



NEW YORK TRUCK - VOUCHER INCENTIVE PROGRAM

IMPLEMENTATION MANUAL New York City Alternative Fuel Vehicle – Voucher Incentive Fund (NYCAFV-VIF)

June 16, 2017

Version 1.0

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1.0 BACKGROUND

The **New York City Alternative Fuel Vehicle – Voucher Incentive Fund** (NYCAFV-VIF or Program) is an incentive program aimed to accelerate the deployment of All-Electric, Hybrid-Electric, and Compressed Natural Gas (CNG) vehicle technologies and conversions (Alternative Fuel Vehicles and Conversions) across class 3-8 medium and heavy-duty vehicle classes (**Class 2** is included for **All-Electric** vehicles or conversions) in the five boroughs of New York City. By increasing the use of Alternative Fuel Vehicles, this program provides a public benefit by reducing harmful emissions and the transportation sector's dependence on petroleum in New York City.

Verified Diesel Emission Control (VDEC) technology is also supported by the NYCAFV-VIF. The program encourages the installation of these technologies by private and non-profit fleets operating Class 3 to Class 8 diesel trucks with Engines Model Year 1994 to 2006 in the five boroughs of New York City. The VDECs eligible for the program undergo rigorous technology verification through the U.S. Environmental Protection Agency (EPA) and/or California Air Resources Board (CARB). VDECs include Level 1 Diesel Oxidation Catalysts (DOC) and Level 3 Diesel Particulate Filters (DPF) and reduce the emissions of diesel particulate matter (PM₁₀ and PM_{2.5}), hydrocarbons, oxides of nitrogen, carbon monoxide, and other toxic air pollutants. By promoting the use of VDECs, this program will help reduce the impact of harmful emissions, improve air quality, and protect public health. Incentives through the NYCDER-VIF will cover 80 percent (80%) of the total cost of the VDEC technology and installation.

The New York State Energy Research and Development Authority (NYSERDA) developed the NYCAFV-VIF to provide incentives to reduce the cost for fleets, leased vehicle operators and vehicle owner-operators to transition into vehicles that are better for the environment and can be more cost effective. Please see section 10 for a list of defined terms.

About this Implementation Manual

To provide Program participants with information on how to participate in the NYCAFV-VIF, this Implementation Manual outlines the requirements, rules and funding parameters for the Program. As the Program evolves, it is likely that periodic updates will be made to this Implementation Manual. Program participants will be bound by the version of the Implementation Manual in effect at the time they submit a voucher request. In other words, voucher requests, voucher redemption protocols, and all other Program elements associated with those vouchers must follow the directions outlined in the version of the Implementation Manual posted on the Program Website at the time the voucher request is made. Please visit the Program Website (www.Truck-VIP.ny.gov) to find the most recent Implementation Manual as well as all required forms and agreements.

Advancing Alternative Fuel Vehicles, Conversions, and VDEC Technologies through Voucher Incentives

The program incentive used to help reduce vehicle costs associated with a new Alternative Fuel Vehicle, Conversion, or VDEC Technology comes in the form of a voucher that will be provided to the Vendor selling the Vehicle or Conversion to the Purchaser. The value of the voucher is deducted from the total sale price of the new Alternative Fuel Vehicle or Conversion prior to vehicle purchase. Once the vehicle has been delivered, registered, or the Conversion

has been completed and fully paid for (minus the voucher amount) by the Purchaser, NYSERDA will reimburse the Vendor for the full voucher amount.

Similarly, the program incentive used to help reduce equipment and installation costs associated with VDEC technologies comes in the form of a voucher that will be provided to the Vendor selling and installing the diesel after-treatment system. The value of the voucher is deducted from the total sale and installation price of the VDEC technology prior to purchase. Once the VDEC technology has been purchased, installed and fully paid for (minus the voucher amount) by the Technology Purchaser, NYSERDA will reimburse the Vendor for the full voucher amount.

To the extent possible, NYSERDA will determine the voucher amount for any particular Alternative Fuel Vehicle, Conversion, or VDEC Technology and post that information regularly on the Program Website. This will help the Purchaser know the vehicle incentive amount prior to negotiating a vehicle sales price or Conversion price with the Vendor. Where it may be difficult to determine the voucher amount in the case of low volume vehicle or specialty trucks and certain Conversions, NYSERDA, in its sole discretion, will determine the value of the voucher. The voucher request must include approved documentation supporting the Incremental Cost (the difference in cost between an Alternative Fuel Vehicle and a conventional diesel/gasoline counterpart, or the costs of purchasing and installing a Conversion or VDEC Technology).

The total amount of funding for the NYCAFV-VIF is \$5.5 million. The Program will provide up to 80 percent of the net Incremental Cost of a new Alternative Fuel Vehicle, Conversion, or VDEC Technology with a maximum voucher amount depending on the Technology type. Table 1 shows the maximum voucher amounts for the different technology types. Only medium and heavy-duty vehicle and conversions (Classes 3-8 or 2-8, see Section 3) that are registered, domiciled and operate (70% of the time) in the five boroughs of New York City are eligible to participate in the NYCAFV-VIF.

Table 1 Maximum voucher incentive amounts for the different technology types included in the program

Technology Type	Voucher Maximum
Class 3 – 8 Hybrid Trucks, Buses, and Conversions	\$40,000
Class 3 – 8 CNG Trucks, Buses, and Conversions	\$50,000
Class 2 – 8 All-Electric Trucks, Buses, and Conversions	\$60,000

NYCAFV-VIF Program Operation Overview:

1. **Alternative Fuel Vehicle, Conversion, or VDEC Technology Eligibility** – The Original Equipment Manufacturer (OEM), the OEM’s authorized dealer, CNG Engine Manufacturer, or Truck Equipment Manufacturer (TEM) submits a completed Vehicle Eligibility Application to the Voucher Processing Center (VPC), requesting Program approval. The approved Alternative Fuel Vehicle(s), Conversion(s), or VDEC Technologies are then listed on the Program Website as “Eligible Vehicles.”
2. **Vendor Approval** – A Vendor that meets the eligibility requirements in 2.0 below and sells the listed Eligible Vehicle(s) or Conversion can apply to the VPC to be approved by NYSERDA to participate in the Program. The VPC verifies with the OEM that the Vendor is certified to sell the Alternative Fuel Vehicles, Conversions, or VDEC Technologies. Once approved by the VPC, the Vendor enters into an agreement with NYSERDA to become an approved Vendor, allowing the Vendor to market the Program incentives to a Purchaser and receive voucher funding.
3. **Voucher Request** – When a Purchaser is ready to purchase the Alternative Fuel Vehicle, Conversion, or VDEC Technology from an approved Vendor, the Vendor will submit a Voucher Request Form to the VPC to have an incentive amount set aside for that specific vehicle purchase. The full incentive amount must be deducted from the total sale price of the Alternative Fuel Vehicle, Conversion, or VDEC Technology and the full benefit must accrue to the Purchaser. The Vendor cannot charge fees in association with processing the incentive application or the required redemption documentation.

4. **Voucher Redemption** – Once the vehicle is delivered, registered, and paid for by the Purchaser, the Vendor submits a Voucher Redemption Form to the VPC for payment.
5. **Voucher Payment** – The VPC approves the Voucher Redemption Form and notifies NYSERDA to issue a voucher payment to the Vendor. NYSERDA makes payment to the Vendor for the full voucher amount. It is recommended that Vendors set up an electronic payment account with NYSERDA to speed up the reimbursement process.

All Program questions can be directed to the Voucher Processing Center (VPC):

**NYT-VIP Voucher Processing Center
c/o CALSTART
155 Water St., 2nd Floor, Unit 230
Brooklyn, NY 11201
1 (855) MY-NYT-VIP or 1 (855) 696 - 9884
Email: info@MYNYT-VIP.com**

If you are unable to contact personnel at the VPC, or if you have an issue that the VPC cannot resolve, please contact the NYSERDA Project Manager:

Patrick Bolton
Senior Project Manager
New York State Energy Research and Development Authority
17 Columbia Circle
Albany, New York 12203
(518) 862-1090 ext. 3322
(518) 862-1091 FAX
ppb@nyserda.ny.gov
www.nyserda.ny.gov

2.0 ELIGIBILITY AND APPROVAL PROCESS

Vendor Eligibility – Vehicles and Conversions

Under the NYCAFV-VIF the Vendor is the entity that sells the Alternative Fuel Vehicle or Conversion to the Purchaser. The following rules apply to Vendors interested in selling Alternative Fuel Vehicles or Conversions through the NYCAFV-VIF:

- A Vendor can be a truck or bus dealership that has a written agreement with a medium and/or heavy-duty Alternative Fuel Vehicle or Conversion or CNG engine OEM, a valid business license for at least the preceding two years, an official dealer number and sells a complete Alternative Fuel Vehicle or Conversion to a fleet or vehicle owner-operator.
- A Vendor can be an Alternative Fuel Vehicle or Conversion OEM that sells All-Electric, Hybrid-Electric, or CNG Conversions or Vehicles directly to fleets or vehicle owner-operators.
- A Vendor can be a truck or bus TEM that has a written agreement with a medium or heavy-duty Alternative Fuel Vehicle or conversion OEM, up-fits or performs final utility equipment installations on those vehicles, and sells the completed vehicle to a fleet or vehicle owner-operator.
- A Vendor must be the entity that sells the fully assembled and completed Alternative Fuel Vehicle or Conversion. For example, a Vendor is not eligible if it only sells the chassis to a TEM that in turns completes the final vehicle manufacture and then sells the completed vehicle to the fleet. In this case, it is the TEM that sells the completed vehicle to the fleet that would be eligible to apply for the voucher.

Vendor Eligibility – VDEC Technologies

The following rules apply to Vendors interested in selling and installing VDECs through the NYCDER-VIF:

- The Vendor must be an EPA or CARB VDEC Technology manufacturer or one of its authorized dealers.
- Current CARB and EPA verified technologies are listed on the websites below.
 - www.epa.gov/otaq/retrofit/verif-list.htm
 - www.arb.ca.gov/diesel/verdev/vt/cvt.htm
- A Vendor must be certified to sell and install a VDEC by the VDEC manufacturer.
- A Vendor must conduct exhaust temperature data-logging and analysis to determine the appropriate VDEC Technology for the intended vehicle (applies to Diesel Particulate Filters (DPF)).
- A Vendor must instruct and educate the end user on the operation and maintenance of the VDEC Technology.
- A Vendor must provide or supply end user with Filter Cleaning options.
- A Vendor that installs VDEC Technology must furnish a copy of the OEM warranty to the Technology Purchaser.

Interested Vendors that meet the eligibility criteria should submit a complete Vendor Application Packet (see Vendor Approval Process below) to the VPC. Once the Vendor is confirmed as a certified dealer by the OEM, and has executed a formal agreement with NYSERDA, the Vendor

is approved to market the Program incentives to Eligible Fleets (see below). The Vendor Application Packet can be downloaded from the Program Website (<https://truck-vip.ny.gov/>).

Vendor Approval Process:

1. **Download Vendor Application Packet** – Vendor downloads the Vendor Application Packet from the Program Website <https://truck-vip.ny.gov/>. The Vendor Application Packet includes: (1) Vendor Request Form; (2) Vendor Agreement; and (3) W-9 Form.
2. **Vendor Emails Vendor Application Packet to VPC** – Vendor emails completed Vendor Application Packet to VPC for preliminary review.
3. **VPC Reviews Vendor Application Packet** – VPC reviews Vendor Application Packet for completeness and confirms OEM certification to sell listed Alternative Fuel Vehicles, Conversions, or VDEC Technologies. If incomplete or not certified, VPC notifies Vendor.
4. **VPC Instructs Vendor to Mail Vendor Application Packet to NYSERDA** – If approved by VPC, the Vendor is instructed to mail a hard copy of Vendor Application Packet with original signatures directly to NYSERDA. Instructions for mailing the packet will be included in the approval correspondence. Do not mail the Packet to the NYSERDA contact listed in the manual.
5. **NYSERDA Reviews Vendor Application Packet** – NYSERDA reviews the Vendor Application Packet and assigns a Vendor Number. NYSERDA countersigns Vendor Agreement, mails to Vendor, and notifies VPC of Vendor approval.
6. **VPC Posts Vendor on Program Website** – VPC informs the Vendor of approval and posts the Vendor on the Program Website.

NYT-VIP Vendor Approval & Registration (Manual Approach)

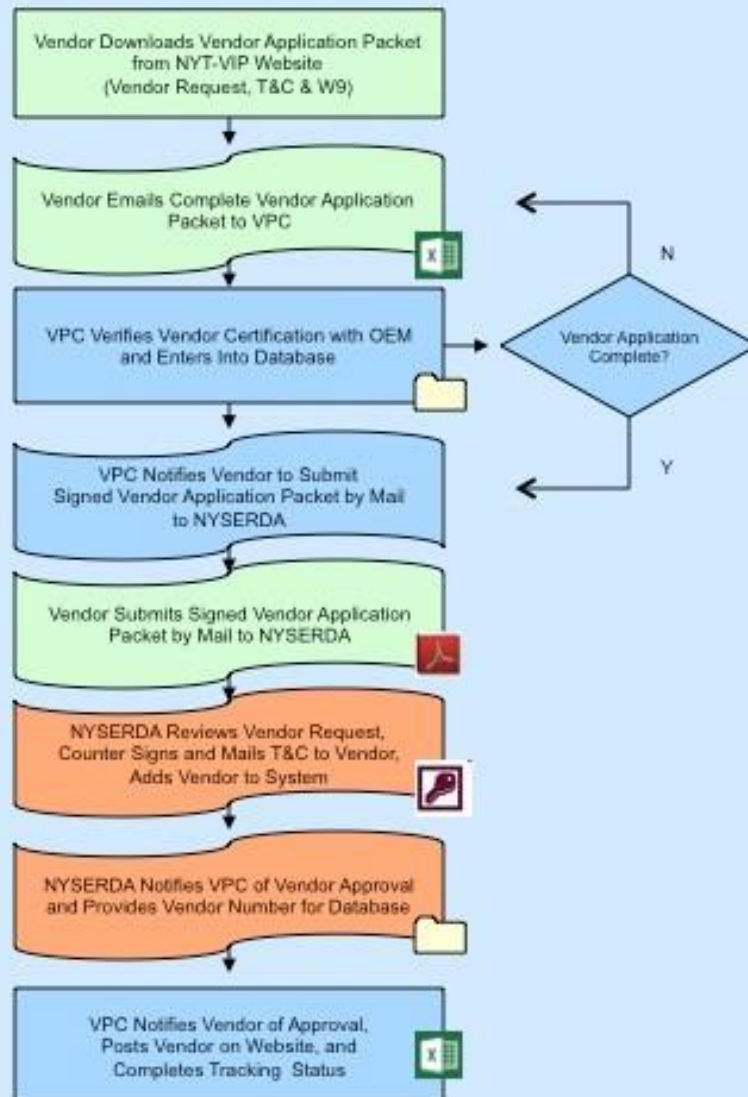


Figure 1

Figure 1 provides an “at a glance” overview of the Vendor Approval and Registration process.

Fleet Eligibility

An “Eligible Fleet” Purchaser or Vehicle Operator can be a Commercial Fleet or Non- Profit agency (excluding public entities, state and federal government) that operates and is domiciled in any of the five boroughs (Brooklyn, Bronx, Manhattan, Queens, or Staten Island) of New York City. The Alternative Fuel Vehicle, Conversion, or VDEC Technologies must be registered with the Department of Motor Vehicles in one of the eligible NYC boroughs.

For VDEC technologies, the following additional requirements apply:

- An Eligible Fleet must be the entity that holds the title to the vehicle on which the VDEC Technology will be installed, except in the case of leased vehicles where the lessor holds title to a vehicle. If the Eligible Fleet is the lessee, it must provide proof that the lessor approves VDEC installation on the vehicle and acknowledges and agrees that NYSERDA and the VPC shall have no liability to the lessor relating in any way to the New York City Diesel Emission Reduction – Voucher Incentive Fund Program. The Eligible Fleet must also prove that any lease term extends for at least three years going forward from the date the equipment is installed and approved by the Program. Entities cannot apply on behalf of an Eligible Fleet.
- An Eligible Fleet must have in place the means to conduct ongoing maintenance for the VDEC as stipulated by the OEM.
- An Eligible Fleet cannot apply for vehicles with VDECs already installed, with one exception. The Program will pay to replace a Level 1 diesel oxidation catalyst (DOC) with a diesel particulate filter (DPF) or other Level 3 emission control device.
- An Eligible Fleet cannot apply for an engine replacement or to cover the cost of a VDEC Technology as part of the purchase of a new vehicle.

NYCDOT Hunts Point Clean Trucks Program – For Bronx Vehicles ONLY

If you are a Fleet, Purchaser, or Vehicle Operator that operates and is domiciled in the Bronx communities of Port Morris and Hunts Point, you may be eligible to receive incentive funding for a new Alternative Fuel Vehicle, Conversion, or VDEC Technology through New York City Department of Transportation’s Hunts Point Clean Trucks Program (HPCTP). Vehicles that qualify for the HPCTP are **NOT** eligible for the NYCAFV-VIF, unless that program is out of funding. No vehicle purchase may receive funding from both programs. Visit www.huntspointctp.com to learn more about program eligibility requirements.

3.0 VEHICLE ELIGIBILITY

Vehicles and Conversions

The following are eligibility requirements for vehicles under the NYCAFV-VIF:

- A vehicle must be a Class 3 - 8 Hybrid Electric or CNG Vehicle or conversion, or a Class 2 – 8 All-Electric Vehicle or Conversion. Personal passenger vehicles are **NOT** eligible for Program funding.
- An Alternative Fuel Vehicle or Conversion must be purchased from a participating

approved Vendor (see Section 2.1). OEMs must provide documentation to NYSERDA verifying the Incremental Cost of the vehicle(s). A Vendor must provide documentation of Incremental Cost as part of a voucher request for specialty vehicles.

- A vehicle and/or vehicle chassis that has been registered in any state, or paid for by the Purchaser (other than a vehicle down payment), or that is the subject of any purchase order prior to the official release date of the program is ineligible under the Program. Used vehicles (including vehicles used by dealers, OEMs, or other entities or for demonstration purposes) are NOT eligible except in the case of a Conversion.
- CNG Conversion engines must be U.S. Environmental Protection Agency (EPA) or the California Air Resources Board (CARB) certified to be considered eligible under the program. The purchaser's vehicle cannot be older than 7 years at the time the of the voucher request (for example: in calendar 2014 the oldest model year of the truck to be eligible would be 2007.) The vehicle owner will also have to submit documentation showing the vehicle has a probably life of at least 7 years from the date of the conversion. In all cases the CNG Conversion must occur after the Voucher is approved for that specific vehicle to be eligible for program incentives. Hardware or software modifications that can significantly impact the vehicle's emissions characteristics are NOT permitted for three years from the date the Alternative Fuel Vehicle or Conversion enters into service. This provision includes the installation of fuel-fired heaters.
- Hybrid Electric or CNG Vehicles or Conversions must be greater than 10,001 lbs; All-Electric Vehicles or Conversions must be greater than 6,001 lbs. Gross Vehicle Weight Rating (GVWR) and meet all federal and state requirements for operation in New York State. The OEM must also certify that the vehicle model complies with all applicable federal safety standards for new motor vehicles and new motor vehicle equipment issued by the National Highway Traffic Safety Administration (NHTSA). The Federal Motor Vehicle Safety Standards (FMVSS) are found in Title 49 of the Code of Federal Regulations (CFR) Part 571.
- The vehicle engine (if applicable), drive train, battery packs/energy storage system(s), must be covered by an OEM warranty. Prior to approving a vehicle model to the list of eligible vehicles posted on the Program Website, NYSERDA may request that the OEM provide copies of representative vehicle, engine and battery warranties and a description of the OEM's plans to provide warranty and routine vehicle service. The warranty must provide protection for a minimum of 36 months or 50,000 miles whichever comes first. The first 12 months of the coverage period must be a full warranty covering, at a minimum, engine (if applicable), motor, drive train, battery, parts and labor. If the warranty for the remaining 24 months is prorated, the percentage of the battery pack's original value to be covered or refunded must be at least as high as the percentage of the prorated coverage period still remaining. For the purpose of this computation, the age of the battery pack must be expressed in intervals no longer than three months.

- If a Vendor does not own a New York State repair facility or does not have a contract with a New York State entity to provide repair and warranty service, the Vendor must submit a plan for how it intends to provide warranty service, replacement parts, and technical support in New York State. The maintenance/repair plan must be submitted to the VPC for approval. The plan must be approved by NYSERDA for vehicles to be eligible to receive incentives under the Program.
- Vendors, as part of submitting documentation to the VPC for eligible vehicles, must send the cost of the vehicles they want included in the program and the cost of a conventional diesel/gasoline truck counterpart with equivalent payloads. The difference in price between those two vehicles is the Incremental Cost. The voucher amount covers up to 80 percent of the incremental cost and is capped at \$40,000, \$50,000, or \$60,000 for Hybrid Electric, CNG, or All-Electric Vehicle or Conversions, respectively.
- To determine the incentive amount for a Conversion, Vendors or OEMs submitting for vehicle eligibility must provide accurate prices for variations in fuel tank size, variance on part costs, and installation costs. The vendor or OEM should submit anticipated combinations of parts and installation costs. The incentive amounts will be based on the incremental cost of these likely combinations. An Approved Vendor and the Purchaser must be able to determine incentive amount based on a number of typical pricing examples if different combinations of parts or labor costs are anticipated.

4.0 VDEC TECHNOLOGY ELIGIBILITY

The following are eligibility requirements for (VDEC) Technology under the NYCDER-VIF:

- A vehicle must be a diesel powered Class 3 – Class 8 truck with an Engine Model Year 1994 to 2006.
- VDEC Technology selected must be currently on-highway EPA or CARB verified for the specific vehicle type, engine model year and EPA or CARB Engine Family the VDEC Technology will be installed on.
- Eligible VDEC technologies include but are not limited to: Level 1 Diesel Oxidation Catalysts (DOC) and Diesel Particulate Filters (DPF) (Passive and Active) that reduce

emissions of particulate matter (PM₁₀ and PM_{2.5}), hydrocarbons, oxides of nitrogen, carbon monoxide, and toxic air pollutants.

- VDECs cannot be a part of a standard or required engine configuration (i.e., if the equipment is required by law to be installed on the vehicle, then the equipment would not be eligible).
- Eligible Program funds do include installation of crank-case ventilation filter (CCV) on a vehicle that does not yet have one even if the vehicle already has a DOC or DPF installed.
- The VDEC Technology must be purchased from a participating approved Vendor (see Section 2.0).
- All prospective retrofit vehicles must be medium or heavy-duty diesel vehicles with minimum 10,001 lbs. Gross Vehicle Weight Rating (GVWR) and meet all federal and state requirements for operation in New York State.
- All prospective retrofit vehicles must be highway capable and legally registered as a vehicle in New York State with an engine model year 1994-2006.
- If a Vendor does not own a New York State repair facility or does not have a contract with a New York State entity to provide repair and warranty service, the Vendor must submit a plan for how it intends to provide warranty service, replacement parts, and technical support in New York State. The maintenance/repair plan must be submitted to the VPC for approval. The plan must be approved by NYSERDA for vehicles to be eligible to receive incentives under the Program.
- Vendors, as part of submitting documentation to the VPC for eligible technologies, must submit a pricing matrix detailing VDEC Technology and installation cost (typically by engine HP range) for the range of VDEC models and associated installation fees they want included in the program. The voucher amount covers up to 80 percent of the combined purchase and installation cost.

Vehicle, Conversion, or VDEC Technology Approval Process:

1. **Download Vehicle Eligibility Form** – An Original Equipment Manufacturer (OEM), OEM's authorized dealer or TEM downloads the Vehicle Eligibility Application from <https://truck-vip.ny.gov/>. Typically, the OEM will be the entity seeking to have its vehicle approved and listed on the Program Website.
2. **Email Vehicle Eligibility Form to VPC** - The OEM, OEM's authorized dealer or TEM completes the Vehicle Eligibility Form (Excel Spreadsheet) and Incremental Cost documentation and emails the application to the Voucher Processing Center (VPC).

3. **VPC Reviews Application** - Within approximately ten (10) calendar days of the email submission, the VPC reviews the Vehicle Eligibility Application and Incremental Cost documentation for eligibility, accuracy, and completeness. If additional information is needed, the VPC will notify the OEM, OEM's authorized dealer or TEM via email
4. **If Complete, Application Sent to NYSERDA** - If the application is complete and vehicle(s) or conversion(s) are eligible, the VPC emails the Vehicle Eligibility Application and Incremental Cost documentation to NYSERDA for approval.
5. **NYSERDA Reviews Application** - NYSERDA reviews the Vehicle Eligibility Application and Incremental Cost documentation for completeness and eligibility. If incomplete or ineligible, NYSERDA informs the VPC and VPC notifies the OEM.
6. **NYSERDA Approves Vehicle Eligibility** – Where appropriate, NYSERDA approves vehicle or conversion eligibility and informs VPC of approval and posts eligible vehicle(s) or conversion(s) on the Program Website.
7. **VPC Informs OEM of Approval** – VPC informs OEM of approval and emails PDF copy of Vehicle Eligibility Application to OEM for an original signature.
8. **OEM Mails Signed Vehicle Eligibility Application** – Within ten (10) calendar days of receiving approval from the VPC, the OEM emails a signed copy of the Vehicle Eligibility Application to VPC.
9. **VPC Posts Eligible Vehicle(s) on Program Website** – Once VPC reviews and approves the signed copy of Vehicle Eligibility Application, VPC then informs OEM of final approval.

10. **Vendor Approval Needed to Sell Eligible Vehicles** - Vendors must apply to be an approved Vendor to receive voucher funds for approved vehicles.

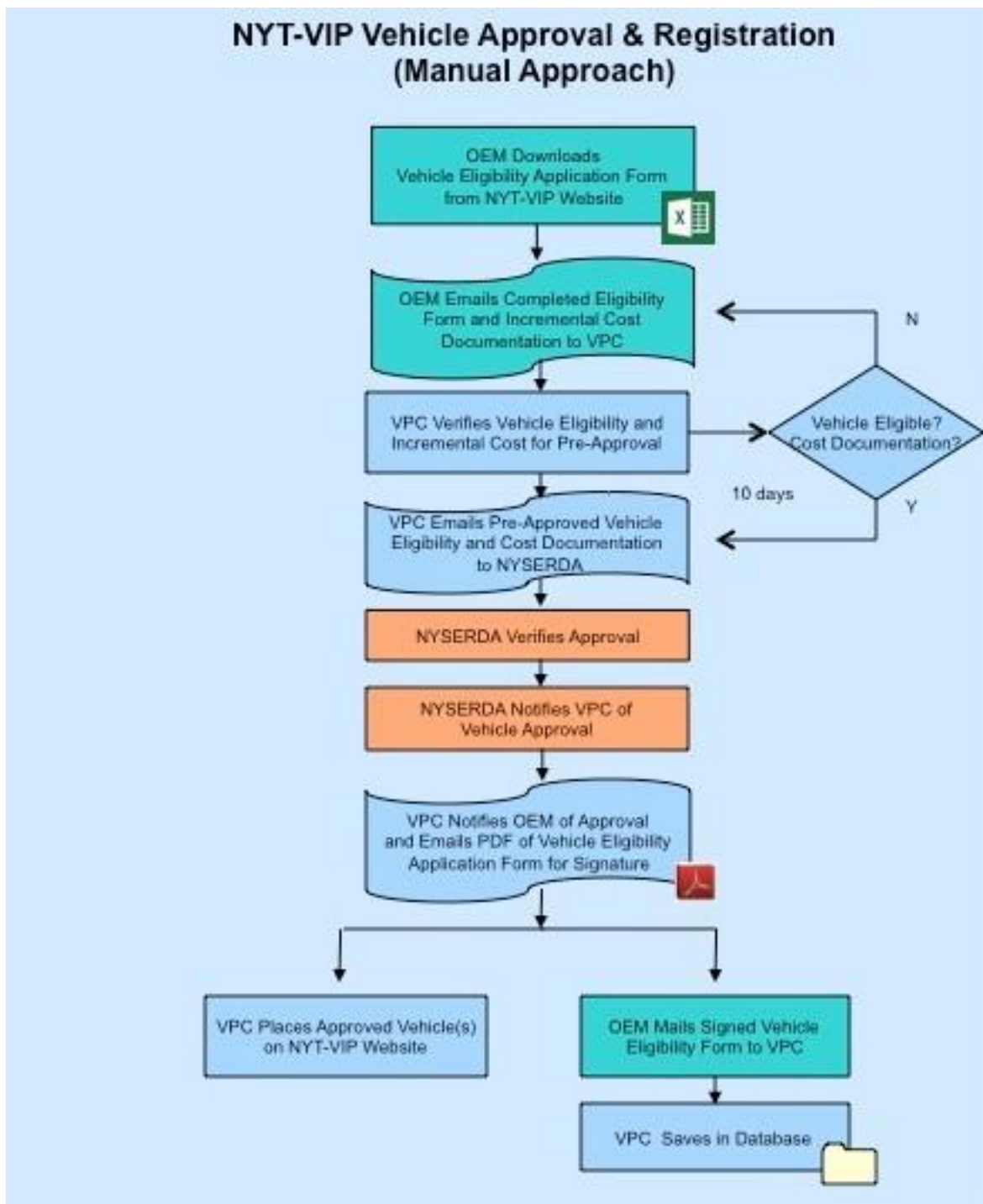


Figure 2

Figure 2 provides an “at a glance” overview of the Vehicle Approval and Registration process.

4.0 INCENTIVE AMOUNTS

Vehicles and Conversions

Vouchers can be issued for up to 80 percent of the net Incremental Cost of the Alternative Fuel Vehicle or price of the Conversion or VDEC Technology and installation after all other incentives are accounted for with a maximum voucher amount of \$40,000, \$50,000, or \$60,000 for Hybrid Electric, CNG, or All-Electric Vehicle or Conversions, respectively (Table 1). Under no circumstances may the NYCAFV-VIF incentive, when combined with other incentives provided by other entities, exceed the 80 percent net Incremental Cost of an Alternative Fuel Vehicle or Conversion.

No Purchaser may receive more than 25 percent of the total available funds under the NYCAFV-VIF. If additional funding is added to the Program, a Purchaser that has already met this threshold may request vouchers for up to 25 percent of the new funding.

Fleets, including but not limited to entities sharing a common Taxpayer Identification Number (TIN), are considered a single "Purchaser" even if they are part of different subsidiaries, divisions, or other organizational structures of a company, or other entity. NYSERDA or its designee may seek financial reimbursement or other remedies from a Purchaser for non-disclosure or inaccurate disclosure of its TIN, ID#, or other information relating to common ownership or fiduciary control of the purchasing entity.

Vendors are required to pass on the full Program incentive to the Purchaser by reducing the purchase price of the Alternative Fuel Vehicle or Conversion by the full incentive amount. Vendors may not charge fees to the Purchaser in association with processing vouchers.

VDEC Technologies

Vouchers can be issued for an incentive amount up to 80 percent of the eligible VDEC Technology and installation costs on one or more currently operating diesel-powered on road vehicles.

No Purchaser may receive more than \$500,000 from the NYCDER-VIF. All entities sharing a Taxpayer Identification Number will be considered a single Purchaser.

The Voucher application must show non-NYSERDA funding of at least 20% of the cost of the equipment including installation. Cost sharing can be from the applicant, other team members, and other government or private sources except Federal funds. Contributions of direct installation labor (for which the laborer is paid as an employee) and purchased materials may be considered "cash" contributions. NYSERDA will not pay for efforts, which have already been undertaken such as purchasing or installing equipment prior to NYSERDA's approval of the application for incentives. The Eligible Fleet cannot claim as cost-share any expenses incurred prior to such approval.

Table 2 NYCDER-VIF Funding Payout Illustration

Item	Cost
VDEC	\$18,000
Installation	\$ 2,000
Total	\$20,000
Voucher (80%)	-\$16,000
“Net” Cost to Fleet	\$ 4,000

As illustrated in Table 2, Vendors are required to pass on the full Program incentive to the Technology Purchaser by reducing the purchase and installation price of the VDEC Technology by the full incentive amount, such that the VDEC Technology Purchaser pays the “Net Cost” of the total invoice amount or up to twenty percent (20%). Vendors may not charge fees to the VDEC Technology Purchaser in association with processing vouchers.

5.0 VOUCHER APPLICATION PROCESS

Vendors, upon execution of a formal agreement (Vendor Agreement) with NYSERDA, will be given approval to market the Program incentives to Eligible Fleets. The Vendor Agreement can be downloaded from the Program Website (www.Truck-VIP.ny.gov).

Voucher Request Process:

1. **Download and Submit Voucher Request Form to VPC** – An Approved Vendor downloads the Voucher Request Form (Excel Spreadsheet) from Program Website (<https://truck-vip.ny.gov>); completes the form with the Purchaser; and emails Voucher Request Form to the VPC at **info@MYNYT-VIP.com** to initiate the electronic request.
2. **VPC Reviews Voucher Request** - Within seven (7) calendar days of receipt of the electronic request by the Vendor, the VPC reviews the Voucher Request Form for eligibility, accuracy, and completeness and enters the voucher request into the Program database. If the Voucher Request Form is incomplete or inaccurate, the VPC notifies the Vendor to revise with Purchaser and resubmit.

3. **VPC Notifies Vendor of Preliminary Approval** – VPC notifies Vendor of preliminary approval and sends electronic request to Vendor to submit by email a signed Voucher Request Form, Identification, and a signed Purchaser Terms and Conditions to the VPC (see Program Website (www.Truck-VIP.ny.gov) for Vehicle Terms and Conditions).
4. **Vendor Mails Signed Documents to VPC** – Within fourteen (14) calendar days of electronic request, the Vendor and Purchaser complete, sign and email the Voucher Request Form, ID and Purchaser Terms & Conditions to VPC.
5. **VPC Assigns Voucher Funds** – Once VPC receives signed documents from the Vendor, VPC assigns the voucher funds and notifies the Vendor.
6. **Vendor Orders Vehicle and Collects Vehicle Information** - Within fourteen (14) calendar days of notification by VPC, the Vendor emails a copy of the vehicle purchase order to the VPC. The Vendor has thirty (30) calendar days to provide vehicle information to VPC that includes expected vehicle delivery date, Vehicle Identification Number (VIN), vehicle serial number, vocation, and notification of other incentive funds.
 - Voucher requests submitted for Conversions must include the following documentation; 1) VIN of existing vehicle, 2) verification of liability Insurance, 3) evidence of vehicle ownership (Manufacturers Certificate of Origin, Purchase Contract, or Bill of Sale), 4) copy of New York Certificate of Title, 5) Engine certification, 5) Conversion Purchase Order, 6) vehicle vocation, 7) expected conversion completion date and 8) notification of other incentive funds.
7. **Vendor Submits Complete Voucher Request to VPC** – Vendor emails/mails vehicle information to complete the voucher request to the VPC.
8. **VPC Reviews and Approves Voucher Request** - Within seven (7) calendar days of receipt of all voucher request forms, documentation, and vehicle information, VPC conducts a final review and if complete, notifies the Vendor by email that the voucher has received final approval.
9. **If Voucher Request is Rejected** - If voucher request is rejected due to documentation that disqualifies the vehicle and/or voucher request, the VPC will notify the Vendor by email within approximately fourteen (14) calendar days of receipt of voucher request forms with the reason for rejection.
10. **Begin Voucher Redemption Request** – The voucher is approved for 120 days, after which it may be cancelled by the VPC. The Vendor may extend the voucher for 120 days (see below) by emailing a request to the VPC at **info@MYNYT-VIP.com** that verifies the delivery date of the vehicle. The Vendor is requested to begin collecting

documentation to complete the voucher redemption process within the period of 120 calendar days.

Voucher Extension

A Program voucher will be valid for 120 days from the time it is issued by the VPC. A Vendor at any point within the 120 days can renew a voucher by notifying the VPC by email or regular mail requesting an extension. Renewal of the voucher automatically reserves the voucher funding for an additional 120 days. A voucher that is not renewed or redeemed within any 120-day period will be deemed expired and the voucher funds will be allocated to the next eligible Program participant. If a voucher is not renewed, a Vendor may re-apply to the NYCAFV-VIF. These will be considered new voucher requests. The expiration date is noted on the voucher form, and it is the Vendor's responsibility to be aware of the expiration date. In all cases, vouchers **must** be redeemed within one year (365 days) of the *original* voucher request date, after which time the voucher will expire.

6.0 VOUCHER REDEMPTION

Once a vehicle has been purchased, delivered, and is ready to be placed into service, the Vendor must submit the Voucher Redemption Form and required documentation to the VPC for redemption.

Voucher Redemption Process:

1. **Download and Submit Voucher Redemption Form to VPC** - The Vendor downloads the Voucher Redemption Form from the Program Website (<https://truck-vip.ny.gov/>), completes the form with the final vehicle price and title transfer date, and emails a copy to the VPC to start the clock on the electronic redemption.
2. **VPC Reviews Voucher Redemption Application** - Within seven (7) calendar days of the electronic redemption request, the VPC reviews the Voucher Redemption Form for eligibility, accuracy, and completeness. If additional information is needed from the Vendor, the VPC will notify the Vendor via email.
3. **Vendor Emails Vehicle Documentation to VPC** - Within sixty (60) calendar days of the electronic redemption request, the Vendor emails copies of the vehicle's Delivery Bill of Lading, signed final vehicle invoice, temporary DMV Registration or DMV tags, Vehicle Line Setting Ticket (otherwise known as the Factory Build Sheet), financial documentation identifying the method and date of final and complete (minus the voucher amount) payment to the Vendor, and digital inspection photos (vehicle left side, odometer, VIN tag, and engine tag) of the vehicle to the VPC.
4. **Vendor Mails Signed Voucher Redemption Form to VPC** – Within sixty (60) calendar days of the electronic redemption request, the Vendor prints and signs the Voucher_Redemption Form (including the Program Vehicle Inspection) and mails the

original form to the VPC.

5. **VPC Reviews and Approves Voucher Redemption Form** – Within seven (7) calendar days of receipt of all completed Voucher Redemption Forms, final vehicle documentation, and information, the VPC verifies that Purchaser and delivered vehicle information match those listed on the voucher and approves the Voucher Redemption Form and all associated documentation. The VPC then informs the Vendor of voucher redemption approval. If the Vendor is informed of incomplete or inaccurate redemption documentation, they will have seven (7) calendar days to correct, complete, and resubmit the documents for approval.
6. **If Voucher Redemption is Denied** - If voucher redemption is denied, the VPC responds in writing or by email with the reason for denial within approximately seven (7) calendar days of receipt of forms or documentation that disqualify the vehicle and/or voucher request.
7. **NYSERDA Makes Voucher Payment to Vendor** – Once voucher redemption request is approved by VPC, NYSEERDA pays voucher amount to the Vendor, in accordance with the Prompt Payment Policy described in Exhibit B to the Vendor Agreement (see Program Website). NYSEERDA prefers to make these payments electronically to the Vendor.

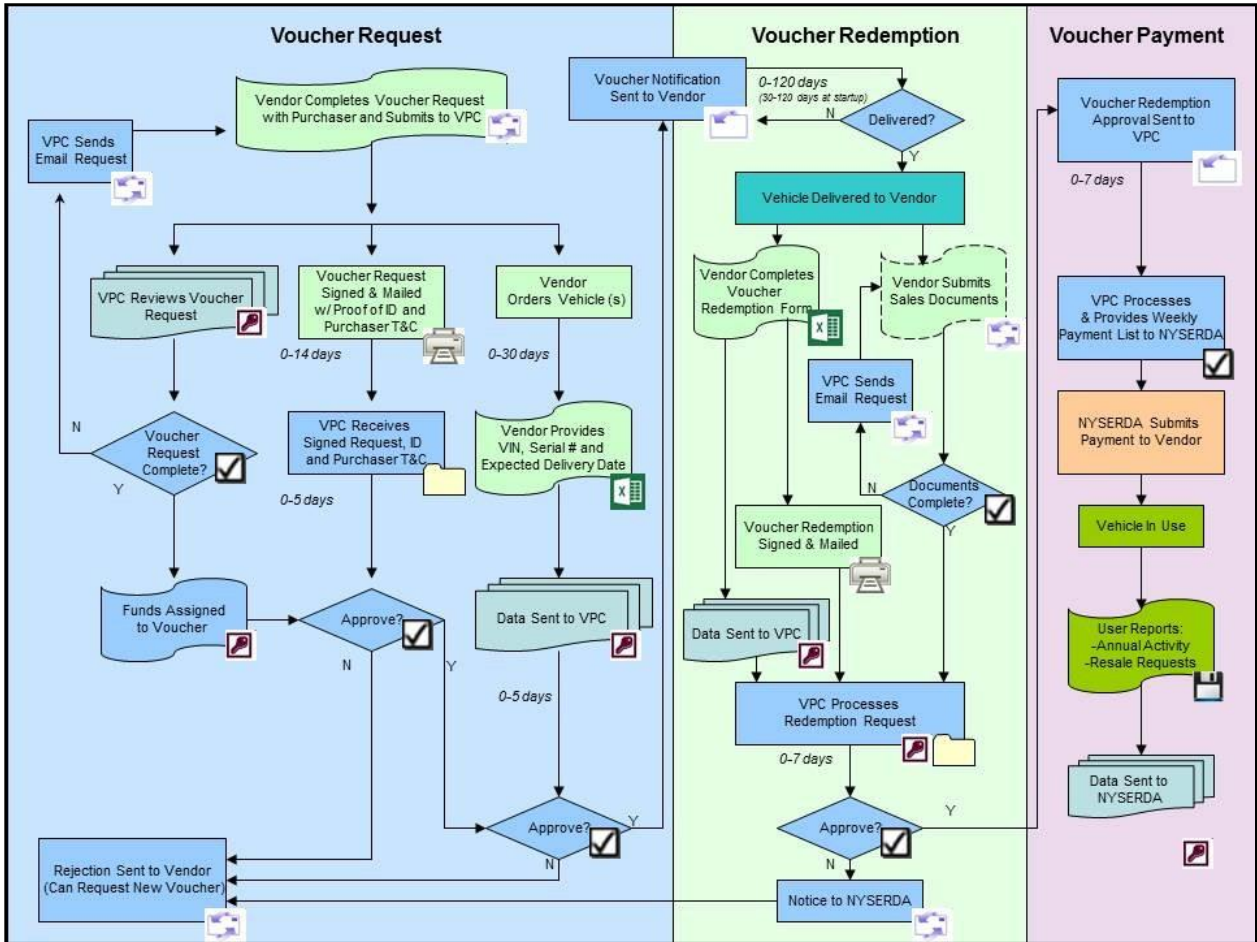


Figure 3

Figure 3 provides an “at a glance” overview of the Voucher Request and Redemption process.

7.0 SPECIAL TERMS FOR LEASED VEHICLES

Eligible Alternative Fuel Vehicles, Conversions, or VDEC Technologies that will be purchased by a leasing company and leased to an Eligible Fleet or Vehicle Operator are allowable under the Program as long as the term of the vehicle lease is at least 6 years from the voucher redemption. In these circumstances the leasing company is considered the Purchaser. Any vehicle leasing entity that purchases a Program-funded vehicle must identify the vehicle end-user in the voucher application and enter into an agreement within one month of voucher request/vehicle purchase to be eligible for Program incentives. Any vehicle lease entity that leases a vehicle purchased with a Program voucher must disclose the voucher amount and voucher terms to the vehicle lessee. The draft lease agreement with the end user Fleet must be included with the voucher application. The vehicle end-user must take possession of the vehicle within 30 days of voucher redemption for that vehicle. The lease agreement must include commitments from the lessee to ensure that (1) the vehicle operates almost exclusively (at least 70 percent of the time) within the five boroughs of New York City as required by the voucher redemption form, (2) the vehicle will be registered and domiciled within one of the five NYC boroughs, (3) all required semi-annual activity reports will be submitted by lessee to NYSERDA, and (4) all other terms of the Program are met.

NYSERDA reserves the right to review lease agreements to confirm appropriate disclosures are made regarding the Program voucher amount received, vehicle activity and reporting, and other requirements. Purchasers must provide VPC with all the requested information related to any vehicle purchased with a Program voucher (including lease agreements) within ten days of VPC's written request for such information. The vehicle end-user (i.e., the lessee for lease agreements) is responsible for ensuring annual activity reports are accurate and are submitted to NYSERDA as required. A Program voucher can be provided at time of vehicle purchase only, and is not provided at the time a vehicle is leased. For example: a leasing company cannot request a voucher to purchase a demonstration vehicle or vehicles with the intention of finding a prospective Fleet to lease the vehicles. The end use Fleet must be identified in the voucher request along with a lease agreement with that Fleet. Questions regarding common ownership or fiduciary control of an organization should be directed to the VPC.

8.0 REPORTING REQUIREMENTS

The Purchaser and/or leasing Vehicle Operator must submit Semi-Annual Usage Reports (which will include information such as vehicle mileage, fuel use, maintenance issues, and certifications for vehicle location and operation) for a minimum of three years after receiving voucher redemption. Semi-Annual Usage Reports will be provided by the VPC (either by mail or email) for completion by the Purchaser or leased vehicle operator. Reports may be completed on the Program Website when that functionality is available. In the situation of leasing agreements, the Purchaser (leasing company) is responsible for ensuring the Fleet end-user leasing the vehicles submits the required Semi-Annual Usage Reports. NYSERDA reserves the right to bar a Purchaser that does not provide timely and accurate Program Semi-Annual Usage Reports from receiving further funding under the Program. NYSERDA may also recapture the incentive funds from the Purchaser if it does not provide timely and accurate

Program Semi-Annual Usage Reports as required. It is the Purchaser's responsibility to submit these reports in a timely manner.

9.0 LIST OF ELIGIBLE NYC BOROUGHS

Brooklyn
Bronx *
Manhattan
Queens
Staten Island

* Visit www.huntspointctp.com to determine program eligibility under the Hunts Point Clean Trucks Program.

10.0 DEFINITIONS for NYCAFV-VIF

“All-Electric Conversion” means converting a currently in-use diesel or gasoline powered truck or bus to operate solely by use of a battery pack, or primarily through the use of an electric battery pack but can also use a flywheel or capacitor that also stores energy produced by the electric motor or by regenerative braking to assist in vehicle operation. This can include swapping out a diesel or gasoline engine for a new electric motor, installation of batteries, and other necessary component additions. The vehicle to be converted cannot be older than 7 years at the time of the voucher request (for example: in calendar 2014 the oldest model year of the truck to be eligible would be 2007). The vehicle owner will also have to submit documentation showing the vehicle has a probable life of at least 7 years from the date of the conversion.

“All-Electric Vehicle” means an on-road, Class 2-8 GVWR, zero-emission vehicle that operates solely by use of a battery pack, or that is powered primarily through the use of an electric battery pack but can also use a flywheel or capacitor that also stores energy produced by the electric motor or by regenerative braking to assist in vehicle operation. Recharge energy must be drawn from a source off the vehicle, such as a connection to grid electric service.

“Alternative Fuel Vehicle” means a new Class 3-8 truck or bus that runs on a fuel other than traditional petroleum fuel and also includes a vehicle technology with propulsion energy from a rechargeable energy storage system. For the purpose of the NYCAFV-VIF, an alternative fuel vehicle includes: All-Electric Class 2-8 vehicles or conversions; Hybrid-Electric class 3-8 vehicles or conversions, and Compressed Natural Gas (CNG) class 3-8 vehicles or conversions.

“Commercial Fleet” means one or more vehicles not used for individual or personal activities; vehicles used solely as part of a commercial enterprise.

“Compressed Natural Gas (CNG) Vehicle” means a vehicle powered solely by the combustion of compressed natural gas (CNG) as an alternative to other fossil fuels.

“CNG Conversion” means converting a currently in-use diesel or gasoline powered truck to operate solely on CNG. This can include swapping out a diesel or gasoline engine for a new CNG engine, installation of fuel storage tanks, running fuel lines and other necessary fueling system equipment. The vehicle to be converted cannot be older than 7 years at the time of the voucher request (for example: in calendar 2014 the oldest model year of the truck to be eligible would be 2007). The vehicle owner will also have to submit documentation showing the vehicle has a probable life of at least 7 years from the date of the conversion.

“Diesel Oxidation Catalysts” consist of a stainless steel canister that contains a honeycomb structure called a substrate or catalyst support. There are no moving parts, just large amounts of interior surface area that serve as pollutant reaction sites. The interior surfaces are coated with catalytic metals such as platinum or palladium. They are called oxidation catalysts because the devices convert exhaust gas pollutants into harmless gases by means of chemical oxidation. In the case of diesel exhaust, the catalyst oxidizes CO, HCs, and the liquid hydrocarbons adsorbed on carbon particles. Currently, under the CARB and EPA retrofit technology verification processes, several technology manufacturers have verified Diesel Oxidation Catalysts that provide at least a 25 percent reduction in PM emissions.

“Diesel Particulate Filters (DPFs)” remove particulate matter in diesel exhaust by filtering exhaust from the engine. Since a filter can fill up and clog over time, engineers that design filter systems must provide a means of burning off or removing accumulated particulate matter. Collection efficiencies range from 50 to over 90 percent. Passive DPFs employ catalysts that reduce the ignition temperature necessary to oxidize accumulated particulate matter. Active DPFs introduce unburned diesel fuel directly into the exhaust pipe, oxidizing in the particulate filter to combust accumulated matter.

“Eligible Fleet,” means Commercial and Non-profit entities (excluding public entities, state and federal government) operating, registering and domiciling vehicles in any of the five New York City boroughs (Brooklyn, Bronx, Manhattan, Queens, and Staten Island).

“Filter Cleaning” is the process of removing ash from the Diesel Particulate Filter (DPF). Intervals for DPF cleaning generally vary from bi-annually to annually, or longer, depending on engine-out PM emissions and DPF soot loading tolerances. Monitoring engine exhaust backpressure is the best way to determine if and when DPF cleaning is necessary. The need for very frequent Filter Cleanings may indicate incomplete filter regeneration or the need for engine maintenance. Periodic Filter Cleaning for ash removal is necessary for both active and passive DPF systems.

In general, cleaning requires heating the filter and using compressed air, combined with a vacuum system to blow the ash from the filter and capture it in a sealed container. Professional Filter Cleaning services are available. Highly automated cleaning stations are also becoming available, allowing fleet service technicians to perform cleaning on-site. Costs for cleaning stations or professional cleaning services should be considered when purchasing DPFs.

Cleaning requires the manual removal of the DPF center bodies or filter elements from the vehicle. If equipment down time during cleaning is a concern, fleets may consider buying extra center bodies or

filter elements, so that each vehicle will always be equipped with a filter. The filter must be reinstalled on the original vehicle and in the correct flow direction to maintain proper operation. Track the serial numbers for each retrofit device and the vehicle on which it is originally installed. Fleet service technicians typically perform the removal of the DPF for Filter Cleaning and reinstallation. It is important that all vehicle/equipment operators and fleet service technicians are properly trained on Filter Cleaning procedures.

“Fleet” is defined as one or more vehicles owned by a business or Non-profit entity which excludes public entities, state and the federal government. Fleets under common ownership or control that share a common Tax Identification Number or ID # are considered part of a single fleet even if they are part of different subsidiaries, divisions, or other organizational structures of a company.

“Gross Vehicle Weight Rating (GVWR)” means the vehicle weight described on the original manufacturer Line Setting Ticket provided to the vehicle dealer.

“Hybrid-Electric Conversion” means any currently in-use diesel or gasoline powered truck or bus that can draw propulsion energy from both of the following on-vehicle sources of stored energy 1) consumable fuel, and 2) a rechargeable electric energy storage system. The vehicle to be converted cannot be older than 7 years at the time of the voucher request (for example: in calendar 2014 the oldest model year of the truck to be eligible would be 2007). The vehicle owner will also have to submit documentation showing the vehicle has a probable life of at least 7 years from the date of the conversion.

“Hybrid-Electric Vehicle” means any vehicle that can draw propulsion energy from both of the following on-vehicle source of stored energy 1) consumable fuel, and 2) a rechargeable electric energy storage system.

“Incremental Cost” means the difference in cost between the new All-Electric, Hybrid-Electric, or Compressed Natural Gas (CNG) Vehicle and the comparable new gasoline or diesel-fueled vehicle that would be purchased to perform the same function. Also includes the Conversion cost to enable a petroleum fueled vehicle to operate on electricity, compressed natural gas, or as a Hybrid-Electric Vehicle.

“Line Setting Ticket” means the factory build or construction sheet created when the vehicle order is sent to the vehicle manufacturer. The Line Setting Ticket typically includes the new vehicle’s identification number (VIN), all the codes for standard equipment, and the options that the salesman used to create this vehicle for the Purchaser. After the factory assembles the vehicle and the vehicle is shipped and sold, the Line Setting Ticket identifies such things as the GVWR, engine type, transmission type, driveline, paint codes, gear ratio, and standard and optional equipment, specific to that vehicle.

“Original Equipment Manufacturer or OEM” means the company that builds or assembles, at a minimum, the completed All-Electric, Hybrid-Electric, or Compressed Natural Gas (CNG) Vehicle or Conversion drive train and chassis. Also includes a CNG engine manufacturer.

“Non-profit” means an agency or corporation that does not distribute corporate income to shareholders and is exempt from federal income taxes under Section 501 of the Internal Revenue Code (26 U.S.C.A. § 501).

“Program Website”: <https://truck-vip.ny.gov/>

“Public Fleet” includes all state, city, village, town, and other non-federal government fleets, as well as fleets operated by public universities, public airports, public school districts, NY public ports, and special districts such as water, utility, and irrigation districts that operate one or more vehicles.

“Purchaser” is the Eligible Fleet (as defined in Section 2) that will directly purchase, own and operate (or the leasing company that will lease) a new All-Electric, Hybrid-Electric or Compressed Natural Gas (CNG) Vehicle or conversion or VDEC Technology to a vehicle operator.

“Truck Equipment Manufacturer (TEM)” means a company that installs equipment on a truck or bus rolling chassis purchased from a Manufacturer. The TEM must bear full responsibility for any vehicle defects under federal law and is responsible for certifying that the vehicle meets all applicable federal safety standards.

“Vehicle Operator” is the Eligible Fleet (as defined in Section 2) that will operate the vehicle under a lease agreement with a Purchaser.

“Vendors” include vehicle dealerships, original equipment manufacturers (OEMs), and truck equipment manufacturers (TEMs) that sell new medium or heavy-duty vehicles (Gross Vehicle Weight Rating (GVWR) 10,001 pounds or greater for Hybrid-Electric or CNG vehicles or conversions, 6,001 pounds or greater for All-Electric Vehicles or Conversions) directly to Purchasers. The Vendor is an entity that is responsible for the delivery of the completed vehicle to the Purchaser or end-user. In some cases, the Vendor may be the chassis manufacturer that sells a completed truck directly to a fleet. In most cases the Vendor is a local truck dealer that sells an All-Electric, Hybrid-Electric, or Compressed Natural Gas (CNG) Vehicle or Conversion built by an OEM. In some cases, where the trucks are ordered and purchased directly from a Truck Equipment Manufacturer (TEM), the TEM will act as the Vendor. Vendors also include companies that convert existing diesel or gasoline powered medium or heavy-duty vehicles (Gross Vehicle Weight Rating (GVWR) 10,001 pounds or greater for Hybrid-Electric or CNG vehicles or conversions, 6,001 pounds or greater for All-Electric Vehicles or Conversions) to operate as Hybrid-Electric Vehicles or solely on electricity or compressed natural gas.

“Verified Diesel Emission Control Technology (VDEC)” is a technology used to remove emissions from the engine exhaust. These devices can be very effective at reducing emissions, eliminating up to 90 percent of pollutants in some cases. Some examples of emission control devices used for diesel retrofit applications include Diesel Oxidation Catalysts (DOC), Diesel Particulate Filters (DPF), NOx catalysts, selective catalytic reduction (SCR), and exhaust gas recirculation (EGR).¹

¹ <http://www.meca.org/diesel-retrofit/what-is-retrofit>