Environmental Protection Agency § 1039.627

manufacturer meeting the requirements of § 1039.625 and this section. You must notify us of your intent to use the provisions of this section and send us an annual report, as follows:

(1) Before you use the provisions of this section, send the Designated Compliance Officer a written notice of your intent, including:

(i) Your company’s name and address, and your parent company’s name and address, if applicable.

(ii) The name and address of the companies that produce the equipment and engines you will be importing under this section.

(iii) Your best estimate of the number of units in each power category you will import under this section in the upcoming calendar year, broken down by equipment manufacturer and power category.

(iv) The number of units in each power category you have imported in previous calendar years under 40 CFR 89.102(d).

(2) For each year that you use the provisions of this section, send the Designated Compliance Officer a written report by March 31 of the following year. Include in your report the total number of engines you imported under this section in the preceding calendar year, broken down by engine manufacturer and power category.

§ 1039.627 What are the incentives for equipment manufacturers to use cleaner engines?

This section allows equipment manufacturers to generate additional allowances under the provisions of § 1039.625 by producing equipment using engines at or above 19 kW certified to specified levels earlier than otherwise required.

(a) For early-compliant engines to generate offsets for use under this section, the following general provisions apply:

(1) The engine manufacturer must comply with the provisions of §1039.104(a)(1) for the offset-generating engines.

(2) Engines you install in your equipment after December 31 of the years specified in § 1039.104(a)(1) do not generate allowances under this section, even if the engine manufacturer generated offsets for that engine under § 1039.104(a).

(3) Offset-generating engines must be certified to the following standards under this part 1039:

<table>
<thead>
<tr>
<th>If the engine’s maximum power is . . .</th>
<th>And you install . . .</th>
<th>Certified early to the . . .</th>
<th>You may reduce the number of engines in the same power category that are required to meet the . . .</th>
<th>In later model years by . . .</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) kW ≥ 19</td>
<td>One engine ..........</td>
<td>Emissions standards in § 1039.101</td>
<td>Standards in Tables 2 through 7 of § 1039.102 or in § 1039.101.</td>
<td>One engine.</td>
</tr>
<tr>
<td>(ii) 56 kW &lt; 130</td>
<td>Two engines ........</td>
<td>NOx standards in § 1039.102(d)(1), and NMHC standard of 0.19 g/kW-hr, a PM standard of 0.02 g/kW-hr, and a CO standard of 5.0 g/kW-hr.</td>
<td>Standards in Tables 2 through 7 of § 1039.102 or in § 1039.101.</td>
<td>One engine.</td>
</tr>
<tr>
<td>(iii) 130 kW &lt; 560</td>
<td>Two engines ........</td>
<td>NOx standards in § 1039.102(d)(2), an NMHC standard of 0.19 g/kW-hr, a PM standard of 0.02 g/kW-hr, and a CO standard of 3.5 g/kW-hr.</td>
<td>Standards in Tables 2 through 7 of § 1039.102 or in § 1039.101.</td>
<td>One engine.</td>
</tr>
</tbody>
</table>

(b) Using engine offsets. (1) You may use engine offsets generated under paragraph (a) of this section to generate additional allowances under §1039.625, as follows:

(i) For each engine offset, you may increase the number of available allowances under §1039.625(b) for that power category by one engine for the years indicated.

(ii) For engines in 56–560 kW power categories, you may transfer engine offsets across power categories within this power range. Calculate the number of additional allowances by scaling the number of generated engine offsets according to the ratio of engine power for
§ 1039.630

What are the economic hardship provisions for equipment manufacturers?

If you qualify for the economic hardship provisions specified in 40 CFR 1068.255, we may approve your hardship application subject to the following additional conditions:

(a) You must show that you have used up the allowances to produce equipment with exempted engines under §1039.625.

(b) You may produce equipment under this section for up to 12 months total (or 24 months total for small-volume manufacturers).

§ 1039.635

What are the hardship provisions for engine manufacturers?

If you qualify for the hardship provisions specified in 40 CFR 1068.250, we may approve a period of delayed compliance for up to one model year total (or two model years total for small-volume manufacturers). If you qualify for the hardship provisions specified in 40 CFR 1068.250 for small-volume manufacturers, we may approve a period of delayed compliance for up to two model years total.

§ 1039.640

What special provisions apply to branded engines?

The following provisions apply if you identify the name and trademark of another company instead of your own on your emission control information label, as provided by §1039.135(c)(2):

(a) You must have a contractual agreement with the other company that obligates that company to take the following steps:

(1) Meet the emission warranty requirements that apply under §1039.120. This may involve a separate agreement involving reimbursement of warranty-related expenses.

(2) Report all warranty-related information to the certificate holder.

(b) In your application for certification, identify the company whose trademark you will use and describe the arrangements you have made to meet your requirements under this section.

(c) You remain responsible for meeting all the requirements of this chapter, including warranty and defect-reporting provisions.

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