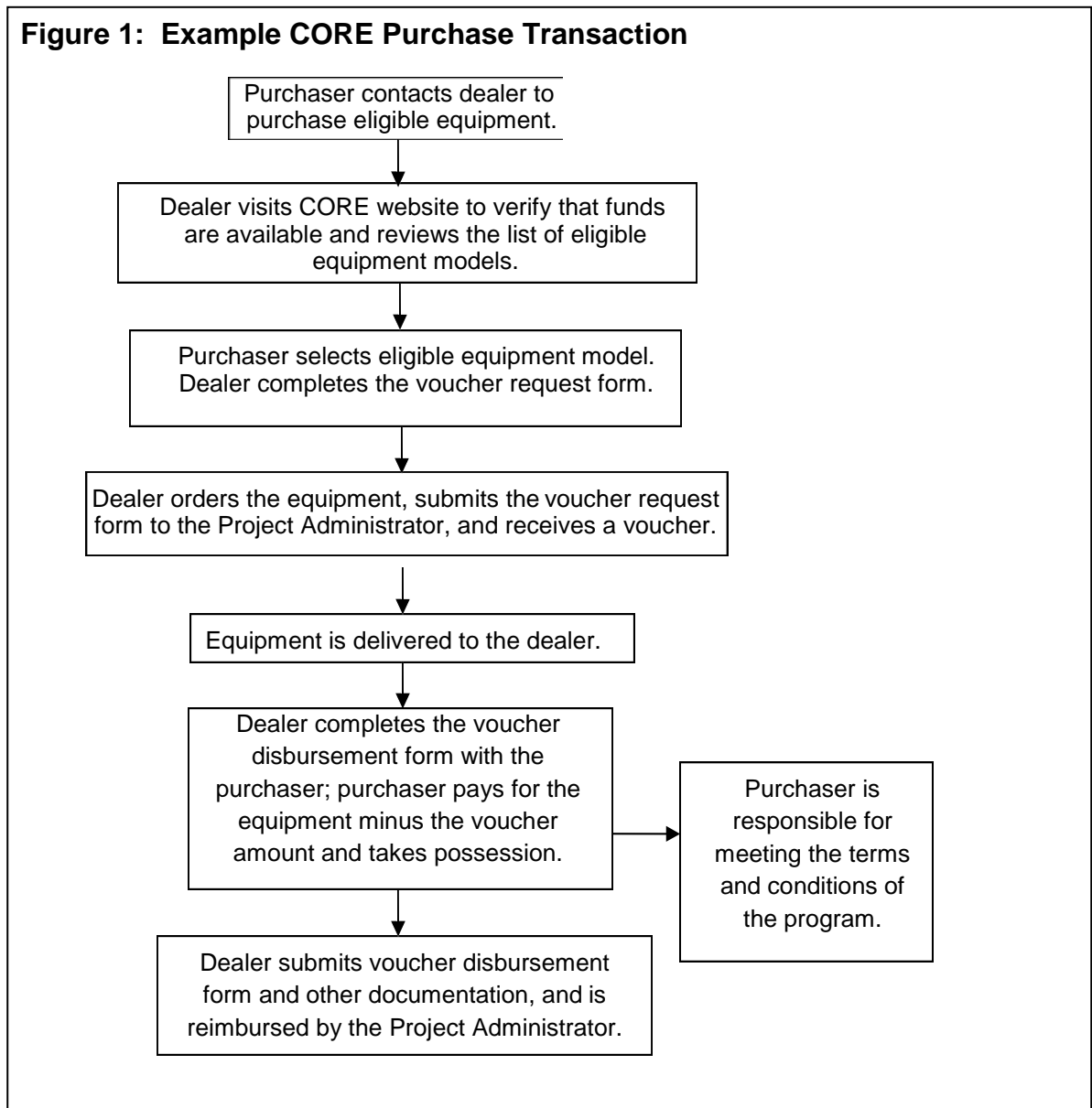
Additionally, CORE does not require scrappage of an existing internal combustion equipment within the participating fleet. However, CORE requirements do not replace the requirements of other incentive programs that may be used in conjunction. Therefore, if an applicant is also seeking funding from other incentive programs/projects that require scrappage, the applicant is still bound by such requirement.

3. Project Framework

Through the process described below, manufacturers shall work with CARB staff to have their equipment models added to the CORE Model Eligibility List (MEL). Equipment dealers and fleets shall have use of a CORE website, developed by the Project Administrator, to view eligible equipment models, base voucher amounts, and voucher enhancement amounts; request and redeem vouchers; and obtain other information about the project.

Figure 1 below, 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 (CalEPA) identified disadvantaged communities for the purposes of SB 535 using the California Communities Environmental Health Screening Tool (CalEnviroScreen 2.0). In 2017, CalEPA 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. The Project Administrator shall 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 CalEnviroScreen model and disadvantaged communities is available on Office of Environmental Health Hazard Assessment's website⁹.

To ensure CORE supports the goal of providing funding in disadvantaged and low-income communities, and to satisfy AB 1550 requirements, a set aside of CORE funding might be needed. Throughout the project year, if data shows 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.

Furthermore, in accordance with the goal to prioritize funding in disadvantaged communities, CORE will provide higher voucher amounts for equipment used in 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, CORE focuses on the following types of zero-emission equipment:

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

However, other types of equipment that meet CORE requirements may be eligible for funding in the future.

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." Within CORE, fully automated equipment means that the equipment is not directly human operated, which includes off-site human control. Human operators must either be on the piece of equipment or tethered to the piece of equipment, and must control the equipment's function with a clear line of

⁹ <https://oehha.ca.gov/calenviroscreen>

sight, or be positioned within 100 feet of the piece of equipment that is being operated. Tethering can be wired or wireless as a means of equipment control and operation¹⁰.

Equipment that has automated activities, such as predictive cruise control or crane positioning, are not considered fully automated if the above conditions are met. Additionally, the automation restriction does not apply to recharging or refueling protocols or data collection efforts. Any attempt to modify a funded vehicle or equipment to operate autonomously is prohibited during the contract period.

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, determined by CARB staff in consultation with the Project Administrator, will 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 will be determined using information provided in a manufacturer's CORE application and other data.

1. Maximum Base Voucher Amounts

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

¹⁰ [Zero- and Near Zero-Emission Freight Facilities Project Solicitation. March, 2018](#)

TABLE 1: PROPOSED MAXIMUM BASELINE VOUCHER AMOUNTS

Equipment Type		Proposed Maximum Base Voucher Amount (\$)*
On- and Off-Road Terminal Tractors	New Tractor	\$180,000
	Conversion Kit	\$90,000
Truck-mounted TRU	New TRU	\$50,000
	Conversion Kit	\$12,000
Trailer-mounted TRU	New TRU	\$65,000
	Conversion Kit	\$15,000
Forklift	8,001 – 12,000 lbs. capacity	\$15,000
	12,001 – 20,000 lbs. capacity	\$20,000
	20,001 – 33,000 lbs. capacity	\$50,000
	>33,000 lbs. capacity	\$150,000
Container Handling Equipment	>33,000 lbs. capacity	To Be Determined
Airport Cargo Loader	≤ 20,000 lbs. capacity	\$30,000
	>20,000 lbs. capacity	\$55,000
Wide-Body Aircraft Tug		To Be Determined
Railcar Mover		\$500,000*
RTG Crane		\$500,000*

* 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 51 percent of its time within a disadvantaged community for the first three years from the date of equipment delivery, 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 purchaser must allow the manufacturer to collect, aggregate, and transmit equipment location data 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. Fleet Bulk Deployments

CORE will provide an enhancement to fleets that complete a bulk order. The amount of the enhancement will be determined by CARB in coordination with the Project Administrator, once selected. A bulk order is one that is at least 25 percent of all equipment within a fleet at the time of order, with no minimum fleet size required.

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 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 9,000 usage hours is required for all new eligible equipment and repower (conversion) kits. Accordingly, base voucher amounts shall include the cost of the base warranty. However, CORE voucher enhancements will also be available for extended warranties. The extended-warranty voucher enhancement amounts are described in Table 2, below.

TABLE 2: PROPOSED EXTENDED WARRANTY VOUCHER ENHANCEMENTS

Proposed Warranty Term*	Proposed Maximum Voucher Amount per Unit (\$)
6 years/18,000 usage hours	To Be Determined
7 years/21,000 usage hours	To Be Determined
8 years/24,000 usage hours	To Be Determined

* Years or hours, whichever occurs first.

In order for a purchaser to qualify for an extended-warranty enhancement, the manufacturer must have described the extended warranty in their CORE Application and included coverage details, and claim procedures (if different from the original base warranty). Any

extended warranty purchased with CORE funds must be part of the initial transaction. Warranties added after the completion of the CORE transaction are the responsibility of the purchasing fleet.

c. Infrastructure

CORE offers voucher enhancements for electric vehicle supply equipment (EVSE) units. The enhancements are intended to cover the capital costs of the EVSE purchase and the costs of basic installation. The enhancement is not intended to cover “make-ready” costs, such as costs of transformers, trenching, conduit, or in the case of fuel cell applications, a fueling facility.

In order to qualify for this voucher enhancement, dealers, on behalf of the fleet 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. The information may include, but is not limited to, site maps, facility information, current utility company information, and current fleet information.

For TRUs in particular, CORE allows for multiple EVSE units 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, resulting in the unique need for multiple EVSEs. With the exception of TRUs, only one EVSE unit is eligible for funding per piece of CORE-funded off-road equipment.

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

TABLE 3: PROPOSED INFRASTRUCTURE VOUCHER ENHANCEMENTS

Equipment Type		Proposed Maximum Enhancement Amount per EVSE Unit (\$)
New Terminal Tractor or Terminal Tractor Conversion		\$30,000
New TRU or TRU Conversion	Truck	\$2,000
	Trailer*	\$6,000
Forklift (All lift capacities)		\$10,000
Container Handling Equipment		To Be Determined
Airport Cargo Loader		\$30,000
Wide-Body Aircraft Tug		To Be Determined
Railcar Mover		\$150,000
RTG Crane		\$100,000

* Up to 3 units per TRU for truck or trailer purchases.

i. Fast-Charging or Hydrogen Fueling

Fleets incorporating fast-charge (i.e., greater than Level 2*) facilities or hydrogen fueling infrastructure are eligible for a voucher enhancement. In coordination with the Project Administrator, CARB will determine the amount of this enhancement on a model-by-model (or case-by-case, if necessary) basis.

(*Society of Automotive Engineers Standard J1772)

ii. Inductive Charging

A voucher enhancement will be provided for wireless inductive charging systems. With inductive charging, there is no need for a physical connection in order to charge. 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.

In coordination with the Project Administrator, CARB will determine the amount of this enhancement on a model-by-model (or case-by-case, if necessary) basis.

4. Maximum Allowable Voucher Amount

CORE does not prohibit using funds from other incentive programs. However, the total CORE voucher amount (including the base equipment amount and voucher enhancements) plus all other public incentives may not exceed 100 percent of the total equipment cost (excluding taxes and fees). As previously stated, CORE base voucher amounts are capped at \$500,000. CORE funding may not be used to 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 Department of Motor Vehicle (DMV) fees (if applicable), must be paid by the fleet.

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.

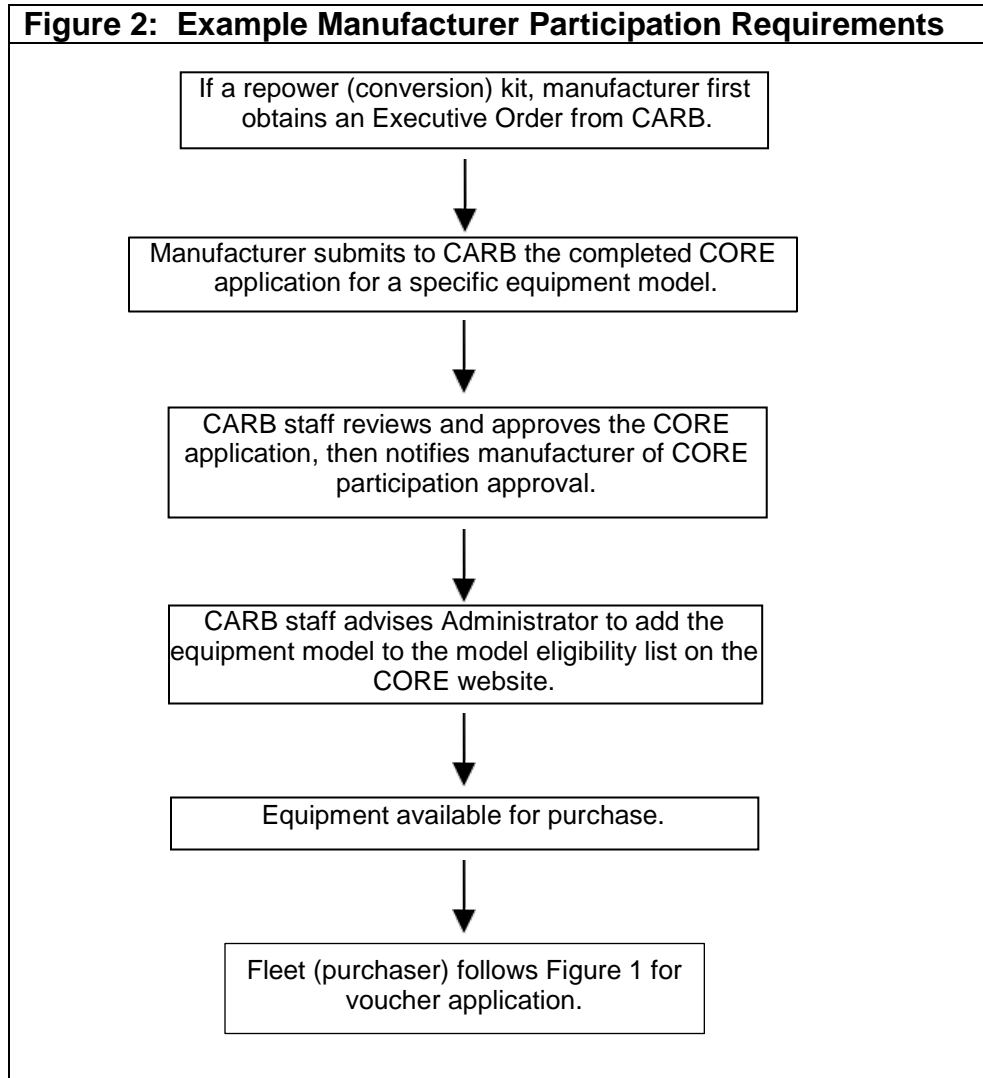
5. Category Funding Caps

In order to promote broad application of CORE funding across multiple equipment types, no individual equipment-type category may receive more than 25 percent of total CORE voucher funding within the first six months after the first CORE voucher is issued. Once the funding for a particular type of equipment has reached its cap, 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. However, CARB reserves the right to allocate additional funding to any individual equipment-type category.

D. EQUIPMENT MODEL ELIGIBILITY CRITERIA

1. Equipment Model Eligibility Overview

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



2. Model-Eligibility Criteria

The following sets forth the model-specific eligibility criteria for qualifying an equipment model for CORE. Supporting documentation may be required as part of the manufacturer's 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 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). Supporting documentation, including, but not limited to, testing results, operational data, and user experience information, would be required.
- 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 DMV 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 20 years) with an existing internal combustion engine, and
 - 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 9,000 usage 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, 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 CORE 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.

The following alternatives will also satisfy this requirement:

- i. Having a manufacturer-approved dealer with a service center within California.
 - ii. Offering service-and-repair training to fleets as part of an equipment purchase.
 - iii. Maintaining a team of factory-trained technicians that are able to respond to service-and-repair requests within a reasonable time frame.
- h. Each piece of equipment must be installed with a functioning telematics system. The data collected from the telematics system must be made available to CARB staff, the Project Administrator, or their designee.

With input from participating equipment manufacturers, the Project Administrator will develop and maintain a mechanism, such as a database; website; or data access portal, for equipment manufacturers to transmit key telematics data to the Project Administrator. The Project Administrator is responsible for ensuring the data are stored appropriately, making the data available and accessible to CARB or its future designee for a period of three years from the equipment delivery date and/or for the term of the CORE grant agreement, and ensuring subsequent Project Administrators can continue to utilize the mechanism to collect and store the data. The equipment manufacturers are responsible for uploading the key telematics data using the mechanism developed by the Project Administrator at a frequency to be determined by CARB and the Project Administrator.

Key telematics data must be acquired from CORE-funded equipment, except military pieces of equipment, for a minimum of three years from the equipment delivery date. Grantee must provide a mechanism for subsequent Grantees to continue collecting such data from the equipment manufacturers for a three-year period after voucher redemption. Grantee must ensure the following data are collected by the equipment manufacturers and transmitted to the database that is maintained by the Grantee. Telematics data must include, at a minimum, the following information:

- i. Load*;
- ii. Motor Speed*;
- iii. Equipment Speed*;
- iv. Global Positioning System (GPS) data (when applicable)*;

- v. Idle (on with no movement or use)*;
- vi. Equipment mileage/usage hours;
- vii. Location and time of first key on and last key off of the work day;
- viii. Charging/refueling events and duration;
- ix. Cumulative charging time and energy charged;
- x. State of charge at beginning and end of charging/refueling events;
- xi. Battery cycle life or cycle count;
- xii. Battery state of health (as defined by the manufacturer);
- xiii. Usage hours and percentage of total time when the equipment is operating ("key on") within and outside of a disadvantaged community (when applicable); and
- xiv. Service / maintenance events.

* Monitoring frequency and data format to be determined

The Project Administrator will prepare annual reports presenting the data collected for items i. through xiv, above. Additionally, the report will include analyses based on the requirements of CORE (e.g., operating time within a disadvantaged community). This may include fleet information associated with use, power consumption, and disadvantaged community activity. The report may also include information on performance anomalies, recommendations for future data collection activities, and recommendations to streamline the collection, storage, and analysis of future data sets. Should CARB identify a concern, additional or more frequent reports may be requested beyond a single annual report.

3. CORE Eligibility Application

In order to qualify a specific equipment model for CORE, manufacturers must complete the CORE Eligibility Application (Attachment 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 website and will be used to streamline project access while ensuring project transparency.
- c. Description and Specifications of the off-road equipment model.

- d. Specific equipment application.
- e. Usable battery energy/fuel-tank capacity and the method used to determine it.
- f. Estimated equipment operating time or range.
- g. A description of how the battery state of health is determined.
- h. Information on California service location(s)
- i. Service and repair protocols
- j. 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 repair needs anywhere the equipment is deployed in the state.
 - iii. Method of communicating service and repair requirements to the fleet purchaser/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 Project Administrator, CARB, or their designee, on an annual basis or as needed.

* Manufacturers are required to include a description of what defines a major and minor repair.
- k. Description of telematics system and method of transferring telematics data to the Project Administrator, CARB, or their designee.
- l. If a repower (conversion) kit, the current Executive Order.
- m. Information needed to determine the base voucher amount.
- n. Warranty information, including extended warranties offered that qualify for a voucher enhancement.
- o. Cost of major components, such as the energy storage system.

Once an application is reviewed and approved by CARB staff, the CORE Project Administrator will add the approved equipment model(s) to the MEL on CORE'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 by CARB staff to participate in CORE, the manufacturer and equipment model must maintain conformance with the minimum eligibility criteria. A manufacturer must provide to participating dealers up-to-date information on expected build times for eligible equipment models. If it is determined that the manufacturer or equipment model fails to conform to 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 Eligibility Application, if warranted.

E. MANUFACTURER/DEALER 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:

- a. 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 (if applicable).
- b. A manufacturer of CORE-eligible equipment pieces that sells equipment directly to fleets.

- c. An equipment manufacturer that has a written agreement with another manufacturer to sell equipment from said other manufacturer and has had a valid business license for the past two years.
- d. 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 are not limited to:

- a. Becoming familiar with CORE Incentive requirements.
- b. Participating in dealer training and registration.
- c. Providing accurate information to CORE equipment purchasers, the Project Administrator, CARB, and, if applicable, the Project Administrator's or CARB's designee.
- d. Providing accurate and complete documentation of the equipment purchased to the Project Administrator.
- e. Providing reasonable assistance to CARB or its designee to obtain updated purchaser information, inspect pieces of equipment, and review CORE-related records during the first three years after equipment receipt and final payment by the purchasing fleet, whichever is later.
- f. Maintaining 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.

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 the proposed 20 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 service or repair for funded equipment;
- d. The usable battery energy of the equipment being purchased, as determined in accordance with these guidelines;
- e. Estimated operating time or range (if applicable);
- f. Infrastructure costs and requirements (such as permit requirements) for EVSE installation or hydrogen fuel delivery; and
- g. Most-current build-time information and estimated delivery dates of eligible equipment before the order is placed.

4. Annual Warranty Reports

Manufacturers must submit warranty reports to the Project Administrator, CARB, or their designee every year for all vehicles still under warranty with the following information:

- a. Number of failures in the powertrain and driveline;
- b. Percentage of equipment 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;
- h. Actual labor cost of repair; and
- i. Extended Downtime Reports (See section E.5., below) completed throughout the year

Manufacturers may be required to report more often for equipment with recurring repairs, dangers discovered during use, or any other failures affecting normal use.

5. Extended Downtime Report

For failure(s) or repair(s) of warranted parts (as listed in section D.2.f.ii, above) during the warranty period that prevent the equipment from operating as per the manufacturer's specifications or that require the equipment to be down for more than 30 calendar days (or multiple individual repairs that cumulate to 30 days) in any six (6) month period, the manufacturer must submit an Extended Downtime Report (EDR) to CARB and the Project Administrator. Such a report must be prepared within 30 calendar days following the last repair that triggered the 30 day threshold and submitted annually as part of the manufacturer's warranty report. 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.).

If changes to operational use, service-and-repair protocols, or original equipment are required, the manufacturer should notify CARB, the Project Administrator, fleet purchaser, and other owners within 90 days of the repair

determination.

Information from EDR could be posted in the MEL as supplemental information. In addition, equipment exhibiting multiple failures with excessive periods of non-operation due to needed repairs, could be reevaluated and potentially removed from eligibility. CARB will work with the Project Administrator to develop criteria for removal from the MEL and potential remedies.

Recommended or scheduled maintenance is not considered a failure to be calculated into the 30-day "down time" count.

6. Annual User Experience Reports

The manufacturer shall be responsible for working with fleets and providing quarterly user experience reports to the Project Administrator, CARB, or their designee. 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 annual user experience reports must cover, at a minimum, all equipment pieces within the first three years after the equipment delivery date. It is the manufacturer's responsibility to ensure reports are submitted to the Project Administrator, CARB, or their designee in a timely manner. The annual 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 CORE, fleets (purchasers) must agree and conform to 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 usage hours annually, for the first three years (three-year average). Fleets 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 equipment delivery 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, CARB, or their designee 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. Recovery of CORE funds for such losses may be required during the project period.
6. Fleets must respond in a timely manner to CORE-required surveys/questionnaires from the dealer, manufacturer, CARB, the Project Administrator, or their designee, 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 with all federal, state, and local air quality rules and regulations, including reporting requirements, if applicable.
8. Fleets must provide CARB, the Project Administrator, or their designee 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.
9. Fleets must allow the manufacturer to collect, aggregate, and transmit specified equipment telematics data to CARB, the Project Administrator, or their designee.

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 equipment purchaser (i.e., fleet). The dealer shall work with the equipment purchaser to complete the voucher request form (available on the CORE webpage). The Project Administrator will work with CARB to develop an electronic document submittal system capable of handling voucher requests. Where possible, documents should be submitted electronically. 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 of 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 CORE.

1. Voucher Request Process

The following sets forth the CORE voucher request process. Vouchers may only be requested for new equipment orders. Therefore, the electronic voucher request must be submitted on the same day the purchase order is signed or executed.

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 CORE. In addition, CARB may seek other remedies available under law.

a. Electronic Voucher Request

Voucher requests shall be made electronically by a participating dealer via the CORE website, 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 request and redeem vouchers quickly, effectively, and transparently.

The Project Administrator will review voucher request forms 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 shall be accepted.

Voucher funds are reserved at the time of an 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 is made, the dealer must submit, via certified mail, the following documentation to the Project Administrator:

- 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 90 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,

CARB, or their designee may verify the validity of a voucher by visual inspection, photos, or physical inspection of the equipment.

d. **Utility Notification**

At the time of the voucher request, the Project Administrator will contact the local utility to advise them of the equipment voucher request (if warranted). In coordination with the fleet purchaser, the Project Administrator will provide any supporting documentation, including, but not limited to, the number of equipment pieces requested, site plans, manufacturer-recommended power supply (in kilowatts) and any other relevant documentation needed to provide the appropriate infrastructure support. These efforts will be undertaken in coordination with, and with the approval of the purchasing fleet.

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 ten 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 CORE) 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 (including 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 does not match that described on the voucher request form. If the dealer has a new purchaser for a piece of equipment (which has funding reserved under CORE), 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 DMV. 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 must be signed and dated, and the final equipment invoice must show 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. Except for equipment receiving a repower usekits, the equipment must be new and have no more than 500 usage hours at time of the final delivery inspection. Vouchers for equipment with more than 500 usage 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, or a third party designated by the dealer, must be provided by the 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.
- i. All documents submitted to the Project Administrator for processing the voucher redemption request clearly indicate the voucher number.
- j. The dealer has submitted to the Project Administrator 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 fleet acceptance of the converted equipment.
- l. Fleets must be in good standing with all federal, state, and local air

quality rules and regulations, including reporting requirements, 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 CORE. In addition, CARB may seek other remedies available under law. If necessary, the Project Administrator shall support CARB's enforcement efforts, including the recapturing of funds, by providing CARB with any fleet information, purchaser information, documents, data, or other material needed to investigate or carry out such efforts.

2. Voucher Redemption Request Review and Payment

When project 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 are 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 are 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

A formal letter of appeal, postmarked within 30 days of a cancelled voucher redemption request, must be sent to CARB to appeal such cancellation. Disputing the CORE terms and conditions or the Implementation Manual is not a basis for an appeal. CARB may require further documentation to verify or substantiate any claims.

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 retains the authority to reject any vouchers if the documentation (for any reason) is deemed untrustworthy or inadequate with decisions 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 CORE 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 delivery 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.

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

1. The original equipment purchaser must inform the new purchaser, in writing, about the CORE voucher amount and applicable CORE requirements;
2. The original equipment purchaser must provide the contact information of the new purchaser, including mailing address, phone number, and email (if applicable);
3. The new purchaser must agree, in writing, to meet all applicable CORE requirements applicable to the equipment; and
4. The new purchaser must provide any relevant equipment, fleet, use, and ownership information to the Project Administrator within 30 calendar days of change of custody.

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

1. A copy of the new title documenting equipment ownership (if applicable), or other documentation demonstrating the change of ownership (such as an updated insurance policy);
2. A written commitment to meet the CORE terms and conditions;
3. A written commitment to complete and return the annual usage survey/questionnaire as required by the original voucher; and
4. Transfer agreement that includes price, transfer date, and terms of the sales transaction.

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 =
 $(\text{Original Voucher Amount} \div 36 \text{ Months}) \times (36 - \text{number of months since equipment purchase or lease origination date}).$

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 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 delivery 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, CARB, or their designee; and 3) information to verify conformance to all CORE conditions is provided to the Project Administrator, CARB, 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 participation in CORE (and other CARB funding programs) of a specific manufacturer, subcontractor, dealer, or fleet if it has been determined that such entity has repeatedly violated CORE terms and 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 as well as disqualification from participation in other CARB funding programs. In addition, CORE participation could be restricted for all entities involved in a transaction leading to CARB's determination that false or misleading information has been provided. 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.

Attachment A: Clean Off-Road Equipment Voucher Incentive Project (CORE) Eligibility Application

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

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. Additionally, if you wish to designate any information submitted as confidential information, please note the following:

CARB's regulations in Title 17, California Code of Regulations, sections 91000 to 91022, and the California Public Records Act (Government Code § 6250 et seq.), address submission of public comments and confidential information.

Information provided to CARB may be released (1) to the public upon request, except trade secrets that are not emissions data or other information that is exempt from disclosure or the disclosure of which is prohibited by law; and (2) to the Federal Environmental Protection Agency (EPA), which protects trade secrets as provided in Section 114(c) of the Clean Air Act and amendments thereto (42 USC 7401 et seq.) and in federal regulation; and (3) to other public agencies provided that those agencies preserve the protections afforded to information that is identified as a trade secret, or otherwise exempt from disclosure by law (Health and Safety Code, § 39660, subd. (e)).

Trade secrets as defined in Government Code Section 6254.7 are not public records and, therefore, will not be released to the public. However, the California Public Records Act provides that air pollution emission data are always public records, even if the data comes within the definition of trade secrets. On the other hand, the information used in calculating emission information may be considered a trade secret.

If any company believes that any of the information it may provide is a trade secret or otherwise exempt from disclosure under any other provision of law, it must identify the confidential information as such at the time of submission to CARB and must provide the name, address, and telephone number of the individual to be consulted if CARB receives a request for disclosure or seeks to disclose the data claimed to be confidential. CARB may ask the company to provide documentation of its claim of trade secret or exemption at a later date. Data identified as confidential will not be disclosed unless CARB determines, in

accordance with the above referenced regulations, that the data do not qualify for a legal exemption from disclosure. The regulations establish substantial safeguards before any such disclosure.

2. General Business Information

- a. Name of manufacturer;
- b. Federal Tax Identification Number;
- c. Name and Title of Responsible Official;
- d. Name and Title of Contact Person;
- e. Contact Person Mailing Address;
- f. Contact Person Phone number; and
- g. Contact Person 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 equipment models;
- c. Years the applicable equipment models have 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, usage hours, or 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.);
- f. Cost of major components, such as the energy storage system;
- g. Identify which charging or fueling standards are compatible with your product; and
- h. Estimated operating time or range.

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 and if available):

- 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/usage hours;
- 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);
- c. Required powertrain and equipment maintenance schedules (if included in owner's manual, indicate the page numbers);
- 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; and
- e. If available, the MSRP of the equivalent model for the previous two years.

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 (e.g., physical tools, software, computer/electronic hardware, or others) 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;
- h. Process and cost to an end user or third-party repair facility to gain access to proprietary repair tools, if applicable;
- i. Provide any information on service campaigns previously undertaken for the equipment models; and
- j. Provide any information on the methods used to address the service campaign, including, but not limited to: duration of time from report of concern to failure identification, duration to identify repair solution, user notification process, repair time, and coverage period.

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, mobile repair technician, and/or certified staff;
 - 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 for major sub-systems;
 - ii. Location where parts are stocked;
 - iii. List of parts that are proprietary or protected; and
 - iv. Statement as to whether replacement parts are available to end users and third-party repair facilities.

SECTION B – SERVICE, MONITORING, AND OPERATIONAL CONTROLS

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-repair needs anywhere the equipment is deployed in the state;
- c. Method of communicating service-and-repair 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:

- a. Charge failures (for battery-electric systems or fuel-cell hybrids with plug-in capabilities), and
- b. Drive system / power system / energy storage warning or failures.

In addition, the following parameters must also be monitored:

- a. Load*;
- b. Motor Speed*;
- c. Equipment Speed*;

- d. Global Positioning System (GPS) data (when applicable)*;
 - e. Idle (on with no movement)*;
 - f. Equipment mileage/usage hours;
 - g. Location and time of first key on and last key off of the work day;
 - h. Charging/refueling events and duration;
 - i. Cumulative charging time and energy charged;
 - j. State of charge at beginning and end of charging/refueling events;
 - k. Battery cycle life or cycle count;
 - l. Battery state of health (as defined by the manufacturer);
 - m. Usage hours and percentage of total time when the equipment is operating (“key on”) within and outside of a disadvantaged community (when applicable); and
 - n. Service, repair, and maintenance events.
- * Monitoring frequency and data format to be determined

3. Telematics and Data Collection System(s)

A telematics system (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 the Project Administrator, CARB, or their designee (e.g., software, computer hardware, wireless networks, etc.).
- 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 transmit or make accessible to CARB, the Project Administrator, CARB, their designee (if applicable), and the equipment owner/operator the data collected during the project duration. The manufacturer must explain how it will transmit collected data for the duration of the project term.
- d. The Project Administrator will store and make available the data to CARB or its future designee for a period of three years from the equipment delivery date and/or for the term of the CORE grant agreement. Once the term of the CORE grant agreement has ended, the Project Administrator shall deliver the collected data to CARB.

4. Tell-tale Information

All eligible equipment should provide current state indicators or “tell-tales.” The tell-tales serve as warning indicators for potential problems and notify users of

necessary maintenance and/or required service. Manufacturers must describe the tell-tales that will be utilized in the equipment model.

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 CORE, 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 of 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 Clean Off-Road Equipment Voucher Incentive Project (CORE) Voucher Request

As a condition of participating in the California Air Resources Board's (CARB) CORE, 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 Manual.
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 operate and maintain 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 equipment delivery 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 equipment delivery, 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 equipment delivery 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

consecutive years from the date of equipment delivery. 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 Manual.

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

Name of Equipment Purchaser/Lessee: _____

Signature of Equipment Purchaser/Lessee: _____ Date: _____

City: _____ State: _____

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

**Attachment C: Dealer Terms and Conditions
Clean Off-Road Equipment Voucher Incentive Project
(CORE) Voucher Request**

1. I have read, understand and agree to all applicable terms, conditions, and requirements set forth in the CORE Implementation Manual.
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 CORE.
4. I have the legal authority to participate in CORE 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 Manual.

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 TBD