

Appendix D
San Joaquin Valley Agricultural Equipment Incentive Measure
Excerpts from USDA NRCS Guidelines

Table 3-1: NRCS Program Criteria

NRCS Document Name	Approval Date
2014 CPS-372 Specification	November 2014
2013 CPS-372 Operation and Maintenance	August 2013
2014 CPS-372 Implementation Requirements	November 2014
NRCS California Air Quality Technical Notes 4 – Estimating Emission Reduction for the California State Implementation Plan Annual Report	March 2018
Fiscal Year 2012 Program Description	
Fiscal Year 2013 Program Description	
Fiscal Year 2014 Program Description	
Fiscal Year 2015 Program Description	
Fiscal Year 2016 Program Description	
Fiscal Year 2017 Program Description	
Fiscal Year 2018 Program Description	
General Manual Part 512	October 2006
In-Use Off-Road Mobile Equipment Field Verification Worksheet	October 2013
NRCS Data Certification Letter	October 2019
March 2014 Addendum to December 2010 Statement of Principles	March 2014
December 2010 Statement of Principles	December 2010

2014 CPS-372 Specification

NATURAL RESOURCES CONSERVATION SERVICE
CONSERVATION PRACTICE SPECIFICATION

372 – COMBUSTION SYSTEM IMPROVEMENT

I. SCOPE

Real emission reductions are achieved when removing and permanently destroying old, high-polluting internal combustion engines and replacing with new, cleaner technologies. Retiring high-polluting engines earlier than through normal attrition assists agricultural producers with reducing oxides of nitrogen (NO_x) and volatile organic compounds (VOC) [ozone precursors] and particulate matter [PM = respirable (PM₁₀) and fine (PM_{2.5}) particulate] emissions from the engines they operate.

Existing engines must be fully-functional, operational, in-use agricultural engines that will be permanently destroyed soon after being replaced. Included are stationary, portable, auxiliary, and mobile off-road agricultural engines.

II. GENERAL

Depending on their use, agricultural engines operate at different times through the year. Irrigation engines are typically seasonal sources of emissions because the majority operate during the primary crop growing season in the spring and summer months of the year when irrigation is needed. A variety of mobile off-road agricultural engines may only operate during specific times of the year, such as during the harvest season. However, some engines that drive tractors or loaders may operate routinely all year round.

Periods of high utilization often coincides with the summer ozone season, underscoring the need to reduce NO_x and VOC emissions. PM emissions may also be a seasonal issue, especially during the fall and winter months under stable metrological conditions. In general, PM is a year round challenge as the California Air Resources Board (ARB) has identified diesel particulate exhaust as a toxic air contaminant and a carcinogenic. Replacing old diesel engines with new Tier-certified diesel engines or with engines utilizing other fuel types (i.e. natural gas, liquid petroleum gas, or biogas) can substantially reduce emissions. Replacing engines with electric motors will eliminate emissions at the source.

The widespread use of new, lower-polluting engines and electric motors will assist with attaining or maintaining federal and state ambient air quality standards thereby providing significant air quality improvements in California.

III. CRITERIA

An existing in-use engine must have been owned by the producer and operated in California for at least the past 12 consecutive months prior to commencing conservation plan development or the date of a contract application.

The engine and associated components are fully functional, in operational condition, are able to start-up, and powers the component or equipment it is intended to operate.

Existing in-use mobile off-road agricultural equipment shall meet the following criteria:

- The tires are in usable condition (ability to hold air, sufficient tread, etc.).
- The engine self-propels the vehicle forwards and backwards.
- Buckets, blades, hydraulics, rollers, etc. are in working order.
- Undercarriage is structurally sound.
- Fuel tank is in usable condition with no leaks.
- No parts have been stripped.
- Equipment has not been vandalized.

Existing in-use spark-ignition engines may not be replaced with new compression-ignition engines.

Any installation of exhaust after-treatment devices must conform to the most current ARB-verified standards and be operated and maintained according to manufacturer's recommendations.

A replacement engine (including replacement mobile off-road agricultural equipment powered by an engine that self-propels the vehicle) is in new condition, has not been previously sold or associated with any rental or lease agreement, and has less than 250 operating hours recorded on a permanently mounted non-resettable hour meter.

The new replacement engine must be equipped with a non-resettable, operational time meter. The meter must be functional over the practice lifespan.

The new replacement engine horsepower rating is within 125% of the existing engine original manufacturer rated horsepower. Case-by-case exceptions include:

- The manufacturer's horsepower rating is not available for the existing in-use engine; or,
- Additional horsepower is required to implement NRCS conservation practices associated with Conservation Residue and Tillage Management, or Field Operations Emissions Reductions practice standards.

The rated horsepower is the manufacturer's advertised brake-horsepower rating. If not available, the rated horsepower may be determined by multiplying the advertised power take-off (PTO) horsepower by a factor of 1.20.

The new engine powers equipment that serves the same function and performs equivalent work to the equipment being replaced (like-for-like, such as replacing an old tractor with a new tractor, an old irrigation engine with a new irrigation engine or electric motor, an old loader with a new loader, etc.). Replacements are intended to reduce emissions of air pollution and not for any production related purpose.

Engines or electric motors installed at pumping plants must adhere to CPS 533- Pumping Plant criteria and specifications. An engineering analysis may be required.

Fuels consumed by the new engine, whether petroleum-based, renewable, or blends of petroleum-based and renewable fuels must conform to new engine warranties and shall meet any applicable air quality standard and specification.

CPS 372 practice lifespan is 10 years. The manufacturers specify on ARB Executive Orders the expected useful life for emissions-certified engines listed under an EPA Engine Family Name designation, which for most engine families the useful life is reported as 8,000 hours.

IV. EMISSION STANDARDS

Any new replacement engine and emission control system must be certified for at least a 30 percent NO_x reduction and no increase in particulate matter emissions compared with the applicable standards or emission levels for the existing in-use engine.

The new replacement engine and emission control systems must meet the most recent California emission standards (e.g. current Tier). Certified

emission standards and Tier-level determinations are by ARB Executive Order (or EPA Certificate of Conformity for federally preempted engines) based on the EPA Engine Family Name designation.

ARB Executive Orders are accessible on-line at: <http://www.arb.ca.gov/msprog/offroad/cert/cert.php>

New diesel engines and emissions control systems certified to a Family Emissions Limit (FEL) declared by the manufacturer for use in any averaging, banking, or trading program as specified on an ARB Executive Order and/or EPA Certificate of Conformity shall not exceed any Tier 3 emission standard (STD) (Tier 2 emission standard for diesel engines rated less than 50 horsepower or greater than 750 horsepower).

- For Interim-Tier 4 or Tier 4-Final diesel engines certified to FEL values that are equal to or less than the applicable emission standards, the appropriate Interim Tier 4 (Interim-Tier 4, Tier 4 Phase-Out, Tier 4 Phase-in/Alternate NO_x) or Tier 4-Final emission factors shall be used for calculating the emissions and emission reductions.
- For Interim-Tier 4 or Tier 4-Final diesel engines certified to FEL values that exceed any applicable emission standard, the appropriate emission factors for calculating emissions and emission reductions shall be equivalent to the Tier 3 emission factors (Tier 2 for engines less than 50 horsepower or greater than 750 horsepower).

New off-road mobile equipment manufactured under the California flexibility program provisions and listed under an ARB Executive Order may be installed as replacement equipment provided that the diesel engine and emission control systems meet Tier 3 or cleaner certification (Tier 2 or cleaner certification for diesel engines rated less than 50 horsepower or greater than 750 horsepower).

The ARB establishes emission standards and requirements that regulate the sale, purchase, rental, lease, and operation of diesel engines, including stationary and portable equipment used exclusively in agriculture. In addition, a local air quality authority may impose emission standards through a rule or require permits with emission limits that may be more restrictive than required by the ARB and may require emissions source testing. ARB-certified independent contractors conduct the source tests using accepted testing protocols approved by the applicable air quality authority. A list of ARB-certified independent contractors is maintained and posted on-line at: <http://www.arb.ca.gov/ba/icp/currente.pdf>.

V. EMISSIONS CALCULATIONS

Emissions reductions are determined by subtracting the calculated emissions of the new engine from the baseline emissions calculated for the existing in-use engines. An emissions inventory will report the annual emissions and track the emission reductions as a result of implementing this conservation practice.

At a minimum, emission calculations require the following data for both the existing in-use and the new replacement engine:

- Engine Model Year
- Engine Rated Brake Horsepower
- Type of equipment the engine powers (to determine the load factor)
- Annual hours the existing in-use engine operates and the annual hours the new engine operates
- Annual fuel usage data is also useful to calculate emissions.
- Applicable emission factors. If emissions data from an approved source test is not available for the specific engine, the emission factors in the tables below shall be used as default values.

The calculation primarily used for estimating annual emissions is based on hours of operation (tons/year). Other methods may be used to calculate emissions as described in the ARB 2011 Carl Moyer Program Guidelines, Appendix C and D.

Estimate annual emissions based on hours of operation for each pollutant (tons/year):

$$AE = (EF \times LF \times HP \times HR) / 907,200$$

AE: Annual Emissions (hours/year)

EF: Emission Factor of the specific pollutant (grams/brake-horsepower)

LF: Equipment Load Factor

HP: Rated Horsepower

HR: Hours of Operation/year

907,200: Units conversion (grams/ton)

Estimate annual emission reductions for each pollutant (tons/year):

$$AER = AE_{Existing} - AE_{New}$$

AER: Annual Emission Reductions

Emission reductions from replacing two existing off-road mobile equipment for one new off-road mobile equipment are determined by subtracting the calculated emissions of the new engine from the baseline sum calculated of the two existing engines.

The new engine powers equipment that serves the same function and performs equivalent work as each of the two engines and equipment being replaced

(e.g. replace two old tractors for one new tractor). The new replacement engine horsepower rating is within 125% of either one of the two existing engine original manufacturer's rated horsepower.

Estimate emission reductions for replacing two engines powering similar equipment with one new engine powering similar equipment for each pollutant (tons/year):

$$AER = (AE_{Existing1} + AE_{Existing2}) - AE_{New}$$

VI. DESTRUCTION AND DISPOSAL OF REPLACED ENGINES AND MOBILE OFF-ROAD AGRICULTURAL EQUIPMENT

After being replaced, the existing engine and equipment shall be destroyed. Destruction removes the existing high-emitting engines and equipment from service and ensures that the emission reductions are real and permanent. It also prevents the old engine and equipment from being rebuilt or moved into another locale to continue emitting high levels of air pollutants.

Under certain circumstances, an in-use Tier-certified diesel engine may be relocated and used to replace an uncontrolled (Tier 0) diesel engine. The Tier 0 engine must then be destroyed.

Engine and equipment destruction shall be performed in a safe manner that avoids any personal injury risks.

The old engine block must be disabled by puncturing at least a six inch diameter hole to include a portion of the oil pan rail (sealing surface).

The structural components on mobile equipment must be physically compromised. At a minimum, this shall be accomplished by cutting the vehicle frame railings in half or by destroying bell-housing and transmission components if not equipped with a frame. Additional means may include compromising the drive-train components by knocking holes in the transmission casing and cutting axles and axle housings.

The disabled engine and equipment shall be properly disposed of at a dismantler facility in California and approved by the NRCS. An approved dismantler facility is capable of scrapping the engine and equipment by shearing, crushing, or shredding.

The producer shall provide the NRCS with a written certification that the engine and associated equipment has been permanently destroyed and properly disposed. If destruction was performed at an approved dismantler facility, the dismantler will provide the producer with the written certification for

submittal to the NRCS. The certification shall describe the following:

- The existing engine and equipment type,
- The existing engine serial number and equipment vehicle identification number,
- The date the existing engine and equipment were compromised ,
- How the existing engine and equipment were destroyed
- Specify that no parts or components were or will be parted-out, used or sold as parts, or used to rebuild an engine or equipment.
- Provide date-stamped photographs.

VII. CREDITABLE EMISSION REDUCTIONS FOR STATE IMPLEMENTATION PLANS

To help meet Clean Air Act objectives, emission reductions achieved through voluntary measures have the potential of becoming creditable toward meeting attainment goals under a State Implementation Plan (SIP). NRCS is committed to applying emission reductions achieved from replacing in-use off-road mobile engines and equipment toward a SIP. To be SIP creditable, emission reductions must be “surplus, quantifiable, enforceable, and permanent”.

SIP creditable emission reductions must not be required by any air quality rule, regulation, or other local mandate; and not used as marketable credits or to offset any emission banking or trading program. The SIP creditability determination is made by the air quality authority responsible for implementing the SIP.

VIII. PERFORMANCE AND MAINTENANCE REPORTS

The producer will provide NRCS with the appropriate documents verifying ownership of the existing in-use engine and equipment over the previous 12-consecutive month period. Two documents specific to the existing in-use engine and equipment includes, but is not limited to the following:

- Bill of Sale
- Insurance records
- Bank appraisal
- Maintenance or service records
- General ledgers
- Fuel records
- Other documentation approved by NRCS on a case-by-case basis.

The producer must also provide at least one of the following documents reporting the operational status of the specific existing in-use engine and equipment over the previous 12-month period. This includes, but is not limited to:

- Maintenance or service records
- Usage records that report operation, stand-by, and down hours
- Routine inspections documenting the engine and equipment operational condition
- Hour meter reading log collected at least once per year from an installed and fully functional hour meter
- Historical fuel usage logs, purchase receipts or ledger entries
- Other documentation approved by NRCS on a case-by-case basis.

Producers are to maintain records of new engine and equipment usage for at least ten years of operation. At a minimum, producers shall record the annual hours of operation based on the reading from the non-resettable time meter and the percent of time the new engine was used within a pertinent air district, air basin, or air quality planning area.

Records for other operating parameters may include gallons of fuel or kilowatts consumed (if electric) over a calendar year. Records should also record routine maintenance performed on the engine and equipment. The objective is to determine engine usage and the resulting emissions in comparison with the baseline emissions.

For San Joaquin Valley producers or others intended to generate SIP credit, the recorded information gathered from the non-resettable hour meter shall be submitted annually to the NRCS. The report shall include the total hour meter reading, hours of operations over the calendar year, and the percent usage within the San Joaquin Valley or other Clean Air Act non-attainment area over the calendar year.

REFERENCES

Air Resources Board, 2011 Carl Moyer Program Guidelines,
<http://www.arb.ca.gov/msprog/moyer/guidelines/current.htm>

Air Resources Board, Off-Road Engine Certification Database,
www.arb.ca.gov/msprog/offroad/cert/cert.php

Air Resources Board, Verified Diesel Emission Control Strategies,
www.arb.ca.gov/diesel/verdev/vt/cvt.htm

Air Resources Board, Independent Contractors Approved under Section 91207, Title 17, CCR,
www.arb.ca.gov/ba/icp/current.pdf

San Joaquin Valley Air Pollution Control District, Heavy-Duty Engine Program, Off-Road Equipment Component, www.valleyair.org

San Joaquin Valley Air Pollution Control District, Rule 9610-State Implementation Plan Credit for Emission Reductions Generated through Incentive Programs, adopted June 20, 2013

US EPA and USDA NRCS, “Implementation Principles for Addressing Agriculture Equipment under the Clean Air Act”, July 2012

US EPA, Nonroad Diesel Equipment,
www.epa.gov/nonroad-diesel/index.htm

US EPA, “Incorporating Emerging and Voluntary Measures in a State Implementation Plan (SIP), September 2004.
http://www.epa.gov/ttn/oarpg/t1/memoranda/evm_ievm_g.pdf

US EPA-Region 9, Air Resources Board, San Joaquin Valley APCD and USDA NRCS; “Statement of principles Regarding the Approach to State Implementation Plan Creditability of Agricultural Equipment Replacement Incentive Programs Implemented by the USDA Natural Resources Conservation Service and the San Joaquin Valley Air Pollution Control District”; December 2010

US EPA-Region 9, Air Resources Board, San Joaquin Valley APCD and USDA NRCS; “Addendum to the December 2010 Statement of Principles Regarding the Approach to State Implementation Plan Creditability of Agricultural Equipment Replacement Incentive Programs Implemented by the USDA Natural Resources Conservation Service and the San Joaquin Valley Air Pollution Control District”; March 2010

Emissions Calculations

$$\text{Tons/year} = \frac{[(\text{EF g/bhp-hr}) \times (\text{engine max rated bhp}) \times (\text{annual hours}) \times (\text{load factor})]}{(907,200 \text{ g/ton})}$$

Table 1
Diesel Agricultural Equipment Default Load Factors

Tillers	0.78	Swather	0.55
Combines	0.70	Sprayers	0.50
Tractors	0.70	Hydro Power Units	0.48
Irrigation Pumps	0.65	Mowers	0.43
Balers	0.58	Other Agricultural	0.51

Source: 2011 Carl Moyer Program Guidelines, Table D-10

Table 2
Diesel Powered Construction & Industrial Equipment used in Agriculture Default Load Factors

Crawler Tractors	0.43	Backhoes/Loaders	0.37
Graders	0.41	Rubber-Tired Loaders	0.36
Rough Terrain Forklifts	0.40	Forklifts	0.20

Source: 2011 Carl Moyer Program Guidelines, Table D-10

Table 3
Diesel Powered Logging Equipment Default Load Factors

Skidders	0.74	Fellers/Bunchers	0.71
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Source: 2011 Carl Moyer Program Guidelines, Table D-10

Table 4
Uncontrolled (Tier 0) Off-Road Compression-Ignition (Diesel) Engines
Emission Factors (g/bhp-hr)

Horsepower	Model Year	NO _x	ROG	PM ₁₀
25 – 49	Pre 1988	6.51	2.21	0.547
	1988 +	6.42	2.17	0.547
50 – 119	Pre 1988	12.09	1.73	0.605
	1988 +	8.14	1.19	0.497
120 +	Pre 1970	13.02	1.59	0.554
	1970 – 1979	11.16	1.20	0.396
	1980 – 1987	10.23	1.06	0.396
	1988 +	7.60	0.82	0.274

Source: 2011 Carl Moyer Program Guidelines, Table D-11

Table 5
Controlled Off-Road Compression-Ignition (Diesel) Engines
Emission Factors (g/bhp-hr)

Horsepower	Tier	NOx	ROG	PM10
25 – 49	1	5.26	1.74	0.480
	2	4.63	0.29	0.280
	4 Interim	2.75	0.12	0.128
	4 Final	2.75	0.12	0.008
50 – 74	1	6.54	1.19	0.552
	2	4.75	0.23	0.192
	3	2.74	0.12	0.192
	4 Interim	2.74	0.12	0.112
	4 Final	2.74	0.12	0.008
75 – 99	1	6.54	1.19	0.522
	2	4.75	0.23	0.192
	3	2.74	0.12	0.192
	4 Phase-Out	2.74	0.12	0.008
	4 Phase-In/Alt NOx	2.14	0.11	0.008
	4 Final	0.26	0.06	0.008
100 – 174	1	6.54	0.82	0.274
	2	4.17	0.19	0.128
	3	2.32	0.12	0.112
	4 Phase-Out	2.32	0.12	0.008
	4 Phase-In/Alt NOx	2.15	0.06	0.008
	4 Final	0.26	0.06	0.008
175 – 299	1	5.93	0.38	0.108
	2	4.15	0.12	0.088
	3	2.32	0.12	0.088
	4 Phase-Out	2.32	0.12	0.008
	4 Phase-In/Alt NOx	1.29	0.08	0.008
	4 Final	0.26	0.06	0.008
300 – 750	1	5.93	0.38	0.108
	2	3.79	0.12	0.088
	3	2.32	0.12	0.088
	4 Phase-Out	2.32	0.12	0.008
	4 Phase-In/Alt NOx	1.29	0.08	0.008
	4 Final	0.26	0.06	0.008
751 +	1	5.93	0.38	0.108
	2	3.79	0.12	0.088
	3	2.24	0.12	0.048
	4 Interim	2.24	0.12	0.048
	4 Final	2.24	0.06	0.016

Source: 2011 Carl Moyer Program Guidelines, Table D-12

Table 6
Off-Road Large Spark-Ignited Agricultural Equipment Default Load Factors

Combines	0.74	Swathers	0.52
Tractors	0.62	Other Agricultural	0.55
Balers	0.55		

Source: 2011 Carl Moyer Program Guidelines, Table D-13

Table 7
Off-Road Large Spark-Ignited Construction Equipment used in Agriculture Default Load Factors

Rough-Terrain Forklifts	0.63	Backhoes/Loaders	0.48
Rubber Tired Loaders	0.54	Forklifts	0.30

Source: 2011 Carl Moyer Program Guidelines, Table D-13

Table 8
Off-Road Large Spark-Ignited Engines
Emission Factors (g/bhp-hr)

Horsepower	Fuel	Model Year	NO _x	ROG	PM ₁₀
25 – 49	Gasoline	Uncontrolled – Pre 2004	8.01	3.81	0.060
		Controlled 2001-2006	1.33	0.72	0.060
		Controlled 2007-2009	0.89	0.48	0.060
		Controlled 2010+	0.27	0.17	0.060
	Alt Fuel	Uncontrolled – Pre 2004	13.00	0.90	0.060
		Controlled 2001-2006	1.95	0.09	0.060
		Controlled 2007-2009	1.30	0.06	0.060
		Controlled 2010+	0.39	0.02	0.060
50 – 120	Gasoline	Uncontrolled – Pre 2004	11.84	2.66	0.060
		Controlled 2001-2006	1.78	0.26	0.060
		Controlled 2007-2009	1.19	0.18	0.060
		Controlled 2010+	0.36	0.05	0.060
	Alt Fuel	Uncontrolled – Pre 2004	10.51	1.02	0.060
		Controlled 2001-2006	1.58	0.11	0.060
		Controlled 2007-2009	1.05	0.07	0.060
		Controlled 2010+	0.32	0.02	0.060
>120	Gasoline	Uncontrolled – Pre 2004	12.94	1.63	0.060
		Controlled 2001-2006	1.94	0.16	0.060
		Controlled 2007-2009	1.29	0.11	0.060
		Controlled 2010+	0.39	0.03	0.060
	Alt Fuel	Uncontrolled – Pre 2004	10.51	0.90	0.060
		Controlled 2001-2006	1.58	0.09	0.060
		Controlled 2007-2009	1.05	0.06	0.060
		Controlled 2010+	0.32	0.02	0.060

Source: 2011 Carl Moyer Program Guidelines, Table D-14



CALIFORNIA EMISSIONS CALCULATION WORKSHEET
Air Quality – 372 Combustion System Improvement

Producer Name: _____

Date: _____

Existing In-Use Engine Emissions Calculations

Existing Engine: Manufacturer: _____
 Model Year Engine: _____ Fuel Type: _____
 Equipment Type: _____
 Serial Number: _____

	Baseline Emissions	NOx	ROG	PM10	
Maximum Rated Brake Horsepower:	_____	_____	_____	_____	bhp _{maximum}
Annual Hours of Operation:	X _____	_____	_____	_____	Hours/Year
Emission Factors:	X _____	_____	_____	_____	g/bhp-hr
Load Factor:	X _____	_____	_____	_____	
Conversion to Tons:	÷ 907,200	907,200	907,200	907,200	Grams/Ton
Annual Emissions (EE) =	_____	_____	_____	_____	Tons/Year

New Engine Emissions Calculations (Report as zero emissions if electric)

New Engine: Manufacturer: _____
 Model Year Engine: _____ Fuel Type: _____
 Equipment Type: _____
 Serial Number (if available): _____

	New Engine Emissions	NOx	ROG	PM10	
Maximum Rated Brake Horsepower:	_____	_____	_____	_____	bhp _{maximum}
Annual Hours of Operation:	X _____	_____	_____	_____	Hours/Year
Emission Factors:	X _____	_____	_____	_____	g/bhp-hr
Load Factor:	X _____	_____	_____	_____	
Conversion to Tons:	÷ 907,200	907,200	907,200	907,200	Grams/Ton
Annual Emissions (NE) =	_____	_____	_____	_____	Tons/Year

Calculation Results

	NOx	ROG	PM10	
Annual Emission Reductions: (EE) – (NE) =	_____	_____	_____	Tons/Year
Percent Emission Reductions: [(EE – NE) / (EE)] x 100 =	_____	_____	_____	%

Table 1. ARB and USEPA Off-Road Compression-Ignition (Diesel) Engine Standards (NMHC+NOx/CO/PM in g/bhp-hr). When ARB and USEPA standards differ, the standards shown here represent the more stringent of the two.

Maximum horsepower	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015+
<11	See Table 2 footnote (a)					7.8 / 6.0 / 0.75			5.6 / 6.0 / 0.6			5.6 / 6.0 / 0.30 ^a									
11≤hp<25						7.1 / 4.9 / 0.60			5.6 / 4.9 / 0.60			5.6 / 4.9 / 0.30									
25≤hp<50	-					7.1 / 4.1 / 0.60			5.6 / 4.1 / 0.45			5.6 / 4.1 / 0.22			3.5 / 4.1 / 0.02						
50≤hp<75									5.6 / 3.7 / 0.30			3.5 / 3.7 / 0.22 ^e			3.5 / 3.7 / 0.02 ^e						
75≤hp<100						- / 6.9 / - / - ^b						3.5 / 3.7 / 0.30			0.14 / 0.30 / 3.7 / 0.015 ^{b,c}						
100≤hp<175							4.9 / 3.7 / 0.22			3.0 / 3.7 / 0.22						0.14 / 2.5 / 3.7 / 0.015 ^{b,c}					
175≤hp<300						4.9 / 2.6 / 0.15									0.14 / 0.30 / 2.2 / 0.015 ^b						
300≤hp<600	-	1.0 / 6.9 / 8.5 / 0.40 ^b				4.8 / 2.6 / 0.15			3.0 / 2.6 / 0.15 ^e			0.14 / 1.5 / 2.6 / 0.015 ^{b,c}			0.14 / 0.30 / 2.2 / 0.015 ^b						
600≤hp≤750																					
Mobile Machines > 750hp															0.30 / 2.6 / 2.6 / 0.07 ^b						
750hp<GEN ≤1200hp	-					1.0 / 6.9 / 8.5 / 0.40 ^b			4.8 / 2.6 / 0.15						0.14 / 0.50 / 2.6 / 0.03 ^b						
GEN>1200 hp															0.30 / 0.50 / 2.6 / 0.07 ^b						

- a) The PM standard for hand-start, air cooled, direct injection engines below 11 hp may be delayed until 2010 and be set at 0.45 g/bhp-hr.
- b) Standards given are NMHC/NOx/CO/PM in g/bhp-hr.
- c) Engine families in this power category may alternately meet Tier 3 PM standards (0.30 g/bhp-hr) from 2008-2011 in exchange for introducing final PM standards in 2012.
- d) The implementation schedule shown is the three-year alternate NOx approach. Other schedules are available.
- e) Certain manufacturers have agreed to comply with these standards by 2005.



2013 CPS-372 Operation and Maintenance

UNITED STATES DEPARTMENT OF AGRICULTURE
NATURAL RESOURCES CONSERVATION SERVICE

**372B - COMBUSTION SYSTEM IMPROVEMENT,
MOBILE OFF-ROAD AGRICULTURAL ENGINES AND EQUIPMENT**

OPERATION AND MAINTENANCE

Producer: _____ Date: _____

Address: _____

County where the equipment is housed: _____

Operating and maintaining the agricultural vehicle and equipment per the owner's operation manual and guidance is essential for assuring the life of the equipment. With proper operation and maintenance, the expected vehicle and equipment lifespan is 10 years and longer.

The operator must fully understand and follow the manufacturer's operation and maintenance instructions and safety requirements before operating any agricultural off-road vehicle and equipment.

Emission reductions from replacing mobile off-road agricultural engines will be credited toward the applicable State Implementation Plan for compliance with the Clean Air Act. The following operation and maintenance items are required over the expected 10-year lifespan of the mobile engine and equipment.

- The agricultural vehicle and equipment shall be operated in a safe manner. The operator must understand and follow all safety requirement specified by the manufacturer.
- The engine shall be equipped with a functional, non-resettable hour meter. The producer shall record annually the total hours of operation and maintain these records a minimum of 10 years.
- For San Joaquin Valley producers, operational information over the previous calendar year shall be submitted annually to the NRCS. Use the attached "*California Mobile Engine and Equipment Annual Reporting Worksheet*".
- Do not allow any operation that exceeds design limitations.
- Maintain the vehicle and equipment (i.e. engine, drive-train components, hydraulics, tires, and electrical and mechanical equipment) in good operational condition by following the manufacturer's recommended service intervals.
- Check all fluids routinely. Motor oil, gear oil, water, engine coolant, hydraulic fluid, transmission fluid, brake fluid, and diesel exhaust fluid (DEF) must be replenished whenever necessary. Lubricate often where grease fittings are provided. Change fluids and filters according to manufacturer's recommended service intervals.

- Precautionary measures must be taken to prevent spills of fuels, lubricants, and fluids. Promptly clean-up spills and prevent movement to any water body.
- All emissions control devices and technology shall be in operational condition and well maintained.
- Avoid making modifications to the engine, components, or emissions control systems, including modifications that would result in the manufacturer voiding the engine and equipment warranty.

CONTACT YOUR LOCAL NATURAL RESOURCES CONSERVATION SERVICE OFFICE FOR ANY ADDITIONAL TECHNICAL ASSISTANCE YOU MIGHT NEED FOR IMPLEMENTATION OF THIS OPERATION AND MAINTENANCE PLAN.

		CALIFORNIA MOBILE ENGINE AND EQUIPMENT ANNUAL REPORTING WORKSHEET Air Quality – 372 Combustion System Improvement	
Reporting Year:	Date:	Contract No:	
Participant Name:			
Contact Name:			
Contact Phone No:		Email Address:	
Engine/Equipment Address:			
Equipment/Vehicle Make:		Equipment/Vehicle Model:	
Equipment/Vehicle Model Year:		Vehicle ID Number:	
Engine Make:		Engine Model:	
Engine Model Year:		Engine Serial No:	
Is the equipment in service per the original contract? <input type="checkbox"/> Yes <input type="checkbox"/> No – Please explain:			
Record the total hours from the non-resettable hour meter:		Hours	
Percent use within the San Joaquin Valley over the reporting year: <small>(San Joaquin Valley counties are: San Joaquin, Stanislaus, Merced, Madera, Fresno, Tulare, Kings, and the valley portion of Kern)</small>		Percent	
Percent use in other counties: <small>(Report each county name and percent use)</small>			
Identify any maintenance performed on the engine/equipment:			
Identify any conditions that significantly affected the annual usage:			
Please complete and return this reporting worksheet to:	USDA Natural Resources Conservation Service Fresno Area Office – Air Quality 1907 N Gateway Blvd, Suite 101 Fresno, CA 95727		Phone: 559-252-2191 Fax: 559-252-5483

2014 CPS-372 Implementation Requirement

US DEPARTMENT OF AGRICULTURE
NATURAL RESOURCES CONSERVATION SERVICE
CALIFORNIA

**IMPLEMENTATION REQUIREMENTS
FOR
372-COMBUSTION SYSTEM IMPROVEMENT
ENGINES**

For: Business Name: _____
Job Location: _____
County: _____ **RCD:** _____ **Farm/Tract No.:** _____
Contract No: _____

IT SHALL BE THE RESPONSIBILITY OF THE OWNER/OPERATOR TO OBTAIN ALL NECESSARY PERMITS AND/OR RIGHTS, AND TO COMPLY WITH ALL ORDINANCES AND LAWS PERTAINING TO THIS INSTALLATION.

Installation shall be in accordance with the following drawings, specifications, and special requirements. **NO CHANGES ARE TO BE MADE IN THE DRAWINGS OR SPECIFICATIONS WITHOUT PRIOR APPROVAL OF THE NRCS.**

1. **Drawings, No.:** _____
2. **Practice Specifications:** _____
3. **Critical Air Quality Period:** _____
4. **Existing Engine/Equipment:**

Existing Unit No. 1	<input type="checkbox"/> Tier 0 Diesel <input type="checkbox"/> Tier 1 Diesel <input type="checkbox"/> Tier 2 Diesel <input type="checkbox"/> Natural Gas <input type="checkbox"/> Gasoline <input type="checkbox"/> Other:		
Year Equip Purchased:		Equip Model Year:	
Equipment Make:			
Equipment Model:			
Equipment Type (Use):			
Equipment VIN:			
Engine Manufacturer:			
Engine Model:			
Engine Serial No:			
EPA Engine Family:			
Engine Model Year:		Engine Rated HP:	
Annual Hours Use:		PTO Horsepower:	

Existing Unit No. 2	<input type="checkbox"/> Tier 0 Diesel	<input type="checkbox"/> Tier 1 Diesel	<input type="checkbox"/> Tier 2 Diesel
	<input type="checkbox"/> Natural Gas	<input type="checkbox"/> Gasoline	<input type="checkbox"/> Other:
Year Equip Purchased:		Equip Model Year:	
Equipment Make:			
Equipment Model:			
Equipment Type (Use):			
Equipment VIN:			
Engine Manufacturer:			
Engine Model:			
Engine Serial No:			
EPA Engine Family:			
Engine Model Year:		Engine Rated HP:	
Annual Hours Use:		PTO Horsepower:	

5. Existing In-Use Engine Verification and Emissions

Owner provided the following documentation (per 372 Specifications):

Verification of ownership

Verification of the in-use engine/equipment operational status

Existing Engine Emissions:	NOx	ROG	PM10
Existing #1 (tons/yr):			
Existing #2 (tons/yr):			
Total Emissions (tons/yr):			

6. Destruction:

After being replaced, the existing engine and mobile off-road agricultural equipment shall be rendered inoperable, permanently destroyed and scrapped. The owner shall assure destruction and provide the NRCS with a written certification that the engine and associated equipment has been permanently destroyed and scrapped. The certification must specify that no parts or components were or will be parted-out, used or sold as parts, or used to rebuild an engine or equipment that was intended for destruction. NRCS staff may follow-up with a site visit to verify engine and equipment destruction.

Additional Destruction and Disposal Requirements:

7. Combustion Improvement To:

- Tier 3 diesel Tier 4 Interim diesel Tier 4 Phase-Out diesel
 Tier 4 Phase-In Alt NOx Tier 4 Final diesel
 New Electric Motor
 Spark-ignition engine utilizing natural gas, LPG, biogas, etc.
 Other: _____

Engines must be certified by the California Air Resources Board (and/or the local APCD/AQMD for irrigation engines) as meeting the applicable emission standards.

The following equipment / engine is approved under this contract:

Equipment Make:			
Equipment Model:			
Equipment Type (Use):			
Engine Manufacturer:			
Engine Model:			
EPA Engine Family:			
Engine Model Year:		Engine Rated HP:	
Annual Hours Use:		PTO Horsepower:	

Purchase of this equipment/engine will result in the following emissions:

New Engine Emissions:	NOx	ROG	PM10
Total Emissions (tons/yr):			

Purchase of this equipment/engine will result in the following emission reductions:

Total Reductions (tons/yr):			
Percent Reductions:			

If no new equipment/engine model is selected at time of contracting or there is a change or modification to the new equipment/engine model described above, contact the appropriate NRCS Field Office to schedule an appointment in order to verify the new equipment/engine is eligible for EQIP payment under this contract. The participant shall not purchase the new equipment/engine until after seeking NRCS concurrence and approval of the new equipment/engine modification or addition.

8. Work shall be completed with the period: _____

PRACTICE APPROVAL

Job Classification: This job is classified as Class: _____

Plan Approved by: _____ Date: _____

LANDOWNER'S/OPERATOR'S ACKNOWLEDGEMENT

The landowner/operator acknowledges that:

- a. He/she has received a copy of the drawings and specifications, and that he/she has an understanding of the contents and requirements.
- b. He/she has obtained all the necessary permits, where applicable.
- c. No changes will be made in the installation of the job without prior concurrence of the NRCS.
- d. Maintenance of the installed work is necessary for proper performance during the 10-year project life.

Accepted by: _____ Date: _____

PRACTICE COMPLETION:

I have made an on-site inspection of the site (or I am accepting owner/contractor documentation), and have determined that the job as installed does conform to the drawings and practice specifications.

Completion Certification by:

/s/ _____ Date: _____

**NRCS California Air Quality Technical Notes 4 – Estimating Emission Reduction for
the California State Implementation Plan Annual Report**

TECHNICAL NOTES

U.S. Department of Agriculture

Natural Resources Conservation Service

TN – Air Quality – CA – 04

March 2018

Estimating Emission Reductions for the California State Implementation Plan Annual Report

CPS 372 – Combustion Systems Improvement

NRCS reports to EPA-Region 9 and the San Joaquin Valley Air Pollution Control District (SJVAPCD) annually of the voluntary, incentive-based emissions reductions achieved from San Joaquin Valley producers replacing their off-road mobile agricultural equipment through the Environmental Quality Incentive Program (EQIP). The annual report is prepared, certified and submitted by March 31 of each year according to the agreements described in NRCS California Air Quality Technical Note 3, void of any information deemed as confidential, to help fulfill California's State Implementation Plan (SIP) requirements under the Clean Air Act.

The methodologies for calculating SIP-creditable emissions reductions relies on the Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program), defined by Sections 44275-44299.2 of the California Health and Safety Code and administered by the California Air Resources Board (ARB). NRCS applies the Carl Moyer Program Guidelines for estimating and reporting the emission reductions from EQIP projects to ensure the emission reduction methodologies match other SIP-creditable state and local incentive-based projects in California.

NRCS applies the "*Equipment Hours of Operation per Pollutant*" methodology for calculating NO_x, ROG and PM emissions (see Appendix A, B and C). As ARB periodically updates the Carl Moyer Program, NRCS will utilize the most current method to estimate the emissions reductions for SIP consideration.

References

Air Resources Board, *2017 Carl Moyer Program Guidelines*, approved April 2017
<http://www.arb.ca.gov/msprog/moyer/guidelines/current.htm>

Air Resources Board, *2011 Carl Moyer Program Guidelines*, approved April 2011
<http://www.arb.ca.gov/msprog/moyer/guidelines/current.htm>

Air Resources Board, *2008 Carl Moyer Program Guidelines*, approved March 2008
<https://www.arb.ca.gov/msprog/moyer/guidelines/current.htm>

San Joaquin Valley Air Pollution Control District, *Manual of Procedures – SIP
Credibility of Incentive-Based Emissions Reductions*
http://www.valleyair.org/MOP/mop9610_idx.htm

USDA Natural Resources Conservation Service, *Glossary for California Off-Road
Agricultural Engines*, California Air Quality Technical Note 1, April 2014, Updated
November 2016

USDA Natural Resources Conservation Service, *State Implementation Plan Credibility
of Voluntary Incentive-Based Emission Reductions from Replacing Off-Road Mobile
Farm Equipment*, California Air Quality Technical Note 3, December 2015

Appendix A: NRCS Diesel Engine Emissions Calculations

Based on the 2017 Carl Moyer Program – applied to NRCS reports beginning in 2018.

Appendix B: NRCS Diesel Engine Emissions Calculations

Based on the 2011 Carl Moyer Program – applied to NRCS reports from 2012-2017.

Appendix C: NRCS Diesel Engine Emissions Calculations

Based on the 2008 Carl Moyer Program – applied to NRCS reports from 2009-2011.

Appendix A

NRCS Diesel Engine Emissions Calculations

Based on the 2017 Carl Moyer Program Guidelines and applied to NRCS emissions reports beginning in 2018

Estimating Annual Emissions based on Hours of Operation per Pollutant (tons/year)

$$\text{Tons/year} = \frac{[(\text{EF (g/bhp-hr)} + \text{DP}^* (\text{g/bhp-hr})) \times \text{Horsepower (bhp)} \times \text{Annual Activity (hours/year)} \times \text{Load Factor}]}{907,200 \text{ g/ton}}$$

Calculating a Deterioration Product (DP)* Value

$$\text{DP (g/bhp-hr)} = \text{DR (g/bhp-hr-hr)} \times \text{Total Equipment Activity (hours)}$$

1. Total Equipment Activity (hours) = Annual Activity (hours/year) x DL (years)

Note: Total Equipment Activity is limited to a maximum of 12,000 hours for diesel engines.

2. Baseline Equipment DL (years) =

$$\text{Expected 1}^{\text{st}} \text{ Year of Operation} - \text{Baseline Engine Model-Year} + (\text{Project Life} / 2)$$

3. Reduced Equipment DL (years) = Project Life / 2

Note: Project Life is 10 years - equivalent to the 10-year CPS 372 practice lifespan.

2017 Carl Moyer Guidelines, Formula C-6

*ARB applies the DP values "as applicable". For NRCS purposes, the DP values are applicable to the emissions calculations for annual reporting and SIP consideration.

Variables

- **Deterioration Life (DL):** a factor calculated from the period of time the engine has deteriorated, plus half the project life, to estimate deterioration of the entire project life.
- **Deterioration Product (DP):** the result of multiplying the deterioration rate, equipment activity, and the deterioration life for a technology.
- **Deterioration Rate (DR):** rates that estimate increased NO_x, ROG and PM emissions from engine wear and tear and other variables that increase engine emissions over time. Table A-2 lists the DR rates for uncontrolled diesel engines and Table A-4 for emission-controlled diesel engines.
- **Emission Factor (EF):** a category specific estimate of NO_x, ROG and PM emissions per unit of activity. Table A-2 lists the emission factors for uncontrolled diesel engines and Table A-4 for emission-controlled diesel engines.
- **Horsepower (bhp):** is the manufacture-advertised brake horsepower (bhp) rating of the engine or equipment the engine powers (see CPS 372 Specifications and CA Air Quality Technical Note 1).
- **Load Factor:** is a fraction of the rated engine horsepower based on the nominal work performed by the engine for a particular application. Table A-1 lists the load factors for a variety of equipment types.

Table A-1
NRCS Default Load Factors for Off-Road Diesel-Powered Equipment used in Agriculture

Equipment Type	Load Factor	Category
Ag-Baggers	0.51	Agricultural - "Other Agriculture" Load Factor
Backhoe Loaders	0.37	Construction
Balers	0.53	Agricultural
Bin Carrier	0.51	Agricultural - "Other Agriculture" Load Factor
Chippers/Stump Grinders	0.73	Agricultural
Combines/Choppers	0.70	Agricultural
Conditioners	0.51	Agricultural - "Other Agriculture" Load Factor
Cranes	0.29	Construction
Crawler Tractor/Dozers	0.43	Construction
Excavators	0.38	Construction
Fellers/Bunchers	0.71	Logging
Forage Harvesters	0.70	Agricultural - "Combines/Choppers" Load Factor
Forklifts	0.20	Industrial
Generator Sets	0.74	Agricultural
Graders	0.41	Construction
Harrowbed/Bale Wagons	0.51	Agricultural - "Other Agriculture" Load Factor
Hydro Power Units	0.48	Agricultural
Irrigation Pumps	0.65	Agricultural
Mowers	0.43	Agricultural
Nut Bankouts	0.51	Agricultural - "Other Agriculture" Load Factor
Nut Harvesters	0.51	Agricultural - "Other Agriculture" Load Factor
Other Agriculture	0.51	Agricultural
Rough Terrain Forklifts	0.40	Construction
Rubber Tired Loaders	0.36	Construction
Shakers	0.51	Agricultural - "Other Agriculture" Load Factor
Shredders	0.40	Agriculture
Shuttles	0.51	Agricultural - "Other Agriculture" Load Factor
Skid Steer Loaders	0.37	Construction
Skidders	0.74	Logging
Sprayers	0.50	Agricultural
Swathers	0.55	Agricultural
Sweepers	0.51	Agricultural - "Other Agriculture" Load Factor
Tillers	0.78	Agricultural
Tractors	0.70	Agricultural
Trenchers	0.50	Construction

2017 Carl Moyer Program Guidelines – Table D-7

Table A-2
Uncontrolled Off-Road Compression-Ignition Engine Model Years

Horsepower	Engine Model Year
Greater than 750	1999 and earlier
25-49	1998 and earlier
50-99	1997 and earlier
100-174	1996 and earlier
175-750	1995 and earlier

NRCS California Air Quality Technical Note 1

Table A-3
Uncontrolled Off-Road Diesel Engines
Emission Factors (g/bhp-hr) (EF) and Deterioration Rates (g/bhp-hr-hr) (DR)

Horsepower	Model Year	NOx		ROG		PM10	
		EF	DR	EF	DR	EF	DR
25-49	Pre 1988	6.51	0.000098	1.68	0.000210	0.547	0.0000424
	1988+	6.42	0.000097	1.64	0.000210	0.547	0.0000424
50-119	Pre 1988	12.09	0.000280	1.31	0.000061	0.605	0.0000440
	1988+	8.17	0.000190	0.90	0.000042	0.497	0.0000361
120+	Pre 1970	13.02	0.000300	1.20	0.000056	0.554	0.0000403
	1970-1979	11.16	0.000260	0.91	0.000042	0.396	0.0000288
	1980-1987	10.23	0.000240	0.80	0.000037	0.396	0.0000288
	1988+	7.60	0.000180	0.62	0.000029	0.274	0.0000199

2017 Carl Moyer Program Guidelines – Table D-8

Table A-4
Controlled Off-Road Diesel Engines
Emission Factors (g/bhp-hr) (EF) and Deterioration Rates (g/bhp-hr-hr) (DR)

Horsepower	Tier	NOx		ROG		PM10	
		EF	DR	EF	DR	EF	DR
25-49	1	5.26	0.0000980	1.32	0.000170	0.480	0.0000372
	2	4.63	0.0000930	0.22	0.000050	0.280	0.0000218
	4 Interim	4.55	0.0000950	0.09	0.000036	0.128	0.0000096
	4 Final	2.75	0.0000570	0.09	0.000036	0.009	0.0000010
50-74	1	6.54	0.0001500	0.90	0.000042	0.552	0.0000402
	2	4.75	0.0000710	0.17	0.000025	0.192	0.0000141
	3	2.74	0.0000360	0.09	0.000023	0.192	0.0000141
	4 Interim	2.74	0.0000360	0.09	0.000023	0.112	0.0000080
	4 Final	2.74	0.0000360	0.09	0.000023	0.009	0.0000009
75-99	1	6.54	0.0001500	0.90	0.000042	0.552	0.0000402
	2	4.75	0.0000710	0.17	0.000025	0.192	0.0000141
	3	2.74	0.0000360	0.09	0.000023	0.112	0.0000080
	4 Phase-Out	2.74	0.0000360	0.09	0.000030	0.009	0.0000009
	4 Phase-In/Alt NOx	2.15	0.0000270	0.08	0.000021	0.009	0.0000009
	4 Final	0.26	0.0000035	0.05	0.000015	0.009	0.0000009
100-174	1	6.54	0.0001500	0.62	0.000029	0.304	0.0000221
	2	4.15	0.0000600	0.15	0.000023	0.128	0.0000094
	3	2.32	0.0000300	0.09	0.000030	0.112	0.0000080
	4 Phase-Out	2.32	0.0000300	0.09	0.000030	0.009	0.0000004
	4 Phase-In/Alt NOx	2.15	0.0000270	0.08	0.000020	0.009	0.0000004
	4 Final	0.26	0.0000040	0.05	0.000011	0.009	0.0000004
175-299	1	5.93	0.0001400	0.29	0.000013	0.120	0.0000064
	2	4.15	0.0000600	0.11	0.000022	0.088	0.0000046
	3	2.32	0.0000300	0.09	0.000023	0.088	0.0000046
	4 Phase-Out	2.32	0.0000300	0.09	0.000023	0.009	0.0000003
	4 Phase-In/Alt NOx	1.29	0.0000170	0.06	0.000017	0.009	0.0000003
	4 Final	0.26	0.0000036	0.05	0.000011	0.009	0.0000003
300-750	1	5.93	0.0000990	0.29	0.000010	0.120	0.0000064
	2	3.79	0.0000500	0.09	0.000023	0.088	0.0000044
	3	2.32	0.0000300	0.09	0.000023	0.088	0.0000044
	4 Phase-Out	2.32	0.0000300	0.09	0.000023	0.009	0.0000003
	4 Phase-In/Alt NOx	1.29	0.0000170	0.06	0.000017	0.009	0.0000003
	4 Final	0.26	0.0000036	0.05	0.000011	0.009	0.0000003
751+	1	5.93	0.0000990	0.29	0.000010	0.120	0.0000064
	2	3.79	0.0000500	0.09	0.000023	0.088	0.0000044
	4 Interim	2.24	0.0000280	0.06	0.000017	0.051	0.0000021
	4 Final	2.24	0.0000280	0.05	0.000011	0.017	0.0000009

2017 Carl Moyer Program Guidelines – Table D-9

Appendix B

NRCS Diesel Engine Emissions Calculations

Based on the 2011 Carl Moyer Program Guidelines and applied to NRCS emissions reports from 2012-2017

Estimating Annual Emissions based on Hours of Operation per Pollutant (tons/year)

$$\text{Tons/year} = \frac{[\text{EF (g/bhp-hr)} \times \text{Horsepower (bhp)} \times \text{Annual Activity (hours/year)} \times \text{Load Factor}]}{907,200 \text{ g/ton}}$$

2011 Carl Moyer Program Guidelines, Formula C-6

**Table B-1
Diesel Agricultural Equipment Default Load Factors**

Tillers	0.78	Swather	0.55
Combines	0.70	Sprayers	0.50
Tractors	0.70	Hydro Power Units	0.48
Irrigation Pumps	0.65	Mowers	0.43
Balers	0.58	Other Agricultural	0.51

2011 Carl Moyer Program Guidelines, Table D-10

**Table B-2
Diesel Powered Construction & Industrial Equipment used in Agriculture Default Load Factors**

Crawler Tractors	0.43	Backhoes/Loaders	0.37
Graders	0.41	Rubber-Tired Loaders	0.36
Rough Terrain Forklifts	0.40	Forklifts	0.20

2011 Carl Moyer Program Guidelines, Table D-10

**Table B-3
Diesel Powered Logging Equipment Default Load Factors**

Skidders	0.74	Fellers/Bunchers	0.71
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2011 Carl Moyer Program Guidelines, Table D-10

**Table B-4
Uncontrolled (Tier 0) Off-Road Compression-Ignition (Diesel) Engines
Emission Factors (g/bhp-hr)**

Horsepower	Model Year	NOx	ROG	PM10
25 – 49	Pre 1988	6.51	2.21	0.547
	1988 +	6.42	2.17	0.547
50 – 119	Pre 1988	12.09	1.73	0.605
	1988 +	8.14	1.19	0.497
120 +	Pre 1970	13.02	1.59	0.554
	1970 – 1979	11.16	1.20	0.396
	1980 – 1987	10.23	1.06	0.396
	1988 +	7.60	0.82	0.274

2011 Carl Moyer Program Guidelines, Table D-11

**Table B-5
Controlled Off-Road Compression-Ignition (Diesel) Engines
Emission Factors (g/bhp-hr)**

Horsepower	Tier	NOx	ROG	PM10
25 – 49	1	5.26	1.74	0.480
	2	4.63	0.29	0.280
	4 Interim	2.75	0.12	0.128
	4 Final	2.75	0.12	0.008
50 – 74	1	6.54	1.19	0.552
	2	4.75	0.23	0.192
	3	2.74	0.12	0.192
	4 Interim	2.74	0.12	0.112
	4 Final	2.74	0.12	0.008
75 – 99	1	6.54	1.19	0.522
	2	4.75	0.23	0.192
	3	2.74	0.12	0.192
	4 Phase-Out	2.74	0.12	0.008
	4 Phase-In/Alt NOx	2.14	0.11	0.008
	4 Final	0.26	0.06	0.008
100 – 174	1	6.54	0.82	0.274
	2	4.17	0.19	0.128
	3	2.32	0.12	0.112
	4 Phase-Out	2.32	0.12	0.008
	4 Phase-In/Alt NOx	2.15	0.06	0.008
	4 Final	0.26	0.06	0.008
175 – 299	1	5.93	0.38	0.108
	2	4.15	0.12	0.088
	3	2.32	0.12	0.088
	4 Phase-Out	2.32	0.12	0.008
	4 Phase-In/Alt NOx	1.29	0.08	0.008
	4 Final	0.26	0.06	0.008
300 – 750	1	5.93	0.38	0.108
	2	3.79	0.12	0.088
	3	2.32	0.12	0.088
	4 Phase-Out	2.32	0.12	0.008
	4 Phase-In/Alt NOx	1.29	0.08	0.008
	4 Final	0.26	0.06	0.008
751 +	1	5.93	0.38	0.108
	2	3.79	0.12	0.088
	4 Interim	2.24	0.12	0.048
	4 Final	2.24	0.06	0.016

2011 Carl Moyer Program Guidelines, Table D-12

Appendix C

NRCS Diesel Engine Emissions Calculations

Based on the 2008 Carl Moyer Program Guidelines and applied to NRCS emissions reports from 2009-2011

Estimating Annual Emissions based on Hours of Operation per Pollutant (tons/year)

$$\text{Tons/year} = \frac{[\text{EF (g/bhp-hr)} \times \text{Horsepower (bhp)} \times \text{Annual Activity (hours/year)} \times \text{Load Factor}]}{907,200 \text{ g/ton}}$$

2008 Carl Moyer Program Guidelines, Formula C-4

**Table C-1
Diesel Agricultural Equipment Default Load Factors**

Tillers	0.78	Swather	0.55
Combines	0.70	Sprayers	0.50
Tractors	0.70	Hydro Power Units	0.48
Irrigation Pumps	0.65	Mowers	0.43
Balers	0.58	Other Agricultural	0.51

2008 Carl Moyer Program Guidelines, Table B-11

**Table C-2
Diesel Powered Construction & Industrial Equipment used in Agriculture Default Load Factors**

Crawler Tractors	0.64	Backhoes/Loaders	0.55
Graders	0.61	Rubber-Tired Loaders	0.54
Rough Terrain Forklifts	0.60	Forklifts	0.30

2008 Carl Moyer Program Guidelines, Table B-11

**Table C-3
Diesel Powered Logging Equipment Default Load Factors**

Skidders	0.74	Fellers/Bunchers	0.71
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2008 Carl Moyer Program Guidelines, Table B-11

**Table C-4
Uncontrolled (Tier 0) Off-Road Compression-Ignition (Diesel) Engines
Emission Factors (g/bhp-hr)**

Horsepower	Model Year	NOx	ROG	PM10
25 – 49	Pre 1988	6.51	2.21	0.547
	1988 +	6.42	2.17	0.547
50 – 119	Pre 1988	12.09	1.73	0.605
	1988 +	8.14	1.19	0.497
120 +	Pre 1970	13.02	1.59	0.554
	1970 – 1979	11.16	1.20	0.396
	1980 – 1987	10.23	1.06	0.396
	1988 +	7.60	0.82	0.274

2008 Carl Moyer Program Guidelines, Table B-12

**Table C-5
Controlled Off-Road Compression-Ignition (Diesel) Engines
Emission Factors (g/bhp-hr)**

Tier	Horsepower	NOx	ROG	PM10
1	25-49	5.26	1.74	0.480
	50-119	6.54	1.19	0.552
	120-174	6.54	0.82	0.274
	175+	5.93	0.38	0.108
2	25-49	4.63	0.29	0.280
	50-119	4.75	0.23	0.192
	120-174	4.17	0.19	0.128
	175-250	4.15	0.12	0.088
	251+	3.79	0.12	0.088
3	50-120	2.74	0.12	0.160
	121-750	2.32	0.12	0.112
4 Interim	25-49	4.55	0.12	0.128
	50-120	2.40	0.11	0.056
	121-174	2.15	0.11	0.008
	175-750	1.29	0.08	0.008
	751+	2.24	0.12	0.048
4 Final	25-49	2.75	0.12	0.008
	50-120	1.33	0.08	0.008
	121-750	0.26	0.06	0.008
	751+	2.24	0.06	0.016

2008 Carl Moyer Program Guidelines, Table B-13

FY 2012 Program Description



Environmental Quality Incentive Program California Air Quality

Emission Reductions from Replacing Engines Fiscal Year 2012 *Guidelines, Policies, and Procedures*

Combustion Systems Improvement (Code 372)

Emission reductions are achieved by improving existing high polluting combustion systems. This category can provide real emission reduction benefits by retiring the high polluting reciprocating engines earlier than through normal attrition and replacing with new, cleaner technology.

In 1998, the California Air Resources Board identified diesel particulate matter as a toxic air contaminant. Exposure to diesel emissions may result in negative health effects. Diesel emissions also include oxides of Nitrogen (NO_x), a precursor to ozone in smog formation that has also been shown to cause adverse health effects. Cost-effective measures for reducing the toxic air contaminants and NO_x emissions can be achieved with early replacement of old diesel engines powering agricultural equipment.

In December 2010, the NRCS-California signed a "Statement of Principles" with the Environmental Protection Agency-Region 9, the California Air Resources Board, and the San Joaquin Valley Air Pollution Control District establishing a general framework for ensuring the emission reductions from voluntary incentives replacing engines from mobile off-road agricultural equipment receive credit in the State Implementation Plan (SIP). As such, the NRCS is working collaboratively with these agencies, the agricultural communities, and participants in an effort to provide SIP-credible emission reductions that are "surplus, quantifiable, enforceable, and permanent".

Eligible Projects

The program replaces high-polluting, fully functional reciprocating engines with the latest reduced-emission engines meeting the most current model-year California emissions standards.

Payments are available to replace existing engines (engine repowers) with a newer emissions certified engine instead of rebuilding the existing engine to its original



specifications. The replaced equipment must perform a similar function as the old equipment.

Replacing an engine, however, may not always result in the best value. Replacing only the engine on equipment may not be possible due to design constraints or the diminished value of the old equipment may not justify investing significant funds for engine replacement. These situations will be evaluated on a case-by-case basis. If approved, payments will be made for the reductions achieved from equipment replaced with new emissions technology.

If repowering with an engine meeting the current applicable emission standard is technically unfeasible, unsafe, or cost-prohibitive to develop at the time funds are obligated, then the engine must meet the most current practicable, previously applicable emission standard. The participant must submit a written statement of reason provided by the engine manufacturer verifying that a particular piece of equipment cannot accommodate an engine meeting current specifications without major modifications, safety risks, exorbitant costs, or for which engine or equipment models for repowers are not available or feasible.

The replacement engine and equipment must be certified for sale in California and meet the most recent model year emission standards and/or emissions standards established by the local air district, if applicable. Once in operation, the engine and equipment must be used exclusively in California.

Upgrading or installing fueling stations and infrastructure is not eligible, including but not limited to the expense of installing fuel storage tanks, construction of fueling depots, or construction of biodiesel manufacturing facilities.

Retrofits to an engine are eligible. A retrofit is the installation of an emission control system verified by the ARB, such as diesel particulate filters, diesel oxidation catalysts, or selective catalyst reduction systems. Retrofit technology may be installed on an existing engine that results in meeting current emission standards or on a new engine that results in additional emission reductions.

The existing engine or equipment being replaced must be owned by the participant, have been used in the State of California for at least 12 months prior to the application submittal date, have some remaining life, must be rendered inoperable and disposed of at an approved metal-scrap facility in California, where it is destroyed.

Destruction of the old engine and equipment permanently removes the existing, high emitting equipment from service and ensures that the emission reductions are real. It also prevents the existing equipment from being moved into another locale to continue emitting high levels of pollutants or used as parts that might prolong the life of similar engines. The participant must therefore certify that the old engine and equipment has been rendered useless and destroyed.



The emission reductions achieved from contracts or parts of contracts funded under the air quality initiative are not required by any federal, state, or local regulation, settlement agreement, mitigation requirement, or other legal mandate. No emission reductions will be used as marketable emission reduction credits, to offset any emission obligations, or for credit under any federal, state, or local emission averaging banking and trading program.

NRCS payment schedules are available and vary depending on the type and size of the new engine and equipment. A minimum two-year contract period is required. The participant must initiate the project within the first year of the contract and payment is initiated once all contract obligations are met. It is the participant's responsibility to use and maintain the engine and equipment for the life of the practice.

Section 1: Definitions

Add-On Control Device: an air pollution control device, such as a catalytic converter, that reduces the pollution in exhaust gas. The control device usually does not affect the process being controlled and thus is "add-on" technology, as opposed to a scheme to control pollution through altering the basic process itself.

ARB: the State of California Air Resources Board.

Airborne Toxic Control Measure (ATCM) for Stationary Compression-Ignition

Engines: under Title 17, Sections 93115.1 through 93115.15 of the California Code of Regulations, the ARB established emission limits that apply to stationary and portable diesel engines rated at greater than 50 break horsepower, including those used in agriculture. The compliance deadline specified in the ATCM and in any applicable air district rule essentially phases-out the continued use of older stationary and portable engines, including uncontrolled (Tier 0) diesel engines. Once deadlines have passed, replacing subject engines will not result in any emission reduction benefits since these engines are no longer allowed to operate.

The ATCM is posted on-line at:

<http://www.arb.ca.gov/diesel/aq/documents/finalreg112807.pdf>.

Ambient Air Quality Standards (AAQS): National and State health- and welfare-based standards for outdoor air, which identify the maximum acceptable average concentrations of air pollutants during a specified period of time.

A chart of the national and state AAQS is posted on-line at:

www.arb.ca.gov/research/aags/aags2.pdf.

Auxiliary Engine: does not self-propel a vehicle or equipment, but provides power for other functions. The fuel, cooling, and exhaust systems are an integral part of the vehicle or equipment.

Brake Horsepower (bhp): is the rated horsepower capacity of the engine as defined by the engine nameplate under standard conditions. It is the measure of an engine's horsepower without the loss in power caused by the gearbox, generator, differential, water pump, and other auxiliary components that may slow down the actual speed of the engine. For Practice Code 372, the engine horsepower and payment determination is based on an engine's brake horsepower rating.

Certified Compression-Ignited Engine: a Tier 1, Tier 2, Tier 3, Tier 4-Interim, and Tier 4-Final compression-ignited engine certified by the EPA and/or the ARB. The California Tier schedule is on Table 1.

Certified Spark-Ignited Engine: an ARB-certified spark-ignited engine as specified in Title 13, Division 3, Chapter 9, Article 4.5, Section 2433 of the California Code of Regulations.

Compression-Ignition Internal Combustion Engine: an engine that uses the heat of compression to initiate combustion. The majority of these engines are fueled by diesel fuel, but some may be designed to operate on bio-diesel or natural gas.

Criteria Air Pollutant: derived from EPA, an air pollutant for which acceptable levels of exposure can be determined and an ambient air quality standard has been established, based on the pollutant's characteristics and potential health and welfare effects. These pollutants include ozone, carbon monoxide, nitrogen dioxide, sulfur dioxide, particulate matter (PM10 and PM2.5), and lead.

Diesel Engine: a compression-ignited two- or four-stroke internal combustion engine in which liquid fuel injected into the combustion chamber ignites when the air charge is compressed to a temperature sufficiency high for auto-ignition.

Diesel Exhaust Particulate Matter: the ARB designates diesel exhaust particulate matter as a toxic air contaminant (TAC) based on its potential to cause cancer, premature death, and other health problems. As a result, the ARB established several Airborne Toxic Control Measures (ATCM's) that are codified in the California Code of Regulations. The ATCM's establishes emission standards to reduce diesel exhaust particulate matter and health risks.

Diesel-exhaust particulate matter ATCM's are posted on-line at:
www.arb.ca.gov/toxics/atcm/atcm.htm.

Drawbar Horsepower: is the power an agricultural tractor has to pull an implement. The power is determined by utilizing a special a dynamometer car coupled behind a tractor that keeps a continuous record of the drawbar pull exerted and the speed. For Practice Code 372, drawbar horsepower will not be used for comparison with rated break horsepower because this value varies under different operating conditions and does not necessarily correlate with the engine horsepower.

Emergency Standby Engine: a stationary engine where the primary purpose is to provide electrical or mechanical power in an emergency and operate to provide electrical power or mechanical work during an emergency use. Such engines may operate during non-emergency situations for the purpose of testing, repair or routine maintenance to verify its readiness for emergency standby use. Examples include an engine powering an electric generator to provide electric power or powering a water pump for firefighting or flood control.

Emission Control System: any device or system employed with engines or piece of equipment intended to reduce emissions. Examples of emission control systems

include, but are not limited to, closed-loop fuel control systems, three-way catalysts, fuel injection systems, and combinations of the above.

Engine Repower: the replacement of an existing engine with a new, emissions certified engine instead of rebuilding the existing engine to its original specifications.

EPA: The United States Environmental Protection Agency.

Family Emission Limit (FEL): an emission level declared by the manufacturer for use in any averaging, banking and trading program and in lieu of an emission standard for certification. It serves as the applicable emission standard for determining compliance of any engine within an engine family under 13 California Code of Regulations Sections 2423 and 2327. Any ARB Executive Order reporting a FEL value exceeding an applicable NO_x, NMHC+NO_x, CO or PM emission standard (STD) is not eligible for NRCS payments, even if the engine certification values (CERT) are below the emission standards (STD). Only FEL values less than or equal to the emission standards are eligible.

Farm Bill: refers to the Food, Conservation and Energy Act of 2008.

Forklift: Applicability to this practice standard includes electric Class 1 or 2 rider trucks, large spark-ignition engine powered Class 4, 5 or 6 rider trucks, and compression-ignition Class 7 rough-terrain forklifts as defined by the Industrial Truck Association and Occupational Safety and Health Administration (OSHA). Electric Class 3 trucks are not forklifts for the purposes of this practice standard.

Gross Horsepower (ghp): for purposes of Practice Code 372, the maximum gross horsepower will be considered to be equivalent to the rated break horsepower only when bhp information is not available.

Gaseous Fuel: a fuel that is a gas under standard conditions, including but not limited to: natural gas, methane, propane, butane, bio-gas, and liquefied petroleum gas.

Independent Source Test Contractor: a program administered by the ARB that approves private independent source testing contractors to conduct required compliance emissions verification testing. Source operators may select from a list of contractors. The ARB does not require that testing contractors be approved prior to conducting testing in California; however, approval is required if the contractor wishes to conduct source testing for compliance verification.

A list of contractors is available at: www.arb.ca.gov/ba/icp/current.pdf.

Internal Combustion Engine (IC Engine): any spark- or compression-ignited reciprocating engine.



Mobile Source Certification: new motor vehicles and engines are certified by the ARB for emission compliance before they are legal for sale, use, or registration in California. Certification is granted annually to individual engine families and valid for one model year. Certifications are described through ARB Executive Orders, which are posted on-line at: www.arb.ca.gov/msprog/offroad/cert/cert.php

National Air Quality Initiative: refers to 2008 Farm Bill [16 USC 3839aa-8, Sec 1240H – “Conservation Innovation Grants and Payments”, Part (b) – “Air Quality Concerns from Agricultural Operations”], which provides payments to producers using innovative technologies and cost-effective methods to address air quality concerns.

National Air Quality Initiative Eligible Counties: counties or areas within counties designated by the EPA as “nonattainment” of the NAAQS for a given pollutant are eligible for funding under the National Air Quality Initiative. These counties are:

Alameda, Amador, Butte, Calaveras, Contra Costa, El Dorado, Fresno, Imperial, Inyo, Kern, Kings, Los Angeles, Madera, Marin, Mariposa, Merced, Mono, Napa, Nevada, Orange, Placer, Riverside, Sacramento, San Bernardino, San Francisco, San Diego, San Joaquin, San Mateo, Santa Clara, Solano, Sonoma, Stanislaus, Sutter, Tulare, Tuolumne, Ventura, Yolo, and Yuba.

Nonattainment Area: a geographic area identified by the EPA as not meeting the National AAQS and/or identified by the ARB as not meeting the California AAQS standards for a given pollutant.

EPA maintains a list of federally designated nonattainment areas for criteria air pollutants on-line at: <http://www.epa.gov/oar/oaqps/greenbk/ancl.html>.

Non-Methane Hydrocarbon (NMHC): The sum of all hydrocarbon air pollutants, except methane.

NO_x: a general designation pertaining to compounds of nitric oxide (NO), nitrogen dioxide (NO₂) and other oxides of nitrogen. NO_x is typically created during the combustion processes and are major contributors to ozone formation and acid deposition. NO₂ causes adverse health effects, is a criteria air pollutant and a major component in smog formation. This designation does not include nitrous oxide (N₂O), which is designated as a greenhouse gas.

Off-Road Compression-Ignition Equipment: mobile equipment that cannot be registered and driven safely on a road or was not designed to be driven on a road. Newer equipment use engines certified by the ARB to the off-road compression-ignition or diesel engine standards and used to self-propel the vehicle.

Off-Road Spark-Ignited Equipment: mobile equipment that cannot be registered and driven safely on-road or was not designed to be driven on-road. Newer equipment

use engines certified by the ARB to the off-road spark ignition engine standards and used to self-propel the vehicle.

Ozone: a form of molecular oxygen that consists of three oxygen atoms linked together (O₃). Ozone in the upper atmosphere occurs naturally and protects life on earth by filtering out ultraviolet radiation from the sun. However, ozone at ground level is a noxious pollutant that causes numerous adverse health effects, is a criteria pollutant and the major component of smog. Ozone is not emitted directly, but is formed in the atmosphere through a complex chemical reaction involving hydrocarbons, oxides of nitrogen, and sunlight. Problematic ozone levels occur most frequently on hot summer afternoons.

Ozone Precursors: chemicals involving reactive hydrocarbons and oxides of nitrogen, occurring either naturally or as a result of human activities, contribute to the formation of ozone.

PM: a general designation pertaining to particulate matter emissions. PM_{2.5} has an aerodynamic diameter equal to or less than 2.5 microns and PM₁₀ has an aerodynamic diameter equal to or less than 10 microns as measured by the applicable State and Federal reference test methods. Their small size allows them to make their way to the air sacs deep within the lungs where they may be deposited, resulting in adverse health effects. PM also causes visibility reduction and contributes to regional haze.

Portable Agricultural Engine: an internal combustion engine designed and capable of being carried or moved from one location to another, does not propel a vehicle, and is used in the production of crops or the raising of fowl or animals. Portable engines operate similar to stationary engines by providing power to stationary components, such as irrigation wells or emergency electrical energy. Portable engines are generally not designed to operate while being moved from one location to the other. Indicators of portability include: wheels, skids, carrying handles, dolly, trailer, or platform.

Power Take-Off Horsepower: is the “usable” horsepower measurement at the power take-off (PTO) shaft’s output and is the power available for tractor attachments and implements. For purposes of Practice Code 372, situations where the horsepower of an existing engine cannot be determined from an engine label, manual, or engine records, the engine horsepower can be estimated by multiplying the PTO horsepower value by 1.15.

$$\text{Estimated } HP_{\text{Existing Engine}} = \text{PTO } HP_{\text{Existing Engine}} \times 1.15$$

Rated Brake Horsepower: the continuous brake horsepower rating specified for the engine by the manufacturer or listed on the nameplate of the unit without regard to

any de-rating or modification. For Practice Code 372, this value is the basis for determining engine eligibility and payment rate.

Retrofit: the installation of an ARB-verified emission control system on an existing engine. Examples include, but are not limited to, diesel particulate filters and catalyst systems on spark-ignited engines.

Verified technologies for diesel engines are posted on-line at:
www.arb.ca.gov/diesel/verdev/vt/cvt.htm.

Rebuilt or remanufactured: engines offered by the original engine manufacturer (OEM) or by a non-OEM rebuilder who demonstrates to the ARB that the rebuilt engine and parts are functionally equivalent from an emissions and durability standpoint to the OEM engine and components being replaced.

Reactive Organic Gas (ROG): sometimes referred to as non-methane hydrocarbons (NMHC), a photo-chemically reactive chemical gas composed of non-methane hydrocarbons that may contribute to ozone formation.

Rough Terrain Forklift: Class VII forklifts powered by compression-ignition engines and equipped with pneumatic tires that handle uneven surfaces. Such forklifts include straight-mast and extended-reach forklifts.

Spark-Ignition Internal Combustion Engine: a liquid or gaseous fueled engine designed to ignite its air/fuel mixture by a spark across a spark plug. These engines may operate on gasoline, natural gas, propane, or bio-fuel. Engines that consume dairy digester gas for electric generation are most likely spark-ignition engines.

State Implementation Plan (SIP): comprehensive plans describing how an area will attain the NAAQS. The 1990 federal Clean Air Act amendments establish attainment deadlines based on the severity of an area's air pollution problem. In California, SIPs are multiple documents where the ARB is the lead agency for all purposes related to California's SIP. Local air districts, the California Bureau of Automotive Repair, and the California Department of Pesticide Regulation each prepare SIP elements that are submitted to ARB for review and approval. The ARB forwards SIP revisions to the EPA for approval and publication in the Federal Register. All SIP elements are referenced in Code of Federal Regulation Title 40, Chapter 1, Part 52, Subpart F, Section 52.220.

Stationary Agricultural IC Engine: an internal combustion engine attached to a foundation, designed to remain and operate at a single location, and used in the production of crops or the raising of fowl or animals. May include engines residing at the same location for specified periods of time (longer than six months or one year) or are used as backup to replace another engine at a location that is intended to perform the same or similar function.



Tier 1, Tier 2, Tier 3, and Tier 4 Engines (See Table 1 for the applicable Tier schedule):

- (1) an EPA-certified compression-ignited engine that meets the Tier 1, Tier 2, or Tier 3 emission standards of Table 1 on page 56970 of the Final Rule (October 23, 1998) or the Tier 4 emission standards of Table II.A.2 (Tier 4 NO_x and NMHC Standards and Schedule) on page 38971 of the Final Rule (June 29, 2004) or Table II.A.4 (Tier 4 Standards for Engines Over 750 HP (G/BHP-HR)) on page 38980 of the Final Rule (June 29, 2004), respectively.
- (2) An ARB-certified compression-ignited engine that meets the standards according to Title 13, Section 2423(b)(1)(A) and/or Title 40, CFR, Part 89.112(a) of the California Code of Regulations. Tier 4 engines that are subject to the interim or final after-treatment based Tier 4 emission standards in Title 13, Section 2423(b)(1)(B) and/or Title 40, Part 1039.101 of the California Code of Regulations. This also includes engines certified under the averaging, banking, and trading program with respect to the Tier 1, 2, and 3 Family Emission Limits (FEL) listed in Title 13, Section 2423(b)(2)(A) and/or Title 40, Part 89.112(d) of the California Code of Regulations and to the Tier 4 FEL listed in Title 13 Section 2423(b)(2)(B) and/or Title 40, Part 1039.101 of the California Code of Regulations

Toxic Air Contaminant (TAC): an air pollutant, identified in regulation that may cause or contribute to an increase in deaths or in serious illness, or which may pose a present or potential hazard to human health. TACs are considered under a different regulatory process than that of criteria pollutants.

Uncontrolled Compression-Ignition Engine: also referred to as "Tier 0", is any diesel engine not meeting any established Tier emission standard. Generally, these are engines manufactured:

- 1999 and earlier: >750 hp
- 1998 and earlier: 25-49 hp
- 1997 and earlier: 50-99 hp
- 1996 and earlier: 100-174 hp
- 1995 and earlier: 175-750 hp

Volatile Organic Compounds (VOCs): many definitions describe VOCs, but are primarily organic, carbon-containing compounds having high enough vapor pressure under normal conditions to vaporize into the atmosphere. VOCs defined in a legal or regulatory concept are carbon compounds that contribute to the formation of ozone, as many VOCs are exempt from regulation. For example, methane is a VOC that has little to do with the formation of ozone, but is designated a greenhouse gas. VOCs by themselves may also be classified as toxic air contaminants (TAC's).



Other terminology describing the photo-reactivity of VOC includes Non-Methane hydrocarbons (NMHC); Reactive Organic Gases (ROG); and Total Organic Gases (TOG).

Section 2: Stationary Heavy-Duty Engines

This category primarily refers to stationary (engines bolted to a foundation or concrete slab) or portable (including engines mounted on a trailer or skid, and auxiliary engines on mobile equipment yet not drive a vehicle) engines. This section does not apply to engines that propel mobile vehicles, including vehicles used at a stationary site (such as a tractor powering an irrigation gear-head or pump via a power take-off). The majority of stationary heavy-duty engines used in agriculture are for crop irrigation.

The California Air Resource Board (ARB) established emission standards and requirements that regulate the sale, purchase, rental, lease, and operation of diesel engines, including stationary and portable equipment used exclusively in agriculture. In addition, an Air Pollution Control District (APCD) or Air Quality Management District (AQMD) may impose emission standards through a rule or require permits with emission limits that may be more restrictive than required by the ARB. It is recommended that the participant consult with the local APCD or AQMD to determine permitting and emissions requirements prior to seeking assistance from the NRCS.

The ARB and several California air districts have established compliance deadlines to phase-out the continued use of old compression-ignition stationary engines, primarily Tier 0 diesel engines. Unless exempted, these engines are no longer allowed to operate once a deadline has passed and replacing them will not provide any real emission reductions since continued operation would likely result in excess emissions. Therefore, repowering engines subject to compliance deadlines will not result in any credible emission reductions.

Only engine repowers are eligible for payment under this category. Also eligible are retrofits or add-on control devices. Payments for equipment replacements do not apply to stationary, portable, or auxiliary engines. New electric motor installations are also eligible for payments under this category.

Program Requirements

New electric motor for a new irrigation well site:

Participants are encouraged to install new electric motors or electric technology in lieu of installing internal combustion engines.

- A) The project must be a new well installation and not a pre-existing well.
- B) The new motor must be rated at least 25 horsepower (19 kilowatts). Electric motors rated at less than 25 hp are not eligible for new installations.
- C) The participant must provide information whether an adequate electric power supply is at the site or provide documentation from the local utility company for

power installation. Infrastructure and installation costs associated with the new electric motor are ineligible for funding.

- D) Electric motors installed at pumping plants must adhere to Practice Code 533, Pumping Plant guidelines, where applicable. An engineering analysis may be required.

Existing Engines:

- A) Existing engines must be situated in its operating location, connected to the equipment it powers (wellhead, booster trailer, or auxiliary engine on harvesting equipment), and in operational condition.
- B) The existing engine must be rated at 50 bhp (37 kilowatts) or more. Engines rated at less than 50 bhp are not eligible.
- C) An operation outfitted with an uncontrolled (Tier 0), Tier 1- or Tier 2-certified diesel engine will be repowered with one of the following:
- A new electric motor; or
 - A new off-road Tier-certified diesel engine meeting the most current model year ARB/EPA emission standards or local air district emission and permitting requirements (as applicable).
- D) An operation outfitted with an emissions-controlled spark-ignition engine will be repowered with one of the following:
- A new electric motor, or
 - A new spark-ignited engine certified to the current ARB applicable emission standards or local air district emission and permitting requirements (as applicable).
- E) Existing engines may operate on diesel fuel, gaseous fuels, gasoline, or renewable fuels (such as bio-diesel, bio-fuel, or bio-gas).
- F) Existing spark-ignition engines cannot be replaced with new diesel engines.
- G) Any mobile off-road agricultural, construction, or on-road vehicle powering an irrigation gear-head or pump are not eligible under this section.
- H) The participant must own and operate the existing equipment in California for at least the past 12 months.
- I) The participant must complete the supplemental application form that includes the existing engine manufacturer, fuel-type, model year, serial number.



Complete all required fields in the supplemental application, as leaving fields blank may prolong the application process.

- J) Unless specifically exempted, uncontrolled (Tier 0) diesel stationary engines are no longer permitted by the ARB and/or air district to operate in California. Any proposed project replacing applicable engines will no longer result in emission reductions.

Replacement with New Engines or Electric Motors:

- A) The new replacement engine is rated at least 50 bhp (37 kilowatts).
- B) The new replacement electric motor is rated at least 25 horsepower (19 kilowatts), provided that the bhp rating of the existing engine is rated not less than 50 bhp. The applicant shall provide documentation that the lower hp is necessary and conforms to Practice Code 533, Pumping Plant. An engineering analysis or appropriate justification for reducing hp is required. The participant must provide information whether an adequate electric power supply is at the site or provide documentation from the local utility company for power installation.
- C) The new replacement engine and equipment must be a new Original Equipment Manufacturer (OEM) engine certified by the ARB for sale in California, certified for the current model year standards, and meet the most recent model year emission standards and/or emissions standards established by the local Air district, as applicable.
- D) Repowering to a Tier-1 or Tier-2 certified diesel engine is not eligible.
- E) Once in operation, the engine and equipment must be used exclusively in California.
- A) The certification emission standards and Tier designation must be determined from the California Air Resources Board Executive Order or EPA Certificate of Conformity (for federally preempted engines) issued for the specific engine. ARB Executive Orders for certified off-road engines are posted on-line at: <http://www.arb.ca.gov/msprog/offroad/cert/cert/php>.
- F) Engines where an ARB Executive Order specifies a Family Emission Limit (FEL) that exceeds the applicable emission standards are not eligible for NRCS payments. Only FEL values at or lower than the applicable emission standards are eligible.
- G) Spark-ignited engines must meet or exceed the applicable emission standards established by the ARB or local Air district, whichever is more stringent.

- H) The horsepower rating of the replacement equipment engine must be within 125% of the original manufacturer rated bhp (baseline) for the old equipment engine. If the horsepower rating of the new engine is greater than 125% of the existing engine, the participant must provide sufficient information for the increase in horsepower that will be evaluated on a case-by-case basis. If the information provided is not approved, the maximum eligible payment will be capped at the hp rating of the existing engine and not the hp rating of the new engine.
- I) IC engines or electric motors installed at pumping plants must adhere to Practice Code 533, Pumping Plant guidelines, where applicable. An engineering analysis may be required.
- J) The replacement engine must report at least a 15% NO_x reduction and no increase in particulate matter emissions, compared with the applicable standards or emission levels for that engine year and type of application through ARB Certification Testing, EPA Certification Testing, or emissions testing at a laboratory approved by the EPA or ARB.
- K) The participant must possess an approved “Registration” or an “Authority to Construct” from the local air district prior to installation, if a registration or permit is required.
- L) The ARB or local air district may require an emissions source test on the new engine depending on the conditions specified on an applicable Authority to Construct or Permit to Operate. Source testing using accepted testing protocols must be completed by an ARB-certified independent contractor to the satisfaction of the ARB or local air district before NRCS payments will be provided. The costs associated with source tests or monitoring requirements are not eligible for payments. A list of approved independent contractors is posted on the Internet at: www.arb.ca.gov/ba/icp/current.pdf
- M) The participant must complete the supplemental application form for the new engine. If available, record the new engine manufacturer, fuel-type, model year, serial number. Complete all required fields in the supplemental application, as leaving fields blank may prolong the application process.
- N) Future engine operational hours for determining emission reductions must be based only on readings from an installed and fully operational hour meter. The participant must maintain a record of annual hourly usage for life of the project by recording hours at the beginning and end of each calendar year. If the hourly meter is no longer functioning, it must be repaired or replaced as soon as possible at the participant’s cost. An alternative method for documenting equipment usage and emission reductions may be evaluated on a case-by-case

basis, including fuel usage logs. For electric motors, records from dedicated utility meters may be used.

- O) For emissions calculations and cost effectiveness purposes, the project life is 10 years.

Retrofits

Retrofit projects must install ARB-verified emission control systems meeting the following minimum standards:

- A) For an uncontrolled diesel engine, the retrofit kit that must be verified to reduce NO_x or NO_x+NMHC (non-methane hydrocarbons) emissions to the applicable current Tier standard for a given engine type and size.
- B) For an uncontrolled spark-ignited engine, the retrofit kit must be verified to reduce NO_x+NMHC emissions to the currently applicable standards for spark-ignited engines.
- C) For an emission-certified (1996+ model year) diesel engine, the retrofit kit must be verified to reduce NO_x or NO_x+NMHC emissions by at least 15% from the applicable NO_x or NO_x+NMHC emission standard.
- D) The retrofit kit to reduce PM must use the highest level ARB-verified technology available for the engine being retrofitted.

A complete list of ARB-verified retrofits may be found via the Internet at:
<http://www.arb.ca.gov/diesel/verdev/verdev.htm>.

Section 3: Mobile Off-Road Agricultural Equipment

Equipment in this category includes: tractors, bailers, harvesters, combines, loaders, forklifts, and other agricultural off-road support equipment. These engines provide power to self-propel an off-road agricultural vehicle and do not include portable engines, auxiliary engines mounted on mobile equipment, or on-road mobile equipment.

Replacing engines on mobile off-road agricultural equipment is funded under the National Air Quality Initiative.

Program Requirements

Existing Equipment:

- A) The existing engine and equipment shall be fully functional and in operational condition to qualify. At a minimum:
 - (1) The tires are in usable condition (able to hold air, sufficient tread, etc.)
 - (2) Steering is operational
 - (3) The equipment is able to start-up and move backwards and forwards
 - (4) Buckets, blades, hydraulics, rollers, etc. are in working order
 - (5) Undercarriage is structurally sound
 - (6) Fuel tank is in usable condition
 - (7) No parts have been stripped
 - (8) Equipment has not been vandalized

- B) The existing engine must power a mobile off-road agricultural vehicle, be rated at 50 or more bhp, and used to self-propel the vehicle.

- C) **Engine Repowers:** In-use mobile off-road agricultural equipment outfitted with:
 - (1) An uncontrolled (Tier 0), a Tier 1-, or a Tier 2-certified diesel engine and repowered with a new off-road Tier-certified diesel engine meeting the most current model year ARB/EPA emission standards; or
 - (2) A spark-ignited engine and repowered with a new spark-ignited engine certified to the current ARB emission standards. Existing spark-ignited engines cannot be replaced with new diesel-powered engines.

- D) **Equipment Replacement:** Consultation with the equipment vendor and/or manufacturer may determine that certain equipment cannot accommodate an engine repower without performing major modifications, safety risks, or exorbitant costs. Where an engine repower is deemed infeasible, projects will apply to replacing mobile off-road agricultural equipment. Eligible projects are:

- (1) A tractor, loader, harvester, bailer, Class 7 rough-terrain forklift, or other self-propelled agricultural equipment outfitted with an uncontrolled (Tier 0), Tier 1-, or Tier 2-certified diesel engine and replaced with equipment outfitted with the latest current model year Tier-certified diesel engine.
- (2) An existing forklift equipped with a compression- or spark-ignition internal combustion engine is replaced with an electric-powered forklift. Eligible are new Class 1 electric forklifts with life codes 4, 5, or 6, rated with at least 3,000 pound lift capacity. Electric hand carts are not eligible, as these are not forklifts.

Replacement:

- A) The replaced engine shall be rated at least 50 bhp.
- B) Existing equipment outfitted with spark-ignited engines cannot be replaced with new diesel-powered engines.
- C) The new replaced engine and equipment must be a new Original Equipment Manufacturer (OEM) engine certified by the ARB for sale in California, certified for the current model year standards, and meet the most recent model year emission standards and/or emissions standards established by the local Air district, as applicable. Once in operation, the engine and equipment must be used exclusively in agriculture within California.
- D) The certification emission standards and Tier designation must be determined from the California Air Resources Board Executive Order or EPA Certificate of Conformity (for federally preempted engines) issued for the specific engine. ARB Executive Orders for certified off-road engines are posted on-line at: <http://www.arb.ca.gov/msprog/offroad/cert/cert/php>.
- E) Engines where an ARB Executive Order specifies a Family Emission Limit (FEL) that exceeds the applicable emission standards (STD) are not eligible for NRCS payments. Only FEL values equal to or lower than the emission standards are eligible.
- F) An engine repower may include a new Original Equipment Manufactured (OEM), remanufactured, or an ARB-certified/recertified rebuilt off-road engine meeting the latest California emission standards.
- G) Spark-ignition engines must meet the application emission standards established by the ARB.

- H) Replacement equipment must serve the same function and perform the same work equivalent as the existing equipment. Replacements intended to account for increases in production are not eligible. Acceptable examples are:
- (1) Replacing a loader with another loader or a tractor for another tractor; or,
 - (2) Replacing different types of equipment that will perform similar functions, improve operations efficiency, and reduce emissions (such as replacing a tracked dozer used for disking with a wheeled tractor that will perform the same work).

This requirement may be waived on a case-by-case basis where general purpose farming equipment changes commodities.

- I) The horsepower rating for the new, replacement equipment engine shall not be greater than 125% of the original manufacturer rated brake horsepower (baseline) for the existing equipment engine. In limited situations, this requirement may be waived if the horsepower increase results in cost-effective and significant annual emission reductions. The participant must document that the replacement equipment will serve the same function and perform the same job as the old equipment. Requests for waivers will be evaluated on a case-by-case basis for the following:
- (1) The original horsepower range is not available for the existing engine.
 - (2) The higher horsepower is required where the existing equipment is replaced by another type of equipment that will perform the same work, improve operations efficiency, and reduce emissions (i.e. tracked dozer to wheeled tractor for disking).
 - (3) The higher horsepower replacement equipment is the result of implementing a conservation system.
- J) Equipment is in new condition, has not been sold or associated with any rental or lease agreement, and has less than 100 operating hours recorded on a permanently mounted non-resettable hour meter.
- K) The replacement engine must report at least a 15% NO_x reduction and no net increase in particulate matter emissions, compared with the applicable standards or emission levels for that engine year and type of application through ARB Certification Testing, EPA Certification Testing, or emissions testing at a laboratory approved by the EPA or ARB.
- L) The participant is to maintain a record of new engine and equipment usage for at least the first five years of operation. Hours of operation may be accomplished

by recording the readings from a fully operational hour meter at the beginning and end of each year.

- M) For electric equipment, the participant must include a description whether battery chargers have been installed. The participant shall describe the number of the battery chargers installed or to be installed.
- N) At this time, replacement with zero-emissions equipment other than electric (i.e. fuel cell equipment) is not eligible for payments.
- O) The 372 Practice Standard project life is 15 years; however a 10-year life will be used for calculating emissions and cost effectiveness. A cost effectiveness evaluation of the estimated emission reductions may be performed on a case-by-case basis using criteria similar to those specified in California's Carl Moyer program. The evaluation will determine whether the cost of replacing an engine and/or equipment significantly exceeds the emission reduction benefits.

Replacing More Than One Existing-Equipment for New Equipment:

Significant air quality benefits can result if the new equipment is replacing more than one existing-equipment. All existing and new equipment must meet the eligibility requirements and are reviewed on a case-by-case basis. Not more than three existing units may be considered for the replacement of one unit.

Replacing up to three equipment units with one new unit is not intended as a means to increase the horsepower rating determination for the new engine or equipment, as any increase in horsepower of the new engine is limited to 125% of the baseline horsepower rating of the existing engine. The intent is to allow for additional emission reduction benefits by permanently retiring additional equipment earlier than through normal attrition, which might improve the final ranking scores for application prioritization.

- A) The emission benefits are determined by subtracting the estimated annual emissions from the new replacement engine from the sum of the annual emissions from the two or three subject existing engines.
- B) To be eligible, the new equipment must serve the same function and perform similar work as one of the existing equipment it's replacing. The other existing equipment may be different in type or perform functionality different to the new equipment.
- C) The horsepower rating for the new, replacement equipment engine shall not be greater than 125% of the original manufacturer rated brake horsepower (baseline) for the similar function engine. The greatest hp rating of the existing engines may be used as the baseline hp. The hp from other existing equipment

that differ in type or function to the new equipment shall not be used for determining the baseline hp.

- D) The summed emission reductions are used for ranking purposes. HP shall not be summed for determining a baseline hp rating for determining the maximum new engine hp limit.
- E) Examples include the following:
- (1) An existing 92 hp 1979 tractor that operates 500 hours/year is retired for a new 105 hp Tier 3 tractor that also plans to operate about 500 hours/year. In addition, a 150 hp 1985 loader that operates 800 hours/year will be retired. In this example, the 92 hp tractor is used as the baseline hp rating (i.e. like for like), limiting the maximum hp rating of the new equipment to 115 hp (92 hp x 125%). The NO_x emissions are:

Sum of existing engine emissions = 1.17 tons NO_x/year
1979: 0.43 tons = $\{(92 \text{ hp} \times 12.09 \text{ g/bhp-hr} \times 500 \text{ hrs/yr} \times 0.70)/907,200\}$
1985: 0.74 tons = $\{(150 \text{ hp} \times 10.23 \text{ g/bhp-hr} \times 800 \text{ hrs/yr} \times 0.55)/907,200\}$

New engine emissions = 0.09 tons NO_x/year
Tier 3: 0.09 tons = $\{(105 \text{ hp} \times 2.32 \text{ g/bhp-hr} \times 500 \text{ hrs/yr} \times 0.70)/907,200\}$

Total NO_x emission reductions = 1.08 tons/yr (92% NO_x reduction)

- (2) An existing 152 hp 1981 loader that operates 500 hours/year and an existing 125 hp 1975 loader that operates 900 hours/year will be retired for a new 160 hp Interim Tier 4 Phase-in loader that plans to operate about 700 hours/year. In this example, despite which equipment is directly replaced with the new, the maximum hp of the two like equipment may be applied as the baseline hp rating, thus limiting the maximum hp rating of the new equipment to 190 hp (152 hp x 125% = 190 hp). Applying the 125 hp engine instead would have limited the hp rating of the new to 156 hp, but because 160 hp is within the 125% of the highest rated hp, this project is eligible. The NO_x emissions are:

Sum of the existing engines emissions = 1.23 tons NO_x/year
1981: 0.47 tons = $\{(150 \text{ hp} \times 10.23 \text{ g/bhp-hr} \times 500 \text{ hrs/yr} \times 0.55)/907,200\}$
1975: 0.76 tons = $\{(125 \text{ hp} \times 11.16 \text{ g/bhp-hr} \times 900 \text{ hrs/yr} \times 0.55)/907,200\}$

New engine emissions = 0.15 tons NO_x/year
Tier 4-I: 0.15 tons = $\{(160 \text{ hp} \times 2.15 \text{ g/bhp-hr} \times 700 \text{ hrs/yr} \times 0.55)/907,200\}$

Total NO_x emission reductions = 1.08 tons/yr (88% NO_x reduction)

- (3) A single piece of equipment may utilize more than a single engine mounted on the unit. Such equipment outfitted with multiple engines operate together to perform a single function or task (such as a PTO on the propulsion engine plus a dedicated auxiliary engine). The horsepower from each engine may be summed to determine the overall existing horsepower baseline since this is the total hp needed to perform the function. However, hours of operations for each engine will differ since one engine is used to propel the equipment while the auxiliary engine is shut down. In this example, the total emissions calculated from each engine may be summed. The total maximum horsepower ratings for the new replacement equipment shall not exceed 125% of the summed horsepower of the existing equipment, even if the new equipment is outfitted with multiple engines. However, such proposals might result in the purchase of new equipment outfitted with a single engine.
- F) All existing engines and equipment used to achieve these emission benefits must be destroyed.

Retrofits

Retrofit projects must install ARB-verified emission control systems meeting the following minimum standards:

- A) For an uncontrolled diesel engine, the retrofit kit that must be verified to reduce NO_x or NO_x+NMHC (non-methane hydrocarbons) emissions to the applicable current Tier standard for a given engine type and size.
- B) For an emission-certified (1996+ model year) diesel engine, the retrofit kit must be verified to reduce NO_x or NO_x+NMHC emissions by at least 15% from the applicable NO_x or NO_x+NMHC emission standard.
- C) The retrofit kit to reduce PM must use the highest level ARB-verified technology available for the engine being retrofitted.

A complete list of ARB-verified retrofits may be found via the Internet at:
<http://www.arb.ca.gov/diesel/verdev/verdev.htm>.

Section 4: Engine and Equipment Destruction

Engine and equipment destruction must be performed in a safe manner that avoids any risks to personal safety.

Personal Safety always comes first.

After being replaced, the existing engine and mobile off-road agricultural equipment must be destroyed. Destruction removes the existing high-emitting engines and equipment from service and ensures that the emission reductions are real and permanent. It also prevents the old engine and equipment from being rebuilt or moved into another locale to continue emitting high levels of pollutants. Therefore, destruction includes the engine, drive-train and vehicle structural components, which shall not be recycled to be used as parts where they may prolong the life of other engines or vehicles, or used to rebuild equipment for continued use.

Under certain circumstances, an existing Tier 2-certified diesel engine may be relocated and used to replace an uncontrolled Tier 0 or Tier 1-certified diesel engine. The replaced existing engine and equipment must then be destroyed.

Procedures for disabling and rendering engines and equipment permanently inoperable:

- (A) Prior to disabling the engine and equipment, the existing engine and equipment must be in operable working condition.
- (B) After being replaced, the existing engine must be physically disabled in such a manner to eliminate the possibility of future use. At a minimum, the old engine block must be punctured with at least a six inch diameter hole to include a portion of the oil pan rail (sealing surface).
- (C) The structural components on mobile equipment must be physically compromised. At a minimum, this shall be accomplished by cutting the vehicle frame railings in half or by destroying bell-housing and transmission components if not equipped with a frame.
- (D) The disabled engine and equipment shall be permanently destroyed and disposed of at a dismantling facility approved by the NRCS. The approved dismantler has the equipment to and will scrap the engine and equipment components either by shearing, crushing, or shredding. Disabled engines or equipment shall not be transported outside of California for final destruction, but may leave the state once it has been permanently destroyed and scrapped.
- (E) The producer shall provide the NRCS with a written certification that the engine and associated equipment has been permanently destroyed. If destruction was performed by an approved dismantler, the dismantler will provide the producer

with the written certification for submittal to the NRCS. The certification shall describe:

- The existing engine and equipment type,
- The existing engine serial number and equipment vehicle identification number,
- The date the existing engine and equipment were compromised,
- Provide a description on how the existing engine and equipment were destroyed, and
- Provide date-stamped photographs that include visible images of the engine serial number and vehicle identification numbers.

The certification must also specify that no parts or components were or will be parted-out, used or sold as parts, or used to rebuild an engine or equipment that was intended for destruction.

- (F) NRCS staff may follow-up with a site visit to verify engine and equipment destruction. Additional destruction procedures may also be directed to assure destruction.
- (G) It should be recognized that this certification is intended for NRCS contracts only. Using NRCS documents for other incentive programs may not be transferable.



Section 5: Applications, Instructions, and Certifications

Several documents have been developed to assist the participant and NRCS staff.

(A) Supplemental Applications:

The participant must complete and attach the two supplemental applications along with the CPA-1200 and the other program forms. The information provided will be used for determining priority and ranking for funding and payment eligibility purposes. In addition, the participant may attach maintenance records, receipts, ARB Executive Orders, estimates, or any additional information requested by NRCS staff. A complete application will take less time to process.

The following supplemental applications are:

1. Existing Engine Information
2. New Engine Information

(B) Destruction Certification:

The participant must provide a written certification that the existing engine and (if applicable) existing equipment equipped with the existing engine have been destroyed. The certification must specify that no parts or components were or will be parted-out, used or sold as parts, or used to rebuild an engine or equipment that was intended for destruction.

(C) Emissions Reduction Calculations:

The attached worksheet is used for calculating the emission benefits associated with the proposed projects. A ranking calculator developed by Jon Chilcote of the NRCS Fresno Field Office can be used to generate a completed emissions calculation form. The emission factors provided through the State of California "Carl Moyer Memorial Air Quality Standards Attainment Program" guidelines are used for estimating emissions.



Air Quality - Combustion System Improvement

Agricultural Producer Name:

Existing Engine Information

Complete a separate form for each existing engine or equipment

Describe the type of equipment the existing engine powers:

Irrigation Engine Tractor Loader Harvester Forklift Other:

Report the total acres this engine serves:

Years operated on these acres:

Primary Fuel Type
(check one):

- Diesel
- Biodiesel
- Natural Gas
- LPG
- Biogas
- Other:

Engine Type
(check one):

- Non-Tier Diesel
- Tier 1
- Tier 2
- Spark Ignited
- Other:

Verified Retrofit Technology:

- No retrofits have been installed on the existing engine
- The existing engine is equipped with the following equipment:

Manufacturer: _____

Model: _____

Verification Level: Level 1 Level 2 Level 3

Verified Emission Reductions:

ROG: _____ % NOx: _____ % PM: _____ %

Engine Manufacturer and Model No:

EPA Engine Family:

(If applicable – required for Tier 1 or Tier 2 diesel)

Max Rated Brake HP:

Engine Year:

Annual fuel usage:

Engine Serial No:

Annual hours of operation:

Equipment Manufacturer & Model:

Equipment VIN No:

Equipment Model Year:

Year Purchased:

Name of Equipment Owner:

Months in Operation:

- | | | |
|----------------------------------|-----------------------------------|------------------------------------|
| <input type="checkbox"/> January | <input type="checkbox"/> February | <input type="checkbox"/> March |
| <input type="checkbox"/> April | <input type="checkbox"/> May | <input type="checkbox"/> June |
| <input type="checkbox"/> July | <input type="checkbox"/> August | <input type="checkbox"/> September |
| <input type="checkbox"/> October | <input type="checkbox"/> November | <input type="checkbox"/> December |
- Operates throughout the year

Planned location on where engine/equipment will be scrapped and destroyed:

(not applicable if retrofitting an existing engine)

Additional Information:

Instructions Existing Engine Information

1. **Complete a separate form for each existing engine or equipment.**
2. **Describe the type of equipment the existing engine powers:** This may include an irrigation pump, loader, tractor, combine, harvester, forklift, etc.
3. **Report the annual total acres this engine serves:** Estimate the annual total acres of cropland this engine irrigates or the annual total acres the mobile equipment operates on.
4. **Years Operated at this location:** Approximate length of time the existing engine or equipment has been operating at this location.
5. **Primary Fuel Type:** Only select the primary fuel the engine consumes.
6. **Engine Type:** Select the type of existing engine (i.e. Non-Tier Diesel). Please consult your engine vendor.
7. **Verified Retrofit Technology:** If applicable, describe the manufacturer, model, ARB-Verification Level, and the emission reductions associated with the installed technology. Attach documentation, including the applicable ARB Executive Order. This information should be available through your engine vendor or on-line at: www.arb.ca.gov/diesel/verdev/vdb/vdb.php.
8. **Engine Manufacturer and Model No:** Make and model number of the existing engine. For example, Cummins (make) 6BTA5.9C (model). Please **do not** report the Equipment Model Number here.
9. **EPA Engine Family: Required for Tier-certified engines.** Include the certified engine family name assigned by the EPA and attach the applicable ARB Executive Order for this engine. This information should be available through your engine vendor or is on-line at: www.arb.ca.gov/msprog/offroad/cert/cert.php.
10. **Engine Year:** The year the engine model was manufactured.
11. **Engine Serial No.:** The serial number listed on the engine block or ID label.
12. **Max Rated Brake HP:** Identify the engine break horsepower rating.
13. **Annual Fuel Usage:** Amount of annual fuel usage in gallons.
14. **Annual Hours of Operation:** Engine's annual operation in hours.
15. **Equipment Manufacturer and Model:** The make and model number of the equipment. For example, a Case (make) 721 (model). This number is not the engine model number.
16. **Equipment VIN:** The equipment Vehicle Identification Number.
17. **Equipment Model Year:** The model year in which the equipment was manufactured.
18. **Year Purchased:** The year the equipment was purchased.
19. **Name of Equipment Owner:** Identify equipment ownership.
20. **Months in Operation:** Select whether the engine operates throughout the year or by month.
21. **Planned location where engine/equipment will be scrapped and destroyed:** Identify where the engine/equipment is planned to be taken for final disposal and destruction. No engine, drive-train or equipment components shall be recycled as used parts that might prolong the life of other engines and equipment.
22. **Additional Information:** Include any additional information pertinent to this engine/equipment, including applicable permits or documentation issued by a local air district.



Air Quality – Combustion System Improvement

Agricultural Producer:

**New Engine Information
Verified Technology Retrofit Installation**

Complete a separate form for each engine or equipment

Describe the type of equipment the new engine will power:

Irrigation Engine Tractor Loader Harvester Forklift Other:

Report the total acres this engine will serve:

Primary Fuel Type
(check one):

- Diesel
- Biodiesel
- Natural Gas
- LPG
- Biogas
- Electric
- Other:

Engine Type
(check one):

- Tier 3
- Tier 4 Interim
- Tier 4 Final
- Spark Ignited
- Electric
- Other:

Verified Retrofit Technology:

- No retrofits are proposed for the new engine
- Propose to install the following retrofit on the existing engine:
- Propose to install the following retrofit on the new engine:

Manufacturer: _____

Model: _____

Verification Level: Level 1 Level 2 Level 3

Verified Emission Reductions:

NOx: % PM: % ROG: %

Engine Manufacturer and Model:

EPA Engine Family:
(attach ARB Executive Order)

Max Rated Brake HP:

Engine Year

Annual Fuel Usage:
(Estimate)

Engine Serial Number
(if available)

Annual Hours of Operation:
(Estimate)

Equipment Manufacturer and Model:

Equipment VIN No:
(if available)

Equipment Model Year:

Months in Operation:

- | | | |
|----------------------------------|-----------------------------------|------------------------------------|
| <input type="checkbox"/> January | <input type="checkbox"/> February | <input type="checkbox"/> March |
| <input type="checkbox"/> April | <input type="checkbox"/> May | <input type="checkbox"/> June |
| <input type="checkbox"/> July | <input type="checkbox"/> August | <input type="checkbox"/> September |
| <input type="checkbox"/> October | <input type="checkbox"/> November | <input type="checkbox"/> December |
- Operates throughout the year

Cost of New Engine and/or Equipment :
(Attach an estimate)

Cost to Retrofit:
(Attach an estimate)

Describe the fuel source (i.e. location of fuel storage and dispensing system, battery recharging station, etc.):

Additional Information (May include documentation from the vendor regarding repower solutions or equipment limitations):

Instructions
New Engine Information
Verified Technology Retrofit Installation

1. **Complete a separate form for each new engine or equipment.**
2. **Describe the type of equipment the new engine will power:** This may include a tractor, irrigation pump, forklift, loader, etc.
3. **Report the annual total acres this engine will serve:** Estimate the annual total acres of cropland this engine will irrigate or the annual total acres the mobile equipment will operate on.
4. **Primary Fuel Type:** Only select the primary fuel the engine consumes.
5. **Engine Type:** Select the type of engine (i.e. Tier 3). Please consult your engine vendor.
6. **Verified Retrofit Technology:** Will retrofit technology be installed on the new or existing engine? If yes, include the manufacturer, model, ARB-Verification Level, and the associated emission reductions with the installed technology. Attach documentation, including the applicable ARB Executive Order. This information should be available through your engine vendor or on-line at: www.arb.ca.gov/diesel/verdev/vdb/vdb.php.
7. **Engine Manufacturer and Model No:** Make and model number of the new engine. For example, IVECO (make) F4GE9484D*J (model). Please *do not* report the Equipment Model Number here.
8. **EPA Engine Family: *Required*** by including the certified engine family name assigned by the EPA and attaching the applicable ARB Executive Order for this engine. This information should be available through your engine vendor or is on-line at: www.arb.ca.gov/msprog/offroad/cert/cert.php. Any ARB Executive Order reporting a Family Emission Level (FEL) value exceeding an applicable NOx, NMHC+NOx, CO, or PM emission standard is not eligible for NRCS payments.
9. **Engine Year:** The year the engine model was manufactured.
10. **Engine Serial No.:** If available, include the serial number listed on the engine block or ID label.
11. **Max Rated Brake HP:** Identify the new engine break horsepower rating.
12. **Annual Fuel Usage:** Estimate the annual fuel usage in gallons.
13. **Annual Hours of Operation:** Estimate the engine's annual operations in hours.
14. **Equipment Manufacturer and Model:** The make and model number of the equipment. For example, a Case (make) 721 (model).
15. **Equipment VIN:** The equipment Vehicle Identification Number, if available.
16. **Equipment Model Year:** The model year in which the equipment was manufactured, if available.
17. **Months in Operation:** Select whether the engine will operate throughout the year or by month.
18. **Cost of New Engine and/or Equipment:** Attach an estimate that clearly itemizes the costs.
19. **Cost to Retrofit:** Attach an estimate from the vendor and/or mechanic that clearly itemizes the costs to retrofit the engine.
20. **Describe the fuel source:** How will fuel be supplied to the new equipment.
21. **Additional Information:** Include any information pertinent to this engine or equipment, including: engine-repower solutions or equipment limitations to repower from the vendor or manufacturer, and applicable permits or documentation issued by a local air district



Air Quality – Combustion System Improvement

This certification serves to document that the engine/equipment identified below has been disabled and permanently destroyed by shearing, crushing, or shredding into scrap metal. No engine or drive-train components were or will be parted-out, used or sold as parts, or used to rebuild equipment, including equipment intended for destruction. The completed certification shall be signed and submitted to the NRCS Field Office after destruction.

Agricultural Producer:

Contract Number:

Engine Manufacturer and Model:

Equipment Manufacturer and Model:

Diesel Engine Spark-Ignition Engine

Equipment Type:

Engine Serial No:

Equipment VIN:

Engine Model Year:

Equipment Model Year:

Date engine/equipment was disabled (a 6" minimum hole punched in the block, etc.):

Engine/Equipment Owner's Name (Print):

Owner's Signature:

Date:

The engine/equipment identified above were delivered for disposal and destruction at:

Destruction Company Name:

Address:

City:

State:

Zip Code:

Date engine/equipment was scrapped:

The engine/equipment has been destroyed and scrapped.

Destruction Facility Contact Name (Print):

Phone No:

Contact Signature:

Date:

Please attach date stamped photographs of the disabled engine/equipment identifying engine serial number and/or vehicle identification number, the hole punched in the engine block, and locations where the drive train and structural components were compromised.


**Air Quality - Combustion System Air Emissions Management
Off-Road Mobile/Stationary Engine Emissions Determination**

Producer Name: _____

Date: _____

Existing Engine Emissions Calculations

Existing Engine: Manufacturer: _____
 Model Year Engine: _____ Fuel Type: _____
 Equipment Type: _____
 Serial Number: _____

	Baseline Emissions	NOx	ROG	PM10	
Maximum Rated Brake Horsepower:	_____	_____	_____	_____	bhp _{maximum}
Annual Hours of Operation:	<input checked="" type="checkbox"/> _____	_____	_____	_____	Hours/Year
Emission Factors:	<input checked="" type="checkbox"/> _____	_____	_____	_____	g/bhp-hr
Load Factor:	<input checked="" type="checkbox"/> _____	_____	_____	_____	
Conversion to Tons:	÷ 907,200	907,200	907,200	907,200	Grams/Ton
Annual Emissions (EE) =	_____	_____	_____	_____	Tons/Year

New Engine Emissions Calculations (Report as zero emissions if electric)

New Engine: Manufacturer: _____
 Model Year Engine: _____ Fuel Type: _____
 Equipment Type: _____
 Serial Number (if available): _____

	New Engine Emissions	NOx	ROG	PM10	
Maximum Rated Brake Horsepower:	_____	_____	_____	_____	bhp _{maximum}
Annual Hours of Operation:	<input checked="" type="checkbox"/> _____	_____	_____	_____	Hours/Year
Emission Factors:	<input checked="" type="checkbox"/> _____	_____	_____	_____	g/bhp-hr
Load Factor:	<input checked="" type="checkbox"/> _____	_____	_____	_____	
Conversion to Tons:	÷ 907,200	907,200	907,200	907,200	Grams/Ton
Annual Emissions (NE) =	_____	_____	_____	_____	Tons/Year

Calculation Results

	NOx	ROG	PM10	
Annual Emission Reductions: (EE) – (NE) =	_____	_____	_____	Tons/Year
Percent Emission Reductions: [(EE – NE) / (EE)] x 100 =	_____	_____	_____	%



Section 6: Emission Factors and Standards for Agricultural Engines

The emission estimation methods summarize the data needed to calculate the emission reductions and cost effectiveness of potential projects. Included data are engine emission factors, load factors, and other conversion factors used for calculating emissions.

At a minimum, emission calculations require the following data:

- Engine Model Year
- Engine Rated Brake Horsepower
- Type of equipment the engine powers (to determine the load factor)
- Annual hours the engine operations
- Applicable emission factors

Emissions calculations will examine the emissions from the existing engines to establish a baseline and from the new engines. An emissions inventory will be developed based on this data to estimate the annual emissions of NO_x, ROG (NMHC or VOC), and PM₁₀ and to calculate the emission reductions that results from implementing this conservation practice.

Emissions Calculations

Pounds/hour = (EF g/bhp-hr) x (engine max rated bhp) x (load factor) x (1 lb/456 grams)

Tons/year = $\frac{[(EF \text{ g/bhp-hr}) \times (\text{engine max rated bhp}) \times (\text{annual hours}) \times (\text{load factor})]}{(907,200 \text{ g/ton})}$



Table 1
Diesel Equipment Default Load Factors

Tillers	0.78	Crawler Tractors	0.43
Combines	0.70	Mowers	0.43
Tractors	0.70	Shakers	0.43
Irrigation Pumps	0.65	Forage Harvesters*	0.43
Bailers	0.58	Graders	0.41
Loaders/Backhoes	0.55	Rough Terrain Forklifts	0.40
Swathers	0.55	Forklifts	0.20
Sprayers	0.50	Other Agricultural	0.51
Hydro Power Units	0.48		

Source: 2011 Carl Moyer Program Guidelines, Table D-10
 * Mowers EF

Table 2
Uncontrolled Off-Road Compression-Ignition (Diesel) Engines
Emission Factors (g/bhp-hr)

Horsepower	Model Year	NOx	ROG	PM10
50 – 119	Pre 1988	12.09	1.73	0.605
	1988 – 1995	8.14	1.19	0.497
120 +	Pre 1970	13.02	1.59	0.554
	1970 – 1979	11.16	1.20	0.396
	1980 – 1987	10.23	1.06	0.396
	1988 – 1995	7.60	0.82	0.274

Source: 2011 Carl Moyer Program Guidelines, Table D-11

Table 3
Controlled Off-Road Compression-Ignition (Diesel) Engines
Emission Factors (g/bhp-hr)

Horsepower	Tier	NOx	ROG	PM10
50-74	1	6.54	1.19	0.552
	2	4.75	0.23	0.192
	3	2.74	0.12	0.192
	4 Interim	2.74	0.12	0.112
	4 Final	2.74	0.12	0.008
75-99	1	6.54	1.19	0.552
	2	4.75	0.23	0.192
	3	2.74	0.12	0.192
	4 Phase-Out	2.74	0.12	0.008
	4 Phase-In/ Alternative NOx	2.14	0.11	0.008
4 Final	0.26	0.06	0.008	
100-174	1	6.54	0.82	0.008
	2	4.17	0.19	0.128
	3	2.32	0.12	0.112
	4 Phase-Out	2.32	0.12	0.008
	4 Phase-In/ Alternative NOx	2.15	0.06	0.008
	4 Final	0.26	0.06	0.008
175-299	1	5.93	0.38	0.108
	2	4.15	0.12	0.088
	3	2.32	0.12	0.088
	4 Phase-Out	2.32	0.12	0.008
	4 Phase-In/ Alternative NOx	1.29	0.08	0.008
	4 Final	0.26	0.06	0.008
300-750	1	5.93	0.38	0.108
	2	3.79	0.12	0.088
	3	2.32	0.12	0.088
	4 Phase-Out	2.32	0.12	0.008
	4 Phase-In/ Alternative NOx	1.29	0.08	0.008
	4 Final	0.26	0.06	0.008
751+	1	5.93	0.38	0.108
	2	3.79	0.12	0.088
	4 Interim	2.24	0.12	0.048
	4 Final	2.24	0.06	0.016

Source: 2011 Carl Moyer Program Guidelines, Table D-12



Table 4
Off-Road Large Spark-Ignited Equipment Default Load Factors

Combines	0.74	Sprayers	0.50
Rough Terrain Forklifts	0.63	Loaders/Backhoes	0.48
Tractors	0.62	Forklifts	0.30
Balers	0.55	Other Agricultural	0.55
Swathers	0.52		

Source: 2011 Carl Moyer Program Guidelines, Table D-13

Table 5
Off-Road Large Spark-Ignited Engines
Emission Factors (g/bhp-hr)

Horsepower	Fuel	Model Year	NOx	ROG	PM10
50-120	Gasoline	Uncontrolled – Pre 2004	11.84	2.66	0.060
		Controlled 2001-2006	1.78	0.26	0.060
		Controlled 2007-2009	1.19	0.18	0.060
		Controlled 2010+	0.36	0.05	0.060
	Alt Fuel	Uncontrolled – Pre 2004	10.51	1.02	0.060
		Controlled 2001-2006	1.58	0.11	0.060
		Controlled 2007-2009	1.05	0.07	0.060
		Controlled 2010+	0.32	0.02	0.060
>120	Gasoline	Uncontrolled – Pre 2004	12.94	1.63	0.060
		Controlled 2001-2006	1.94	0.16	0.060
		Controlled 2007-2009	1.29	0.11	0.060
		Controlled 2010+	0.39	0.03	0.060
	Alt Fuel	Uncontrolled – Pre 2004	10.51	0.90	0.060
		Controlled 2001-2006	1.58	0.09	0.060
		Controlled 2007-2009	1.05	0.06	0.060
		Controlled 2010+	0.32	0.02	0.060

Source: 2011 Carl Moyer Program Guidelines, Table D-14

FY 2013 Program Description



Environmental Quality Incentives Program

The purpose of the Environmental Quality Incentives Program (EQIP) is to promote agricultural production, forest management, and environmental quality as compatible goals; optimize environmental benefits; and help farmers and ranchers meet Federal, State, Tribal, and local environmental regulations.

EQIP is a continuous sign-up, voluntary, conservation program administered by the Natural Resources Conservation Service (NRCS) that provides financial and technical assistance for approved conservation practices based on a current conservation plan.

In order to be considered eligible for EQIP the applicant must have a vested interest in production agricultural or non-industrial private forest land and meet other program eligibility requirements.

About the National Air Quality Initiative

Under the Food Conservation and Energy Act of 2008, the Secretary shall provide eligible producers with program support to address serious air quality concerns from agricultural operations and help meet regulatory requirements through the Environmental Quality Incentives Program (EQIP). During fiscal year (FY) 2013, the program is designed to help producers meet air quality compliance requirements, as well as, support practices which address impacts associated with greenhouse gases (GHG).

Interested owners and/or operators of land managed for agricultural production in the following counties may be eligible for the National Air Quality Initiative:

Alameda, Amador, Butte, Calaveras, Contra Costa, El Dorado, Fresno, Imperial, Inyo, Kern, Kings, Los Angeles, Madera, Marin, Mariposa, Merced, Mono, Napa, Nevada, Orange, Placer, Riverside, Sacramento, San Bernardino, San Diego, San Francisco, San Joaquin, San Luis Obispo, San Mateo, Santa Clara, Solano, Sonoma, Stanislaus, Sutter, Tehama, Tulare, Tuolumne, Ventura, Yolo, and Yuba.

Submitting an EQIP Application

Interested applicants may apply for EQIP by completing Form NRCS-CPA-1200, Conservation Program Application, and submitting the application to the NRCS field office in person, by phone, email, or fax in the county which you own land or have an agricultural operation.

There will be two application cut-off dates for ranking applications submitted for the fiscal year 2013 National Air Quality Initiative, November 16, 2012, and February 15, 2013.

Applications submitted by the second application cut-off date, February 15, 2013, will be evaluated and ranked only if funding is available.

Requesting Conservation Planning Assistance

Interested applicants are encouraged to request conservation planning and technical assistance from a local NRCS field office to help with the development of a conservation plan; the basis for any EQIP application is a conservation plan. Some of the benefits of developing a customized



conservation plan include: helping you to comply with environmental regulations; preparing you for various conservation programs opportunities and identifying immediate or potential resource problems that could hurt your production.

How EQIP Works

EQIP initiatives are funding opportunities created to assure funds are available to resource priorities across various land use types, for special emphasis resource needs and to assure that underserved groups have access to assistance.

An EQIP initiative is a ranking and funding pool where similar applications are evaluated. Applications for an EQIP initiative will be evaluated based on screening and ranking criteria that consider the benefits of planned conservation practices as identified by local, state and national priorities. The basis for an EQIP application is a conservation plan.

Please contact your local NRCS field office about EQIP eligibility and the application process or visit http://www.ca.nrcs.usda.gov/programs/eqip/eqip_program_eligibility.html and http://www.ca.nrcs.usda.gov/programs/eqip/how_to_apply_for_eqip.html.

Program payments are limited to \$300,000 a person or entity for all contracts entered into during any six-year period. This limitation includes unpaid prior year contract obligations as of October 1, 2008, as well as new contract obligations. For the purpose of applying this requirement, the six-year period will include those payments made in fiscal years 2009-2014.

Priority Resource Concerns

The primary goal of the National Air Quality Initiative is to achieve and maintain the health-based National Ambient Air Quality Standards (NAAQS) within designated non-attainment areas of California. Financial assistance is targeted to counties that have been identified as having significant air quality resource concerns by being designated as non-attainment for Ozone and/or Particulate Matter. These areas experience air pollution levels that persistently exceed the National Ambient Air Quality Standards established by the Clean Air Act. Non-attainment areas can be found on-line at Environmental Protection Agency (US EPA) webpage, <http://www.epa.gov/oar/oaqps/greenbk/ancl.html>.

The National Air Quality Initiative will assist agricultural producers by implementing conservation practices that reduce oxides of nitrogen (NOx), volatile organic compounds (VOC), respirable particulate matter (PM10), and fine particulate matter (PM2.5) emissions from agricultural sources.

Refer to Table 1: List of California Non-Attainment Counties for more information on the resource priority for each county included in the National Air Quality Initiative.



Table 1. List of California Non-Attainment Counties

County	PM-10	PM-2.5	Ozone (O ₃)	Max Non-Attainment Classification (Pollutant)
Alameda		x	x	Marginal (O ₃)
Amador			x	Moderate (O ₃)
Butte		x	x	Marginal (O ₃)
Calaveras			x	Moderate (O ₃)
Contra Costa		x	x	Marginal (O ₃)
El Dorado		x	x	Severe-15 (O ₃)
Fresno	x	x	x	Extreme (O ₃)
Imperial	x	x	x	Serious (PM-10)
Inyo	x			Serious (PM-10)
Kern	x	x	x	Extreme (O ₃)
Kings	x	x	x	Extreme (O ₃)
Los Angeles	x	x	x	Extreme (O ₃)
Madera	x	x	x	Extreme (O ₃)
Marin		x	x	Marginal (O ₃)
Mariposa			x	Moderate (O ₃)
Merced	x	x	x	Extreme (O ₃)
Mono	x			Moderate (PM-10)
Napa		x	x	Marginal (O ₃)
Nevada			x	Moderate (O ₃)
Orange	x	x	x	Extreme (O ₃)
Placer		x	x	Severe-15 (O ₃)
Riverside	x	x	x	Extreme (O ₃)
Sacramento	x	x	x	Severe-15 (O ₃)
San Bernardino	x	x	x	Extreme (O ₃)
San Diego			x	Moderate (O ₃)
San Francisco		x	x	Marginal (O ₃)
San Joaquin	x	x	x	Extreme (O ₃)
San Luis Obispo			x	Marginal (O ₃)
San Mateo		x	x	Marginal (O ₃)
Santa Clara		x	x	Marginal (O ₃)
Solano		x	x	Severe-15 (O ₃)
Sonoma		x	x	Marginal (O ₃)
Stanislaus	x	x	x	Extreme (O ₃)
Sutter		x	x	Severe-15 (O ₃)
Tehama			x	Marginal (O ₃)
Tulare	x	x	x	Extreme (O ₃)
Tuolumne			x	Moderate (O ₃)
Ventura			x	Serious (O ₃)
Yolo		x	x	Severe-15 (O ₃)
Yuba		x		Non-Attainment (PM-2.5)

Source: EPA Blue Book, as of July 20, 2012 (<http://www.epa.gov/oar/oaqps/greenbk/anc1.html>)



Typical Conservation Treatments

The typical conservation treatment for the National Air Quality Initiative is the removal from service and permanent destruction of high-polluting internal combustion engines used with in-use off-road mobile agricultural equipment and replacement with engines that meet current model-year California emission standards.

Significant emission reduction benefits are achieved when high-polluting engines are retired earlier than through normal attrition and replaced with cleaner new model-year engines. The applicable NRCS practice standard is 372 – Combustion System Improvement.

Also offered through the initiative is the development of a Conservation Activity Plan (CAP) by a Technical Service Provider. An application to develop a Comprehensive Air Quality Management Plan (CAP-126) will receive ranking priority due to the resulting conservation benefits from identifying and addressing the air quality resource concerns. Technical Service Providers are listed online at <http://techreg.usda.gov/>.

Approved NRCS Land Uses

Only the approved NRCS land uses are eligible for the National Air Quality Initiative. Approved land uses are:

- Crop
- Forest
- Grazed Forest
- Headquarters
- Grazed Range
- Pasture
- Hay

Approved NRCS Resource Concerns

Only the approved NRCS resource concerns are eligible for the National Air Quality Initiative. Approved air quality resource concerns are:

- Particulate matter less than 2.5 micrometers in diameter (PM 2.5)
- Particulate matter less than 10 micrometers in diameter (PM10)
- Excessive Ozone
- Excessive Greenhouse Gas -N₂O (nitrous oxide)
- Excessive Greenhouse Gas -CO₂ (carbon dioxide)
- Excessive Greenhouse Gas -CH₄ (methane)
- Ammonia (NH₃)

Approved NRCS Conservation Practices

Only approved NRCS conservation practices are eligible for financial assistance through the National Air Quality Initiative. Table 2 lists approved practices for the initiative.

For more information about NRCS conservation practices visit http://www.nrcs.usda.gov/wps/portal/nrcs/detail/national/technical/?cid=NRCSDEV11_001020 the website link for all NRCS conservation practice standards.

Table 2. Approved National Air Quality Initiative Conservation Practices

Practice Name	Practice Code
Comprehensive Air Quality Management Plan	126



Environmental Quality Incentives Program (EQIP)
Fiscal Year 2013 EQIP Program Information
National Air Quality Initiative

Access Control	472
Agrichemical Handling Facility	309
Air Filtration and Scrubbing	371
Alley Cropping	311
Amendments for Treatment of Agricultural Waste	591
Anaerobic Digester, Controlled Temperature	366
Anionic Polyacrylamide (PAM) Erosion Control	450
Combustion System Improvement	372
Composting Facility	317
Conservation Cover	327
Conservation Crop Rotation	328
Cover Crop	340
Critical Area Planting	342
Cross Wind Ridges	588
Cross Wind Trap Strips	589c
Drainage Water Management	554
Dust Control from Animal Activity on Open Lot Surfaces	375
Dust Control on Unpaved Roads and Surfaces	373
Feed Management	592
Field Border	386
Forage and Biomass Planting	512
Forest Stand Improvement	666
Heavy Use Area Protection	561
Hedgerow Planting	422
Herbaceous Wind Barriers	603
Integrated Pest Management	595
Irrigation System, Sprinkler	442
Irrigation Water Management	449
Mulching	484
Multi-Story Cropping	379
Nutrient Management	590
Prescribed Burning	338
Prescribed Grazing	528
Pumping Plant	533
Range Planting	550
Residue and Tillage Management, Mulch Till	345
Residue and Tillage Management, No Till/Strip Till/Direct Seed	329
Residue and Tillage Management, Ridge Till	346
Residue Management, Seasonal	344
Riparian Forest Buffer	391
Riparian Herbaceous Cover	390
Roofs and Covers	367
Silvopasture Establishment	381
Solid/Liquid Waste Separation Facility	632
Strippcropping	585
Surface Roughening	609
Tree/Shrub Establishment	612



Waste Treatment	629
Waste Treatment Lagoon	359
Windbreak/Shelterbelt Establishment	380
Windbreak/Shelterbelt Renovation	650
Woody Residue Treatment	384

Application Screening Criteria for the National Air Quality Initiative

The purpose of screening criteria is to prioritize applications into ‘High’, ‘Medium’ or ‘Low’ categories prior to application ranking. All eligible applications for the National Air Quality Initiative will be screened and applications in the ‘High’ priority category will be ranked. ‘Medium’ priority applications will be ranked only if funding is available. An application screening worksheet is included at the end of this document and will be used by NRCS to screen applications submitted for the National Air Quality Initiative. The following is for reference only.

Ineligible Category: (If one of the following is true)

- 1) The EQIP application is associated with land that is not located within the boundaries of the approved FY 2013 Air Quality Initiative State and County.
- 2) Does the conservation practice proposed for the EQIP application facilitates a change in scope or is solely production related per 515.81B or violates contract policy “Payments not authorized”, per 512.65?
- 3) During the previous two EQIP program years (2011 and 2012), did the applicant have a USDA payment contract where:
 - The contract was modified to extend the planned practice installation and the practice has not been installed within the last year due to participant lack of compliance with implementation schedule and not due to NRCS error or required changes to plan or design; or
 - The program contract was terminated for any reason in the last three (3) program years (2010, 2011 and 2012)?

High Priority Category: (If one of the following is true)

- 1) The EQIP Application schedule of operations and conservation plan is to develop a Comprehensive Air Quality Management Plan (CAP 126) to address priority resource concerns: (NOx/VOC (Ozone); PM10/PM2.5 (Particulate Matter); and/or Greenhouse Gases.
- 2) EQIP Application schedule of operations and conservation plan is to repower or replace a fully functional internal combustion engine powering off-road mobile agricultural equipment with a new engine meeting the current model-year California emission standards where:
 - The existing engine is a pre-1988 uncontrolled (Tier 0) diesel engine; or,
 - The existing engine is a 1988 or newer model year Tier 0 or Tier 1-certified diesel engine that emits at least one ton of NOx annually; or,
 - The project will result in replacing two or more existing diesel-powered engines for one new diesel-powered provided that at least one of the existing engines is an uncontrolled (Tier 0) engine.



Medium Priority Category: (If one of the following is true)

- 1) The EQIP Application schedule of operations and conservation plan is to repower or replace a fully functional internal combustion engine with a new engine meeting the most current model-year California emission standards where:
 - The existing engine is a 1988 or newer model-year Tier 0 or Tier 1-certified diesel engine powering off-road mobile agricultural equipment that emits less than one ton of NOx annually; or
 - The project is replacing a Tier 0 or Tier 1-certified irrigation engine.
- 2) The EQIP Application schedule of operations and conservation plan will apply three or more air quality practices that result in quantifiable emission reductions.
- 3) The EQIP Application schedule of operations and conservation plan will assist with compliance of a rule requirement, permit condition or regulatory action.

Low Priority Category: (If one of the following is true)

- 1) The EQIP Application schedule of operations and conservation plan is to repower, replace, or retrofit a high polluting, fully functional engine with a newer engine meeting the current model year California emission standards where:
 - The existing engine is a Tier 2-certified diesel engine; or
 - The existing engine operates on fuels other than diesel (such as gasoline, propane, butane, LPG, CNG, etc.).
- 2) The EQIP Application schedule of operations and conservation plan will apply one or two Air Quality practices that result in quantifiable emission reductions.

Application Ranking Criteria for the National Air Quality Initiative

The purpose of the National Air Quality Initiative ranking criteria is to evaluate the environmental benefits of conservation treatments included in an EQIP application, i.e. the EQIP schedule of operations and conservation plan. An application ranking score is based on national, state and local ranking criteria and the cost-efficiency of conservation practices in the EQIP application. The cost-efficiency score is based upon broad averages of the cost and environmental benefits of each practice in the EQIP application.

The following sections list the national, state and local ranking criteria for the National Air Quality Initiative and are provided for reference only. Applications will be evaluated electronically by NRCS using the Application Evaluation and Ranking Tool (AERT).

National Ranking Criteria

Only question 1 and 4 are applicable to the National Quality Initiative; all other questions will be answered “No”.

- 1) If the application is for development of a Conservation Activity Plan (CAP), the agency will assign significant ranking priority and conservation benefit by answering “Yes” to the following question. Answering “Yes” to question 1a will result in the application being awarded the maximum amount of points that can be earned for the national priority category.
 - a. Is the program application to support the development of a Conservation Activity Plan (CAP)? If answer is “Yes”, do not answer any other national level questions. If

answer is “No”, proceed with evaluation to address the remaining questions in this section.

- 2) Clean and Abundant Water: Water Quality - Will the proposed project assist the producer to:
 - a. Meet regulatory requirements relating to animal feeding operations, or proactively avoid the need for regulatory measures?
 - b. Reduce sediment, nutrients or pesticides from agricultural operations located within a field that adjoins a designated "impaired water body" (TMDL, 303d, etc.)?
 - c. Reduce sediment, nutrients or pesticides from agricultural operations located within a field that adjoins a "non-impaired water body"?

- 3) Clean and Abundant Water: Water Conservation - Will the proposed project assist the producer implement conservation practices which:
 - a. Decrease aquifer overdraft?
 - b. Conserve water from irrigation system improvements and saved water will be available for other beneficial uses?
 - c. Conserve water in an area where the applicant participates in a geographically established or watershed-wide project?

- 4) Clean Air: Treatment of air quality from agricultural sources - Will the proposed project assist the producer to implement practice(s) which:
 - a. Meet on-farm regulatory requirements relating to air quality or proactively avoid the need for regulatory measures?
 - b. Reduce on-farm generated green house gases such as CO₂ (Carbon Dioxide), CH₄ (Methane), and N₂O (Nitrous Oxide)?
 - c. Increase on-farm carbon sequestration?

- 5) Soil Health: Will the proposed project assist the producer to implement practice(s) which:
 - a. Reduce erosion to tolerable limits (Soil "T")?
 - b. Improve soil tilth, organic matter, structure, health, etc.?

- 6) Healthy Plant and Animal Communities Wildlife Habitat Conservation - Will the proposed project assist the producer to implement practice(s) which:
 - a. Benefit on-farm habitat associated with threatened and endangered, at-risk, candidate, or species of concern as identified in a State wildlife plan?
 - b. Help retain wildlife and plant habitat on land exiting the Conservation Reserve Program (CRP)?

- 7) High Quality, Productive Soils, Healthy Plant and Animal Communities: Will the proposed project assist the producer implement practices which:
 - a. Help manage or control noxious or invasive plant species on non-cropland?
 - b. Increase, or improve habitat to benefit pollinator or other targeted wildlife species?
 - c. Properly dispose of livestock carcasses?
 - d. Are identified in an Integrated Pest Management plan?
 - e. Are identified in a Nutrient Management plan?
 - f. Apply principles of adaptive nutrient management?



- 8) Energy Conservation - Will the proposed project assist the producer to implement practices which:
- Reduce energy consumption on the agricultural operation?
 - Increase on-farm energy efficiency with practices and improvements identified in an approved energy audit equivalent to criteria required in Ag EMP (122,124)?
 - Assist in implementing energy conservation measures that also reduce greenhouse gas emissions and other air pollutants?
- 9) Business Lines - Conservation Implementation Additional Ranking Considerations - Will the proposed project result in:
- Implementation of all conservation practices scheduled in the contract on the CPA-1155 within three years of date of obligation?
 - Improvement of existing conservation practices or conservation systems already in place at the time the application is accepted?
 - Implementation of practice(s) which will complete an existing conservation system or suite of practices?

State Ranking Criteria

All questions are applicable to the National Air Quality Initiative.

- 1) If the application is for development of a Conservation Activity Plan (CAP), the agency will assign significant ranking priority and conservation benefit by answering “Yes” to the following question. Answering “Yes” to question 1a will result in the application being awarded the maximum amount of points that can be earned for the state priority category.
- Is the program application for development of a Conservation Activity Plan (CAP) for a TSP prepared Comprehensive Air Quality Management Plan (126)? If answer is “Yes”, do not answer any other state level questions. If answer is “No”, proceed with evaluation to address the remaining questions in this section.
- 2) Choose the most appropriate response below regarding the location of the project with regard to EPA National Ambient Air Quality Standards (NAAQS) designations for the area.
- EQIP project is located in an area that has an EPA NAAQS non-attainment designation for PM_{2.5}, PM₁₀ and Ozone (all 3).
 - EQIP project is located in an area that has an EPA NAAQS non-attainment designation for 2 out of 3 of these pollutants (PM_{2.5}, PM₁₀ and Ozone).
 - EQIP project is located in an area that has an EPA NAAQS non-attainment designation for 1 out of 3 of these pollutants (PM_{2.5}, PM₁₀ and Ozone).
- 3) Choose the most appropriate response below regarding the location of the project with regard to the EPA National Ambient Air Quality Standards (NAAQS) ozone designation for the area.
- EQIP project is located in EPA NAAQS Designation “Extreme” nonattainment area.
 - EQIP project is located in EPA NAAQS Designation “Severe” or “Serious” nonattainment area.



- c. EQIP project is located in EPA NAAQS Designation “Moderate” or “Marginal” nonattainment area.
- 4) Choose the most appropriate response below regarding the location of the project with regard to the EPA NAAQS PM10 designation for the area.
 - a. EQIP project is located in an area that is designated as serious nonattainment by the EPA for PM10 or is a PM10 maintenance area that was previously designated as serious nonattainment.
 - b. EQIP project is located in an area that is designated as moderate nonattainment by the EPA for PM10.
- 5) Choose the most appropriate response below regarding the EQIP contract with regard to local or state air quality regulations that specifically address agricultural emissions.
 - a. EQIP project practice(s) address one or more local or state agriculturally-related air emissions regulatory requirements.
- 6) Choose the most appropriate response below regarding the potential for the EQIP contract to replace existing diesel engines used on farm - All retired engines must be destroyed according to requirements outlined in the Combustion System Improvement practice standard.
 - a. The EQIP project results in replacement of one or more existing diesel engine(s) with energy efficient electric motor(s).
 - b. The EQIP project results in replacement of two or more existing pre-1980 diesel engines with the most current Tier-level diesel engines.
 - c. The EQIP project results in replacement of one existing pre-1980 diesel engine with the most current Tier-level diesel engine.
 - d. The EQIP project results in replacement of one existing 1980 or newer diesel engine with the most current Tier-level diesel engine.
 - e. The EQIP project results in retrofit of an existing diesel engine with approved devices.
- 7) If the EQIP application is located in an area where the applicant needs to address a PM10 resource concern select the statement below that best describes the practices included in this application.
 - a. EQIP application includes at least one or more practices for PM10 that provide a high or significant environmental benefit.
 - b. EQIP application includes no high priority practices but does include one or more medium priority practices to address PM10.
 - c. EQIP application includes no high or medium priority practices, but does include one or more low priority practices to address PM10.
- 8) If the EQIP application is located in an area where the applicant needs to address a PM2.5 resource concern select the statement below that best describes the practices included in this application.
 - a. EQIP application includes at least one or more practices for PM2.5 that provides a high or significant environmental benefit.

- b. EQIP application includes no high priority practices but does include one or more medium priority practices to address PM2.5.
 - c. EQIP application includes no high or medium priority practices, but does include one or more low priority practices to address PM2.5.
- 9) If the EQIP application is located in an area where the applicant needs to address an Ozone resource concern select the statement below that best describes the practices included in this application.
- a. EQIP application includes at least one or more practices for Ozone that provides a high or significant environmental benefit.
 - b. EQIP application includes no high priority practices but does include one or more medium priority practices to address Ozone.
 - c. EQIP application includes no high or medium priority practices, but does include one or more low priority practices to address Ozone.
- 10) If the EQIP application is partially or fully focused on ammonia emission reductions select the statement below that best describes practices included in this application.
- a. EQIP application includes at least one or more practices for ammonia that provides a high or significant environmental benefit.
 - b. EQIP application includes no high priority practices but does include one or more medium priority practices to address ammonia.
 - c. EQIP application includes no high or medium priority practices, but does include one or more low priority practices to address ammonia.
- 11) If the EQIP application is partially or fully focused on greenhouse gases select the statement below that best describes the practices included in this application.
- a. EQIP application includes at least one or more practices for GHGs that provide a high or significant environmental benefit.
 - b. EQIP application includes no high priority practices but does include one or more medium priority practices to address GHGs.
 - c. EQIP application includes no high or medium priority practices, but does include one or more low priority practices to address GHGs.

Local Ranking Criteria

All questions are applicable to the National Air Quality Initiative.

- 1) Select the most appropriate answer below that best describes the range of NO_x emissions to be reduced annually under the EQIP project.
- a. Annual NO_x reductions are greater than 3 tons/year or installing an electric project.
 - b. Annual NO_x reductions are 3.0 tons/year or less and greater than 2.0 tons/year
 - c. Annual NO_x reductions are 2.0 tons/year or less and greater than 1.0 ton/year.
 - d. Annual NO_x reductions are 1.0 tons/year or less and greater than 0.1 tons/year.
 - e. Annual NO_x reductions are 0.1 tons/year or less



- 2) Select the most appropriate answer below that best describes the percent range of NO_x emissions reductions under the EQIP project.
 - a. Percent NO_x reductions are 100 percent
 - b. Percent NO_x reductions are between 100% and 80%
 - c. Percent NO_x reductions are 80% or less and greater than 70%
 - d. Percent NO_x reductions are 70% or less and greater than 50%
 - e. Percent NO_x reductions are 50% or less

- 3) Select the most appropriate answer below that best describes the range of VOC emissions reduced annually under the EQIP project.
 - a. Annual VOC (ROG) reductions are greater than 0.4 tons/year or installing an electric project.
 - b. Annual VOC (ROG) reductions are 0.4 tons/year or less and greater than 0.3 tons/year.
 - c. Annual VOC (ROG) reductions are 0.3 tons/year or less and greater than 0.2 tons/year.
 - d. Annual VOC (ROG) reductions are 0.2 tons/year or less and greater than 0.1 tons/year.
 - e. Annual VOC (ROG) reductions are 0.1 tons/year or less.

- 4) Select the most appropriate answer below that best describes the percent range of PM₁₀ emissions reductions under the EQIP project.
 - a. Percent PM₁₀ reductions are greater than 90 percent.
 - b. Percent PM₁₀ reductions are between 90% and 80%.
 - c. Percent PM₁₀ reductions are 80% or less and greater than 70%.
 - d. Percent PM₁₀ reductions are 70% or less and greater than 60%.
 - e. Percent PM₁₀ reductions are 60% or less.

- 5) Select the appropriate NAAQS nonattainment designation for the applicable county under this EQIP project.
 - a. The project is located within a county designated as “Extreme” nonattainment for the 1997 or 2008 ozone NAAQS (Fresno, Kern, Kings, Los Angeles, Madera, Merced, Orange, Riverside, San Bernardino, San Joaquin, Stanislaus, and Tulare counties)
 - b. The project is located within a county designated as “Severe 17 or 15” nonattainment for the 1997 and/or 2008 ozone NAAQS (El Dorado, Placer, Sacramento, Solano, Sutter, and Yolo counties).
 - c. The project is located within a county designated as “Serious” nonattainment for the 1997 and/or 2008 ozone or PM₁₀ NAAQS (Imperial, Inyo, and Ventura counties)
 - d. The project is located within a county designated as “Moderate” nonattainment for the 1997 and/or 2008 ozone or PM₁₀ NAAQS (Amador, Calaveras, Mariposa, Mono, Nevada, San Diego, and Tuolumne counties).
 - e. The project is located within a county designated as “Marginal” nonattainment for the 1997 and/or 2008 ozone NAAQS or as “nonattainment” for the 2006 PM_{2.5} NAAQS (Alameda, Butte, Contra Costa, Marin, Napa, San Francisco, San Luis Obispo, San Mateo, Santa Clara, Sonoma, Tehama, and Yuba counties).

Program Region Map for the National Air Quality Initiative





List of Attachments

Existing Engine Worksheet & Instructions

New Engine Worksheet & Instructions

Emissions Calculation Worksheet

Emissions Calculations and Compression Ignition Engine Emission Factors

Engine/Equipment Destruction Certification

FY 2014 Program Description

Environmental Quality Incentives Program

The purpose of the Environmental Quality Incentives Program (EQIP) is to promote agricultural production, forest management, and environmental quality as compatible goals; optimize environmental benefits; and help farmers and ranchers meet Federal, State, Tribal, and local environmental regulations.

EQIP is a continuous sign-up, voluntary, conservation program administered by the Natural Resources Conservation Service (NRCS) that provides financial and technical assistance for approved conservation practices based on a current conservation plan.

In order to be considered eligible for EQIP the applicant must have a vested interest in production agricultural or non-industrial private forest land and meet other program eligibility requirements.

How EQIP Works

EQIP initiatives are funding opportunities created to assure funds are available to resource priorities across various land use types, for special emphasis resource needs and to assure that underserved groups have access to assistance.

Applications for an EQIP initiative will be evaluated based on screening and ranking criteria that consider the environmental benefits of planned conservation practices as identified by local, state and national priorities. The basis for an EQIP application is a conservation plan.

Requesting Conservation Planning Assistance

Interested applicants are encouraged to request conservation planning and technical assistance from a local NRCS field office to help with the development of a conservation plan; the basis for any EQIP application is a conservation plan.

Some of the benefits of developing a customized conservation plan include: helping you to comply with environmental regulations; preparing you for various conservation programs opportunities and identifying immediate or potential resource problems that could hurt your production.

About the National Air Quality Initiative (NAQI)

Under the Food Conservation and Energy Act of 2008, the Secretary shall provide eligible producers with program support to address serious air quality concerns from agricultural operations and help meet regulatory requirements through EQIP. During fiscal year 2014 (FY 2014), the program is designed to help producers meet air quality compliance requirements and offer opportunities to support practices that address impacts associated with greenhouse gases.

The primary goal of the National Air Quality Initiative is to achieve and maintain the health-based National Ambient Air Quality Standards (NAAQS) within designated non-attainment areas of California. Financial assistance is targeted to counties that have been identified as having significant air quality resource concerns by being designated as non-attainment for Ozone and/or Particulate Matter. These areas experience air pollution levels that persistently exceed the

National Ambient Air Quality Standards established by the Clean Air Act. Non-attainment areas can be found on-line at US Environmental Protection Agency (EPA) at: <http://www.epa.gov/oar/oaqps/greenbk/ancl.html>.

The National Air Quality Initiative can assist agricultural producers by implementing conservation practices that reduce oxides of nitrogen (NO_x), volatile organic compounds (VOC), respirable particulate matter (PM₁₀), and fine particulate matter (PM_{2.5}) emissions from agricultural sources.

The typical conservation treatment for the National Air Quality Initiative is the removal from service and permanent destruction of in-use high-polluting internal combustion engines that power and self-propel off-road mobile agricultural vehicles or equipment and replacement with new engines that meet current model-year California emission standards (i.e. Tier-certification for off-road diesel engines) as determined by the applicable EPA Engine Family Name and State of California Air Resources Board (ARB) Executive Order. Significant emission reduction benefits are achieved when high-polluting off-road diesel engines are retired earlier than through normal turnover and replaced with cleaner new model-year off-road diesel engines. The applicable NRCS Conservation Practice Standard (CPS) is 372 – Combustion System Improvement.

Also offered through the initiative is the development of a Conservation Activity Plan (CAP) by a Technical Service Provider. An application to develop a Comprehensive Air Quality Management Plan (CAP-126) will receive ranking priority due to the resulting conservation benefits from identifying and addressing the air quality resource concerns. Technical Service Providers are listed online at <http://techreg.usda.gov/>

For FY 2014, interested owners and/or operators of land managed for agricultural production in the following counties may be eligible for the National Air Quality Initiative:

Alameda, Amador, Butte, Calaveras, Contra Costa, Ed Dorado, Fresno, Imperial, Inyo, Kern, Kings, Los Angeles, Madera, Marin, Mariposa, Merced, Mono, Napa, Nevada, Orange, Placer, Riverside, Sacramento, San Bernardino, San Diego, San Joaquin, San Luis Obispo, San Mateo, Santa Clara, Solano, Sonoma, Stanislaus, Sutter, Tehama, Tulare, Tuolumne, Ventura, Yolo, and Yuba.

Refer to the following Table 1 for more information on the resource priority for each county included in the National Air Quality Initiative.

Table 1. NAQI Resource Priorities and California Non-Attainment Designations¹

County	NAQI Resource Priority			County Non-Attainment Designation for Ranking Purposes ¹ (Pollutant, NAAQS Designation, Year)
	Ozone (O ₃)	PM2.5	PM10	
Alameda	X	X		8-Hr O ₃ : Marginal (2008 & 1997) PM2.5: Non-Attainment (2006) PM10: Attainment/Unclassified
Amador	X			8-Hr O ₃ : Moderate (1997) PM2.5: Attainment/Unclassified PM10: Attainment/Unclassified
Butte	X	X		8-Hr O ₃ : Marginal (2008 & 1997) PM2.5: Non-Attainment (2006) PM10: Attainment/Unclassified
Calaveras	X			8-Hr O ₃ : Marginal (2008), Moderate (1997) PM2.5: Attainment/Unclassified PM10: Attainment/Unclassified
Contra Costa	X	X		8-Hr O ₃ : Marginal (2008 & 1997) PM2.5: Non-Attainment (2006) PM10: Attainment/Unclassified
El Dorado	X	X		8-Hr O ₃ : Severe-15 (2008 & 1997) PM2.5: Non-Attainment (2006) PM10: Attainment/Unclassified
Fresno	X	X	X	8-Hr O ₃ : Extreme (2008 & 1997) PM2.5: Non-Attainment (2006 & 1997) PM10: Attainment, Maintenance Plan
Imperial	X	X	X	8-Hr O ₃ : Marginal (2008) PM2.5: Non-Attainment (2006) PM10: Serious
Inyo			X	8-Hr O ₃ : Attainment/Unclassified PM2.5: Attainment/Unclassified PM10: Serious
Kern	X	X	X	8-Hr O ₃ : Extreme (2008 & 1997) PM2.5: Non-Attainment (2006 & 1997) PM10: Serious
Kings	X	X	X	8-Hr O ₃ : Extreme (2008 & 1997) PM2.5: Non-Attainment (2006 & 1997) PM10: Attainment, Maintenance Plan
Los Angeles	X	X	X	8-Hr O ₃ : Extreme (2008 & 1997) PM2.5: Non-Attainment (2006 & 1997) PM10: Serious
Madera	X	X	X	8-Hr O ₃ : Extreme (2008 & 1997) PM2.5: Non-Attainment (2006 & 1997) PM10: Attainment, Maintenance Plan
Marin	X	X		8-Hr O ₃ : Marginal (2008 & 1997) PM2.5: Non-Attainment (2006) PM10: Attainment/Unclassified

Mariposa	X			8-Hr O ₃ : Marginal (2008) PM2.5: Attainment/Unclassified PM10: Attainment/Unclassified
Merced	X	X	X	8-Hr O ₃ : Extreme (2008 & 1997) PM2.5: Non-Attainment (2006 & 1997) PM10: Attainment, Maintenance Plan
Mono			X	8-Hr O ₃ : Attainment/Unclassified PM2.5: Attainment/Unclassified PM10: Moderate
Napa	X	X		8-Hr O ₃ : Marginal (2008 & 1997) PM2.5: Non-Attainment (2006) PM10: Attainment/Unclassified
Nevada	X			8-Hr O ₃ : Marginal (2008) PM2.5: Attainment/Unclassified PM10: Attainment/Unclassified
Orange	X	X	X	8-Hr O ₃ : Extreme (2008 & 1997) PM2.5: Non-Attainment (2006 & 1997) PM10: Serious
Placer	X	X		8-Hr O ₃ : Severe-15 (2008 & 1997) PM2.5: Non-Attainment (2006) PM10: Attainment/Unclassified
Riverside	X	X	X	8-Hr O ₃ : Extreme (2008 & 1997) PM2.5: Non-Attainment (2006 & 1997) PM10: Serious
Sacramento	X	X	X	8-Hr O ₃ : Severe-15 (2008 & 1997) PM2.5: Non-Attainment (2006) PM10: Attainment, Maintenance Plan
San Bernardino	X	X	X	8-Hr O ₃ : Extreme (2008 & 1997) PM2.5: Non-Attainment (2006 & 1997) PM10: Serious
San Diego	X			8-Hr O ₃ : Marginal (2008) PM2.5: Attainment/Unclassified PM10: Attainment/Unclassified
San Joaquin	X	X	X	8-Hr O ₃ : Extreme (2008 & 1997) PM2.5: Non-Attainment (2006 & 1997) PM10: Attainment, Maintenance Plan
San Luis Obispo	X			8-Hr O ₃ : Marginal (2008) PM2.5: Attainment/Unclassified PM10: Attainment/Unclassified
San Mateo	X	X		8-Hr O ₃ : Marginal (2008 & 1997) PM2.5: Non-Attainment (2006) PM10: Attainment/Unclassified
Santa Clara	X	X		8-Hr O ₃ : Marginal (2008 & 1997) PM2.5: Non-Attainment (2006) PM10: Attainment/Unclassified
Solano	X	X		8-Hr O ₃ : Severe-15 (2008 & 1997) PM2.5: Non-Attainment (2006) PM10: Attainment/Unclassified

Sonoma	X	X		8-Hr O ₃ : Marginal (2008 & 1997) PM2.5: Non-Attainment (2006) PM10: Attainment/Unclassified
Stanislaus	X	X	X	8-Hr O ₃ : Extreme (2008 & 1997) PM2.5: Non-Attainment (2006 & 1997) PM10: Attainment, Maintenance Plan
Sutter	X	X		8-Hr O ₃ : Severe-15 (2008 & 1997) PM2.5: Non-Attainment (2006) PM10: Attainment/Unclassified
Tehama	X			8-Hr O ₃ : Marginal (2008) PM2.5: Attainment/Unclassified PM10: Attainment/Unclassified
Tulare	X	X	X	8-Hr O ₃ : Extreme (2008 & 1997) PM2.5: Non-Attainment (2006 & 1997) PM10: Attainment, Maintenance Plan
Tuolumne	X			8-Hr O ₃ : Moderate (1997) PM2.5: Attainment/Unclassified PM10: Attainment/Unclassified
Ventura	X			8-Hr O ₃ : Serious (2008 & 1997) PM2.5: Attainment/Unclassified PM10: Attainment/Unclassified
Yolo	X	X		8-Hr O ₃ : Severe-15 (2008 & 1997) PM2.5: Non-Attainment (2006) PM10: Attainment/Unclassified
Yuba		X		8-Hr O ₃ : Attainment/Unclassified PM2.5: Non-Attainment (2006) PM10: Attainment/Unclassified

Source: The list of California NAAQS designations derive from the EPA Greenbook, as of December 5, 2013:
<http://www.epa.gov/oar/oaqps/greenbk/ancl.html#CALIFORNIA>

¹ The listed county non-attainment designations are for NRCS ranking purposes. The intent of this table is to identify the NRCS air quality resource concerns in order to assist with meeting air quality regulatory requirements and achieving attainment goals. The most stringent non-attainment designation was selected, as the actual NAAQS designations may differ due to partial county designations, or multiple air basins or separate air quality planning regions within a single county.

Four worksheets are included at the end of this program description:

- 1) California Existing In-Use Engine/Equipment (Baseline) Worksheet and Instructions;
- 2) California New Engine Worksheet and Instructions;
- 3) California Engine/Equipment Destruction Certification Worksheet;
- 4) California Emissions Calculation Worksheet.

The first two worksheets are for the applicant to document the proposed existing in-use and new engines and equipment data for submittal with their EQIP application. The producer may use the third worksheet to document engine and equipment destruction and disposal in accordance with CPS 372-Specifications. The fourth worksheet is used by the conservation planner and/or the applicant to calculate the estimated emissions and emission reductions associated with a project.

Approved NRCS Land Uses

Only approved NRCS land uses are eligible for the National Air Quality Initiative. Approved land uses are:

- Crop
- Pasture
- Range
- Forest
- Farmstead

Approved NRCS Resource Concerns

Only approved NRCS resource concerns are eligible for the National Air Quality Initiative. Approved resource concerns are:

AIR QUALITY IMPACTS

- Emissions of Particulate Matter (PM) and PM Precursors
- Emissions of Ozone Precursors
- Emissions of Greenhouse Gases (GHGs)

Approved NRCS Conservation Activity Plans

The following NRCS Conservation Activity Plans (CAPs) to address air quality resource concerns are eligible for financial assistance through the National Air Quality Initiative. A CAP may be developed for applicants to help identify conservation practices needed to address a specific natural resource needs. Eligible applicants may apply for the development of multiple CAPs; however, only one CAP contract may be developed on an eligible land unit (e.g., field) at the same time. More information on Conservation Activity Plans is found online at: <http://www.nrcs.usda.gov/wps/portal/nrcs/detail/national/programs/technical/tsp/?cid=stelprdb1075570>.

Table 2. Approved Conservation Activity Plans

Practice Code	Conservation Activity Plan Name	Units	Lifespan
102	Comprehensive Nutrient Management Plan - Written	no	1
104	Nutrient Management Plan - Written	no	1
106	Forest Management Plan - Written	no	1
108	Feed Management Plan - Written	no	1
114	Integrated Pest Management Plan - Written	no	1
112	Prescribed Burning Plan - Written	no	1
126	Comprehensive Air Quality Management Plan - Written	no	1

Information about CAP services from Technical Service Providers, including how to find a certified TSP in your State, the requirements to become a certified Technical Service Provider, can be found on the NRCS national TSP website:

<http://www.nrcs.usda.gov/wps/portal/nrcs/detail/national/programs/technical/tsp/?cid=stelprdb1042981>

Approved NRCS Conservation Practices

Only approved NRCS Conservation Practices are eligible for financial assistance through the National Air Quality Initiative. Table 3 lists approved Conservation Practice Standards for this initiative.

Table 3. Eligible Conservation Practices

Practice Name	Practice Code
Access Control	472
Agrichemical Handling Facility	309
Air Filtration and Scrubbing	371
Alley Cropping	311
Amendments for Treatment of Agricultural Waste	591
Anaerobic Digester, Controlled Temperature	366
Anionic Polyacrylamide (PAM) Erosion Control	450
Combustion System Improvement	372
Composting Facility	317
Conservation Cover	327
Conservation Crop Rotation	328
Cover Crop	340
Critical Area Planting	342
Cross Wind Ridges	588
Cross Wind Trap Strips	589c
Drainage Water Management	554
Dust Control from Animal Activity on Open Lot Surfaces	375
Dust Control on Unpaved Roads and Surfaces	373
Feed Management	592
Field Border	386
Forage and Biomass Planting	512
Forest Stand Improvement	666
Heavy Use Area Protection	561
Hedgerow Planting	422
Herbaceous Wind Barriers	603
Integrated Pest Management	595
Irrigation System, Sprinkler	442
Irrigation Water Management	449
Mulching	484
Multi-Story Cropping	379
Nutrient Management	590
Prescribed Burning	338
Prescribed Grazing	528
Pumping Plant	533
Range Planting	550

Residue and Tillage Management, Mulch Till	345
Residue and Tillage Management, No Till/Strip Till/Direct Seed	329
Residue and Tillage Management, Ridge Till	346
Residue Management, Seasonal	344
Riparian Forest Buffer	391
Riparian Herbaceous Cover	390
Roofs and Covers	367
Silvopasture Establishment	381
Stripcropping	585
Surface Roughening	609
Tree/Shrub Establishment	612
Waste Separation Facility	632
Waste Treatment	629
Waste Treatment Lagoon	359
Windbreak/Shelterbelt Establishment	380
Windbreak/Shelterbelt Renovation	650
Woody Residue Treatment	384

For more information about NRCS conservation practices visit http://www.nrcs.usda.gov/wps/portal/nrcs/detail/national/technical/?cid=NRCSDEV11_001020 the website link for all NRCS conservation practice standards.

Application Screening Criteria

The purpose of screening criteria is to prioritize applications into ‘High’, ‘Medium’ or ‘Low’ categories prior to application ranking. All eligible applications for the EQIP National Air Quality Initiative will be screened and applications in the ‘High’ priority category will be ranked. ‘Medium’ priority applications will be ranked only if funding is available. An application screening worksheet will be used by NRCS to screen applications submitted for the National Air Quality Initiative; the following is for reference.

High Priority Category:

1. The EQIP application is for a Comprehensive Air Quality Management Plan (CAP 126); or,
2. The EQIP application schedule of operations and conservation plan is to (*if any of the following is true*):
 - a. Replace a fully functional in-use mobile off-road agricultural vehicle or equipment powered and self-propelled by an uncontrolled (Tier 0) diesel engine rated at 50 bhp or more with a new “like” off-road agricultural vehicle or equipment powered and self-propelled by a Tier-certified off-road diesel engine rated at 50 bhp or more that meets the 2013 or newer model-year California emissions standards or equivalent per the EPA Engine Family Name and ARB Executive Order and will operate a total annual hours equivalent to the reported baseline hours (one-for-one); or,
 - b. Replace the services of two fully functional “like” in-use mobile off-road agricultural vehicles or equipment where one is powered and self-propelled by a Tier 0 and the other by a Tier 0 or Tier 1-certified diesel engine each rated at 50 bhp or more for one new “like” off-road agricultural vehicle or equipment powered and self-propelled by a Tier-certified off-road diesel engine rated at 50 bhp or more that meets the 2013 or newer model-year California emission standards or equivalent per the EPA Engine Family Name and ARB Executive Order and will operate a total annual hours equivalent to the sum of the two in-use engine baseline hours (two serviced by one).

Medium Priority Category:

1. The EQIP application schedule of operations and conservation plan is to (*if any of the following is true*):
 - a. Replace a fully functional in-use mobile off-road agricultural vehicle or equipment powered and self-propelled by a Tier 1-certified diesel engine rated at 50 bhp or more with a new “like” off-road agricultural vehicle or equipment powered and self-propelled by a Tier-emissions certified off-road diesel engine rated at 50 bhp or more that meets the 2013 or newer model-year California emissions standards or equivalent per the EPA Engine Family Name and ARB Executive Order (one-for-one) and will operate a total annual hours equivalent to the reported baseline hours; or,

- b. Replace a fully functional in-use off-road mobile agricultural vehicle or equipment powered and self-propelled by a Tier 0 diesel engine rated at 50 bhp or more with a new “like” off-road agricultural vehicle or equipment powered and self-propelled by a Tier-certified off-road diesel engine rated at 50 bhp or more meeting the 2013 or newer model-year California emissions standards or equivalent per the EPA Engine Family Name and ARB Executive Order (one-for-one) and will:
 - i. Operate fewer (less) annual hours than the reported baseline annual hours or,
 - ii. Result in the new engine horsepower rating exceeding 125 percent of the existing in-use engine baseline horsepower rating; or,
- c. Repower a fully functional in-use off-road stationary internal combustion engine (operating on any fuel type) powering an existing irrigation well with a new electric motor (one-for-one).

Low Priority Category:

1. The EQIP application is for any of following Conservation Activity Plans: 102 – Comprehensive Nutrient Management Plan, 104 – Nutrient Management Plan, 106 – Forest Management Plan, 108 – Feed Management Plan, 112 – Prescribed Burning Plan, or 114 – Integrated Pest Management Plan; or,
2. The EQIP application schedule of operations and conservation plan is to (*if any of the following is true*):
 - a. Replace a fully functional in-use mobile off-road agricultural vehicle or equipment powered and self-propelled by a Tier 0 or Tier 1-certified diesel engine rated at 50 bhp or more with a new “like” off-road agricultural vehicle or equipment powered and self-propelled by a Tier-certified off-road diesel engine meeting the 2013 or newer model-year California emissions standards or equivalent per the EPA Engine Family Name and ARB Executive Order (one-for-one) that is expected to operate higher (greater) annual hours than the reported baseline hours; or,
 - b. Replace a fully functional in-use off-road mobile agricultural vehicle or equipment powered and self-propelled by a Tier 2-certified diesel engine rated at 50 bhp or more with a new “like” off-road agricultural vehicle or equipment powered and self-propelled by a Tier-certified off-road diesel engine rated at 50 bhp or more meeting the 2013 or newer model-year California emission standards or equivalent as determined by the EPA Engine Family Name and ARB Executive Order (one-for-one); or,
 - c. Replace a fully functional in-use off-road diesel engine with a new Tier-certified off-road diesel engine, but the application does not provide sufficient information to determine whether the proposed new off-road diesel engine will meet the 2013 or newer model-year California emissions standards or equivalent; or,
 - d. Repower a fully functional in-use off-road stationary Tier 1- or Tier 2-certified diesel engine powering an existing irrigation well with a new Tier-certified diesel engine meeting the 2013 or newer model-year California emission standards or equivalent per the EPA Engine Family Name and ARB Executive Order (one-for-one); or,
 - e. Apply to one or more other air quality practice that results in quantifiable emission reductions.

Application Ranking Criteria

The purpose of the National Air Quality Initiative ranking criteria is to evaluate the environmental benefits of conservation treatments included in an EQIP application, i.e. the EQIP schedule of operations and conservation plan.

An application ranking score is based on national, state and local ranking criteria and the cost-efficiency of conservation practices in the EQIP application. The cost-efficiency score is based upon broad averages of the cost and environmental benefits of each practice in the EQIP application.

The following sections list the national, state and local ranking criteria for the National Air Quality Initiative and are provided for reference; applications will be evaluated electronically by NRCS using the Application Evaluation and Ranking Tool (AERT).

National Ranking Criteria

Only questions 1 and 4 are applicable to the National Air Quality Initiative; all other questions will be answered “No” in the AERT.

- 1) If the application is for development of a **Conservation Activity Plan (CAP)**, the agency will assign significant ranking priority and conservation benefit by answering “Yes” to the following question. Answering “Yes” to question 1a will result in the application being awarded the maximum amount of points that can be earned for the national priority category.
 - a. Is the program application to support the development of a Conservation Activity Plan (CAP)? If answer is “Yes”, do not answer any other national level questions. If answer is “No”, proceed with evaluation to address the remaining questions in this section.

- 2) **Clean and Abundant Water: Water Quality** - Will the proposed project assist the producer to:
 - a. Meet regulatory requirements relating to animal feeding operations, or proactively avoid the need for regulatory measures?
 - b. Reduce sediment, nutrients or pesticides from agricultural operations located within a field that adjoins a designated "impaired water body" (TMDL, 303d, etc.)?
 - c. Reduce sediment, nutrients or pesticides from agricultural operations located within a field that adjoins a "non-impaired water body"?

- 3) **Clean and Abundant Water: Water Conservation** - Will the proposed project assist the producer implement conservation practices which:
 - a. Decrease aquifer overdraft?
 - b. Conserve water from irrigation system improvements and saved water will be available for other beneficial uses?
 - c. Conserve water in an area where the applicant participates in a geographically established or watershed-wide project?

- 4) **Clean Air: Treatment of air quality from agricultural sources** - Will the proposed project assist the producer to implement practice(s) which:
 - a. Meet on-farm regulatory requirements relating to air quality or proactively avoid the need for regulatory measures?
 - b. Reduce on-farm generated greenhouse gases such as CO₂ (carbon dioxide), CH₄ (methane), and N₂O (nitrous oxide)?
 - c. Increase on-farm carbon sequestration?

- 5) **Soil Health:** Will the proposed project assist the producer to implement practice(s) which:
 - a. Reduce erosion to tolerable limits (Soil "T")?
 - b. Improve soil tilth, organic matter, structure, health, etc.?

- 6) **Healthy Plant and Animal Communities Wildlife Habitat Conservation** - Will the proposed project assist the producer to implement practice(s) which:
 - a. Benefit on-farm habitat associated with threatened and endangered, at-risk, candidate, or species of concern as identified in a State wildlife plan?
 - b. Help retain wildlife and plant habitat on land exiting the Conservation Reserve Program (CRP)?

- 7) **High Quality, Productive Soils, Healthy Plant and Animal Communities:** Will the proposed project assist the producer implement practices which:
 - a. Help manage or control noxious or invasive plant species on non-cropland?
 - b. Increase, or improve habitat to benefit pollinator or other targeted wildlife species?
 - a. Properly dispose of livestock carcasses?
 - c. Are identified in an Integrated Pest Management plan?
 - d. Are identified in a Nutrient Management plan?
 - e. Apply principles of adaptive nutrient management?

- 8) **Energy Conservation** - Will the proposed project assist the producer to implement practices which:
 - a. Reduce energy consumption on the agricultural operation?
 - b. Increase on-farm energy efficiency with practices and improvements identified in an approved energy audit equivalent to criteria required in Ag EMP (122,124)?
 - c. Assist in implementing energy conservation measures that also reduce greenhouse gas emissions and other air pollutants?

- 9) **Business Lines - Conservation Implementation Additional Ranking Considerations** - Will the proposed project result in:
 - a. Implementation of all conservation practices scheduled in the contract on the CPA-1155 within three years of date of obligation?
 - b. Improvement of existing conservation practices or conservation systems already in place at the time the application is accepted?
 - c. Implementation of practice(s) which will complete an existing conservation system or suite of practices?

State Ranking Criteria

All questions are applicable to the National Air Quality Initiative unless the application is for a conservation activity plan then only question 1 will be answered ‘Yes’.

- 1) If the application is for development of a Conservation Activity Plan (CAP), the agency will assign significant ranking priority and conservation benefit by answering “Yes” to the following question. Answering “Yes” to question 1a will result in the application being awarded the maximum amount of points that can be earned for the state priority question.
 - a. Is the program application for development of a Conservation Activity Plan (CAP)? If answer is “Yes”, do not answer any other state level questions. If answer is “No”, proceed with evaluation to address the remaining questions in this section.
- 2) Choose the most appropriate response below regarding the location of the project with regard to EPA National Ambient Air Quality Standards (NAAQS) designations for the area.
 - a. EQIP project is located in an area that has an EPA NAAQS non-attainment designation for ozone, PM2.5, and PM10 (all three).
 - b. EQIP project is located in an area that has an EPA NAAQS non-attainment designation for two out of three of these pollutants (ozone, PM2.5 and PM10).
 - c. EQIP project is located in an area that has an EPA NAAQS non-attainment designation for one out of three of these pollutants (ozone, PM2.5, and PM10).
- 3) If the EQIP contract is located in an ozone non-attainment area, choose the most appropriate response below regarding the location of the project with regard to the EPA NAAQS ozone designation for the area.
 - a. EQIP project is located in an area designated by the EPA as “Extreme” non-attainment.
 - b. EQIP project is located in an area designated by the EPA as “Severe” or “Serious” non-attainment.
 - c. EQIP project is located in an area designated by the EPA as “Moderate” or Marginal” non-attainment.
- 4) If the EQIP contract is located in a PM10 non-attainment or maintenance area, choose the most appropriate response below regarding the location of the project with regard to the EPA NAAQS PM10 designation for the area.
 - a. EQIP project is located in an area designated by the EPA as “Serious” non-attainment or under a PM10 maintenance plan that was previously designated as “Serious” non-attainment.
 - b. EQIP project is located in an area that is designated by the EPA as “Moderate” non-attainment.

- 5) Choose the most appropriate response below regarding the EQIP contract with regard to local or state air quality regulations that specifically address agricultural emissions.
 - a. EQIP project practice(s) address one or more local or state agriculturally-related air emissions regulatory requirements.

- 6) Choose the most appropriate response below regarding the potential for the EQIP contract to replace existing diesel engines used on the farm (all retired engines must be destroyed according to the requirements outlined in Conservation Practice Standard 372-Combustion System Improvement).
 - a. The EQIP project results in replacement of one or more existing diesel engines with energy efficient elector motors.
 - b. The EQIP project results in replacement of one existing pre-1980 diesel engine with the most current Tier-level diesel engine.
 - c. The EQIP project results in replacement of one existing 1980 or newer diesel engine with the most current Tier-level diesel engine.

- 7) If the EQIP contract is located in an area where the applicant needs to address a PM-related resource concern, select the statement below that best describes the practices included in this contract.
 - a. EQIP contract includes at least one or more practices for PM10 that provide a high or significant environmental benefit.
 - b. EQIP contract includes no high priority practices, but does include one or more medium priority practices to address PM10.
 - c. EQIP contract includes no high or medium priority practices, but does include one or more low priority practices to address PM10.

- 8) If the EQIP contract is located in an area where the applicant needs to address an ozone resource concern, select the statement below that best describes the practices included in this application.
 - a. EQIP contract includes at least one or more practices for ozone that provides a high or significant environmental benefit.
 - b. EQIP contract includes no high priority practices, but does include one or more medium priority practices to address ozone.
 - c. EQIP contract includes no high or medium priority practices, but does include one or more low priority practices to address ozone.

- 9) If the EQIP contract is partially or fully focused on ammonia emission reductions, select the statement below that best describes practices included in this application.
 - a. EQIP contract includes at least one or more practices for ammonia that provides a high or significant environmental benefit.
 - b. EQIP contract includes no high priority practices, but does include one or more medium priority practices to address ammonia.
 - c. EQIP contract includes no high or medium priority practices, but does include one or more low priority practices to address ammonia.

10) If the EQIP contract is partially or fully focused on greenhouse gases, select the statement below that best describes the practices included in this application.

- a. EQIP contract includes at least one or more practices for greenhouse gases that provide a high or significant environmental benefit.
- b. EQIP contract includes no high priority practices, but does include one or more medium priority practices to address greenhouse gases.
- c. EQIP contract includes no high or medium priority practices, but does include one or more low priority practices to address greenhouse gases.

Local Ranking Criteria

All questions are applicable to the National Air Quality Initiative unless the application is for a Conservation Activity Plan then only question 1 will be answered 'Yes'.

1) Local Category One - Conservation Activity Plan

If the application is for development of a Conservation Activity Plan (CAP), the agency will assign significant ranking priority and conservation benefit by answering "Yes" to the following question. Answering "Yes" to question 1a will result in the application being awarded the maximum amount of points that can be earned for the state priority category.

- a. Is the program application for development of a Conservation Activity Plan (CAP)? If answer is "Yes", do not answer any other state level questions. If answer is "No", proceed with evaluation to address the remaining questions in this section.

2) Local Category Two - AIR QUALITY IMPACTS: Ozone Precursors

Estimate the NO_x emission reductions per the methodology described in *conservation practice standard, 372 – Combustion System Improvement*, and the *California Emissions Calculation Worksheet*. Select the most appropriate answer below that best describes the range of NO_x emissions to be reduced annually. Conservation treatment results in:

(Select "Yes" to Only One Answer)

- a. Annual NO_x reductions are greater than 3 tons (6,000 pounds) per year or installing an electric project.
- b. Annual NO_x reductions are greater than 2 tons (4,000 pounds) per year.
- c. Annual NO_x reductions are greater than 1 ton (2,000 pounds) per year.
- d. Annual NO_x reductions are greater than 0.5 tons (1,000 pounds) per year.
- e. Annual NO_x reductions are 0.5 tons (1,000 pounds) per year or less.

3) **Local Category Three - AIR QUALITY IMPACTS: Ozone Precursors**

Estimate the percent NO_x reductions per the methodology described in *conservation practice standard, 372 – Combustion System Improvement*, and the *California Emissions Calculation Worksheet*. Select the most appropriate answer below that best describes the range of NO_x emissions to be reduced annually. Conservation treatment results in:

(Select “Yes” to Only One Answer)

- a. Percent NO_x reductions are greater than 90 percent or installing an electric project.
- b. Percent NO_x reductions are greater than 80 percent.
- c. Percent NO_x reductions are greater than 70 percent.
- d. Percent NO_x reductions are greater than 50 percent.
- e. Percent NO_x reductions are 50 percent or less.

4) **Local Category Four - AIR QUALITY IMPACTS: Ozone Precursors**

Estimate the ROG (reactive organic compound) emission reductions per the methodology described in *conservation practice standard, 372 – Combustion System Improvement*, and the *California Emissions Calculation Worksheet*. Select the most appropriate answer below that best describes the range of ROG [or VOC (volatile organic compounds)] emissions reduced annually. Conservation treatment results in:

(Select “Yes” to Only One Answer)

- a. Annual ROG (VOC) reductions are greater than 0.4 tons (800 pounds) per year or installing an electric project.
- b. Annual ROG (VOC) reductions are greater than 0.3 tons (600 pounds) per year.
- c. Annual ROG (VOC) reductions are greater than 0.2 tons (400 pounds) per year.
- d. Annual ROG (VOC) reductions are greater than 0.1 tons (200 pounds) per year.
- e. Annual ROG (VOC) reductions are 0.1 tons (200 pounds) per year or less.

5) **Local Category Five - AIR QUALITY IMPACTS: Ozone Precursors**

Identify the new proposed diesel engine EPA Tier-certification level according to the State of California *Air Resources Board Executive Order* corresponding to the Engine Family Name and used for calculating emissions and emission reductions from the *California Emissions Calculation Worksheet*. Conservation treatment results in:

(Select “Yes” to Only One Answer)

- a. The new off-road diesel engine certified as “Tier 4 Final”.
- b. The new off-road diesel engine certified as “Tier 4 Interim” or “Tier 4 Phase-in, Alternate NO_x”.
- c. The new off-road diesel engine certified as “Tier 4 Phase-Out”.
- d. The new off-road diesel engine certified as “Tier 3”.

6) **Local Category Six - AIR QUALITY IMPACTS: Ozone Precursors**

Select the appropriate NAAQS non-attainment designation found in the list of *California Non-Attainment Designations* from Table 1 for the applicable county and conservation treatment planned land unit is located within a county designated as:

(Select “Yes” to Only One Answer)

- a. “Extreme” non-attainment of the 1997 or 2008 8-hour ozone NAAQS.
- b. “Severe-15” non-attainment of the 1997 or 2008 8-hour ozone NAAQS.
- c. “Serious” non-attainment of the 1997 or 2008 8-hour ozone NAAQS.
- d. “Moderate” non-attainment for the 1997 or 2008 8-hour ozone NAAQS.
- e. “Marginal” non-attainment for the 1997 or 2008 8-hour ozone NAAQS.

7) **Local Category Seven - AIR QUALITY IMPACTS: Particulate Matter (PM) and PM Precursors**

Estimate PM10 emission reductions per the methodology described in *conservation practice standard, 372 – Combustion System Improvement*, and the *California Emissions Calculation Worksheet*. Select the most appropriate answer below that best describes the emissions reduced annually of PM10 emission reductions. Conservation treatment results in:

(Select “Yes” to Only One Answer)

- a. Annual PM10 reductions are greater than 0.1 tons (200 pounds) per year or installing an electric project.
- b. Annual PM10 reductions are greater than 0.08 tons (160 pounds) per year or less.
- c. Annual PM10 reductions are greater than 0.05 tons (100 pounds) per year.
- d. Annual PM10 reductions are greater than 0.02 tons (40 pounds) per year.
- e. Annual PM10 reductions are 0.02 tons (40 pounds) per year or less.

8) **Local Category Eight - AIR QUALITY IMPACTS: Particulate Matter (PM) and PM Precursors**

Estimate the percent PM10 reductions per the methodology described in *conservation practice standard, 372 – Combustion System Improvement*, and the *California Emissions Calculation Worksheet*. Select the most appropriate answer below that best describes the range of PM10 emissions to be reduced annually. Conservation treatment results in:

(Select “Yes” to Only One Answer)

- a. Percent PM10 reductions are greater than 90 percent or installing an electric project.
- b. Percent PM10 reductions are greater than 80 percent.
- c. Percent PM10 reductions are greater than 70 percent.
- d. Percent PM10 reductions are greater than 60 percent.
- e. Percent PM10 reductions are 60 percent or less.

9) **Local Category Nine - AIR QUALITY IMPACTS: Particulate Matter (PM) and PM Precursors**

Select the appropriate NAAQS non-attainment designation found in the list of *California Non-Attainment Designations* from Table 1 for the applicable county and conservation treatment planned land unit that is located within a county designated as:

(Select “Yes” to Only One Answer)

- a. “Non-attainment” of the 1997 and 2006 24-hour PM_{2.5} NAAQS.
- b. “Non-attainment” of the 2006 24-hour PM_{2.5} NAAQS.
- c. “Serious” or “Moderate” non-attainment of the 24-hour PM₁₀ NAAQS.

10) **Local Category Ten - AIR QUALITY IMPACTS: Greenhouse Gases (GHG)**

Identify the existing in-use engine annual hours of operation (or calculate the sum of annual hours of operation from two existing in-use engines under the same EQIP project) that was reported from the *Existing Engine Supplemental Worksheet*. Select the most appropriate answer below that best describes the annual baseline hours from existing in-use engine operates. Conservation treatment results in:

(Select “Yes” to Only One Answer)

- a. The existing in-use engine annual hours is 400 hours/year or less.
- b. The existing in-use engine annual hours is 800 hours/year or less.
- c. The existing in-use engine annual hours is 1,200 hours/year or less.
- d. The existing in-use engine annual hours is 1,600 hours/year or less.
- e. The existing in-use engine annual hours exceeds 1,600 hours/year.

Submitting an EQIP Application

Interested applicants may apply for EQIP by completing the application, Form NRCS-CPA-1200, Conservation Program Application, Engine Supplemental Worksheets, and submitting them to the NRCS field office in person, by phone, email, or fax in the county which you own land or have an agricultural operation.

Table 4. NRCS Field Office Contact Information

NRCS Office	Phone Number	NRCS Office	Phone Number
Alturas Service Center	(530) 233-4137	Merced Service Center	(209) 722-4119
Auburn Service Center	(530) 885-6505	Modesto Service Center	(209) 491-9320
Bakersfield Service	(530) 336-0967	Napa Field Office	(707) 252-4189
Bishop Field Office	(760) 872-6111	Oroville Service Center	(530) 534-0112
Blythe Field Office	(760) 922-3446	Oxnard Field Office	(805) 984-2358
Capitola LPO	(831) 475-1967	Petaluma Service Center	(707) 794-1242
Colusa Service Center	(530) 458-2931	Placerville Field Office	(530) 295-5630
Concord Service Center	(925) 672-4577	Quincy LPO	(530) 283-7511
Dixon Service Center	(707) 678-1655	Red Bluff Service Center	(530) 527-3013
Del Norte LPO	(707) 487-7630	Redding Service Center	(530) 226-2560
El Centro Service Center	(760) 352-7886	Redlands Field Office	(909) 799-7407
Elk Grove Service Center	(916) 714-1104	Salinas Service Center	(831) 424-1036
Escondido Field Office	(760) 745-2061	San Jacinto LPO	(951) 654-7139
Eureka Service Center	(707) 442-6058	Santa Maria Service Center	(805) 928-9269
Fallbrook LPO	(760) 723-2529	Sonora LPO	(209) 984-0500
Fresno Service Center	(559) 276-7494	So. Lake Tahoe Field Office	(530) 543-1501
Grass Valley Field Office	(530) 272-3417	Stockton Service Center	(209) 472-7127
Half Moon Bay LPO	(650) 726-4660	Susanville Service Center	(530) 257-7272
Hanford Service Center	(559) 584-9209	Templeton Service Center	(805) 434-0396
Hollister Service Center	(831) 637-4360	Tulelake Basin Project Office	(530) 667-4247
Hoopa Local Partnership	(707) 486-7439	Ukiah Service Center	(707) 468-9223
Indio Service Center	(760) 347-3675	Victorville Service Center	(760) 843-6882
Jackson LPO	(209) 223-6535	Visalia Service Center	(559) 734-8732
Lakeport LPO	(707) 263-4180	Weaverville Service Center	(530) 623-3991
Lancaster Service Center	(661) 945-2604	Willows Service Center	(530) 934-4601
Livermore LPO	(925) 371-0154	Woodland Service Center	(530) 662-2037
Madera Service Center	(559) 674-2108	Yreka Service Center	(530) 842-6123
Mariposa LPO	(209) 966-3431	Yuba City Service Center	(530) 674-1461
McArthur LPO	(530) 336-5604		





Environmental Quality Incentives Program (EQIP)
CALIFORNIA EXISTING IN-USE ENGINE WORKSHEET
 Air Quality – CPS 372 Combustion System Improvement

Applicant Name:

Existing In-Use Engine/Equipment Information (Baseline)

Complete a separate form for each existing engine or equipment

Report the total acres this engine serves:

Years operated on these acres:

Primary Fuel Type
(check one):

- Diesel
- Biodiesel
- Natural Gas
- LPG
- Biogas
- Other:

Engine Type
(check one):

- Non-Tier Diesel
- Tier 1
- Tier 2
- Spark-Ignition
- Other:

Describe the type of existing equipment to be replaced
(check one):

- Stationary Irrigation Engine
- Wheeled Tractor
- Crawler Tractor
- Rubber Tired Loader
- Rough-Terrain Forklift
- Other:

Engine Manufacturer and Model No:

EPA Engine Family Name:
(If applicable – required for Tier 1 or Tier 2 diesel)

Rated Brake-Horsepower (bhp):

Engine Year:

Annual fuel usage (gal/yr):

Engine Serial No:

Annual hours of operation:

Equipment Manufacturer & Model:

Equipment VIN No:

Equipment Model Year:

Year Purchased:

Name of Equipment Owner:

Months in Operation:

- | | | | |
|---|----------------------------------|-----------------------------------|------------------------------------|
| <input type="checkbox"/> Operates throughout the year | <input type="checkbox"/> January | <input type="checkbox"/> February | <input type="checkbox"/> March |
| | <input type="checkbox"/> April | <input type="checkbox"/> May | <input type="checkbox"/> June |
| | <input type="checkbox"/> July | <input type="checkbox"/> August | <input type="checkbox"/> September |
| | <input type="checkbox"/> October | <input type="checkbox"/> November | <input type="checkbox"/> December |

Planned location on where engine/equipment will be scrapped and destroyed:
(not applicable if retrofitting an existing engine)

The applicant is required to provide two documents verifying engine/equipment ownership and one document verifying engine/equipment operations over the previous 12-consecutive month period prior to submitting this worksheet and EQIP application.

Additional Information:

Instructions

Existing In-Use Engine Information

1. **Complete a separate worksheet for each existing engine or equipment.**
2. **Report the annual total acres this engine serves:** Estimate the annual total acres of cropland this engine irrigates or the annual total acres the mobile agricultural equipment operates on.
3. **Years Operated at this location:** Approximate length of time the existing engine or equipment has been operating at this location.
4. **Primary Fuel Type:** Only select the primary fuel the engine consumes.
5. **Engine Type:** Select the type of existing engine (Tier-level for compression-ignition). Please consult your engine vendor.
6. **Describe the type of equipment the existing engine powers:** This may include an irrigation pump, tractor, loader or other agricultural equipment. If "other", please describe: (forage harvesters, combines, sprayers, shakers, etc.).
7. **Engine Manufacturer and Model No:** Make and model number of the existing engine. For example, Cummins (make) 6BTA5.9C (model). *Please **do not** report the Equipment Model Number here.*
8. **EPA Engine Family Name: Required for Tier-certified engines.** Include the certified engine family name assigned by the EPA and attach the applicable ARB Executive Order for this engine. This information should be available through your engine vendor or on-line at: www.arb.ca.gov/msprog/offroad/cert/cert.php.
9. **Engine Year:** The year the engine model was manufactured.
10. **Engine Serial No.:** The serial number listed on the engine block or ID label.
11. **Rated Brake-Horsepower (bhp):** The manufacture's advertised rated break-horsepower. Record the engine horsepower units if different than break-horsepower.
12. **Annual Fuel Usage (gal/yr):** Amount of annual fuel usage in gallons.
13. **Annual Hours of Operation:** Report the engine's actual annual hours of operation. (See No. 21) *(Exaggerating hours may affect the project screening or ranking, or deem the project ineligible).*
14. **Equipment Manufacturer and Model:** The make and model number of the equipment. For example, a Case (make) 721 (model). This number is not the engine model number.
15. **Equipment VIN:** The equipment Vehicle Identification Number.
16. **Equipment Model Year:** The model year in which the equipment was manufactured.
17. **Year Purchased:** The year the equipment was purchased by the applicant (see No. 21)
18. **Name of Equipment Owner:** Identify equipment ownership (see No. 21).
19. **Months in Operation:** Select whether the engine operates throughout the year or by month.
20. **Planned location where engine/equipment will be scrapped and destroyed:** Identify where the engine/equipment is planned to be taken for final disposal and destruction.
21. **Ownership and Operations Verification:** Provide two documents verifying ownership and one document verifying operation status for the existing engine/equipment. Ownership documents may include bill of sale, insurance records, bank appraisals, maintenance or service records, general ledgers, fuel records, or other documents. Operations documents may include maintenance or service records, usage records, routine inspections, hour meter reading logs, historical fuel usage logs, or other documents. Please refer to CPS 372-Specifications for more information.
22. **Additional Information:** Include any additional information pertinent to this engine/equipment, including applicable permits or documentation issued by a local air district.



Environmental Quality Incentives Program (EQIP)
CALIFORNIA NEW ENGINE WORKSHEET
 Air Quality – CPS 372 Combustion System Improvement

Applicant Name:

New Engine/Equipment Information

Complete a separate form for each engine or equipment

Report the total acres this engine will serve:

Primary Fuel Type
(check one):

- Diesel
- Natural Gas
- LPG
- Syngas/Biogas
- Electric
- Other:

Engine Type
(check one):

- Tier 3
- Tier 4 Interim
- Tier 4 Final
- Spark-Ignition
- Electric
- Other:

Describe the type of new equipment
(check one):

- Stationary Irrigation Engine
- Wheeled Tractor
- Crawler Tractor
- Rubber Tired Loader
- Rough-Terrain Forklift
- Other:

Engine Manufacturer and Model:

EPA Engine Family Name:
(attach ARB Executive Order)

Rated Brake-Horsepower (bhp):

Engine Model-Year

Annual Fuel Usage (gal/yr):
(Estimate)

Engine Serial Number
(if available)

Annual Hours of Operation:
(Estimate should be similar to the baseline engine hours)

Equipment Manufacturer and Model:

Equipment VIN No:
(if available)

Equipment Model Year:

Months in Operation:

- | | | | |
|---|----------------------------------|-----------------------------------|------------------------------------|
| <input type="checkbox"/> Operates throughout the year | <input type="checkbox"/> January | <input type="checkbox"/> February | <input type="checkbox"/> March |
| | <input type="checkbox"/> April | <input type="checkbox"/> May | <input type="checkbox"/> June |
| | <input type="checkbox"/> July | <input type="checkbox"/> August | <input type="checkbox"/> September |
| | <input type="checkbox"/> October | <input type="checkbox"/> November | <input type="checkbox"/> December |

Cost of New Engine and/or Equipment :
(Attach an estimate)

Describe the fuel source (i.e. location of fuel storage and dispensing system):

Additional Information:

Instructions New Engine Information

1. **Complete a separate application for each new engine or equipment.**
2. **Report the annual total acres this engine will serve:** Estimate the annual total acres of cropland this engine will irrigate or the annual total acres the mobile agricultural equipment will operate on.
3. **Primary Fuel Type:** Only select the primary fuel the engine consumes.
4. **Engine Type:** Select the type of engine (i.e. Tier 4 Final). Please consult your engine vendor.
5. **Describe the type of equipment the new engine will power:** This may include a stationary irrigation engine, tractor, loader, or other agricultural equipment. If "other", please describe: (forage harvesters, combines, sprayers, shakers, etc.). New engines or equipment shall serve the same function and perform the same work, unless pre-approved by NRCS.
6. **Engine Manufacturer and Model No:** Make and model number of the new engine. For example, IVECO (make) F4GE9484D*J (model). Please *do not* report the Equipment Model Number here.
7. **EPA Engine Family Name: *Required*** by including the certified engine family name assigned by the EPA and attaching the applicable ARB Executive Order for this engine. This information should be available through your engine vendor or is on-line at: www.arb.ca.gov/msprog/offroad/cert/cert.php. ***Any ARB Executive Order reporting a Family Emission Level (FEL) value exceeding an applicable NOx, NMHC, NMHC+NOx, CO, PM or other emission standard is not eligible to receive NRCS payments.*** Please consult your vendor over FEL values. Engines under California Flexibility Provisions are eligible provided all other criteria are met.
8. **Engine Model-Year:** The year the engine model was manufactured.
9. **Engine Serial No.:** If available, include the serial number listed on the engine block or ID label.
10. **Rated Brake-Horsepower (bhp):** The new engine advertised rated break-horsepower.
11. **Annual Fuel Usage (gal/yr):** Estimate the annual fuel usage in gallons.
23. **Annual Hours of Operation:** Estimate the engine's annual operations in hours, which should be similar to the existing (baseline) engine hours of operation. (*Exaggerating hours may affect the project screening or ranking, or deem the project ineligible*).
12. **Equipment Manufacturer and Model:** The make and model number of the equipment. For example, a Case (make) 721 (model).
13. **Equipment VIN:** The equipment Vehicle Identification Number, if available.
14. **Equipment Model Year:** The model year in which the equipment was manufactured, if available.
15. **Months in Operation:** Select whether the engine will operate throughout the year or by month.
16. **Cost of New Engine and/or Equipment:** Attach an estimate that clearly itemizes the costs.
17. **Describe the fuel source:** How will fuel be supplied to the new equipment.
18. **Additional Information:** Include any information pertinent to this engine or equipment, such as: evaluating other alternatives, or applicable permits or documentation issued by a local air district.



Environmental Quality Incentives Program (EQIP)
**CALIFORNIA ENGINE/EQUIPMENT
DESTRUCTION CERTIFICATION WORKSHEET**
Air Quality – CPS 372 Combustion System Improvement

This certification worksheet serves to document that the engine/equipment identified below has been disabled and permanently destroyed by shearing, crushing, or shredding into scrap metal. Use one worksheet for each engine/equipment destroyed. No engine or drive-train components were or will be parted-out, used or sold as parts, or used to build or rebuild other engines or equipment. The completed certification worksheet shall be signed and submitted to the NRCS Field Office after destruction.

Applicant Name:

EQIP Application Number:

Engine Manufacturer and Model:

Equipment Manufacturer and Model:

Compression-ignition Spark-ignition

Equipment Type:

Engine Serial No:

Equipment VIN:

Engine Model Year:

Equipment Model Year:

Date engine/equipment was delivered for destruction and disposal:

Engine/Equipment Owner's Name (Print):

Owner's Signature:

Date:

The engine/equipment identified above were delivered for destruction and disposal at:

Destruction Facility Name:

Address:

City:

State:

Zip Code:

Date engine/equipment was destroyed and scrapped:

The engine/equipment has been destroyed and scrapped.

Destruction Facility Contact Name (Print):

Phone No:

Contact Signature:

Date:

Attach date stamped photographs of the engine/equipment pre- and post-demolition that includes clearly identifiable engine serial number and vehicle identification number.

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CALIFORNIA EMISSIONS CALCULATION WORKSHEET
Air Quality – CPS 372 Combustion System Improvement

Applicant Name: _____

Date: _____

Existing Engine Emissions Calculations

Manufacturer: _____

Model Year Engine: _____

Fuel Type: _____

Equipment Type: _____

Serial Number: _____

	Baseline Emissions	NOx	ROG	PM10	
Rated Brake Horsepower:	_____	_____	_____	_____	bhp
Annual Hours of Operation:	X _____	_____	_____	_____	Hours/Year
Emission Factors:	X _____	_____	_____	_____	g/bhp-hr
Load Factor:	X _____	_____	_____	_____	
Conversion to Tons:	÷ 907,200	907,200	907,200	907,200	Grams/Ton
Annual Emissions (EE) =	_____	_____	_____	_____	Tons/Year

New Engine Emissions Calculations (Report as zero emissions if electric)

Manufacturer: _____

Model Year Engine: _____

Fuel Type: _____

Equipment Type: _____

Serial Number (if available): _____

	New Engine Emissions	NOx	ROG	PM10	
Rated Brake Horsepower:	_____	_____	_____	_____	bhp
*Annual Hours of Operation:	X _____	_____	_____	_____	Hours/Year
Emission Factors:	X _____	_____	_____	_____	g/bhp-hr
Load Factor:	X _____	_____	_____	_____	
Conversion to Tons:	÷ 907,200	907,200	907,200	907,200	Grams/Ton
Annual Emissions (NE) =	_____	_____	_____	_____	Tons/Year

Calculation Results

	NOx	ROG	PM10	
Annual Emission Reductions: (EE) – (NE) =	_____	_____	_____	Tons/Year
Percent Emission Reductions: [(EE – NE) / (EE)] x 100 =	_____	_____	_____	%

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FY 2015 Program Description

Environmental Quality Incentives Program

The purpose of the Environmental Quality Incentives Program (EQIP) is to promote agricultural production, forest management, and environmental quality as compatible goals; to optimize environmental benefits; and to help farmers and ranchers meet Federal, State, Tribal, and local environmental regulations.

In order to be considered eligible for EQIP the applicant must have a vested interest in production agricultural or non-industrial private forest land and meet other program eligibility requirements.

Continuous Sign-Up: EQIP is a continuous sign-up, voluntary, conservation program administered by the Natural Resources Conservation Service (NRCS) that provides financial and technical assistance for approved conservation practices based on a current conservation plan.

Conservation Plan: A conservation plan includes all practices, regardless of the program's financial assistance, that a producer or landowner has agreed to adopt for the agricultural operation and/or associated agricultural lands. Interested applicants are encouraged to request conservation planning and technical assistance from a local NRCS field office to help with the development of a conservation plan.

'EQIP schedule of operations': The basis for an application is the 'EQIP schedule of operations' and is derived from the applicant's conservation plan. The EQIP 'schedule of operations' identifies the conservation practices to be implemented, timing of the implementation, practice location, and payment rates.

Ranking and Funding Pools: EQIP ranking and funding pools are developed to assure that program funds are available to resource priorities across various land use types, for special emphasis resource needs and to assure that underserved groups have access to assistance.

Screening and Ranking: Eligible applications will be evaluated for financial assistance based on a screening and ranking process.

- The purpose of screening criteria is to prioritize an application based on factors such as: a completed conservation plan; readiness to implement practices; history of contract compliance; and, fund pool resource priorities addressed in the 'EQIP schedule of operations'.
- The objective of ranking criteria is to evaluate the environmental benefits of conservation treatments included in the applicant's 'EQIP schedule of operations'.

Applications will be screened and prioritized into 'High', 'Medium' or 'Low' categories. 'High' priority eligible applications will be ranked and considered for funding. 'Medium' priority eligible applications will be ranked only if funding is available. 'Low' priority applications are typically not ranked or considered for funding.

Practices that will not be financially supported in an EQIP contract will not be evaluated in the screening and ranking process. Only conservation practices included in the 'EQIP schedule of operations' will be used to determine the screening priority and ranking score of the application considered for funding.

Continuous Funding: Continuous funding is a process to distribute EQIP funds year-round, as funds are available. This process provides a fluid transition between conservation planning and financial assistance throughout the year. Applications will be batched monthly, or quarterly, for ranking and those that meet a minimum threshold ranking score for the funding period will be approved for financial assistance.

About the National Air Quality Initiative (NAQI)

Under the Agricultural Act of 2014, the Secretary shall provide eligible producers with technical and financial opportunities to address serious air quality concerns from agricultural operations and help meet regulatory requirements.

In fiscal year 2015 (FY2015), the National Air Quality Initiative funding pool is designed to help producers meet air quality compliance requirements and offer opportunities to support practices that address impacts associated with greenhouse gases.

The primary goal of the National Air Quality Initiative is to achieve and maintain the health-based National Ambient Air Quality Standards (NAAQS) within designated non-attainment areas of California. Non-attainment areas can be found on-line at US Environmental Protection Agency (EPA) at: <http://www.epa.gov/oar/oaqps/greenbk/ancl.html>.

The National Air Quality Initiative can assist agricultural producers by implementing conservation practices that reduce oxides of nitrogen (NO_x), volatile organic compounds (VOC), respirable particulate matter (PM₁₀), and fine particulate matter (PM_{2.5}) emissions from agricultural sources.

Financial assistance is targeted to counties that have been identified as having significant air quality resource concerns by being designated as non-attainment for Ozone and/or Particulate Matter. These areas experience air pollution levels that persistently exceed the NAAQS established by the Clean Air Act.

The typical conservation treatment for the National Air Quality Initiative is the removal from service and permanent destruction of in-use high-polluting internal combustion diesel engines that power and self-propel off-road mobile agricultural vehicles or equipment and replace with new "like" agricultural vehicles or equipment powered by new diesel engines that meet current model-year California emission standards (e.g. Tier-certification for nonroad diesel engines) as determined by the applicable EPA Engine Family Name and State of California Air Resources Board (ARB) Executive Order.

Significant emission reduction benefits are achieved when high-polluting off-road diesel engines are retired earlier than through normal turnover and replaced with cleaner new model-year off-road diesel engines that meet current model-year Tier emissions certification. The applicable NRCS Conservation Practice Standard (CPS) is 372 – Combustion System Improvement.

Four worksheets are included at the end of this fund pool description:

- 1) California Existing In-Use Engine/Equipment (Baseline) Worksheet and Instructions;
- 2) California New Engine Worksheet and Instructions;
- 3) California Engine/Equipment Destruction Certification Worksheet;
- 4) California Emissions Calculation Worksheet.

The first two worksheets are for the applicant to document the proposed existing in-use and new engines and equipment data for submittal with an EQIP application. The applicant may use the third worksheet to document engine and equipment destruction and disposal in accordance with CPS 372-Specifications. The fourth worksheet is used by the conservation planner and/or the applicant to calculate the estimated emissions and emission reductions associated with a scheduled conservation practice.

For FY2015, interested owners and/or operators of land managed for agricultural production in the following counties may be eligible for the National Air Quality Initiative:

Alameda, Amador, Butte, Calaveras, Contra Costa, El Dorado, Fresno, Imperial, Inyo, Kern, Kings, Los Angeles, Madera, Marin, Mariposa, Merced, Mono, Napa, Nevada, Placer, Riverside, Sacramento, San Bernardino, San Diego, San Joaquin, San Luis Obispo, San Mateo, Santa Clara, Solano, Sonoma, Stanislaus, Sutter, Tulare, Tuolumne, Ventura, Yolo, and Yuba.

Refer to the following Table 1 for more information on the resource priority for each county included in the National Air Quality Initiative.

Table 1. Resource Priorities and California Nonattainment Designations¹

Participating Counties	NAQI Resource Priority			County Nonattainment Designation for NRCS Ranking Purposes Only ¹ Pollutant, NAAQS Designation, Standard Year
	Ozone	PM10	PM2.5	
Alameda	X		X	8-Hr O ₃ : Marginal (2008 & 1997) PM10: Attainment/Unclassified PM2.5: Moderate (2006)
Amador	X			8-Hr O ₃ : Moderate (1997) PM10: Attainment/Unclassified PM2.5: Attainment/Unclassified
Butte	X		X	8-Hr O ₃ : Marginal (2008 & 1997) PM10: Attainment/Unclassified PM2.5: Moderate (2006)
Calaveras	X			8-Hr O ₃ : Marginal (2008), Moderate (1997) PM10: Attainment/Unclassified PM2.5: Attainment/Unclassified
Contra Costa	X		X	8-Hr O ₃ : Marginal (2008 & 1997) PM10: Attainment/Unclassified PM2.5: Moderate (2006)
El Dorado	X		X	8-Hr O ₃ : Severe-15 (2008 & 1997) PM10: Attainment/Unclassified PM2.5: Moderate (2006)
Fresno	X	X	X	8-Hr O ₃ : Extreme (2008 & 1997) PM10: Maintenance Plan/Serious (1986) PM2.5: Moderate (2006 & 1997)
Imperial	X	X	X	8-Hr O ₃ : Marginal (2008), Moderate (1997) PM10: Serious (1986) PM2.5: Moderate (2006)
Inyo		X		8-Hr O ₃ : Attainment/Unclassified PM10: Serious (1986) PM2.5: Attainment/Unclassified
Kern	X	X	X	8-Hr O ₃ : Extreme (2008 & 1997) PM10: Serious (1986) (EKC) PM2.5: Moderate (2006 & 1997)
Kings	X	X	X	8-Hr O ₃ : Extreme (2008 & 1997) PM10: Maintenance Plan/Serious (1986) PM2.5: Moderate (2006 & 1997)

Participating Counties	NAQI Resource Priority			County Nonattainment Designation for NRCS Ranking Purposes Only ¹ Pollutant, NAAQS Designation, Standard Year
	Ozone	PM10	PM2.5	
Los Angeles	X	X	X	8-Hr O ₃ : Extreme (2008 & 1997) PM10: Serious (1986) PM2.5: Moderate (2006 & 1997)
Madera	X	X	X	8-Hr O ₃ : Extreme (2008 & 1997) PM10: Maintenance Plan/Serious (1986) PM2.5: Moderate (2006 & 1997)
Marin	X		X	8-Hr O ₃ : Marginal (2008 & 1997) PM10: Attainment/Unclassified PM2.5: Moderate (2006)
Mariposa	X			8-Hr O ₃ : Marginal (2008), Moderate (1997) PM10: Attainment/Unclassified PM2.5: Attainment/Unclassified
Merced	X	X	X	8-Hr O ₃ : Extreme (2008 & 1997) PM10: Maintenance Plan/Serious (1986) PM2.5: Moderate (2006 & 1997)
Mono		X		8-Hr O ₃ : Attainment/Unclassified PM10: Moderate (1986) PM2.5: Attainment/Unclassified
Napa	X		X	8-Hr O ₃ : Marginal (2008 & 1997) PM10: Attainment/Unclassified PM2.5: Moderate (2006)
Nevada	X			8-Hr O ₃ : Marginal (2008), Moderate (1997) PM10: Attainment/Unclassified PM2.5: Attainment/Unclassified
Orange	X	X	X	8-Hr O ₃ : Extreme (2008 & 1997) PM10: Serious (1986) PM2.5: Moderate (2006 & 1997)
Placer	X		X	8-Hr O ₃ : Severe-15 (2008 & 1997) PM10: Attainment/Unclassified PM2.5: Moderate (2006)
Riverside	X	X	X	8-Hr O ₃ : Extreme (2008 & 1997) PM10: Serious (1986) PM2.5: Moderate (2006 & 1997)
Sacramento	X	X	X	8-Hr O ₃ : Severe-15 (2008 & 1997) PM10: Maintenance Plan/Moderate PM2.5: Moderate (2006)
San Bernardino	X	X	X	8-Hr O ₃ : Extreme (2008 & 1997) PM10: Moderate (1987) PM2.5: Moderate (2006 & 1997)
San Diego	X			8-Hr O ₃ : Marginal (2008) PM10: Attainment/Unclassified PM2.5: Attainment/Unclassified
San Joaquin	X	X	X	8-Hr O ₃ : Extreme (2008 & 1997) PM10: Maintenance Plan/Serious (1986) PM2.5: Moderate (2006 & 1997)

Participating Counties	NAQI Resource Priority			County Nonattainment Designation for NRCS Ranking Purposes Only ¹ Pollutant, NAAQS Designation, Standard Year
	Ozone	PM10	PM2.5	
San Luis Obispo	X			8-Hr O ₃ : Marginal (2008) PM10: Attainment/Unclassified PM2.5: Attainment/Unclassified
San Mateo	X		X	8-Hr O ₃ : Marginal (2008 & 1997) PM10: Attainment/Unclassified PM2.5: Moderate (2006)
Santa Clara	X		X	8-Hr O ₃ : Marginal (2008 & 1997) PM10: Attainment/Unclassified PM2.5: Moderate (2006)
Solano	X		X	8-Hr O ₃ : Severe-15 (2008 & 1997) PM10: Attainment/Unclassified PM2.5: Moderate (2006)
Sonoma	X		X	8-Hr O ₃ : Marginal (2008 & 1997) PM10: Attainment/Unclassified PM2.5: Moderate (2006)
Stanislaus	X	X	X	8-Hr O ₃ : Extreme (2008 & 1997) PM10: Maintenance Plan/Serious (1986) PM2.5: Moderate (2006 & 1997)
Sutter	X		X	8-Hr O ₃ : Severe-15 (2008 & 1997) PM10: Attainment/Unclassified PM2.5: Moderate (2006)
Tulare	X	X	X	8-Hr O ₃ : Extreme (2008 & 1997) PM10: Maintenance Plan/Serious (1986) PM2.5: Moderate (2006 & 1997)
Tuolumne	X			8-Hr O ₃ : Moderate (1997) PM10: Attainment/Unclassified PM2.5: Attainment/Unclassified
Ventura	X			8-Hr O ₃ : Serious (2008 & 1997) PM10: Attainment/Unclassified PM2.5: Attainment/Unclassified
Yolo	X		X	8-Hr O ₃ : Severe-15 (2008 & 1997) PM10: Attainment/Unclassified PM2.5: Moderate (2006)
Yuba			X	8-Hr O ₃ : Attainment/Unclassified PM10: Attainment/Unclassified PM2.5: Moderate (2006)

Source: The list of California NAAQS designations are derive from the EPA Greenbook, as of July 2, 2014: <http://www.epa.gov/oar/oaqps/greenbk/ancl.html#CALIFORNIA>

The EPA Greenbook homepage is at: <http://www.epa.gov/oar/oaqps/greenbk/>

¹ This list is intended to identify the NAQI air quality resource priorities of eligible counties for ranking purposes only. The most stringent nonattainment designation was selected, as the actual NAAQS designations may differ due to partial county designations, multiple air basins or separate air quality planning regions within a single county.

Land Uses for the NAQI Fund Pool

Only applications for agricultural operations that address resource concerns on at least one land use type listed below will be considered for financial assistance from this EQIP Fund Pool. The descriptions below are the general NRCS land use definitions - applications should fit within, but do not need to exactly match, these descriptions.

- **Crop:** Land used primarily for the production and harvest of annual or perennial field, forage, food, fiber, horticultural, orchard, vineyard, or energy crops.
- **Pasture:** Land composed of introduced or domesticated native forage species that is used primarily for the production of livestock. Pastures receive periodic renovation and cultural treatments, such as tillage, fertilization, mowing, weed control, and may be irrigated. Pastures are not in rotation with crops.
- **Range:** Land used primarily for the production of grazing animals. Includes native plant communities and those seeded to native or introduced species, or naturalized by introduced species that are ecologically managed using range management principles.
- **Forest:** Land on which the primary vegetation is tree cover (climax, natural or introduced plant community) and use is primarily for production of wood products or non-timber forest products.
- **Farmstead:** Land used for facilities and supporting infrastructure where farming, forestry, animal husbandry, and ranching activities are often initiated. This may include dwellings, equipment storage, plus farm input and output storage and handling facilities.

Resource Concerns for the NAQI Fund Pool

Only applications for agricultural operations that address at least one resource concerns listed below will be considered for financial assistance through this EQIP Fund Pool. The descriptions below are general NRCS natural resource definitions, applications should fit within, but do not need to exactly match, these descriptions.

- ❖ **AIR QUALITY IMPACTS** – Direct or indirect emissions of compounds to the atmosphere that impact air quality.
 - **Emissions of Ozone Precursors:** Ozone (O₃) precursor gases are oxides of nitrogen (NO_x) and volatile organic compounds (VOCs). Ambient or ground-level ozone is formed in the atmosphere through a photochemical reaction of NO_x and VOC pollutants in the presence of sunlight, where its reactivity can be influenced by ambient heat. Exposure to ambient ozone can cause adverse impacts to public health, plants and animals. Sources of NO_x and VOC emissions are naturally occurring or “biogenic sources” and “anthropogenic sources” from livestock activities, pesticide application, solvent and gasoline storage and use, nitrification/denitrification processes, and combustion from boilers, engines and open burning.
 - **Emissions of Particulate Matter (PM) and PM Precursors:** Particulate Matter is classified by its size where PM_{2.5} and PM₁₀ have an aerodynamic diameter less than 2.5 and 10 micrometers, respectively. PM_{2.5} is directly emitted to the atmosphere by combustion processes such as from diesel engine exhaust and open burning, and to a lesser degree by mechanical means such as dust from vehicle traffic on unpaved roads or tillage activities. PM_{2.5} is also formed in the atmosphere by chemical reaction of PM precursor gases that include oxides of nitrogen (NO_x), volatile organic compounds (VOCs) and ammonia (NH₃). Sources of these PM precursor gases

can be from combustion activities, fertilizer application, and animal operations. Much of PM10 is mechanically generated and directly emitted to the atmosphere by actions that disaggregate the soil such as tillage operations, unpaved roads and field travel, animal movement, harvesting activities, and wind erosion. Visible PM emissions are typically larger than 10 micrometers and geologic in origin.

- Emissions of Greenhouse Gases:** Direct or indirect emissions of greenhouse gas (GHG), primarily carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O), accumulation in the atmosphere can have a potent impact on the climate. Greenhouse gases from activities such as crop fertilization (natural and synthetic), tillage and agricultural soils management, manure management, livestock enteric fermentation, combustion activities, rice cultivation, and land-use conversion all contribute to excess agricultural GHG emissions into the atmosphere. Fuel consumption as an energy source contributes to atmospheric CO₂. Soil tillage is also a CO₂ contributor by increasing the rate of soil organic matter decomposition and releasing soil carbon into the atmosphere. Methane is produced as part of the normal digestive processes in animals and through anaerobic decomposition of manure and managed waste. A portion of nitrogen fertilizer applied to crops and grasslands emit N₂O by volatilization through the nitrification/denitrification process.

Eligible NRCS Conservation Practices

All conservation practices planned for financial assistance must be included in the 'EQIP schedule of operations' and address a resource concern in the applicant's conservation plan. NRCS conservation practices eligible for financial assistance through this EQIP Initiative are listed in the below table.

Table 2. Eligible Conservation Practices

Practice Code	Conservation Practice Name	Practice Payment Scenario	Units	Lifespan
372	Combustion System Improvement	Mobile IC, 50-149 bhp	no	10 years
372	Combustion System Improvement	Mobile IC, >= 150 bhp	no	10 years

This practice standard and information are available at the following links:

- CPS 372 – Combustion System Improvement:
<http://efotg.sc.egov.usda.gov/references/public/CA/372-std-09-2010.pdf>
- CPS 372 – Specifications:
<http://efotg.sc.egov.usda.gov/references/public/CA/372-spec-ca-11-14.doc>
- CPS 372 – Operations and Maintenance
<http://efotg.sc.egov.usda.gov/references/public/CA/372B-OM-ca-8-13.doc>
- CPS 372 – Implementation Requirements
<http://efotg.sc.egov.usda.gov/references/public/CA/372-IR-ca-11-14.docx>

For more information about NRCS conservation practices visit the following website link for NRCS conservation practice standards:

http://www.nrcs.usda.gov/wps/portal/nrcs/detail/national/technical/?cid=NRCSDEV11_001020

Submitting an EQIP Application

Interested owners and/or operators of land managed for agricultural production may apply for EQIP by completing and submitting the application, Form NRCS-CPA-1200, Conservation Program Application, to the NRCS field office in person, by phone, email, or fax in the county which you own land or where you have an agricultural operation.

Table 3. NRCS Field Office Contact Information

NRCS Office	Phone Number	NRCS Office	Phone Number
Alturas Service Center	(530) 233-4137	Merced Service Center	(209) 722-4119
Auburn Service Center	(530) 885-6505	Modesto Service Center	(209) 491-9320
Bakersfield Service Center	(530) 336-0967	Napa Field Office	(707) 252-4189
Bishop Field Office	(760) 872-6111	Oroville Service Center	(530) 534-0112
Blythe Field Office	(760) 922-3446	Oxnard Field Office	(805) 984-2358
Capitola LPO	(831) 475-1967	Petaluma Service Center	(707) 794-1242
Colusa Service Center	(530) 458-2931	Placerville Field Office	(530) 295-5630
Concord Service Center	(925) 672-4577	Quincy LPO	(530) 283-7511
Dixon Service Center	(707) 678-1655	Red Bluff Service Center	(530) 527-3013
Del Norte LPO	(707) 487-7630	Redding Service Center	(530) 226-2560
El Centro Service Center	(760) 352-7886	Redlands Field Office	(909) 799-7407
Elk Grove Service Center	(916) 714-1104	Salinas Service Center	(831) 424-1036
Escondido Field Office	(760) 745-2061	San Jacinto LPO	(951) 654-7139
Eureka Service Center	(707) 442-6058	Santa Maria Service Center	(805) 928-9269
Fallbrook LPO	(760) 723-2529	Sonora LPO	(209) 984-0500
Fresno Service Center	(559) 276-7494	So. Lake Tahoe Field Office	(530) 543-1501
Grass Valley Field Office	(530) 272-3417	Stockton Service Center	(209) 472-7127
Half Moon Bay LPO	(650) 726-4660	Susanville Service Center	(530) 257-7272
Hanford Service Center	(559) 584-9209	Templeton Service Center	(805) 434-0396
Hollister Service Center	(831) 637-4360	Tulelake Basin Project Office	(530) 667-4247
Hoopla Local Partnership	(707) 486-7439	Ukiah Service Center	(707) 468-9223
Indio Service Center	(760) 347-3675	Victorville Service Center	(760) 843-6882
Jackson LPO	(209) 223-6535	Visalia Service Center	(559) 734-8732
Lakeport LPO	(707) 263-4180	Weaverville Service Center	(530) 623-3991
Lancaster Service Center	(661) 945-2604	Willows Service Center	(530) 934-4601
Livermore LPO	(925) 371-0154	Woodland Service Center	(530) 662-2037
Madera Service Center	(559) 674-2108	Yreka Service Center	(530) 842-6123
Mariposa LPO	(209) 966-3431	Yuba City Service Center	(530) 674-1461
McArthur LPO	(530) 336-5604		

Environmental Quality Incentives Program (EQIP) National Air Quality Initiative CALIFORNIA EXISTING IN-USE ENGINE WORKSHEET Air Quality – CPS 372 Combustion System Improvement		
Applicant Name:		
Existing In-Use Engine/Equipment Information (Baseline) Complete a separate form for each existing engine or equipment		
Report the total acres this engine serves:		Years operated on these acres:
Primary Fuel Type (check one): <input type="checkbox"/> Diesel <input type="checkbox"/> Biodiesel <input type="checkbox"/> Natural Gas <input type="checkbox"/> LPG <input type="checkbox"/> Biogas <input type="checkbox"/> Other:	Engine Type (check one): <input type="checkbox"/> Non-Tier Diesel <input type="checkbox"/> Tier 1 <input type="checkbox"/> Tier 2 <input type="checkbox"/> Spark-Ignition <input type="checkbox"/> Other:	Describe the type of existing equipment to be replaced (check one): <input type="checkbox"/> Stationary Irrigation Engine <input type="checkbox"/> Wheeled Tractor <input type="checkbox"/> Crawler Tractor <input type="checkbox"/> Rubber Tired Loader <input type="checkbox"/> Rough-Terrain Forklift <input type="checkbox"/> Other:
Engine Manufacturer and Model No:		
EPA Engine Family Name: <small>(Required for Tier-certification)</small>	Advertised Horsepower (bhp):	
Engine Year:	Annual Fuel Usage (gal/year):	
Engine Serial No:	Annual Hours of Operation:	
Equipment Manufacturer & Model:		
Equipment VIN No:		
Equipment Model Year:	Year Purchased:	
Name of Equipment Owner:		
Months in Operation:	<input type="checkbox"/> January <input type="checkbox"/> April <input type="checkbox"/> July <input type="checkbox"/> October	<input type="checkbox"/> February <input type="checkbox"/> May <input type="checkbox"/> August <input type="checkbox"/> November
<input type="checkbox"/> Operates throughout the year	<input type="checkbox"/> March <input type="checkbox"/> June <input type="checkbox"/> September <input type="checkbox"/> December	
Planned location on where engine/equipment will be scrapped and destroyed:		
<i>The applicant is required to provide two documents verifying engine/equipment ownership and one document verifying engine/equipment operations over the previous 12-consecutive month period prior to submitting this worksheet and EQIP application.</i>		
Additional Information:		

**Instructions
Existing In-Use Engine Information**

1. **Complete a separate worksheet for each existing engine or equipment.**
2. **Report the annual total acres this engine serves:** Estimate the annual total acres of cropland this engine irrigates or the annual total acres the mobile agricultural equipment operates on.
3. **Years Operated at this location:** Approximate length of time the existing engine or equipment has been operating at this location.
4. **Primary Fuel Type:** Only select the primary fuel the engine consumes.
5. **Engine Type:** Select the type of existing engine (Tier-level for compression-ignition). Please consult your engine vendor.
6. **Describe the type of equipment the existing engine powers:** This may include an irrigation pump, tractor, loader or other agricultural equipment. If "other", please describe: (forage harvesters, combines, sprayers, shakers, etc.).
7. **Engine Manufacturer and Model No:** Make and model number of the existing engine. For example, Cummins (make) 6BTA5.9C (model). *Please do not report the Equipment Model Number here.*
8. **EPA Engine Family Name: Required for Tier-certified engines.** Include the certified engine family name assigned by the EPA and attach the applicable ARB Executive Order for this engine. This information should be available through your engine vendor or on-line at: www.arb.ca.gov/msprog/offroad/cert/cert.php.
9. **Engine Year:** The year the engine model was manufactured.
10. **Engine Serial No.:** The serial number listed on the engine block or ID label.
11. **Rated Brake-Horsepower (bhp):** The manufacture's advertised rated break-horsepower. Record the engine horsepower units if different than break-horsepower.
12. **Annual Fuel Usage (gal/year):** Amount of annual fuel usage in gallons.
13. **Annual Hours of Operation:** Report the engine's actual annual hours of operation. (See No. 21) *(Exaggerating hours may affect the project screening or ranking, or deem the project ineligible).*
14. **Equipment Manufacturer and Model:** The make and model number of the equipment. For example, a Case (make) 721 (model). This number is not the engine model number.
15. **Equipment VIN:** The equipment Vehicle Identification Number.
16. **Equipment Model Year:** The model year in which the equipment was manufactured.
17. **Year Purchased:** The year the equipment was purchased by the applicant (see No. 21)
18. **Name of Equipment Owner:** Identify equipment ownership (see No. 21).
19. **Months in Operation:** Select whether the engine operates throughout the year or by month.
20. **Planned location where engine/equipment will be scrapped and destroyed:** Identify where the engine/equipment is planned to be taken for final disposal and destruction.
21. **Ownership and Operations Verification:** Provide two documents verifying ownership and one document verifying operation status for the existing engine/equipment. Ownership documents may include bill of sale, insurance records, bank appraisals, maintenance or service records, general ledgers, fuel records, or other documents. Operations documents may include maintenance or service records, usage records, routine inspections, hour meter reading logs, historical fuel usage logs, or other documents. Please refer to CPS 372-Specifications for more information.
22. **Additional Information:** Include any additional information pertinent to this engine/equipment, including applicable permits or documentation issued by a local air district.

Environmental Quality Incentives Program (EQIP) National Air Quality Initiative CALIFORNIA NEW ENGINE WORKSHEET Air Quality – CPS 372 Combustion System Improvement		
Applicant Name:		
New Engine/Equipment Information Complete a separate form for each engine or equipment		
Report the total acres this engine will serve:		
Primary Fuel Type (check one): <input type="checkbox"/> Diesel <input type="checkbox"/> Natural Gas <input type="checkbox"/> LPG <input type="checkbox"/> Syngas/Biogas <input type="checkbox"/> Electric <input type="checkbox"/> Other:	Engine Type (check one): <input type="checkbox"/> Tier 3 <input type="checkbox"/> Tier 4 Interim <input type="checkbox"/> Tier 4 Final <input type="checkbox"/> Spark-Ignition <input type="checkbox"/> Electric <input type="checkbox"/> Other:	Describe the type of new equipment (check one): <input type="checkbox"/> Stationary Irrigation Engine <input type="checkbox"/> Wheeled Tractor <input type="checkbox"/> Crawler Tractor <input type="checkbox"/> Rubber Tired Loader <input type="checkbox"/> Rough-Terrain Forklift <input type="checkbox"/> Other:
Engine Manufacturer and Model:		
EPA Engine Family Name: <small>(attach ARB Executive Order)</small>	Advertised Horsepower (bhp):	
Engine Model-Year	Annual Fuel Usage (gal/year): <small>(Estimate)</small>	
Engine Serial Number <small>(if available)</small>	Annual Hours of Operation: <small>(Should be similar to the baseline engine hours)</small>	
Equipment Manufacturer and Model:		
Equipment VIN No: <small>(if available)</small>	Equipment Model Year:	
Months in Operation:	<input type="checkbox"/> January <input type="checkbox"/> April <input type="checkbox"/> July <input type="checkbox"/> October	<input type="checkbox"/> February <input type="checkbox"/> May <input type="checkbox"/> August <input type="checkbox"/> November
<input type="checkbox"/> Operates throughout the year	<input type="checkbox"/> March	<input type="checkbox"/> June
	<input type="checkbox"/> September	<input type="checkbox"/> December
Cost Estimate of New Engine and/or Equipment :		
Describe the fuel source (i.e. location of fuel storage and dispensing system):		
Additional Information:		

Instructions New Engine Information

1. **Complete a separate application for each new engine or equipment.**
2. **Report the annual total acres this engine will serve:** Estimate the annual total acres of cropland this engine will irrigate or the annual total acres the mobile agricultural equipment will operate on.
3. **Primary Fuel Type:** Only select the primary fuel the engine consumes.
4. **Engine Type:** Select the type of engine (i.e. Tier 4 Final). Please consult your engine vendor.
5. **Describe the type of equipment the new engine will power:** This may include a stationary irrigation engine, tractor, loader, or other agricultural equipment. If "other", please describe: (forage harvesters, combines, sprayers, shakers, etc.). New engines or equipment shall serve the same function and perform the same work, unless pre-approved by NRCS.
6. **Engine Manufacturer and Model No:** Make and model number of the new engine. For example, IVECO (make) F4GE9484D*J (model). Please *do not* report the Equipment Model Number here.
7. **EPA Engine Family Name:** *Required* by including the certified engine family name assigned by the EPA and attaching the applicable ARB Executive Order for this engine. This information should be available through your engine vendor or is on-line at: www.arb.ca.gov/msprog/offroad/cert/cert.php. ***Any ARB Executive Order reporting a Family Emission Level (FEL) value exceeding an applicable NOx, NMHC, NMHC+NOx, CO, PM or other emission standard is not eligible to receive NRCS payments.*** Please consult your vendor over FEL values. Engines under California Flexibility Provisions are eligible provided all other criteria are met.
8. **Engine Model-Year:** The year the engine model was manufactured.
9. **Engine Serial No.:** If available, include the serial number listed on the engine block or ID label.
10. **Rated Brake-Horsepower (bhp):** The new engine advertised rated break-horsepower.
11. **Annual Fuel Usage (gal/year):** Estimate the annual fuel usage in gallons.
23. **Annual Hours of Operation:** Estimate the engine's annual operations in hours, which should be similar to the existing (baseline) engine hours of operation. (*Exaggerating hours may affect the project screening or ranking, or deem the project ineligible*).
12. **Equipment Manufacturer and Model:** The make and model number of the equipment. For example, a Case (make) 721 (model).
13. **Equipment VIN:** The equipment Vehicle Identification Number, if available.
14. **Equipment Model Year:** The model year in which the equipment was manufactured, if available.
15. **Months in Operation:** Select whether the engine will operate throughout the year or by month.
16. **Cost of New Engine and/or Equipment:** Attach an estimate that clearly itemizes the costs.
17. **Describe the fuel source:** How will fuel be supplied to the new equipment.
18. **Additional Information:** Include any information pertinent to this engine or equipment, such as: evaluating other alternatives, or applicable permits or documentation issued by a local air district.

Environmental Quality Incentives Program (EQIP) National Air Quality Initiative CALIFORNIA ENGINE/EQUIPMENT DESTRUCTION CERTIFICATION WORKSHEET Air Quality – CPS 372 Combustion System Improvement		
This certification worksheet serves to document that the engine/equipment identified below has been disabled and permanently destroyed by shearing, crushing, or shredding into scrap metal. Use one worksheet for each engine/equipment destroyed. No engine or drive-train components were or will be parted-out, used or sold as parts, or used to build or rebuild other engines or equipment. The completed certification worksheet shall be signed and submitted to the NRCS Field Office after destruction.		
Participant Name:		
EQIP Contract Number:		
Engine Manufacturer and Model:	Equipment Manufacturer and Model:	
<input type="checkbox"/> Compression-ignition <input type="checkbox"/> Spark-ignition	Equipment Type:	
Engine Serial No:	Equipment VIN:	
Engine Model Year:	Equipment Model Year:	
Date engine/equipment was delivered for destruction and disposal:		
Engine/Equipment Owner's Name (Print):		
Owner's Signature:	Date:	
The engine/equipment identified above were delivered for destruction and disposal at:		
Destruction Facility Name:		
Address:		
City:	State:	Zip Code:
Date engine/equipment was destroyed and scrapped:		
The engine/equipment has been destroyed and scrapped.		
Destruction Facility Contact Name (Print):	Phone No:	
Contact Signature:	Date:	
<i>Attach date stamped photographs of the engine/equipment pre- and post-demolition that includes clearly identifiable engine serial number and vehicle identification number.</i>		

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Environmental Quality Incentives Program (EQIP) National Air Quality Initiative CALIFORNIA EMISSIONS CALCULATION WORKSHEET Air Quality – CPS 372 Combustion System Improvement			
Applicant Name:		Date:	
Existing In-Use Engine Emissions Calculations			
Manufacturer:			
Model Year Engine:		Fuel Type:	
Equipment Type:			
Serial Number:			
Baseline Emissions	NOx	ROG	PM10
Rated Brake Horsepower:	_____	_____	_____ bhp
Annual Hours of Operation: X	_____	_____	_____ Hours/Year
Emission Factors: X	_____	_____	_____ g/bhp-hr
Load Factor: X	_____	_____	_____
Conversion to Tons: ÷	907,200	907,200	907,200 Grams/Ton
Annual Emissions (EE) =	_____	_____	_____ Tons/Year
New Engine Emissions Calculations (Report as zero emissions if electric)			
Manufacturer:			
Model Year Engine:		Fuel Type:	
Equipment Type:			
Serial Number (if available):			
New Engine Emissions	NOx	ROG	PM10
Rated Brake Horsepower:	_____	_____	_____ bhp
*Annual Hours of Operation: X	_____	_____	_____ Hours/Year
Emission Factors: X	_____	_____	_____ g/bhp-hr
Load Factor: X	_____	_____	_____
Conversion to Tons: ÷	907,200	907,200	907,200 Grams/Ton
Annual Emissions (NE) =	_____	_____	_____ Tons/Year
Calculation Results			
	NOx	ROG	PM10
Annual Emission Reductions: (EE) – (NE) =	_____	_____	_____ Tons/Year
Percent Emission Reductions: [(EE – NE) / (EE)] x 100 =	_____	_____	_____ %

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FY 2016 Program Description

Environmental Quality Incentives Program

The purpose of the Environmental Quality Incentives Program (EQIP) is to promote agricultural production, forest management, and environmental quality as compatible goals; to optimize environmental benefits; and to help farmers and ranchers meet Federal, State, Tribal, and local environmental regulations.

In order to be considered eligible for EQIP the applicant must have a vested interest in production agricultural or non-industrial private forest land and meet other program eligibility requirements.

Continuous Sign-Up: EQIP is a voluntary, continuous sign-up conservation program administered by the Natural Resources Conservation Service (NRCS) that provides financial and technical assistance for approved conservation practices based on a current conservation plan.

Conservation Plan: A conservation plan includes all practices, regardless of the program's financial assistance, that a producer or landowner has agreed to adopt for the agricultural operation and/or associated agricultural lands. Interested applicants are encouraged to request conservation planning and technical assistance from a local NRCS field office to help with the development of a conservation plan.

EQIP Schedule of Operations: The basis for an application is the "*EQIP Schedule of Operations*", which is derived from the applicant's conservation plan. The *EQIP Schedule of Operations* identifies the conservation practices to be implemented, timing of the implementation, practice location, and payment rates.

Ranking and Funding Pools: EQIP ranking and funding pools are developed to assure that program funds are available to resource priorities across various land use types, for special emphasis resource needs and to assure that underserved groups have access to assistance.

Screening and Ranking: Eligible applications will be evaluated for financial assistance based on a screening and ranking process.

- The purpose of screening criteria is to prioritize an application based on factors such as: a completed conservation plan; readiness to implement practices; history of contract compliance; and, fund pool resource priorities addressed in the *EQIP Schedule of Operations*.
- The objective of ranking criteria is to evaluate the environmental benefits of conservation treatments included in the applicant's *EQIP Schedule of Operations*.

Applications will be screened and prioritized into "High", "Medium" or "Low" categories. "High Priority" eligible applications will be ranked and considered for funding. "Medium Priority" eligible applications will be ranked only if funding is available. "Low Priority" applications are not ranked or considered for funding.

Practices that will not be financially supported in an EQIP contract will not be evaluated in the screening and ranking process. Only conservation practices included in the *EQIP Schedule of Operations* will be used to determine the screening priority and ranking score of the application considered for funding.

Continuous Funding: Continuous funding is a process to distribute EQIP funds year round, as funds are available. This process provides a fluid transition between conservation planning and financial assistance throughout the year. Applications will be batched monthly or quarterly for ranking and those that meet a minimum threshold ranking score for the funding period will be approved for financial assistance.

About the National Air Quality Initiative (NAQI)

Under the Agricultural Act of 2014, the Secretary shall provide eligible producers with technical and financial opportunities to address serious air quality concerns from agricultural operations and help meet regulatory requirements.

In Fiscal Year 2016 (FY2016), the National Air Quality Initiative funding pool is designed to help producers meet air quality compliance requirements and offer opportunities to support practices that address impacts associated with greenhouse gases. The primary goal is to achieve and maintain the health-based National Ambient Air Quality Standards (NAAQS) within designated nonattainment areas of California. Information on nonattainment area designations are posted on-line by the US Environmental Protection Agency (EPA) at: <http://www.epa.gov/airquality/greenbook/>.

The National Air Quality Initiative can assist agricultural producers by implementing conservation practices that reduce oxides of nitrogen (NOx), volatile organic compounds (VOC), respirable particulate matter (PM10), and fine particulate matter (PM2.5) emissions from agricultural sources. Financial assistance is targeted to counties that have been identified as having significant air quality resource concerns by being designated as nonattainment for Ozone and/or Particulate Matter. These areas experience air pollution levels that persistently exceed the NAAQS established by the Clean Air Act.

The typical conservation treatment for the National Air Quality Initiative is to reduce diesel exhaust emissions through the removal from service and permanent destruction of in-use nonroad diesel-fueled engines (e.g. compression-ignition engines) rated at 50 or greater brake-horsepower (bhp) that power and self-propel off-road mobile agricultural equipment and replace with new "like" off-road mobile agricultural equipment powered and self-propelled by new nonroad diesel engines that meet 2015 or 2016 model-year California emission standards or equivalent (e.g. current Tier-certification for nonroad diesel engines) as determined by the applicable EPA Engine Family Name and State of California Air Resources Board (ARB) Executive Order (or EPA Certificate of Conformity, when applicable). Significant emission reduction benefits are achieved when higher-polluting nonroad diesel engines powering off-road agricultural equipment are retired earlier than through normal turnover and replaced with new, emissions-certified diesel engines and equipment. The applicable NRCS Conservation Practice Standard (CPS) is 372 – *Combustion System Improvement*.

Examples of mobile off-road equipment used exclusively in agriculture and powered and self-propelled by nonroad diesel engines (e.g. "L" designation in the EPA Engine Family Name on Tier-certified engines):

- Tractors
- Loaders
- Bulldozers
- Sprayers
- Rough-Terrain Forklifts
- Harvesters
- Combines
- Swathers
- Sweepers

Examples of diesel-powered equipment used in agriculture and excluded from the NAQI:

- On-Road Trucks
- Manure Spreaders
- Hay Bale Squeeze
- Conventional Forklifts
- Piggy-back Forklifts
- All-Terrain Vehicles
- Implements/Trailers
- Pull-behind Sprayers

Five worksheets are included at the end of this fund pool description:

- 1) California In-Use Existing Equipment/Engine (Baseline) Worksheet and Instructions;
- 2) California New Equipment/Engine Worksheet (Proposed) and Instructions;
- 3) California Equipment/Engine Destruction Certification Worksheet;
- 4) California Emissions Calculation Worksheet.
- 5) San Joaquin Valley Annual Reporting Worksheet

The first two worksheets are for the participant to document the proposed in-use and new engines and equipment information for submittal to the NRCS with an EQIP application. The participant may use the third worksheet to document equipment and engine destruction and disposal in accordance with *CPS 372-Specifications*. The fourth worksheet is used by the conservation planner and/or the participant for calculating the estimated emissions and emission reductions associated with the conservation practice. The fifth worksheet is for *San Joaquin Valley participants* providing annual reports to the NRCS that documents their new equipment usage each year over the 10-year practice lifespan.

For FY2016, interested owners and/or operators of land managed for agricultural production in the following counties may be eligible for the National Air Quality Initiative:

Alameda, Butte, Calaveras, Contra Costa, El Dorado, Fresno, Imperial, Inyo, Kern, Kings, Los Angeles, Madera, Marin, Mariposa, Merced, Mono, Napa, Nevada, Placer, Riverside, Sacramento, San Bernardino, San Diego, San Joaquin, San Luis Obispo, San Mateo, Santa Clara, Solano, Sonoma, Stanislaus, Sutter, Tulare, Ventura, Yolo, and Yuba.

Refer to the following Table 1 for more information on the resource priority for each county included in the National Air Quality Initiative.

Table 1. Resource Priorities and California Nonattainment Designations¹

Participating Counties	NAQI Resource Priority			County Nonattainment Designation for NRCS Ranking Purposes Only ¹ Pollutant, NAAQS Nonattainment Designation, Standard Year
	Ozone	PM10	PM2.5	
Alameda	X		X	8-Hr O ₃ : Marginal (2008) PM2.5: Moderate (2006)
Butte	X		X	8-Hr O ₃ : Marginal (2008) PM2.5: Moderate (2006 [C])
Calaveras	X			8-Hr O ₃ : Marginal (2008)
Contra Costa	X		X	8-Hr O ₃ : Marginal (2008) PM2.5: Moderate (2006)
El Dorado	X		X	8-Hr O ₃ : Severe-15 (2008 [SM]) PM2.5: Moderate (2006 [S])

Participating Counties	NAQI Resource Priority			County Nonattainment Designation for NRCS Ranking Purposes Only ¹ Pollutant, NAAQS Nonattainment Designation, Standard Year
	Ozone	PM10	PM2.5	
Fresno	X	X	X	8-Hr O ₃ : Extreme (2008) PM10: Maintenance Area/Serious (1987) PM2.5: Moderate (2012 & 2006), Serious (1997)
Imperial	X	X	X	8-Hr O ₃ : Marginal (2008) PM10: Serious (1987 [IV]) PM2.5: Moderate (2012 & 2006)
Inyo		X		PM10: Serious (1987 [OV])
Kern	X	X	X	8-Hr O ₃ : Extreme (2008 [SJV]) PM10: Serious (1987 [EKC]) PM2.5: Moderate (2012 & 2006 [SJV]) PM2.5: Serious (1997 [SJV])
Kings	X	X	X	8-Hr O ₃ : Extreme (2008) PM10: Maintenance Area/Serious (1987) PM2.5: Moderate (2012 & 2006), Serious (1997)
Los Angeles	X	X	X	8-Hr O ₃ : Extreme (2008 [SC]) PM10: Maintenance Area/Serious (1987 [SC]) PM2.5: Moderate (2012, 2006 & 1997 [SC])
Madera	X	X	X	8-Hr O ₃ : Extreme (2008) PM10: Maintenance Area/Serious (1987) PM2.5: Moderate (2012 & 2006), Serious (1997)
Marin	X		X	8-Hr O ₃ : Marginal (2008) PM2.5: Moderate (2006)
Mariposa	X			8-Hr O ₃ : Marginal (2008)
Merced	X	X	X	8-Hr O ₃ : Extreme (2008) PM10: Maintenance Area/Serious (1986) PM2.5: Moderate (2012 & 2006), Serious (1997)
Mono		X		PM10: Moderate (1987 [ML/MB])
Napa	X		X	8-Hr O ₃ : Marginal (2008) PM2.5: Moderate (2006)
Nevada	X			8-Hr O ₃ : Marginal (2008 [WNC])
Orange	X	X	X	8-Hr O ₃ : Extreme (2008) PM10: Maintenance Area/Serious (1987) PM2.5: Moderate (2012, 2006 & 1997)

Participating Counties	NAQI Resource Priority			County Nonattainment Designation for NRCS Ranking Purposes Only ¹ Pollutant, NAAQS Nonattainment Designation, Standard Year
	Ozone	PM10	PM2.5	
Placer	X		X	8-Hr O ₃ : Severe-15 (2008 [SM]) PM2.5: Moderate (2006 [S])
Riverside	X	X	X	8-Hr O ₃ : Extreme (2008 [SC]) PM10: Serious (1987 [CV]) PM2.5: Moderate (2012, 2006 & 1997 [SC])
Sacramento	X	X	X	8-Hr O ₃ : Severe-15 (2008) PM10: Maintenance Area/Moderate (1987) PM2.5: Moderate (2006)
San Bernardino	X	X	X	8-Hr O ₃ : Extreme (2008 [SC]) PM10: Moderate (1987) PM2.5: Moderate (2012, 2006 & 1997 [SC])
San Diego	X			8-Hr O ₃ : Marginal (2008)
San Joaquin	X	X	X	8-Hr O ₃ : Extreme (2008) PM10: Maintenance Area/Serious (1987) PM2.5: Moderate (2012 & 2006), Serious (1997)
San Luis Obispo	X			8-Hr O ₃ : Marginal (2008 [ESLO])
San Mateo	X		X	8-Hr O ₃ : Marginal (2008) PM2.5: Moderate (2006)
Santa Clara	X		X	8-Hr O ₃ : Marginal (2008) PM2.5: Moderate (2006)
Solano	X		X	8-Hr O ₃ : Severe-15 (2008 [SM]) PM2.5: Moderate (2006)
Sonoma	X		X	8-Hr O ₃ : Marginal (2008 [SFBA]) PM2.5: Moderate (2006 [SFBA])
Stanislaus	X	X	X	8-Hr O ₃ : Extreme (2008) PM10: Maintenance Area/Serious (1987) PM2.5: Moderate (2012 & 2006), Serious (1997)
Sutter	X		X	8-Hr O ₃ : Severe-15 (2008 [SM]) PM2.5: Maintenance Area/Moderate (2006 [YC])
Tulare	X	X	X	8-Hr O ₃ : Extreme (2008) PM10: Maintenance Area/Serious (1987) PM2.5: Moderate (2012 & 2006), Serious (1997)

Participating Counties	NAQI Resource Priority			County Nonattainment Designation for NRCS Ranking Purposes Only ¹ Pollutant, NAAQS Designation, Standard Year
	Ozone	PM10	PM2.5	
Ventura	X			8-Hr O ₃ : Serious (2008)
Yolo	X		X	8-Hr O ₃ : Severe-15 (2008 [SM]) PM2.5: Moderate (2006 [S])
Yuba			X	PM2.5: Maintenance Area/Moderate (2006 [M])

Source: The list of California NAAQS and Maintenance Area designations are derive from the EPA Greenbook, as of October 1, 2015: <http://www3.epa.gov/airquality/greenbook/index.html>

¹ This list is intended to identify the NAQI air quality resource priorities of the eligible counties *for ranking purposes only*. The most stringent nonattainment designation within a county was selected, as the actual NAAQS designations may differ due to partial county designations, or to multiple air basins or separate air quality planning regions within a single county.

The most stringent county designation identifying the applicable air quality planning area will have any of the following notes placed next to the NAAQS year. No notes indicates the NAAQS designation is county-wide.

- | | | |
|--------------------------------|---------------------------------|-------------------------------|
| C – Chico | M – Marysville | SFBA – San Francisco Bay Area |
| CV – Coachella Valley | ML/MB – Mammoth Lake/Mono Basin | SM – Sacramento Metro |
| EKC – Eastern Kern County | OV – Owens Valley | SJV – San Joaquin Valley |
| ESLO – Eastern San Luis Obispo | S – Sacramento | WNC – Western Nevada County |
| IV – Imperial Valley | SC – South Coast | YC – Yuba City |

California Air Resources Board State Implementation Plan (SIP) for the San Joaquin Valley

In 2007, the Air Resources Board (ARB) adopted their “2007 State Strategy for California’s State Implementation Plan for Federal PM2.5 and 8-Hour Ozone Standards”, which includes a commitment for reducing diesel exhaust emissions from in-use off-road mobile agricultural equipment operating within the San Joaquin Valley. The intent of the 2007 State Strategy is to accelerate the natural turnover of old agricultural equipment by installing the cleanest emissions-certified fleet as expeditiously as possible through voluntary and regulatory measures in order to achieve NOx emission reductions of 5-10 tons per day by 2017.

Beginning in 2009, a partnership developed with agricultural stakeholders and representatives from the San Joaquin Valley Air Pollution Control District (SJVAPCD), ARB, EPA, and NRCS to help identify the mechanisms where *voluntary measures* through incentive-based emission reductions could receive credit towards meeting these goals and objectives for the San Joaquin Valley. The overall benefits would account for improvements to air quality, public health and welfare, and progress toward attaining the National Ambient Air Quality Standards pursuant to the Clean Air Act through voluntary measures, thereby postponing or perhaps eliminating any action from ARB with adopting new prohibitory regulations.

Applying voluntary incentive-based emission reductions through programs like EQIP toward SIP emission reduction goals has never been tried before. As the ARB and SJVAPCD also administer their own respective voluntary incentive programs, this direction led toward the SJVAPCD adopting Rule 9610 in June 2013, by defining the administrative mechanisms where voluntary incentive-based emission reductions could become SIP creditable. SJVAPCD Rule 9610 was approved by the ARB in October 2013 through the adoption of Section 2428, Title 13, of the California Code of Regulations. EPA approved the voluntary incentive-based emission reductions pursuant to Rule 9610 as being creditable toward and federally enforceable under California's State Implementation Plan, effective on May 11, 2015. Overall, Rule 9610 ensures the emission reductions achieved through voluntary incentive programs in the San Joaquin Valley become eligible for SIP credit in accordance with the Clean Air Act.

Included with *CPS 372-Operations and Maintenance*, San Joaquin Valley producers participating in the National Air Quality Initiative are to provide NRCS with reports of their new equipment usage annually for the duration of the practice 10-year lifespan. The information will be used to qualify equipment operations and quantify the on-going emission reductions to ensure the air quality benefits continue. The NRCS will submit aggregated emissions summary reports to the SJVAPCD and EPA annually, void of any information deemed as confidential, by reporting the SIP-creditable emission reductions achieved within the San Joaquin Valley through EQIP.

To date, the voluntary incentive-based emission reductions administered each by the NRCS and SJVAPCD have together achieved the 2007 State Strategy goal of 5-10 tons per day of NOx reductions well ahead of the 2017 SIP deadline. ARB does, however, plan to develop a new San Joaquin Valley SIP in 2016 to account for updates to the National Ambient Air Quality Standards. ARB will continue to seek emission reductions from agriculture as new strategies for deploying the cleanest emissions technologies are developed. NRCS and its partners will continue to support voluntary strategies that address the air quality resource concerns in the San Joaquin Valley and other air quality challenged regions in California.

More information on the San Joaquin Valley State Implementation Plan and diesel engines powering off-road mobile agricultural equipment can be found by visiting the ARB and SJVAPCD websites at:

- ARB Agricultural Equipment Regulation: <http://www.arb.ca.gov/ag/agtractor/agtractor.htm>
- ARB 2007 State Strategy: <http://www.arb.ca.gov/planning/sip/2007sip/2007sip.htm>
- SJVAPCD Rule 9610: http://www.valleyair.org/rules/curnrules/9610_CleanRule.pdf
- SJVAPCD Rule 9610 Procedures: http://www.valleyair.org/MOP/mop9610_idx.htm

Land Uses for the NAQI Fund Pool

Only applications for agricultural operations that address resource concerns on at least one land use type listed below will be considered for financial assistance from this EQIP Fund Pool. The descriptions below are the general NRCS land use definitions - applications should fit within, but do not need to exactly match, these descriptions.

- **Crop:** Land used primarily for the production and harvest of annual or perennial field, forage, food, fiber, horticultural, orchard, vineyard, or energy crops.
- **Pasture:** Land composed of introduced or domesticated native forage species that is used primarily for the production of livestock. Pastures receive periodic renovation and cultural treatments, such as

tillage, fertilization, mowing, weed control, and may be irrigated. Pastures are not in rotation with crops.

- **Range:** Land used primarily for the production of grazing animals. Includes native plant communities and those seeded to native or introduced species, or naturalized by introduced species that are ecologically managed using range management principles.
- **Forest:** Land on which the primary vegetation is tree cover (climax, natural or introduced plant community) and use is primarily for production of wood products or non-timber forest products.
- **Farmstead:** Land used for facilities and supporting infrastructure where farming, forestry, animal husbandry, and ranching activities are often initiated. This may include dwellings, equipment storage, plus farm input and output storage and handling facilities.

Resource Concerns for the NAQI Fund Pool

Only applications for agricultural operations that address at least one resource concerns listed below will be considered for financial assistance through this EQIP Fund Pool. The descriptions below are general NRCS natural resource definitions, applications should fit within, but do not need to exactly match, these descriptions.

- ❖ **AIR QUALITY IMPACTS** – Direct or indirect emissions of compounds to the atmosphere that impact outdoor ambient air quality.
 - **Emissions of Ozone Precursors:** Ozone (O₃) precursor gases are oxides of nitrogen (NO_x) and volatile organic compounds (VOCs) pollutants. Ambient ozone is formed in the atmosphere through a photochemical reaction of NO_x and VOC pollutants in the presence of sunlight, where its reactivity can be influenced by ambient heat. Exposure to ambient ozone can cause adverse impacts to public health, plants and animals. Sources of NO_x and VOC emissions are from naturally occurring “biogenic sources” and from “anthropogenic sources” that include livestock activities, pesticide application, solvent and gasoline storage and use, nitrification/denitrification processes, and combustion from boilers, engines and open burning.
 - **Emissions of Particulate Matter (PM) and PM Precursors:** Particulate Matter is classified by its size where PM_{2.5} and PM₁₀ have an aerodynamic diameter less than 2.5 and 10 micrometers, respectively. PM_{2.5} is directly emitted to the atmosphere by combustion processes such as from diesel engine exhaust and open burning, and to a lesser degree by mechanical means such as dust from vehicle traffic on unpaved roads or tillage activities. PM_{2.5} is also formed in the atmosphere by chemical reactions of PM precursor gases that include oxides of nitrogen (NO_x), volatile organic compounds (VOCs) and ammonia (NH₃). Sources of these PM_{2.5} precursor gases can be from combustion activities, fertilizer application, and animal operations. Much of PM₁₀ is mechanically generated and directly emitted to the atmosphere by actions that disaggregate the soil such as tillage operations, unpaved roads and field travel, animal movement, harvesting activities, bulk material storage and handling, and wind erosion. Visible PM emissions are typically geologic in origin and range in different sizes that may include PM₁₀ and PM_{2.5}.
 - **Emissions of Greenhouse Gases:** Direct or indirect emissions of greenhouse gases (GHG), primarily carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O), that accumulate in the atmosphere can have a potent impact on the climate. Activities from crop fertilization (natural and synthetic), tillage and agricultural soils management, manure management, livestock enteric

fermentation, combustion activities, rice cultivation, and land-use conversion all contribute to excess agricultural GHG emissions into the atmosphere. Fuel consumption as an energy source contributes to atmospheric CO₂. Soil tillage is also a CO₂ contributor by increasing the rate of soil organic matter decomposition and releasing soil carbon into the atmosphere. Methane is produced as part of the normal digestive processes in animals and through anaerobic decomposition of manure and managed waste. A portion of nitrogen fertilizer applied to crops and grasslands emit N₂O by volatilization through the nitrification/denitrification process.

Eligible NRCS Conservation Practices

All conservation practices planned for financial assistance must be included in the *EQIP Schedule of Operations* and address a resource concern in the applicant's conservation plan. NRCS conservation practices eligible for financial assistance through this EQIP Initiative are listed in the below table.

Table 2. Eligible Conservation Practices

Practice Code	Conservation Practice Name	Practice Payment Scenario	Units	Lifespan
372	Combustion System Improvement	Mobile IC, 50-149 bhp	no	10 years
372	Combustion System Improvement	Mobile IC, >= 150 bhp	no	10 years

This practice standard and information are available at the following links:

- CPS 372 – Combustion System Improvement:
<http://efotg.sc.egov.usda.gov/references/public/CA/372-std-09-2010.pdf>
- CPS 372 – Specifications:
<http://efotg.sc.egov.usda.gov/references/public/CA/372-spec-ca-11-14.doc>
- CPS 372 – Operations and Maintenance
<http://efotg.sc.egov.usda.gov/references/public/CA/372B-OM-ca-8-13.doc>
- CPS 372 – Implementation Requirements
<http://efotg.sc.egov.usda.gov/references/public/CA/372-IR-ca-11-14.docx>
- CA Air Quality Tech Note 1 – Glossary for California Off-Road Agricultural Engines
http://efotg.sc.egov.usda.gov/references/public/CA/TN-AQ01-CPS372_Engine_Glossary.pdf
- CA Air Quality Tech Note 2 – Engine Family and Tier-Certified Emission Standards
http://efotg.sc.egov.usda.gov/references/public/CA/TN-AQ02-CPS372_EngineFamilyName-TIER_Standards.pdf

For more information about NRCS conservation practices visit the following website link for NRCS conservation practice standards:

http://www.nrcs.usda.gov/wps/portal/nrcs/detail/national/technical/?cid=NRCSDEV11_001020

Submitting an EQIP Application

Interested owners and/or operators of land managed for agricultural production may apply for EQIP by completing and submitting the application, Form NRCS-CPA-1200, Conservation Program Application, to the NRCS field office in person, by phone, email, or fax in the county which you own land or where you have an agricultural operation.

Table 3. NRCS Field Office Contact Information

NRCS Office	Phone Number	NRCS Office	Phone Number
Alturas Service Center	(530) 233-4137	Modesto Service Center	(209) 491-9320
Auburn Service Center	(530) 885-6505	Napa Field Office	(707) 252-4189
Bakersfield Service Center	(530) 336-0967	Oroville Service Center	(530) 534-0112
Bishop Field Office	(760) 872-6111	Oxnard Field Office	(805) 984-2358
Blythe Field Office	(760) 922-3446	Petaluma Service Center	(707) 794-1242
Capitola LPO	(831) 475-1967	Placerville Field Office	(530) 295-5630
Colusa Service Center	(530) 458-2931	Quincy LPO	(530) 283-7511
Concord Service Center	(925) 672-4577	Red Bluff Service Center	(530) 527-3013
Del Norte LPO	(707) 487-7630	Redding Service Center	(530) 226-2560
El Centro Service Center	(760) 352-7886	Redlands Field Office	(909) 799-7407
Elk Grove Service Center	(916) 714-1104	Salinas Service Center	(831) 424-1036
Escondido Field Office	(760) 745-2061	San Jacinto LPO	(951) 654-7139
Eureka Service Center	(707) 442-6058	Santa Maria Service Center	(805) 928-9269
Fallbrook LPO	(760) 723-2529	Sonora LPO	(209) 984-0500
Fresno Service Center	(559) 276-7494	So. Lake Tahoe Field Office	(530) 543-1501
Grass Valley Field Office	(530) 272-3417	Stockton Service Center	(209) 472-7127
Half Moon Bay LPO	(650) 726-4660	Susanville Service Center	(530) 257-7272
Hanford Service Center	(559) 584-9209	Templeton Service Center	(805) 434-0396
Hollister Service Center	(831) 637-4360	Tulelake Basin Project Office	(530) 667-4247
Hoopa Local Partnership	(707) 486-7439	Ukiah Service Center	(707) 468-9223
Indio Service Center	(760) 347-3675	Victorville Service Center	(760) 843-6882
Jackson LPO	(209) 223-6535	Vacaville Service Center	(707) 448-0106
Lakeport LPO	(707) 263-4180	Visalia Service Center	(559) 734-8732
Lancaster Service Center	(661) 945-2604	Weaverville Service Center	(530) 623-3991
Livermore LPO	(925) 371-0154	Willows Service Center	(530) 934-4601
Madera Service Center	(559) 674-2108	Woodland Service Center	(530) 662-2037
Mariposa LPO	(209) 966-3431	Yreka Service Center	(530) 842-6123
McArthur LPO	(530) 336-5604	Yuba City Service Center	(530) 674-1461
Merced Service Center	(209) 722-4119		



BASELINE IN-USE EQUIPMENT AND ENGINE WORKSHEET

California Air Quality – CPS 372 Combustion System Improvement
USDA Natural Resources Conservation Service

The applicant is to complete a separate worksheet for each in-use equipment/engine
See Instructions on the back before answering questions below

Applicant Name:			
1. Report the total acres this equipment/engine serves:		2. Years operated on these acres:	
3. Fuel Type <input type="checkbox"/> Diesel <input type="checkbox"/> B20 diesel <input type="checkbox"/> B100 biodiesel <input type="checkbox"/> Other:	4. Emissions Tier Level: <input type="checkbox"/> Non-Tier <input type="checkbox"/> Tier 1 <input type="checkbox"/> Tier 2	5. Describe the in-use equipment (check one): <input type="checkbox"/> Wheeled Tractor <input type="checkbox"/> Rubber-Tired Loader <input type="checkbox"/> Tracked Tractor <input type="checkbox"/> Rough-Terrain Forklift <input type="checkbox"/> Bulldozer <input type="checkbox"/> Stationary Diesel-Powered Irrigation <input type="checkbox"/> Portable Diesel-Powered Irrigation <input type="checkbox"/> Other:	
6. Name of Equipment/Engine Owner:		7. Year Purchased:	
8. Equipment Manufacturer		14. Engine Manufacturer	
9. Equipment Model:		15. Engine Model:	
10. Equipment Model Year:		16. Engine Model Year:	
11. Equipment VIN:		17. Engine Serial No:	
12. Annual Hours of Operation:		18. Engine Horsepower (bhp):	
13. Annual Fuel Usage (gal/year):		19. PTO Horsepower: <i>(if applicable)</i>	
20. EPA Engine Family Name: <i>(For Tier 1 or 2, attach the ARB Executive Order)</i>			
21. Months in Operation: <input type="checkbox"/> January <input type="checkbox"/> April <input type="checkbox"/> July <input type="checkbox"/> October <input type="checkbox"/> February <input type="checkbox"/> May <input type="checkbox"/> August <input type="checkbox"/> November <input type="checkbox"/> March <input type="checkbox"/> June <input type="checkbox"/> September <input type="checkbox"/> December <input type="checkbox"/> Operates throughout the year			
22. The planned location on where the equipment/engine will be scrapped and properly disposed:			
23. <i>The applicant is to provide two documents verifying engine and equipment ownership and one document verifying the equipment/engine operations over the previous 12-consecutive month period prior to the submittal of this worksheet and EQIP application.</i>			
24. Additional Information:			

Instructions
BASELINE IN-USE EQUIPMENT AND ENGINE WORKSHEET

1. **Report the total acres this equipment/engine serves:** The total acres this off-road mobile agricultural equipment operates on or the total acres being irrigated from the well powered by this diesel engine.
2. **Years Operated on these acres:** Approximate length of time the engine & equipment has been operating at this location.
3. **Fuel Type:** All fuels must be suitable for use in a compression-ignition engine and meet California Air Resources Board (CARB) standards. "Diesel" is represented as petroleum-based "CARB diesel" and may be blended with up to 5% biodiesel (B5). "B20 diesel" is petroleum-based CARB diesel blend of up to 20% biodiesel. "B100" is non petroleum-based biodiesel. More information on California diesel fuels may be found at: <http://www.arb.ca.gov/fuels/diesel/diesel.htm>.
4. **Emissions Tier Level:** Select "Non-Tier" for non-emissions certified or uncontrolled emissions diesel engines. Select "Tier 1" or "Tier 2" for emissions-certified diesel engines. Please consult your engine vendor.
5. **Describe the in-use equipment:** Check the box that best describes the in-use equipment. If "other", please describe (e.g. forage harvester, combine, sprayer, shaker, etc.).
6. **Name of Equipment/Engine Owner:** Identify ownership (see No. 23).
7. **Year Purchased:** The year the equipment was purchased by the owner (see No. 6 and No. 23)
8. **Equipment Manufacturer:** The equipment make. For example, Case IH, John Deere, Massey Ferguson, Ford, etc.
9. **Equipment Model:** The manufacturer's equipment model designation. For example, 1600, 3300, 294S, etc.
10. **Equipment Model Year:** The year in which the equipment was manufactured.
11. **Equipment VIN:** The equipment Vehicle or Product Identification Number (not the engine serial number).
12. **Annual Hours of Operation:** Report the engine's actual annual hours of operation on the acres reported, which will be used for estimating baseline operations. *Exaggerating hours may affect the project screening and ranking, or deem the project ineligible.*
13. **Annual Fuel Usage (gall/year):** The amount of fuel use yearly in gallons. Annual fuel consumption may be used for estimating the baseline annual hours of operation.
14. **Engine Manufacturer:** The make of the diesel engine (e.g. Cummins, John Deere, Perkins, Caterpillar, Fiat, Ford, etc.)
15. **Engine Model:** The model number of the in-use engine. For example, 6BTA5.9C.
16. **Engine Model Year:** The year the engine was manufactured (this can be different than the equipment model year).
17. **Engine Serial No.:** The engine serial number listed on the engine block or engine identification label.
18. **Engine Horsepower (bhp):** The manufacturer's rated advertised brake (or gross) horsepower. Do not report "net", "peak" or "PTO" horsepower. If not available, estimate engine horsepower by multiplying the PTO horsepower by 1.20.
19. **PTO Horsepower:** The advertised PTO horsepower if the equipment is equipped with a power take-off unit (e.g. a tractor).
20. **EPA Engine Family Name: *Only for Tier 1 or 2 -certified diesel engines.*** Identify the engine family name assigned by the EPA. If available, attach the applicable CARB Executive Order for this engine, which should be available through your engine vendor or on-line at: www.arb.ca.gov/msprog/offroad/cert/cert.php.
21. **Months in Operation:** Select whether the in-use engine operates throughout the year or on specific months.
22. **The planned location on where equipment/engine will be scrapped and properly disposed:** Identify where the equipment/engine is planned for final destruction and disposal. Knocking a hole in the block only disables the engine and does not render the engine and equipment as being destroyed. Destruction and final disposal is at a mutually approved metal scrap yard location in California.
23. **Ownership and Operations Verification:** Provide two documents verifying ownership and one document verifying operation status for the existing equipment/engine. Ownership documents may include bill of sale, insurance records, bank appraisals, maintenance or service records, general ledgers, fuel records, or other documents. Operations documents may include maintenance or service records, usage records, routine inspections, hour meter reading logs, historical fuel usage logs, or other documents. Please refer to CPS 372-Specifications for more information.
24. **Additional Information:** Include any information pertinent to this equipment/engine, including and not limited to: evaluating other alternatives, whether incentive funds from other public or private programs are being sought in addition to this application, and/or attach applicable permits or documentation from a local air district.



PROPOSED NEW EQUIPMENT AND ENGINE/MOTOR WORKSHEET

California Air Quality – CPS 372 Combustion System Improvement
USDA Natural Resources Conservation Service

The applicant is to complete a separate worksheet for each new equipment/engine/motor
See Instructions on the back before answering questions below

Applicant Name:

1. Report the total acres this equipment/engine/motor will serve:

2. Identify the county or counties this equipment/engine/motor will operate and the percent use for each county listed:

3. Fuel Type

- Diesel
 B20 diesel
 B100 biodiesel
 Electric
 Other:

4. Emissions Tier-
Level:

- Tier 3
 Tier 4 Interim
 Tier 4 Final
 Electric:

5. Describe the new equipment (check one):

- Wheeled Tractor
 Rubber-Tired Loader
 Tracked Tractor
 Rough-Terrain Forklift
 Bulldozer
 Stationary Diesel-Powered Irrigation
 Portable Diesel-Powered Irrigation
 Electric-Powered Irrigation
 Other:

6. Equipment Manufacturer:

12. Engine/Motor Manufacturer:

7. Equipment Model:

13. Engine/Motor Model:

8. Equipment Model Year:

14. Engine/Motor Serial No.:

9. Equipment VIN:

15. Engine/Motor Model Year:

10. Annual Hours of Operation:

16. Engine (bhp) or Motor Horsepower:

11. Annual Fuel Usage (gal/year):

17. PTO Horsepower:
(if applicable)

18. EPA Engine Family Name:

(Attach the applicable ARB Executive Order)

19. Months in Operation:

- January
 February
 March
 April
 May
 June
 Operates throughout the year
 July
 August
 September
 October
 November
 December

20. Cost Estimate of the New Equipment/Engine/Motor:

21. Describe the fuel source (i.e. location of fuel storage and dispensing system):

Instructions
PROPOSED NEW EQUIPMENT AND ENGINE/MOTOR WORKSHEET

1. **Report the total acres this equipment/engine/motor will serve:** The total acres the proposed off-road mobile agricultural equipment will operate on or the total acres to be irrigated by the well powered by the proposed diesel engine or electric motor.
2. **Identify the county or counties where this equipment/engine/motor will operate and the percent use for each county:** Report 100% if the engine and equipment will operate only in a single county. For multiple counties, estimate percent annual usage for each county by dividing the hours of use in each county by the total annual hours and multiplying by 100.
3. **Fuel Type:** All fuels must be suitable for use in a compression-ignition engine and meet California Air Resources Board (CARB) standards. "Diesel" is represented as petroleum-based "CARB diesel" and may be blended with up to 5% biodiesel (B5). "B20 diesel" is petroleum-based CARB diesel blend of up to 20% biodiesel. "B100" is non petroleum-based biodiesel. More information on California diesel fuels may be found at: <http://www.arb.ca.gov/fuels/diesel/diesel.htm>. Select "Electric" for a new irrigation motor.
4. **Emissions Tier Level:** Select the appropriate Tier-level emissions certification of the new diesel engine. Select "Electric" for a new irrigation motor.
5. **Describe the new equipment:** Check the box that best describes the new equipment. If "other", please describe (e.g. forage harvesters, combines, sprayers, shakers, etc.). *A new engine powers equipment that will serve the same function and perform the same work to the equipment that's being replaced.* Replacements are intended to reduce emissions of air pollution and not for any production related purpose.
6. **Equipment Manufacturer:** The equipment make. For example, Case IH, John Deere, Massey Ferguson, Ford, etc.
7. **Equipment Model:** The manufacturer's equipment designation. For example, 1600, 3300, 294S, etc.
8. **Equipment Model Year:** The year in which the equipment was manufactured.
9. **Equipment VIN:** The equipment Vehicle or Product Identification Number (not the engine serial number).
10. **Annual Hours of Operation:** Report the engine's actual total annual hours of operation on the total acres reported. Exaggerating hours may affect the project screening or ranking, or deem the project ineligible.
11. **Annual Fuel Usage (gal/year):** The amount of fuel use yearly in gallons. Annual fuel consumption may be used for estimating the baseline annual hours of operation.
12. **Engine/Motor Manufacturer:** The make of the diesel engine or electric motor. Diesel engine examples include: Cummins, John Deere, Fiat, Caterpillar, etc.
13. **Engine/Motor Model:** The model number of the in-use engine. For example, 6BTA5.9C.
14. **Engine/Motor Serial No.:** The engine serial number listed on the engine block or engine ID label.
15. **Engine/Motor Model Year:** The year the engine was manufactured.
16. **Engine (bhp) or Motor Horsepower:** For diesel engines, the manufacturer's rated advertised brake (or gross) horsepower. **Do not** report "net", "peak", "drawbar" or "PTO" horsepower, and **do not** estimate new engine horsepower by multiplying PTO horsepower by 1.20. For electric motors, report the rated motor horsepower.
17. **PTO Horsepower:** The advertised PTO horsepower if the equipment is equipped with a power take-off unit (e.g. a tractor).
18. **EPA Engine Family Name:** Identify the engine family name assigned by the EPA and attach the applicable CARB Executive Order for this diesel engine, which should be available through your engine vendor or on-line at: www.arb.ca.gov/msprog/offroad/cert/cert.php.
19. **Months in Operation:** Select whether the equipment/engine/motor will operate throughout the year or by the month.
20. **Cost Estimate of the New Equipment/Engine/Motor:** Please attach an estimate that clearly itemizes the costs.
21. **Describe the fuel source:** Describe how the fuel or electricity will be supplied to the new engine. If the diesel engine will be fueled by biofuel or biofuel blends, please identify the vendor supplying the fuel



ENGINE/EQUIPMENT DESTRUCTION CERTIFICATION WORKSHEET
California Air Quality – CPS 372 Combustion System Improvement
USDA Natural Resources Conservation Service

This worksheet serves to document that the engine/equipment identified below has been disabled by placing a hole in the block, permanently destroyed by shearing, crushing, or shredding into scrap metal, and properly disposed of as scrap metal at a California facility. No engine, drive-train components, hydraulics, and other essential engine or equipment components were or will be parted-out, used or sold as parts, or used to build or rebuild other engines or equipment. The completed certification worksheet shall be signed and submitted to the NRCS Field Office after destruction and final disposal.

Participant Name:

EQIP Contract Number:

Equipment Manufacturer and Model:

Engine Manufacturer and Model:

Equipment Type:

Engine Model Year:

Equipment VIN:

Engine Serial No.

Equipment Model Year:

Diesel Engine Spark-Ignition Engine

Date engine/equipment was disabled:

Engine/Equipment Owner's Name (Print):

Owner's Signature:

Date:

The engine/equipment identified above were delivered for destruction and disposal at:

Destruction Facility Name:

Address:

City:

State:

Zip Code:

Date engine/equipment was destroyed and scrapped:

The engine/equipment has been destroyed and scrapped.

Destruction Facility Contact Name (Print):

Phone No:

Contact Signature:

Date:

Attach date stamped photographs of the engine/equipment pre- and post-demolition that includes clearly identifiable engine serial number and vehicle identification number.

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Engine Emissions Calculations Worksheet
 California Air Quality – CPS 372 Combustion System Improvement
 USDA Natural Resources Conservation Service

Producer Name: _____

Date: _____

In-Use Engine Emissions Calculations

In-Use Engine: Manufacturer: _____
 Model Year Engine: _____ Fuel Type: _____
 Equipment Type: _____
 Serial Number: _____

	Baseline Emissions	NOx	ROG	PM10	
Rated Brake Horsepower:	_____	_____	_____	_____	bhp
Annual Hours of Operation:	x _____	_____	_____	_____	Hours/Year
Emission Factors:	x _____	_____	_____	_____	g/bhp-hr
Load Factor:	x _____	_____	_____	_____	
Conversion to Tons:	÷ 907,200	907,200	907,200	907,200	Grams/Ton
Annual Emissions (EE) =	_____	_____	_____	_____	Tons/Year

New Engine Emissions Calculations (Report as zero emissions if electric)

New Engine: Manufacturer: _____
 Model Year Engine: _____ Fuel Type: _____
 Equipment Type: _____
 Serial Number (if available): _____

	New Engine Emissions	NOx	ROG	PM10	
Rated Brake Horsepower:	_____	_____	_____	_____	bhp
Annual Hours of Operation:	x _____	_____	_____	_____	Hours/Year
Emission Factors:	x _____	_____	_____	_____	g/bhp-hr
Load Factor:	x _____	_____	_____	_____	
Conversion to Tons:	÷ 907,200	907,200	907,200	907,200	Grams/Ton
Annual Emissions (NE) =	_____	_____	_____	_____	Tons/Year

Calculation Results

	NOx	ROG	PM10	
Annual Emission Reductions: (EE) – (NE) =	_____	_____	_____	Tons/Year
Percent Emission Reductions: [(EE – NE) / (EE)] x 100 =	_____	_____	_____	%

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**CALIFORNIA MOBILE ENGINE AND EQUIPMENT
ANNUAL REPORTING WORKSHEET
California Air Quality – 372 Combustion System Improvement**

Reporting Year:	Date:	Contract No:
Participant Name:		
Contact Name:		
Contact Phone No:	Email Address:	
Engine/Equipment Address:		
Equipment/Vehicle Make:	Equipment/Vehicle Model:	
Equipment/Vehicle Model Year:	Vehicle ID Number:	
Engine Make:	Engine Model:	
Engine Model Year:	Engine Serial No:	
Is the equipment in service per the original contract? <input type="checkbox"/> Yes <input type="checkbox"/> No – Please explain:		
Record the total hours from the non-resettable hour meter:		Hours
Percent use within the San Joaquin Valley over the reporting year: <small>(San Joaquin Valley counties are: San Joaquin, Stanislaus, Merced, Madera, Fresno, Tulare, Kings, and the valley portion of Kern)</small>		Percent
Percent use in other counties: <small>(Report each county name and percent use)</small>		
Identify any maintenance performed on the engine/equipment:		
Identify any conditions that significantly affected the annual usage:		
Please complete and return this reporting worksheet to:	USDA Natural Resources Conservation Service Fresno Area Office – Air Quality 1907 N Gateway Blvd, Suite 101 Fresno, CA 95727	Phone: 559-252-2191 Fax: 559-252-5483

FY 2017 Program Description

Environmental Quality Incentives Program

The Environmental Quality Incentives Program (EQIP) is a voluntary, conservation program administered by NRCS that can provide financial and technical assistance to install conservation practices that address natural resource concerns. The purpose of EQIP is to promote agricultural production, forest management, and environmental quality as compatible goals; to optimize environmental benefits; and to help farmers and ranchers meet Federal, State, Tribal, and local environmental regulations.

EQIP Application Sign-up and Cut-off Dates

NRCS accepts EQIP applications year-round, but establishes cutoff dates to make funding selections for eligible, screened, and ranked applications.

To be ready for EQIP funding consideration, interested applicants will need to: (1) Develop a conservation plan, (2) Submit an application, (3) Meet program eligibility requirements, and (4) Approve their 'EQIP schedule of operations'.

The time needed to complete a conservation plan and process eligibility can vary, from a few weeks to more than a month, depending on the complexity of the farming operation.

Develop a Conservation Plan

A conservation plan includes all practices, regardless of the program's financial assistance, that a producer or landowner has agreed to adopt for the agricultural operation and/or associated agricultural lands. Interested applicants are encouraged to request conservation planning and technical assistance from a local NRCS field office to help with the development of a conservation plan.

Submitting an Application

Interested applicants may apply for EQIP by completing and submitting the application, Form NRCS-CPA-1200, Conservation Program Application, to the NRCS field office in person, by phone, email, or fax in the county which you own land or where you have an agricultural operation or non-industrial private forest land.

Program Eligibility Requirements

In order to be considered eligible for EQIP the applicant must have a vested interest in production agricultural or non-industrial private forest land and meet other program eligibility requirements.

'EQIP schedule of operations'

The basis for an application is the 'EQIP schedule of operations' and is derived from the applicant's conservation plan. The EQIP 'schedule of operations' identifies the conservation practices to be implemented, timing of the implementation, practice location, and payment rates.

EQIP Screening, Ranking and Funding

EQIP funding decisions are based on an application evaluation process that includes screening tools and ranking criteria. Screening tools are worksheets used to prioritize an application based on factors such as: a completed conservation plan; readiness to implement practices; history of contract compliance; and resource priorities addressed in the 'EQIP schedule of operations'. Ranking criteria considers the anticipated benefit of a conservation system, or practice, in the 'EQIP schedule of operations' to a natural resource concern.

About the National Air Quality Initiative (NAQI)

Under the Agricultural Act of 2014, the Secretary shall provide eligible producers with technical and financial opportunities to address serious air quality concerns from agricultural operations and help meet regulatory requirements.

In Fiscal Year 2017 (FY2017), the NAQI funding pool is designed to help agricultural producers meet air quality compliance requirements and offer opportunities to support practices that address impacts associated with greenhouse gases. Implementing conservation practices that reduce oxides of nitrogen (NO_x), volatile organic compounds (VOC), and particulate matter (PM) emissions from agricultural sources helps achieve and maintain the health- and welfare-based National Ambient Air Quality Standards (NAAQS) in California.

Financial assistance priority is targeted toward counties that have been identified as having significant air quality resource concerns, by being designated by the US Environmental Protection Agency (EPA) as “nonattainment” of the Ozone and/or Particulate Matter NAAQS or predesignated as “Attainment (Maintenance Area)” for the PM₁₀ or PM_{2.5} NAAQS. These areas experience air pollution levels that persistently exceed the NAAQS established by the Clean Air Act. NAAQS nonattainment area designations are posted on-line by the EPA at: <https://www.epa.gov/green-book>.

The typical conservation treatment for the National Air Quality Initiative is to reduce diesel exhaust emissions through the removal from service and permanent destruction of:

- A Fully functional in-use off-road mobile agricultural equipment that is powered and self-propelled by a nonroad compression-ignition engine (e.g. diesel-fueled engines) rated at 25.0 brake-horsepower (bhp) or higher; and,
- Replace with a new “like” off-road mobile agricultural equipment powered and self-propelled by a new nonroad diesel engine rated at 25.0 bhp or higher [and within 125 percent of the baseline horsepower rating] that meets Tier 4 emissions-certification, or meets 2016 or 2017 model-year California emission standards or equivalent, as determined by the applicable EPA Engine Family Name and State of California Air Resources Board (ARB) Executive Order (or EPA Certificate of Conformity, when applicable).

Significant emission reduction benefits are achieved when higher-polluting off-road agricultural equipment are retired earlier than through normal turnover and replaced with new “like” equipment powered by emissions-certified nonroad diesel engines. The applicable NRCS Conservation Practice Standard (CPS) is *372 – Combustion System Improvement*.

Examples of off-road mobile equipment used exclusively in agriculture and powered and self-propelled by nonroad diesel engines eligible for the NAQI (e.g. “L” designation in the EPA Engine Family Name on Tier-certified engines):

- Tractors
- Loaders
- Bulldozers
- Harrowbeds
- Rough-Terrain Forklifts
- Harvesters
- Sprayers
- Sweepers
- Combines
- Swathers

Five worksheets are included at the end of this fund pool description:

1. California In-Use Existing Equipment/Engine (Baseline) Worksheet and Instructions;
2. California New Equipment/Engine Worksheet (Proposed) and Instructions;
3. California Equipment/Engine Destruction Certification Worksheet;
4. California Emissions Calculation Worksheet.
5. San Joaquin Valley Annual Reporting Worksheet

The first two worksheets are for the participant to document the proposed in-use and new nonroad engines and equipment information for submittal to the NRCS with an EQIP application. The participant may use the third worksheet to document equipment and engine destruction and disposal in accordance with *CPS 372-Specifications*. The fourth worksheet is used by the conservation planner and/or the participant for calculating the estimated emissions and emission reductions associated with the conservation practice. The fifth worksheet is for *San Joaquin Valley participants* providing annual reports to the NRCS that documents their new equipment total hour usage over the 10-year practice lifespan.

For FY2017, interested owners and/or operators of land managed for agricultural production in the following counties may be eligible for the National Air Quality Initiative: ***Alameda, Butte, Calaveras, Contra Costa, El Dorado, Fresno, Imperial, Inyo, Kern, Kings, Los Angeles, Madera, Marin, Mariposa, Merced, Mono, Napa, Nevada, Orange, Placer, Riverside, Sacramento, San Bernardino, San Diego, San Joaquin, San Luis Obispo, San Mateo, Santa Clara, Solano, Sonoma, Stanislaus, Sutter, Tulare, Ventura, Yolo, and Yuba.***

Refer to the following Table 1 for more information on the resource priority for each county included in the National Air Quality Initiative.

Table 1. Resource Priorities and California Nonattainment Designations¹

Participating Counties	NAQI Resource Priority			County Nonattainment Designation for NRCS NAQI Ranking Purposes Only ¹ Pollutant, NAAQS Nonattainment Designation, Standard Year
	Ozone	PM10	PM2.5	
Alameda	X		X	8-Hr O ₃ : Marginal (2008) PM2.5: Moderate (2006)
Butte	X		X	8-Hr O ₃ : Marginal (2008) PM2.5: Moderate (2006 [C])
Calaveras	X			8-Hr O ₃ : Marginal (2008)
Contra Costa	X		X	8-Hr O ₃ : Marginal (2008) PM2.5: Moderate (2006)
El Dorado	X		X	8-Hr O ₃ : Severe-15 (2008 [SM]) PM2.5: Moderate (2006 [S])
Fresno	X	X	X	8-Hr O ₃ : Extreme (2008) PM10: Maintenance Area/Serious (1987) 12/2008 PM2.5: Moderate (2012), Serious (2006 & 1997)

Participating Counties	NAQI Resource Priority			County Nonattainment Designation for NRCS NAQI Ranking Purposes Only ¹ Pollutant, NAAQS Nonattainment Designation, Standard Year
	Ozone	PM10	PM2.5	
Imperial	X	X	X	8-Hr O ₃ : Moderate (2008) PM10: Serious (1987 [IV]) PM2.5: Moderate (2012 & 2006)
Inyo		X		PM10: Serious (1987 [OV])
Kern	X	X	X	8-Hr O ₃ : Extreme (2008 [SJV]) PM10: Serious (1987 [EKC]) PM2.5: Moderate (2012 [SJV]), Serious (2006 & 1997 [SJV])
Kings	X	X	X	8-Hr O ₃ : Extreme (2008) PM10: Maintenance Area/Serious (1987) 12/2008 PM2.5: Moderate (2012), Serious (2006 & 1997)
Los Angeles	X	X	X	8-Hr O ₃ : Extreme (2008 [SC]) PM10: Maintenance Area/Serious (1987 [SC]) 7/2013 PM2.5: Moderate (2012 & 1997 [SC]), Serious (2006 [SC])
Madera	X	X	X	8-Hr O ₃ : Extreme (2008) PM10: Maintenance Area/Serious (1987) 12/2008 PM2.5: Moderate (2012), Serious (2006 & 1997)
Marin	X		X	8-Hr O ₃ : Marginal (2008) PM2.5: Moderate (2006)
Mariposa	X			8-Hr O ₃ : Moderate (2008)
Merced	X	X	X	8-Hr O ₃ : Extreme (2008) PM10: Maintenance Area/Serious (1986) 12/2008 PM2.5: Moderate (2012), Serious (2006 & 1997)
Mono		X		PM10: Moderate (1987 [MB])
Napa	X		X	8-Hr O ₃ : Marginal (2008) PM2.5: Moderate (2006)
Nevada	X			8-Hr O ₃ : Moderate (2008 [WNC])
Orange	X	X	X	8-Hr O ₃ : Extreme (2008) PM10: Maintenance Area/Serious (1987) 7/2013 PM2.5: Moderate (2012 & 1997), Serious (2006)
Placer	X		X	8-Hr O ₃ : Severe-15 (2008 [SM]) PM2.5: Moderate (2006 [S])
Riverside	X	X	X	8-Hr O ₃ : Extreme (2008 [SC]) PM10: Serious (1987 [CV]) PM2.5: Moderate (2012 & 1997 [SC]), Serious (2006 [SC])

Participating Counties	NAQI Resource Priority			County Nonattainment Designation for NRCS NAQI Ranking Purposes Only ¹ Pollutant, NAAQS Nonattainment Designation, Standard Year
	Ozone	PM10	PM2.5	
Sacramento	X	X	X	8-Hr O ₃ : Severe-15 (2008) PM10: Maintenance Area/Moderate (1987) 10/2013 PM2.5: Moderate (2006)
San Bernardino	X	X	X	8-Hr O ₃ : Extreme (2008 [SC]) PM10: Moderate (1987) PM2.5: Moderate (2012 & 1997 [SC]), Serious (2006 [SC])
San Diego	X			8-Hr O ₃ : Moderate (2008)
San Joaquin	X	X	X	8-Hr O ₃ : Extreme (2008) PM10: Maintenance Area/Serious (1987) 12/2008 PM2.5: Moderate (2012), Serious (2006 & 1997)
San Luis Obispo	X			8-Hr O ₃ : Marginal (2008 [ESLO])
San Mateo	X		X	8-Hr O ₃ : Marginal (2008) PM2.5: Moderate (2006)
Santa Clara	X		X	8-Hr O ₃ : Marginal (2008) PM2.5: Moderate (2006)
Solano	X		X	8-Hr O ₃ : Severe-15 (2008 [SM]) PM2.5: Moderate (2006)
Sonoma	X		X	8-Hr O ₃ : Marginal (2008 [SFBA]) PM2.5: Moderate (2006 [SFBA])
Stanislaus	X	X	X	8-Hr O ₃ : Extreme (2008) PM10: Maintenance Area/Serious (1987) 12/2008 PM2.5: Moderate (2012), Serious (2006 & 1997)
Sutter	X		X	8-Hr O ₃ : Severe-15 (2008 [SM]) PM2.5: Maintenance Area/Moderate (2006 [YCM]) 1/2015
Tulare	X	X	X	8-Hr O ₃ : Extreme (2008) PM10: Maintenance Area/Serious (1987) 12/2008 PM2.5: Moderate (2012), Serious (2006 & 1997)
Ventura	X			8-Hr O ₃ : Serious (2008)
Yolo	X		X	8-Hr O ₃ : Severe-15 (2008 [SM]) PM2.5: Moderate (2006 [S])
Yuba			X	PM2.5: Maintenance Area/Moderate (2006 [YCM]) 1/2015

Source: The California NAAQS attainment designations are derive from the EPA Greenbook, as of September 22, 2016: https://www3.epa.gov/airquality/greenbook/anayo_ca.html

¹ This list is intended to identify the NAOI air quality resource priorities of the eligible counties *for ranking purposes only*. The most stringent nonattainment designation within a county was selected to support the air pollutant resource concern, as the actual NAAQS designations may differ due to partial county designations, multiple air basins, or separate air quality planning regions within a single county.

The most stringent county designation identifying the applicable air quality planning area will have any of the following notes placed next to the NAAQS year. No notes indicates the NAAQS designation is county-wide.

C – Chico	MB – Mono Basin	SM – Sacramento Metro
CV – Coachella Valley	OV – Owens Valley	SJV – San Joaquin Valley Air Basin
EKC – Eastern Kern County	S – Sacramento	WNC – Western Nevada County
ESLO – Eastern San Luis Obispo	SC – South Coast Air Basin	YCM – Yuba City-Marysville
IV – Imperial Valley	SFBA – San Francisco Bay Area	

California Air Resources Board State Implementation Plan (SIP) for the San Joaquin Valley

In 2007, the Air Resources Board (ARB) adopted their “2007 State Strategy for California’s State Implementation Plan for Federal PM_{2.5} and 8-Hour Ozone Standards”. This “2007 State Strategy” includes a commitment to reduce diesel exhaust emissions from in-use off-road mobile agricultural equipment operating within the San Joaquin Valley. The intent is to accelerate the normal turnover of old agricultural equipment by installing the cleanest emissions-certified fleet as expeditiously as possible through voluntary and regulatory measures in order to achieve NO_x emission reductions of 5-10 tons per day by 2017.

Beginning in 2009, a partnership developed with agricultural stakeholders and representatives from the San Joaquin Valley Air Pollution Control District (SJVAPCD), ARB, EPA, and NRCS to help identify the mechanisms where *voluntary measures* through incentive-based emission reductions could receive credit towards meeting these goals and objectives for the San Joaquin Valley. The overall benefits would account for improvements to air quality, public health and welfare, and progress toward attaining the NAAQS pursuant to the Clean Air Act through voluntary measures, thereby postponing or perhaps eliminating any action by ARB to adopt new mobile farm equipment prohibitory rules and regulations.

Applying voluntary incentive-based emission reductions through programs like EQIP toward SIP emission reduction goals had never been tried before. As the ARB and SJVAPCD also administer their own respective voluntary incentive programs, this direction led toward the SJVAPCD adopting Rule 9610 in June 2013. This rule defines the administrative mechanisms where voluntary incentive-based emission reductions could become SIP creditable. SJVAPCD Rule 9610 was approved by the ARB in October 2013 and codified in Section 2428, Title 13, of the California Code of Regulations.

EPA approved the voluntary incentive-based emission reductions pursuant to Rule 9610 as being creditable toward and federally enforceable under California’s SIP, effective May 11, 2015. Overall, Rule 9610 ensures the emission reductions achieved through voluntary incentive programs in the San Joaquin Valley become eligible for SIP credit in accordance with the Clean Air Act.

Included with *CPS 372-Operations and Maintenance*, San Joaquin Valley producers participating in the National Air Quality Initiative are to provide NRCS with reports of their new equipment usage annually over

the duration of the practice 10-year lifespan. This information is used to qualify equipment operations and quantify the on-going emission reductions to ensure the air quality benefits continue. The NRCS submits aggregated emissions summary reports to the SJVAPCD and EPA annually, void of any information deemed as confidential, by reporting the SIP-creditable emission reductions achieved within the San Joaquin Valley through EQIP.

To date, the voluntary incentive-based emission reductions administered each by the NRCS and SJVAPCD have together achieved the 2007 State Strategy goal of 5-10 tons per day of NO_x reductions well ahead of the 2017 SIP deadline. ARB, however, is currently developing their 2016 State Strategy for the State Implementation Plan due to EPA strengthening of the 2008 8-hour Ozone NAAQS to 0.075 parts per billion (ppb) and the 2012 Annual PM_{2.5} NAAQS to 12 micrograms per cubic meter (ug/m³). Incentive-based emissions reductions will continue to play an important role with achieving attainment goals.

EPA, ARB and SJVAPCD continues to search for science-based and cost-effective emission reductions from agriculture as new strategies for deploying the cleanest emissions technologies are developed. NRCS and its partners will continue to support voluntary approaches for addressing the air quality resource concerns in the San Joaquin Valley and other air quality challenged regions in California.

More information on the San Joaquin Valley SIP and diesel engines powering off-road mobile agricultural equipment can be found by visiting the ARB and SJVAPCD websites at:

- ARB Agricultural Equipment Regulation: <http://www.arb.ca.gov/ag/agtractor/agtractor.htm>
- ARB 2007 State Strategy: <http://www.arb.ca.gov/planning/sip/2007sip/2007sip.htm>
- ARB 2016 State Strategy: <https://www.arb.ca.gov/planning/sip/2016sip/2016sip.htm>
- SJVAPCD Rule 9610: http://www.valleyair.org/rules/curnrules/9610_CleanRule.pdf
- SJVAPCD Rule 9610 Procedures: http://www.valleyair.org/MOP/mop9610_idx.htm
- SJVAPCD 2016 Annual Demonstration Report:
http://www.valleyair.org/MOP/docs/AnnualDemonstrationReport_081816.pdf

Land Uses for the NAQI Fund Pool

Only applications for agricultural operations that address resource concerns on at least one land use type listed below will be considered for financial assistance from this EQIP Fund Pool. The descriptions below are the general NRCS land use definitions - applications should fit within, but do not need to exactly match, these descriptions.

- **Crop:** Land used primarily for the production and harvest of annual or perennial field, forage, food, fiber, horticultural, orchard, vineyard, or energy crops.
- **Forest:** Land on which the primary vegetation is tree cover (climax, natural or introduced plant community) and use is primarily for production of wood products or non-timber forest products.
- **Pasture:** Land composed of introduced or domesticated native forage species that is used primarily for the production of livestock. Pastures receive periodic renovation and cultural treatments, such as tillage, fertilization, mowing, weed control, and may be irrigated. Pastures are not in rotation with crops.
- **Range:** Land used primarily for the production of grazing animals. Includes native plant communities and those seeded to native or introduced species, or naturalized by introduced species that are ecologically managed using range management principles.

- **Farmstead:** Land used for facilities and supporting infrastructure where farming, forestry, animal husbandry, and ranching activities are often initiated. This may include dwellings, equipment storage, plus farm input and output storage and handling facilities.

Resource Concerns for the NAQI Fund Pool

Only applications for agricultural operations that address at least one resource concern listed below will be considered for financial assistance through this EQIP Fund Pool. The descriptions below are general NRCS natural resource definitions, applications should fit within, but do not need to exactly match, these descriptions.

- ❖ **AIR QUALITY IMPACTS** – Direct or indirect emissions of compounds to the atmosphere that impact outdoor ambient air quality.
 - **Emissions of Ozone Precursors:** Ozone (O₃) precursor gases are oxides of nitrogen (NO_x) and volatile organic compounds (VOCs) pollutants. Ambient ozone is formed in the atmosphere through a photochemical reaction of NO_x and VOC pollutants in the presence of sunlight, where its reactivity can be influenced by ambient heat. Exposure to ambient ozone can cause adverse impacts to public health, plants and animals. Sources of NO_x and VOC emissions are from naturally occurring “biogenic sources” and from “anthropogenic sources” that include livestock activities, pesticide application, solvent and gasoline storage and use, nitrification/denitrification processes, and combustion from boilers, engines and open burning.
 - **Emissions of Particulate Matter (PM) and PM Precursors:** Particulate Matter is classified by its size where PM_{2.5} and PM₁₀ have an aerodynamic diameter less than 2.5 and 10 micrometers, respectively. PM_{2.5} is directly emitted to the atmosphere by combustion processes such as from diesel engine exhaust and open burning, and to a lesser degree by mechanical means such as dust from vehicle traffic on unpaved roads or tillage activities. PM_{2.5} is also formed in the atmosphere by chemical reactions of PM precursor gases that primarily include oxides of nitrogen (NO_x) and ammonia (NH₃). Sources of these PM_{2.5} precursor gases can be from combustion activities, fertilizer application, and animal operations. Much of PM₁₀ is mechanically generated and directly emitted to the atmosphere by actions that disaggregate the soil such as tillage operations, unpaved roads and field travel, animal movement, harvesting activities, bulk material storage and handling, and wind erosion. Visible PM emissions are typically geologic in origin and range in different sizes that may include PM_{2.5} and PM₁₀.
 - **Emissions of Greenhouse Gases (GHGs):** Direct or indirect emissions of greenhouse gases (GHG), primarily carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O), that accumulate in the atmosphere can have a potent impact on the climate. Activities from crop fertilization (natural and synthetic), tillage and agricultural soils management, manure management, livestock enteric fermentation, combustion activities, rice cultivation, and land-use conversion all contribute to excess agricultural GHG emissions into the atmosphere. Fuel consumption as an energy source contributes to atmospheric CO₂. Soil tillage is also a CO₂ contributor by increasing the rate of soil organic matter decomposition and releasing soil carbon into the atmosphere. Methane is produced as part of the normal digestive processes in animals and through anaerobic decomposition of manure and managed waste. A portion of nitrogen fertilizer applied to crops and grasslands emit N₂O by volatilization through the nitrification/denitrification process.

Eligible NRCS Conservation Practices

All conservation practices planned for financial assistance must be included in the 'EQIP schedule of operations' and address a resource concern identified in this EQIP Fund Pool. NRCS conservation practices eligible for financial assistance through this EQIP Fund Pool are listed in the below table.

For more information about NRCS conservation practices visit the following website link for NRCS conservation practice standards:

http://www.nrcs.usda.gov/wps/portal/nrcs/detail/national/technical/?cid=NRCSDEV11_001020

Table 2. Eligible Conservation Practices

Practice Code	Conservation Practice Name	Practice Payment Scenario	Units	Lifespan
372	Combustion System Improvement	Mobile IC, 25-160 bhp	no	10 years
372	Combustion System Improvement	Mobile IC, >160 bhp	no	10 years

The Combustion System Improvement Practice Standard and more information are available on-line at:

- CPS 372 – Combustion System Improvement:
<http://efotg.sc.egov.usda.gov/references/public/CA/372-std-09-2010.pdf>
- CPS 372 – Specifications:
<http://efotg.sc.egov.usda.gov/references/public/CA/372-spec-ca-11-14.doc>
- CPS 372 – Operations and Maintenance
<http://efotg.sc.egov.usda.gov/references/public/CA/372B-OM-ca-8-13.doc>
- CPS 372 – Implementation Requirements
<http://efotg.sc.egov.usda.gov/references/public/CA/372-IR-ca-11-14.docx>
- CA Air Quality Tech Note 1 – Glossary for California Off-Road Agricultural Engines
https://efotg.sc.egov.usda.gov/references/public/CATN_AQ01_CPS372-EngineGlossary_11-16.pdf
- CA Air Quality Tech Note 2 – Engine Family and Tier-Certified Emission Standards
http://efotg.sc.egov.usda.gov/references/public/CA/TN-AQ02-CPS372_EngineFamilyName-TIER_Standards.pdf.
- CA Air Quality Tech Note 3 – State Implementation Plan Creditability of Voluntary Incentive-Based Emission Reductions from Replacing Off-Road Mobile Agricultural Equipment
https://efotg.sc.egov.usda.gov/references/public/CATN-AQ-03_CPS372_SIP_Creditability.pdf

NRCS Field Office Contact Information

For more information about EQIP, how to apply and program eligibility, interested applicants should contact a NRCS field office in the county which you own land or where you have an agricultural operation.

NRCS Office	Phone Number	NRCS Office	Phone Number
Alturas Service Center	(530) 233-4137	Modesto Service Center	(209) 491-9320
Auburn Service Center	(530) 885-6505	Napa Field Office	(707) 252-4189
Bakersfield Service Center	(530) 336-0967	Oroville Service Center	(530) 534-0112
Bishop Field Office	(760) 872-6111	Oxnard Field Office	(805) 984-2358
Blythe Field Office	(760) 922-3446	Petaluma Service Center	(707) 794-1242
Capitola LPO	(831) 475-1967	Placerville Field Office	(530) 295-5630
Colusa Service Center	(530) 458-2931	Quincy LPO	(530) 283-7511
Concord Service Center	(925) 672-4577	Red Bluff Service Center	(530) 527-3013
Del Norte LPO	(707) 487-7630	Redding Service Center	(530) 226-2560
El Centro Service Center	(760) 352-7886	Redlands Field Office	(909) 799-7407
Elk Grove Service Center	(916) 714-1104	Salinas Service Center	(831) 424-1036
Escondido Field Office	(760) 745-2061	San Jacinto LPO	(951) 654-7139
Eureka Service Center	(707) 442-6058	Santa Maria Service Center	(805) 928-9269
Fresno Service Center	(559) 276-7494	Sonora LPO	(209) 984-0500
Grass Valley Field Office	(530) 272-3417	So. Lake Tahoe Field Office	(530) 543-1501
Half Moon Bay LPO	(650) 726-4660	Stockton Service Center	(209) 472-7127
Hanford Service Center	(559) 584-9209	Susanville Service Center	(530) 257-7272
Hollister Service Center	(831) 637-4360	Templeton Service Center	(805) 434-0396
Hoopa LPO	(707) 486-7439	Tulelake Basin Project	(530) 667-4247
Indio Service Center	(760) 347-3675	Ukiah Service Center	(707) 468-9223
Jackson LPO	(209) 223-6535	Victorville Service Center	(760) 843-6882
Lakeport LPO	(707) 263-4180	Vacaville Service Center	(707) 448-0106
Lancaster Service Center	(661) 945-2604	Visalia Service Center	(559) 734-8732
Livermore LPO	(925) 371-0154	Weaverville Service Center	(530) 623-3991
Madera Service Center	(559) 674-4628	Willows Service Center	(530) 934-4601
Mariposa LPO	(209) 966-3431	Woodland Service Center	(530) 662-2037
McArthur LPO	(530) 336-5604	Yreka Service Center	(530) 842-6123
Merced Service Center	(209) 722-4119	Yuba City Service Center	(530) 674-1461



BASELINE IN-USE EQUIPMENT AND ENGINE WORKSHEET

California Air Quality – CPS 372 Combustion System Improvement
USDA Natural Resources Conservation Service

The applicant is to complete a separate worksheet for each in-use equipment/engine
See Instructions on the back before answering questions below

Applicant Name:

1. Report the total acres this equipment/engine serves:

2. Years operated on these acres:

3. Fuel Type

- Diesel
 B20 diesel
 B100 biodiesel
 Other:

4. Emissions Tier
Level:

- Non-Tier
 Tier 1
 Tier 2

5. Describe the in-use equipment (check one):

- Wheeled Tractor
 Rubber-Tired Loader
 Tracked Tractor
 Rough-Terrain Forklift
 Bulldozer
 Stationary Diesel-Powered Irrigation
 Portable Diesel-Powered Irrigation
 Other:

6. Name of Equipment/Engine Owner:

7. Year Purchased:

8. Equipment Manufacturer

14. Engine Manufacturer

9. Equipment Model:

15. Engine Model:

10. Equipment Model Year:

16. Engine Model Year:

11. Equipment VIN:

17. Engine Serial No:

12. Annual Hours of Operation:

18. Engine Horsepower (bhp):

13. Annual Fuel Usage (gal/year):

19. PTO Horsepower:
(if applicable)

20. EPA Engine Family Name:

(For Tier 1 or 2, attach the ARB Executive Order)

21. Months in Operation:

- January
 April
 July
 October
 February
 May
 August
 November
 March
 June
 September
 December

Operates throughout the year

22. The planned location on where the equipment/engine will be scrapped and properly disposed:

23. *The applicant is to provide two documents verifying engine and equipment ownership and one document verifying the equipment/engine operations over the previous 12-consecutive month period prior to the submittal of this worksheet and EQIP application.*

24. Additional Information:

Instructions
BASELINE IN-USE EQUIPMENT AND ENGINE WORKSHEET

1. **Report the total acres this equipment/engine serves:** The total acres this off-road mobile agricultural equipment operates on or the total acres being irrigated from the well powered by this diesel engine.
2. **Years Operated on these acres:** Approximate length of time the engine & equipment has been operating at this location.
3. **Fuel Type:** All fuels must be suitable for use in a compression-ignition engine and meet California Air Resources Board (CARB) standards. "Diesel" is represented as petroleum-based "CARB diesel" and may be blended with up to 5% biodiesel (B5). "B20 diesel" is petroleum-based CARB diesel blend of up to 20% biodiesel. "B100" is non petroleum-based biodiesel. More information on California diesel fuels may be found at: <http://www.arb.ca.gov/fuels/diesel/diesel.htm>.
4. **Emissions Tier Level:** Select "Non-Tier" for non-emissions certified or uncontrolled emissions diesel engines. Select "Tier 1" or "Tier 2" for emissions-certified diesel engines. Please consult your engine vendor.
5. **Describe the in-use equipment:** Check the box that best describes the in-use equipment. If "other", please describe (e.g. forage harvester, combine, sprayer, shaker, etc.).
6. **Name of Equipment/Engine Owner:** Identify ownership (see No. 23).
7. **Year Purchased:** The year the equipment was purchased by the owner (see No. 6 and No. 23)
8. **Equipment Manufacturer:** The equipment make. For example, Case IH, John Deere, Massey Ferguson, Ford, etc.
9. **Equipment Model:** The manufacturer's equipment model designation. For example, 1600, 3300, 294S, etc.
10. **Equipment Model Year:** The year in which the equipment was manufactured.
11. **Equipment VIN:** The equipment Vehicle or Product Identification Number (not the engine serial number).
12. **Annual Hours of Operation:** Report the engine's actual annual hours of operation on the acres reported, which will be used for estimating baseline operations. *Exaggerating hours may affect the project screening and ranking, or deem the project ineligible.*
13. **Annual Fuel Usage (gall/year):** The amount of fuel use yearly in gallons. Annual fuel consumption may be used for estimating the baseline annual hours of operation.
14. **Engine Manufacturer:** The make of the diesel engine (e.g. Cummins, John Deere, Perkins, Caterpillar, Fiat, Ford, etc.)
15. **Engine Model:** The model number of the in-use engine. For example, 6BTA5.9C.
16. **Engine Model Year:** The year the engine was manufactured (this can be different than the equipment model year).
17. **Engine Serial No.:** The engine serial number listed on the engine block or engine identification label.
18. **Engine Horsepower (bhp):** The manufacturer's rated advertised brake (or gross) horsepower. Do not report "net", "peak" or "PTO" horsepower. If not available, estimate engine horsepower by multiplying the PTO horsepower by 1.20.
19. **PTO Horsepower:** The advertised PTO horsepower if the equipment is equipped with a power take-off unit (e.g. a tractor).
20. **EPA Engine Family Name: *Only for Tier 1 or 2 -certified diesel engines.*** Identify the engine family name assigned by the EPA. If available, attach the applicable CARB Executive Order for this engine, which should be available through your engine vendor or on-line at: www.arb.ca.gov/msprog/offroad/cert/cert.php.
21. **Months in Operation:** Select whether the in-use engine operates throughout the year or on specific months.
22. **The planned location on where equipment/engine will be scrapped and properly disposed:** Identify where the equipment/engine is planned for final destruction and disposal. Knocking a hole in the block only disables the engine and does not render the engine and equipment as being destroyed. Destruction and final disposal is at a mutually approved metal scrap yard location in California.
23. **Ownership and Operations Verification:** Provide two documents verifying ownership and one document verifying operation status for the existing equipment/engine. Ownership documents may include bill of sale, insurance records, bank appraisals, maintenance or service records, general ledgers, fuel records, or other documents. Operations documents may include maintenance or service records, usage records, routine inspections, hour meter reading logs, historical fuel usage logs, or other documents. Please refer to CPS 372-Specifications for more information.
24. **Additional Information:** Include any information pertinent to this equipment/engine, including and not limited to: evaluating other alternatives, whether incentive funds from other public or private programs are being sought in addition to this application, and/or attach applicable permits or documentation from a local air district.



PROPOSED NEW EQUIPMENT AND ENGINE/MOTOR WORKSHEET

California Air Quality – CPS 372 Combustion System Improvement
USDA Natural Resources Conservation Service

The applicant is to complete a separate worksheet for each new equipment/engine/motor
See Instructions on the back before answering questions below

Applicant Name:

1. Report the total acres this equipment/engine/motor will serve:

2. Identify the county or counties this equipment/engine/motor will operate and the percent use for each county listed:

3. Fuel Type

- Diesel
 B20 diesel
 B100 biodiesel
 Electric
 Other:

4. Emissions Tier-
Level:

- Tier 3
 Tier 4 Interim
 Tier 4 Final
 Electric:

5. Describe the new equipment (check one):

- Wheeled Tractor
 Rubber-Tired Loader
 Tracked Tractor
 Rough-Terrain Forklift
 Bulldozer
 Stationary Diesel-Powered Irrigation
 Portable Diesel-Powered Irrigation
 Electric-Powered Irrigation
 Other:

6. Equipment Manufacturer:

12. Engine/Motor Manufacturer:

7. Equipment Model:

13. Engine/Motor Model:

8. Equipment Model Year:

14. Engine/Motor Serial No.:

9. Equipment VIN:

15. Engine/Motor Model Year:

10. Annual Hours of Operation:

16. Engine (bhp) or Motor Horsepower:

11. Annual Fuel Usage (gal/year):

17. PTO Horsepower:
(if applicable)

18. EPA Engine Family Name:

(Attach the applicable ARB Executive Order)

19. Months in Operation:

- January
 February
 March
 April
 May
 June
 Operates throughout the year
 July
 August
 September
 October
 November
 December

20. Cost Estimate of the New Equipment/Engine/Motor:

21. Describe the fuel source (i.e. location of fuel storage and dispensing system):

Instructions
PROPOSED NEW EQUIPMENT AND ENGINE/MOTOR WORKSHEET

1. **Report the total acres this equipment/engine/motor will serve:** The total acres the proposed off-road mobile agricultural equipment will operate on or the total acres to be irrigated by the well powered by the proposed diesel engine or electric motor.
2. **Identify the county or counties where this equipment/engine/motor will operate and the percent use for each county:** Report 100% if the engine and equipment will operate only in a single county. For multiple counties, estimate percent annual usage for each county by dividing the hours of use in each county by the total annual hours and multiplying by 100.
3. **Fuel Type:** All fuels must be suitable for use in a compression-ignition engine and meet California Air Resources Board (CARB) standards. "Diesel" is represented as petroleum-based "CARB diesel" and may be blended with up to 5% biodiesel (B5). "B20 diesel" is petroleum-based CARB diesel blend of up to 20% biodiesel. "B100" is non petroleum-based biodiesel. More information on California diesel fuels may be found at: <http://www.arb.ca.gov/fuels/diesel/diesel.htm>. Select "Electric" for a new irrigation motor.
4. **Emissions Tier Level:** Select the appropriate Tier-level emissions certification of the new diesel engine. Select "Electric" for a new irrigation motor.
5. **Describe the new equipment:** Check the box that best describes the new equipment. If "other", please describe (e.g. forage harvesters, combines, sprayers, shakers, etc.). *A new engine powers equipment that will serve the same function and perform the same work to the equipment that's being replaced.* Replacements are intended to reduce emissions of air pollution and not for any production related purpose.
6. **Equipment Manufacturer:** The equipment make. For example, Case IH, John Deere, Massey Ferguson, Ford, etc.
7. **Equipment Model:** The manufacturer's equipment designation. For example, 1600, 3300, 294S, etc.
8. **Equipment Model Year:** The year in which the equipment was manufactured.
9. **Equipment VIN:** The equipment Vehicle or Product Identification Number (not the engine serial number).
10. **Annual Hours of Operation:** Report the engine's actual total annual hours of operation on the total acres reported. Exaggerating hours may affect the project screening or ranking, or deem the project ineligible.
11. **Annual Fuel Usage (gal/year):** The amount of fuel use yearly in gallons. Annual fuel consumption may be used for estimating the baseline annual hours of operation.
12. **Engine/Motor Manufacturer:** The make of the diesel engine or electric motor. Diesel engine examples include: Cummins, John Deere, Fiat, Caterpillar, etc.
13. **Engine/Motor Model:** The model number of the in-use engine. For example, 6BTA5.9C.
14. **Engine/Motor Serial No.:** The engine serial number listed on the engine block or engine ID label.
15. **Engine/Motor Model Year:** The year the engine was manufactured.
16. **Engine (bhp) or Motor Horsepower:** For diesel engines, the manufacturer's rated advertised brake (or gross) horsepower. **Do not** report "net", "peak", "drawbar" or "PTO" horsepower, and **do not** estimate new engine horsepower by multiplying PTO horsepower by 1.20. For electric motors, report the rated motor horsepower.
17. **PTO Horsepower:** The advertised PTO horsepower if the equipment is equipped with a power take-off unit (e.g. a tractor).
18. **EPA Engine Family Name:** Identify the engine family name assigned by the EPA and attach the applicable CARB Executive Order for this diesel engine, which should be available through your engine vendor or on-line at: www.arb.ca.gov/msprog/offroad/cert/cert.php.
19. **Months in Operation:** Select whether the equipment/engine/motor will operate throughout the year or by the month.
20. **Cost Estimate of the New Equipment/Engine/Motor:** Please attach an estimate that clearly itemizes the costs.
21. **Describe the fuel source:** Describe how the fuel or electricity will be supplied to the new engine. If the diesel engine will be fueled by biofuel or biofuel blends, please identify the vendor supplying the fuel



ENGINE/EQUIPMENT DESTRUCTION CERTIFICATION WORKSHEET
California Air Quality – CPS 372 Combustion System Improvement
USDA Natural Resources Conservation Service

This worksheet serves to document that the engine/equipment identified below has been disabled by placing a hole in the block, permanently destroyed by shearing, crushing, or shredding into scrap metal, and properly disposed of as scrap metal at a California facility. No engine, drive-train components, hydraulics, and other essential engine or equipment components were or will be parted-out, used or sold as parts, or used to build or rebuild other engines or equipment. The completed certification worksheet shall be signed and submitted to the NRCS Field Office after destruction and final disposal.

Participant Name:

EQIP Contract Number:

Equipment Manufacturer and Model:

Engine Manufacturer and Model:

Equipment Type:

Engine Model Year:

Equipment VIN:

Engine Serial No.

Equipment Model Year:

Diesel Engine Spark-Ignition Engine

Date engine/equipment was disabled:

Engine/Equipment Owner's Name (Print):

Owner's Signature:

Date:

The engine/equipment identified above were delivered for destruction and disposal at:

Destruction Facility Name:

Address:

City:

State:

Zip Code:

Date engine/equipment was destroyed and scrapped:

The engine/equipment has been destroyed and scrapped.

Destruction Facility Contact Name (Print):

Phone No:

Contact Signature:

Date:

Attach date stamped photographs of the engine/equipment pre- and post-demolition that includes clearly identifiable engine serial number and vehicle identification number.

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Engine Emissions Calculations Worksheet
 California Air Quality – CPS 372 Combustion System Improvement
 USDA Natural Resources Conservation Service

Producer Name: _____

Date: _____

In-Use Engine Emissions Calculations

In-Use Engine: Manufacturer: _____
 Model Year Engine: _____ Fuel Type: _____
 Equipment Type: _____
 Serial Number: _____

	Baseline Emissions	NOx	ROG	PM10	
Rated Brake Horsepower:	_____	_____	_____	_____	bhp
Annual Hours of Operation:	x _____	_____	_____	_____	Hours/Year
Emission Factors:	x _____	_____	_____	_____	g/bhp-hr
Load Factor:	x _____	_____	_____	_____	
Conversion to Tons:	÷ 907,200	907,200	907,200	907,200	Grams/Ton
Annual Emissions (EE) =	_____	_____	_____	_____	Tons/Year

New Engine Emissions Calculations (Report as zero emissions if electric)

New Engine: Manufacturer: _____
 Model Year Engine: _____ Fuel Type: _____
 Equipment Type: _____
 Serial Number (if available): _____

	New Engine Emissions	NOx	ROG	PM10	
Rated Brake Horsepower:	_____	_____	_____	_____	bhp
Annual Hours of Operation:	x _____	_____	_____	_____	Hours/Year
Emission Factors:	x _____	_____	_____	_____	g/bhp-hr
Load Factor:	x _____	_____	_____	_____	
Conversion to Tons:	÷ 907,200	907,200	907,200	907,200	Grams/Ton
Annual Emissions (NE) =	_____	_____	_____	_____	Tons/Year

Calculation Results

	NOx	ROG	PM10	
Annual Emission Reductions: (EE) – (NE) =	_____	_____	_____	Tons/Year
Percent Emission Reductions: [(EE – NE) / (EE)] x 100 =	_____	_____	_____	%

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**CALIFORNIA MOBILE ENGINE AND EQUIPMENT
ANNUAL REPORTING WORKSHEET
California Air Quality – 372 Combustion System Improvement**

Reporting Year:	Date:	Contract No:
Participant Name:		
Contact Name:		
Contact Phone No:	Email Address:	
Engine/Equipment Address:		
Equipment/Vehicle Make:	Equipment/Vehicle Model:	
Equipment/Vehicle Model Year:	Vehicle ID Number:	
Engine Make:	Engine Model:	
Engine Model Year:	Engine Serial No:	
Is the equipment in service per the original contract? <input type="checkbox"/> Yes <input type="checkbox"/> No – Please explain:		
Record the total hours from the non-resettable hour meter:		Hours
Percent use within the San Joaquin Valley over the reporting year: <small>(San Joaquin Valley counties are: San Joaquin, Stanislaus, Merced, Madera, Fresno, Tulare, Kings, and the valley portion of Kern)</small>		Percent
Percent use in other counties: <small>(Report each county name and percent use)</small>		
Identify any maintenance performed on the engine/equipment:		
Identify any conditions that significantly affected the annual usage:		
Please complete and return this reporting worksheet to:	USDA Natural Resources Conservation Service Fresno Area Office – Air Quality 1907 N Gateway Blvd, Suite 101 Fresno, CA 95727	Phone: 559-252-2191 Fax: 559-252-5483

FY 2018 Program Description

Environmental Quality Incentives Program

The Environmental Quality Incentives Program (EQIP) is a voluntary, conservation program administered by NRCS that can provide financial and technical assistance to install conservation practices that address natural resource concerns. The purpose of EQIP is to promote agricultural production, forest management, and environmental quality as compatible goals; to optimize environmental benefits; and to help farmers and ranchers meet Federal, State, Tribal, and local environmental regulations.

EQIP Application Sign-up and Cut-off Dates

NRCS accepts EQIP applications year-round, but establishes cutoff dates to make funding selections for eligible, screened, and ranked applications. To be ready for EQIP funding consideration, interested applicants will need to: (1) Develop a conservation plan, (2) Submit an application, (3) Meet program eligibility requirements, and (4) Approve their 'EQIP schedule of operations'. The time needed to complete a conservation plan and process eligibility can vary, from a few weeks to more than a month, depending on the complexity of the farming operation.

Develop a Conservation Plan

A conservation plan includes all practices, regardless of the program's financial assistance, that a producer or landowner has agreed to adopt for the agricultural operation and/or associated agricultural lands. Interested applicants are encouraged to request conservation planning and technical assistance from a local NRCS field office to help with the development of a conservation plan.

Submitting an Application

Interested applicants may apply for EQIP by completing and submitting the application, Form NRCS-CPA-1200, Conservation Program Application, to the NRCS field office in person, by phone, email, or fax in the county which you own land or where you have an agricultural operation or non-industrial private forest land.

Program Eligibility Requirements

In order to be considered eligible for EQIP the applicant must have a vested interest in production agricultural or non-industrial private forest land and meet other program eligibility requirements.

'EQIP schedule of operations'

The basis for an application is the 'EQIP schedule of operations' and is derived from the applicant's conservation plan. The EQIP 'schedule of operations' identifies the conservation practices to be implemented, timing of the implementation, practice location, and payment rates.

EQIP Screening, Ranking and Funding

EQIP funding decisions are based on an application evaluation process that includes screening tools and ranking criteria. Screening tools are worksheets used to prioritize an application based on factors such as: a completed conservation plan; readiness to implement practices; history of contract compliance; and resource priorities addressed in the 'EQIP schedule of operations'. Ranking criteria considers the anticipated benefit of a conservation system, or practice, in the 'EQIP schedule of operations' to a natural resource concern.

NRCS Field Office Contact Information

For more information about EQIP, how to apply and program eligibility, interested applicants should contact a NRCS field office in the county which you own land or where you have an agricultural operation. Visit <https://offices.sc.egov.usda.gov/locator/> to find the NRCS representative for your county.

About the National Air Quality Initiative (NAQI)

Under the Agricultural Act of 2014, the Secretary shall provide eligible producers with technical and financial opportunities to address serious air quality concerns from agricultural operations and help meet regulatory requirements.

In Fiscal Year 2018 (FY2018), the NAQI funding pool is designed to help agricultural producers meet air quality compliance requirements and offer opportunities to support practices that reduce oxides of nitrogen (NO_x), volatile organic compounds (VOC), and particulate matter (PM) emissions from agricultural sources helps achieve and maintain the health- and welfare-based National Ambient Air Quality Standards (NAAQS) in California.

Financial assistance priority is targeted toward counties that have been identified as having significant air quality resource concerns, by being designated by the US Environmental Protection Agency (EPA) as “nonattainment” of the Ozone and/or Particulate Matter NAAQS or predesignated as “Attainment (Maintenance Area)” for the PM₁₀ or PM_{2.5} NAAQS. These areas experience air pollution levels that persistently exceed the NAAQS established by the Clean Air Act. NAAQS nonattainment area designations are posted on-line by the EPA at: <https://www.epa.gov/green-book>.

The typical conservation treatment for the National Air Quality Initiative is to reduce diesel exhaust emissions through the removal from service and permanent destruction of:

- A Fully functional in-use off-road mobile agricultural equipment powered and self-propelled by a nonroad compression-ignition engine (e.g. diesel-fueled engines) rated of 25.0 brake-horsepower (bhp) or higher (based on manufacturer’s advertised horsepower rating); and,
- Replace with a new “like” off-road mobile agricultural equipment powered and self-propelled by a new nonroad diesel engine rated at 25.0 bhp or higher (based on manufacturer’s advertised horsepower rating) and within 125 percent of the baseline horsepower rating that meets Tier 4 emissions-certification, or meets 2017 or 2018 model-year California emission standards or equivalent, as determined by the applicable EPA Engine Family Name and State of California Air Resources Board (ARB) Executive Order (or EPA Certificate of Conformity, when applicable).

Significant emission reduction benefits are achieved when higher-polluting off-road agricultural equipment are retired earlier than through normal turnover and replaced with new “like” equipment powered by emissions-certified nonroad diesel engines. The applicable NRCS Conservation Practice Standard (CPS) is 372 – *Combustion System Improvement*.

Examples of off-road mobile equipment used exclusively in agriculture and powered and self-propelled by nonroad diesel engines eligible for the NAQI (e.g. “L” designation in the EPA Engine Family Name on Tier-certified engines):

- Tractors
- Loaders
- Bulldozers
- Harrowbeds
- Rough-Terrain Forklifts
- Harvesters
- Sprayers
- Sweepers
- Combines
- Swathers

Five worksheets are included at the end of this fund pool description:

1. California In-Use Existing Equipment/Engine (Baseline) Worksheet and Instructions;
2. California New Equipment/Engine Worksheet (Proposed) and Instructions;
3. California Equipment/Engine Destruction Certification Worksheet;
4. California Emissions Calculation Worksheet.
5. San Joaquin Valley Annual Reporting Worksheet

The first two worksheets are for the participant to document the proposed in-use and new nonroad engines and equipment information for submittal to the NRCS with an EQIP application. The participant may use the third worksheet to document equipment and engine destruction and disposal in accordance with *CPS 372-Specifications*. The conservation planner and/or the participant uses the fourth worksheet for calculating the estimated emissions and emission reductions associated with the conservation practice. The fifth worksheet is for *San Joaquin Valley participants* providing annual reports to the NRCS that documents their new equipment total hour usage over the 10-year practice lifespan.

For FY2018, interested owners and/or operators of land managed for agricultural production in the following counties may be eligible for the National Air Quality Initiative: **Alameda, Butte, Calaveras, Contra Costa, El Dorado, Fresno, Imperial, Inyo, Kern, Kings, Los Angeles, Madera, Marin, Mariposa, Merced, Mono, Napa, Nevada, Orange, Placer, Riverside, Sacramento, San Bernardino, San Diego, San Joaquin, San Luis Obispo, San Mateo, Santa Clara, Solano, Sonoma, Stanislaus, Sutter, Tulare, Ventura, Yolo, and Yuba.**

Refer to Table 1 for more information on the resource priority for each county included in the National Air Quality Initiative.

Table 1. Resource Priorities and California Nonattainment Designations¹

Participating Counties	NAQI Resource Priority			County Nonattainment Designation for NRCS NAQI Ranking Purposes Only ¹ Pollutant, NAAQS Nonattainment Designation, Standard Year
	Ozone	PM10	PM2.5	
Alameda	X		X	PM2.5: Moderate (2006) 8-Hr O ₃ : Marginal (2008)
Butte	X		X	PM2.5: Moderate (2006 [C]) 8-Hr O ₃ : Marginal (2008)
Calaveras	X			8-Hr O ₃ : Marginal (2008)
Contra Costa	X		X	PM2.5: Moderate (2006) 8-Hr O ₃ : Marginal (2008)
El Dorado	X		X	PM2.5: Moderate (2006 [S]) 8-Hr O ₃ : Severe-15 (2008 [SM])
Fresno	X	X	X	PM10: Maintenance Area/Serious (1987) 12/2008 PM2.5: Serious (1997 & 2006), Moderate (2012), 8-Hr O ₃ : Extreme (2008)

Participating Counties	NAQI Resource Priority			County Nonattainment Designation for NRCS NAQI Ranking Purposes Only ¹ Pollutant, NAAQS Nonattainment Designation, Standard Year
	Ozone	PM10	PM2.5	
Imperial	X	X	X	PM10: Serious (1987 [IV]) PM2.5: Moderate (2006 & 2012) 8-Hr O ₃ : Moderate (2008)
Inyo		X		PM10: Serious (1987 [OV])
Kern	X	X	X	PM10: Serious (1987 [EKC]), Ma Area/Serious (1987 [SJV]) PM2.5: Serious (1997 & 2006 [SJV]), Moderate (2012 [SJV]) 8-Hr O ₃ : Extreme (2008 [SJV]), Moderate (2008 [EKC])
Kings	X	X	X	PM10: Maintenance Area/Serious (1987) 12/2008 PM2.5: Serious (1997 & 2006), Moderate (2012), 8-Hr O ₃ : Extreme (2008)
Los Angeles	X	X	X	PM10: Maintenance Area/Serious (1987 [SC]) 7/2013 PM2.5: Serious (2006 [SC]), Moderate (1997 & 2012 [SC]) 8-Hr O ₃ : Extreme (2008 [SC]), Severe-15 (2008 [WMD])
Madera	X	X	X	PM10: Maintenance Area/Serious (1987) 12/2008 PM2.5: Serious (1997 & 2006), Moderate (2012), 8-Hr O ₃ : Extreme (2008)
Marin	X		X	PM2.5: Moderate (2006) 8-Hr O ₃ : Marginal (2008)
Mariposa	X			8-Hr O ₃ : Moderate (2008)
Merced	X	X	X	PM10: Maintenance Area/Serious (1987) 12/2008 PM2.5: Serious (1997 & 2006), Moderate (2012), 8-Hr O ₃ : Extreme (2008)
Mono		X		PM10: Moderate (1987 [MB])
Napa	X		X	PM2.5: Moderate (2006) 8-Hr O ₃ : Marginal (2008)
Nevada	X			8-Hr O ₃ : Moderate (2008 [WNC])
Orange	X	X	X	PM10: Maintenance Area/Serious (1987) 7/2013 PM2.5: Serious (2006), Moderate (1997 & 2012) 8-Hr O ₃ : Extreme (2008)
Placer	X		X	PM2.5: Moderate (2006 [S]) 8-Hr O ₃ : Severe-15 (2008 [SM])
Riverside	X	X	X	PM10: Serious (1987 [CV]) PM2.5: Serious (2006 [SC]), Moderate (1997 & 2012 [SC]) 8-Hr O ₃ : Extreme (2008 [SC]), Severe-15 (2008 [CV])

Participating Counties	NAQI Resource Priority			County Nonattainment Designation for NRCS NAQI Ranking Purposes Only ¹ Pollutant, NAAQS Nonattainment Designation, Standard Year
	Ozone	PM10	PM2.5	
Sacramento	X	X	X	PM10: Maintenance Area/Moderate (1987) 10/2013 PM2.5: Moderate (2006) 8-Hr O ₃ : Severe-15 (2008)
San Bernardino	X	X	X	PM10: Moderate (1987) PM2.5: Serious (2006 [SC]), Moderate (2012 & 1997 [SC]) 8-Hr O ₃ : Extreme (2008 [SC]), Severe-15 (2008 [WMD])
San Diego	X			8-Hr O ₃ : Moderate (2008)
San Joaquin	X	X	X	PM10: Maintenance Area/Serious (1987) 12/2008 PM2.5: Serious (1997 & 2006), Moderate (2012), 8-Hr O ₃ : Extreme (2008)
San Luis Obispo	X			8-Hr O ₃ : Marginal (2008 [ESLO])
San Mateo	X		X	PM2.5: Moderate (2006) 8-Hr O ₃ : Marginal (2008)
Santa Clara	X		X	PM2.5: Moderate (2006) 8-Hr O ₃ : Marginal (2008)
Solano	X		X	PM2.5: Moderate (2006) 8-Hr O ₃ : Severe-15 (2008 [SM]), Marginal (2008, SFBA)
Sonoma	X		X	PM2.5: Moderate (2006 [SFBA]) 8-Hr O ₃ : Marginal (2008 [SFBA])
Stanislaus	X	X	X	PM10: Maintenance Area/Serious (1987) 12/2008 PM2.5: Serious (1997 & 2006), Moderate (2012), 8-Hr O ₃ : Extreme (2008)
Sutter	X		X	PM2.5: Maintenance Area/Moderate (2006 [YCM]) 1/2015 8-Hr O ₃ : Severe-15 (2008 [SM])
Tulare	X	X	X	PM10: Maintenance Area/Serious (1987) 12/2008 PM2.5: Serious (1997 & 2006), Moderate (2012), 8-Hr O ₃ : Extreme (2008)
Ventura	X			8-Hr O ₃ : Serious (2008)
Yolo	X		X	PM2.5: Moderate (2006 [S]) 8-Hr O ₃ : Severe-15 (2008 [SM])
Yuba			X	PM2.5: Maintenance Area/Moderate (2006 [YCM]) 1/2015

Source: The California NAAQS attainment designations are derive from the EPA Greenbook, as of September 30, 2017:

https://www3.epa.gov/airquality/greenbook/anayo_ca.html
<https://www3.epa.gov/airquality/greenbook/astate.html>

¹ The intent of is list is to identify the NAQI air quality resource priorities of the eligible counties *for ranking purposes only*. Selected is the most stringent nonattainment designation within a county to support the resource concern for each air pollutant countywide, as the actual NAAQS designations may differ due to partial county designations, multiple air basins, or separate air quality planning regions within a single county

The most stringent designation within a county identifying the applicable air quality planning area will have any of the following notes placed next to the NAAQS year. No notes indicates the NAAQS designation is countywide.

C – Chico	MB – Mono Basin	SM – Sacramento Metro
CV – Coachella Valley	OV – Owens Valley	SJV – San Joaquin Valley Air Basin
EKC – Eastern Kern County	S – Sacramento	WMD – West Mojave Desert
ESLO – Eastern San Luis Obispo	SC – South Coast Air Basin	WNC – Western Nevada County
IV – Imperial Valley	SFBA – San Francisco Bay Area	YCM – Yuba City-Marysville

California Air Resources Board State Implementation Plan (SIP) for the San Joaquin Valley

In 2007, the Air Resources Board (ARB) adopted their “2007 State Strategy for California’s State Implementation Plan for Federal PM2.5 and 8-Hour Ozone Standards”. This “2007 State Strategy” includes a commitment to reduce diesel exhaust emissions from in-use off-road mobile agricultural equipment operating within the San Joaquin Valley. The intent is to accelerate the normal turnover of old agricultural equipment by installing the cleanest emissions-certified fleet as expeditiously as possible through voluntary and regulatory measures in order to achieve NOx emission reductions of 5-10 tons per day by 2018.

Beginning in 2009, a partnership developed with agricultural stakeholders and representatives from the San Joaquin Valley Air Pollution Control District (SJVAPCD), ARB, EPA, and NRCS to help identify the mechanisms where *voluntary measures* through incentive-based emission reductions could receive credit towards meeting these goals and objectives for the San Joaquin Valley. The overall benefits would account for improvements to air quality, public health and welfare, and progress toward attaining the NAAQS pursuant to the Clean Air Act through voluntary measures, thereby postponing or perhaps eliminating any action by ARB to adopt new mobile farm equipment prohibitory rules and regulations.

Applying voluntary incentive-based emission reductions through programs like EQIP toward SIP emission reduction goals had never been tried before. As the ARB and SJVAPCD also administer their own respective voluntary incentive programs, this direction led toward the SJVAPCD adopting Rule 9610 in June 2013. This rule defines the administrative mechanisms where voluntary incentive-based emission reductions could become SIP creditable. SJVAPCD Rule 9610 was approved by the ARB in October 2013 and codified in Section 2428, Title 13, of the California Code of Regulations.

EPA approved the voluntary incentive-based emission reductions pursuant to Rule 9610 as being creditable toward and federally enforceable under California’s SIP, effective May 11, 2015. Overall, Rule 9610 ensures the emission reductions achieved through voluntary incentive programs in the San Joaquin Valley become eligible for SIP credit in accordance with the Clean Air Act.

Included with *CPS 372-Operations and Maintenance*, San Joaquin Valley producers participating in the National Air Quality Initiative are to provide NRCS with reports of their new equipment usage annually over the duration of the practice 10-year lifespan. This information is used to qualify equipment operations and quantify the on-going emission reductions to ensure the air quality benefits continue. The NRCS submits aggregated emissions summary reports to the SJVAPCD and EPA annually, void of any information deemed as confidential, by reporting the SIP-creditable emission reductions achieved within the San Joaquin Valley through EQIP.

To date, the voluntary incentive-based emission reductions administered each by the NRCS and SJVAPCD have together achieved the 2007 State Strategy goal of 5-10 tons per day of NO_x reductions well ahead of the 2018 SIP deadline. ARB, however, is currently developing their 2016 State Strategy for the State Implementation Plan due to EPA strengthening of the 2008 8-hour Ozone NAAQS to 0.075 parts per billion (ppb) and the 2012 Annual PM_{2.5} NAAQS to 12 micrograms per cubic meter (ug/m³). Incentive-based emissions reductions will continue to play an important role with achieving attainment goals.

EPA, ARB and SJVAPCD continues to search for science-based and cost-effective emission reductions from agriculture as new strategies for deploying the cleanest emissions technologies are developed. NRCS and its partners will continue to support voluntary approaches for addressing the air quality resource concerns in the San Joaquin Valley and other air quality challenged regions in California.

More information on the San Joaquin Valley SIP and diesel engines powering off-road mobile agricultural equipment can be found at the ARB and SJVAPCD websites at:

- ARB Agricultural Equipment Regulation: <http://www.arb.ca.gov/ag/agtractor/agtractor.htm>
- ARB 2007 State Strategy: <http://www.arb.ca.gov/planning/sip/2007sip/2007sip.htm>
- ARB 2016 State Strategy: <https://www.arb.ca.gov/planning/sip/2016sip/2016sip.htm>
- SJVAPCD Rule 9610: http://www.valleyair.org/rules/currnrules/9610_CleanRule.pdf
- SJVAPCD Rule 9610 Procedures and Annual Demonstration Reports:
http://www.valleyair.org/MOP/mop9610_idx.htm

Land Uses for the NAQI Fund Pool

Only applications for agricultural operations that address resource concerns on at least one land use type listed below will be considered for financial assistance from this EQIP Fund Pool. The descriptions below are the general NRCS land use definitions - applications should fit within, but do not need to exactly match, these descriptions.

- **Crop:** Land used primarily for the production and harvest of annual or perennial field, forage, food, fiber, horticultural, orchard, vineyard, or energy crops.
- **Forest:** Land on which the primary vegetation is tree cover (climax, natural or introduced plant community) and use is primarily for production of wood products or non-timber forest products.
- **Pasture:** Land composed of introduced or domesticated native forage species that is used primarily for the production of livestock. Pastures receive periodic renovation and cultural treatments, such as tillage, fertilization, mowing, weed control, and may be irrigated. Pastures are not in rotation with crops.

- **Range:** Land used primarily for the production of grazing animals. Includes native plant communities and those seeded to native or introduced species, or naturalized by introduced species that are ecologically managed using range management principles.
- **Farmstead:** Land used for facilities and supporting infrastructure where farming, forestry, animal husbandry, and ranching activities are often initiated. This may include dwellings, equipment storage, plus farm input and output storage and handling facilities.

Resource Concerns for the NAQI Fund Pool

Only applications for agricultural operations that address at least one resource concern listed below will be considered for financial assistance through this EQIP Fund Pool. The descriptions below are general NRCS natural resource definitions, applications should fit within, but do not need to exactly match, these descriptions.

- ❖ **AIR QUALITY IMPACTS** – Direct or indirect emissions of compounds to the atmosphere that impact outdoor ambient air quality.
 - **Emissions of Ozone Precursors:** Ozone (O₃) precursor gases are oxides of nitrogen (NO_x) and volatile organic compounds (VOCs) pollutants. Ambient ozone is formed in the atmosphere through a photochemical reaction of NO_x and VOC pollutants in the presence of sunlight, where its reactivity can be influenced by ambient heat. Exposure to ambient ozone can cause adverse impacts to public health, plants and animals. Sources of NO_x and VOC emissions are from naturally occurring “biogenic sources” and from “anthropogenic sources” that include livestock activities, pesticide application, solvent and gasoline storage and use, nitrification/denitrification processes, and combustion from boilers, engines and open burning.
 - **Emissions of Particulate Matter (PM) and PM Precursors:** Particulate Matter is classified by its size where PM_{2.5} and PM₁₀ have an aerodynamic diameter less than 2.5 and 10 micrometers, respectively. PM_{2.5} is directly emitted to the atmosphere by combustion processes such as from diesel engine exhaust and open burning, and to a lesser degree by mechanical means such as dust from vehicle traffic on unpaved roads or tillage activities. PM_{2.5} is also formed in the atmosphere by chemical reactions of PM precursor gases that primarily include oxides of nitrogen (NO_x) and ammonia (NH₃). Sources of these PM_{2.5} precursor gases can be from combustion activities, fertilizer application, and animal operations. Much of PM₁₀ is mechanically generated and directly emitted to the atmosphere by actions that disaggregate the soil such as tillage operations, unpaved roads and field travel, animal movement, harvesting activities, bulk material storage and handling, and wind erosion. Visible PM emissions are typically geologic in origin and range in different sizes that may include PM_{2.5} and PM₁₀.

Eligible NRCS Conservation Practices

All conservation practices planned for financial assistance must be included in the 'EQIP schedule of operations' and address a resource concern identified in this EQIP Fund Pool. NRCS conservation practices eligible for financial assistance through this EQIP Fund Pool are listed in the below table.

For more information about NRCS conservation practices visit the following website link for NRCS conservation practice standards:

http://www.nrcs.usda.gov/wps/portal/nrcs/detail/national/technical/?cid=NRCSDEV11_001020

Table 2. Eligible Conservation Practices

Practice Code	Conservation Practice Name	Practice Payment Scenario	Units	Lifespan
372	Combustion System Improvement	Mobile IC, 25-160 bhp	no	10 years
372	Combustion System Improvement	Mobile IC, >160 bhp	no	10 years

The Combustion System Improvement Practice Standard and more information are available on-line at:

- CPS 372 – Combustion System Improvement:
<http://efotg.sc.egov.usda.gov/references/public/CA/372-std-09-2010.pdf>
- CPS 372 – Specifications:
<http://efotg.sc.egov.usda.gov/references/public/CA/372-spec-ca-11-14.doc>
- CPS 372 – Operations and Maintenance
<http://efotg.sc.egov.usda.gov/references/public/CA/372B-OM-ca-8-13.doc>
- CPS 372 – Implementation Requirements
<http://efotg.sc.egov.usda.gov/references/public/CA/372-IR-ca-11-14.docx>
- CA Air Quality Tech Note 1 – Glossary for California Off-Road Agricultural Engines
https://efotg.sc.egov.usda.gov/references/public/CATN_AQ01_CPS372-EngineGlossary_11-16.pdf
- CA Air Quality Tech Note 2 – Engine Family and Tier-Certified Emission Standards
http://efotg.sc.egov.usda.gov/references/public/CA/TN-AQ02-CPS372_EngineFamilyName-TIER_Standards.pdf.
- CA Air Quality Tech Note 3 – State Implementation Plan Creditability of Voluntary Incentive-Based Emission Reductions from Replacing Off-Road Mobile Agricultural Equipment
https://efotg.sc.egov.usda.gov/references/public/CATN-AQ-03_CPS372_SIP_Creditability.pdf

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BASELINE IN-USE EQUIPMENT AND ENGINE WORKSHEET

California Air Quality – CPS 372 Combustion System Improvement
USDA Natural Resources Conservation Service

The applicant is to complete a separate worksheet for each in-use equipment/engine
See Instructions on the back before answering questions below

Applicant Name:

1. Report the total acres this equipment/engine serves:

2. Years operated on these acres:

3. Fuel Type

- Diesel
 B20 diesel
 B100 biodiesel
 Other:

4. Emissions Tier

- Level:
 Non-Tier
 Tier 1
 Tier 2

5. Describe the in-use equipment (check one):

- Wheeled Tractor
 Rubber-Tired Loader
 Tracked Tractor
 Rough-Terrain Forklift
 Bulldozer
 Stationary Diesel-Powered Irrigation
 Portable Diesel-Powered Irrigation
 Other:

6. Name of Equipment/Engine Owner:

7. Year Purchased:

8. Equipment Manufacturer

14. Engine Manufacturer

9. Equipment Model:

15. Engine Model:

10. Equipment Model Year:

16. Engine Model Year:

11. Equipment VIN:

17. Engine Serial No:

12. Annual Hours of Operation:

18. Engine Horsepower (bhp):

13. Annual Fuel Usage (gal/year):

19. PTO Horsepower:
(if applicable)

20. EPA Engine Family Name:

(For Tier 1 or 2, attach the ARB Executive Order)

21. Months in Operation:

- January
 April
 July
 October
 February
 May
 August
 November
 March
 June
 September
 December

Operates throughout the year

22. The planned location on where the equipment/engine will be scrapped and properly disposed:

23. *The applicant is to provide two documents verifying engine and equipment ownership and one document verifying the equipment/engine operations over the previous 12-consecutive month period prior to the submittal of this worksheet and EQIP application.*

24. Additional Information:

Instructions
BASELINE IN-USE EQUIPMENT AND ENGINE WORKSHEET

1. **Report the total acres this equipment/engine serves:** The total acres this off-road mobile agricultural equipment operates on or the total acres being irrigated from the well powered by this diesel engine.
2. **Years Operated on these acres:** Approximate length of time the engine & equipment has been operating at this location.
3. **Fuel Type:** All fuels must be suitable for use in a compression-ignition engine and meet California Air Resources Board (CARB) standards. "Diesel" is represented as petroleum-based "CARB diesel" and may be blended with up to 5% biodiesel (B5). "B20 diesel" is petroleum-based CARB diesel blend of up to 20% biodiesel. "B100" is non petroleum-based biodiesel. More information on California diesel fuels may be found at: <http://www.arb.ca.gov/fuels/diesel/diesel.htm>.
4. **Emissions Tier Level:** Select "Non-Tier" for non-emissions certified or uncontrolled emissions diesel engines. Select "Tier 1" or "Tier 2" for emissions-certified diesel engines. Please consult your engine vendor.
5. **Describe the in-use equipment:** Check the box that best describes the in-use equipment. If "other", please describe (e.g. forage harvester, combine, sprayer, shaker, etc.).
6. **Name of Equipment/Engine Owner:** Identify ownership (see No. 23).
7. **Year Purchased:** The year the equipment was purchased by the owner (see No. 6 and No. 23)
8. **Equipment Manufacturer:** The equipment make. For example, Case IH, John Deere, Massey Ferguson, Ford, etc.
9. **Equipment Model:** The manufacturer's equipment model designation. For example, 1600, 3300, 294S, etc.
10. **Equipment Model Year:** The year in which the equipment was manufactured.
11. **Equipment VIN:** The equipment Vehicle or Product Identification Number (not the engine serial number).
12. **Annual Hours of Operation:** Report the engine's actual annual hours of operation on the acres reported, which will be used for estimating baseline operations. *Exaggerating hours may affect the project screening and ranking, or deem the project ineligible.*
13. **Annual Fuel Usage (gall/year):** The amount of fuel use yearly in gallons. Annual fuel consumption may be used for estimating the baseline annual hours of operation.
14. **Engine Manufacturer:** The make of the diesel engine (e.g. Cummins, John Deere, Perkins, Caterpillar, Fiat, Ford, etc.)
15. **Engine Model:** The model number of the in-use engine. For example, 6BTA5.9C.
16. **Engine Model Year:** The year the engine was manufactured (this can be different than the equipment model year).
17. **Engine Serial No.:** The engine serial number listed on the engine block or engine identification label.
18. **Engine Horsepower (bhp):** The manufacturer's rated advertised brake (or gross) horsepower. Do not report "net", "peak" or "PTO" horsepower. If not available, estimate engine horsepower by multiplying the PTO horsepower by 1.20.
19. **PTO Horsepower:** The advertised PTO horsepower if the equipment is equipped with a power take-off unit (e.g. a tractor).
20. **EPA Engine Family Name: *Only for Tier 1 or 2 -certified diesel engines.*** Identify the engine family name assigned by the EPA. If available, attach the applicable CARB Executive Order for this engine, which should be available through your engine vendor or on-line at: www.arb.ca.gov/msprog/offroad/cert/cert.php.
21. **Months in Operation:** Select whether the in-use engine operates throughout the year or on specific months.
22. **The planned location on where equipment/engine will be scrapped and properly disposed:** Identify where the equipment/engine is planned for final destruction and disposal. Knocking a hole in the block only disables the engine and does not render the engine and equipment as being destroyed. Destruction and final disposal is at a mutually approved metal scrap yard location in California.
23. **Ownership and Operations Verification:** Provide two documents verifying ownership and one document verifying operation status for the existing equipment/engine. Ownership documents may include bill of sale, insurance records, bank appraisals, maintenance or service records, general ledgers, fuel records, or other documents. Operations documents may include maintenance or service records, usage records, routine inspections, hour meter reading logs, historical fuel usage logs, or other documents. Please refer to CPS 372-Specifications for more information.
24. **Additional Information:** Include any information pertinent to this equipment/engine, including and not limited to: evaluating other alternatives, whether incentive funds from other public or private programs are being sought in addition to this application, and/or attach applicable permits or documentation from a local air district.



PROPOSED NEW EQUIPMENT AND ENGINE/MOTOR WORKSHEET

California Air Quality – CPS 372 Combustion System Improvement
USDA Natural Resources Conservation Service

The applicant is to complete a separate worksheet for each new equipment/engine/motor
See Instructions on the back before answering questions below

Applicant Name:

1. Report the total acres this equipment/engine/motor will serve:

2. Identify the county or counties this equipment/engine/motor will operate and the percent use for each county listed:

3. Fuel Type

- Diesel
 B20 diesel
 B100 biodiesel
 Electric
 Other:

4. Emissions Tier-
Level:

- Tier 3
 Tier 4 Interim
 Tier 4 Final
 Electric:

5. Describe the new equipment (check one):

- Wheeled Tractor
 Rubber-Tired Loader
 Tracked Tractor
 Rough-Terrain Forklift
 Bulldozer
 Stationary Diesel-Powered Irrigation
 Portable Diesel-Powered Irrigation
 Electric-Powered Irrigation
 Other:

6. Equipment Manufacturer:

12. Engine/Motor Manufacturer:

7. Equipment Model:

13. Engine/Motor Model:

8. Equipment Model Year:

14. Engine/Motor Serial No.:

9. Equipment VIN:

15. Engine/Motor Model Year:

10. Annual Hours of Operation:

16. Engine (bhp) or Motor Horsepower:

11. Annual Fuel Usage (gal/year):

17. PTO Horsepower:
(if applicable)

18. EPA Engine Family Name:

(Attach the applicable ARB Executive Order)

19. Months in Operation:

- January
 February
 March
 April
 May
 June
 Operates throughout the year
 July
 August
 September
 October
 November
 December

20. Cost Estimate of the New Equipment/Engine/Motor:

21. Describe the fuel source (i.e. location of fuel storage and dispensing system):

Instructions
PROPOSED NEW EQUIPMENT AND ENGINE/MOTOR WORKSHEET

1. **Report the total acres this equipment/engine/motor will serve:** The total acres the proposed off-road mobile agricultural equipment will operate on or the total acres to be irrigated by the well powered by the proposed diesel engine or electric motor.
2. **Identify the county or counties where this equipment/engine/motor will operate and the percent use for each county:** Report 100% if the engine and equipment will operate only in a single county. For multiple counties, estimate percent annual usage for each county by dividing the hours of use in each county by the total annual hours and multiplying by 100.
3. **Fuel Type:** All fuels must be suitable for use in a compression-ignition engine and meet California Air Resources Board (CARB) standards. "Diesel" is represented as petroleum-based "CARB diesel" and may be blended with up to 5% biodiesel (B5). "B20 diesel" is petroleum-based CARB diesel blend of up to 20% biodiesel. "B100" is non petroleum-based biodiesel. More information on California diesel fuels may be found at: <http://www.arb.ca.gov/fuels/diesel/diesel.htm>. Select "Electric" for a new irrigation motor.
4. **Emissions Tier Level:** Select the appropriate Tier-level emissions certification of the new diesel engine. Select "Electric" for a new irrigation motor.
5. **Describe the new equipment:** Check the box that best describes the new equipment. If "other", please describe (e.g. forage harvesters, combines, sprayers, shakers, etc.). *A new engine powers equipment that will serve the same function and perform the same work to the equipment that's being replaced.* Replacements are intended to reduce emissions of air pollution and not for any production related purpose.
6. **Equipment Manufacturer:** The equipment make. For example, Case IH, John Deere, Massey Ferguson, Ford, etc.
7. **Equipment Model:** The manufacturer's equipment designation. For example, 1600, 3300, 294S, etc.
8. **Equipment Model Year:** The year in which the equipment was manufactured.
9. **Equipment VIN:** The equipment Vehicle or Product Identification Number (not the engine serial number).
10. **Annual Hours of Operation:** Report the engine's actual total annual hours of operation on the total acres reported. Exaggerating hours may affect the project screening or ranking, or deem the project ineligible.
11. **Annual Fuel Usage (gal/year):** The amount of fuel use yearly in gallons. Annual fuel consumption may be used for estimating the baseline annual hours of operation.
12. **Engine/Motor Manufacturer:** The make of the diesel engine or electric motor. Diesel engine examples include: Cummins, John Deere, Fiat, Caterpillar, etc.
13. **Engine/Motor Model:** The model number of the in-use engine. For example, 6BTA5.9C.
14. **Engine/Motor Serial No.:** The engine serial number listed on the engine block or engine ID label.
15. **Engine/Motor Model Year:** The year the engine was manufactured.
16. **Engine (bhp) or Motor Horsepower:** For diesel engines, the manufacturer's rated advertised brake (or gross) horsepower. **Do not** report "net", "peak", "drawbar" or "PTO" horsepower, and **do not** estimate new engine horsepower by multiplying PTO horsepower by 1.20. For electric motors, report the rated motor horsepower.
17. **PTO Horsepower:** The advertised PTO horsepower if the equipment is equipped with a power take-off unit (e.g. a tractor).
18. **EPA Engine Family Name:** Identify the engine family name assigned by the EPA and attach the applicable CARB Executive Order for this diesel engine, which should be available through your engine vendor or on-line at: www.arb.ca.gov/msprog/offroad/cert/cert.php.
19. **Months in Operation:** Select whether the equipment/engine/motor will operate throughout the year or by the month.
20. **Cost Estimate of the New Equipment/Engine/Motor:** Please attach an estimate that clearly itemizes the costs.
21. **Describe the fuel source:** Describe how the fuel or electricity will be supplied to the new engine. If the diesel engine will be fueled by biofuel or biofuel blends, please identify the vendor supplying the fuel



ENGINE/EQUIPMENT DESTRUCTION CERTIFICATION WORKSHEET
California Air Quality – CPS 372 Combustion System Improvement
USDA Natural Resources Conservation Service

This worksheet serves to document that the engine/equipment identified below has been disabled by placing a hole in the block, permanently destroyed by shearing, crushing, or shredding into scrap metal, and properly disposed of as scrap metal at a California facility. No engine, drive-train components, hydraulics, and other essential engine or equipment components were or will be parted-out, used or sold as parts, or used to build or rebuild other engines or equipment. The completed certification worksheet shall be signed and submitted to the NRCS Field Office after destruction and final disposal.

Participant Name:

EQIP Contract Number:

Equipment Manufacturer and Model:

Engine Manufacturer and Model:

Equipment Type:

Engine Model Year:

Equipment VIN:

Engine Serial No.

Equipment Model Year:

Diesel Engine Spark-Ignition Engine

Date engine/equipment was disabled:

Engine/Equipment Owner's Name (Print):

Owner's Signature:

Date:

The engine/equipment identified above were delivered for destruction and disposal at:

Destruction Facility Name:

Address:

City:

State:

Zip Code:

Date engine/equipment was destroyed and scrapped:

The engine/equipment has been destroyed and scrapped.

Destruction Facility Contact Name (Print):

Phone No:

Contact Signature:

Date:

Attach date stamped photographs of the engine/equipment pre- and post-demolition that includes clearly identifiable engine serial number and vehicle identification number.

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Engine Emissions Calculations Worksheet
 California Air Quality – CPS 372 Combustion System Improvement
 USDA Natural Resources Conservation Service

Producer Name: _____

Date: _____

In-Use Engine Emissions Calculations

In-Use Engine: Manufacturer: _____
 Model Year Engine: _____ Fuel Type: _____
 Equipment Type: _____
 Serial Number: _____

	Baseline Emissions	NOx	ROG	PM10	
Rated Brake Horsepower:	_____	_____	_____	_____	bhp
Annual Hours of Operation:	x _____	_____	_____	_____	Hours/Year
Emission Factors:	x _____	_____	_____	_____	g/bhp-hr
Load Factor:	x _____	_____	_____	_____	
Conversion to Tons:	÷ _____	907,200	907,200	907,200	Grams/Ton
Annual Emissions (EE) =	_____	_____	_____	_____	Tons/Year

New Engine Emissions Calculations (Report as zero emissions if electric)

New Engine: Manufacturer: _____
 Model Year Engine: _____ Fuel Type: _____
 Equipment Type: _____
 Serial Number (if available): _____

	New Engine Emissions	NOx	ROG	PM10	
Rated Brake Horsepower:	_____	_____	_____	_____	bhp
Annual Hours of Operation:	x _____	_____	_____	_____	Hours/Year
Emission Factors:	x _____	_____	_____	_____	g/bhp-hr
Load Factor:	x _____	_____	_____	_____	
Conversion to Tons:	÷ _____	907,200	907,200	907,200	Grams/Ton
Annual Emissions (NE) =	_____	_____	_____	_____	Tons/Year

Calculation Results

	NOx	ROG	PM10	
Annual Emission Reductions: (EE) – (NE) =	_____	_____	_____	Tons/Year
Percent Emission Reductions: [(EE – NE) / (EE)] x 100 =	_____	_____	_____	%

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**CALIFORNIA MOBILE ENGINE AND EQUIPMENT
ANNUAL REPORTING WORKSHEET
California Air Quality – 372 Combustion System Improvement**

Reporting Year:	Date:	Contract No:
Participant Name:		
Contact Name:		
Contact Phone No:	Email Address:	
Engine/Equipment Address:		
Equipment/Vehicle Make:	Equipment/Vehicle Model:	
Equipment/Vehicle Model Year:	Vehicle ID Number:	
Engine Make:	Engine Model:	
Engine Model Year:	Engine Serial No:	
Is the equipment in service per the original contract? <input type="checkbox"/> Yes <input type="checkbox"/> No – Please explain:		
Record the total hours from the non-resettable hour meter:		Hours
Percent use within the San Joaquin Valley over the reporting year: <small>(San Joaquin Valley counties are: San Joaquin, Stanislaus, Merced, Madera, Fresno, Tulare, Kings, and the valley portion of Kern)</small>		Percent
Percent use in other counties: <small>(Report each county name and percent use)</small>		
Identify any maintenance performed on the engine/equipment:		
Identify any conditions that significantly affected the annual usage:		
Please complete and return this reporting worksheet to:	USDA Natural Resources Conservation Service Fresno Area Office – Air Quality 1907 N Gateway Blvd, Suite 101 Fresno, CA 95727	Phone: 559-252-2191 Fax: 559-252-5483

General Manual Part 512

Part 512 – Conservation Program Contracting

Table of Contents

Subpart A – General Information

512.0 General

512.1 Required State Actions

512.2 Definitions

512.3 NRCS Responsibilities

512.4 FSA Responsibilities

Subpart B – Conservation Plan Schedule of Operation

512.10 General

512.11 Applicable Conservation Treatment

512.12 Conservation Treatment Already on the Land

Subpart C – Application for Assistance

512.20 General

512.21 Signature Authority for Businesses

512.22 Eligibility

512.23 Submitting Applications

512.24 Processing Applications

512.25 Evaluating Applications

512.26 Status of Applications

512.27 Servicing Unfunded Applications

512.28 Public Access to Data

Subpart D – Cost-Sharing and Incentive Payments

512.30 Methods of Making Cost-Sharing and Incentive Payments

512.31 Developing Average-Cost Data

512.32 Establishing Cost-Share, Incentive Payment, and Recurring Payment Rates

512.33 Maintaining Eligible Practice and Cost Lists

512.34 Use of Other Funds

Subpart E – Contracting

512.40 Participant Responsibilities

512.41 Joint Agreements

512.42 Establishing Conservation Program Contracts in ProTracts

512.43 Components and Assembly of Contract File

512.44 Special Provisions for Conservation Program Contracts

512.45 Contract Period and Limitations

512.46 Signing and Approving Contract Documents

512.47 Numbering and Distributing Contracts

512.48 Servicing Multistate Contracts

Subpart F – Contract Administration

512.50 Modifications

512.51 Modification Procedures

512.52 Destruction of Practices

512.53 Reapplication of Conservation Treatment

512.54 Transfer of Land

512.55 Contract Reviews

512.56 Practice Documentation, Certification, and Quality Assurance

512.57 Canceling and Terminating Contracts

512.58 Recovery of Costs

Subpart G – Conservation Program Payments

- 512.60 Applying for Cost-Share or Incentive Payments**
- 512.61 Applying for Recurring Payments**
- 512.62 Payment Assignments**
- 512.63 TSP Payments**
- 512.64 Disapproval of Payment Applications**
- 512.65 Payments Not Authorized**
- 512.66 Designating Payment Shares**
- 512.67 Partial Payments**
- 512.68 Claims, Collections, and Offsets**
- 512.69 Erroneous and Other Special Payments**

Subpart H – Violations

- 512.70 Handling Contract Violations**
- 512.71 Documenting Potential Contract Violations**
- 512.72 Filing of False Payment Applications**

Subpart I – Fund Management

- 512.80 General**
- 512.81 FFIS Fund Structure**
- 512.82 Fund Management Timeline**
- 512.83 Fund Allocations**
- 512.84 Fund Allocation Changes**
- 512.85 Contract-Level Fund Management**

Subpart J – Exhibits

512.90 Summary of Forms Used

512.91 Sample Letters

512.92 Summary of General Program Eligibility

512.93 Checklist for Six-Part Folder

512.94 Conservation Program Contract – Other Special Provisions

512.95 Conservation Program Contract – Special Provisions for Equal Opportunity

512.96 Example of Servicing Multistate Applications and Contracts

512.97 Indicators of Erroneous Payments

512.98 Program Eligibility Matrices for Individuals, Entities, and Joint Operations

512.99 Guidance for Transferring Contracted Land in ProTracts

Part 512 – Conservation Program Contracting

Subpart A – General Information

512.0 General

A. Overview

This Part sets forth Natural Resources Conservation Service (NRCS) policy for installing conservation treatment under Conservation Program Contracts (CPCs) administered through ProTracts.

B. Purpose of a Conservation Program Contract

The purpose of a CPC is to help a participant install, operate, and maintain a conservation system (steps 8 and 9 of the conservation planning process). The CPC specifies the following:

- (1) **What** conservation practices/activities will be implemented and maintained.
- (2) **Where** conservation practices/activities will be implemented.
- (3) **When** conservation practices/activities will be implemented.
- (4) Program payment amounts and methods of payment for establishing or maintaining conservation practices/activities.
- (5) Opportunities and requirements for modifications.
- (6) Opportunities and requirements for payments.
- (7) Consequences if the participant fails to meet contract requirements.

C. Managing Contracts Through ProTracts

This Part establishes requirements for all program contracts managed through ProTracts. For specific conservation program guidance regarding application processes, program eligibility, ranking, and related program matters, see the appropriate program Part in the Conservation Programs Manual (CPM).

D. Acceptable Contracting Software

ProTracts is the only acceptable software for processing applications and developing and implementing a CPC for the following programs:

- (1) Agricultural Management Assistance (AMA)
- (2) Conservation Security Program (CSP)
- (3) Environmental Quality Incentives Program (EQIP), including Ground and Surface Water Conservation, and Klamath Basin funds
- (4) Wildlife Habitat Incentives Program (WHIP)

E. Implementation Authority of NRCS

The authority for the use of CPCs to implement conservation systems originates from the Commodity Credit Corporation (CCC) Charter Act (Title 15 U.S.C. 714) and Title 16 U.S.C. 590a–f. The CCC Charter Act was amended in 1996 to fund conservation programs and associated activities. The Chief of NRCS may use any and all authorities, facilities, or personnel that are determined necessary or appropriate to carry out such conservation programs with funds available from the CCC.

F. Legal Contracting Responsibilities

- (1) CPCs are legally binding agreements that define the terms and conditions of a contract, including the responsibilities of the participant(s), NRCS, and Technical Service Providers (TSPs), as well as the consequences of violating a contract. (A TSP is not a party to a CPC. TSP responsibilities are derived from the TSP regulations, the agreement for use of and payment for assistance from a TSP, and the arrangement between the TSP and the program participant.) A CPC requires the participant to carry out conservation activities with his or her own resources or through a contractor. However, conservation program rules may require specific assistance be provided by NRCS to ensure that the participant is able to comply with the contract terms and conditions.
- (2) For example, the EQIP rule provides that all conservation practices must be carried out in accordance with the Field Office Technical Guide (7 CFR §1466.9(a)). In order for a participant to be able to comply with the requirement, NRCS must make the appropriate standard and specifications available in a reasonable period of time. The regulation also requires that a participant begin implementation of at least one financially assisted conservation practice within the first 12 months of the contract period (7 CFR §1466.21(c)). To help a participant comply with this term and condition, NRCS must ensure the participant has all designs, standards, and specifications for implementing the required conservation practices. In addition, NRCS retains approval authority for all designs, specifications, and implementation of the financially assisted conservation practices (7 CFR §1466.11(d)). Thus, NRCS must review all materials designed by someone other than NRCS in a reasonable period of time in order to fully comply with the contract condition.
- (3) NRCS employees must provide participants a copy of all signed and dated documents following CPC approval. This includes—
 - (i) Conservation Program Application (Form NRCS-CPA-1200)
 - (ii) Contract (Form NRCS-CPA-1202)
 - (iii) CPC Appendix
 - (iv) Conservation Plan Schedule of Operations (Form NRCS-CPA-1155).
- (4) Other recommended references to help participants understand their obligations include—
 - (i) Job sheets and/or the standards and specifications for conservation practices included within a contract.
 - (ii) The applicable program regulation (available in the program manual or on the Web).
 - (iii) State or locally developed fact sheets that explain terms, conditions, and other program requirements.

G. Technical Assistance for Contracts

NRCS, based upon available funding, must provide technical assistance within a reasonable period of time when requested to develop plans, to provide designs, standards, and specifications, and to install scheduled conservation practices and activities. Failure to provide the assistance requested in a reasonable period of time can result in an NRCS breach of the terms and conditions of the contract. Participants are encouraged to use assistance available from other Federal and State agencies and private sources including TSPs that are properly registered through TechReg. It remains the responsibility of the participant to request technical assistance in a timely manner to allow for scheduling of the assistance and application of the practice within the parameters of the CPC.

H. Payments

Conservation payments are made to participants upon satisfactory completion of installation or maintenance of the conservation practices or activities or identifiable components of practices or activities. A conservation practice or activity generally may not be cost-shared through more than one NRCS program on the same land. (See section 512.22 E.)

I. Internal Revenue Service Reporting

Payments made to participants under Conservation Program Contracts are reported to the Internal Revenue Service (IRS) on form 1099-G by the National Finance Center (NFC). Section 126 of the Internal Revenue Code of 1954, as amended (Title 26 U.S.C. 126), provides that certain payments made to persons under conservation programs may be excluded from the recipient's gross income for Federal income tax purposes. Information on the eligible conservation programs is in IRS Publication 225 (Farmer's Tax Guide under "Soil and Water Conservation Expenses"). NRCS employees are not authorized to advise CPC participants on the tax implications of conservation payments.

J. Amendments to this Manual

A copy of all State amendments to this Part must be submitted to the Deputy Chief for Programs for review. State amendments must not be in conflict with or less restrictive than the statutory or regulatory program provisions. The final version of all State amendments must be submitted to the Deputy Chief for Management for posting in the electronic directive system.

K. Waivers to National Policy

For unusual situations and special conditions, a written request for a waiver to the policy in this Part must be sent to the Deputy Chief for Programs. The request must provide adequate rationale for the policy waiver request. All requested actions must be consistent with applicable statutes and regulations. A copy of the approved policy waiver or reference to its location will be maintained in the contract file.

512.1 Required State Actions

Each State Conservationist is required to—

- (1) Develop a process for evaluating applications in accordance with each program regulation using those procedures included in each specific Part of the CPM.
- (2) Establish program subaccounts and allocations within ProTracts for each program consistent with the programmatic allocation policy in the respective CPM. (See Subpart I.)
- (3) Monitor and manage program allocations and accounts. (See Subpart I.)
- (4) Determine methods of cost sharing. (See section 512.30.)
- (5) Develop average-cost data. (See section 512.31.)
- (6) Establish cost-share rates. (See section 512.32.)
- (7) Review and update the list of eligible conservation practices or activities and cost data. This material will be posted on the state's web site and in the electronic Field Office Technical Guide (eFOTG), and it will be uploaded in the Customer Service Toolkit and ProTracts. (See section 512.33.)
- (8) Designate responsibilities for developing, approving, and administering contracts; making payments; and assigning appropriate permissions in ProTracts. (See section 512.3.)
- (9) Provide State guidance on assembling contract files. (See section 512.43.)

512.2 Definitions

Refer to CPM Part 502 for the definition of terms related to Conservation Program Contracts.

512.3 NRCS Responsibilities

A. Contracting Permissions

The State Conservationist delegates contracting responsibilities by setting appropriate permissions in ProTracts. Typical permissions are as follows:

Typical ProTracts Permission Assignment	Typical Activities in ProTracts include— *
State Office Roles	
State Conservationist	Sign contracts, approve modifications, approve payments, cancel or terminate contracts, access ProTracts to generate reports, and monitor programs.
State Program Manager	Control permissions, establish sub-accounts, allocate program funds to counties through ProTracts, cancel or terminate contracts, access ProTracts to generate reports, and monitor programs; manage ranking criteria and develop, edit, copy, or delete ranking tools from the Application Evaluation and Ranking Tool (AERT).
State Coordinator	Add and manage applications, develop and manage contracts, certify practices, calculate payments; manage ranking criteria and develop, edit, copy or delete, ranking tools from AERT.
Contract Specialist	This role is typically assigned to state office administrative and financial management personnel. This role can be established for state level or second level reviewers. Grant access to view funds, manage applications, view cost lists, and manage contracts. The permission does not allow for the approval of applications, contracts and payments. It serves as a read only access to ProTracts.
Field Office Roles	
Field Office	Add applications, develop and manage contracts, certify practices, calculate payments; evaluate and rank applications in AERT.
Field Office Manager	Add and manage applications, develop and manage contracts, certify practices, calculate payments, and select applications for funding; evaluate and rank

Typical ProTracts Permission Assignment	Typical Activities in ProTracts include— *
	applications in AERT.
Designated Conservationist	Upload cost lists, add applications, develop and manage contracts, certify practices and calculate payments, select applications for funding, sign contracts, approve modifications, approve payment requests; evaluate and rank applications in AERT
Program Specialist	Review cost information, applications, and contracts; select applications for funding; re-allocate funds; sign contracts; approve modifications; manage ranking criteria and develop, edit, copy, or delete ranking tools from AERT.
Area Zone Manager	Generate reports, monitor program activities, sign contracts, and approve modifications.
Affiliate Field User	This role mirrors the approvals granted at the Field Office role designation. If Affiliate Field User roles are being granted within the state, verify the field office roles are appropriate for the affiliate and program. Add applications, develop and manage contracts, certify practices, calculate payments; evaluate and rank applications in AERT.

*Role permissions may be customized through ProTracts to match a State’s protocol for program delivery. Role permissions may also be delegated differently by program. Affiliated permission roles are also available. Affiliates are "non-employees" who perform services for NRCS, act on the behalf of NRCS, or whose duties involve interaction with NRCS. Often, an affiliate is a business or organization, with the affiliation established through a contract or agreement. Employees/members of that organization then perform the services as an extension of the organization.

The following list is representative of the various types of affiliates recognized by NRCS: Contractors; Conservation District Employees; RC&D Employees; State & Local Government Employees; Volunteers; Other Federal Agency Employees. Affiliates are limited to Field Office Role permissions in ProTracts.

B. Separation of Duties for Certification

In assigning permissions, the State Conservationist will assure separation of duties for approving payment applications in ProTracts and approving payments in the Foundation Financial Information System (FFIS). This requires at least two levels – the payment request level and one review level (typically an administrative level above the payment request level). Employees who are authorized to approve payment applications in ProTracts will not have access to FFIS where payment is certified and approved. This designation of separate approving officials for ProTracts and FFIS constitutes the second-level of review. One person will not have approving authority access in both systems.

C. Training and Quality Assurance

The State Conservationist is responsible for training and quality assurance for all aspects of contract administration.

D. STC Responsibilities

- (1) The State Conservationist will—
 - (i) Establish practice cost-share and incentive payment rates.
 - (ii) Based on funding, provide authorized technical assistance, including but not limited to the following:
 - Obtain basic information.
 - Prepare drawings, designs, and specifications.
 - Perform practice layout.
 - Inspect practice installation.
 - Certify practice completion.
- (2) Maintain active contract records in ProTracts.
- (3) Maintain the following records for expired, canceled or terminated contracts in accordance with General Manual Title 120, Part 408:
 - (i) Contract number.
 - (ii) Legal description.
 - (iii) Cost-share payments issued.
 - (iv) Date of expiration, cancellation, or termination.
- (4) Pay participant(s) the NRCS share of total cost when:
 - (i) The practices/activities are checked and certified as meeting NRCS standards.
 - (ii) The participant has furnished required certifications and statements of cost for materials and copies of contractor's invoices when practices are cost-shared on the basis of an actual not-to-exceed average or an actual not-to-exceed maximum amount.
 - (iii) It has been verified that the participant is eligible to receive USDA benefits.

512.4 FSA Responsibilities

A. Maintaining Customer Records

- (1) The Farm Service Agency will maintain USDA customer records relating to the following certifications:
 - (i) Highly Erodible Land Conservation and Wetland Conservation (Form AD-1026), and
 - (ii) Adjusted Gross Income (Form CCC-526)
- (2) ProTracts will access these records by a Web service link to the FSA subsidiary files. Using the customer SCIMS identification number, this information may also be viewed at: <https://indianocean.sc.egov.usda.gov/Subsidiary/>. Additional information about the certification records maintained by FSA is contained in FSA Handbook 3-PL.

B. Member Information

FSA also maintains member information about entities and joint operations. For CPC applicants that are not currently FSA customers, NRCS will collect member information using form CCC-501A. Additional information about the use of this form is contained in FSA Handbook 1-PL.

C. Use of FSA Forms

- (1) Other forms issued by FSA and authorized through this Part for prior year contracts as identified below include the following:
 - (i) Form CCC-36—Assignment of Payment (Refer to FSA Handbook 1-CM) – 2006 and earlier.
 - (ii) Form FSA-211—Power of Attorney (Refer to FSA Handbook 1-CM) – 2005 and earlier.
- (2) FSA is not responsible for providing guidance to NRCS employees on the use of these forms.

D. Handling Appeals

FSA County Committees may receive appeals for NRCS programs as described in [CPM, Part 510](#) and in accordance with the NRCS appeals regulation, 7 CFR 614. Participants may, however, appeal directly to the National Appeals Division (NAD).

Part 512 – Conservation Program Contracting

Subpart B – Conservation Plan Schedule of Operation

512.10 General

A. Basis for the CPC

The basis for a Conservation Program Contract (CPC) is an up-to-date conservation plan documented in the Customer Service Toolkit (CST). The conservation plan describes the conservation practices or activities to be implemented, timing of implementation, location, estimates of payments, conservation and environmental purposes to be achieved, and operation and maintenance required for the life of the practice or activity. All program contracts will be initiated in ProTracts with an upload from CST.

B. Conservation Planning References

Technical and policy references guiding development of conservation plans include the following:

- (1) [National Planning Procedures Handbook \(Title 180, Part 600\)](#)
- (2) [General Manual Title 180, Part 409](#)
- (3) [General Manual Title 190, Part 410](#)
- (4) [Field Office Technical Guide \(eFOTG\)](#)
- (5) [National Food Security Act Manual \(NFSAM\)](#)
- (6) [Conservation Programs Manual \(Title 440, Part 500 - Locally Led Conservation\)](#)

C. Communication of Participant Responsibilities

The State Conservationist will identify and clearly communicate participant responsibilities for complying with all applicable program or regulatory requirements. The NRCS development or acceptance of a conservation plan will not constitute compliance with program or regulatory requirements administered or enforced by another agency.

D. Permitting

The participant is responsible for obtaining all necessary Federal, State, and local permits to perform the planned work and for furnishing necessary land rights and water rights. NRCS may provide technical assistance to the participant in accordance with specific NRCS conservation program policy. The participant will certify to accepting the responsibility for acquiring all permits, land rights, and water rights by signing the CPC Appendix.

E. Compliance with the CPC Appendix

The applicant must comply with all provisions of the CPC Appendix.

F. Program Requirements

The contract must meet all of the requirements for the specific NRCS conservation program before it can be accepted and approved.

512.11 Applicable Conservation Treatment

A. Compatibility with a Planned Resource Management System

The conservation treatment included in a conservation plan must be compatible with the planned resource management systems.

B. Technical Requirements for Conservation Treatment

Conservation treatment includes any practice that meets program criteria and is listed in the National Handbook of Conservation Practices with an approved standard in the applicable eFOTG. All eligible practices are listed on the applicable cost list described in section 512.33.

C. Planning Conservation Practices

Conservation practices must be planned, applied, and maintained in accordance with the approved practice specifications on file in the eFOTG or meet the requirements approved by the authorized NRCS official.

D. Practice Life span

Conservation practice life spans are established and maintained in the [Conservation Practice Standards \(CPS\) web application](#). All conservation practices established through a CPC will be maintained for the established life span. Operation and maintenance (O&M) must be included for each practice with O&M requirements. This can be incorporated as part of the practice narrative or through a separate O&M plan, as necessary. The life span of a practice may extend beyond the length of the program contract. The practice life span is defined as the time period in which the conservation practices are to be used and maintained for their intended purposes as defined by NRCS technical references.

512.12 Conservation Treatment Already on the Land

Compatible conservation practices or components thereof established before entering into a contract will be used to the extent practical in combination with planned conservation treatment. Maintenance of the existing practices necessary to meet the objectives of the program will be included as part of the conservation plan. A contract does not relieve participants of their obligation to maintain practices previously installed with assistance from NRCS or other agencies.

Part 512 – Conservation Program Contracting

Subpart C – Application for Assistance

512.20 General

A. Application Forms

Program application forms (NRCS-CPA-1200) are available in NRCS field offices, conservation district offices, and on the Internet. Submit e-form applications in accordance with the instructions found at <http://www.sc.egov.usda.gov>.

B. How to Apply

- (1) To apply, applicants must submit a signed and dated Form NRCS-CPA-1200, Conservation Program Contract Application, to the local NRCS office.
- (2) All applicants should receive a copy of the following documents:
 - (i) CPC (Form NRCS-CPA-1202).
 - (ii) CPC Appendix.
 - (iii) State or locally developed fact sheet or other materials that emphasize key terms and conditions within the CPC Appendix (e.g., not starting a conservation practice until the contract has been signed by the NRCS Approving Official).

C. Certifications Required

- (1) Before NRCS can proceed further, the applicant must be established in the Service Center Information System (SCIMS) and have the following certifications completed and filed at the USDA Service Center:
 - (i) Form AD-1026—Highly Erodible Land Conservation and Wetland Conservation (HELWC) Certification.
 - (ii) Form CCC-526—Adjusted Gross Income (AGI) Certification.
 - (iii) Form CCC-501A—Member’s Information (for entity and joint operations only).
 - (iv) Signature authority of an individual requesting benefits for an entity or joint operation. (See section 512.21.)
- (2) Through a memorandum of understanding, FSA will work with customers to gather additional information, if needed to complete the SCIMS record. Using the above information FSA will establish the specific business type for the joint operation or entity. Joint operations exist where each member/partner shares direct liability/responsibility for the partnership. For joint operations the eligibility information of each individual is transferred to the joint operation identification.
- (3) Entities differ from joint operations. Each member of a joint operation maintains a separate eligibility standing from the entity. The individual member eligibility does not impact the entity, nor is the entity eligibility transferred down to the members. However, the member’s AGI eligibility and EQIP payment limitation is passed to the entity based upon the member’s share of the entity. Refer to section 512.98 for program eligibility matrices for individuals, entities and joint operations.

Note: If these certifications are not available, NRCS will advise the applicant of additional filing requirements using the letter (Program Eligibility Certification) found in Exhibits, section 512.91 A. The application will remain in the “Pending” status until these certifications are completed and recorded by FSA. Application evaluation and ranking will not occur until applicant eligibility is determined.

D. Review of Applications

The Designated Conservationist is responsible for reviewing applications for completeness and consistency with individual or business information maintained in the Service Center Information Management System (SCIMS) before recording applicant data in ProTracts. Applications will be serviced on the basis of the sign-up and evaluation cutoff dates, the Application Evaluation and Ranking Tool (AERT) criteria determined for each program (not applicable to CSP), the availability of program funds, and other requirements as specified for the program.

512.21 Signature Authority for Businesses

A. Authorization for Joint Operations and Entities

Each joint operation or entity must authorize someone to act on its behalf to sign the application, contract, payment request, or other administrative documents. The Farm Service Agency (FSA) has agreed to give NRCS a copy (upon request) of all documents supporting existing entity or joint operations currently on file at the Service Center.

B. Signatory Verification

NRCS will accept any of the following to verify an authorized signatory:

- (i) A copy of the corporate charter, bylaws, court orders of appointment, trust agreement, last will and testament, or articles of partnership clearly designating who has signature authority for the entity or joint operation.
- (ii) A notarized Power of Attorney on Form NRCS-CPA-09 that provides signature authority for an individual to represent an entity or joint operation for all administrative actions associated with a program application and/or contract. (See Exhibits, section 512.90.)
- (iii) A Power of Attorney filed with FSA using Form FSA-211 that provides signature authority for the entity or joint operation for all administrative actions (for EQIP contracts obligated before October 1, 2005).
- (iv) Appropriate delegation from state or local government official having legal authority to obligate the unit of government. This may be in letter form on official letterhead. If the authority is being delegated to a subordinate, the delegation letter must also include the original signature of the designee accepting the delegation.

C. Local FSA Office Requirements

The local FSA office may require additional identification or signature authorities from an NRCS program applicant before processing Forms AD-1026, CCC-526, and CCC-501A.

512.22 Eligibility

A. Who May be Eligible

A contract may be entered into with one or more participants having control of a land unit for the contract period. The participant will self certify control of the land unit and relationship (owner/operator) on Form NRCS-CPA-1200 at the time of application. This certification will be reviewed before fund obligation. If control of the land unit is unclear, a participant must furnish evidence of control satisfactory to NRCS. Control means possession of the land by ownership, written lease, or other legal agreement.

Where the specific program regulation allows, the State Conservationist may waive this requirement in unique cases where a written lease is not customarily used.

B. Applicant's Status

The applicant's status as owner or operator is to be shown on the application. The applicant will also self-certify whether he or she is a limited resource producer or beginning farmer/rancher as appropriate for the program.

- (1) NRCS employees may become CPC participants and receive payments. However, they must follow the ethics guidance contained in [General Manual Title 110, Part 405 \(Subpart G\)](#).
- (2) Conservation District employees are subject to the ethics requirements specified in the approved Cooperative Working Agreement between NRCS and the Conservation District.

C. Other Eligibility

Land and applicant eligibility verified manually is identified on the ProTracts Participant Information Screen as "Other Eligibility." Each conservation program has specific requirements that are contained in the respective program regulation or program Part of the CPM. Web address links for program eligibility requirements are in Exhibits, section 512.92.

D. Basic Eligibility Requirements

Basic eligibility requirements include the following:

- (i) A person who is determined ineligible for USDA program benefits under the HELC and WC provisions of the Food Security Act of 1985 will not be eligible to participate in applicable programs or receive any payments for the crop year that the person is found ineligible and, for HELC, all subsequent years that the person remains ineligible. For violations of the WC provisions, a person will not be eligible for participation in or receive benefits for the year of the conversion and all subsequent years. ProTracts will verify this determination before contract obligation and before each payment.
- (ii) A person or entity is not eligible if the three-year average adjusted gross income (AGI) exceeds \$2.5 million with less than 75 percent derived from farming, ranching, or forestry-related sources at the time of application. Individuals determined ineligible may re-apply in subsequent years if their income status changes. This determination is required before the application is promoted to "eligible" status and verified at contract obligation. Once the contract is obligated, AGI will not be re-evaluated during the term of a contract.
- (iii) Producer eligibility requirements will be verified in ProTracts prior to an application being promoted from pending to eligible status. ProTracts will use the SCIMS business type to test the eligibility records for HELC, WC, and AGI compliance using the FSA Subsidiary web service; and payment limitations/other eligibility through the NRCS Fund Manager. Refer to Exhibits, section 512.98 for program specific eligibility matrices.
- (iv) Applicants must comply with the provisions for protecting the interests of tenants and sharecroppers, including the provisions for sharing payments on a fair and equitable basis. This determination is applicable before contract obligation and to all owner/operator changes during the term of the contract.

E. Eligibility Relationships among USDA Conservation Programs

Program	Relationship
EQIP (CPM, section 515.52)	Land currently enrolled in other USDA programs is ineligible to receive cost-share payments or other benefits under EQIP for the same practice on the same land.
AMA (CPM, sections 521.40 & 41)	Land under other conservation programs that provide payments is eligible, if AMA is being used to— <ul style="list-style-type: none"> • Treat a different resource concern. • Provide a higher or improved level of treatment for a similar resource concern than obtained with the other conservation program.
WHIP (CPM, section 517.22)	Land currently enrolled in the following programs is ineligible: <ul style="list-style-type: none"> • Water Bank Program (WBP) • Emergency Watershed Program (EWP) on land that is subject to floodplain easement • Conservation Reserve Program (CRP) • Wetlands Reserve Program (WRP) • Grassland Reserve Program (GRP) Exception – The State Conservationist may fund a WHIP contract along with a GRP contract if both the following requirements are met: <ul style="list-style-type: none"> • Wildlife habitat is the primary resource concern, and • The GRP contract is for an easement.
CSP (CPM, section 518.42)	Land currently enrolled in the following programs is ineligible: <ul style="list-style-type: none"> • Conservation Reserve Program (CRP) • Wetlands Reserve Program (WRP) • Grassland Reserve Program (GRP)

F. Treatment of Tribal, Tribal Venture, Alaskan Native Corporations, and Trusts involving the Bureau of Indian Affairs (BIA)

A unique situation occurs in contracting with Tribes and related corporations and trusts. The following provides eligibility requirements and ProTracts processes:

- (1) Payment limitations are only applicable to EQIP. ProTracts will not be used to maintain a payment limitation record for EQIP participants categorized as SCIMS business types of Indians Represented by the Bureau of Indian Affairs, Indian Tribal Ventures, or Alaska Native Corporations. State Conservationists must continue to maintain an alternate process as outlined in section 515.61E to document compliance with the \$450,000 payment limitations. Fund Manager report “FFIS Financials Payment Limitation Summary by Contract Participant” may be accessed by approved FNM staff for tracking the applicable payment records.
- (2) HELC, WC and other eligibility requirements for Indians Represented by the Bureau of Indian Affairs, Indian Tribal Ventures, and Alaska Native Corporations will be enforced for new contracts beginning in FY 2007. Indian Tribal Ventures and Alaska Native Corporations are exempt from AGI eligibility determinations. ProTracts warnings will continue when eligibility cannot be determined on prior-year contracts. See Exhibits, section 512.98 for additional guidance.

512.23 Submitting Applications

A. Submitting Applications

- (1) All applications must be submitted to NRCS using Form NRCS-CPA-1200. It is to be signed and dated by the applicant(s). The minimum area for an application is a field. If a program request is received by telephone, fax, e-mail, or letter, the NRCS representative will manually prepare Form NRCS-CPA-1200 by entering or noting, as applicable, all of the following:
 - (i) Name of applicant.
 - (ii) Date request was received.
 - (iii) How request was received (attach a copy of the original submission by the applicant).
- (2) When applications are received by means other than hard copy, the program applicant remains responsible for verifying NRCS has received, accepted, and properly recorded their application for consideration. Applicants may request and receive a photocopy of their completed application with NRCS date stamp, or other means of identifying receipt.

B. Request for Signatures

For unsigned applications and applications received by fax, NRCS will ask the applicant to come to the office or otherwise make arrangements to sign and date the application.

C. Starting Practices Included in the CPC

- (1) Practices started or completed before CPC approval are not eligible for cost-share or incentive payments in accordance with the applicable program regulation and the CPC Appendix. Starting a practice before the contract is approved by NRCS causes an applicant to be ineligible for financial assistance for that practice unless a waiver has been granted by the State Conservationist. Waivers may only be considered for applications that meet all eligibility requirements described in section 512.24. Applicants may request that the State Conservationist or designee grant a waiver of this provision, in special cases and for meritorious reasons, if the practice has not been started when the waiver was applied for. Meritorious reasons may include the following:
 - (i) Alleviation of imminent and significant environmental problems.
 - (ii) Prevention of endangerment to life or property.
 - (iii) Seasonal weather constraints.
- (2) For a producer to remain eligible, the waiver must be granted after application for the program has been made but before starting the practice, otherwise the producer is considered to be ineligible to receive financial assistance for the conservation practice. This waiver will expire on a date as determined by the State Conservationist but no later than September 30 of current fiscal year. NRCS will inform applicants who have been granted a waiver that this waiver does not guarantee contract approval and that they may be ineligible to receive payments if either the applicant or practice does not meet all NRCS requirements. See Exhibits, section 512.91 E for a “Waiver to Begin a Conservation Practice” letter.

512.24 Processing Applications

Upon receipt of an application for program assistance, the Designated Conservationist (DC) will check the application for completeness and accuracy. If any information is missing or

items in the application need further clarification, the application is to be returned to the applicant with instructions for completing any missing or incomplete items. Once the application is complete, the DC will perform the following:

- (1) Enter all required application data into ProTracts (application status is “pending” in ProTracts).
- (2) Confirm “other eligibility” requirements (e.g., control of land for the contract period) have been met by the participant and document in the Participant Information Screen of ProTracts.
- (3) ProTracts will use the SCIMS and tax identification numbers to confirm HELC/WC and AGI compliance through a Web service link to Farm Service Agency (FSA) eligibility files. ProTracts flags for the applicant will be automatically set to match FSA records.
- (4) Applicants without current eligibility determinations processed by FSA will be asked to file the appropriate forms. Exhibits, section 512.91 A provides a letter advising applicants to file certification requests for the current year at the USDA Service Center.
- (5) The Web service link to FSA records will also provide member information (for entities and joint operations) used to develop a payment limitation record for EQIP applicants.
- (6) Applications will remain at the pending status until all participant and land eligibility requirements have been met. NRCS is under no obligation to evaluate or rank an application until these requirements are met. Refer to Exhibits, section 512.20 C for applicant notification of requirements.
- (7) If ineligibility of the land or applicant is confirmed, notify the applicant of this determination and provide appeal rights according to [CPM, Part 510](#). See Exhibits, section 512.91 C for an “Ineligibility Determination for Conservation Program Contract” letter. The application status in ProTracts will be changed to “Ineligible.”

512.25 Evaluating Applications

A. Use of AERT

All timely submitted AMA, EQIP, and WHIP applications (section 512.24) and applications deferred from a previous year (section 512.27) will be evaluated using the Application Evaluation and Ranking Tool (AERT) with criteria developed for each program as described in the Conservation Programs Manual. The AERT is accessed through ProTracts and directly integrated with Conservation Practice Physical Effects (CPPE) and Practice Average Cost in SmarTech. The Conservation Practice Standard (CPS) application is also coupled with these applications.

B. Responsibilities

The State Conservationist with advice from the State Technical Committee and/or local work groups will develop a ranking process to prioritize the applications for funding which addresses priority natural resource concerns.

C. Evaluating Applications

The evaluation process may include:

- (1) Using a screening process to sort applications into high, medium, or low priority.
- (2) Defining an acceptable package of practices for a conservation system that meets quality criteria for various resource concerns

- (3) Defining a threshold level for high priority applications. Thresholds will be based on definitive target levels or benchmark conditions defined for a particular natural resource concern.

D. Application Funding

The State Conservationist or Designated Conservationist will periodically select for funding the highest ranked applications based on applicant eligibility and the NRCS ranking process.

E. Managing Applications

All applications received and determined eligible at the close of the announced program evaluation period must be included in the AERT and on the ranking lists. If a screening tool is used, those applications receiving high enough priority to be ranked will be included in the AERT. The program specific ranking list at the end of each ranking period will be memorialized in hard copy, filed, and retained in the appropriate case file according to General Manual Title 120, Part 408.

512.26 Status of Applications

ProTracts users will manage applications according to the delegations outlined in section 512.03. The following application status categories are available in ProTracts:

Status	Definition, Impacts, and Related Information
Draft	An application status automatically set when a user opens the “Add New Application” module.
Pending	An application status automatically set after the location of the land being offered has been specified and the applicant information has been entered and saved in ProTracts. This status will result in the generation of the letter shown in Exhibits, section 512.19 A if eligibility determinations are not complete according to sections 512.22 C through E. Upload from the Customer Service Toolkit (CST) is not permitted for this status.
Eligible	An application may be manually set to eligible when it has a participant, county, and application number; is pending in ProTracts; and the criteria for “Other Eligibility” as referenced in the ProTracts Participant Information Screen, and HELC/WC and AGI requirements have been met. NRCS is under no obligation to evaluate and rank applications until they have achieved this status. All eligible applications received by the close of the evaluation period will be ranked for funding. Upload from CST is permitted for this status.
Pre-Approved	An application has been tentatively selected for funding based on an estimated contract cost, but the applicant has not confirmed his/her contract interest. This status is set manually and triggers the letter

	shown in Exhibits, section 512.91 D. Upload from CST is permitted for this status. This status is not applicable to CSP.
Approved	An application status chosen after an application has been selected for funding and participant(s) interest has been confirmed. This status is set by ProTracts users with permission to select an application for funding. This action causes the contract cost to be reserved in the ProTracts ledger (fund commitment) but not transacted to FFIS. The approver's electronic signature will be displayed on the CPC (Form NRCS-CPA-1202). Banking information will be established for generating the vendor record prior to promoting to this level. This action will record a commitment on the ProTracts ledger and reduce the balance available for application approval. Upload from CST is permitted for this status.
Ineligible	An application is not eligible for the program based on one or more of the eligibility criteria shown in the ProTracts Participant Information Screen. This flag is set manually by the user and triggers the letter shown in Exhibits, section 512.91 C. Upload from CST is not permitted for this status.
Disapproved	An application was not selected for funding. This status is set manually by the user. This category is unique to CSP applications that were determined eligible but not funded due to insufficient program funding. For all other programs the status will be either deferred or cancelled.
Canceled	Reflects an applicant's request to cancel an application after all NRCS funding decisions have been made for a fiscal year. It is set manually by users with permission to cancel applications.
Deferred	An application was not chosen for funding but remains as an active application for the next funding period. Deferred applications can be promoted to the next fiscal year. This action resets the contract year, contract number, fund code, cost list, and AERT data; and contract items are removed from the application. This status is set by users with permission to defer applications and triggers the letter shown in Exhibits, section 512.91 B. This status is not applicable to CSP.

512.27 Servicing Unfunded Applications

At the end of each program funding period, unfunded applications (except those for CSP assistance) will be deferred to the next funding period and will be changed to "Deferred" status in ProTracts. A deferral letter (Exhibits, section 512.91 B) will be sent to the applicant notifying the applicant of options to continue as is, modify the application, or cancel the application. All retained or modified applications will be promoted by the Designated Conservationist to the next fiscal year. CSP applications will be disapproved with appropriate notification letter (Exhibits, section 512.91 I) sent to the participant.

NOTE: An application for any deceased person may be canceled by the Designated Conservationist. Family members wishing to continue the application should sign a new application.

512.28 Public Access to Data

A. Access to CPC Data

Information about CPC applicants is generally not released to the public because individual privacy rights must be protected. The Freedom of Information Act (FOIA), Privacy Act, and Section 2004 of the Farm Security and Rural Investment Act of 2002 permit the Government to withhold certain information. Refer to [General Manual Title 120, Part 408](#) for NRCS policy regarding the FOIA and Privacy Act. The following information about CPC **applicants** shall not be released:

- (i) Names
- (ii) Addresses
- (iii) Telephone numbers
- (iv) Social Security or Tax Identification Numbers
- (v) Amount of Federal funds requested

B. CPC Applicant Information

Aggregate or statistical information about CPC applications may be described in news releases, Web sites and other tools used to inform the public.

C. CPC Participant Information

When a CPC applicant becomes a participant (the applicant and NRCS Approving Official have signed the CPC), additional information is available for release. The following information about CPC **participants** may be released through FOIA request:

- (i) Names
- (ii) Limited address—State, city, and/or county*
- (iii) CPC obligation amount

*Additional restrictions about the release of address information apply to some corporate and nonprofit business types. Consult [General Manual Title 120, Part 408](#) for more guidance.

Part 512 – Conservation Program Contracting

Subpart D – Cost-Sharing and Incentive Payments

512.30 Methods of Making Cost-Sharing and Incentive Payments

A. Basis for Cost-share Payments

- (1) Cost-sharing in CPC agreements obligated after September 30, 2006, will be based on the following:
 - (i) Average cost – AC
 - (ii) Flat rate – FR
 - (iii) Actual Not-to-Exceed a Specified Maximum – AM (Available only for Technical Service Provider Not to exceed payment rates, e.g., code 900 practices.)
- (2) Actual cost, not to exceed the average cost (AA) and actual cost, not to exceed a specified maximum cost (AM) methods of cost sharing may be present in fiscal year 2006 and earlier contracts. These methods are not available for contracts initiated during fiscal year 2007 and later.

B. Selecting the Method for Cost-Sharing

When developing the cost list for eligible practices/activities, select the method using the table in section 512.30 (D). The cost list will be developed using the average-cost method for cost-shared practices and the flat-rate method for incentive practices/activities and recurring payments.

C. Cost Caps

“Cost caps” are another tool for limiting the cost-share amount for a practice. Cost caps are available and applied only at the practice level in ProTracts for achieving one of the following:

- (1) Limit practice cost to a fixed amount regardless of the participant’s cost.
- (2) Impose a regulatory payment limitation for a conservation activity such as historical stewardship.

D. Cost-Share Method Summary

The appropriate use for each cost-share method is summarized as follows:

Symbol	Method	Appropriate Use
AC	Average Cost	<p>Average costs will be developed for each practice or component of a practice identified as eligible for financial assistance.</p> <p>Average costs will be developed at a State, county, watershed, or other defined area within a State and will be approved by the State Conservationist. The rates will be developed at the highest administrative level possible.</p> <p>For practices common across multiple programs, the practice components, units, and average unit costs will be uniform among NRCS programs in a State or other designated area and updated annually or more often, as necessary.</p>

AA	Actual, not to exceed an Average cost	<p>Not available for contracts obligated after September 30, 2006. The actual cost not to exceed average cost method will be used if—</p> <p>The participant can buy materials and services in quantity at discount prices below the average costs allowed for average size jobs. This applies particularly to unusually large jobs subject to competitive bids, such as those frequently scheduled under joint agreements.</p> <p>It is likely the cost of materials and services will go down sufficiently resulting in a windfall payment to the participant at an AC rate.</p>
AM	Actual, not to exceed a specified Maximum cost	<p>Not available for financial assistance items in contracts obligated after September 30, 2006. This method is only authorized for contract items (900 series) providing funding for Technical Service Providers (TSP).</p> <p>The actual cost not to exceed a specified maximum method is to be used if:</p> <p>There is insufficient data or it is not feasible to determine reliable average costs for a practice or components.</p> <p>It is not practical or feasible to determine average cost for a practice because of difficulty in measuring quantities.</p> <p>It is determined that a definite upper payment limit is to be imposed on a particular practice or component.</p>
FR	Flat Rates	<p>This method will be used only for incentive payments for land management practices, recurring payments, existing practice payments, practice enhancements, stewardship activities, or to develop a Comprehensive Nutrient Management Plan.</p> <p>The flat-rate method will be used to encourage the adoption of conservation practices where it is difficult to establish the actual cost, to make annual payments for practices/activities that are present when a CPC is signed or modified, or to make payments for historical stewardship.</p> <p>A flat-rate incentive may be used to offset risk associated with a management change or reflect partial compensation for either the purchase or rental of specialized equipment to implement a management change.</p> <p>Flat rates will be uniform among NRCS programs in a county, watershed or other designated area and updated annually, as necessary.</p> <p>Flat rates are usually established on a dollar-per-unit basis.</p> <p>Flat rate payments may be established at a sufficient level to make a one-time payment or multiple years of payment for land management practices. Both single and multi-year payments will</p>

		<p>be based on the specified “period of adoption” as determined by the State Conservationist. See section 512.32 for additional guidance on the use of incentive payments.</p>
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512.31 Developing Average-Cost Data

A. Required Supplements

State Conservationists will supplement this paragraph and/or Section I of the FOTG with lists of eligible practices, practice components, cost-share rates, flat rate payment level, and average unit costs for each NRCS conservation program.

B. Eligible Practices

Eligible practice and cost lists will be developed at the highest administrative level possible and be approved at least annually for all NRCS conservation programs. Eligible practices must be included in the Conservation Practice Standards (CPS) web application and the local eFOTG. All average costs for practices and components will be uniform among NRCS programs within the area covered by the list.

C. Actual-Cost Data Collection

Actual-cost data will be collected on a representative number of jobs for all applicable measures and practices in each State, county, watershed, or other defined area. In determining average costs per practice or component unit, information from suppliers, the Farm Service Agency, the Extension Service, and other sources may be considered in addition to data collected from participants. Cost data may be recorded and summarized on forms NRCS-LTP-154 and NRCS-LTP-155, or other methods as determined by the State Conservationist. Supporting records and data for determining the average cost will be maintained in accordance with the Records Guide located in General Manual Title 120, Part 408. Cost lists will be reviewed at least annually to determine if changes are required. Cost lists will be published annually for all programs. Costs lists can be updated annually or at any time if justified and approved by the State Conservationist. Changes in average unit costs generally will not be made unless actual costs have increased or decreased by 10 percent or more. **Exception:** By statute, the average cost for practices and components established for the Conservation Security Program practice cost share lists must reflect the average cost of practices in 2001.

D. Average Cost Approval

Average cost information will be developed at the State level to the extent practical. All cost lists will be submitted to the State Conservationist for approval. New average costs are effective when approved by the State Conservationist. The State Conservationist will consult with adjacent States to ensure consistency along political boundaries. EQIP cost lists containing cost-share rates greater than 50 percent will be submitted for approval of the Regional Assistant Chief.

512.32 Establishing Cost-Share, Incentive Payment, and Recurring Payment Rates

A. Cost-Share Rates and Payment Types

Cost-share rates (percent) and types of payments (cost-share, incentive, recurring, etc.) may vary among programs. The table below summarizes the maximum cost-share rates and types of payments allowed by program. State Conservationists are responsible for setting maximum cost-share rates within specific program limits for each practice (unless restricted by program policy). Once the cost-share rate is established in a CPC, it will not be changed throughout the life of the contract. Exception: Cost share rates may be raised if the contract is transferred to a limited resource or beginning farmer/rancher, or lowered when another Federal program is contributing to the cost of the practice. The following table summarizes allowable cost-sharing rates and payment types by program:

Program	Maximum Cost-Share Rate	Incentive Payment	Recurring Payment	Maximum Cost-Share Rate for Beginning Farmer and Rancher	Maximum Cost-Share Rate for Limited-Resource Farmer and Rancher
Agricultural Management Assistance (AMA)	75%	Flat Rates	N/A	N/A	N/A
Conservation Security Program (CSP)	50%	N/A	Flat Rates	65%	65%
Environmental Quality Incentives Program (EQIP)	75%	Flat Rates	N/A	90%	90%
Wildlife Habitat Incentives Program (WHIP)	75%	N/A	N/A	N/A	N/A
WHIP Essential Plant and Animal Habitat Contracts	100%	N/A	N/A	N/A	N/A

B. Establishing Incentive Payments

Incentive payments for programs shown in section 512.32 A must be established as flat rate (FR) payments as described in section 512.30 D. Incentive payments are established to encourage adoption of new practices/technology. Incentive payments will be made in an amount and level necessary to encourage a participant to perform a land management practice or develop a Comprehensive Nutrient Management Plan that would not otherwise be initiated without assistance. The following options are available for handling incentive payments:

- (1) Annual Payment—incentive payments for land management practices will be limited to a maximum of three years. These payment rates will be established at the annual rate for payment each year.
- (2) Single payment with a Period of Adoption—the incentive payment is established at a sufficient level to make a one-time payment for a specified “period of adoption” for land management practices. If this method is used, the “period of adoption” will be limited to a maximum number of years as determined by the State Conservationist. The payment will be made for the entire period upon initial implementation of the practice. The period of adoption will be identified in the practice narrative and will not exceed the length of the CPC.

(Example: A producer may receive a one-time only incentive payment upon initial completion of the practice in 2007, and will be expected to annually reapply this practice through FY 2011, for the implementation of a Residue management, no-till system. The payment would be adequate to cover the full five years of implementation with the period of adoption clearly identified in the conservation practice narrative.)

512.33 Maintaining Eligible Practice and Cost Lists

To the extent practicable, State Conservationists will maintain consistency in cost-sharing methods, practice components, rates, and payment levels when eligible practices are offered across multiple conservation programs. Eligible practice and cost lists will be developed and maintained in the eFOTG in the required format for use in ProTracts and the Customer Service Toolkit.

512.34 Use of Other Funds

A. Public or Private Fund Sources

- (1) The participant's share of the cost of installing practices for EQIP may come from other public and private sources without a reduction in NRCS funding, as long as the total financial assistance to be received does not exceed 100 percent of the total practice cost to the participant. If other Federal funds are used on an AMA, CSP, or WHIP contract, the NRCS share will normally be reduced so that total Federal funding does not exceed the applicable program cost-share rate as noted in section 512.32. AMA also requires that total funding from other sources not exceed 100 percent. Refer to the applicable Part of the Conservation Programs Manual for specific program guidance.
- (2) The participant will certify on Form NRCS-CPA-1245 as to the receipt of other Federal funds for the completion of the practice and the amount contributed by the Federal agency. Contributions of materials by Federal agencies will be assessed at the average cost rate for the particular practice or component at the time of installation.
- (3) NRCS field personnel will monitor ProTracts and Fund Manager payment activity across all programs to ensure there are no duplicate payments across NRCS programs.

B. Changing Practice Payment Rates

During CPC development, the payment amount for a practice may be lowered by either reducing the cost-share rate or by applying a payment cap on the practice. For existing

440 – Conservation Programs Manual

contracts, the payment rate may be reduced only by applying a payment cap on the practice through a contract modification.

Part 512 – Conservation Program Contracting

Subpart E – Contracting

512.40 Participant Responsibilities

NRCS requires the participant to—

- (1) Carry out land use changes and conservation treatment according to the CPC.
- (2) Submit to NRCS an application for payment (Form NRCS-CPA-1245), an itemized statement of cost of materials, and copies of contractor's invoices whenever practices are cost-shared on an actual-cost basis (AA or AM) or are required for developing average-cost calculations.
- (3) Permit free access for NRCS and/or its agents to provide technical assistance and to inspect the work at any reasonable time during the life span of the installed practices.
- (4) Forfeit all rights to further payments under the contract, refund to NRCS all contract payments received, pay liquidated damages, and pay interest charges upon termination of the contract according to section 512.58.
- (5) Upon transfer of his or her rights and interest in the land unit during the contract period, forfeit all rights to further payments under the CPC.
- (6) Upon cancellation of the contract, refund to NRCS all payments made under the contract unless the cancellation is due to situations cited in section 512.57 A.
- (7) Maintain the conservation treatment installed on the land unit as provided in the contract for the life span of each conservation practice as identified on the Forms NRCS-CPA-1155 or NRCS-CPA-1156.
- (8) Contract items may be accomplished at anytime prior to the year scheduled or not later than one year after the planned year. Where the provision is used, it will be noted on the next contract review. All required treatment must be installed at least 12 months before the end of the contract period.

512.41 Joint Agreements

Participants may enroll in joint agreements according to guidelines established for each program and described in the applicable Part of the Conservation Programs Manual. All joint agreements will also meet the following requirements:

- (1) Identify responsibilities of each party or member of the agreement. Parties may provide formal documentation of the joint agreement outside of parameters of the CPC. However, NRCS will enforce the joint agreement and administrative actions based on the participants signing the CPC and the shares established to each participant. A signatory indicator check box on the Form NRCS-CPA-1202 contract document will be marked for designating who must sign for modifications and contractual changes in payment shares. Any participant to the CPC may sign the application for payment as long as the payment shares remain as contracted.
- (2) Include specific provisions for installing, operating, maintaining, and replacing conservation improvements that benefit multiple participants.
- (3) Be legally sufficient to bind all agreement participants to comply with its requirements.

512.42 Establishing Conservation Program Contracts in ProTracts

For an application that ranks high enough to be selected for a contract, the Designated Conservationist or others with the appropriate ProTracts permissions will take the following actions:

- (1) Promote the application in ProTracts to “pre-approved” status (Not applicable to CSP. CSP applications will remain at the eligible status until promoted, nationally.)
- (2) Notify the applicant(s) of pre-approval. This notice specifies a response date for the applicant(s) to provide additional information NRCS may need to complete a contract. Each individual or business that expects to receive a payment should also be given Form SF-1199A for establishing an electronic banking record. See Exhibits, section 512.91 D for a “Pre-Approval for a Conservation Program Contract” letter.
- (3) For businesses (entities and joint operations), signature authorities were established at the time Form CCC-501A was filed (as specified in section 512.21).
- (4) Where two or more participants are listed on a contract, they must agree on distribution of contract shares and identify one individual to serve as the contract decisionmaker on Form NRCS-CPA-1202 contract document signature page. The decisionmaker becomes the “point of contact” for correspondence relating to the contract.
- (5) Where two or more participants are listed on a contract, they must acknowledge the signature requirement for modifications on Form NRCS-CPA-1202 contract document signature page. Where the signature block is checked “yes”, subsequent Form NRCS-CPA-1156s will be generated with the signature block for the participant(s). Signatures will be required on Form NRCS-CPA-1156 for all participants checking yes on Form NRCS-CPA-1202.
- (6) Where two or more participants are listed on a contract, they must acknowledge the acceptable signature requirement for payments on Form NRCS-CPA-1202 contract document signature page. Where the signature block is checked “yes”, the participant may sign Form NRCS-CPA-1245 representing all other participants. Form NRCS-CPA-1245 will require a signature from one participant represented on Form NRCS-CPA-1202.
- (7) Finalize the CPC conservation plan schedule (Form NRCS-CPA-1155).
 - (i) If already in ProTracts, verify and approve the contract.
 - (ii) If not in ProTracts, upload it from “Toolkit”; verify and approve the contract.
 - (iii) Single incentive payments that cover a period of adoption, verify the practice narrative specifically identifies the number of years the practice will be annually reapplied. ProTracts will allow the item to be scheduled for payment the initial year of adoption, only. The “out-year” requirements must be captured in the practice narrative.
- (8) Establish the following records for each contract participant and assignee receiving a payment:
 - (i) Vendor code information.
 - (ii) Electronic banking information on Form SF-1199A.
 - (iii) The vendor code information is required in ProTracts when an application is being changed to the “Approved” status.
- (9) Print Form NRCS-CPA-1202 and the CPC Appendix. Obtain signatures from each participant receiving a payment share for the contract. A participant may sign with zero share and acknowledge acceptable signature for payments (e.g., spouse signature).

- (10) Obligate funds by electronic signature of the NRCS Approving Official in ProTracts.

512.43 Components and Assembly of Contract File

A. Filing Contract Documents

Contract documents will be filed in the field office with the participant's case file. State Conservationists will supplement this section to clarify filing requirements within each state (e.g., type and location of the official file). A record of the following materials is required. If not included as hard copy in the case file, a cross reference notation will be included:

- (1) Application for program participation, Form NRCS-CPA-1200, including any attachments.
- (2) Joint agreement, if any.
- (3) Form NRCS-CPA-1202 with original signatures.
- (4) Conservation Plan Schedule of Operations (Form NRCS-CPA-1155).
- (5) Plan map and legend.
- (6) Location map.
- (7) Soil map and legend.
- (8) CPC Appendix with original signatures.
- (9) All contract modifications (Form NRCS-CPA-1156) that require participant(s) signature.
- (10) Form CCC-501A for businesses along with documents supporting signature authority of the business representative (only in cases where the applicant is not an FSA customer).
- (11) Power of Attorney (Forms NRCS-CPA-09 or FSA-211), or related documents supporting signature authority.
- (12) Forms SF-1199A or NRCS-FNM-60 with original signatures of participants receiving a payment.
- (13) Job sheets referenced from the Conservation Plan.
- (14) Worksheets referenced from the Conservation Plan.
- (15) Contract Reviews (Form NRCS-CPA-13).
- (16) Application for payment (Form NRCS-CPA-1245) with original signatures.
- (17) Payment assignments (Forms NRCS-CPA-1236 or CCC-36) with original signatures.
- (18) Conservation Assistance Notes should be concise, factual statements that document information relating to significant activities and situations such as—
 - (i) Planning and application materials delivered (participant's copy of contract, job sheets, and engineering data);
 - (ii) Potential noncompliance with contract provisions and actions taken;
 - (iii) Scheduling arrangements; and
 - (iv) Visits and agreements reached with the participant that are not documented in other parts of the contract and may be useful in follow-up.
- (19) Environmental evaluations and assessments (including cultural resource and at-risk species considerations).
- (20) Conservation practice designs, drawings, and specifications.
- (21) Check-out notes and other support data.
- (22) Documentation supplied by Technical Service Providers.
- (23) Agreements concerning non-compliance (Form NRCS-CPA-153).
- (24) Operation and maintenance agreements.

- (25) Appeals and mediation records.
- (26) General correspondence, in order of date created or receipt stamped (most recent on top).
- (27) Cross references to other programs that may be contributing to the implementation of the CPC.

B. Assembling the Contract Folder

The method of assembling the contract folder is determined by the State Conservationist. Guidance for assembling and using a six-part folder is in Exhibits, section 512.93.

512.44 Special Provisions for Conservation Program Contracts

The CPC Appendix provides additional terms and conditions to the contract, including a summary of the following special provisions:

- (1) Certification regarding “Lobbying” if the CPC obligation exceeds \$100,000 (7 CFR Part 3018).
- (2) Certification regarding maintenance of a “Drug-Free Workplace” (7 CFR Part 3021).
- (3) Certification regarding “Debarment, Suspension, and Other Responsibility Matters” (7 CFR Part 3017).
- (4) Certification and assurances regarding compliance with provisions applicable to financial assistance (See 7 CFR Parts 3015, 3016, and 3019).
- (5) Exhibits, section 512.94 provides a detailed explanation of the certifications relating to Lobbying; Drug-Free Workplace; Debarment, Suspension, and Other Responsibility Matters; and other required certifications and assurances. This document is identified as “Conservation Program Contract—Other Special Provisions” and will be provided to those CPC participants seeking additional details about these certifications.
- (6) Exhibits, section 512.95 provides an explanation of certifications relating to “Non-Segregated Facilities.” This document is identified as “Conservation Program Contract—Special Provisions for Equal Opportunity” and will also be provided to CPC participants requesting more detail.

512.45 Contract Period and Limitations

A. Summary by Program

The contract period (beginning and ending dates) will be established in ProTracts and displayed on Form NRCS-CPA-1202. The following table summarizes contract periods and limitations by program:

Program	Contract Period	Limitation
EQIP (7 CFR 1466.21(b)(2); 7 CFR 1466.21(d); CPM, section 515.101)	The contract may expire no earlier than 12 months after the last practice is completed, not to exceed 10 years. No practices will be scheduled in the 10th year of the contract. Participants must start a cost-shared practice within the first 12 months of the contract.	Total cost-share and incentive payments are limited to \$450,000 per individual or entity over the period of the 2002 Farm Bill (2002–2007). Federally recognized Tribes and Alaska Native Corporations can exceed \$450,000 as long as no

Program	Contract Period	Limitation
		individual member or contract exceeds this limit.
AMA (7 CFR 1465.21(b)(2); 7 CFR 1465.23(b); CPM, section 521.90)	The contract may expire no earlier than 12 months after the last practice is completed. Total contract length must be at least three but not more than 10 years. No practices will be scheduled in the 10th year of the contract. All practices must be applied within 9 years of contract obligation.	Payments are limited to \$50,000 per person per fiscal year.
WHIP (7 CFR 636.8(b)(2) and 7 CFR 636.8(d)(1); CPM, section 517.45)	The contract may expire no earlier than 12 months after the last practice is completed. Total contract length must be at least five but not more than 10 years. At least one essential practice must begin within the first 12 months of the agreement approval. No practices will be scheduled in the 10th year of the contract. “Emergency wildlife provisions” allows for contract periods of less than 5 years. “Essential plant and animal habitat agreements” must remain in place a minimum of 15 years.	No national limit exists. The State Conservationist, with advice from the State Technical Committee, may establish a State-level payment limitation.
CSP (7 CFR 1469.21; 7 CFR 1469.23; CPM, sections 518.86 & 90)	Tier I: 5 years Tier II: 5–10 years Tier III: 5–10 years	Tier I: \$20,000 per contract/year Tier II: \$35,000 per contract/year Tier III: \$45,000 per contract/year Refer to applicable fiscal year sign up notice for additional limitations.

B. Program Specific Contracts

Separate contracts will be used if more than one NRCS program is providing financial assistance.

C. Cost-Share Practice Requirements

- (1) Failure to start an AMA, EQIP, or WHIP cost-share practice within the first 12 months of the contract will constitute non-compliance with the provisions of the contract. The State Conservationist may waive this requirement with justification at the request of a participant.

- (2) Contract items may be accomplished at anytime prior to the year scheduled or not later than one year after the planned year. Where the provision is used, it will be noted on the next contract review. All required treatment must be installed at least 12 months before the end of the contract period

D. Contract Expiration

Contracts expire at 12 midnight on the expiration date stated in the contract. Written notice to the participant of contract expiration is not required for contracts that were completed as scheduled. Refer to Violations, Subpart H for contracts expiring with open contract items.

512.46 Signing and Approving Contract Documents

A. Participants Receiving Payments

All individual participants receiving a share of the contract payment will sign the contract (Form NRCS-CPA-1202) and CPC Appendix. For business participants (entities or joint operations), only the signature of the authorized business representative is required on these documents.

B. Faxed Signature Acceptance

Signatures sent by telefacsimile (fax) from participants shall be accepted for processing Forms NRCS-CPA-1200, NRCS-CPA-1156, and NRCS-CPA-1245. Faxed signatures will not be accepted on obligating documents, agreements covering non-compliance, and agreements transferring land or land shares in a CPC. Applicants and participants are responsible for successful transmission and confirmation of receipt of information provided to NRCS through fax transmission. The date printed by the fax machine on the program form or document will be used to determine whether program deadlines and filing dates have been met.

C. NRCS Required Signatures

The Designated Conservationist will sign the conservation plan (Form NRCS-CPA-1155) or conservation plan revision (Form NRCS-CPA-1156) certifying the technical adequacy of the conservation treatment in accordance with NRCS Conservation Planning Policy (See CPM Part 512, Subpart B).

D. NRCS Approving Official

The NRCS Approving Official as designated by the State Conservationist will approve and affix an electronic signature to Form NRCS-CPA-1202 in ProTracts obligating funds for the contract. **Exception:** Contracts having financial assistance obligations exceeding \$150,000 will be approved by the Regional Assistant Chief.

512.47 Numbering and Distributing Contracts

A. Contract Number Assignment

ProTracts electronically assigns a unique contract number when the contract application is recorded.

B. Contract Distribution

Contracts are to be distributed as follows:

- (i) Original contract is maintained in the field office where funds were obligated and the contract is administered.
- (ii) Copy to the participant designated as decisionmaker for the contract.
- (iii) Copies to other participants who are signatory to the contract, as needed.
- (iv) Copy (signature page only) to the office responsible for second-level review of payment applications.
- (v) Copy to any other offices that service the contract.

C. Supplementing this Paragraph

State Conservationists may supplement this paragraph to identify additional contract distribution requirements by program.

512.48 Servicing Multistate Contracts

A. Multistate Contracts

Conservation Program Contracts are normally developed and administered within the State where the land is located. Exceptions to this policy must be approved by each State Conservationist having responsibility for the geographic field office (GFO) and servicing field office (SFO). Such exceptions may be approved based on geographic barriers that have an impact on groups of producers or based on an individual participant's request. Refer to Exhibits, section 512.96 for an example of servicing multistate applications/contracts.

B. Responsibilities

Where servicing of multistate contracts has been approved, the following responsibilities apply to the respective field offices:

- (i) The SFO will—
 - Receive program applications.
 - Confirm or establish the applicant records in the Service Center Information Management System (SCIMS).
 - Establish applications in ProTracts.
 - Determine applicant and land eligibility.
 - Collect data to rank or prioritize applications.
 - Provide technical assistance for contract development and implementation.
- (ii) The GFO will—
 - Establish eligible practices, cost lists, and technical requirements (FOTG).
 - Rank and make funding selections among applicants. (Not applicable to CSP.)
 - Manage allocations and contract obligations for participants.
 - Submit payment applications for second-level certification.

C. Changing ProTracts Permissions

The ProTracts coordinator in each State will set permissions so that employees in the SFO and the GFO have access to program applications and contracts at both locations.

D. Approving Contract Obligations and Payments

All authorizations to approve applications, contracts, and payment requests in ProTracts and perform second-level review and approval of payment applications in FFIS will be based on delegations established by the State Conservationist where the land is located.

Part 512 – Conservation Program Contracting

Subpart F – Contract Administration

512.50 Modifications

A. Contract Changes

Situations arise during the contract period that require changes to the conservation plan or contract requirements. The following categories describe allowable and prohibited changes in the CPC:

- (i) **Contract modifications** are specific changes to a contract that require an NRCS Approving Official and participant signature. Contract modifications are documented on either the Revision of Conservation Plan/Schedule of Operations (Form NRCS-CPA-1156), or the Transfer Agreement (Form NRCS-CPA-152). These forms are signed electronically by the NRCS Approving Official, and signed manually by participants.
- (ii) **Minor contract changes** are defined as changes made to an AMA, EQIP, or WHIP contract that do not increase or decrease the current obligation by more than \$1,000; do not require approval by a NRCS Approving Official; and do not require participant signature. Minor contract changes are captured in ProTracts and do not require documentation in the contract folder. These include all edits or updates made to a contract that do not require numbering, approval, or participant signed hard-copy documentation. Changes of this nature will be recorded in the history module in ProTracts and reflected on the printed Form NRCS-CPA-1156.
- (iii) **Prohibited changes** are those changes that are not allowed in Conservation Program Contracts, unless otherwise noted.

B. Modification Process

Modifications will be submitted for approval by a NRCS Approving Official. Approved modifications will be documented on Forms NRCS-CPA-1156 or NRCS-CPA-152 depending on the type of changes made. Contract participants will sign the appropriate form. Modify contracts through ProTracts as follows:

- (i) Use of Form NRCS-CPA-1156, Revision of Plan or Schedule of Operation or Modification of a Contract, will be generated through ProTracts, or Form NRCS-CPA-152, Transfer Agreement, as applicable for documenting a modification.
- (ii) The basis for modifying the contract must be stated clearly when submitting a modification for approval in ProTracts. This information will be printed on Forms NRCS-CPA-1156 or NRCS-CPA-152, as appropriate.
- (iii) Contract items will not be rescheduled to avoid loss of payments due to violation of HELC/WC compliance provisions. The contract must be completed as scheduled without payment.
- (iv) Modifications that result in an obligation increase must be within the scope of original contract and are generally categorized as a “cost overrun.”
- (v) Modifications involving a “cost overrun” will be processed using the original fund code and fund year for the contract.
- (vi) Modifications involving a “change in scope” are prohibited for all programs. Contract modifications are within the scope if:

- They are used to carry out the original intent of the contract on the original land.
 - The modifications will treat the original resource concern according to the ranking criteria for which contract approval was based.
 - The original conservation practice is not technically feasible to be installed. If so, a substitute practice may be approved to address the original resource concern. When a practice of higher cost is requested as a substitute practice by the landowner and the original practice is still feasible, NRCS will only provide cost share assistance up to the amount of the least cost option to treat the resource concerns.
 - The practice may be deleted if no substitute practice is feasible.
 - A practice is no longer necessary to address the resource concern originally identified. The practice may be deleted.
- (vii) The participant and NRCS may modify the contract by mutual agreement at the request of the participant, if the modification is consistent with the purposes of the Program.

C. Contract Changes Where No Signatures Required

Minor contract changes may be made in ProTracts that will not require planners to obtain approval or signature by the participant. These changes will be numbered, dated, and labeled with the planner's name in ProTracts. Contract changes, edits, or updates that do not require participant signatures include—

- (i) Scheduling changes within the original length of the contract.
- (ii) Increasing/decreasing planned amount of conservation practice or components when the payment amount per contract item is not increased by more than \$1,000 per conservation practice, or activity.
- (iii) Add/delete a component from a planned practice.
- (iv) Change in contract servicing office.
- (v) Edit crop types or acres.
- (vi) Edit livestock type.
- (vii) Add a vendor code to a participant.

D. Modifications that Require Signatures

Modifications recorded in ProTracts that require the signatures of participants on Form NRCS-CPA-1156 and the NRCS Approving Official electronically include—

- (i) Adding land to an existing contract is generally considered a “change-in-scope” action. This action is generally not permitted. This action will only be allowed for CSP, and other programs when the addition of the land is necessary to accomplish the objectives of the original contract. (For example a waterway was planned in the original contract, but final engineering design requires the waterway to be extended across a field that was not included in the original contract. The practice could not be installed to meet the original planned purpose without the additional land; therefore the adding of land is permissible and within the contract scope.) Document on Form NRCS-CPA-1156.
- (ii) Losing control of some of the land under contract, which will require a modification to delete contract acreage. This may lead to another participant's assuming the contract responsibilities for this land or the original participant's being expected to repay NRCS for cost-sharing received, pay liquidated damages, and interest charges. See section 512.54 for additional information.

- (iii) Extending or reducing the contract period if it is mutually beneficial to the participant and the NRCS. Contracts can be modified within the program requirements shown in section 512.45. The contract period may not be reduced to avoid a contract violation.
- (iv) Substituting a new contract item within a CPC.
- (v) Adding or deleting a contract item. To delete any contract item, there must be a valid reason not adverse to the Government's interest and conservation objectives. The Designated Conservationist must certify (on Form NRCS-CPA-1156) that the application ranking score was not adversely impacted by a deletion.
- (vi) Increasing contract cost resulting from quantity variations or other “cost overruns” when the increased payment amount exceeds \$1,000 per conservation practice, component, or activity.
- (vii) Destroying a practice established under the contract or any existing practice for which maintenance is specified in the contract. The participant is responsible for obtaining approval from the administering agency to destroy a practice that was cost-shared under another conservation program if the practice has not fulfilled its life span or maintenance requirements. (See section 512.52.)
- (viii) Changing or supplementing the contract or CPC Appendix. Such changes will be authorized only through national directive.
- (ix) Changing contract information such as adding a participant or adjusting participant contract shares.
- (x) Reapplying a conservation treatment that failed at no-fault of the participant. (See section 512.53.)
- (xi) Adding an item to the contract that authorizes the participant to utilize a Technical Service Provider to perform one or more technical services.
- (xii) Changing the method of cost-sharing or adding a payment cap for a practice.
- (xiii) Change in CSP tier or contract length.

E. Contract Changes Requiring Other Supporting Documentation

Certain changes to the original CPC requiring entry into ProTracts that must be supported by participant signature on documents and correspondence generated outside of ProTracts. The following CPC modifications require the signatures of all participants and execution by the NRCS Approving Official include:

- (i) Canceling all or portions of the land enrolled in a contract. The landowner requested action will be documented by written request from the participant(s) or using Form NRCS-LTP-153. Refer to section 512.57.
- (ii) Reactivate a cancelled, terminated, or completed contract. There should be a written documentation from the participant requesting reinstatement of the contract. Typically, a Form NRCS-CPA-152 will be executed and signed by the participant(s) establishing the practices and time schedule for implementation as a part of the re-instatement.
- (iii) Change in participant direct deposit. This requires a signed Direct Deposit Signup Form SF-1199A.
- (iv) Change in participant payment shares. Document the changes in shares on Form NRCS-CPA-152.

F. Prohibited Changes in a CPC

ProTracts will prevent users from changing the following contract data except where noted in the remarks.

- (i) Change to the Application Evaluation and Ranking worksheet after contract approval.
- (ii) Change or modify a cancelled, terminated, or expired contract. This is permitted when the contract is reactivated.
- (iii) Change contract cost-share program.
- (iv) Change contract number.
- (v) Change contract state and county. (This is prohibited because changing state or county invalidates the fund code and cost list linked to the contract.)
- (vi) Change contract fiscal year.
- (vii) Change current contract year. This is calculated automatically in ProTracts.
- (viii) Change resource concerns.
- (ix) Change CSP land use acres, category and subcategory. This preserves original category under which contract was funded.
- (x) Change the fund code of a financial assistance (FA) contract item. For CSP contracts, fund codes are changed when items are obligated with current-year FA funds.
- (xi) Change the cost list linked to a contract to the current year cost list. Starting with FY 2007 contracts, unit costs for planned practices will be updated with a current year payment schedule. This update will occur during the first quarter of the fiscal year beginning in fiscal year 2008. The update will not be applied to contracts prior to FY 2007.
- (xii) Change contract item and contract item component number.
- (xiii) Change in contract items to avoid loss of payments due to violation of HELC/WC provisions. The contract must be completed as scheduled without payment.
- (xiv) Change or modify a contract item, or component that is certified and approved for payment. This is permitted only after payment is deleted in FFIS and rolled back to Fund Manager and ProTracts.
- (xv) Change a deleted contract item or component.
- (xvi) Change a contract item component that was paid by FSA.

G. Documentation of Contract Modifications

- (1) Modifications are documented in the ProTracts database and on the appropriate NRCS-CPA form. ProTracts generated contract forms include the electronic signature of the NRCS Approving Official and the manual signature of the participant. Signed forms are placed in the contract folder.
- (2) Minor contract changes and edits/updates are documented in the ProTracts database. These changes do not require documentation on a contract form.

Modification Action	Form
Cancel a contract	Form generation is not required. The Designated Conservationist (DC) is required to write “canceled” and date on all contract documents in the folder, and change the contract status to cancelled in ProTracts. This requires documentation supporting the participant’s request or approval on Form NRCS-CPA-153 or

Modification Action	Form
Terminate a contract	formal correspondence. Form generation is not required. The DC is required to write “terminated” and date on all contract documents in the folder, and change the contract status to terminated in ProTracts. This requires formal documentation with appeal rights provided to the participant.
Add a participant	Form NRCS-CPA-152, Transfer Agreement
Delete a participant	Form NRCS-CPA-152, Transfer Agreement
Change participant payment shares	Form NRCS-CPA-152, Transfer Agreement
Change contract expiration date	Form NRCS-CPA-1156
Change contract land units or legal description	Form NRCS-CPA-1156
Change acres under contract	Form NRCS-CPA-1156
Change CSP eligible acres	Form NRCS-CPA-1156
Change CSP contract tier	Form NRCS-CPA-1156
Change CSP contract years	Form NRCS-CPA-1156
Add a practice/contract item	Form NRCS-CPA-1156
Change contract item TA fund code	Form NRCS-CPA-1156
Delete a practice/contract item	Form NRCS-CPA-1156
Add land units to a practice	Form NRCS-CPA-1156
Remove land units from a practice	Form NRCS-CPA-1156
Change contract item benchmark indicator	Form NRCS-CPA-1156
Decrease component cost-share rate	Form NRCS-CPA-1156
Increase component cost-share rate	Form NRCS-CPA-1156 (Limited/Resource or Beginning Farmer/Rancher only)
Increase component unit cost	Form NRCS-CPA-1156
Change cost share method/type	Form NRCS-CPA-1156 (allowed only for contracts from fiscal years 2004-2006)

512.51 Modification Procedures

A. Completing CPC Modifications and Minor Contract Changes

All contract modifications and minor contract changes will be completed through the ProTracts modification module. After contract changes have been entered, Form NRCS-CPA-1156, “Revision of Plan or Schedule of Operations or Modification of a Contract,” will be printed for signatures. The CPC change(s) will be identified on the modification form along with an explanation of the basis for the modification or revision. The basis for modification will be selected from choice list with additional contract specific narrative information added by the planner on the modification approval screen in ProTracts.

ProTracts will assign a number to the contract modification or minor contract change and update the status and changes to each of the contract items.

B. Approval of Contract Modifications

- (1) The participant and NRCS Approving Official will sign all contract modifications. Participant signatures on Forms NRCS-CPA-1156 or NRCS-CPA-152 must match those designated on Form NRCS-CPA-1202 contract. The effective date of a contract modification is the date it is signed by the NRCS Approving Official.
- (2) Significant increases in contract obligations will be monitored to ensure compliance with Federal Appropriations Law and section 512.50 A of this part. Contract modifications that exceed the lesser of 20 percent of the current contract obligation or \$10,000 will require approval of the State Conservationist or State Program manager, as determined by the State Conservationist. The NRCS Approving Official will notify the State Conservationist, or designee of the need for action on these contracts. The contract basis for modification will include narrative justification for the increased cost.

C. Beginning Work on New Practices

No cost-share payments may be made for new conservation practices included by a contract modification if the project is started before the modification is signed by the Approving Official indicating that funds are available. However, if obtaining the signature of the Approving Official will delay practice application, the Approving Official may give approval by telecommunications and document the file to support this action. This approval will be documented in the “basis for modification” in ProTracts.

D. Deleting Practices or Funds

Funds scheduled for cost-sharing any practice may be deleted from a contract by modification if a participant elects to carry out the practice under another cost-sharing program or at his or her own expense before installation is started. If any part of a practice is begun before the contract is modified, all of that practice must be carried out under that cost-sharing program. Conservation practices may not be deleted from the contract to avoid non-compliance with NRCS requirements.

E. Contract Item Numbers

New contract items added by modifications will automatically be consecutively numbered in ProTracts. Contract item numbers will be maintained for the life of the contract. The originally assigned item number will be used for any item that is modified.

512.52 Destruction of Practices

A. NRCS Approval

CPC participants may destroy and replace an established practice with equivalent conservation treatment. The participant must file a written request and receive NRCS approval before altering a practice implemented or maintained with NRCS financial assistance.

B. Required Project Information

Participants requesting practice destruction must supply NRCS with project information that clearly substantiates that proposed actions will meet the following requirements:

- (i) Achieve the conservation objectives of the CPC.
- (ii) Provide for the most practical operation of the land unit.
- (iii) Complete treatment actions without NRCS financial assistance.

512.53 Reapplication of Conservation Treatment

A. Documentation Required

- (1) Contracts may be modified to provide for reapplication of a cost-shared practice that failed to achieve the desired results, provided the following were met:
 - (i) The practice met all its original installation requirements, and
 - (ii) Failure was caused by circumstances beyond the participant's control.
- (2) Failure of a practice because of circumstances within the control of a participant constitutes a violation of the terms and conditions of the contract in accordance with the appropriate program regulation.

B. Approval

Reapplication of practices will not be scheduled until the original practice installation has failed. Reapplication of cost-shared practices may be approved as determined by individual program policy, regulation, and subject to the availability of funds. Reapplication of a required practice may not be carried out after the contract expires.

C. Cost-Share Rates and Fund Sources

The cost-share rate and fund source for reapplication of conservation practices will be the same as provided in the original contract. Reapplied practices will be added to the CPC through a modification using the original budget fiscal year and fund code. The original contract item number will be identified in the "basis for modification" on Form NRCS-CPA-1156.

512.54 Transfer of Land

A. Transfer Terminology

Land will be considered "transferred" if the participant loses control of the acreage for any reason. The term "transferor" means the participant who loses control, and the term "transferee" means the person who acquires control of the land.

B. Assumption of Obligations

The transferor is responsible for contacting the transferee about assuming the contract obligations. If all or part of a land unit under contract is transferred, the contract terminates with respect to the transferred acreage. However, the transferee may assume the obligations of the contract with respect to the transferred acreage. Refer to the applicable Part of the Conservation Programs Manual for program-specific guidance on contract transfer approval. CSP in particular has fewer options for transferring land under contract. Under CSP, the entire contract acres must be transferred for the transferee to have the option to continue the contract.

C. Assumption Not Accepted

If the transferee will not assume the obligations of the contract with respect to the transferred acreage, the transferor is in violation and subject to forfeiture and must refund payments received on the transferred acreage. After the expiration of appeal rights associated with the final technical determination for the transferor, the contract status in ProTracts will be changed to "terminated." See [CPM Part 512, Subpart H](#) – Violations for more guidance as well as the appropriate program regulation.

D. Entire Contract Assumption

If all of the land under contract is transferred and the transferee agrees to assume the obligations of the contract—

- (i) Add the transferee as a participant to the new contract and verify eligibility to participate in the program. If the person is not in SCIMS or lacks participant eligibility records for the current FY, refer to section 512.20 C.
- (ii) Prepare a modification to add the new owner as a participant on the contract and confirm eligibility.
- (iii) Execute a Transfer Agreement, Form NRCS-CPA-152.
- (iv) Adjust contract shares to reflect the correct distribution of remaining payments.
- (v) The existing contract number will remain with the contract.
- (vi) The contract period of the original contract applies.
- (vii) The original contract budget fiscal year and fund code will be retained on this modified contract.

Note: This is the only land transfer option available under the CSP for a new CSP participant to enter the program.

E. Removal of Contract Acreage

If only part of the land under contract is transferred, the transferred acreage and all applicable practices must be modified out of the transferor's contract. Refer to sections 512.54 B and C.

F. Partial Contract Assumption

If only part of the land under contract is transferred and the transferee agrees to assume the obligations for the acreage removed from the transferor's contract—

- (i) The description of the acreage transferred and all practices to be carried out by the transferee must be included in a new application and contract. Also, include all practices previously installed on the transferred land that will be maintained by the transferee.
- (ii) The transferee, by signing the ProTracts-generated contract and CPC Appendix, assumes all contract rights and obligations for this land.
- (iii) A new contract number will be assigned to the transferee.
- (iv) The contract period of the original contract applies.
- (v) The original contract budget fiscal year and fund code will be used to fund the new contract.

Note: Refer to section 512.99 for guidance on transferring land in ProTracts.

G. Transferee with Existing Contract

If the transferee already has an active contract, modification to add this acreage to another contract is not permitted. In order to maintain contract fund integrity, the land and practices remaining in the transferred contract will be maintained separately.

512.55 Contract Reviews

A. Evaluating Contract Implementation

Contract evaluation (follow-up) is a part of the conservation planning process. (See Exhibits, section 512.91 F.) A contract review will be required if the schedule of operations is not being followed or if all required contract provisions are not being met.

Note: A self-assessment verification of the conservation stewardship plan and contract is required as soon as practical after CSP contract approval.

B. Annual Reviews Required

The Designated Conservationist will review contract implementation annually.

- (i) If all practices are applied as scheduled and other contract provisions are being followed, this finding will be documented in the contract folder. Completion of Form NRCS-CPA-13 is not required for these contracts.
- (ii) If the provisions of the contract are not being followed, the NRCS representatives will document those findings on Form NRCS-CPA-13. The contract review will be signed by the NRCS representative. When the NRCS representative is a person other than the Designated Conservationist (DC), both the reviewing representative and DC will sign Form NRCS-CPA-13. A copy will be provided to the participant, and the original will be placed in the contract folder.
- (iii) The DC will work with the participant(s) to resolve all issues and document all actions that need to be taken to complete the contract, including establishing a timeframe for the participant to comply with the contract provisions. The document will be signed by the DC and the participant. (Form NRCS-CPA-153 may be used.)
- (iv) If the participant cannot or will not complete the contract obligations as previously agreed to, follow the procedure in section 512.57 to terminate the contract. Since contract termination is an adverse action, program participants must be offered appeal rights as described in [CPM Part 510, Subpart B](#).

C. Elements to be Reviewed

Elements that will be annually reviewed with CPC participants include the following:

- (i) Success of practices and systems completed.
- (ii) Operation and maintenance of practices and systems completed.
- (iii) Location and condition of all portable equipment purchased with CPC assistance.
- (iv) Confirmation that at least the benchmark level of treatment is maintained (CSP only).
- (v) Status of practices not completed.
- (vi) Reasons for lack of progress.
- (vii) Need for revision of the conservation plan schedule of operations.
- (viii) Description of any potential violations of the CPC.
- (ix) Agreement on practices to be implemented next fiscal year.
- (x) Confirmation that participants still control all land under contract.

D. Annual Administrative Review of Certifications

- (1) For the purposes of verification, the NRCS State Office will select 5 percent of all contract participants in the year of obligation (preferably before payment is made) who have self-certified as either—
 - (i) Limited Resource Farmer or Rancher, and/or
 - (ii) Beginning Farmer or Rancher.
- (2) In addition, NRCS will conduct verification of all other participants who certify as being either a Limited Resource Farmer or Rancher or Beginning Farmer or Rancher where NRCS receives a complaint or otherwise has

information that a participant’s certification is incorrect. These verifications must be completed early enough in the year to re-obligate any funds from contracts that must be terminated due to incorrect participant certification.

- (3) Sample letters for use in notifying participants of this review are included in Exhibit, sections 512.91 J and K. In order to verify that a participant qualifies as either a Limited Resource or Beginning Farmer/Rancher, NRCS requires the participant to provide Form IRS 1040 filed with the IRS as detailed below:

Certification To Be Verified	Requirement*
Limited Resource Producer Based on Gross Farm Sales Determination	Gross Farm Sales is defined as Gross Income entered on Form IRS 1040, Schedule F, in the Farm Income Section. In each of the last 2 years, determine if the participant’s direct or indirect Gross Farm Sales were less than or equal to \$100,000 per year.
Limited Resource Producer Based on Total Household Income Determination	Total Household Income is defined as Adjusted Gross Income (AGI) for all members in the household and is entered on IRS Form 1040, AGI Section. In each of the last 2 years, determine if the AGI is less than the “County Value.” The County Value is calculated as 50 percent of the County Median Income, or National Poverty level, whichever is greatest. County Median Income value is taken from the county in which the participant resides. This value can be determined by referring to the self-determination tool on the NRCS Web site. Click here to link to the tool: Limited Resource Self-Determination Tool .
Beginning Farmer or Rancher	If the participant can provide one Form IRS 1040 from the last 10 years that shows the participant did not file Schedule F, the participant is eligible as a beginning farmer or rancher.

***Exceptions:** A letter from a certified public accountant or attorney certifying the participant meets the eligibility requirements may be used in lieu of Form IRS 1040. If the individual was exempt from filing Form IRS 1040, a written, notarized certification by the participant declaring the exemption and stating their income for the prior reporting year will be sufficient.

- (4) Failure to provide the necessary information to verify eligibility will result in ineligibility for participation in CSP or EQIP as a Beginning or Limited Resource Producer. If the information provided fails to support eligibility, the Designated Conservationist will notify the State Conservationist, who will take appropriate action. The State Conservationist will terminate all approved contracts with a participant who has falsely certified his or her Limited Resource Producer or Beginning Farmer/Rancher status.

E. Other Administrative Spot Checks

NRCS will perform all other administrative spot checks according to the State's Quality Assurance Plan.

Note: Follow-up requirements for recurring payments will be conducted according to the applicable program Part in the Conservation Programs Manual.

F. Erroneous Representation, Scheme, or Device

- (1) In cases where a participant is suspected of or a participant who NRCS has determined to have knowingly—
 - (i) Adopted any scheme or device that tends to defeat the purpose of the program;
 - (ii) Made any fraudulent representation; or
 - (iii) Misrepresented any fact affecting a program determination.
- (2) NRCS shall take the following actions:
 - (i) Terminate all current contracts;
 - (ii) Deny any further CPC payments; and
 - (iii) Request cost recovery as authorized in the CPC Appendix.

512.56 Practice Documentation, Certification, and Quality Assurance

Conservation treatment installed under contracts will be assessed as specified in the General Manual Title 450, Part 407; General Manual Title 340, Part 404; and state supplements to these parts of the General Manual.

512.57 Canceling and Terminating Contracts

A. Cancellation versus Termination

- (1) A Conservation Program Contract may be either cancelled by both parties, or terminated for cause by NRCS. In either event, the obligations contained in the CPC are ended through action that annuls the responsibilities of both parties to the contract. There is a slight, but significant difference in the terminology used when CPC obligations are ended, as follows:
- (2) **Cancellation** — A cancellation is an *equitable remedy* that allows both parties to the contract to terminate the contractual relationship. (See section 512.57 B.) A recovery of costs may or may not be appropriate depending upon the circumstances included in the program participant’s written request for cancellation.
- (3) **Termination** — A contract is subject to termination as a result of a material breach of the terms and conditions included in the CPC. (See section 512.57 C.) As such, a contract termination is an adverse action (i.e., termination meets the definition for an adverse decision in accordance with 7 CFR §11.1, National Appeals Division Rules of Procedure) and must be fully documented as to cause for the termination and the procedure used by NRCS to ensure that the participant has been provided an opportunity to remedy the violation as required by the specific program regulation. Terminations for cause will usually result in an assessment of liquidated damages for a recovery of costs associated with the administration of the breached contract. (See section 512.58.)

Contract Cancellation	Contract Termination
The State Conservationist may cancel a contract if justified by the reasons provided by the participant and where	The State Conservationist may terminate a contract with respect to a participant’s interest at any time if it is determined any

<p>there is no successor-in-interest. Justification for cancellation includes but is not limited to the following:</p> <ul style="list-style-type: none"> • Natural disasters preventing completion of contract provisions. • Documented hardships including any of the following: <ul style="list-style-type: none"> • Death. • Major illness. • Bankruptcy. • Destruction of farm or ranch property through fire or theft. • In the public interest and beyond the participants control. <p>Note: The justification listed above is not an all inclusive list. There may be other reasons for a mutual contract cancellation.</p>	<p>of the following apply:</p> <ul style="list-style-type: none"> • Participant or land becomes ineligible. • Participant transfers ownership or loses control of land under contract. • Participant has violated the terms of the contract and has failed to correct and comply within a reasonable time. • Participant fails to install, operate, or maintain one or more practices or activities required to meet the contract objectives. • Participant’s actions pose a threat to the health and safety of NRCS employees. • Participant is determined to have— <ul style="list-style-type: none"> • Knowingly misrepresented any fact affecting a program determination; • Adopted any scheme or device that tends to defeat the program purpose; or • Made any fraudulent representation.
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B. Canceling a Contract

- (1) Contract participants may request that a contract be canceled. Participants must request cancellation in writing, provide reasons for the cancellation and, if applicable, provide information on availability of any transferees.
- (2) If a contract is canceled, the participant forfeits all rights to any payments under the contract and may be required to refund payments as described in the CPC Appendix. When a contract is canceled, the State Conservationist, or designee, will complete the following actions:
 - (i) Enter “Canceled” and the effective date of cancellation on the contract documents. The reasons for the contract cancellation must be fully documented.
 - (ii) Update the contract status to canceled in ProTracts.
- (3) The State Conservationist will, in writing, inform the participant of the approval of the cancellation request, including the forfeiture of all future payments under the contract, and repayment requirements to complete the process.

C. Termination for Cause

- (1) The State Conservationist will, in writing, inform the participant of the contract termination, including the forfeiture of all future payments under the contract, and repayment requirements to complete the process.

- (2) When a contract is terminated, the State Conservationist, or designee, will complete the following actions:
 - (i) Enter “Terminated” and the effective date of termination on the contract documents. The reasons for the contract termination must be fully documented.
 - (ii) Update the contract status to terminated in ProTracts.

D. Forfeiture of Further Rights

If the contract is either canceled or terminated, the participant forfeits all rights to any payments under the subject contract and may be required to refund all payments, pay liquidated damages, and/or pay interest charges applicable to the contract, as described in the CPC Appendix.

512.58 Recovery of Costs

A. Applicability of Cost Recovery

- (1) NRCS generally seeks a recovery of costs when a CPC is terminated or canceled. Refer to the CPC Appendix to determine if cost recovery applies to the contract in question. Recovery costs include an estimated value of technical assistance (liquidated damages) and a refund of financial assistance (cost-share obligations). NRCS, in most cases, must consider the following when determining the cost recovery amount:
 - (i) Whether the participant had attempted to comply with the terms and conditions of the contract in good faith; or
 - (ii) Whether the participant was unable to comply with the terms and conditions of the contract due to economic or personal hardship.
- (2) Consideration of these issues must be addressed in the notification provided by NRCS to the participant when making an assessment for a recovery of all costs, in accordance with the applicable program regulation and CPC Appendix, as follows:

Program	Citation	Requirement
AMA	7 CFR 1465.25(b)(3); AMA Appendix	“When making all contract termination decisions, NRCS <i>may reduce the amount of money owed</i> by the participant by a proportion which reflects the good faith effort of the participant to comply with the contract, or the hardships beyond the participant’s control that have prevented compliance with the contract.”
CSP	7 CFR 1469.25(e); CSP Appendix	“When making all contract termination decisions, NRCS <i>may reduce the amount of money owed</i> by the participant by a proportion which reflects the good faith effort of the participant to comply with the contract, or the hardships beyond the participant’s control that have prevented compliance with the contract, including <i>natural disasters or events.</i> ”
EQIP	7 CFR 1466.26(b)(3); EQIP Appendix	“When making contract termination decisions, NRCS <i>may reduce the amount of money owed</i> by the participant by a proportion that reflects the good faith effort of the participant to comply with the contract or the hardships beyond the participant’s control that have

Program	Citation	Requirement
		prevented compliance with the contract.”
WHIP	7 CFR 636.11(b); WHIP Appendix	“If a cost-share agreement is terminated in accordance with the provisions of this section, the STC may allow a participant to <i>retain any cost-share payments</i> received under the cost-share agreement in a proportion appropriate to the effort the participant has made to comply with the cost-share agreement, or, in cases of hardship, where forces beyond the participant’s control prevented compliance with the cost-share agreement.”

B. Liquidated Damages

- (1) Liquidated damages are an amount contractually stipulated as a reasonable estimation of actual damages to be recovered by one party if the other party breaches the terms and conditions of the contract and is the sum fixed as the measure of damages for a breach, whether it exceeds or falls short of the actual damages. As such, an assessment made by NRCS of liquidated damages does not legally constitute a penalty as the amount recoverable through this assessment does not represent the damages that have actually occurred, but as a sum named as such. Therefore, the assessment of liquidated damages does not constitute any penalty for the breach, but only serves as a recovery of NRCS administrative and technical service costs forgone (Blacks Law Dictionary, 7th Edition, Garner, Bryan A, Editor in Chief, West Group Publishing, page 395).
- (2) The participant may be assessed a percentage of the total CPC financial assistance obligations for a terminated contract where any of the following apply:
 - (i) Termination was due to fraud, or the use of a scheme or device by the participant.
 - (ii) Participant voluntarily requests cancellation.
 - (iii) Participant voluntarily loses control or transfers all or part of the land under contract, and there is no successor-in-interest.
 - (iv) Termination was due to non-compliance with the specific contract provisions.
- (3) The amount of liquidated damages is up to 20 percent of the total financial assistance funds obligated on the CPC at the time the contract is terminated or cancelled, and will be an amount over and above repayment of financial assistance costs paid to participants. The estimate of NRCS administrative and technical service costs is based on a national model that distributes most of these costs within the first four (4) years of a contract. The following table provides general guidance for assessing liquidated damages. The State Conservationist should, in assessing liquidated damages, give consideration to the basis of and the type of violation, and whether the termination is due to breach of contract without a good faith effort. When termination is without a good faith effort, the State Conservationist may consider liquid damage assessments in the full amount provided by the applicable program regulation and CPC Appendix without regard to the year of the contract when the violation has occurred. Thus, if a participant incurs a blatant violation, a State Conservationist may assess the total amount of damages provided by the regulation. Use the CPC Appendix, the specific program regulation, and following table to estimate NRCS costs for establishing the maximum assessment of liquidated damages:

Year of Contract	Maximum Liquidated Damages Assessment (%)
1	7.5
2	15
3	18
4	20
5+	20

- (4) With justification, the NRCS State Conservationist has the option of waiving all or part of the liquidated damages. While it is the participant's responsibility to request a reduction in the amount of cost recovery, State Conservationists should document whether a total or partial waiver of the recovery amount has been considered, along with an explanation for granting or denial of this relief. State Conservationists may consider the following when determining the recovery amount:
- (i) The participant's involuntary loss of control of the land under contract.
 - (ii) A proportion that reflects the hardship beyond the participant's control that has prevented compliance with the contract.
 - (iii) A proportion that reflects the good-faith effort of the participant to comply with the contract.
- (5) The Wildlife Habitat Incentives Program (WHIP) does not include any regulatory provisions, nor are there any terms or conditions included in the CPC Appendix for WHIP that allows an assessment of liquidated damages. Therefore, NRCS will not assess liquidated damages for termination of a WHIP contract.

C. Refund of Cost-Share Obligations

Financial assistance will be refunded in accordance with the provisions of the CPC Appendix and the applicable program regulation included as part of the contract when originally approved—

- (i) For any contract, the State Conservationist determines if a refund of payments made will be reduced by a proportion that reflects either of the following:
 - The good-faith effort of the participant to comply with the contract, or
 - A hardship beyond the participant's control that has prevented compliance with the contract.
- (ii) Where the State Conservationist determines that any refund owed can be reduced, the reduction will be based on all of the following:
 - Assurance that failure to perform the remaining practices on the contract will not impair the effectiveness of those performed;
 - Assurance that performed practices will provide conservation or environmental benefits consistent with program goals and objectives; and
 - Assurance that performed practices will be operated and maintained by the producer for the life span of these practices.

D. Interest Charges

- (1) NRCS will assess late payment interest on the full amount of delinquent debts. For Conservation Program Contract purposes, the term "full amount of the delinquent debt" means the sum of the principal and accrued program interest, and any other charges which are otherwise due on the delinquent debt. NRCS will calculate

program interest for CPCs on the financial amount originally disbursed using the current value of funds rate (CVFR) published annually in the Federal Register by the United States Department of Treasury. Quarterly, if the annual average (on a 12-month moving average basis) changes by 2 percent, Treasury revises the rate. The current and previous rates are available from the CVFR Web site at <http://www.fms.treas.gov/cvfr/index.html>. Program interest is calculated using simple interest. To calculate—

- (i) Determine the daily factor and divide the CVFR interest rate by 360 days (e.g., 4% interest is 0.00011111, 2% is 0.00005556).
 - (ii) Compute the number of days interest is owed using the guidelines identified in the CPC appendix.
 - (iii) Multiply the daily factor by the number of days interest is owed and multiply this number by amount.
- (2) Program interest will be calculated solely on the repayment of cost-share funds paid previously to the participant. The program interest calculation shall not include any liquidated damages determined to be due. The interest calculation also shall not include any fund repayments which have been waived by the State Conservationist.

E. Participant Notification, Follow-up, and Other Considerations

- (1) If cost recovery is required, the State Conservationist is responsible for notifying the CPC participant. Refer to the letters in Exhibit, sections 512.91 L, M, and N for communicating cost recovery actions. The State Conservationist will ensure that cost recovery actions are applied consistently and equitably among contract participants. If the participant fails to make all payments to NRCS within the requested timeframe, the receivables account will be transferred to claims status. After the requested timeframe has expired, the original demand letter will be provided to Financial Management who will establish the bill in the National Finance Center's Internet Billing System (IBIL). Once the transaction is entered in IBIL, late interest will be automatically calculated and included in subsequent demand letters to the program participant, if payment is not received.
- (2) Following consultation with the State Technical Committee, the State Conservationist may supplement this paragraph to identify additional considerations for evaluating CPC participant requests for full or partial waiver of the cost recovery amount.
- (3) The amount of the cost recovery is an appealable item, as is either denial of waiver or partial waiver of the recovery of costs. Therefore, the notification concerning the recovery of costs, including recovery of any cost-share payments previously received as well as the assessment of liquidated damages must be fully supported by the specific facts regarding each individual contract in accordance with the applicable program regulation. CPC participants may appeal the amount of cost recovery requested by NRCS. See [CPM Part 510, Subpart B](#), for more guidance.

F. Disposition of Recoveries

The refund of financial assistance (cost-share payments) is applied to the applicable Budget Fiscal Year and Fund of the original payment. The refund is posted in FFIS and is shown as available funding in the applicable year cost-overrun account. The estimated value of technical assistance (liquidated damages) and any program interest recovered are returned to Treasury. Correspondence regarding cost recovery must show each recovery separately within the body of the letter. The participant may return the total payment in one check, but FNM will record the collected amounts and identify the appropriate accounting codes.

Part 512 – Conservation Program Contracting

Subpart G – Conservation Program Payments

512.60 Applying for Cost-Share or Incentive Payments

A. Direct Deposit Required

The Omnibus Consolidated Recissions and Appropriations Act of 1996 mandated the use of Electronic Fund Transfer (EFT). It requires all Government payments, other than tax refunds, to be made electronically. NRCS requires all program payments be made by direct deposit unless the participant requests a waiver as described in 31 CFR Part 208.4, paragraph (a). NRCS payments issued by EFT are reported to OMB as part of the President's Management Agenda (PMA) Government-wide metrics. Although NRCS cannot dictate that payments be issued by EFT, we must strongly encourage the use of this most efficient and cost effective payment method.

Note: The National Finance Center will establish vendor records based on a waiver for a one-time payment. After payment, the vendor file will be deactivated. Participants attempting to avoid the direct deposit requirements by requesting waivers can expect delays in receipt of CPC payments over and above the time required for mailing due to the creation of new vendor records.

B. Immediate Pay Required

All payments through Conservation Program Contracts are processed as "immediate pay." Payments will generally be made within five business days after the payment application has been approved in FFIS by the second-level reviewing official.

C. Form NRCS-CPA-1245

Participants must apply for NRCS conservation payments on Form NRCS-CPA-1245 based upon satisfactory completion of the installation of any practice or practice component listed in the contract including payment for participant acquired TSP services in the CPC.

D. Receipts Not Required

When average cost (AC) and flat rates (FR) methods are used, no receipts or bills are required to be submitted to support the payment application. (NRCS may request receipts to assess the need for adjustments to the current cost list. Receipts collected for this purpose are not filed in the contract folder.)

E. Itemized Receipts Required

The participant will submit acceptable itemized receipts, invoices, or bills to support payment applications based on actual-cost methods (AA or AM). These materials are placed in the contract file with the applicable Form NRCS-CPA-1245. Actual cost methods are not applicable to financial assistance obligations made after September 30, 2006.

F. Processing Payment Applications in ProTracts

All payment applications are initiated in ProTracts. Upon receipt of a payment request for a completed practice, the Designated Conservationist will take the following actions:

- (i) Identify the contract associated with the payment(s).

- (ii) Complete the practice certification(s) to show the extent performed for each practice and/or component on Form NRCS-CPA-1245 for participant signature—
 - Upward adjustments in certified quantities resulting in payment increases of less than \$1,000 per contract item will not require a modification. ProTracts will automatically access the appropriate account and transmit the CPC obligation increase request with the payment to FFIS.
 - Fiscal Year 2007 contracts and later will be paid based on the greater of the contracted amount or the payment schedule amount for the year of installation.
- (iii) Complete payment instructions to prepare the payment document for printing and manual signature by the participant—
 - Verifying the participant’s name (typically, the decisionmaker is selected for printing on the form), address, payment shares, and direct deposit information. If an assignment of payment is to occur, it must be documented in ProTracts. (See section 512.62.)
 - Form NRCS-CPA-1245 will reflect all participants receiving a share of the payment and incorporate current active payment assignments.
 - Ensure that the payment application is signed and dated by the contract participant after completing the required certifications. Signatory authority is established at signing of the contract, section 512.21 B or by modification in section 512.50 B.
- (iv) NRCS Approving Official, approves the payment in ProTracts which affixes an electronic signature to Form NRCS-CPA-1245. ProTracts transmits the payment application via the Fund Manager interface to FFIS.
- (v) Transfer documents to the second-level reviewing official immediately (the same day) following approval of the payment application—
 - A copy of the signature page of Form NRCS-CPA-1202, showing the participant signature(s) on a contract. This will be the page displaying block 4, Contract Participants. (This is required only when Form NRCS-CPA-1202 has not already been provided as described in section 512.47.)
 - A copy of Form NRCS-CPA-1245 manually signed and dated by the participant.
 - A copy of Form NRCS-CPA-1236 if the participant is assigning all or a portion of the payment to one or more parties.
 - A Power of Attorney or other documents substantiating signature authority if the payment request is signed by a person that has not signed Form NRCS-CPA-1202 as a CPC participant.
 - A copy of Forms SF-1199A or NRCS-FNM-60 for each payee.
 - A copy of invoices (or other documentation) to support payment calculations, if payment is for AA or AM cost-share type payments.

G. Second-Level Review

The second-level reviewing official will authorize payment in FFIS after confirming the following:

- (i) The requested payment amount for each participant does not exceed the remaining share established for the contract.
- (ii) Sufficient funds are obligated for the contract.
- (iii) Receipts support actual-cost payment requests (AA or AM).
- (iv) The participant signature on the payment request matches the contract.

- (v) The participant signature date on Form NRCS-CPA-1245 is no later than the date of payment approval by the Designated Conservationist.
- (vi) The requested payment amount for each payee is correctly calculated. Form NRCS-CPA-1245 will reflect all participants receiving a share of the payment.
- (vii) The payment is directed to the correct bank account or address for check mailing.

512.61 Applying for Recurring Payments

A. Recurring Payments

Recurring payments are for items that a participant is currently implementing and agrees to continue for the duration of the contract.

B. Participant Notification

Payment for recurring items will be based upon CPC participant self-certification and verification by the Designated Conservationist. To accomplish this, a letter (see Exhibits, sections 512.91 G) will be sent to the applicant 60 days before payment. It will include—

- (i) CPC participant name.
- (ii) Contract number.
- (iii) Recurring payment amount.
- (iv) Current bank routing information.
- (v) Area for the participant to certify that he or she is still operating and maintaining these recurring payment practices/activities.

C. Self-Certification Receipt

Upon receipt of the participant's self-certification of the information in section 512.61 B, the Designated Conservationist will certify and approve the payment application in ProTracts.

D. Review by the Second-Level Official

The second-level reviewing official will authorize payment in FFIS.

E. Requirements for Contract Modifications

For contracts with recurring payments that cannot be self-certified, modifications to the contract may be required.

512.62 Payment Assignments

A. Assignment Process

Any participant (assignor) receiving CPC benefits may assign his or her payment(s) to another individual or business (assignee) by filing form NRCS-CPA-1236 (Assignment of Payment) with NRCS. The CPC participant is also responsible for providing the direct-deposit information for an assignee. Although this process may be used to “transfer funds” among CPC participants, it is generally best to accomplish this action through a modification to alter the contract payment shares among participants. Payments made to an assignee are reported to the Internal Revenue Service as though they were received by the assignor.

B. Amount and Timing of Assignments

Assignments are authorized in a fixed dollar amount and will remain in effect until either that dollar threshold has been disbursed to the assignee or the CPC participant and the assignee jointly agreed to revoke the assignment for the contract. Assignments may be established any time after CPC fund obligation, including when a payment application is filed by a participant. See Exhibits, section 512.90 for additional instructions on completing Form NRCS-CPA-1236. **Note:** When an assignment is associated with the installation of a specific practice (i.e. Irrigation system, Sprinkler) in a contract containing multiple conservation practices, record the assignment in ProTracts simultaneous to processing the practice payment application. Recording assignments prior to the specific practice being certified may result in payments for other practices being processed to the assignee.

C. Handling in ProTracts

ProTracts requires that a separate assignment be established on each contract for which an assignment is requested. There is no limit on the number of assignments that may be authorized for a participant or a contract. However, assignments generate an administrative workload and the State Conservationist may issue guidance to limit the number of assignments that will be processed per participant or contract.

512.63 TSP Payments

A. Availability to CPC Participants

A program participant may elect to use a Technical Service Provider (TSP) in lieu of NRCS technical assistance. If funding allows, NRCS may provide funding for this assistance through a CPC modification.

B. Modification Requirements

Before beginning any technical services through a TSP, the participant must locate a certified TSP through <http://techreg.usda.gov> that is willing to perform the services needed. The participant then requests a modification of his or her CPC to include funding for the desired services. This modification must be signed by the NRCS Approving Official before the participant is authorized to use TSP services.

C. Payment Application

When a TSP has completed the work, the participant supplies NRCS the required supporting documentation and initiates a payment application using Form NRCS-CPA-1245.

D. Substantial Completion of Work

All work to be performed by a TSP must be “substantially completed” during the same fiscal year that funds are obligated in a CPC for TSP assistance.

E. Payment Processing

The Designated Conservationist processes a TSP-related payment application similar to any other practice or component included in the CPC, with payment being authorized by a second-level reviewing official.

512.64 Disapproval of Payments Applications

A. Payment applications that are incomplete or contain incorrect calculations will be rejected by the second-level reviewing official.

- (1) The second-level reviewer will—
 - (i) Notify the Designated Conservationist of the deficiencies;
 - (ii) Delay action in FFIS if deficiencies do not involve changes in ProTracts; and
 - (iii) Cancel the payment application in FFIS if ProTracts changes are needed.
- (2) The Designated Conservationist will—
 - (i) Submit additional documentation requested by the second-level reviewer;
 - (ii) Un-approve the payment application in ProTracts if changes are needed;
 - (iii) Correct deficiencies in the payment application in ProTracts; and
 - (iv) Re-approve the payment application in ProTracts.

B. The Designated Conservationist will promptly notify the participant if additional documentation is needed to process a payment application.

512.65 Payments Not Authorized

Participants will be notified in writing and payments will not be authorized if any of these conditions exist—

- (i) Unapplied materials or services that partially complete a component of a practice.
- (ii) A practice or component that depends on the performance of another practice that has not yet been installed (i.e. a pipeline that depends on a well) or that failed to meet NRCS specifications and for which cost-share payment was denied. In the later case, the participant must be informed in writing of the actions required to correct the deficiencies (Form NRCS-LTP-153, Agreement Covering Non-Compliance with Provisions of Contract, may be used).
- (iii) Any work requiring a contract modification that is performed by a participant before being authorized by the NRCS Approving Official.
- (iv) Practices started before the contract was approved, unless a waiver was issued according to section 512.23.
- (v) Use of used materials except as set forth in the [210 National Engineering Manual, Part 543.00](#) and Parts 512.12 are met. The determination that used materials meet NRCS requirements rests with the individual authorized to approve the job.
- (vi) Any payment application that would result in duplicate payment.
- (vii) If cost-share payment will result in total payments exceeding the program limitation or the 100 percent financial assistance limit.

512.66 Designating Payment Shares

A. Establishing Shares in the CPC

Payment shares among participants are established when the CPC is approved and apply to all practices and components for a contract.

B. Changing Payment Share Distributions

A contract modification may be necessary if the participant requests a different share distribution for a specific practice or practice component. Following CPC modification, the new payment shares will apply to all subsequent payment applications.

C. Entity Payments

When an entity is approved as a CPC participant, all payments will be made to the entity. For payment limitation purposes, NRCS will credit payments to eligible entity members according to the “ownership share” filed with the Farm Service Agency on Form CCC-501A. The entity is responsible for distributing payments to its members.

512.67 Partial Payments

A. Applicable Situations

Practices with a single cost-share component may be modified to enable partial payment. For example, a practice with a 100 acre extent may be modified to reflect two 50-acre components that can be paid separately. Payment applications for a practice with multiple components can only be processed for one or more completed components. ProTracts does not support partial payment on a practice component.

B. Use of Partial Payments

- (1) Partial payments are generally not encouraged for Conservation Program Contracts. The use of partial payments is restricted to situations when all the following conditions are satisfied:
 - (i) An application for payment is made on Form NRCS-CPA-1245.
 - (ii) The Designated Conservationist determines the completed practice extent reflects a significant portion of the originally planned practice.
 - (iii) The completed extent is clearly identified on Form NRCS-CPA-1245.
 - (iv) The purpose is not to evade the maximum payment limit.
 - (v) By signing a contract modification (adding another component to account for the remaining practice units), the participant agrees to finish the remaining extent of the practice by a mutually agreeable date. Failure to complete the practice by that date may be considered non-compliance with the CPC.
- (2) Exceptions to this policy must be approved by the Chief of NRCS on the basis of extreme hardship that is preventing participants from successfully implementing CPC conservation systems.

512.68 Claims, Collections, and Offsets

A. Collection of Debts

Collection of amounts due under NRCS-administered contracts will follow procedures of the Debt Collection Improvement Act (DCIA) of 1996. Participants will be notified of the amount owed in writing. NRCS will send the initial notification letter to participants identifying the contract number, amount owed, and reason for collecting these funds. (See the letter provided in Exhibits, section 512.91 H.)

B. Receivables

If a participant’s check is not received within 30 calendar days, the receivable will be entered into the NFC Internet Billing System (IBIL). This system will continue to send demand letters until the participant’s check is received or the amount owed is transferred to the Department of Treasury (Treasury) for offset on any other Federal payments to the participant.

C. Making a Payment of an Indebtedness

When a participant makes a payment of an indebtedness, the personal check, money order, or cashier's check must be made payable to "USDA-NRCS". The payment will be processed as a "cash collection" by the financial management staff of the State Office using Form NRCS-FNM-15 and sent to the NFC lockbox. The participant should reference the contract number that relates to the payment on the check. NRCS cannot process a cash payment or EFT transaction. The indebtedness will not be entered into IBIL when payment is received within 30 days.

D. Debt Collection Using IBIL

When a participant does not make payment within 30 days as specified in the initial notification letter, the NRCS-designated official will notify the State Conservationist of the indebtedness and ask that collection of the indebtedness move to the next stage of debt collection using IBIL. The participant will receive billings generated by NFC until the collection is received or the debt is transferred to Treasury for offset from all federally issued payments. The outstanding debt is referred to the Treasury Offset Payment System (TOPS).

E. DCIA Collection Procedures

If a participant receiving a CPC payment is indebted to another Federal agency (e.g., IRS, USDA, HHS), and the DCIA collection procedures resulted in a debt being referred to TOPS, the compensation due that participant will be reduced by the amount owed the U.S. Government. This action will be accomplished by Treasury. Offsets to payments made pursuant to this section will not deprive the participant of any rights to contest the indebtedness.

F. CCC Debt Register

If a participant receiving a CPC payment is on the CCC Debt Register but the indebtedness has not yet been submitted to TOPS, the only option to offset the payment is by using form NRCS-CPA-1236, Assignment of Payment, signed by the participant assigning his or her payment to the USDA agency. The CCC Debt Register allows payments to be offset for other USDA agency debt (starting when the initial notification letter is sent). The NFC disbursing center only honors debts referred to TOPS.

G. Offsets to Payments Made by Treasury

When offsets to payments are made by Treasury against a CPC payment, FFIS payment records will reflect full payment to the participant. The financial management staff can inquire to the "Payments Branch" at NFC to determine if an offset was applied to a payment. The CPC participant will not be notified by either NRCS or Treasury when payment offset occurs.

H. ProTracts and Collections or Claims

Neither collections nor claims are recorded in ProTracts; however, adjustments for collections recorded in FFIS will be made in the Payment Limitation Database (EQIP only), and available allowance to reflect changes in a participant's net benefits.

512.69 Erroneous and Other Special Payments

A. Definition of Erroneous Payments

Erroneous payments occur whenever a payment is made that does not conform to the NRCS administrative policies. See Exhibits, section 512.97 for a list of erroneous payment indicators.

B. Payments Handled Outside ProTracts

NRCS has identified the four most common types of erroneous and other special payments encountered in program contracts. These include the following:

- (i) **Erroneous Under-payment**—This covers situations where payment has already been issued, but an error is subsequently discovered. This error may have been the result of action by an NRCS employee, a technical service provider, or a participant. A “finding of facts” approved by the State Conservationist must document the cause(s) of each erroneous under-payment and support the corrective action.
- (ii) **Judicial or National Appeals Division (NAD) Directive**—A final judicial decision (Federal court) or NAD decision where NRCS or USDA error has been determined may direct the agency to issue a payment in an amount or for a purpose that is not authorized in a participant’s CPC. A copy of the final order or NAD decision directing NRCS payment must precede any payment action.
- (iii) **Equitable Relief**—This is applicable to program applications or contracts where equitable relief has been approved according to 7 CFR 635 and CPM, Part 509. Only payments that cannot be processed within ProTracts are included in this situation. A copy of Form FSA-321, Finality Rule and Equitable Relief, [<http://www.nrcs.usda.gov/programs/ER/>], or a written brief that sets forth the rationale behind the need and authority for NRCS payment (including review and concurrence by the Office of the General Counsel) must accompany any payment action.
- (iv) **Other Circumstances Approved by the Deputy Chief for Programs**—All other circumstances involving direct payment through FFIS must be submitted through the respective National program manager for review and approval. All requests must include a narrative description of the situation with a justification for NRCS payment. An approval letter signed by the Deputy Chief must precede any payment action.

C. Processing Payments

- (1) The following steps will be taken to process payment requests that do not originate in ProTracts for the four situations listed above:
- (2) The State Conservationist will submit a request to the Deputy Chief for Programs that includes—
 - (i) The documentation cited in section 512.69 B for the specific situation.
 - (ii) A copy of Form NRCS-CPA-1245, (manually prepared) certifying that authorized improvements are complete; meet all NRCS requirements; are supported by bills, invoices, and receipts as appropriate; and is signed and dated by the participant and NRCS Approving Official.
 - (iii) A copy of a screen print from ProTracts (Participant Information Screen) showing that the participant is currently eligible to receive payment through the applicable program contract.
 - (iv) A copy of the signature page of the contract.

- (v) A copy of the power of attorney or other documents substantiating signature authority if the payment request is signed by a person that did not sign the program contract.
 - (vi) A copy of Form SF-1199A.
 - (vii) Any other documentation (e.g., an assignment of payment) needed to support the payment request.
- (3) Members of the Programs Business Tools Team and the Financial Management Division staff will—
- (i) Review and verify that the payment request cannot be processed through ProTracts. Any requests that can be processed in ProTracts will be returned to the State with instructions.
 - (ii) Verify the adequacy of documentation supporting the payment request as outlined in section 512.60 G.
 - (iii) Establish a record of transactions requiring a manual updating of the Payment Limitation Record in ProTracts (at the National level) for the applicable EQIP contracts.
 - (iv) Develop special instructions for the State financial management staff to enter and certify payments into FFIS.
 - (v) Initiate any allocation changes necessary to ensure that funds are available in the appropriate State account.
- (4) The Director, Financial Management Division, will issue an “adjustment form” to the State Conservationist that documents processing actions and provides instructions for FFIS payment.
- (5) The State administrative staff will complete manual entry into FFIS and certify payment using the adjustment form instructions.

Part 512 – Conservation Program Contracting

Subpart H – Violations

512.70 Handling Contract Violations

- (1) All contract violations will be handled using the guidance contained in the applicable program regulation and Part 510 of the Conservation Programs Manual. Access this document through the following link:
http://policy.nrcs.usda.gov/scripts/lpsis.dll/M/M_440_510_b_12.htm
- (2) Each program has language in its regulation that requires specific actions to be taken by NRCS. The following requirements are provided in program regulations:
“If NRCS determines that a participant is in violation of the terms of a contract or documents incorporated by reference into the contract, NRCS will give the participant a reasonable period of time, as determined by the STC, to correct the violation and comply with the terms of the contract and attachments thereto. If a participant continues in violation, the STC may terminate the [Program] contract.”
- (3) The following table provides the regulatory citation in each of the applicable program regulations.

Program	Regulatory Citation
Agricultural Management Assistance (AMA)	7 CFR 1465.25(a)(1)
Environmental Quality Incentives Program (EQIP)	7 CFR 1466.26(a)(1)
Conservation Security Program (CSP)	7 CFR 1469.25(a)(1)
Wildlife Habitat Incentives Program (WHIP)**	7 CFR 636.12(a)(1)

**In the case of WHIP, the regulatory language regarding violations is somewhat different from that cited above; however, the difference is insignificant as to the legal intent and meaning regarding NRCS’ contractual responsibilities.

512.71 Documenting Potential Contract Violations

When a contract review indicates a potential or actual violation, the NRCS representative providing assistance to the USDA program participant must provide the participant with sufficient notification of the following:

- (1) Cause of violation.
- (2) Regulatory and contractual basis for the violation.
- (3) Reasonable period of time for the participant to correct the cause of a violation.
- (4) Notification of any adverse actions that might be taken by NRCS for a continuance of the violation including but not limited to—
 - (i) Contract cancellation or termination.
 - (ii) Recovery of any previously paid cost-share or incentive payments.
 - (iii) Assessment of liquidated damages.
 - (iv) Response required by the participant.

512.72 Filing of False Payment Applications

Applications for cost-share payments on practices or components not carried out or that do not meet required specifications constitute false applications. In accordance with statute (U.S. Code at 18 U.S.C. 1001, and False Claims Act at 31 U.S.C. 3729(a)(1)), participants filing false or fraudulent applications are subject to a fine of not more than \$10,000 or imprisonment of not more than 5 years, or both.

Part 512 – Conservation Program Contracting

Subpart I – Fund Management

512.80 General

A. Financial and Contracting Systems

All NRCS employees are responsible for ensuring that funds delivered through Conservation Program Contracts (CPCs) are properly managed and disbursed for the intended purpose. NRCS operates three distinct systems to provide the necessary mechanisms and processes for insuring integrity in the CPC application, contracting, and fiscal accounting processes.

- (1) The Office of the Chief Financial Officer's (OCFO) Foundation Financial Information System (FFIS) is the sole accounting system for all NRCS obligations and disbursements.
- (2) ProTracts is the application management and contract administration tool for CPC programs. This system allows field-level users and State-level managers to create CPC products (applications, contracts, modifications, payments, and other program documents) for working with NRCS customers to create financial transaction requests, to record the administrative history for each CPC, and to provide managers the necessary tools and reports for tracking performance of CPCs.
- (3) Fund Manager provides the interface between ProTracts and FFIS for recording and communicating financial transaction requests and action. Fund Manager also provides the necessary processing records for interfacing with the Farm Service Agency's eligibility files, adjusted gross income records, EQIP payment limitations, and the National Finance Center's vendor records system.
- (4) Fund Manager transfers data from ProTracts to FFIS and returns data from FFIS to ProTracts. The interface processes requests daily and during the FFIS nightly processing cycle. Fund Manager is one day behind FFIS in the processing of data. The nightly interface process is as follows:
 - (i) From Fund Manager to FFIS –
 - New obligations and adjustments to previously recorded obligations as FFIS MG transactions.
 - New payment requests as FFIS PG transactions
 - New vendor records and modifications to existing vendor records.
 - (ii) From FFIS to Fund Manager –
 - Vendor records updated.
 - FFIS PG documents Treasury disbursement confirmed date.
 - FFIS deleted PG documents rejected by FNM staff.
 - FFIS new or adjusted allocations posted.
 - MG and PG data for reconciliation between Fund Manager and FFIS.

B. Fund Authorities

NRCS receives funds authorized by Congress and apportioned by the Office of Management and Budget (OMB) each year. OMB identifies the purposes for which funds may be used, the time limits within which they may be obligated and expended, and the amount. These funds are deposited to the Agency identified by a Treasury Symbol indicating the authorities of the funding. Any funds transferred from NRCS to

another agency to carry out authorized activities will maintain, at a minimum, the same authorities for the funding as originally apportioned. For example, NRCS funds transferred to another Federal agency under 1271004 must be obligated in FY 2007 or otherwise the funds expire. The following types of funds are authorized:

- (1) ANNUAL, Single-Year Treasury Symbol – Funds are available for new obligations within the year appropriated. On the first day of the next fiscal year, the funds are considered expired. Once expired, any unobligated funds are available for valid cost overruns and “in scope” modifications on existing contracts. Annual appropriations remain available for an additional five (5) fiscal years beyond expiration, however, only for the purpose of making payments to liquidate obligations made within the fiscal year for which the funds were appropriated. After this five-year period, the funds and all remaining obligations are cancelled and no longer available. The Consolidated Appropriations Act, 2005 PL 108-447 extended the five fiscal years to “remain available until expended” for covering obligations made in fiscal years 2002, 2003, 2004 respectively, and are not available for new obligation (CSP, EQIP, FRPP, GRP, WHIP, WRP, and AMA). Since then Congress has provided the same language for each fiscal year funding, and also added WHIP Treasury Symbol 1213322. Single Year Treasury Symbols carry the year authorized designated indicating the year of availability.

In order to comply with the purpose of the annual Farm Bill funding received, NRCS administers the technical assistance (TA) and the financial assistance (FA) funding differently.

- (i) For FA, funds are obligated during the year in which the funds are received for the entire landowner contract amount. This ensures sufficient funding to fulfill the obligation of the contract. An exception is CSP, where the contract is signed and includes activities for multiple years, but NRCS receives funding for only current year activities. (See section 512.50 B.)
 - (ii) For TA, funds are obligated during the year in which the funds are received for needs of that year (“bona fide need” rule). If a landowner chooses to have a Technical Service Provider (TSP) perform technical assistance, only the current-year need is obligated in the contract. Each year thereafter, the original contract may be amended to add current-year TA funding. Work funded by this TA must be performed within the year the funding is made available or, in case of unforeseen circumstances, within a reasonable amount of time in the next fiscal year.
- (2) MULTIPLE (Multi) – Funds must be obligated within a definite period in excess of one fiscal year. The obligation period may be several years at Congressional discretion. For example, in 2005 the Conservation Operations Treasury Symbol (125/61000) was authorized from October 1, 2004 to June 30, 2006, not a full two years. Multiple year Treasury Symbols carry the years authorized designated indicating the year of availability.
 - (3) NO-YEAR – Funds remain available until expended for their original purpose. Each fiscal year, OMB must reauthorize the unobligated balance. Therefore, funds are available for new obligations until all funds are disbursed. No-Year Treasury Symbols carry an “X” designation indicating the no-year status.

512.81 FFIS Fund Structure**A. Program Fund Codes**

NRCS establishes alpha-numeric fund codes within FFIS for each program. The numeric portion correlates to the specific conservation program as described in the table below:

FUND	FUND NAME	TREASURY SYMBOL	FUNDING TYPE
01	Conservation Technical Assistance (CTA) Note: in FY 2004 and prior, the Conservation Operations Treasury Symbol was a No-Year	12 Y/Y 1000	Multi-Year
02	Soil Survey	12 Y/Y 1000	Multi-Year
03	Flood Prevention Operations	12 X 1072	No-Year
06	Watershed Planning	12 Y 1066	Annual
07	Watershed Rehabilitation	12 X 1002	No-Year
08	Small Watershed Operations	12 X 1072	No-Year
11	Resource Conservation & Development (RC&D)	12 X 1010	No-Year
14	Rural Abandoned Mine Program (RAMP)	12-14 X 5015 (10)	No-Year
16	Emergency Watershed Program (EWP)	12 X 1072	No-Year
45	Snow Survey and Water Forecasting	12 Y/Y 1000	Multi-Year
46	Operation of Plant Material Centers	12 Y/Y 1000	Multi-Year
67	Conservation Reserve Program (CRP) TA only	12 Y 1004	Annual
69	Farm & Ranchland Protection Program (FRPP)	12 Y 1004	Annual
56 FY 2001 2002	Agriculture Management Assistance (AMA)	12 X 4336	CCC Borrowing Authority- limited
87 FY 2004 +		12 Y 1004	Annual
23	Soil and Water Conservation Assistance (SWCA)	12 X 4336	CCC

440 – Conservation Programs Manual

			Borrowing Authority-limited
58, FY 1998 1999 2000	Wildlife Habitat Incentives Program (WHIP)	12 X 3322	No-Year
61 FY 2001		12 1 3322	Annual
75 FY 2002 +		12 Y 1004	Annual
76	Environmental Quality Incentive Program (EQIP) – General	12 Y 1004	Annual
80 FY 1996 -	Wetland Reserve Program (WRP)	12 X 1080	No-Year
57 FY 1997 - 2001		12 X 4336	CCC Borrowing Authority - Restricted
77 FY 2002 +		12 Y 1004	Annual
78	EQIP – Ground & Surface Water Conservation (GSWC)	12 Y 1004	Annual
79	EQIP – Klamath Basin	12 Y 1004	Annual
85	Conservation Security Program (CSP)	12 Y 1004	Annual
86	Grassland Reserve Program (GRP)	12 Y 1004	Annual
88	Healthy Forest Reserve Program	12 Y 1090	Annual
96	Environmental Quality Incentives Program (1996 Farm Bill Funding)	12 5 1004	Annual

B. Fund Categories

The alpha character appended to the numeric code describes the specific category of the funding:

Code	Description
T	Technical Assistance (TA)
F	Financial Assistance (FA)
P	Prior-year Financial Assistance (ProTracts only)
R	Reimbursable annual funds (FA or TA)

Annual funds carrying a year-specific identifier can be obligated only for contracts of the same-year funding as described in section 512.50 A. For example, 07 76T equates to 2007 fiscal year EQIP technical assistance funds with the “07” being the year-specific identifier.

512.82 Fund Management Timeline

NRCS fund allocation and management for CPC-related programs requires the assessment, monitoring, and management of current-year programs and all prior-year program funds with open obligations. The following table provides the allocation strategy to guide the process of program allocation and management across the systems essential to CPC programs.

TIMELINE	PLANNED ACTION	FUND STATUS IN PROTRACTS	FUND STATUS IN FFIS	IMPACT
Late September	Prepare for year-end close by suspending ProTracts interface activity for new obligations. Vendor file interface and PG document transfer will continue.	Allocations and obligations are audited and adjustments made to match FFIS.	Allocations and obligations match ProTracts. FNM posts all payments for certification. Research and clear all other transactions. FFIS SUSF PG and MG transactions accepted in FFIS.	Final fiscal year reconciliation of ProTracts to align with FFIS.
Early October (NHQ)	ProTracts prior-year allocation and cost overrun accounts	Allocation = Sum of FFIS Contract Obligations for all active contracts Adjust cost	FFIS allocations are adjusted for cost overrun accounts to States by fund code.	Enough funds are provided for States to approve “early-year” contract modifications and

440 – Conservation Programs Manual

TIMELINE	PLANNED ACTION	FUND STATUS IN PROTRACTS	FUND STATUS IN FFIS	IMPACT
	adjusted.	overrun accounts. (To the extent funds are available, the cost overrun account will reflect at least 1% of the open obligations for cost-shared items for the applicable fund year.)		payment adjustments in ProTracts without seeking an allocation change from Headquarters. Establishes and distributes cost-overrun accounts for prior-year contract management.
October (NHQ)	Open FFIS with national level FFIS allocation established for current-year programs when apportionment is available.	ProTracts is automatically aligned with FFIS allocations for the current year.	FFIS allocations are available to States for new obligations for the current year. Prior-year funds are available for modifications and payments.	States have the funds available for processing obligations and payments in FFIS and ProTracts.
October (States)	States re-allocate current-year funds.	State Offices establish current-year subaccounts and re-allocate funds to these subaccounts in accordance with the established program fund allocation policy.	No impact on FFIS.	Program funds are available in ProTracts for obligation in CPCs.
November (NHQ)	Complete review of the preliminary year-end closing data.	No changes expected.	No changes expected.	
Quarterly (States)	Complete a state-level review and certification of valid		State FNM produces FFIS Section 1311, "Valid Unpaid Obligations Report" from	Program manager reviews and provides certification and adjustments if needed for valid

TIMELINE	PLANNED ACTION	FUND STATUS IN PROTRACTS	FUND STATUS IN FFIS	IMPACT
	obligations.		FFIS.	unpaid obligations.
End of Second Quarter (States)	Complete a mid-year assessment of fund status.	Obligations and commitments are evaluated.	Review and implement any adjustments needed to ensure effective utilization of current-year funds and cost overrun accounts. ProTracts reconciles with FFIS.	Program funds are adjusted and remain available.
End of Third Quarter (NHQ)	Sweep accounts and reallocate funds.	Excess available funds are swept.	Excess available funds are swept and redistributed to States (through the allocation process) that have indicated a need and ability to utilize by mid-September.	Program funds are adjusted in preparation for final-quarter activity and year-end close.

512.83 Fund Allocations

The Chief will issue State program allocations consistent with national program priorities and allocation formulas. Allocations are provided to the Deputy Chief for Management for entry into the FFIS. Notification of allocations with supplemental instruction, if needed, will be provided to State Conservationist by letter.

State Conservationists will verify receipt of allocations in FFIS and ProTracts. When receipt is confirmed, ProTracts subaccounts and distributions may be completed in conformance with the State allocation process for each program.

State Conservationists will consider the following in allocating current-year funds in ProTracts for obligation in CPCs:

- (1) Establish a current-year reserve of funds necessary for making adjustments to current-year contracts for payments in excess of planned quantities or modifications to contracts for correcting errors in the initial conservation planning and contracting. These may include omissions of required practices or components. The funds may be maintained in an established subaccount or held in the State-level allocation as a reserve and not distributed to a subaccount. State Conservationists will establish protocols for requesting and allocating from the reserve.

- (2) Establish subaccount and allocate EQIP-General FA funds to implement State-funded Conservation Innovation Grants (CIG).
- (3) Establish allocations and protocols for distributing technical assistance funds for participant-acquired TSP contract items.
- (4) Establish State procedure for managing allocations at the area and/or field level, if local allocation management is part of the State program allocation process.

State Conservationists cannot approve applications for funding in excess of the State allocation. Internal controls automated in ProTracts provide protection from overobligation of fund accounts.

512.84 Fund Allocation Changes

State Conservationists will monitor program obligations and expenditures. Current operating systems have the necessary controls to prevent overobligation of program accounts at the program, State, and contract levels. State Conservationists will monitor and manage State- and contract-level funds in all program accounts to provide the funding necessary to accomplish the program objectives.

When State program allocations in cost overrun accounts are depleted, State Conservationists will request additional funds through the Deputy Chief for Programs using the Allowance/Performance Adjustment Sheet, Form NHQ-FNM-3. The request will include the following information:

- (1) Program fund code (Alpha-numeric – 76F, 76T, 75F, etc.)
- (2) Program fiscal year (2003, 2004, etc.)
- (3) Requested amount by fund code
- (4) Basis/justification for the request
- (5) State Conservationist signature

The Deputy Chief for Programs will evaluate and process the request. Approvals will be routed to the Deputy Chief for Management for entry into FFIS. The ProTracts allocation will update automatically from the allowance change made in FFIS. The State Conservationist will receive, in writing, a disapproval notification and basis for determination for any request of funds that is denied.

State Conservationists may return program current-year funds that cannot be obligated using the method described in a national bulletin issued by the Chief each year defining the process for return and reallocation of funds.

512.85 Contract-Level Fund Management

All NRCS organizational levels are responsible for managing funds and fund integrity in FFIS at the contract level. Areas of responsibility and processes are described as follows:

A. National Office

- (1) Align State allocations daily in FFIS and ProTracts through an automated synchronization process. (ProTracts is one day behind reflecting FFIS processing.)
- (2) FFIS and ProTracts contract obligations are aligned through automated processes that remove residual financial and technical assistance funds created through contract payments, modifications, or contract completion. If the payment for a ProTracts contract line item is less than the obligation for an item, the contract obligation is reduced to the payment amount at the time the payment is processed. If the

ProTracts contract line item is paid at an amount greater than the obligation, but less than \$1,000, the total obligation will be increased by that amount when the payment request is approved in FFIS.

- (3) Manually process allocation requests from States in FFIS. FFIS synchronizes the change with ProTracts during nightly processing.
- (4) Monitor fund obligations and use of cost overrun accounts for conformance with principles of appropriations law and fund authorizations.
- (5) Review State-level cost overrun balances and adjust as necessary for effective program management.

B. State Office

- (1) FNM monitors obligating documents (initial and modification) transmitted by Fund Manager that were entered into FFIS through the automatic nightly interface.
- (2) FNM performs voucher examination procedures using information supplied by the field office and certifies the disbursement for CPC payments in FFIS.
- (3) Program manager and FNM coordinate the monitoring of current-year funds accumulating from modifications and payments on current-year contracts. Program managers sweep current-year ProTracts subaccounts for reallocation, as needed.
- (4) Monitor Fund Manager transactions needing immediate attention and initiate corrective action through field office, program manager, Fund Manager support staff, or National Headquarters FNM, as appropriate.
- (5) Program manager monitors and requests adjustments to ProTracts cost overrun accounts through the Deputy Chief for Programs.
- (6) State FNM quarterly (minimum) provides Section 1311, “Valid Unpaid Obligations Report,” to the program manager for verifying obligations. It is recommended that this report be given to each program manager the month before the Section 1311 Certification for complete and comprehensive review. This allows sufficient time to review and approve all unliquidated obligations before the end of each quarter.
- (7) FNM provides obligation status and open-obligation reports to the program manager throughout the year for fund management activities.

C. Field Office

- (1) ProTracts ledger tracks approved applications and obligations of allocated funds for contracts. Application approvals and obligations are presented on the “View Funds” screen in ProTracts.
- (2) ProTracts, using the Fund Manager interface, communicates all obligation requests to FFIS.
- (3) Payment applications are certified and approved in ProTracts. The ProTracts ledger is updated to reflect the payments on a contract. The payments completed by fund year and by contract are presented on the “View Funds” screen in ProTracts.
- (4) ProTracts uses the Fund Manager interface to communicate the disbursement request to FFIS.
- (5) Fund Manager transaction reports enable users to verify a financial transaction as complete in ProTracts and in FFIS.
- (6) ProTracts modifications (deleting practices or components) and payments (for quantities less than planned amounts) will generate a balance in the county-level account for the contract-year fund code. Unobligated balances will be shown in the “View Funds” ledger for the county. For prior-year contracts (three times each week), ProTracts will sweep these unobligated balances into the fiscal year cost overrun account for the State. The funds will remain available for other cost overrun

or modification actions on contracts within the State. Current-year funds remain in the county-level account.

- (7) ProTracts modifications (adding practices or components) and payments for quantities greater than planned amounts will access funding from either the contract year and fund cost overrun account or the current year fund account for current-year contracts. Field offices do not request reallocation of funds for legitimate cost overruns on prior-year contracts. ProTracts automatically accesses the appropriate State-level cost overrun fund. For current-year funded contracts, ProTracts will access the fund/subaccount shown for the contract further drawing from the ProTracts ledger. Increases in current-year contracts may require a reallocation of funds to the appropriate subaccount before the modification can be approved.
- (8) ProTracts/FFIS will communicate and reconcile all transactions automatically.

Part 512 – Conservation Program Contracting

Subpart J – Exhibits

512.90 Summary of Forms Used

Form Number & Title	Internet Location of the Form
AD-1026—Highly Erodible Land Conservation and Wetland Conservation Certification	http://forms.sc.egov.usda.gov Click Browse Forms and enter form number Form submitted to FSA for processing.
CCC-501A—Member’s Information	http://forms.sc.egov.usda.gov Click Browse Forms and enter form number Form submitted to FSA for processing.
CCC-526—Adjusted Gross Income Certification	http://forms.sc.egov.usda.gov Click Browse Forms and enter form number Form submitted to FSA for processing.
NRCS-CPA-09—Power of Attorney	http://forms.sc.egov.usda.gov Enter eAuthentication Login to access forms
NRCS-CPA-13—Contract Review	http://forms.sc.egov.usda.gov Enter eAuthentication Login to access form
NRCS-CPA-152—Conservation Program Contract Transfer Agreement	http://forms.sc.egov.usda.gov Enter eAuthentication Login to access form
NRCS-CPA-153—Agreement Covering Non-Compliance with Provisions of Contract	http://forms.sc.egov.usda.gov Enter eAuthentication Login to access form

NRCS-CPA-1155—Conservation Plan Schedule of Operation	Available through ProTracts at the program level http://forms.sc.egov.usda.gov Enter eAuthentication Login to access form
NRCS-CPA-1156—Revision of Plan or Schedule of Operations or Modification of a Contract	Available through ProTracts at the program level http://forms.sc.egov.usda.gov Enter eAuthentication Login to access form
NRCS-CPA-1200—Conservation Program Application	http://forms.sc.egov.usda.gov Click Browse Forms and enter form number
NRCS-CPA-1202—Conservation Program Contract	Available through ProTracts at the program level http://forms.sc.egov.usda.gov Enter eAuthentication Login to access form
NRCS-CPA-1202—Appendix	Available through ProTracts at the program level http://forms.sc.egov.usda.gov Enter eAuthentication Login to access form
NRCS-CPA-1236—Assignment of Payment	http://forms.sc.egov.usda.gov Enter eAuthentication Login to access form
NRCS-CPA-1245—Practice Approval and Payment Application	Available through ProTracts at the contract level http://forms.sc.egov.usda.gov Enter eAuthentication Login to access form
NRCS-FNM-60—Electronic Funds Transfer Hardship Waiver Request	http://forms.sc.egov.usda.gov Enter eAuthentication Login to access form Used when updating vendor records in FFIS.
SF-1199A—Direct Deposit Sign-Up Form	http://forms.sc.egov.usda.gov Click Browse Forms and enter form number

512.91 Sample Letters

- A. [Program Eligibility Certification Letter](#)
- B. [Application Deferral Letter](#)
- C. [Ineligibility Determination for Conservation Program Contract Letter](#)
- D. [Pre-Approval for a Conservation Program Contract Letter](#)
- E. [Waiver to Begin a Conservation Practice Letter](#)

- F. [Annual Practice Reminder Letter](#)
- G. [Certification of Recurring Payments Letter](#)
- H. [Debt Collection Letter](#)
- I. [CSP Disapproval Letter](#)
- J. [Limited Resource Farmer/Rancher Administrative Review Letter](#)
- K. [Beginning Farmer/Rancher Administrative Review Letter](#)
- L. [Termination with Cost Recovery Letter](#)
- M. [Cancellation without Cost Recovery Letter](#)
- N. [Cancellation with Cost Recovery Letter](#)

512.92 Summary of General Program Eligibility

Specific eligibility is in each Program Part of the 440-CPM: Parts 515–523

- A. **AMA Web link to land eligibility criteria:**
http://policy.nrcs.usda.gov/scripts/lpsiis.dll/M/M_440_521_E.rtf
- B. **AMA Web link to person eligibility criteria:**
http://policy.nrcs.usda.gov/scripts/lpsiis.dll/M/M_440_521_E.rtf
- C. **CSP Web link to land and person eligibility criteria (self assessment):**
http://www.nrcs.usda.gov/programs/csp/pdf_files/CSPfy06self-assessment10_20.pdf
- D. **EQIP Web link to person eligibility criteria:**
http://policy.nrcs.usda.gov/scripts/lpsiis.dll/M/M_440_515_E.rtf
- E. **EQIP Web link to land eligibility criteria:**
http://policy.nrcs.usda.gov/scripts/lpsiis.dll/M/M_440_515_E.rtf
- F. **WHIP Web link to land eligibility criteria:**
http://policy.nrcs.usda.gov/scripts/lpsiis.dll/M/M_440_517_C.rtf
- G. **WHIP Web link to person eligibility criteria:**
http://policy.nrcs.usda.gov/scripts/lpsiis.dll/M/M_440_517_C.rtf

512.93 Checklist for Six-Part Folder

For use if States choose to use six-part folder to assemble the contract file contents listed in paragraph 512.43.

Contract Folder Assembly

1 st Cover	2 nd Cover	3 rd Cover
<ul style="list-style-type: none"> • Application Form NRCS-CPA-1200 • Contract Form NRCS-CPA-1202 	<ul style="list-style-type: none"> • Form NRCS-CPA-13 • Appeals and Mediation Records 	<ul style="list-style-type: none"> • Conservation Plan Map & Legend • Soil Map & Legend • Location Map

<ul style="list-style-type: none"> • CPC Appendix • Application Evaluation & Ranking Worksheet • Form CCC-501A • Signature authority for business or other participant representation • Form NRCS-CPA-09 • Joint Agreements • Form NRCS-CPA-153 • Documentation supporting Limited Resource/Beginning Farmer or Rancher Certification (CSP & EQIP) • Self-Assessment Workbook (CSP) 	<ul style="list-style-type: none"> • Conservation Assistance Notes • General correspondence 	
4th Cover	5th Cover	6th Cover
<ul style="list-style-type: none"> • Form NRCS-CPA-1155 • Form NRCS-CPA-1156 • Conservation Plan 	<ul style="list-style-type: none"> • Practice Design & Drawings • Job sheets • Practice Specifications • Worksheets • Environmental Evaluation or Assessment • Archaeological information • NEPA documentation • Operation & Maintenance Agreements 	<ul style="list-style-type: none"> • Form NRCS-CPA-1245 • Form SF-1199A • Form NRCS-FNM-60 • Form NRCS-CPA-1236 • Invoices/receipts for AA and AM contract items • Check-out and certification notes attached to applicable payment • Practice implementation data supplied by Technical Service Providers

512.94 Conservation Program Contract – Other Special Provisions

[Click here for a copy of the Conservation Program Contract – Other Special Provisions](#)

512.95 Conservation Program Contract – Special Provisions for Equal Opportunity

[Click here for a copy of the Conservation Program Contract – Special Provisions for Equal Opportunity](#)

512.96 Example of Servicing Multistate Applications and Contracts

[Click here for a copy of the Example of Servicing Multi-State Applications and Contracts](#)

512.97 Indicators of Erroneous Payments

This document summarizes a list of erroneous payment indicators related to Conservation Program Contracts. An indicator is an event or condition that either demonstrates that an erroneous payment has been made or suggests that erroneous payments are likely to occur. These indicators are grouped into four categories: Internal Controls, Documentation, Potential Fraud, and Programmatic. Although these indicators should not be considered all-inclusive, this summary helps NRCS employees at all organizational levels understand the causes and potential actions to reduce the risk of making erroneous payments.

- (1) Internal Controls:
 - (i) Cannot reconcile participant receipts with disbursements
 - (ii) Duplicate payments
 - (iii) Excessive processing time for payments
 - (iv) Inadequate authorization and review of payment requests
 - (v) Inadequate control over vendor payment addresses
 - (vi) Inadequate control over User Identification/Password access to automated systems
 - (vii) Inadequate control over receivables
 - (viii) Inadequate control over allocations
 - (ix) Inadequate monitoring/oversight
 - (x) Insufficient separation of duties between employees receiving services and authorizing payment
 - (xi) Large number of contract modifications
 - (xii) Large percent increase of contract obligation through modification
 - (xiii) Negative transactions
 - (xiv) No edit checks for disbursements
 - (xv) Payments made without contract obligation
 - (xvi) Inadequate accounting records
 - (xvii) Inadequate management control
 - (xviii) Inadequate physical controls on computer equipment
 - (xix) System deficiencies
 - (xx) Unqualified staff assigned to provide technical assistance for contract implementation
 - (xxi) Unqualified staff assigned permissions/access to ProTracts, Fund Manager, and FFIS
- (2) Documentation:
 - (i) Clerical errors
 - (ii) Coding errors
 - (iii) Conflict between date and amount paid compared to invoice date and amount
 - (iv) Documentation errors

- (v) Duplicate invoices
 - (vi) Improper partial payments
 - (vii) Incorrect interest rates
 - (viii) Incorrect refunds or liquidated damages
 - (ix) Incorrect Tax Identification Numbers
 - (x) Incorrect Vendor Codes
 - (xi) Missing or inadequate supporting documentation
 - (xii) Photocopied original records
 - (xiii) Unsupported claims
- (3) Potential Fraud:
- (i) Bribes
 - (ii) Close social relationship with contractors or participants
 - (iii) Difficulty contacting participants/contractors
 - (iv) Disparities between data sources
 - (v) Duplicate vendor names, numbers, and addresses
 - (vi) False claims
 - (vii) False Social Security Numbers
 - (viii) Fictitious identity
 - (ix) Higher/false/unallowable billing costs
 - (x) Illegal political contributions
 - (xi) Kickbacks
 - (xii) Large payments made to employees
 - (xiii) Program applicants with criminal history
 - (xiv) Number of returned checks compared to checks issued
 - (xv) Offers of gifts, money, or other gratuities to Government officials
 - (xvi) Payments made after death
 - (xvii) Payments made on terminated, canceled or expired contracts
 - (xviii) Payments returned by Treasury
 - (xix) Related party transactions
 - (xx) Retroactive contractual authorizations
 - (xxi) Similar invoices from different vendors (company has different names)
 - (xxii) Slow payment or non-payment to suppliers
 - (xxiii) Undeclared or understated income
 - (xxiv) Undue pressure from senior NRCS officials to process a payment request
- (4) Programmatic:
- (i) Failure of applicant to estimate income correctly
 - (ii) Failure of participant to report status changes
 - (iii) Complex program procedures
 - (iv) Ineligible recipients
 - (v) Non-related or unnecessary services provided
 - (vi) Numerous complaints from NRCS employees, program participants, and others
 - (v) Supplemental payments to participants from other private or public sources
 - (vi) Required services not performed by vendors
 - (vii) Unusual activity/patterns/trends
 - (viii) High volume of transactions

512.98 Program Eligibility Matrices for Individuals, Entities, and Joint Operations

A. [Agriculture Management Assistance \(AMA\) Matrix](#)

- B. [Conservation Security Program \(CSP\) Matrix](#)
- C. [Environmental Quality Incentives Program \(EQIP\) Matrix](#)
- D. [Wildlife Habitat Incentives Program \(WHIP\) Matrix](#)

512.99 Guidance for Transferring Contracted Land in ProTracts

- A. **Land transfers** are explained in section 512.54. An integrated Land Transfer Module has not yet been developed for ProTracts and the related Customer Service Toolkit Data. The following are the software steps to be taken until that module is deployed.
- B. **Entire contract assumptions** per section 512.54 D may have the transferee added through a modification with the following steps:
 - (1) Initiate modification and view Participant Information.
 - (2) Select “Add Participant” to add the transferee as the decision maker with appropriate shares, adding all the new transferees on the contract. Reduce the previous owner shares to zero.
 - (3) The transferee must meet all the eligibility criteria for the modification to be approved.
 - (4) The obligating vendor record cannot be deleted; the previous owner of the contract remains as a ‘participant’ on the contract with zero shares.
- C. **For partial land transfers** see section 512.54 F. The following steps would be taken in ProTracts:
 - (1) Delete the transferred items from the existing contract, stating clearly in the “Basis for Modification” text box the explanation of the land transfer circumstances.
 - (2) The funds from the deleted items will be returned within 1-2 days to the cost over run fund for that budget year for use in funding the application/contract for the transferred contract obligations.
 - (3) The steps listed below to enter a new contract for the transferred portion and obligate the contract funds will involve staff with the appropriate ProTracts role based permission:
 - (i) Complete Applicant Info
 - (ii) Approve/Select Applications for Funding
 - (iii) Check Applicant Signed
 - (iv) Sign Contract
 - (4) The following data is needed to complete the application and obligation:
 - (i) Current Form SF-1199A banking routing information to set up vendor code
 - (ii) All application information including land units, resource concerns, etc.
 - (iii) Toolkit planning for transferee contract assumption items.
 - (iv) Practices and components to be contracted, with practice extents, and scheduled years
 - (v) Original practice costs and cost share rates to enter into migration cost list fields if transferred contract is from EQIP FY1996-2003 (Using EQIP Conversion Cost List) or correct cost list to link.
 - (5) ProTracts application data entry steps unique to partial contract assumptions:
 - (i) Application date will allow entry of the original application date. Contract end-date needs to be the same as the existing contract, per any approved modifications to extend the completion date.
 - (ii) Select the appropriate fiscal year in which the contract was originally obligated.

AMA Payment Limitation and Subsidiary Eligibility Requirements by
Business Type

Rev. 11/13/2006

Business Type Code	Business Type	SCIMS Tax ID Type	Individual or Entity			Entity Members
			HELC/WC Eligibility Required 1/	AGI Eligibility Required 1/	\$50,000 Limit Person/yr 2/	Members required 3/
1	Individual	SSN	No	No	Yes	No
2	General Partnership	EIN	No	No	Yes	Yes
3	Joint Venture	EIN 4/	No	No	Yes	Yes
4	Limited Liability Company	SSN	No	No	Yes	No
4	Corporation w/Stockholders or Limited Liability Company	EIN	No	No	Yes	Yes
05	Limited Partnership	EIN	No	No	Yes	Yes
06	Estate	SSN	No	No	Yes	No
06	Estate	EIN	No	No	Yes	Yes
07	Trust - Revocable	SSN	No	No	Yes	No
07	Trust - Revocable	EIN	No	No	Yes	Yes
10	Churches & other Charitable Organizations	EIN	No	No	Yes	Yes 5/
14	BIA Indian Tribal Venture	No entry or use by NRCS-- FSA use only	Not Verified in ProTracts			New Contracts Not Entered for the Business Type
15	Indians Represented by BIA (includes groups or individuals)	Tax Id blank from SCIMS - mapped behind scenes to BIA EIN	No	No	State Tracks per CPM-521.81 F	No
17	Trust - Irrevocable	EIN	No	No	Yes	Yes
18	Individual operating as a Small Business	EIN	No	No	Yes	Yes
20	Indian Tribal Venture	EIN	No	No	State Tracks per CPM-521.81 F	Yes5/
20	Alaska Native Corporations	EIN	No	No	State Tracks per CPM-521.81 F	Yes 5/
08	Federally Owned	AMA contracts Not allowed				
09, 11, 12	State and local governments					
13	Public School					
19	Groups of Individuals					
99	General Entity Member 5/					
1/ AMA is authorized under the Agriculture Risk Protection Act of 2000. FSA Title XII provisions are not applicable. (521.00 F)						
2/ The total AMA payments to a person shall not exceed \$50,000 per person per fiscal year. A contract with more than one person may earn more than \$50,000 per fiscal year. (521.81 C)						
3/ Where members required is "Yes," Forms CCC-501A or CCC-502 MUST be on file with FSA. All members with a 5% or greater share must be recorded. For entities with greater than 100 members and no member having a 5% or greater share, members will be consolidated into a single entry as business type 99. The 99 code is slated to be decommissioned.						
4/ Some Joint Ventures do not have an EIN. These Joint Ventures will be paid to the individual members based on their TIN.						
5/ A "members of" record must be entered in SCIMS as a General Entity member with no tax id per FSA 2-PL (Rev 1) Amend 11 paragraph 418 B when no member has more than a 5% interest in the entity or there are more than 100 members. Members with greater than 5% share must be entered into the entity file.						

CSP Payment Limitation and Subsidiary Eligibility Requirements by
Business Type

Rev. 11/13/2006

Business Type Code	Business Type	SCIMS Tax ID Type	Individual or Entity				Entity Members	
			HELIC/WC Eligibility Required	AGI Eligibility Required	Contract Eligible 1/	Tier Payment Limits	Members required 2/	Impact HELIC/WC Eligibility
1	Individual	SSN	Yes	Yes	Yes	Yes	No	No
2	General Partnership	EIN	Yes 3/	Exempt 4/	Yes	Yes	Yes	Yes
3	Joint Venture	EIN 5/	Yes 3/	Exempt 4/	Yes	Yes	Yes	Yes
4	Limited Liability Company	SSN	Yes	Yes	Yes	Yes	No	No
4	Corporation w/Stockholders or Limited Liability Company	EIN	Yes	Yes	Yes	Yes	Yes	No
05	Limited Partnership	EIN	Yes	Yes	Yes	Yes	Yes	No
06	Estate	SSN	Yes	Yes	Yes	Yes	No	No
06	Estate	EIN	Yes	Yes	Yes	Yes	Yes	No
07	Trust - Revocable (w/ SSN)	SSN	Yes	Yes	Yes	Yes	No	No
07	Trust - Revocable (w/ EIN)	EIN	Yes	Yes	Yes	Yes	Yes	No
10	Churches & other Charitable Organizations	EIN	Yes	Yes	Yes	Yes	Yes 6/	No
14	BIA Indian Tribal Venture	No entry or use by NRCS--FSA use only	Not Verified in ProTracts				New Contracts Not Entered for the Business Type	
15	Indians Represented by BIA (includes groups or individuals)	Tax Id blank from SCIMS - mapped behind scenes to BIA EIN	Yes 7/	Yes	Yes	Yes	No	No
17	Trust - Irrevocable	EIN	Yes	Yes	Yes	Yes	Yes	No
18	Individual operating as a Small Business	EIN	Yes	Yes	Yes	Yes	Yes	No
20	Indian Tribal Venture	EIN	Yes	Exempt	Yes	Yes	Yes 6/	No
20	Alaska Native Corporations	EIN	Yes	Exempt	Yes	Yes	Yes 6/	no
08	Federally Owned	CSP Contracts Not allowed						
09, 11, 12	State and local governments							
13	Public School							
19	Groups of Individuals							
99	General Entity Member 6/							
1/ Limit of one payment per program participant 518.41C.								
2/ Where members required is "Yes," Forms CCC-501A or CCC-502 MUST be on file with FSA . All members must file a Form CCC-526 for AGI certification. All members with a 5% or greater share must be recorded. For entities with greater than 100 members and no member having a 5% or greater share, members will be consolidated into a single entry as business type 99. The 99 code is slated to be decommissioned.								
3/ HELIC/WC is done at both the Joint Operation level AND the member level since a member may be ineligible on another tract.								
4/ AGI eligibility is read only at the member level for Joint Operations (business type 2 & 3) from Form CCC-501A, and NOT at the entity level.								
5/ Some Joint Ventures do not have an EIN. These Joint Ventures will be paid to the individual members based on their TIN.								
6/ A "members of" record must be entered in SCIMS as a General Entity member with no tax id per FSA 2-PL (Rev 1) Amend 11 paragraph 418 B when no member has more than a 5% interest in the entity and there are more than 100 members. Members with greater than 5% share must be entered into the entity file. AGI must be present for a "members of" record for 100% of the members if AGI Required = Yes.								
7/ BIA submits Forms AD-1026 & CCC-526 for the land unit(s) attached to an application.								

EQIP Payment Limitation and Subsidiary Eligibility Requirements by
Business Type

Rev. 11/13/2006

Business Type Code	Business Type	SCIMS Tax ID Type	Individual or Entity			Entity Members		
			HELC/WC Eligibility Required	AGI Eligibility Required 1/	\$450,000 Limit Applies	Members required 2/	Member's AGI Affect \$450,000 limit?	Impact HELC/WC Eligibility
1	Individual	SSN	Yes	Yes	Yes	No	No	No
2	General Partnership	EIN	Yes 3/	Exempt 4/	Yes	Yes	Yes	Yes
3	Joint Venture	EIN 5/	Yes 3/	Exempt 4/	Yes	Yes	Yes	Yes
4	Limited Liability Company	SSN	Yes	Yes	Yes	No	No	No
4	Corporation w/Stockholders or Limited Liability Company	EIN	Yes	Yes	Yes	Yes	Yes	No
05	Limited Partnership	EIN	Yes	Yes	Yes	Yes	Yes	No
06	Estate	SSN	Yes	Yes	Yes	No	No	No
06	Estate	EIN	Yes	Yes	Yes	Yes	Yes	No
07	Trust - Revocable	SSN	Yes	Yes	Yes	No	No	No
07	Trust - Revocable	EIN	Yes	Yes	Yes	Yes	Yes	No
10	Churches & other Charitable Organizations	EIN	Yes	Yes	Yes	Yes 6/	No	No
14	BIA Indian Tribal Venture	No entry or use by NRCS--FSA use only	Not Verified in ProTracts			New Contracts Not Entered for the Business Type		
15	Indians Represented by BIA (includes groups or individuals) Note: 1216 code is no longer acceptable.	Tax Id blank from SCIMS - mapped behind scenes to BIA EIN	Yes 7/	Yes	State Tracks per CPM-515.51	No	No	No
17	Trust - Irrevocable	EIN	Yes	Yes	Yes	Yes	Yes	No
18	Individual operating as a Small Business	EIN	Yes	Yes	Yes	Yes	Yes	No
20	Indian Tribal Venture	EIN	Yes	Exempt	State Tracks per CPM-515.51	Yes 6/	No	No
20	Alaska Native Corporations	EIN	Yes	Exempt	State Tracks per CPM-515.51	Yes 6/	No	No
08	Federally Owned	EQIP Contracts Not Allowed						
09, 11, 12	State and Local Governments							
13	Public School							
19	Groups of Individuals							
99	General Entity Member /6							

1/ AGI eligibility certification (Form CCC-526) is required on all contracts obligated after FY 2002.
 2/ Where members required is "Yes," Forms CCC-501A or CCC-502 MUST be on file with FSA. All members must file Form CCC-526 for AGI certification. Payment limits for the entity will be reduced for members share not meeting AGI. All members with a 5% or greater share must be recorded. For entities with greater than 100 members and no member having a 5% or greater share, members will be consolidated into a single entry as business type 99. The 99 code is slated to be decommissioned.
 3/ HELC/WC is done at both the Joint Operation level AND the member level since a member may be ineligible on another tract.
 4/ AGI eligibility is read only at the member level for Joint Operations (business type 2 & 3) from Form CCC-501A, and NOT at the entity level.
 5/ Some Joint Ventures do not have an EIN. These Joint Ventures will be paid to the individual members based on their TIN.
 6/ A "members of" record must be entered in SCIMS as a General Entity member with no tax id per FSA 2-PL (Rev 1) Amend 11 paragraph 418 B when no member has more than a 5% interest in the entity and there are more than 100 members. Members with greater than 5% share must be entered into the entity file. AGI must be present for a "members of" record for 100% of the members if AGI Required = Yes.
 7/ BIA submits Forms AD-1026 & CCC-526 for the land unit(s) attached to an application.

Business Type Code	Business Type	SCIMS Tax ID Type	Individual or Entity		Entity Members	
			HELC/WC Eligibility Required	AGI Eligibility Required 1/	Members required 2/	Impact HELC/WC Eligibility
1	Individual	SSN	Yes	Yes	No	No
2	General Partnership	EIN	Yes 3/	Exempt 4/	Yes	Yes
3	Joint Venture	EIN 5/	Yes 3/	Exempt 4/	Yes	Yes
4	Limited Liability Company	SSN	Yes	Yes	No	No
4	Corporation w/Stockholders or Limited Liability Company	EIN	Yes	Yes	Yes	No
05	Limited Partnership	EIN	Yes	Yes	Yes	No
06	Estate	SSN	Yes	Yes	No	No
06	Estate	EIN	Yes	Yes	Yes	No
07	Trust - Revocable	SSN	Yes	Yes	No	No
07	Trust - Revocable	EIN	Yes	Yes	Yes	No
09, 11, 12	State and local governments	EIN	Yes	Exempt	No	No
10	Churches & other Charitable Organizations	EIN	Yes	Yes	Yes 6/	No
13	Public School	EIN	Yes	Exempt	No	No
14	Bureau of Indian Affairs(BIA)	No entry or use by NRCS--FSA use only	Not Verified in ProTracts		New Contracts Not Entered for the Business Type	
15	Indians Represented by BIA (includes groups or individuals)	Tax Id blank from SCIMS - mapped behind scenes to BIA EIN	Yes 7/	Yes	No	No
17	Trust - Irrevocable	EIN	Yes	Yes	Yes	No
18	Individual operating as a Small Business	EIN	Yes	Yes	Yes	No
20	Indian Tribal Venture	EIN	Yes	Exempt	Yes 6/	No
20	Alaska Native Corporations	EIN	Yes	Exempt	Yes 6/	No
08	Federally Owned 8/	WHIP contracts not allowed				
19	Groups of Individuals					
99	General Entity Member 6/					
1/ AGI eligibility certification (Form CCC-526) is required on all contracts obligated after FY 2002.						
2/ Where members required is "Yes," Forms CCC-501A or CCC-502 MUST be on file with FSA . All members must file Form CCC-526 for AGI certification. All members with a 5% or greater share must be recorded. For entities with greater than 100 members and no member having a 5% or greater share, members will be consolidated into a single entry as business type 99. The 99 code is slated to be decommissioned.						
3/ HELC/WC is done at both the Joint Operation level AND the member level since a member may be ineligible on another tract.						
4/ AGI eligibility is read only at the member level for Joint Operations (business type 2 & 3) from Form CCC-501A, and NOT at the entity level.						
5/ Some Joint Ventures do not have an EIN. These Joint Ventures will be paid to the individual members based on their TIN.						
6/ A "members of" record must be entered in SCIMS as a General Entity member with no tax id per FSA 2-PL (Rev 1) Amend 11 paragraph 418 B when no member has more than a 5% interest in the entity and there are more than 100 members. Members with greater than 5% share must be entered into the entity file. AGI must be present for a "members of" record for 100% of the members if AGI Required = Yes.						
7/ BIA submits Forms AD-1026 & CCC-526 for the land unit(s) attached to an application.						
8/ Federal lands are eligible in those limited circumstances where the benefit is primarily on private lands, but must include some Federal land to meet the objectives of the Wildlife Habitat Development Plan. The concurrence of the State Conservationist and the administering Federal agency is required.						

Mobile Equipment Field Verification Worksheet



In-Use Off-Road Mobile Equipment Field Verification Worksheet

California Air Quality – CPS 372 Combustion System Improvement
USDA Natural Resources Conservation Service

Contract No: _____

Date of Site Visit: _____

Contract Name: _____

Field Office: _____

NRCS Verifier Name: _____

In-Use Equipment and Engine Information

Equip Model Year: _____ Year Purchased: _____

Equipment Make: _____

Equipment Model: _____

Equipment Type (Use): _____

Equipment VIN: _____

Engine Manufacturer: _____

Engine Model: _____

Engine Serial Number: _____

EPA Family Name: _____

Engine Model Year: _____ Engine HP: _____

Annual Hours of Use: _____ PTO HP: _____

Is the above information similar to what is described in the supplemental application worksheet submitted by the participant? If "No", update the project file accordingly. Yes No

Checklist

Check all that applies during the site visit to verify that the in-use unit (engine, equipment, and components) is fully functional and in operating condition (leave blank if not applicable):

- Yes No The unit appears to be well maintained and shows visible signs of in-use operations.
- Yes No The engine starts-up (battery is charged and connected) and powers the equipment as intended.
- Yes No The engine self-propels the equipment forwards and backwards with no drivetrain problems.
- Yes No If Tier-certified, the Engine Family Name and Model label is affixed to the engine *and* visible
- Yes No Fuel gauge, hour meter, oil pressure guage, etc. are all functional.
- Yes No The tires have sufficient tread, hold air, and are not flat.
- Yes No Buckets, blades, hydraulics, rollers, 3-point hitch, PTO, etc. are in working order.
- Yes No Hydraulics show no leaks or blockages and are able to operate components as intended.
- Yes No The PTO was connected to an implement and demonstrated good working condition.
- Yes No The fuel tank is in usable condition with no visible leaks.
- Yes No Undercarriage is structurally sound with no signs of once being compromised.
- Yes No The unit has not been vandalized and no parts have been stripped or removed.
- Yes No Photographs were taken to be placed in the project file.

If "No" or "Blank", please explain on the back of this worksheet.

Verification Results

Yes No The in-use engine and equipment align with CPS 372 criteria and specifications

If "No", explain: _____

NRCS Verifier Signature: _____ Date: _____



New Off-Road Mobile Equipment Field Worksheet

California Air Quality – CPS 372 Combustion System Improvement
USDA Natural Resources Conservation Service

Contract No: _____

Date of Site Visit: _____

Contract Name: _____

Field Office: _____

NRCS Verifier Name: _____

New Equipment and Engine Information

Equip Model Year: _____

Date Purchased: _____

Equipment Make: _____

Equipment Model: _____

Equipment Type (Use): _____

Equipment VIN: _____

Engine Manufacturer: _____

Engine Model (Type): _____

Engine Serial Number: _____

Engine Family Name: _____

Engine Model Year: _____

Engine Rated HP: _____

Hour Meter Reading: _____

PTO Horsepower: _____

Checklist

Check all that applies:

- Yes No The Engine Family Name and Model (type) label is affixed to the engine or equipment.
- Yes No The Engine Family Name and Model label is clearly visible.
- Yes No The Engine Family Name and Model match the applicable ARB Executive Order.
- Yes No The engine serial number label is affixed to the engine or equipment.
- Yes No The VIN (PIN) number label is affixed to the equipment.
- Yes No The non-resettable hour meter is functional and the total hours are recorded above.
- Yes No Photographs were taken to be placed in the project file.

(For San Joaquin Valley projects only):

- Yes No The participant was informed of and provided with the annual reporting documents.

If "No" or "blank", explain: _____

Notes: _____

Verification Results

- Yes No The new equipment and engine aligns with CPS 372 criteria and specifications

If "No", explain: _____

NRCS Verifier Signature: _____ Date: _____

NRCS Data Certification Letter



October 28, 2019

Richard Cory, Executive Officer
California Air Resources Board
10012 I Street
Sacramento, California 95814

Dear Mr. Cory:

On September 13, 2019, you requested that the USDA Natural Resources Conservation Service (NRCS) include the California Air Resources Board (CARB) as a recipient of certified annual reports of the emissions reductions from off-road mobile farm equipment improvements through the Environmental Quality Incentive Program. On October 3, 2019, I forwarded your request to our Office of General Counsel to ensure your request aligns with our obligations under the Statement of Principles.

Based on their recommendations, I wish to confirm that NRCS will provide the California Air Resources Board with the same certified annual report as it provides both the Environmental Protection Agency and the San Joaquin Valley Air Pollution Control District pursuant to the *Statement of Principles Regarding the Approach to State Implementation Plan Creditability of Agricultural Equipment Replacement Incentive Programs Implemented by the USDA Natural Resources Conservation Service and the San Joaquin Valley Air Pollution Control District* dated December 2010 and the March 2014 Addendum.

NRCS continues to support voluntary, incentive-based emissions reductions for creditability towards the San Joaquin Valley State Implementation Plan. I trust this confirmation will support CARB's development of the Valley Incentive Measure.

Thank you again for our partnership.

Sincerely,

CARLOS SUAREZ
State Conservationist

cc:

Gayle Barry, NRCS, Davis, CA
Tom Hedt, NRCS, Davis, CA
Ted Strauss, NRCS, Fresno, CA
Mr. Kurt Karperos, CARB, Sacramento, CA
Dr. Michael T. Benjamin, CARB, Sacramento, CA
Silvia Vanderspeck, CARB, Sacramento, CA
Austin Hicks, CARB, Sacramento, CA

Natural Resources Conservation Service
430 G St., #4164, Davis, CA 95616-5475
Voice: (530) 792-5600

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**Addendum to the December 2010 Statement of Principles Regarding the Approach to State
Implementation Plan Creditability of Agricultural Equipment Replacement Incentive
Programs Implemented by the USDA Natural Resources Conservation Service and the San
Joaquin Valley Air Pollution Control District**

March 2014

Introduction

In December 2010, the USDA Natural Resources Conservation Service (NRCS), the U.S. Environmental Protection Agency (EPA), the California Air Resources Board (ARB) and the San Joaquin Valley Air Pollution Control District (District) signed a Statement of Principles pledging to work collaboratively to develop a mechanism to provide State Implementation Plan (SIP) credit for emissions reductions from agricultural equipment replacement incentive programs that meet Clean Air Act (CAA) requirements. In July 2012, NRCS and EPA signed an additional Statement of Principles reaffirming the agencies' agreement to work together on a mechanism consistent with the CAA to quantify emission reductions from farm equipment achieved through voluntary incentive programs at the state/local level that could be used for SIP credit. Subsequently, the District worked with NRCS, EPA and ARB to develop and adopt District Rule 9610, which contains the District's procedures and criteria for development of SIPs that rely on incentive programs implemented by the District and NRCS in the San Joaquin Valley, including the Environmental Quality Incentive Program (EQIP) implemented by NRCS. ARB adopted Rule 9610 on June 20, 2013 and submitted it to EPA on June 26, 2013 as a revision to the California SIP.

Under the CAA as interpreted in EPA guidance, incentive programs may qualify for credit in a SIP if the resulting emission reductions are "surplus, quantifiable, enforceable and permanent" and satisfy all other CAA criteria for SIP approval. Section 1619 of the Farm Bill prohibits NRCS from disclosing "information provided by an agricultural producer or owner of agricultural land concerning the agricultural operation, farming or conservation practices, or the land itself, in order to participate in programs of the Department" or related "geospatial information," except in accordance with limitations specified in subsection 1619(b)(4). 7 U.S.C. § 8791.

Purpose of this Addendum

The purpose of this Addendum is to identify information that NRCS will make available to EPA and the District, consistent with NRCS's statutory responsibilities under Section 1619 of the Farm Bill, to ensure that both EPA and the District can carry out their respective implementation responsibilities under the CAA and Rule 9610.

Addendum to the Statement of Principles

1. Consistent with the implementation principles identified in the December 2010 Statement of Principles and the July 2012 Statement of Principles, the NRCS will provide to EPA and the District, no later than March 31 of each year, an annual report that includes:
 - a. Information regarding emission reductions achieved by individual EQIP projects, including unique project identification numbers, the county in which each project is located, and verification that each "old" (replaced) engine has been destroyed.
 - b. Certification by the NRCS California State Conservationist that: (1) emission reductions for each EQIP project identified in the annual report were calculated in accordance with the applicable NRCS conservation practice standards and related

guidelines; (2) the annual report does not include any funded project that NRCS has found to be in violation of its EQIP contract; and (3) the information provided in the annual report is true and accurate to the best of his/her knowledge.

2. Upon request by EPA or the District, the NRCS will provide representative samples of the compliance-related documentation used to compile the annual report described in paragraph #1 above. NRCS will omit the names of any individual owners, operators, or producers before submitting these documents to EPA and/or the District. EPA may use these documents to assess the District's compliance with SIP-approved emission reduction commitments.

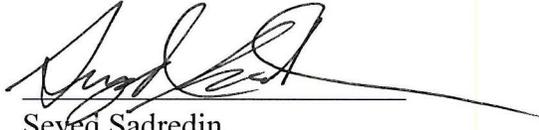
Signed for EPA By,



Deborah Jordan
Director, Air Division, Region IX

Date: 3-11-14

Signed for SJVAPCD By,



Seyed Sadredin
Executive Director/Air Pollution Control Officer

Date: 3/12/14

Signed for USDA, NRCS By,



Carlos Suarez
State Conservationist for California

Date: 3/11/14

Signed for ARB By,



Richard Corey
Executive Officer

Date: 3/12/2014

**Statement of Principles Regarding the Approach to State
Implementation Plan Creditability of Agricultural Equipment
Replacement Incentive Programs Implemented by the
USDA Natural Resources Conservation Service and the
San Joaquin Valley Air Pollution Control District**

December 2010

Introduction

The U.S. Department of Agriculture Natural Resources Conservation Service (NRCS) is implementing an Environmental Quality Incentive Program in California to help achieve federal air quality standards and meet emission reduction goals of the State Implementation Plans (SIP) for the San Joaquin Valley. This federal incentive program complements existing State and local incentive programs in California. The NRCS program is modeled after California's Carl Moyer Incentive Program, which was developed as part of California's 1994 Ozone SIP approved by U.S. Environmental Protection Agency (U.S. EPA) in 1997. The San Joaquin Valley Air Pollution Control District (District) is also implementing a program to achieve SIP creditable reductions through the early introduction of cleaner agricultural equipment. Both agencies are applying strict criteria to ensure the emission reductions achieved are surplus, quantifiable, enforceable, and permanent.

Relationship to San Joaquin Valley 2007 Ozone SIP

The San Joaquin Valley faces significant challenges in achieving attainment with the U.S. EPA's ambient air quality standards. The District has many of the nation's toughest air pollution rules already in place, and many new regulations are in progress under the District's most recent attainment plans, such as the *2007 Ozone Plan*. However, regulations alone will not bring the Valley into attainment of federal air quality standards.

When the Air Resources Board (ARB) approved the District's *2007 Ozone Plan* on June 14, 2007, ARB committed to investigate additional control measures before transmitting the plan to the U.S. EPA. When ARB adopted the 2007 State Strategy on September 27, 2007, ARB committed to reducing emissions from agricultural equipment in the Valley beginning in 2014, with five to ten tons per day of NO_x reductions in the Valley by 2017. This measure would accelerate fleet turnover to equipment with engines meeting cleaner new engine NO_x standards as quickly as possible. ARB committed to meeting this reduction target through regulatory or voluntary incentive measures, stating that it would be *"supporting efforts to secure federal funds and other mechanisms to achieve near-term reductions that can be credited to the SIP."*

This statement of principles establishes a general framework for ensuring that reductions in air emissions resulting from voluntary incentives to replace off-road agricultural equipment receive credit in State Implementation Plans (SIPs). Given the heavy investment from the public sector and agricultural community in replacing equipment under these voluntary incentives, establishing a general framework to receive SIP credit for these emissions reductions is critical for ensuring the continued success of these programs. These voluntary incentives are administered by the District and NRCS.

Statement of Principles
December 2010

Statement of Principles

1. The District, NRCS, ARB, and U.S. EPA will work collaboratively to develop a mechanism to provide SIP credit for emissions reductions from the federal, state, and local incentive programs that meet the criteria of ensuring the reductions are surplus, quantifiable, enforceable, and permanent
2. The District and NRCS will each submit annual reports of the prior year's completed projects and associated emission reductions to U.S. EPA and ARB
3. U.S. EPA will expeditiously review the submitted annual report. If EPA determines that the emissions reductions are consistent with the mechanism and criteria in Principle 1, EPA would credit the emission reductions toward the SIP.
4. The District and NRCS will ensure ongoing accountability by maintaining databases of project data, application information, funded-project data, and emissions reductions; and record retention of application forms, inspection documentation, destruction verification, and other project-relevant documentation.

Signed for U.S. EPA By,

for 
Deborah Jordan
Director, Air Division, Region IX

Date: 12-15-10

Signed for SJVUAPCD By,


Seyed Sadredin
Executive Director/Air Pollution Control Officer

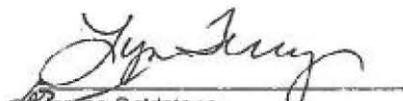
Date: 12/15/10

Signed for USDA, NRCS By,

for 
Lincoln E. Burton
State Conservationist for California

Date: 12-16-10

Signed for ARB By,

for 
James Goldstone
Executive Officer

Date: 12/15/10