



owner of the converted vehicle. H.B. 15 gave authority to the Air Quality Board to make rules specifying the requirements and procedures for the Alternative Fuel Grant Program. While H.B. 15 authorized the program funding, was not made available until the Legislature passed H.B. 87 during the 2016 General Session. Over the last year, in anticipation that the program would receive funding, the Division of Air Quality staff worked closely with stakeholders to develop Rule R307-124, which fully implements both H.B. 15 (2015) and H.B. 87 (2016).

**SUMMARY OF THE RULE OR CHANGE:** This new rule, R307-124, outlines the process for reserving and receiving an Alternative Fuel Grant.

**STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS RULE:** Section 19-1-403.3 and Sections 19-2-301 through 19-2-305

**ANTICIPATED COST OR SAVINGS TO:**

- ◆ **THE STATE BUDGET:** The Legislature considered cost when it passed H.B. 87 (2015) and put a limit on the amount of Alternative Fuel Grants that can be awarded at \$150,000. This rule does not add any additional costs to what was already included in the bill's fiscal note.
- ◆ **LOCAL GOVERNMENTS:** No costs are anticipated for local governments; however, a local government that had a vehicle converted to run on an alternative fuel that qualifies for an Alternative Fuel Grant would see a savings of up to \$2,500.
- ◆ **SMALL BUSINESSES:** No costs are anticipated for small businesses; however, a small business that had a vehicle converted to run on an alternative fuel that qualifies for an Alternative Fuel Grant would see a savings of up to \$2,500.
- ◆ **PERSONS OTHER THAN SMALL BUSINESSES, BUSINESSES, OR LOCAL GOVERNMENTAL ENTITIES:** No costs are expected for affected persons; however, an affected person that has a vehicle converted to run on an alternative fuel that qualifies for an Alternative Fuel Grant would see a savings of up to \$2,500.

**COMPLIANCE COSTS FOR AFFECTED PERSONS:** This is an optional program, and there is no requirement for anyone to apply; therefore, there are no compliance costs for affected persons.

**COMMENTS BY THE DEPARTMENT HEAD ON THE FISCAL IMPACT THE RULE MAY HAVE ON BUSINESSES:** Businesses who choose to apply for the grant will see some savings; however, because we do not know how many businesses will apply for the grant, the fiscal impact is unknown.

THE FULL TEXT OF THIS RULE MAY BE INSPECTED, DURING REGULAR BUSINESS HOURS, AT:  
 ENVIRONMENTAL QUALITY  
 AIR QUALITY  
 FOURTH FLOOR  
 195 N 1950 W

SALT LAKE CITY, UT 84116-3085  
 or at the Office of Administrative Rules.

**DIRECT QUESTIONS REGARDING THIS RULE TO:**  
 ◆ Mat Carlile by phone at 801-536-4116, by FAX at 801-536-4136, or by Internet E-mail at mcarlile@utah.gov

**INTERESTED PERSONS MAY PRESENT THEIR VIEWS ON THIS RULE BY SUBMITTING WRITTEN COMMENTS NO LATER THAN AT 5:00 PM ON 08/01/2016**

**THIS RULE MAY BECOME EFFECTIVE ON: 08/08/2016**

**AUTHORIZED BY:** Bryce Bird, Director

**R307. Environmental Quality, Air Quality.**

**R307-124. General Requirements: Conversion to Alternative Fuel Grant Program.**

**R307-124-1. Authorization and Purpose.**

(1) This rule is authorized by Section 19-2-304, which establishes the requirements, procedures, criteria, and definitions used to determine eligibility for the Conversion to Alternative Fuel Grant Program.

(2) The procedures of this rule constitute the minimum requirements for the application and the awarding of funds that are designated for the Conversion to Alternative Fuel Grant Program.

**R307-124-2. Definitions.**

The following additional definitions apply to R307-124:

"Alternative fuel" means alternative fuel as defined in Subsection 19-2-302(2).

"Clean fuel grant" means clean fuel grant as defined in Subsection 19-2-302(4).

"Conversion equipment" means conversion equipment as defined in Subsection 19-2-302(5).

"Cost" means cost as defined in 19-2-302(6).

"Division" means the Division of Air Quality.

"Eligible vehicle" means eligible vehicle as defined in Subsection 19-2-302(9).

**R307-124-3. Minimum Qualifications for an Applicant to Receive a Clean Fuel Grant.**

(1) All applicants must be a registered business within the State of Utah and have a business license from the city or county in which they are located.

(2) Applicants that are applying for a clean fuel grant for a conversion of an eligible vehicle to run on propane must meet the requirements of R710-6 Liquefied Petroleum Gas (LPG) Rules.

**R307-124-4. Minimum Qualifications for a Person that Installs Conversion Equipment on an Eligible Vehicle.**

The following are the minimum qualifications for a person that installs conversion equipment on an eligible vehicle:

(1) A person that installs conversion equipment on an eligible vehicle to run on natural gas shall be:

(a) a Canadian Standards Association (CSA) America Compressed Natural Gas (CNG) Fuel System Inspector; or

\_\_\_\_\_ (b) an Automotive Service Excellence (ASE) F1-certified technician.

\_\_\_\_\_ (2) A person that installs conversion equipment on an eligible vehicle to run on propane shall be certified under R710-6 LPG Rules.

\_\_\_\_\_ (3) A person that installs conversion equipment on an eligible vehicle to run on electricity shall be an ASE-certified technician.

**R307-124-5. Preliminary Approval Application Procedure.**

To be considered for a clean fuel grant all applicants shall apply for preliminary approval on forms provided by the Division as required by Subsection 19-2-304(1)(e), and shall provide additional information as requested by the Division.

\_\_\_\_\_ (1) All applicants shall:

\_\_\_\_\_ (a) acknowledge that receiving preliminary approval does not guarantee reimbursement by the Division, and preliminarily approved projects shall meet all the eligibility requirements listed in R307-124 before receiving the clean fuel grant for an eligible vehicle;

\_\_\_\_\_ (b) certify under penalty of perjury and subject to provisions of Utah Code Section 76-8-504 ("written false statement"), that all savings on the cost of conversion equipment in the amount of the clean fuel grant will be passed to the owner of the eligible vehicle, as required in Subsection 19-2-303(2)(b);

\_\_\_\_\_ (c) certify that the applicant is currently a registered business within the State of Utah and has a current business license; and

\_\_\_\_\_ (d) agree to the provisions found in Subsection 19-2-303(3).

\_\_\_\_\_ (2) Applicants applying for a clean fuel grant for a conversion of an eligible vehicle to run on natural gas shall provide the installer's ASE F-1 or CSA America certification number.

\_\_\_\_\_ (3) Applicants that are applying for a clean fuel grant for a conversion of an eligible vehicle to run on propane shall provide the applicant's dealer license number and the installer's LPG certification number required by R710-6 LPG Rules.

\_\_\_\_\_ (4) Applicants that are applying for a clean fuel grant for a conversion of an eligible vehicle to run on electricity shall provide the installer's ASE certification number.

\_\_\_\_\_ (5) Preliminary approval will encumber funds for up to 60 calendar days from the preliminary application's approval.

**R307-124-6. Final Approval Procedure and Payment Process.**

Once an applicant has encumbered funds for a conversion, the applicant has up to 60 calendar days to obtain final approval from the Division. To obtain final approval, the applicant shall apply for final approval on forms provided by the Division, as required by Subsection 19-2-304(1)(e), and shall provide additional information as requested by the Division.

\_\_\_\_\_ (1) To demonstrate that a conversion of a vehicle to be fueled by natural gas is eligible, an applicant shall submit the following documentation to the Director:

\_\_\_\_\_ (a) A copy of the applicant's business registration from the Utah Department of Commerce and current business license from the city or county in which they are located;

\_\_\_\_\_ (b) a copy of the installer's CSA America or ASE F-1 certification;

\_\_\_\_\_ (c) an original or copy of the purchase order, customer invoice, or receipt that includes:

\_\_\_\_\_ (i) the name, address, and phone number of the applicant;

\_\_\_\_\_ (ii) the name of the installer;

\_\_\_\_\_ (iii) the vehicle identification number (VIN);

\_\_\_\_\_ (iv) the date of conversion; and

\_\_\_\_\_ (v) the cost of the conversion (itemizing the equipment, labor, and the clean fuel grant);

\_\_\_\_\_ (d)(i) a copy of the vehicle inspection report dated after the conversion, from an approved county I/M station, showing that the converted motor vehicle meets all county emissions requirements for all installed fuel systems if the motor vehicle is registered within a county with an I/M program; or

\_\_\_\_\_ (ii) in all other areas of the state, a signed statement by the installer that includes the VIN, the installer's ASE or CSA America certification number, and states that the eligible vehicle's conversion is functional;

\_\_\_\_\_ (e) a copy of the current Utah vehicle registration; and

\_\_\_\_\_ (f) a signed statement by the installer certifying that the conversion does not tamper with, circumvent, or otherwise affect the vehicle's on-board diagnostic system, in accordance with Utah Code 19-1-406(2).

\_\_\_\_\_ (2) To demonstrate that a conversion of a vehicle to be fueled by propane is eligible, an applicant shall submit the following documentation to the director:

\_\_\_\_\_ (a) A copy of the applicant's business registration from the Utah Department of Commerce and current business license from the city or county in which they are located;

\_\_\_\_\_ (b) a copy of the applicant's current dealer license required under R710-6;

\_\_\_\_\_ (c) a copy of the installer's current certification under R710-6;

\_\_\_\_\_ (d)(i) a copy of the vehicle inspection report, dated after the conversion, from an approved county I/M station, showing that the converted motor vehicle meets all county emissions requirements for all installed fuel systems, if the motor vehicle is registered within a county with an I/M program, or

\_\_\_\_\_ (ii) in all other areas of the state, a signed statement by an ASE-certified technician that includes the VIN, the technician's ASE certification number, and states that the conversion is functional;

\_\_\_\_\_ (e) Provide the EPA Certificate of Conformity, or equivalent documentation that is consistent with requirements outlined in 40 CFR Part 85 and 40 CFR Part 86, as published in Federal Register Volume 76 Page 19830 on April 8, 2011, or an executive order from the California Air Resources Board;

\_\_\_\_\_ (f) an original or copy of the purchase order, customer invoice, or receipt that includes:

\_\_\_\_\_ (i) the name, address, and phone number of the applicant;

\_\_\_\_\_ (ii) the name of the installer;

\_\_\_\_\_ (iii) the VIN;

\_\_\_\_\_ (iv) the date of conversion; and

\_\_\_\_\_ (v) the cost of the conversion (itemizing the equipment, labor, and the clean fuel grant); and

\_\_\_\_\_ (g) a copy of the current Utah vehicle registration.

\_\_\_\_\_ (3) To demonstrate that a conversion of a motor vehicle to be powered by electricity is eligible, an applicant shall submit the following documentation to the director:

\_\_\_\_\_ (a) A copy of the applicant's business registration from the Utah Department of Commerce and current business license from the city or county in which they are located;

- \_\_\_\_\_ (b) a copy of the current Utah vehicle registration;
- \_\_\_\_\_ (c) an original or copy of the purchase order, customer invoice, or receipt that includes:
  - \_\_\_\_\_ (i) the name, address, and phone number of the applicant;
  - \_\_\_\_\_ (ii) the name of the installer;
  - \_\_\_\_\_ (iii) the VIN;
  - \_\_\_\_\_ (iv) the date of conversion; and
  - \_\_\_\_\_ (v) the cost of the conversion (itemizing the equipment, labor, and the clean fuel grant);
- \_\_\_\_\_ (d) If the converted eligible vehicle does not have any auxiliary sources of combustion emissions, then the applicant shall submit a signed statement by an ASE-certified technician that includes the VIN, the technician's ASE certification number, and states that the conversion is functional and that the converted motor vehicle does not have any auxiliary source of combustion emissions.
- \_\_\_\_\_ (e) If the converted eligible vehicle has an auxiliary source of combustion emissions, the applicant shall submit:
  - \_\_\_\_\_ (i) a copy of the vehicle inspection report after the conversion, from an approved county I/M station, showing that the converted motor vehicle meets all county emissions requirements for all installed fuel systems, if the motor vehicle is registered within a county with an I/M program; or
  - \_\_\_\_\_ (ii) in all other areas of the state, a signed statement by an ASE-certified technician that includes the VIN, the technician's ASE certification number, and states that the conversion is functional; and
  - \_\_\_\_\_ (iii) provide the EPA Certificate of Conformity, or equivalent documentation that is consistent with requirements outlined in 40 CFR Part 85 and 40 CFR Part 86, as published in Federal Register Volume 76 Page 19830 on April 8, 2011, or an executive order from the California Air Resources Board.
- \_\_\_\_\_ (4) All applicants shall complete and submit an IRS form W-9 to the Division.
- \_\_\_\_\_ (5) Approved applications shall continue to comply with the provisions of this rule.

**R307-124-7. Grant Program Limitations.**

\_\_\_\_\_ Grant applications shall not be approved if:

- \_\_\_\_\_ (1) Awarding a grant to an applicant would result in the Department's inability to fulfill its obligations under this program or this rule;
- \_\_\_\_\_ (2) The applicant does not meet the approval requirements of Section R307-124-5;
- \_\_\_\_\_ (3) The fund balance is zero; or
- \_\_\_\_\_ (4) Awarding a grant to an applicant would result in the fund balance being less than zero.

**R307-124-8. Review.**

\_\_\_\_\_ The Division reserves the right to request supplemental information it may deem necessary from an applicant, in order to effectively administer the program and this rule.

**KEY: air pollution, alternative fuels, tax credits, motor vehicles**  
**Date of Enactment or Last Substantive Amendment: 2016**  
**Authorizing, and Implemented or Interpreted Law: 19-2-301 through 305; 19-1-403.3**

