



State of Utah

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Department of
Environmental Quality

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Executive Director

DIVISION OF AIR QUALITY
Bryce C. Bird
Director

DAQ-090-014

MEMORANDUM

TO: Air Quality Board

THROUGH: Bryce C. Bird, Executive Secretary

FROM: Lisa Burr, Senior Research Analyst

DATE: November 19, 2014

SUBJECT: FINAL ADOPTION: New Rule R307-125. Clean Air Retrofit, Replacement, and Off-Road Technology Program.

On September 3, 2014, the Board proposed for public comment new rule R307-125, Clean Air Retrofit, Replacement, and Off-Road Technology (CARROT) Program. The CARROT program allows for grants and other programs such as exchange, rebate, or low-cost purchase programs for activities that reduce emissions from heavy-duty diesel (on-road and off-road) and small non-road engines. R307-125 specifies the requirements and procedures of the CARROT Program.

A public comment period was held from October 1 to October 31, 2014. One comment was received in support of the rule, and no public hearing was requested.

Staff Recommendation: Staff recommends the Board adopt new rule R307-125, Clean Air Retrofit, Replacement, and Off-Road Technology, as proposed.

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

2 **R307-125. Clean Air Retrofit, Replacement, and Off-road**
3 **Technology Program**

4 **R307-125-1. Authority and Purpose.**

5 (1) This rule specifies the requirements and procedures of
6 the Clean Air Retrofit, Replacement and Off-Road Technology
7 Program that is authorized in 19-2-203.

8 (2) The procedures of this rule constitute the minimum
9 requirements for the application for and the awarding of funds
10 that are designated for the Clean Air Retrofit, Replacement, and
11 Off-Road Technology Program.

12
13 **R307-125-2. Definitions.**

14 The terms "certified," "cost," "director," "division,"
15 "eligible equipment," "eligible vehicle," and "verified" are
16 defined in 19-2-202.

17
18 **R307-125-3. Allocation of Funds.**

19 The director may apportion up to 50% of the funds allocated
20 for this program for an exchange, rebate, or low-cost purchase
21 program under 19-2-203(2). The remainder may be allocated to a
22 grant program under 19-2-203(1).

23
24 **R307-125-4. Grants Under 19-2-203(1).**

25 (1) A grant under 19-2-203(1) may only be used for:

26 (a) verified technologies for eligible vehicles or
27 equipment; and

28 (b) certified vehicles, engines, or equipment.

29 (2) In prioritizing grant awards, the director shall
30 consider:

31 (a) whether and to what extent the applicant has already
32 secured some other source of funding;

33 (b) the air quality benefits to the state and local
34 community attributable to the project;

35 (c) the cost-effectiveness of the proposed project;

36 (d) the feasibility and practicality of the project; and

37 (e) other factors that the director determines should
38 apply based on the nature of the application.

39 (3) In prioritizing grant awards, the director may also,
40 at the request of an applicant, consider the financial need of
41 the applicant.

42 (4) A successful grant applicant will be required to
43 agree:

44 (a) to provide information to the division about the
45 vehicles, equipment, or technology acquired with the grant
46 proceeds;

47 (b) to allow inspections by the division to ensure

1 compliance with the terms of the grant;

2 (c) to permanently disable replaced vehicles, engines, and
3 equipment from use; and

4 (d) for any grant that is not given on a reimbursement
5 basis, to commit to complete the project as proposed;

6 (e) not to change the location or use of the vehicle,
7 engine or equipment from the location or use proposed in their
8 application without approval of the director; and

9 (f) to any additional terms as determined by the director.

10 (5) Eligible vehicles are defined in 19-2-202(7). No
11 additional vehicles under 19-2-202(7)(e) are eligible at this
12 time.

13 (6) The division shall use the following procedures to
14 implement the grant program:

15 (a) The division shall provide notice on the division's
16 website of the availability of grants and of cut-off dates for
17 applications.

18 (b) An application for a grant shall be on a form provided
19 by the division.

20 (c) The director may provide grants on a reimbursement
21 basis or as an advance award.

22 (d) Successful grant applicants will be required to sign a
23 grant agreement that contains the terms described in
24 R307-125-4(4).

25 (e) State agencies and employees are eligible to
26 participate in the program and are subject to program
27 requirements.

28

29 **R307-125-5. Exchange, Rebate, or Low-Cost Purchase Programs**
30 **Under 19-2-203(2).**

31 (1) The director has discretion to choose whether to use
32 an exchange, rebate or low-cost purchase program.

33 (2) The division shall use the following procedures to
34 implement an exchange, rebate or low-cost purchase program:

35 (a) The division shall provide notice on the division's
36 website of any exchange, rebate or low-cost purchase program.

37 (b) An application for an exchange, rebate, or low-cost
38 purchase shall be on a form provided by the division.

39 (c) State agencies and employees are eligible to
40 participate in any program and are subject to program
41 requirements.

42 (d) The director may establish additional procedures
43 appropriate to the specific program.

44 (3) A participant in an exchange, rebate, or low-cost
45 purchase program will be required to agree to the terms outlined
46 in the application as determined by the director.

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1 **KEY: air quality, grant, rebate, purchase program**
2 **Date of Enactment or Last Substantive Amendment: 2014**
3 **Authorizing, and Implemented or Interpreted Law: 19-2-203 ; 19-1-**
4 **203**