

New York Truck Voucher Incentive Program

Implementation Manual

February 2020



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Definitions for NYTVIP

Electric Vehicle (EV) is an on-road, Class 3-8 gross vehicle weight rating (GVWR), zero-emission vehicle that operates solely by use of a battery pack or hydrogen fuel cell, or that is powered primarily through the use of a hydrogen fuel cell or electric battery pack that also stores energy produced by the electric motor or by regenerative braking to assist in vehicle operation. Primary recharge energy must be drawn from a source off the vehicle, such as a connection to grid electric service or a hydrogen fuel dispenser. Under the Program rules, an EV that has received Program incentives must travel a minimum of 5,000 miles or 1,000 hours of operation (for non-road use) per year.

Alternative Fuel Vehicle (AFV) refers to plug-in hybrid electric vehicle (PHEV), non-plug-in hybrid electric vehicle (HEV) technology and vehicles powered by compressed natural gas (CNG) or propane (also known as liquefied petroleum gas or LPG).

Battery Electric Vehicle (BEV) is an on-road, Class 3-8 gross vehicle weight rating (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 that also stores energy produced by the electric motor or by regenerative braking to assist in vehicle operation.

Commercial Fleet is one or more vehicles used solely as part of a commercial enterprise (i.e., not used for individual or personal activities). Vehicles cannot be registered to an individual.

Compressed Natural Gas (CNG) Vehicle is an Alternative Fuel Vehicle that operates solely using compressed natural gas as its fuel.

Congestion Mitigation and Air Quality Improvement Program (CMAQ): A source of funding apportioned by the Federal Highway Administration and administered by the New York State Department of Transportation. CMAQ funding supports surface transportation projects and other related efforts that contribute to air quality improvements and provide congestion relief. CMAQ must be used in areas that are, or were previously classified as non-attainment for one or more of the pollutants that comprise the National Ambient Air Quality Standards.

Contractor is the vehicle dealership, Original Equipment Manufacturer (OEM), or Upfit/Retrofit Manufacturer (URM) that sells new medium- or heavy-duty vehicles directly to a Vehicle Purchaser or end-user. In the case of repowers the Contractor is the entity that sells the repower equipment to the Fleet and performs the repower on the vehicle.

Contractor Portal is an online system, utilizing Salesforce software, that entities that sell Eligible Vehicles use to apply to become a Contractor in the Program.

Domicile is the location where the vehicle will be registered, stored, maintained, and generally be located such as a fleet depot, when not performing duties.

Eligible Vehicle is an All-Electric Vehicle or Alternative Fuel Vehicle that meets all Program rules and requirements.

Factory Build Sheet contains assembly instructions according to detailed vehicle specifications for use at the manufacturing facility.

Fleet is the vehicle fleet of a commercial, nonprofit, or public sector entity (excluding federal governmental entities) that domiciles, registers, and operates class 3-8 vehicles in New York.

Fuel Cell Electric Vehicle (FCEV) is an on-road, Class 3-8 gross vehicle weight rating (GVWR), zero-emission vehicle that operates solely by use of a hydrogen fuel cell, or that is powered primarily through the use of a hydrogen fuel cell along with battery packs.

Gross Vehicle Weight Rating (GVWR) is the maximum operating weight/mass of a vehicle as specified by the manufacturer and described on the original manufacturer Line Setting Ticket provided to the vehicle dealer.

See below for table of weight classes.

| Vehicle Class | Gross Vehicle Weight Range |
|---------------|-----------------------------------------|
| Class 3 | 10,001–14,000 pounds (4,536–6,350 kg) |
| Class 4 | 14,001–16,000 pounds (6,351–7,257 kg) |
| Class 5 | 16,001–19,500 pounds (7,258–8,845 kg) |
| Class 6 | 19,501–26,000 pounds (8,846–11,793 kg) |
| Class 7 | 26,001–33,000 pounds (11,794–14,969 kg) |
| Class 8 | ≥33,001 pounds (≥14,969 kg) |

Hybrid Electric Vehicle (HEV) is an Alternative Fuel Vehicle powered by an internal combustion engine and by an electric motor that uses energy stored in a battery. The battery is charged through regenerative braking and by the internal combustion engine and does not plug in to charge.

Incremental Cost is the difference in cost between the new Eligible Vehicle and a comparable new diesel-fueled vehicle that would be purchased to perform the same function. For the purposes of this Program, the entire cost to repower a vehicle is considered its Incremental Cost.

Line Setting Ticket is the factory build or construction sheet created when the vehicle order is sent to the vehicle manufacturer.

Original Equipment Manufacturer (OEM) is the company that builds or assembles, at a minimum, the completed drive train and chassis for an Eligible Vehicle.

Non-profit is an agency or corporation that is exempt from federal income taxes under Section 501 of the Internal Revenue Code (26 U.S.C. § 501).

NYSERDA Portal is a system utilizing Salesforce software that the Contractor, once approved by the Program, can log into to apply for vouchers, check status of their voucher progress, and upload Program required documents for voucher approval and voucher redemption approval.

Plug-In Hybrid Electric Vehicle (PHEV) is an Alternative Fuel Vehicle powered by an internal combustion engine and an electric motor that uses energy stored in a battery. The vehicle can be plugged in to an electric power source to charge the battery.

Program is the New York Truck Voucher Incentive Program.

Program Website is <https://www.nyserdera.ny.gov/Truck-Voucher-Program>

Propane (LPG) Vehicle is an Alternative Fuel Vehicle that operates solely using propane gas condensed in a liquid state as its fuel.

Replacement Vehicle is a new Eligible Vehicle that runs on alternative fuels and replaces an existing diesel vehicle of similar weight class and vocation that has been Scrapped to meet Program requirements.

Repowered Vehicle is an existing vehicle that had its existing diesel engine, which was dated 1992 through 2009, Scrapped and replaced with a new engine, motor, drivetrain, battery, and/or other Alternative Fuel Vehicle drive and fuel storage component.

Scrappage (Scrapped or Scrap) is verifiably rendering inoperable a vehicle with a diesel engine dated 1992 through 2009 by verifiably cutting a three-inch hole in the engine block and disabling the chassis by cutting the vehicle's frame rails completely in half. For Repowered Vehicles, the existing diesel engine block must have a three-inch hole cut into it and the engine must be at least six years old; the chassis need not be disabled.

Semi-Annual Usage Report is a required semi-annual report submitted by the Vehicle Operator that details the mileage, fuel use, maintenance, breakdown costs, and other information to NYSERDA.

Transit Operator is any municipally-owned or municipally-contracted public transportation provider; public transportation authority; or intercity provider pursuant to Section 14(g) of New York State Transportation Law, that provides transportation service open to the public.

Upfit/Retrofit Manufacturer (URM) is a company that installs equipment on a truck or bus rolling chassis purchased from an OEM. The Upfit/Retrofit Manufacturer must bear full responsibility under federal law for any vehicle defects and is responsible for certifying the vehicle meets all applicable federal safety standards.

Vehicle Operator is the entity that will operate an Eligible Vehicle under a lease agreement with a Vehicle Purchaser.

Vehicle Purchaser is the entity that will directly purchase, own and operate the vehicle or the leasing company that will lease an Eligible Vehicle to a Vehicle Operator. The Vehicle Purchaser may or may not be the same entity as the Vehicle Operator.

Volkswagen Settlement refers to the January 29, 2018 *Environmental Mitigation Trust Agreement for State Beneficiaries* in which New York State is a listed Beneficiary. New York State's subsequent

Beneficiary Mitigation Plan (“CLEAN TRANSPORTATION NY”) outlines New York’s overall goals and objectives for use of funds provided by the VW Trust. See:

<https://www.dec.ny.gov/chemical/109784.html>

Voucher Application is the process of the Contractor supplying information through the NYSERDA Portal to have a voucher incentive set aside for an Eligible Vehicle or Repowered Vehicle.

Voucher Approval Date is the date on which NYSERDA has approved a project and set aside funding for a vehicle project. Contractors must submit all documentation for reimbursement within 12 months of the Voucher Approval Date, or within 18 months if an extension has been granted.

Voucher Redemption is the process of the Contractor supplying information through the NYSERDA Portal to complete the voucher process and satisfy all requirements for a payment to be made to the Contractor.

Voucher Help Center (VHC) is the entity that answers Program questions, takes in, reviews, and processes Voucher Applications and is the primary Program point of contact for OEMs, URM, Contractors, and Fleets. NYTVIP@energycenter.org

1 Program Overview

The New York Truck Voucher Incentive Program (NYTVIP or Program) is a voucher incentive program aimed to accelerate the deployment of All-Electric and Alternative Fuel trucks and buses (also referred to as EVs and AFVs, respectively) in medium and heavy-duty vehicle classes throughout New York State. By increasing the use of cleaner vehicle technologies, the Program reduces harmful vehicle emissions, including greenhouse gases, and lessens New York's transportation sector's dependence on petroleum. In partnership with New York State Department of Transportation (DOT) and New York State Department of Environmental Conservation (DEC), the New York State Energy Research and Development Authority (NYSERDA) developed NYTVIP to reduce the cost of medium- and heavy-duty EVs and AFVs to help fleets, leased vehicle operators, and vehicle owner-operators switch to vehicles that are better for the environment and often are more cost-effective than equivalent diesel-fueled vehicles.

About the Implementation Manual

This Implementation Manual outlines the process, requirements, rules, and funding parameters of the Program to provide Program participants with information on how to participate in NYTVIP. NYSERDA may make changes to the Implementation Manual at any time. Changes will be applicable to all Voucher Applications not yet approved by NYSERDA. Program participants are bound by the version of Implementation Manual in effect at the time they obtain approval of a submitted Voucher Application. In other words, Voucher Applications, Voucher Redemption protocols, and all other Program elements associated with those vouchers must follow the directions outlined in the most recent version of the Implementation Manual posted on the Program Website at the time of Voucher Application. The most recent Implementation Manual, as well as all required forms and agreements, can be found on the Program Website (<https://www.nyserderda.ny.gov/Truck-Voucher-Program>) as well as in the NYSERDA Portal through which Voucher Applications are submitted. Notice of all changes will be provided to Program participants via their designated e-mail addresses, as identified in the Voucher Application.

1.1 Advancing Clean Vehicles through Voucher Incentives

Voucher incentives facilitate Fleet adoption of new EV or AFV trucks and buses by reducing the upfront prices of these vehicles, which are more expensive than comparable diesel vehicles. Vouchers make it more affordable for Fleets to gain experience with cleaner technologies that may cost less to operate than diesel vehicles. In addition, voucher projects result in verifiable emissions reductions and air quality improvements by decommissioning diesel vehicles¹ through a Scrappage process. A Fleet agrees to purchase an Eligible Vehicle from a vendor/dealer (Contractor) qualified to sell that vehicle through the Program, and the Contractor deducts the value of the voucher from the total sale price. Once the Vehicle Purchaser has scrapped an eligible diesel vehicle with engine model year 1992 through 2009 and the Contractor has supplied all required documentation to verify all steps of the process, NYSERDA reimburses the Contractor for the full voucher amount.

Note: Transit agencies that purchase EV transit buses may choose not to Scrap a bus, in which case they may only be eligible to receive a lower incentive amount through CMAQ funding only. See table 3.

The voucher amount is provided to Fleets by the Contractor at the point of purchase in the form of a discount off the total purchase price, making EV and AFV acquisitions easier and less expensive and helping to distribute the benefits of EV and AFV deployment within New York State. NYSERDA will not make a voucher payment unless all required documentation for Voucher Redemption is properly submitted to and approved by NYSERDA. If the Fleet does not provide proper documentation to the Contractor for Voucher Redemption, NYSERDA is NOT responsible for the deficit in funding for the vehicle purchase. Partial voucher payments will not be made on individual vehicles. For multi-vehicle voucher requests, separate payments may be made for individual vehicles.

For each model of Eligible Vehicle, NYSERDA will determine an estimated voucher amount—based on the price difference between EV or AFV vehicle and a comparable diesel truck or bus—and post that information on the Program Website.² This allows prospective Vehicle Purchasers to know the estimated vehicle incentive amount prior to negotiating a vehicle price with the Contractor. NYSERDA, at its sole discretion, will determine the final value of the voucher at the time of approval. The final value of the voucher may differ from the value published by NYSERDA at the start of the application process, such as cases where an Eligible Vehicle model’s final Incremental Cost changed significantly from the approved Incremental Cost since it was approved for eligibility or based on the availability of funding. Project-specific information, such as Domicile address and funding source, may also impact the final voucher amount and will be determined when the application is approved.

Voucher Funding Sources and Amounts

The total funding for NYTVIP incentives as of January 2020 is \$35.08 million. The Program may receive additional funds over time and may also expand to include additional vehicle types. No Vehicle Purchaser may receive more than 25% of the total available funds under each of the funding categories in the NYTVIP as listed in Table 1 below. If additional funding is added to the Program, a Vehicle Purchaser who has already met this threshold may request vouchers for up to 25% of the new total funding source amount.³

Table 1. NYTVIP funding sources and amounts

| # | Funding Source | NYS Agency | Vehicle Types | Amount |
|---|-----------------------|------------|-------------------------------------|----------------|
| 1 | CMAQ | NYS DOT | Class 3-8 Battery Electric Vehicles | \$1.0M |
| 2 | Volkswagen Settlement | NYS DEC | Class 8 Trucks | \$3.6M |
| 3 | | | Class 4-7 Trucks | \$4.8M |
| 4 | | | Class 4-8 Electric Transit Buses | \$16.7M |
| | | | TOTAL | \$35.1M |

The incentive voucher amount for a particular vehicle is calculated as the lesser of either:

- a) the applicable percentage of the NYTVIP established Incremental Cost, or
- b) a maximum cap that can vary by funding source, vehicle technology, weight class, and location.

In all cases, a voucher can only be issued for the net eligible incremental cost percent cap of a new EV or AFV truck or bus after all other incentives are accounted for, and after eligibility for the appropriate funding source has been established.

Class 3-8 vehicles that operate as local freight trucks may qualify for voucher funding at the funding amounts listed in Table 2. Class 4-8 trucks can access funding from Funding Sources 1-3 in Table 1 (subject to location and vehicle technology) and thus can be domiciled anywhere in the State.

Note that eligible Class 3 trucks can only access Funding Source 1 (CMAQ) in Table 1 above, and therefore must be a BEV domiciled in a CMAQ-eligible county (Table 4). Class 3 vehicles using this incentive are eligible for a voucher of up to 80% of Incremental Cost.

Funding amounts in Table 2 cannot be used for buses – see below. Funding amounts may be adjusted over time pursuant to Funding Source requirements.

Table 2. Voucher amounts and caps by vehicle technology and weight class (Class 4-8 local freight trucks)

| | | Voucher Amounts and Caps | | | | | |
|--------------------|--------------------|-----------------------------|------------|------------|------------|------------|------------|
| Vehicle Technology | Incremental Cost % | Vehicle Weight Class (GVWR) | | | | | |
| | | 3* | 4 | 5 | 6 | 7 | 8 |
| BEV | 95% | \$ 60,000 | \$ 100,000 | \$ 110,000 | \$ 125,000 | \$ 150,000 | \$ 185,000 |
| FCEV | 95% | \$ - | \$ 100,000 | \$ 110,000 | \$ 125,000 | \$ 150,000 | \$ 185,000 |
| PHEV | 90% | \$ - | \$ 55,000 | \$ 60,000 | \$ 70,000 | \$ 100,000 | \$ 120,000 |
| HEV | 90% | \$ - | \$ 25,000 | \$ 35,000 | \$ 45,000 | \$ 50,000 | \$ 55,000 |
| CNG | 90% | \$ - | \$ 30,000 | \$ 40,000 | \$ 50,000 | \$ 55,000 | \$ 60,000 |
| Propane | 90% | \$ - | \$ 30,000 | \$ 40,000 | \$ 50,000 | \$ 55,000 | \$ 60,000 |

*Class 3 BEV eligible for 80% of incremental cost up to cap

The incentive amounts shown may change over time. Once a voucher is approved that voucher is eligible for the incentive amount shown in the manual at the time of the voucher approval. Program participants will be given advance notice of when incentive amounts will change.

Class 3-8 BEV school and shuttle buses can access funding from Funding Source 1 at this time, and therefore must be domiciled and operated in the 30 CMAQ-eligible New York counties (Table 4) and subject to voucher funding amounts listed in Table 3 below.

Table 3. Voucher amounts and caps by weight class for Class 3 trucks and Class 3-8 (school shuttle, and transit buses) using Funding Source 1 (CMAQ) in Table 1.

| | | Voucher Amounts and Caps | | | | | |
|--------------------|--------------------|-----------------------------|-----------|------------|------------|------------|------------|
| Vehicle Technology | Incremental Cost % | Vehicle Weight Class (GVWR) | | | | | |
| | | 3 | 4 | 5 | 6 | 7 | 8 |
| BEV | 80% | \$ 60,000 | \$ 90,000 | \$ 100,000 | \$ 110,000 | \$ 120,000 | \$ 150,000 |

Table 4. New York counties eligible for CMAQ funding

| | | | |
|------------|------------------|---------|-------------|
| Albany | Kings (Brooklyn) | Ontario | Saratoga |
| Bronx | Livingston | Orange | Schenectady |
| Chautauqua | Monroe | Orleans | Schoharie |

| | | | |
|-----------|----------------------|--------------------------|-------------|
| Dutchess | Montgomery | Putnam | Suffolk |
| Erie | Nassau | Queens | Wayne |
| Genesee | New York (Manhattan) | Rensselaer | Westchester |
| Greene | Niagara | Richmond (Staten Island) | |
| Jefferson | Onondaga | Rockland | |

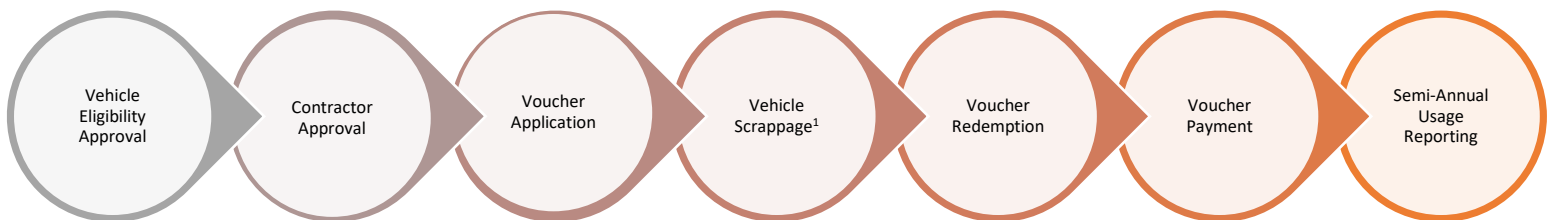
Eligible entities can access voucher incentives for Class 4-8 electric transit buses (BEV and FCEV only) through Funding Source 4 at the funding amounts listed in Table 5 below. Transit bus funding is discussed in greater detail in Section 2.3.3.

Table 5. Voucher amounts and caps by weight class (Funding Source #4, transit buses)

| Vehicle Technology | Voucher Amounts and Caps | | | | | |
|--------------------|--------------------------|-----------------------------|------------|------------|------------|------------|
| | Incremental Cost % | Vehicle Weight Class (GVWR) | | | | |
| | | 4 | 5 | 6 | 7 | 8 |
| BEV / FCEV | 100% | \$ 100,000 | \$ 125,000 | \$ 150,000 | \$ 250,000 | \$ 385,000 |

NYTVIP Process Steps

Figure 1. NYTVIP process steps



1. Vehicle Eligibility Approval – An Original Equipment Manufacturer (OEM), the OEM’s authorized dealer, or Upfit/Retrofit Manufacturer (URM) submits a completed vehicle eligibility application to the Voucher Help Center (VHC). This application provides information on the vehicle to be reviewed for eligibility and on a comparable diesel vehicle to determine the applicable voucher amount. Once approved, vehicles are listed on the Program Website as Eligible Vehicles (See Section 2.1 for details on vehicle eligibility requirements and process).
2. Contractor Approval – A Contractor authorized to sell an Eligible Vehicle submits an application to NYSERDA to become an approved Contractor (requirements detailed in Section 2.2). If the Contractor is a vehicle dealer and is not the OEM or URM, the Contractor must submit proof of OEM or URM authorization to sell the vehicle as part of the approval process. Approved

Contractors may then market Program incentives to prospective Vehicle Purchasers and submit Voucher Applications to NYSERDA.

3. Voucher Application – When a Vehicle Purchaser is ready to purchase an Eligible Vehicle from an approved Contractor, the Contractor submits a Voucher Application to reserve a voucher for that specific purchase (see Section 2.4 for details on the Voucher Application process). The full voucher incentive amount must be deducted from the total sale price of the vehicle at the point of sale and passed on to the Vehicle Purchaser. The voucher amount must be disclosed in the vehicle purchase order or lease with the Vehicle Operator. The Contractor cannot charge fees in association with processing the Voucher Application or the documentation required for payment. The Voucher Application must also identify the vehicle designated to be Scrapped by the Vehicle Purchaser. The VHC and NYSERDA will review the Voucher Application and notify the Contractor if there are any issues or missing information, or if the application is approved. If the Voucher Application is approved, funds are reserved for the Eligible Vehicles identified in the application.
4. Vehicle Scrappage¹ – Once the Vehicle Purchaser takes delivery of the new Eligible Vehicle, the Vehicle Purchaser has 21 days to complete the Scrappage process outlined in Section 2.5 for the eligible vehicle identified to be Scrapped in the Voucher Application. Scrappage can occur any time between the date of voucher approval up to the 21 day deadline described previously. The Vehicle Purchaser must provide the Contractor with all required Scrappage documentation within this timeframe, and the Contractor must upload all Scrappage documentation to the NYSERDA Portal before the voucher can be redeemed.
5. Voucher Redemption – Once the Vehicle Purchaser takes delivery of the new Eligible Vehicle, registers the new vehicle, pays for it in full (total vehicle cost minus the voucher amount), and satisfies all Scrappage requirements, the Contractor completes the Voucher Redemption process in the NYSERDA Portal. This consists of uploading all required documentation for final approval (see Section 2.6). This information must be uploaded for each individual vehicle for which the Contractor seeks to receive a voucher payment. Vouchers must be redeemed within 12 months of the Voucher Approval Date. Contractor may apply for a six-month extension by emailing a request to the VHC documenting the manufacturer’s estimated dates for vehicle production and delivery. Such extensions are made at NYSERDA’s sole discretion, and in no case will the redemption process be extended beyond 18 months. Vouchers that exceed the approved time limit will be cancelled; a Contractor may reapply for a voucher prior to the vehicle being delivered.
6. Voucher Payment – The VHC and NYSERDA review the Voucher Redemption request, and if the request is approved, NYSERDA will issue a voucher payment to the Contractor. It is strongly recommended that Contractors enroll in Electronic Funds Transfer (EFT) payment processing as NYSERDA process EFT payments more frequently than paper check payments. To sign up for payment by EFT, complete an authorization form at: <https://nyserda.seamlessdocs.com/f/EFTForm>. Vouchers that have not been redeemed within 12 months of the Voucher Approval Date (or within 18 months of the Voucher Approval Date if an extension has been granted) will be canceled.

7. Semi-Annual Usage Reporting – The Vehicle Purchaser is required to submit Semi-Annual Usage Reports for a minimum of three years after voucher payment. The reports are always due on December 1 and June 1 of each year. NYSERDA reserves the right to recapture the incentive funds from the Vehicle Purchaser and/or bar the Vehicle Purchaser from participating in the NYTVIP if they do not provide timely and accurate Program Semi-Annual Usage Reports as required. See Section 4.0 “Reporting Requirements” for additional details.

Voucher Publicity

All Program participants shall collaborate with NYSERDA's Director of Communications in preparation of press releases or news conferences concerning work related to the Program. In addition, all participants shall notify NYSERDA's Director of Communications regarding any media interviews in which work related to this Program, including vehicles for which the purchase or lease was facilitated using vouchers, is referred to or discussed.

Program participants cannot use NYSERDA's, DOT's, nor DEC's corporate name, logo, identity, any affiliation, or any related logo, without prior written consent.

Program Contacts

All Program questions can be directed to the Voucher Help Center (VHC):

NYTVIP Voucher Help Center
866-595-7917
NYTVIP@energycenter.org

If you are unable to contact personnel at the VHC, or if you have an issue that the VHC cannot resolve, please contact the NYSERDA project manager responsible for the Program:

Patrick Bolton
Senior Project Manager
17 Columbia Circle, Albany, New York 12203
(518) 862-1090 ext. 3322
Patrick.Bolton@nyserda.ny.gov

2 Program Eligibility

2.1 Vehicle Eligibility and Requirements

To qualify for voucher incentives through NYTVIP, Eligible Vehicles must meet the following requirements:

- A vehicle must be a Class 3-8 Battery Electric Vehicle (BEV), a Class 4-8 Hydrogen Fuel Cell Electric Vehicle (FCEV), a Class 4-8 Plug-in Hybrid Electric (PHEV) or conventional (non-plug-in) hybrid vehicle (HEV), or a Class 4-8 vehicle running solely on compressed natural gas (CNG) or propane (Liquefied Petroleum Gas or LPG). Personal passenger vehicles are NOT eligible for Program funding.
- A vehicle that runs entirely or in part by combusting gaseous fuels (i.e., CNG, or LPG) must meet the optional 0.02 g/bhp-hr NO_x certification standard when operating in combustion mode to be eligible for Program funding.
- A vehicle must be purchased from a Contractor approved to participate in the Program (see Section 2.2). The OEM or URM must provide documentation to NYSERDA verifying the Incremental Cost of the vehicle(s) relative to a comparable diesel vehicle. In cases where the Incremental Cost is not immediately clear, such as with low-volume or specialty vehicles, NYSERDA may request the Contractor provide documentation of Incremental Cost as part of the Voucher Application in addition to the vehicle eligibility application.
- All Eligible Vehicles, other than Repowered Vehicles, must be new, including the vehicle chassis and drivetrain. Vehicles and/or vehicle chassis cannot be previously registered in any state, fully paid for by the Vehicle Purchaser (other than a vehicle down payment) or have been delivered to the Vehicle Purchaser prior to the Contractor applying for a voucher. Used vehicles (including vehicles used by dealers, OEMs, or other entities or for demonstration purposes) are NOT eligible. Repowered Vehicles are excepted from these requirements.
- Repowered Vehicles may be eligible for NYTVIP funding. For such projects, OEMs or URM will provide documentation to NYSERDA that shows the cost of repowering a truck or bus relative to purchasing a new diesel-powered equivalent vehicle. For Repowered Vehicles, the Vehicle Purchaser must certify, in a manner approved by NYSERDA, that the vehicle has an expected operational lifespan after repowering of at least 10 years. Chassis may be reused for repowers (i.e., not destroyed in Scrappage) as typically only the engine is replaced. For the purposes of repowers, the entire cost of the repower is considered the Incremental Cost.
- Unless required by the original manufacturer, modifications that could potentially impact the vehicle's tailpipe emissions characteristics (e.g., through emissions retrofits, hardware, or software) are NOT permitted for five years from the date of vehicle delivery.
- Program funding may not be used to pay for purchase or installation of fuel-fired heaters. (although these may be installed at Fleet or Owner's cost and noted within the application,

Section 2.1.1). Eligible vehicles must meet all federal and New York State requirements for operation. The OEM or URM 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 final assembly of Eligible Vehicles must take place in the United States and must consist of significant value and effort. For a vehicle to be listed as eligible, its OEM or URM must submit documentation to NYSERDA regarding the location, actions performed, and total value of final assembly. Vehicles with components assembled entirely within the United States may note the location of assembly, excluding the action performed and the value.

The vehicle engine or electric motor, drive train, and battery pack (if applicable) must be covered by a manufacturer's warranty. Prior to approving a vehicle model as an Eligible Vehicle to be listed on the Program Website, NYSERDA may request that the OEM or URM provide copies of representative warranties for vehicle, engine, and/or powertrain components (e.g., battery pack) and documentation (such as warranty contracts) of the OEM's or URM'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); please see section 2.3.3, Special Provisions for Electric Transit Buses for terms specific to those vehicles. The first 36 months or 50,000 miles of the coverage period must be a full warranty covering, at a minimum, the engine or motor (whichever is applicable), powertrain components, batteries, parts, and labor. If the warranty is extended beyond 3 years or 50,000 miles and is prorated, the percentage of the original value of the vehicle component to be covered or refunded must be at least as high as the percentage of the prorated coverage period remaining.

If an OEM, URM, or their authorized dealer 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 (copy of contract must be provided and approved by NYSERDA), the OEM, URM, or authorized dealer must submit a written plan (including contracts) 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 VHC for approval. The plan must receive written approval from NYSERDA for vehicles to be eligible to receive incentives under the Program.

OEMs, URM, or their authorized dealers, as part of submitting documentation to the VHC for vehicle eligibility, must submit the costs of the AllElectric or Alternative Fuel Vehicles they want to be included in the Program, and for each vehicle, the cost of a comparable conventional diesel vehicle with equivalent payload, vocation, and features. The difference in price between those two vehicles is the Incremental Cost. The applicable voucher amount may cover only a portion of the Incremental Cost up to the maximum voucher amount by weight class, vocation, and fuel type.

2.1.1 Vehicle Approval Process

1. Vehicle Eligibility Applicant Downloads Vehicle Eligibility Form – The OEM, URM, or its authorized dealer downloads the vehicle eligibility application from the Program Website.

2. Vehicle Eligibility Applicant Enters Vehicle Information on Vehicle Eligibility Form – Applicant enters general information about the vehicle for which they are requesting eligibility, including the following information, in the vehicle eligibility form:
 - Model year
 - Make and model
 - Fuel type (e.g., BEV, FCEV, PHEV, HEV, CNG, LPG)
 - Gross Vehicle Weight Rating (GVWR)
 - Energy/environmental attributes (e.g., kWh/mile for BEVs or PHEVs operating in battery-only mode, kg CO₂/mile for CNG or LPG vehicles or PHEVs operating in fuel mode)
 - Manufacturer suggested retail price (MSRP) (or Buyer’s Sheet) indicating vehicle pre-tax cost and Incremental Cost of alternative fuel technology
3. Applicant must also indicate the pre-tax retail price of a comparable new diesel vehicle (i.e., a conventional diesel vehicle with equivalent payload)
 - Location of final vehicle assembly
 - Whether the vehicle uses an auxiliary fuel-fired heater (Note any associated costs are not eligible under the Program)
4. Vehicle Eligibility Applicant Completes Certifications and Submits Application to VHC – Applicant sends the completed vehicle eligibility form, including signed checklist and certifications page, along with required documentation to the VHC at NYTVIP@energycenter.org. Documentation shall include, at a minimum, the following items:
 - Completed vehicle eligibility application form
 - Attestation that the vehicle meets federal and State requirements
 - Documents justifying price of Eligible Vehicle and a comparable diesel vehicle
 - Name and contact information for a New York State repair facility under contract for servicing and repairing New York State vehicles or a written maintenance and repair plan if there are no New York State repair facilities
 - Proof of a guaranteed warranty for motor or engine, powertrain, parts, and labor for the minimum amount of time specified
5. NYSERDA Reviews Application – NYSERDA and the VHC review the vehicle eligibility application and additional documentation for accuracy and completeness. If additional information is needed, NYSERDA or the VHC will notify the applicant via email. If NYSERDA or the VHC find that the application is complete, and the vehicle(s) are eligible, the applicant will be notified of approval.
6. NYSERDA Posts Eligible Vehicle(s) on Program Website – NYSERDA will list the newly Eligible Vehicle(s) on the Program Website so Fleets know they can purchase the vehicle(s) through the Program.

6. Contractor Approval Needed to Sell Eligible Vehicles – The entity that sells the Eligible Vehicle must apply to be an approved Contractor and specify the brand of Eligible Vehicle(s) they sell to be eligible to receive voucher funds.

2.1.2 Special Conditions for Repowered Vehicles

A Repowered Vehicle is defined as an existing vehicle that had its diesel engine, dated six years old or older than the current model year, Scrapped and replaced with a new engine, motor, powertrain, and/or other Alternative Fuel Vehicle component. These vehicles may be eligible for NYTVIP funding, even though the process of producing and registering Repowered Vehicles is distinct in several ways from the process of producing and registering Replacement Vehicles described in Section 2.1.1. With the exception of special terms included in this section, Repowered Vehicles must meet all applicable NYTVIP terms and conditions set forth in this Implementation Manual. The incentive for a repowered vehicle cannot exceed the incentive level of an equivalent new eligible truck or bus under the program. NYSERDA has the sole discretion to determine what is or is not an equivalent new truck or bus.

Vehicle Eligibility

To be an eligible Repowered Vehicle, a the existing diesel engine must be at least six engine models years old and must be replaced with an all-electric powertrain (i.e., must be converted to a BEV) and must be a Class 3-8 vehicle domiciled and registered in a CMAQ eligible county (see Table 4). BEV repowers can only access funds from Funding Source 1, CMAQ (see Table 1); The Incremental Cost percentages and caps listed in Table 3 apply to Repowered Vehicles. URM or repower manufacturers must provide documentation to NYSERDA showing the total cost of repowering a truck or bus, which will serve as the cost basis for determining the applicable voucher amount. Repowered Vehicles must be certified by the vehicle owner and the entity performing the repower that the vehicle, once repowered, will have an expected operational lifespan of at least 10 years. Warranty requirements apply to repowers.

Vehicle Scrappage Requirements

Because a Repowered Vehicle uses the frame of an existing vehicle, the Scrappage requirement to destroy the chassis by cutting or shearing both the chassis rails between the two axles does NOT apply to repowers. All other Scrappage and documentation requirements defined in Section 3.2 DO apply to Repowered Vehicles (e.g., three-inch hole in the old engine block, 21-day timeframe from vehicle delivery to complete Scrappage).

Repower OEM/Contractor

For Repowered Vehicles, the entity that makes the repower kit is considered a new vehicle OEM in the Program. The Contractor for a repower can be either the manufacturer, if they also perform the repower, or a dealer/installer that is approved by the manufacturer.

2.2 Contractor Eligibility and Requirements

In NYTVIP, the Contractor is the entity that sells an approved Eligible Vehicle to the Vehicle Purchaser. Entities interested in becoming Contractors that are approved to sell vehicles through NYTVIP must:

- Be any of the following types of entities:
 - A truck or bus dealership that has a written agreement with a medium- and/or heavy-duty vehicle OEM, and sells or leases complete Eligible Vehicles to Fleets or vehicle owner-operators
 - An OEM that builds and sells or leases complete Eligible Vehicles directly to Fleets or vehicle owner-operators
 - A truck or bus URM that has a written agreement with a medium or heavy-duty OEM, and upfits, retrofits, or performs final equipment installations on those new Replacement or Repowered Vehicles and sells or leases the completed Eligible Vehicle to a leasing company, Fleet or vehicle owner-operator
 - A retrofit kit company that produces and installs the kits on existing vehicles, such as a PHEV kit on an existing diesel-powered vehicle
- Have a valid business license for the past two years
- Be the entity that sells or leases the fully assembled and completed new Eligible Vehicle or Repowered Vehicle.
 - For example, an entity is not eligible to become a Contractor if it only sells the chassis to a URM that in turn completes the final vehicle manufacture and then sells the completed vehicle to the Vehicle Purchaser; in such a case, the entity that sells the completed vehicle to the Vehicle Purchaser would be eligible to apply to become an approved Contractor

Contractors are required to pass on the full Program incentive to a Vehicle Purchaser by reducing the purchase cost of Eligible Vehicles by the full incentive amount. Contractors may not charge fees to the Vehicle Purchaser in association with processing vouchers. Contractors must make all Program-related records available for review by NYSERDA during the first five years after the sale of a vehicle that receives support through the Program.

2.2.1 Contractor Approval Process

1. Contractor Applicant Accesses Contractor Portal through Program Website – To submit a Contractor application, the applicant accesses the online Contractor Portal from the Program Website.
2. Contractor Applicant Provides Company Information – Once in the Contractor Portal, the applicant enters general company information and company contact details.

3. Contractor Applicant Indicates Which Vehicle(s) They Sell – Applicant selects at least one make of Eligible Vehicle it plans to sell as part of the Program; if the applicant is not an OEM or URM, the applicant uploads a letter from the OEM or URM authorizing the applicant to market and sell that brand’s vehicles (“Vehicle Manufacturer Authorization”).
4. Contractor Applicant Completes Certifications and Submits Application – Applicant reviews and completes the Contractor application, including OEM certification, Contractor Participation Agreement, Vehicle Manufacturer Authorization (if applicable), and certification statements, and submits completed Contractor application to NYSERDA for review.
5. NYSERDA Reviews Contractor Application – NYSERDA and the VHC review Contractor application for completeness. If the Contractor application is incomplete or the applicant is not certified to sell the Eligible Vehicle(s), NYSERDA will notify the applicant. If the Contractor application is complete, NYSERDA will notify the applicant that they are now an approved Contractor. This approval will create an account for the Contractor in the NYSERDA Portal in Salesforce.
6. NYSERDA Lists Contractor on Program Website – NYSERDA lists the Contractor on the list of approved Contractors on the Program Website.
 - NYSERDA will email the Contractor with a form to complete to receive payment via electronic funds transfer (EFT).
 - Once a Contractor has been approved in the Program, it is then approved to market the Program incentives to Fleets (see Section 2.3).

2.3 Fleet Eligibility and Requirements

Fleets eligible to participate in the Program (i.e., Vehicle Purchasers) may be commercial fleets, non-profit agencies, or public fleet entities (excluding the federal government) that operate diesel vehicles that are registered and domiciled in New York State. Fleets must Scrap a currently operational diesel-powered vehicle with a model year 1992 through 2009 engine and of similar size and vocation to the Eligible Vehicle being purchased. To be eligible for Scrappage, a diesel vehicle meeting these criteria must also have been owned by the Vehicle Purchaser for at least the past two years immediately prior to Scrappage, must be fully functional and operational at the time of Scrappage, and must have been registered in NY and driven at least 5,000 miles or operated at least 1,000 hours (non-road applications) in each of those two previous years. In the case of non-road vehicles (e.g., electric yard hostellers), the vehicle to be scrapped does not need to have been registered for on-road use in NY, but the fleet owner must sign a certification that the vehicle has been domiciled in NY for the previous two years.

Fleets are required to own and operate vehicles purchased with support from NYTVIP for a minimum of five years after Voucher Redemption for the vehicles. The vehicles must be continuously registered and domiciled in New York State and should continue to be domiciled in the same county as they are originally registered for the entire five-year period. Vehicles receiving Program incentives must travel a minimum of 5,000 miles or 1,000 hours (non-road) per year for the entire five-year period. Any vehicle sold or retired before the required minimum five years, as stipulated in this Implementation Manual and

agreed to in the Vehicle Purchaser/Vehicle Operator terms and conditions, is subject to prorated reimbursement penalty of 1.667% per month. For example, a new vehicle sold or retired after 30 months would have 30 months remaining. The early sale penalty would be 50% (i.e., 30/60) of the original incentive amount and must be reimbursed to NYSERDA within 60 days of the resale or retirement of the vehicle.

The weight class of the project vehicle as well as where it is to be domiciled (i.e. based and operated) and funding source all play strong roles in determining the general eligibility and scrappage program requirements.

- Class 3 through 8 trucks that are funded through this program must conform to the Scrappage Requirements of Section 3.2.
- New York State Transit Agency or an entity providing intercity transportation service operating pursuant to Section 14(g) of New York State Transportation Law that will be domiciled in one of the 30 counties listed in Table 4, and receive program funding solely from Source 1, are exempt from the Scrappage Requirements of Section 3.2.

For all program eligible trucks, the current registration of each vehicle to be scrapped must be provided. The county listed on the registration of this vehicle must be in New York State. Purchasers of buses must provide a written attestation of the county the bus will be domiciled in.

The Vehicle Purchaser must operate the vehicle, or stipulate through a lease agreement that the Vehicle Operator operate the vehicle, in New York State for at least 80% of the vehicle's operating time and for a minimum of five years from the date of Voucher Redemption unless the vehicle is an emergency response vehicle, which may be deployed out of state, or the vehicle address identified in the Voucher Application is in a county that borders another state or Canada. In these two cases only, the vehicle may operate outside of New York for up to 25% of its mileage only if a written request is included with the Voucher Application and approved by NYSERDA or the VHC.

The Vehicle Purchaser must ensure that if the vehicle is part of a lease or rental agreement, the term of the agreement shall be no less than five years and the Vehicle Operator must agree to operate the vehicle in New York State for at least 80% of the time during the term of the lease agreement.

The Vehicle Purchaser or Vehicle Operator must register the vehicle receiving Program incentives with the New York State Department of Motor Vehicles and the vehicle registration must list **both a mailing address and a Domicile address in the State**.

Vehicle Purchasers and Vehicle Operators must make all Program-related records available for review by NYSERDA during the first five years after the purchase or lease of a vehicle that receives support through the Program.

2.3.1 Special Conditions for Leased Vehicles

Vehicles purchased by a leasing or rental company and leased to a Fleet are Eligible Vehicles under the Program as long as the term of the vehicle lease is at least five years from the Voucher Approval Date. In

these circumstances, the leasing or rental company is considered the Vehicle Purchaser. Any vehicle leasing or rental company that purchases a voucher-funded vehicle must identify a Fleet that will be the Vehicle Operator in the Voucher Application and supply at least a conditional lease (signed by both the leasing company and the Vehicle Operator) prior to voucher approval. The only restriction that can be left for the lease to be fully finalized is receiving a voucher approval for the incentive application from the program. The lease must be fully executed within one month of voucher approval to be eligible for Program incentives. A copy of this lease must be submitted to NYSERDA through the NYSERDA Portal as part of the Voucher Application process. A leasing company cannot request a voucher to purchase a demonstration vehicle with the intention of finding a prospective Fleet to lease the vehicle. The Vehicle Operator must be identified in the Voucher Application, and the draft lease agreement with the Vehicle Operator must be provided.

Any vehicle leasing or rental company that leases a vehicle purchased with a voucher must disclose the full voucher amount and voucher terms to the Vehicle Operator in the lease, which must reflect the full extent of capital cost reduction from the applicable voucher amount. It is the responsibility of the leasing company to ensure the Vehicle Operator signs a copy of the Vehicle Purchaser/Vehicle Operator terms and conditions and has this document submitted to the Contractor.

Both the leasing company and Vehicle Operator must sign the NYTVIP Vehicle Purchaser/Vehicle Operator terms and conditions document. A copy of the vehicle purchase agreement between the Contractor and the leasing company must also be submitted.

NYSERDA reserves the right to review lease agreements to confirm appropriate disclosures are made regarding the voucher amount received and other Program requirements. Leasing or rental companies must also provide NYSERDA with all requested information related to any vehicle purchased with a Program voucher (including lease agreements) within 10 days of a written request from the VHC for such information. The Vehicle Operator is also responsible for ensuring annual usage reports are accurate and submitted to NYSERDA as required in the Vehicle Purchaser/Vehicle Operator terms and conditions.

All leasing projects are subject to final NYSERDA approval.

2.3.2 Reporting Requirements

A Semi-Annual Usage Report is a brief, online form with several basic questions about vehicle operation experience, including information on vehicle mileage, fuel use, maintenance issues, and vehicle location. Twice a year, Vehicle Purchasers, or in the case of leased vehicles, Vehicle Operators are required to submit Semi-Annual Usage Reports for NYSERDA to document the use, vehicle emissions changes due to installation of aftermarket equipment, and operating costs of NYTVIP-funded vehicles. Individual Fleets' information will not be made available to the public and is intended solely for NYSERDA's tracking of program analytics.

The reports must be submitted twice each year for three years following Voucher Redemption (six report periods) of each vehicle funded through the Program. Fleets that operate leased vehicles that have been purchased with vouchers are responsible for providing timely and accurate reports as well.

Failure to submit a Semi-Annual Usage Report in a timely manner is a violation of the terms and conditions of the NYSERDA funding and may result in the Vehicle Purchaser being subject to a prorated reimbursement penalty based on the number of missed reports as well as a ban from any further participation in the Program.

Data will be collected for the half-year periods ending May 30 and November 30, and NYSERDA will remind fleets to submit reports each June and December. To complete the Semi-Annual Usage Report, Vehicle Purchasers (or in the case of a lease, Vehicle Operators) will need at least:

- Vehicle Identification Numbers (VINs) for your purchased vehicles
- Drive cycle, range, and location information
- Fuel consumption and mileage information
- Maintenance cost information
- Infrastructure or capital investment information (e.g., in fueling facilities)

For leased vehicles, the Vehicle Purchaser (leasing or rental company) is responsible for ensuring the Vehicle Operator submits the required Semi-Annual Usage Reports. This requirement should be included in the lease agreement with the Vehicle Operator.

NYSERDA may require the use of telematics of NYSERDA's choice and at NYSERDA's expense. Vehicle Purchasers will be given access to the data for their vehicles with the required telematics installed.

(2.2.3) Special Reporting Conditions for Battery Electric Vehicles

As part of the Semi-Annual Usage Report, for each Battery Electric Vehicle purchased with funding under the Program, in addition to the reporting requirements previously described, the Vehicle Purchaser/Vehicle Operator is required to compile operational and cost information for a minimum of three years after Voucher Redemption. BEV reporting is required to include the following:

1. Mileage and Electric Use Reporting – BEVs funded under the Program must report vehicle odometer readings, or equipment hours of use, the amount of electricity used for battery charging (kWh) for the applicable reporting period, and for cumulative reporting. NYSERDA may obtain this data from network providers if applicable.
2. Maintenance and Repairs – Electric Vehicles funded under the Program must report maintenance and repair information, including associated costs, related to the All-Electric Vehicle for the applicable reporting period and cumulative reporting. Vehicle down time due to maintenance and repair needs shall be included. Vehicle Purchasers/Vehicle Operators must also provide maintenance and repair reporting for similar diesel-powered vehicles in enough detail to allow a technical evaluation.
3. Driver Feedback – Vehicle Purchasers/Vehicle Operators must collect feedback from drivers/users of BEVs funded under the Program each reporting period. Feedback will include any issues, positive or negative, on the BEV driving experience.

4. NYSERDA may require the use of telematics of NYSERDA's choice and at NYSERDA's expense. Vehicle Purchasers will be given access to the data for their vehicles with the required telematics installed.

Note: Vehicles receiving Program incentives must operate for a minimum of 5,000 miles or 1,000 hours (non-road) per year.

Vehicle Purchasers should contact the Voucher Help Center with any questions or for assistance with the Semi-Annual Usage Report.

NYSERDA reserves the right to recapture incentive funds (i.e., recovering a prorated share of the applicable voucher amount) from the Vehicle Purchaser and/or bar the Vehicle Purchaser from receiving future vouchers if it does not provide timely and accurate Program Semi-Annual Usage Reports for the required three-year term.

2.3.3 Special Terms and Funding for Electric Transit Buses for New York State Entities with Funding Source 4 (See Tables 1 and 5)

Eligible New York State transit bus operators that would like to participate in the Program may choose to :

- a) Purchase a new BEV transit bus without Scrapping an older bus by using Funding Source 1 (CMAQ), and receive a voucher incentive up to the limits listed in Table 3, or
- b) Scrap an existing diesel-powered transit bus with an engine model year 1992-2009 in accordance with the requirements described in Section 2.5, and replace it with a new EV (BEV, FCEV) transit bus using Funding Source 4. The eligible government entity can receive a voucher incentive up to the limits listed in Table 5.

The following conditions apply to buses funded with Funding Source 4:

- Buses receiving voucher incentives must be of the same or one lower weight class, be of similar or lesser length and passenger capacity, and have similar or lower horsepower rating as the diesel-powered bus being Scrapped.
- Replacement buses must be domiciled within, or operated within 0.5 miles of, a DEC-defined Potential Environmental Justice Area (see maps at <https://www.dec.ny.gov/public/911.html>), or the transit operator must identify proposed operational route(s) for the buses that serve one or more DEC-defined Potential Environmental Justice Area.
- Buses receiving voucher incentives must average no less than 15,000 miles per year during the five-year in-service period.
- Replacement buses must be delivered to transit operators on or after August 1, 2019 to be considered eligible for funding under this program.
- Only those government entities listed in Table 6 below are eligible for the greater incentive amounts.

- Warranty requirements: buses receiving funding from funding source 4 must have a battery warranty of at least 5 years and 300,000 miles.
- Battery leases will be considered on a case by case basis and will be approved at the sole discretion of NYSERDA.
- Vouchers must be redeemed within 18 months of the voucher approval date. Contractors can apply for 1 six month extension which will be approved at the sole discretion of NYSERDA. Vouchers that are not fully redeemed within a 24 month maximum period will be cancelled.

Note that the Program does not provide transit bus replacement funding for fuel types other than electricity or hydrogen (e.g., BEV or FCEV). Table 6. List of government entities eligible for electric transit bus funding (Funding Source 4), Table 5

| | | |
|----------------------------------------------------|------------------------------------------------------|----------------------------------------------|
| Broome County Transit | Greater Glens Falls Transit | Rochester-Genesee Regional Transit Authority |
| Capital District Transportation Authority | Huntington Area Rapid Transit | Suffolk County Transportation |
| Central New York Regional Transportation Authority | The City of Long Beach, Department of Transportation | Tompkins Consolidated Area Transit |
| Chemung County (C Tran) | Nassau Inter-City Express | Transport of Rockland |
| Clinton County Public Transit | Niagara Frontier Transportation Authority | Ulster County Area Transit |
| Dutchess County Public Transit | Port Authority of New York and New Jersey | Westchester County Bee-Line Bus System |

Voucher Application and Redemption

Approved Contractors are authorized to market the Program incentives to Fleets and to submit applications for voucher funds when sales of Eligible Vehicles are made.

2.4 Voucher Application Process

The Voucher Application process consists of three steps: Voucher Application, NYSERDA application review, and NYSERDA approval notification.

Voucher Application

The Contractor works with the Vehicle Purchaser to complete the Voucher Application process. In the NYSERDA Portal, the Contractor will complete the following:

1. Create a new application and enter contact information for the Contractor and Fleet
2. Enter Domicile address(es)
3. Select Eligible Vehicle(s) to be sold

4. Enter details of new vehicle(s) and vehicle(s) to be Scrapped (a downloadable checklist of the required information can be found on the Program Website)
5. Agree to Program terms and conditions
6. Upload the following documents:
 - Signed Vehicle Purchaser/Vehicle Operator terms and conditions
 - Buyer's Order (vehicle purchase order/lease agreement) (may be provisional)
 - For purchases of Replacement Vehicles, the following is also required:
 - Copy of current vehicle registration for vehicle to be Scrapped
 - Photos of vehicle to be Scrapped (minimum image size of 1200 x 1800 pixels or 4 x 6 inches)
 - Front of vehicle to be Scrapped, clearly showing license plate
 - Photo of engine tag for engine to be Scrapped, clearly showing engine family and engine serial number⁴
 - Vehicle engine also showing color of the truck
 - Photo of side of vehicle to be Scrapped, clearly showing the official DOT federal ID number
 - Intact chassis (side photo that shows the whole truck)
7. Submit the application

NYSERDA Voucher Application Review

NYSERDA and the VHC review the Voucher Application for eligibility, accuracy, and completeness. If the Voucher Application is incomplete or inaccurate, NYSERDA or the VHC will notify the Contractor that they must resubmit the required information.

NYSERDA Voucher Approval Notification

Once NYSERDA determines the Voucher Application is complete and meets all applicable requirements, NYSERDA will notify the Contractor of voucher approval and reserve funds for the vehicle purchase. The voucher is valid for 12 months, after which it may be canceled. Prior to the expiration, the Contractor may request an extension of the voucher for six months (see section 3.1.1) by emailing a request to the VHC at NYTVIP@energycenter.org that verifies the expected delivery date of the vehicle such as a Line Setting Ticket from the vehicle manufacturer that shows the expected completion date.

2.4.1 Voucher Extension

A voucher must be redeemed within 12 months of the Voucher Approval Date as shown in the email the Contractor receives when the Voucher Application is approved. At any point within the 12-month period, a Contractor may request a voucher extension by sending an email, with supporting documentation such as a Line Setting Ticket from the vehicle manufacturer that shows the expected completion date, to the VHC. The email should indicate the expected date of vehicle delivery. A copy of

the current registration and DOT inspection report may also be requested to ensure the vehicle to be Scrapped is still in service. Voucher extensions are available for up to an additional six months (180 days). No more than one extension will be granted per voucher. A voucher that is not extended or redeemed within 12 months will be deemed expired and canceled. Six-month extensions may be granted solely at NYSERDA's discretion and are not guaranteed to be approved. If granted, the voucher extension approval the Contractor receives via email from the VHC will contain the voucher's new expiration date, no later than 18 months from the date of original voucher approval. The Contractor is responsible for awareness of this date. If a voucher is not redeemed and is canceled, a Contractor may reapply to NYTVIP for the same vehicle with a new Voucher Application if the vehicle has not yet been delivered, subject to the availability of funds.

2.5 Vehicle Scrappage Requirements

To guarantee that voucher-supported vehicle projects result in material and verifiable emissions reductions and local air quality improvements, NYTVIP generally requires that voucher-supported vehicle purchases be accompanied by a corresponding Scrappage of a vehicle with a diesel engine model years 1992 through 2009. Vehicles with alternative fuel powertrains, including diesel-electric hybrid powertrains, are not eligible to be Scrapped. Transit buses using vouchers from Fund Source 1 are exempt from the scrappage requirements.

Scrappage must be performed by an eligible Scrappage facility, which are listed on the Program Website. Scrappage is a required step in the Voucher Redemption process. Failure to comply with all Scrappage requirements will result in non-payment of the voucher incentive to the Contractor. Contractors and Vehicle purchasers should be aware that NYSERDA is not responsible for any voucher incentive payments to the Contractor if the Scrappage requirements are not met. Vehicle Purchasers should also be aware that, depending on the contractual agreement between the Contractor and the Vehicle Purchaser, failure to meet the Scrappage requirements may result in the Vehicle Purchaser being required to pay the full (unreduced) price of the new vehicle to the Contractor.

Vehicle Purchasers must arrange for vehicle Scrappage and provide the Contractor with the date of scheduled Scrappage before they can take delivery of the new vehicle(s). Scrappage can occur anytime after approval of a voucher application. Upon taking delivery of the new vehicle(s), Vehicle Purchasers must complete and document Scrappage within 21 days. Replacement Vehicle projects must comply with the Scrappage requirements as outlined in the following section. Repowered Vehicle projects must comply with modified Scrappage requirements, which are outlined in Section 2.1.2. Transit agencies that purchase BEV transit buses may choose not to Scrap a bus, as detailed in Section 2.3.3.

2.5.1 Scrappage Definition

A vehicle is considered Scrapped when rendered inoperable and available for recycle, by cutting a three-inch hole in the engine block and disabling the chassis by cutting the vehicle's frame rails completely in half.

- To destroy the engine: Cut or drill a minimum three-inch diameter hole through the engine block.
- To destroy the chassis: Cut or shear both the chassis rails between the two axles (not applicable to Repowered Vehicles).

The vehicle must arrive at the Scrappage location with the chassis attached, the engine intact, and in drivable condition. Do not remove anything from the truck except for personal items. The Program cannot process vouchers until the Scrappage is satisfactorily completed and photographed. Failure to comply with Scrappage requirements will result in the rejection of a Voucher Redemption submission.

2.5.2 Scrappage Requirements

The following documents are required to be submitted to NYSERDA as part of the Scrappage process:

1. The completed vehicle scrappage certification (to be completed by Vehicle Purchaser and NYSERDA approved Scrappage facility)
2. “Before” photos of the vehicle being Scrapped: photos submitted at the time of Voucher Application will serve as the “before” Scrappage photos.
3. “After” photos of the vehicle being Scrapped (minimum image size of 1200 x 1800 pixels or 4 x 6 inches)
 - Engine destruction: At least two photos that are close-up from different angles, and another photo back a few feet showing that a 3-inch hole has been cut or drilled into the engine block (show some of the color of the truck in the photos).
 - Area of the cut chassis: A close-up photo of the cut (show some of the color of the truck), and another photo a little further back from the truck. This step does not apply to Repowered Vehicles.
 - Interior shots of the cab, engine compartment, and passenger interior (if a bus) demonstrating that the vehicle was intact at the time of scrappage.

Scrappage must be performed at a NYSERDA approved facility. Eligible Scrappage facilities are located across New York State and adjacent states to facilitate convenient Scrappage. Additional guidance for vehicle Scrappage may be found on the Program Website. Both the Scrappage facility and the vehicle owner will be required to sign and submit certifications that the Scrappage was performed in accordance with Program rules.

The Vehicle Purchaser shall acknowledge that they may be responsible to the Contractor for the value of the voucher if they fail to complete the Scrappage requirement within a 21-day period after vehicle delivery and acceptance by the Vehicle Purchaser.

2.6 Voucher Redemption

Once a vehicle has been purchased and delivered, the remaining unpaid balance (if any) has been paid by the Vehicle Purchaser, a corresponding vehicle Scrappage has been completed (if required), and the

purchased vehicle is ready to be placed into service, the Contractor may complete the Voucher Redemption process. The Contractor completes the Voucher Redemption process by returning to the NYSERDA Portal and submitting additional required documentation, including documentation on the vehicle that was Scrapped. It is strongly encouraged that the Contractor ensure the Scrappage of the old vehicle is completed prior to initiating the Voucher Redemption process.

2.6.1 Voucher Redemption Process

1. Contractor Accesses NYSERDA Portal – Once a Voucher Application has been approved, the Contractor will receive an email approving the voucher. Once the vehicle has been delivered to the Vehicle Purchaser and the old vehicle has been Scrapped, the Contractor may redeem a voucher. To redeem a voucher, the Contractor returns to the NYSERDA Portal and selects the appropriate project for the voucher it wishes to redeem. A voucher may include multiple vehicle purchases for the same Fleet; each vehicle will constitute its own “milestone” within the redemption process for a given voucher. Contractors may request payment for some or all vehicles that are part of a single voucher at a time. Contractors should review the checklist – available through the NYSERDA Portal and the Program Website – of required information and documentation they will need to submit a Voucher Redemption and collect any required information and documentation from the Vehicle Purchaser they don’t already have.
2. Contractor Submits Voucher Redemption to NYSERDA –The Contractor supplies additional vehicle information:
 - New vehicle license plate number
 - New vehicle VIN
 - Date of old vehicle Scrappage

The Contractor is required to upload the following documentation:

- Signed Vehicle Purchaser/Vehicle Operator terms and conditions document (this will have already been uploaded as part of the Voucher Application)
- Signed final invoice/vehicle purchase order – must show the final purchase price less the voucher amount and any other additional incentive funding
- Financial documentation (proof of payment) – copy of check, money/wire transfer, or financial arrangements identifying the lien holder and indicating terms of lease
- NYS Department of Motor Vehicles Registration or Vehicle Registration / Title Application (form MV-82) for New vehicle
- Factory Build Sheet, clearly indicating VIN and GVWR
- Copy of NYS vehicle registration for Scrapped vehicle
- Photos of new vehicle (vehicle from left side, engine tag, VIN tag, odometer reading, and front showing plates)
- Photos of Scrapped vehicle (engine block with three-inch hole, disabled chassis cut in half)

- Additional documentation (see section 3.2.2) showing full compliance with the Scrappage process.

Note: A significant amount of the information required to redeem a voucher will need to be supplied by the Vehicle Purchaser. The Contractor is responsible for obtaining this documentation from the Vehicle Purchaser. If the Contractor cannot provide the documentation required to redeem a voucher, even if such documentation is unavailable through no fault of the Contractor, no payment will be made on the voucher. It is recommended that Contractors consider this obligation when entering into purchase contracts with Vehicle Purchaser to ensure their ability to receive this documentation from the Vehicle Purchaser.

3. NYSERDA Reviews and Approves Voucher Redemption Submission – NYSERDA and the VHC will review the submitted information for completeness and eligibility. The review includes verifying whether the Vehicle Purchaser and delivered vehicle information match those listed on the voucher. If the Voucher Redemption submission is deemed complete and valid, NYSERDA will approve the submission. NYSERDA will then inform the Contractor of Voucher Redemption approval. If the Voucher Redemption submission is incomplete or inaccurate, NYSERDA will inform the Contractor of incomplete or inaccurate redemption documentation and the Contractor will have seven calendar days to correct, complete, and resubmit the documents for approval.
 - **If Voucher Redemption is Denied:** If a Voucher Redemption submission is denied, NYSERDA or the VHC will respond by email detailing the reasons that disqualify the Voucher Redemption submission.
 - **Appeals for Voucher Redemption Denials:** NYSERDA will consider appeals to the denial of a voucher incentive application on a case-by-case basis and at its sole discretion. To submit an appeal, contact the VHC. NYSERDA is in no way obligated to consider an appeal.
4. NYSERDA Makes Voucher Payment to Contractor – Within 30 calendar days of NYSERDA approval of the Voucher Redemption submission, NYSERDA will pay the voucher amount to the Contractor, in accordance with the Prompt Payment Policy (see Section 2.7), also described in Exhibit B to the Contractor Participation Agreement (see Program Website).

2.7 Voucher Payment Process

Vouchers will be issued to Contractors via electronic payment. To sign up for electronic payment, Contractors must complete the form at nyserda.seamlessdocs.com/f/EFTForm. Per NYSERDA's Prompt Payment Policy, payments to Contractors can be expected within 30 days of voucher redemption approval.

A voucher will not be issued if the Vehicle Purchaser returns the vehicle prior to the voucher payment being issued. Contractors must notify the VHC if a vehicle is returned and request the voucher be canceled.

Furthermore, NYSERDA reserves the right to seek reimbursement from the Contractor if the Vehicle Purchaser returns the vehicle to the Contractor within 30 days of voucher payment.

Appendix A. Funding Source Rules

The total funding for NYTVIP as of January 2020 is \$35.08 million. The Program may add additional funds and eligible vehicle types over time. The Program is currently funded by federal Congestion Mitigation and Air Quality Improvement (CMAQ) funds administered by the DOT and the Volkswagen settlement agreement administered by the DEC. The Program rules have been designed to be consistent with the rules established by these funding sources and apply to all projects. NYSERDA will decide the source of funding for a specific voucher at its sole discretion.

The CMAQ program provides funding to support air quality improvements from mobile sources in areas that are or were designated as non-attainment for certain federal air quality standards.

- CMAQ funding can currently support battery electric vehicle projects in weight classes 3 through 8, but is limited to vehicles to be domiciled in counties that are either in non-attainment or maintenance status with respect to [National Ambient Air Quality Standards \(NAAQS\)](#) for any of the major criteria air pollutant categories (see Table 4).
- These funds are subject to domestic content requirements of the [Buy America provisions](#) applicable to Federal Highway Administration (FHWA) for vehicles, which require “100% of steel, iron, and manufactured products” to be produced in the United States; the lone current exception, under the terms of a Buy America waiver granted to DOT for this Program, is for Class 3-8 Electric Vehicles for which final assembly is performed in the United States. Class 3-8 Electric Vehicles are subject to requirements for significant final assembly within the US.

The DEC VW Settlement program intends to remedy the pollution emitted from Volkswagen’s diesel cars in New York State as a result of their implementation of “defeat devices” to evade regulations on emissions of oxides of nitrogen (NOx), a harmful pollutant that leads to smog formation.

- VW funding can support clean transportation projects that fit within 10 eligible mitigation action categories established by VW Settlement and further defined within New York State’s [Clean Transportation NY plan](#); currently the categories being implemented through the Program are Item 1 (Class 8 local freight trucks), Item 2 (Class 4-8 Electric transit buses), and Item 6 (Class 4-7 local freight trucks).

- Funding can be used anywhere in New York State, but vehicle projects must be matched one-for-one with the verified retirement and Scrappage of a diesel engine from 1992 through 2009 and associated vehicle chassis to ensure that NOx pollution is definitively removed from the transportation system. Scrappage vehicles must have been registered in New York for the previous two years and driven at least 5,000 miles per year for those two years.
- Additional VW funding for diesel truck replacements, separate from this Program, is being provided to the New York City Department of Transportation.
- In total, no more than 33% of the VW funds provided to this Program can be spent on non-EV technologies (i.e., PHEV, HEV, CNG, propane).

NYSERDA shall allocate voucher amounts from one or both funds based on project features and at its sole discretion; Contractors are not permitted to determine which funding source will apply to a project.

No Vehicle Purchaser may receive more than 25% of the total available funds under each of the funding sources in the NYTVIP. If additional funding is added to the Program, a Vehicle Purchaser that has already met this threshold may request vouchers for up to 25% of the new total funding source amount.⁵

End Notes

¹ Funding Source 4 requires scrapping of existing diesel-powered transit buses. Funding Sources 1 does not require transit bus scrapping.

² The final voucher amount for each Eligible Vehicle is subject to project-specific information, such as Domicile address, and the availability of funding.

³ Fleets, including but not limited to entities sharing a common Taxpayer Identification Number (TIN), are considered a single Vehicle Purchaser even if they are part of different subsidiaries, divisions, or other organizational structures of a company, government agency, or other entity. NYSERDA or its designee may seek financial reimbursement or other remedies from a Vehicle 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.

³ Voucher Applications must include an engine tag photo but may still be conditionally approved if engine tag is illegible. If engine tag is illegible or missing, Fleet or Contractor must request replacement tags from the engine manufacturer in order to complete Voucher Redemption

⁴ Fleets, including but not limited to entities sharing a common Taxpayer Identification Number (TIN), are considered a single Vehicle Purchaser even if they are part of different subsidiaries, divisions, or other organizational structures of a company, government agency, or other entity. NYSERDA or its designee may seek financial reimbursement or other remedies from a Vehicle 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.



State of New York

Andrew M. Cuomo, Governor

New York State Energy Research and Development Authority

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