



State of Utah

Department of  
Environmental Quality

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DAQ-032-08

## MEMORANDUM

**TO:** Air Quality Board

**Through:** Cheryl Heying, Executive Secretary

**FROM:** Nykole Littleboy, Energy Program Coordinator and Glade Sowards, Energy Program Coordinator

**DATE:** May 7, 2008

**SUBJECT:** PROPOSE FOR PUBLIC COMMENT: Add New Rule R307-123, General Requirements: Clean Fuels and Vehicle Technology Grant and Loan Program and Amend R307-121, General Requirements: Clean Fuel Vehicle Tax Credits.

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The Clean Fuels and Vehicle Technology Program Act, Utah State Codes 19-1-401 thru 19-1-405, creates the Clean Fuels and Vehicle Technology Fund in Section 19-1-403. Section 19-1-405 authorizes the Air Quality Board to make rules to establish state-wide eligibility requirements for technologies qualified to be awarded grant and loan monies from the Fund. Utah Division of Air Quality staff created R307-123 to specify these requirements. As proposed, the rule defines certification criteria and proof of purchase requirements for eligible technology. A summary of the provisions included in R307-123 are as follows:

- Eligible equipment to receive monies from the fund are specified as new original equipment manufacturer (OEM) vehicles, motor vehicles that have been converted to use a clean fuel, and motor vehicles that have been retrofitted to reduce pollution emissions;
- Certification criteria for motor vehicle conversions, including pollution reduction requirements, are defined in the enabling statute, Section 19-1-405;
- Certification criteria and for motor vehicle retrofits, including pollution reduction requirements and eligible technology, are defined;
- Proof of purchase requirements for eligible equipment are specified.

DAQ staff also reviewed related rule R307-121, and determined that a few modifications are necessary to make it consistent with the R307-123. Specifically staff is proposing to add the definitions of clean fuel, clean fuel vehicle, and Manufacturer's Statement of Origin to R307-121. Staff is also proposing to make other changes to the language throughout R307-121 that will ensure that it is consistent with R307-123.

Copies of the proposals are attached.

Staff Recommendation: DAQ staff recommends that the Utah Air Quality Board propose a new rule R307-123 and amended R307-121 for public comment.

1 Environmental Quality, Air Quality.

2 R307-123. General Requirements: Clean Fuels and Vehicle  
3 Technology Grant and Loan Program.

4 R307-123-1. Authorization and Purpose.

5 This rule is authorized by Section 19-1-405, which  
6 establishes criteria and definitions used to determine  
7 eligibility for use of the Clean Fuels and Vehicle Technology  
8 Fund created in Section 19-1-403. R307-123 establishes  
9 procedures to provide proof of purchase to the Board for an OEM  
10 vehicle, or the conversion or retrofit of a vehicle for which a  
11 grant or loan made with the monies available in the Fund is  
12 allowed under Subsection 19-1-403(2)(a). Eligible technologies  
13 are required to meet the criteria and follow the procedures  
14 established in R305-4.

15  
16 R307-123-2. Definitions.

17 Definitions. The following additional definitions apply to  
18 R307-123.

19 "Certified by the Board" means that:

20 (1) A motor vehicle on which conversion equipment has been  
21 installed meets the criteria in Subsection 19-1-405(1)(a) and  
22 demonstrates a reduction in emissions as defined in Subsection  
23 19-1-405(2); or

24 (2) A motor vehicle on which a retrofit has been installed  
25 meets the following criteria:

26 (a) the motor vehicle's emissions of regulated pollutants,  
27 when operating with the retrofit equipment, is less than the  
28 emissions were before the installation of the retrofit equipment;  
29 and

30 (b) a reduction in emissions under Subsection R307-123-  
31 2(2)(a) is demonstrated by:

32 (i) certification of the retrofit by the federal EPA or by  
33 a state whose certification standards are recognized by the  
34 Board; or

35 (ii) any other test or standard recognized by the Board.

36 "Clean fuel" means clean fuel as defined in Subsection 19-1-  
37 402(1).

38 "Clean fuel vehicle" means clean fuel vehicle as defined in  
39 Subsection 19-1-402(2).

40 "Conversion equipment" means a package which may include  
41 fuel, ignition, emissions control, and engine components that are  
42 modified, removed, or added to a motor vehicle or special mobile  
43 equipment to make that vehicle or equipment eligible.

44 "Manufacturer's Statement of Origin" means a certificate  
45 showing the original transfer of a new motor vehicle from the  
46 manufacturer to the original purchaser.

47 "Original equipment manufacturer (OEM) vehicle" means OEM  
48 vehicle as defined in Subsection 19-1-402(8).

49 "Retrofit" means retrofit as defined in Subsection 19-1-  
50 402(11).

51 "Retrofit equipment" means a diesel oxidation catalyst, a  
52 diesel particulate filter, or a closed crankcase filtration  
53 system, that has been approved for use in engine retrofit  
54 programs by the federal EPA or by a state whose testing protocols

1 are recognized by the Board.

2  
3 **R307-123-3. Demonstration of Eligibility for OEM Vehicles.**

4 To demonstrate that a vehicle is eligible, proof of purchase  
5 shall be made by submitting the following documentation to the  
6 executive secretary:

7 (1) (a) A copy of the Manufacturer's Statement of Origin or  
8 equivalent manufacturer's documentation showing that the vehicle  
9 is an OEM vehicle; or

10 (b) a signed statement by an Automotive Service Excellence  
11 (ASE) certified technician that includes the vehicle  
12 identification number (VIN) and states that the vehicle is an OEM  
13 vehicle;

14 (2) An original or copy of the purchase order, customer  
15 invoice, or receipt including the VIN; and

16 (3) A copy of the current Utah vehicle registration.

17  
18 **R307-123-4. Demonstration of Eligibility for Vehicles Converted**  
19 **to Clean Fuels.**

20 To demonstrate that a conversion of a motor vehicle fueled  
21 by clean fuel is eligible, proof of purchase shall be made by  
22 submitting the following documentation to the executive  
23 secretary:

24 (1) the VIN;

25 (2) the fuel type before conversion;

26 (3) the fuel type after conversion;

27 (4) (a) If within a county with an inspection and  
28 maintenance (I/M) program, a copy of the vehicle inspection  
29 report from an approved station showing that the converted clean  
30 fuel vehicle meets all county emissions requirements for all  
31 installed fuel systems; or

32 (b) a signed statement by an ASE certified technician that  
33 includes the VIN and states that the conversion is functional;

34 (5) each of the following:

35 (a) the conversion equipment manufacturer,

36 (b) the conversion equipment model number,

37 (c) the date of the conversion, and

38 (d) the name, address, and phone number of the person that  
39 converted the vehicle;

40 (6) proof that the conversion is certified by the Board;

41 (7) an original or copy of the purchase order, customer  
42 invoice, or receipt; and

43 (8) a copy of the current Utah vehicle registration.

44  
45 **R307-123-5. Demonstration of Eligibility for Retrofitted**  
46 **Vehicles.**

47 To demonstrate that a retrofit of a motor vehicle is  
48 eligible, proof of purchase shall be made by submitting the  
49 following documentation to the executive secretary:

50 (1) the VIN;

51 (2) each of the following:

52 (a) the retrofit equipment manufacturer,

53 (b) the retrofit equipment model number,

54 (c) the date of the retrofit, and

- 1 (d) the name, address, and phone number of the person that
- 2 retrofitted the vehicle;
- 3 (5) proof that the retrofit is certified by the Board;
- 4 (6) an original or copy of the purchase order, customer
- 5 invoice, or receipt; and
- 6 (7) a copy of the current Utah vehicle registration.

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9 **KEY: air pollution, alternative fuels, grants and loans, motor**

10 **vehicles**

11 **Date of Enactment or Last Substantive Amendment: 2008**

12 **Notice of Continuation: 2008**

13 **Authorizing, and Implemented or Interpreted Law: 19-2-104; 19-1-**

14 **401; 59-7-605; 59-10-1009**

15

16

**R307. Environmental Quality, Air Quality.****R307-121. General Requirements: Clean Fuel Vehicle Tax Credits.****R307-121-1. Authorization and Purpose [~~and Authorization~~].**

This rule is authorized by Sections 59-7-605 and 59-10-1009. These statutes establish criteria and definitions used to determine eligibility for an income tax credit. R307-121 establishes procedures to provide proof of purchase to the [b]Board for an [~~item~~] OEM vehicle or the conversion of a vehicle for which an income tax credit is allowed under Sections 59-7-605 and 59-10-1009.

**R307-121-2. Definitions.**

Definitions. The following additional definitions apply to R307-121.

"Clean fuel" means clean fuel as defined in Subsection 19-1-402(1).

"Clean fuel vehicle" means clean fuel vehicle as defined in Subsection 19-1-402(2).

"Conversion equipment" means a package which may include fuel, ignition, emissions control, and engine components that are modified, removed, or added to a motor vehicle or special mobile equipment to make that vehicle or equipment eligible. [

~~----- "Eligible" means:~~

~~----- (i) an OEM vehicle; or~~

~~----- (ii) a vehicle or special mobile equipment on which conversion equipment has been installed that meets the definition of "Certified by the Board" that is found in 59-7-605 and 59-10-1009.]~~

"Manufacturer's Statement of Origin" means a certificate showing the original transfer of a new motor vehicle from the manufacturer to the original purchaser.

"Original equipment manufacturer(OEM) vehicle" is defined in Subsection 19-1-402(8).

**R307-121-3. [Procedures] Demonstration of Eligibility for OEM Vehicles.**

To demonstrate that a vehicle is eligible, proof of purchase shall be made by submitting the following documents to the executive secretary:

(1) (a) a copy of the Manufacturer's Statement of Origin or equivalent manufacturer's documentation showing that the vehicle is an OEM vehicle, or

(b) a signed statement by an Automotive Service Excellence (ASE) certified technician that includes the vehicle identification number (VIN) and states that the vehicle is an eligible OEM vehicle; and

(2) an original or copy of the purchase order, customer invoice, or receipt including the [~~vehicle identification number~~ ~~(VIN)] VIN; and~~

(3) a copy of the current Utah vehicle registration.

**R307-121-4. [Procedures] Demonstration of Eligibility for Vehicles Converted to Clean Fuels.**

1 To demonstrate that a conversion of a motor vehicle to be  
 2 fueled by clean fuel is eligible, proof of purchase shall be made  
 3 by submitting the following documentation to the executive  
 4 secretary:

5 (1) the VIN;

6 (2) the fuel type before conversion;

7 (3) the fuel type after conversion;

8 (4) (a) if the vehicle is registered within a county with an  
 9 inspection and maintenance (I/M) program, a copy of the vehicle  
 10 inspection report from an approved station showing that the  
 11 converted [~~alternate~~] clean fuel vehicle meets all county emissions  
 12 requirements for all installed fuel systems, or

13 (b) in all other areas of the State a signed statement by an  
 14 ASE certified technician that includes the VIN and states that the  
 15 conversion is functional;

16 (5) each of the following:

17 (a) the conversion [system]equipment manufacturer,

18 (b) the conversion [system]equipment model number,

19 (c) the date of the conversion, and

20 (d) the name, address, and phone number of the person that  
 21 converted the vehicle;

22 (6) proof of certification required in 59-10-1009(1)(b) or  
 23 59-7-605(1)(b); [~~and~~]

24 (7) an original or copy of the purchase order, customer  
 25 invoice, or receipt; and

26 [~~7~~](8) a copy of the current Utah vehicle registration.

27  
 28 **R307-121-5. [~~Procedures~~]Demonstration of Eligibility for Special**  
 29 **Mobile Equipment Converted to Clean Fuels.**

30 To demonstrate that a conversion of special mobile equipment  
 31 to be fueled by clean fuel is eligible, proof of purchase shall be  
 32 made by submitting the following documentation to the executive  
 33 secretary:

34 (1) a description, including serial number, of the special  
 35 mobile equipment for which credit is to be claimed;

36 (2) the fuel type before conversion;

37 (3) the fuel type after conversion;

38 (4) the conversion [system]equipment manufacturer and model  
 39 number;

40 (5) the date of the conversion;

41 (6) the name, address and phone number of the person that  
 42 converted the special mobile equipment; and

43 (7) an original or copy of the purchase order, customer  
 44 invoice, or receipt; and

45 [~~7~~](8) proof of certification required in 59-10-1009(1)(b)  
 46 or 59-7-605(1)(b).

47  
 48 **KEY: air pollution, alternative fuels, tax credits, motor**  
 49 **vehicles**

50 **Date of Enactment or Last Substantive Amendment: [~~July 13,~~**  
 51 **~~2007~~2008**

52 **Notice of Continuation: July 13, 2007**

53 **Authorizing, and Implemented or Interpreted Law: 19-2-104; 19-1-**

DRAFT R307-121 04-30-08

Page 3 of 3

1 **402; 59-7-605; 59-10-1009**