

# Off-Road Equipment Fact Sheet

Last updated: October 2, 2024



The Bay Area Air Quality Management District (Air District) is accepting applications to help upgrade or replace mobile, stationary, and portable off-road equipment with equipment meeting current emission standards or cleaner. Funding is also available for associated infrastructure projects.

## Who can apply?

- Owners of mobile off-road equipment.
- Owners of off-road, stationary, and portable engine equipment with at least 3 years of surplus emission reductions (2 years for small fleets) prior to any regulatory compliance requirements or are exempt from any existing regulations.
- Equipment must have an engine horsepower of 25 hp or greater.

## Eligible Project Types

- **Equipment replacement:** replace old existing equipment with the cleanest available equipment, including alternative fuel and zero-emissions equipment.
- **Equipment repower:** replace an old, existing engine with a newer emission-certified engine, including alternative and zero-emissions engines.
- **Retrofit purchase:** install an emission control device on an existing engine.
- **Infrastructure projects:** install or expand electric or alternative fuel infrastructure to power agricultural equipment in conjunction with an equipment replacement or engine repower project.

Eligible equipment types include, but are not limited to, airport ground support, cargo handling, off-road loaders, excavators, dozers, transport refrigeration units (TRUs), generators, portable and stationary engines, and forklifts with a lift capacity of less than or equal to 8,000 lbs.

Applicants seeking funding for zero-emission forklifts with a lift capacity of at least 8,001 lbs. and port cargo handling equipment (CHE) **must apply for funding through the [VW Environmental Mitigation Trust](#).**

## Key Requirements

- Equipment must operate at least 75% of the time within the Air District jurisdiction as shown in the boundary map.

- Equipment must operate or be domiciled in a [Disadvantaged \(SB535\)](#), [Low-Income \(AB1550\)](#), or [AB617 Community](#) to be considered eligible for funding. AB617 communities are:
  - West Oakland
  - East Oakland
  - Richmond-San Pablo
  - Bayview-Hunters Point/Southeast San Francisco
- Existing equipment must be operational, owned by the applicant for at least two years, and have a functional hour meter.
- Funding cannot be used for upgrades or equipment purchases already required by an existing regulation, local ordinance, or contract.
- Applicants must submit an application, be awarded, and enter into a funding agreement with the Air District prior to starting their projects. Projects that have started (e.g., placing an order or deposit) prior to the funding agreement being signed will be disqualified.
- Applicants applying for funding must document that the fleet is registered with the California Air Resources Board (CARB) and is in current compliance with all applicable regulations.
- Stationary or portable diesel engines 50 hp and greater must be registered with the [Air District's Agricultural Diesel Engine Registration Program](#).
- All portable engines with 50 hp or greater must be registered with [California's Portable Equipment Registration Program \(PERP\)](#).
- Eligible projects can use additional funds from other incentive programs ("co-funding"). Private fleets may be able to co-fund up to 85% of the project costs, while public agencies may be eligible to co-fund up to 100% of project costs. Projects must be able to meet the individual requirements of each funding source.

### Funding Amounts for Each Project Type

Project type	Maximum Funding per piece of equipment
Diesel repower	Up to 85%
Large-spark ignition (LSI) engine repower	Up to 85%
Repower to zero-emission	Up to 85%
Mobile equipment replacement	Up to 80%
Portable equipment replacement (excludes stationary)	Up to 80% <sup>1</sup>
Retrofit	Up to 100%

Infrastructure	<p>Up to 50% for all projects</p> <p>Up to 60% for publicly accessible projects</p> <p>Up to 65% if powered with solar/wind</p> <p>Up to 75% for publicly accessible projects with wind/solar systems)<sup>2</sup></p>
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**Notes**

1. Not all equipment is eligible for maximum funding. Funding amounts will vary depending on the baseline equipment, reduced equipment, usage, cost, and other factors.
2. Additional funding may be available for infrastructure that is publicly accessible, powered by solar/wind, serving a port/railyard/freight facility, or located at a sensitive receptor.

**How to Apply**

To apply go to <https://www.baaqmd.gov/funding-and-incentives/apply-for-funding>

- Applicants must submit one application for all equipment for which they seek funding.
- The application requires that applicant submit information about your existing engine and equipment (e.g., equipment/engine information, hp, serial number, engine tier, and usage documentation) and information about the replacement engine or equipment (quotes from your engine dealer for prices, engine tier, and engine executive order).
- If equipment falls under a regulation, applicants must submit documentation to the Air District demonstrating that the fleet is registered with CARB and is in compliance.
- The Air District has contracted with Bay Area equipment dealers to assist applicants to apply for off-road equipment replacement projects. A complete list of Air District-contracted Bay Area equipment dealers can be found at <https://www.baaqmd.gov/~media/files/strategic-incentives/carl-moyer/baaqmd-approved-erp-dealerships-offroad-pdf?la=en>

**Regulatory Requirements**

Applicants applying for funding must document current compliance with all applicable regulations. If you are unsure which regulation your equipment falls under and cannot determine whether you are eligible to apply, call the CARB regulatory hotline at 1-866-6-DIESEL or visit the following CARB webpages:

CARB fleet rules	CARB webpage link
Off-Road Diesel Vehicle Rule	<a href="https://ww2.arb.ca.gov/our-work/programs/use-road-diesel-fueled-fleets-regulation">https://ww2.arb.ca.gov/our-work/programs/use-road-diesel-fueled-fleets-regulation</a>
Off-Road Large Spark-Ignition (LSI) Gasoline and LPG Equipment Rule	<a href="https://ww2.arb.ca.gov/our-work/programs/large-spark-ignition-lsi-engine-fleet-requirements-regulation">https://ww2.arb.ca.gov/our-work/programs/large-spark-ignition-lsi-engine-fleet-requirements-regulation</a>
Mobile Cargo Handling Equipment at Ports & Intermodal Rail Yards (includes	<a href="https://ww2.arb.ca.gov/our-work/programs/cargo-handling-equipment">https://ww2.arb.ca.gov/our-work/programs/cargo-handling-equipment</a>

yard trucks, cranes, top handlers, side handlers, forklifts, and loaders)	
Statewide Portable Equipment Registration Program (PERP)	<a href="https://ww2.arb.ca.gov/our-work/programs/portable-equipment-registration-program-perp">https://ww2.arb.ca.gov/our-work/programs/portable-equipment-registration-program-perp</a>

**Contact information**

To find out more, visit <https://www.baaqmd.gov/funding-and-incentives/businesses-and-fleets/off-road-vehicles> or contact Air District staff at [grants@baaqmd.gov](mailto:grants@baaqmd.gov) or (415) 749-4994.