§ 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).

(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 offset and allowance engines. Make this calculation for all your offset engines for which you will transfer offsets under this paragraph (b)(1)(ii), then round the result to determine the total number of available power-weighted allowances. For example, if you generate engine offsets for 75 500-kW engines, you may generate up to 37,500 kW-engines of power-weighted allowances. You may apply this to 375...
§ 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 1068.245, 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.

§ 1039.645 What special provisions apply to engines used for transportation refrigeration units?

Manufacturers may choose to use the provisions of this section for engines used in transportation refrigeration units (TRUs). The operating restrictions and characteristics in paragraph (f) of this section define engines that are not used in TRUs. All provisions of