**Section 261.350 Technology Eligibility Criteria**

a) The following technologies are eligible for grant financial assistance under this Part:

1) Verified retrofit technology, including, but not limited to, retrofit devices and engine upgrades, that when applied to an existing diesel engine achieves emission reductions beyond what was required or allowed by USEPA at the time of the engine's manufacture and certification;

2) Verified idle reduction technology, including, but not limited to, a technology or device that:

A) Is installed on a vehicle or at a location, that reduces idling of such vehicle or equipment, and/or is designed to provide services such as heat, air conditioning, and/or electricity to the vehicle or equipment that would otherwise require the operation of the main drive engine while it is parked;

B) Reduces fuel usage and emissions from the vehicle or equipment when compared to idling the main engine; and

C) Is approved by USEPA and/or the California Air Resources Board;

3) Engine repower, including, but not limited to, diesel engine replacement with an engine certified for use or the replacement of an off-road engine with an on-road engine, as approved by USEPA. To be eligible, repower projects must meet the following criteria:

A) The repowered vehicle or equipment must continue to perform the same function as before the repower;

B) The engine being replaced must be scrapped in accordance with the grant agreement, if specified, or rendered permanently disabled, or returned to the original engine manufacturer for remanufacturing to a certified cleaner emission standard. If scrapped or salvaged engines are to be sold, program income requirements apply as specified by the grant agreement; and

C) Evidence of appropriate disposal, including vehicle identification number, engine serial number, or equivalent as determined by the Agency, must be provided;

4) Vehicle or equipment replacement. On-road and off-road diesel-powered vehicles and equipment may be replaced with newer, cleaner vehicles and equipment that operate on diesel or alternative fuels and meet a more stringent set of engine emissions standards as specified by USEPA. To be eligible, vehicle and equipment replacement projects must meet the following criteria:

A) Unless otherwise approved by the Agency, the replacement vehicle or equipment must be of the same type and similar GVWR or horsepower as the vehicle or equipment being replaced;

B) The replacement vehicle or equipment must perform the same function as the vehicle or equipment that is being replaced;

C) The vehicle or equipment being replaced must be scrapped in accordance with the grant agreement, if specified, or rendered permanently disabled or returned to the original engine manufacturer for remanufacturing to a certified cleaner emission standard. Equipment and vehicle components that are not part of the engine or chassis may be salvaged from the unit being replaced. If scrapped or salvaged vehicles or parts are to be sold, program income requirements apply as specified by the grant agreement; and

D) Evidence of appropriate disposal, including vehicle identification number, engine serial number, or equivalent as determined by the Agency, must be provided;

5) Technologies and equipment may be deemed eligible by the Agency for certain types of grant financial assistance, consistent with USEPA approval, in the event that such technology is not yet certified or verified by USEPA; and

6) Other types of technologies or combinations of technologies which are verified or certified by USEPA, or otherwise allowed by USEPA.

b) The following are not eligible for repower or replacement projects:

1) Engine repower or replacement projects that would have occurred through normal attrition are considered to be the result of normal fleet turnover. Normal attrition generally means a replacement or repower that is scheduled to take place during the grant period. Normal attrition is generally defined by the vehicle or fleet owner's budget plan, operating plan, standard procedures, or retirement schedule; or

 2) The purchase of new vehicles or equipment to expand a fleet.

c) No funds awarded under this Part shall be used to fund the purchase or installation of emission control equipment or technology that is required as a result of noncompliance with a local, State, or federal law.