



NEVADA DIVISION OF  
**ENVIRONMENTAL  
PROTECTION**



Nevada Department of  
**CONSERVATION &  
NATURAL RESOURCES**

# Clean Trucks and Buses Incentive Program R144-24

Proposed Amendments to Nevada  
Administrative Code Chapter 445B

State Environmental Commission  
November 19, 2024

Bureau of Air Quality Planning

# STATUTORY PROVISIONS - NRS 445B.900-936

## Assembly Bill 184 of the 82<sup>nd</sup> legislative session

- Created the Clean Trucks and Buses Incentive Program
- Establishes NDEP as the administrator
- Sets voucher incentive amounts
- Requires that regulations be adopted for various Program requirements
- Establishes how applications will be reviewed and how vouchers will be issued and redeemed
- Sets annual reporting requirements for NDEP to be submitted to the Legislative Council Bureau

# STATUTORY PROVISIONS - CLEAN TRUCKS AND BUSES INCENTIVE PROGRAM



- The Clean Trucks and Buses Incentive Program will provide voucher-based incentives for the adoption of medium- and heavy-duty vehicles that produce zero tailpipe emissions.
- Funding from the Federal Highway Administration's Carbon Reduction Program allocated by legislature, but program is open to other sources of funding.
- Public, private, and tribal entities can apply.
- Program intended for vehicles that have a Gross Vehicle Weight Ratings of 8,501 pounds or greater
- Vehicle upfits or retrofits to an electric or hydrogen fuel cell powertrain are also eligible for incentives.

# STATUTORY PROVISIONS - VOUCHER INCENTIVE AMOUNTS

- Base incentive amounts established in NRS 445B.932 and depend on the size of the vehicle.
- Eligible entities are limited to not more than 10 incentives in one year, except school districts in a county whose population is greater than 700,000, which may receive up to 15 incentives.
- Applicants may qualify for up to two increases to the base incentives, if the funding source allows for it and they meet certain criteria such as if they are:
  - A small businesses
  - A disadvantaged small business (minority-, veteran-, LGBTQ- or woman-owned; or owned by a resident of an Indian reservation or Indian colony, etc.)
  - An independent truck operator
  - A school for profoundly gifted students in a disadvantaged community
  - Tribal government
- Total incentive amount capped at the differential cost between the clean truck and bus and a comparable conventional vehicle

# STATUTORY PROVISIONS - VOUCHER INCENTIVE AMOUNTS

## Base Incentives

Gross Vehicle Weight Rating Class	Base Incentive
2b (GVWR 8,501 – 10,000 lbs)	\$20,000.00
3 (GVWR 10,001 – 14,000 lbs)	\$50,000.00
4 (GVWR 14,001 – 16,000 lbs)	\$65,000.00
5 (GVWR 16,001 – 19,500 lbs)	\$75,000.00
6 (GVWR 19,501 – 26,000 lbs)	\$90,000.00
7 (GVWR 26,001 – 33,000 lbs)	\$135,000.00
8 (GVWR > 33,001 lbs)	\$175,000.00

# STATUTORY PROVISIONS - VOUCHER INCENTIVE AMOUNTS

## Incentive Increases

Category	Percent Increase
Disadvantaged Small Business	5%
Small Business	20%
Independent Truck Operator	33%
Regional Transportation Commission	10%
School District, Charter School, University School for Profoundly Gifted Pupils	10%
School District, Charter School, University School for Profoundly Gifted Pupils located in a historically underserved community	20%
Tribal Government	20%

Availability of these increases to the incentive amount may vary based on requirements of the funding source for the voucher.

# STATUTORY PROVISIONS – VOUCHER APPROVAL

## Voucher Application Approval

- NDEP will review applications to determine eligibility for vouchers within the limits of funding available from the Account for Clean Trucks and Buses.
  - Funds for approved vouchers are reserved for the applicant for a period of 1 year from the date of issuance with the possibility of extension of the voucher for one additional year.
  - If a voucher is not awarded to an otherwise eligible entity after applying, they will be waitlisted and given priority during the next application cycle.

# STATUTORY PROVISIONS – VOUCHER APPROVAL

## Voucher Approval Timelines





# STATUTORY PROVISIONS – REPORTING REQUIREMENTS

## Reporting Requirements

- Regulations must be adopted to address reporting requirements for entities that are the recipients of incentives.
  - Entities may not be required to report more often than twice per year
  - Entities may not be required to report for more than three years unless otherwise required by federal law.



# PROPOSED REGULATION R144-24

## Nevada Administrative Code Chapter 445B – Air Controls



The NDEP is proposing to adopt regulation into the Nevada Administrative Code (NAC) Chapter 445B for the implementation of the Clean Trucks and Buses Incentive Program.

This regulation prescribes certain requirements addressing:

- Vehicle eligibility
- Application and approval processes for clean truck and bus vendors and entities seeking incentives
- Application review schedules
- Voucher redemption
- Reporting required from entities that receive incentives from the Program

# PROPOSED REGULATION R144-24

## Vehicle Eligibility

- A Clean Truck or Bus must be approved by the NDEP before purchase using an incentive from the Program
- Eligible vehicles must:
  - Be powered by either electricity stored in a battery or produced by a hydrogen fuel cell
  - Produce zero exhaust emissions
  - Be Model Year 2024 or newer
- Requirements for Repowered Vehicles:
  - The existing engine must be at least six model years old and be replaced with either a battery electric or hydrogen fuel cell powertrain.

\*When federal funds are used, Build America Buy America requirements may apply

# PROPOSED REGULATION R144-24

## Contractor Eligibility

- Contractors may be eligible to sell vehicles under this program if they are any of the following entities:
  - A truck or bus **dealership** that has authority to sell medium- and/or heavy-duty vehicles, and sells complete eligible vehicles to eligible entities or vehicle owner-operators;
  - An **Original Equipment Manufacturer (OEM)** that builds and sells complete eligible vehicles directly to eligible entities or vehicle owner-operators;
  - A truck or bus **upfit/retrofit manufacturer** 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 the completed eligible vehicle to an eligible entity or vehicle owner-operator

# PROPOSED REGULATION R144-24

## Contractor Application

- Contractors must submit an application before marketing or selling vehicles under this program
- The application will require:
  - General information about the contractor such as name, address, telephone number, federal and state tax identification numbers, and contact information of a lead contact person
  - Evidence that the contractor meets one of the requirements on the previous slide (is an OEM or a dealership or upfit/retrofit manufacturer with an agreement with an OEM)

# PROPOSED REGULATION R144-24

## Purchasers

- Statutes define an eligible entity as:
  - a local government,
  - state agency,
  - nonprofit organization,
  - commercial entity, or
  - independent truck operator
- Entities that are eligible to purchase clean trucks or buses using an incentive from this Program must:
  - Own or operate a medium-duty or heavy-duty vehicle or a fleet of medium-duty or heavy-duty vehicles
  - Be domiciled in Nevada



# PROPOSED REGULATION R144-24

## Purchaser Application

- Entities must submit an application before purchasing a vehicle under this program
- The application will require:
  - Contact information for the eligible entity;
  - Proof that the purchaser is an eligible entity as defined in the previous slide
  - Information about the approved contractor selling the eligible vehicle;
  - Which incentives and bonuses they are requesting;
  - Information on the eligible clean truck or bus to be purchased;
  - Information on a comparable diesel- or gas-powered vehicle
  - Information on a current diesel- or gas-powered vehicle that may be replaced and scrapped (as applicable)
- An approved contractor may submit an application on behalf of a purchaser if given written permission by the purchaser

# PROPOSED REGULATION R144-24

## Voucher Approval

- Upon tentative approval of a purchaser application, the Division may require the following information:
  - A vehicle purchaser participation agreement to be signed by the purchaser and approved contractor;
  - Proof that the purchaser is eligible for any increases to the base incentives
- Once approved, the Division will issue a voucher to the contractor to be redeemed after vehicle purchase
- Vouchers are valid for one year after the date of issuance. Contractors may request an extension for the voucher for an additional period of one year.



# PROPOSED REGULATION R144-24

## Scrappage

- The Division may require an entity to scrap a diesel- or gas-powered vehicle that will be replaced by the clean truck or bus
  - Scrappage means the process by which a diesel- or gas-powered vehicle is rendered inoperable
  - In lieu of scrapping, the Division may also approve an alternate method of demonstrating a reduction in emissions such as selling or donating the vehicle
- The Division may impose specific scrappage requirements including a timeline for scrappage as well as prescribed methods
- The Division may also compile a list of qualified dismantlers that must be used to complete scrappage for the purposes of this program
- Requirements related to the scrappage of vehicles only apply if it is necessary to meet the requirements of the funding source for the voucher

# PROPOSED REGULATION R144-24

## Voucher Redemption Process

- To redeem a voucher, the approved contractor must submit to the NDEP the voucher and documentation relating to the sale of the eligible clean truck or bus
- Required documentation may include the original price estimate, final sales invoice, photographs, VIN, registration, date the vehicle was placed into service, and if applicable, documentation relating to scrappage of a diesel- or gas-powered vehicle
- Upon receipt of all required documentation, the Division will pay the approved Contractor, via wire transfer, the full voucher amount



# PROPOSED REGULATION R144-24

## Reporting and Usage Requirements

- After purchase of a vehicle using incentives from the program, the entity must own and operate the vehicle for at least 3 years after the date of purchase. The vehicle must be continuously registered and domiciled in Nevada for this period.
- Purchasers must also submit an annual report to the Division each year for three years after purchase of a clean truck or bus.
  - The annual report must be submitted between September 1 and September 30 of each year and include:
    - The VIN and registration of the clean truck or bus;
    - The annual mileage and fuel use of the clean truck or bus;
    - Domicile location
- Failure to comply with these requirements may result in the purchaser being required to refund some or all of the voucher amount

# SUMMARY OF COMMENT LETTERS

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## **4 comment letters submitted with the following input:**

- Broad support for the regulations
- Encourage continued engagement with potential program participants, especially underserved and disadvantaged communities
- Consider additional resources like FAQs and templates
- Consider scrappage approach that enables participation from a broad range of fleets

# SUMMARY OF COMMENT LETTERS

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**Feedback that has since been incorporated into the proposed regulation:**

- Recommend minimizing reporting burden on entities, particularly routes traveled.
  - Regulation now only requires information on operational areas instead of routes traveled for reporting
- Allow the reporting of other equivalent vehicle prices other than Manufacturer Suggested Retail Price (MSRP)
  - Regulation now only requires itemized price estimates instead of MSRP

**These minor changes were made after LCB review and incorporated into the *greenlined* regulation**



Questions?