



State of Utah

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Governor

SPENCER J. COX
Lieutenant Governor

Department of
Environmental Quality

Alan Matheson
Executive Director

DIVISION OF AIR QUALITY
Bryce C. Bird
Director

DAQ-042-16

MEMORANDUM

TO: Air Quality Board

THROUGH: Bryce C. Bird, Executive Secretary

FROM: Mat Carlile, Environmental Planning Consultant

DATE: August 22, 2016

SUBJECT: FINAL ADOPTION: New Rule R307-124. General Requirements: Conversion To Alternative Fuel Grant Program.

On June 1, 2016, the Air Quality Board proposed for public comment new rule, R307-124. This rule specifies the requirements and procedures for the Alternative Fuel Grant Program that was passed by the Utah Legislature during the 2015 General Legislative Session and funded during the 2016 General Legislative Session.

A public comment period was held from July 1 to August 1, 2016. No comments were received and a hearing was not requested.

Staff Recommendation: Staff recommends that the Board adopt R307-124 as proposed.

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

2 **R307-124. General Requirements: Conversion To Alternative Fuel**
3 **Grant Program.**

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

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

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

13
14 **R307-124-2. Definitions.**

15 The following additional definitions apply to R307-124:

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

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

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

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

23 "Division" means the Division of Air Quality.

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

26
27 **R307-124-3. Minimum Qualifications for an Applicant to Receive a**
28 **Clean Fuel Grant.**

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

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

35
36 **R307-124-4. Minimum Qualifications for a Person that Installs**
37 **Conversion Equipment on an Eligible Vehicle.**

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

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

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

44 (b) an Automotive Service Excellence (ASE) F1-certified
45 technician.

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

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

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

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

6 (1) All applicants shall:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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1 (ii) the name of the installer;
2 (iii) the vehicle identification number (VIN);
3 (iv) the date of conversion; and
4 (v) the cost of the conversion (itemizing the equipment,
5 labor, and the clean fuel grant);

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

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

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

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

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

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

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

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

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

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

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

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

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

47 (ii) the name of the installer;

48 (iii) the VIN;

49 (iv) the date of conversion; and

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

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

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

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

7 (b) a copy of the current Utah vehicle registration;

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

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

11 (ii) the name of the installer;

12 (iii) the VIN;

13 (iv) the date of conversion; and

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

16 (d) If the converted eligible vehicle does not have any
17 auxiliary sources of combustion emissions, then the applicant
18 shall submit a signed statement by an ASE-certified technician
19 that includes the VIN, the technician's ASE certification number,
20 and states that the conversion is functional and that the
21 converted motor vehicle does not have any auxiliary source of
22 combustion emissions.

23 (e) If the converted eligible vehicle has an auxiliary source
24 of combustion emissions, the applicant shall submit:

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

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

34 (iii) provide the EPA Certificate of Conformity, or
35 equivalent documentation that is consistent with requirements
36 outlined in 40 CFR Part 85 and 40 CFR Part 86, as published in
37 Federal Register Volume 76 Page 19830 on April 8, 2011, or an
38 executive order from the California Air Resources Board.

39 (4) All applicants shall complete and submit an IRS form W-9
40 to the Division.

41 (5) Approved applications shall continue to comply with the
42 provisions of this rule.

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

45 Grant applications shall not be approved if:

46 (1) Awarding a grant to an applicant would result in the
47 Department's inability to fulfill its obligations under this
48 program or this rule;

49 (2) The applicant does not meet the approval requirements of
50 Section R307-124-5;

51 (3) The fund balance is zero; or

52 (4) Awarding a grant to an applicant would result in the fund

1 balance being less than zero.

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

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

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9 **KEY: air pollution, alternative fuels, tax credits, motor
10 vehicles**

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

12 **Notice of Continuation:**

13 **Authorizing, and Implemented or Interpreted Law: 19-2-301 through
14 305; 19-1-403.3**