



Is my business eligible for LCFS Credits?

The opportunity to claim credits is available quarterly to owners or renters of electric lift truck chargers, EV chargers, and chargers for heavy duty vehicles. Charger efficiency, battery size, and fleet usage data is used to calculate metric tons of CO2 saved by the low carbon fuel alternative being utilized. This information is delivered to CARB for review and credit assessment. After the CARB 90-day review period credits are allocated and deposited to trading accounts and are then available to be sold to regulated parties who have a deficit due to high carbon fuel production.

- 1 Producers and users of clean energy earn credits based on the carbon they displaced
- 2 Credits are earned for every metric ton of emissions avoided
- 3 Those credits are sold to regulated emitters that need carbon reductions to remain in compliance with CARB
- 4 Producers and users of clean energy earn revenue from credits sold

HOW DO LCFS CREDITS WORK?

The LCFS program works as a market system where users and producers of clean energy, including electric forklift owners, earn credits through their emission reductions, while emitters purchase those credits to offset their carbon footprint.

How do we add value to your business?

- ✓ Apply for credits on your behalf
- ✓ File all compliance paperwork
- ✓ Sell credits to deficit holders on your behalf
- ✓ Monitor market price trends to optimize monetization timing
- ✓ Forecast market demand for credits
- ✓ Pool large lots of credits from multiple clients to maximize leverage

FAQ: California's Zero-Emission Forklift Rule

Contact Big Joe for assistance in understanding and preparing for upcoming regulations, grant opportunities, and fleet management.

→ What is the Zero Emission Forklift Rule?

- California is proposing a rule that will phase out most propane or gas-powered forklifts in order to meet air quality goals and reduce greenhouse gas (GHG) emissions.
- The proposed rule is expected to be finalized in 2023.
- The exact requirements may change between the currently proposed version and final adopted version.

→ Who is Effected? Which Forklifts are Effected?

- All forklift owners will be required to comply, with few exceptions.
- Most propane or gasoline forklifts that are less than 12,000 lbs capacity are subject to the proposed rule. Currently there are limited exceptions are made for Rough Terrain forklifts and 'low use' forklifts.
- Diesel forklifts are not subject to this rule, they will continue to be regulated under the Off-Road Diesel Rules.

→ When will the Requirements go into Effect?

- Based on the currently proposed rule, starting in 2026, older model propane forklifts will be phased out. For example, in 2026, forklifts that are model year 2016 and older may not be used. In 2027, forklifts model year 2017 and older may not be used, etc.
- The sale of new propane forklifts will also be phased out over time.
- By 2039, all forklifts will be zero emission (i.e. electric or hydrogen).

→ How will the Rule be implemented?

- As proposed, businesses will be expected to submit fleet information via the State's online reporting system and attach identification labels to all forklifts in your fleet.

→ How to Prepare?

- Maintaining a current inventory of your fleet, including model years, is an important first step in evaluating the impacts of the proposed regulation.
- Contact PineSpire for help evaluating your fleet profile relative to the regulation. We can also provide more information on grant opportunities and the financial benefits of replacing internal combustion with electrics.



HOW IT WORKS: California's Low Carbon Fuel Standard (LCFS)

In 2007, California created the [Low Carbon Fuel Standard \(LCFS\)](#) to **reduce carbon intensity of transportation fuels**. This 'cap-and-trade' style program is designed to motivate both the conventional fuel suppliers (e.g. diesel and gasoline producers) as well as low-carbon fuel users (e.g. EV owners). The LCFS Regulation sets a carbon target for transportation fuel. Producers of high-carbon fuel (diesel, gasoline, etc.) have a deficit because their fuel does not meet the carbon standard. Users of low-carbon fuel (electric forklifts, EVs, etc.) create credits. The companies with the Deficits buy the Credits to bring them into compliance with the required carbon target. While the program is complex, Big Joe has expertise and will take care of everything from Registration to Revenue on your behalf.

Example of Sample Customer Fleet

Electric Vehicle Type	Vehicle Count	Total Credits per Vehicle Class	Your Annual Revenue
			Market Rate (Range of Estimates)
Forklift Model Year 2011+	5	73	\$3,900 \$2,400 to \$8,900 Range
Forklift Model Year 2010 -	5	19	\$400 \$600 to \$1,800 Range
Pallet Jacks Model Year 2011+	5	15	\$800 \$500 to \$1,900 Range
Pallet Jacks Model Year 2010 -	5	4	\$100 \$100 to \$400 Range
Total	20	111	\$5,300 \$3,600 to \$12,900 Range

Assumes Battery and Charger specifications are based on average values for forklifts fleets and operate 2 shifts per day
Market Rates vary based on LCFS Prices. Estimated values: **Low (\$50/Credit)**, **Medium (\$100/Credit)**, and **High (\$205/Credit)**.

Revenue is influenced on a few key criteria:

- The age of your forklifts (model years post-2010 earn significantly more revenue than older models)
- The size of your equipment (bigger batteries = more energy used)
- The number of shifts operated (more shifts use more energy)
- The value of LCFS Credits in the market (see 'How It Works' below)

Eligible Vehicles and Equipment

Most electric vehicles, including many types of equipment, are eligible for incentives: **Forklifts, Pallet Jacks, Yard-Semis, Employee Car Chargers, Heavy Duty or Medium Duty Trucks, and Transportation Refrigeration Unit Chargers**. Existing or newly acquired equipment is eligible.

<p>LCFS Credits // Monetize your Electric Fleet Charging</p> <ul style="list-style-type: none"> • Earn Incentives every time you charge an EV • No downside Risk • As your e-fleet grows, so does your Revenue
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BIG JOE

25932 Eden Landing Road Hayward, CA
Phone: (510) 785-6900 | Fax: (510) 785-0908

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BIG JOE CARBON CREDIT AGREEMENT

This Carbon Credit Agreement (“**Agreement**”) is effective as of _____ (the “**Effective Date**”) by and between Big Joe California North, Inc., dba “Big Joe Handling” (“**Big Joe**”), and _____ and its Affiliates (“**Customer**”) (collectively, the “**Parties**”).

DESIGNATION

Customer hereby designates Big Joe and its Partner to act as its exclusive **Credit Aggregator**, as defined in the Carbon Credit Regulation.

Anticipated Eligibility Date of Initial Credit Generation

Customer Information

Corporate Entity Name: _____
FEIN: _____
Contact Name: _____
Title: _____
Email: _____
Phone Number: _____

Corporate and Facility Address(es) shown on Customer Equipment Inventory

This Agreement sets forth the terms and conditions governing the creation and ownership of Fuel Carbon Credits by Big Joe in exchange for providing a Customer Incentive Fund to Customer (the “**Purpose**”).

IN WITNESS WHEREOF, Big Joe and Customer have caused this Carbon Credit Agreement to be executed by their duly authorized representatives effective as of the Effective Date.

BIG JOE CALIFORNIA NORTH, INC.

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____



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GENERAL TERMS AND CONDITIONS

1) Definitions.

- a) **“Carbon Credit Regulations”** shall mean the applicable regulation defining each state or territory’s low carbon fuel standard program, and each successor regulation, as may be subsequently amended, modified, or restated from time to time. This may include but is not limited to the California Low Carbon Fuel Standard Regulation (Title 17, California Code of Regulations, sections 95480-95503).
- b) **“Data”** means the data elements collected from the Customer, including from charging stations, or from other metering devices that measure or can be used to calculate energy used to charge or fuel Eligible Equipment, and other information relating to Customer’s Eligible Equipment.
- c) **“Eligible Equipment”** shall mean equipment eligible to generate Fuel Carbon Credits, as defined by the applicable Carbon Credit Regulation, which is owned, leased, or otherwise controlled by the Customer.
- d) **“Fuel Carbon Credits”** shall mean credits created from eligible fuel use by Eligible Equipment that has been registered under the Carbon Credit Regulation.

2) Designation, Data, Title.

- a) Customer designates Big Joe and its Partner to act on behalf of Customer as its exclusive “Credit Generator” (as defined in the applicable Carbon Credit Regulation) during the Term.
- b) Customer hereby grants to Big Joe exclusive, royalty-free, transferable, rights and permission to access, reproduce, and use the Data, for: (i) the Purpose during the Term and for up to a period of 180 days after the Term, as necessary to generate the Fuel Carbon Credits associated with Eligible Equipment use during the Term, and (ii) for Big Joe and Partner’s purposes solely in an anonymized and/or aggregated form.
- c) Big Joe and its Partner holds all rights, title and interest in the Fuel Carbon Credits generated under this Agreement.

3) Incentive Fund.

Big Joe shall allocate the Fuel Carbon Credit revenue associated with the Customer’s Eligible Equipment to a **Customer Big Joe Incentive Fund** account as follows:

- a) **(Total Fuel Carbon Credit Revenue) – (Direct Costs for Credits) x (Sixty - Five Percent (65%)).**
- b) The Customer may apply Big Joe Incentive Funds to any purchase price or service fee from Big Joe.
- c) Big Joe will provide customer regular updates on the available Incentive Fund balance.
- d) At Customer discretion and notice, Big Joe will issue Big Joe Incentive Funds as cash payment directly to Customer
- e) Fuel Carbon Credit revenue is based on market prices that may fluctuate based on market conditions

4) Customer Equipment Inventory.

Customer will provide Big Joe’s Partner all information reasonably needed to perform the Purpose in a timely manner. This information and Data shall be compiled by Big Joe in the **“Customer Equipment Inventory”** which will be provided to the customer on a minimum Quarterly basis. Customer will provide Big Joe applicable updates on the Data included in the Customer Equipment Inventory.



5) Term, Termination, Renewal.

a) The Term shall begin on the Effective Date and end December 31st of the year in which the 1st anniversary of the Effective Date occurs, unless earlier terminated as permitted in this Agreement.

b) Following the first (1st) anniversary of the Effective Date, either party shall have the right to terminate this Agreement for its convenience, upon providing seventy (70) days' notice prior to the end of the calendar quarter. Upon termination, Big Joe and Partner shall retain access to the Data for the period described in Section 2 of this Agreement.

c) The Agreement may be terminated by either Party if the other Party breaches a material provision of this Agreement and the breach either (i) cannot be cured, or (ii) is not cured within thirty (30) days after the breaching Party's receipt of written notice of such breach from the non-breaching Party. For the avoidance of doubt, Customer bankruptcy, insolvency, or failure to continue operating as a going concern is considered a breach of terms.

d) Following completion of the Term, this Agreement will automatically renew on an annual basis. Either Party may terminate this Agreement by providing written notice to the other Party one calendar quarter prior the end of the Term.

6) Representations and Warranties.

a) Customer represents and warrants that information provided by Customer, including the Data, is accurate and that none of the Eligible Equipment on the Customer Equipment Inventory is enrolled for the Purpose with another Carbon Credit Generator or Aggregator after the Anticipated Eligibility Date as set forth in this Agreement.

b) Big Joe represents and warrants that it and its Partner will comply with all applicable laws and regulations in its access, storage, use and disposal of the Data.

7) Assignment.

This Agreement shall be binding upon the Parties, their respective successors and permitted assigns. Neither Party may assign this Agreement without the prior written consent of the other Party; provided that Big Joe may without Customer's consent (a) collaterally assign this Agreement to its Partner provided the intended assignee assumes in writing the obligations of Big Joe hereunder.