

BOARD MEETING DATE: April 1, 2022

AGENDA NO. 5

**PROPOSAL:** Adopt Resolution Recognizing Funds, Issue Program Announcements and Execute or Amend Contracts for Clean Heavy-Duty Vehicles and Advanced Technology Goods Movement Equipment

**SYNOPSIS:** In November 2021, CARB approved the Fiscal Year 2021-22 Funding Plan for Clean Transportation Incentives in which \$32.1 million from Senate Bill 129 (SB 129), State General Funds for Extreme Nonattainment, were allocated to the South Coast AQMD for the Carl Moyer Program. Also, unspent funds remain under the final funding cycle of the Proposition 1B-Goods Movement Program (Prop 1B). These actions are to: 1) adopt Resolution to recognize up to \$32.1 million from CARB into the Carl Moyer Program SB 1107 Fund (32) and accept terms and conditions of SB129 Carl Moyer grant award; 2) issue, and if necessary, re-issue Program Announcements #2022-01 and #2022-02 for Clean Heavy-Duty Vehicles and Advanced Technology Goods Movement Equipment until all allocated funds under SB 129 and remaining Prop 1B funds are exhausted; 3) authorize the Executive Officer to execute or amend contracts for eligible projects approved by CARB; and 4) reimburse administrative costs up to \$2.01 million for the implementation of SB 129, State General Funds for Extreme Nonattainment.

**COMMITTEE:** Technology, March 18, 2022; Recommended for Approval

**RECOMMENDED ACTIONS:**

1. Adopt the attached Resolution, recognizing, upon receipt, up to \$32.1 million from CARB into the Carl Moyer Program SB 1107 Fund (32) and authorize the Executive Officer to accept terms and conditions of the SB129 Carl Moyer grant award;
2. Issue, and if necessary, re-issue Program Announcements 2022-01 and 2022-02 to solicit projects for clean heavy-duty vehicles and advanced technology goods movement equipment;
3. Authorize the Executive Officer to execute or amend contracts for eligible projects approved by CARB from the Carl Moyer Program SB 1107 Fund (32) and the Proposition 1B-Goods Movement Program Fund (81) until funds are exhausted; and

4. Reimburse the General Fund from SB 129, State General Funds for Extreme Nonattainment for administrative costs related to the implementation of the SB 129 Program in an amount not to exceed \$2.01 million from the Carl Moyer Program SB 1107 Fund (32).

Wayne Natri  
Executive Officer

MMM:AK:MW

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### **Background**

In July 2021, the State Legislature appropriated \$45 million to CARB under SB129, The Budget Act of 2021, to improve air quality in the South Coast AQMD and San Joaquin Valley Air Pollution Control District, areas in severe or extreme non-attainment. Of the \$45 million, CARB allocated \$32.1 million to South Coast AQMD based on the population of existing medium- and heavy-duty trucks and buses registered in the Department of Motor Vehicles between the two respective air districts. This funding supports the replacement of diesel vehicles with engines certified to meet the 0.02 g/bhp-hr NOx standard or lower through the Carl Moyer Memorial Air Quality Standards Attainment Program (CMP).

In addition, in September 2015, CARB awarded South Coast AQMD during the final funding cycle of Prop 1B funding in the amount of \$137.9 million for the Los Angeles/Inland Empire trade corridor. In August 2020, CARB awarded an additional \$6,406,088 to South Coast AQMD for the Prop. 1B Program to fund additional trucks and infrastructure projects. South Coast AQMD has issued seven solicitations, including five for trucks, one for cargo handling equipment, and one for the locomotive category. Although the heavy-duty truck solicitations were initially oversubscribed, various award recipients have decided not to move forward due to the commercial unavailability of some technologies, supply chain constraints, and economic reasons. As a result, Prop. 1B Program funds remain available.

CARB has granted approximately \$486 million in Prop 1B funds to South Coast AQMD since 2008 to reduce emissions from the goods movement sector, including the replacement of heavy-duty diesel trucks, transportation refrigeration units (TRUs), locomotives, cargo-handling equipment, and shore power installation for ships at berth. The vast majority of these vehicles/equipment are currently operational, providing 7,655 tons of NOx and 226 tons of yearly PM emission reduction benefits to the region.

### **Proposal**

This action is to adopt the attached Resolution recognizing, upon receipt, up to \$32.1 million from CARB into the CMP SB 1107 Fund (32) for implementation of SB 129

and authorize the Executive Officer to accept the terms and conditions of the SB 129 Carl Moyer grant award from CARB.

Also, staff proposes to issue, and if necessary, re-issue, Program Announcements (PA) # 2022-01 and PA# 2022-02, Clean Heavy-Duty Vehicles and Advanced Technology Goods Movement Equipment, to solicit applications for projects that involve the replacement of heavy-duty diesel on-road vehicles (PA# 2022-01) and other eligible goods movement equipment (PA# 2022-02). The replacement vehicles must meet the CARB certified 0.02 g/bhp-hr NOx standard or lower. For other eligible goods movement equipment including locomotives and cargo handling equipment, the old equipment must be replaced with Tier 4 certified engines or cleaner. The projects will be evaluated based on the funding source that is best suited for the project, including but not limited to the CMP Guidelines and Prop 1B Final 2015 Guidelines for Implementation.

In addition, this action is to authorize the Executive Officer to execute contracts or amend existing contracts for eligible projects from PA# 2022-01 and PA# 2022-02 using the Carl Moyer Program SB 1107 Fund (32) and Proposition 1B-Goods Movement Program Fund (81), until funds are exhausted.

Of the \$32.1 million allocation from SB 129, up to 6.25 percent can be used for administrative costs. This action is to also reimburse the General Fund up to \$2.01 million as necessary to implement the SB 129 Program.

### **Outreach**

In accordance with the South Coast AQMD's Procurement Policy and Procedure, a public notice advertising the PA and inviting bids will be published in the Los Angeles Times, the Orange County Register, the San Bernardino Sun, and Riverside County's Press Enterprise newspapers to leverage the most cost-effective method of outreach to the South Coast Basin. Additionally, potential bidders may be notified utilizing South Coast AQMD's own electronic listing of certified minority vendors. Notice of the PAs will be emailed to the Black and Latino Legislative Caucuses and various minority chambers of commerce and business associations and placed on the South Coast AQMD's website (<http://www.aqmd.gov>) under "Grants & Bids."

### **Benefits to South Coast AQMD**

The South Coast Air Basin is designated by the U.S. EPA as extreme nonattainment for Ozone. NOx and VOCs are ozone precursors and the rate of ozone formation within the South Coast Basin is controlled by reducing NOx emissions. Mobile sources as shown in the South Coast AQMD's 2016 Air Quality Management Plan (AQMP) are the most significant sources of NOx emissions. Incentives directed towards the replacement of older higher emitting mobile sources with newer and cleaner technological alternatives helps with the progress in meeting air quality goals for the region. The implementation of Prop 1B and the CMP incentive programs help replace higher polluting mobile sources with cleaner alternatives.

**Resource Impacts**

A total of \$32.1 million has been allocated to South Coast AQMD for implementation of the Fiscal Year 2021-22 SB 129, State General Funds for Extreme Nonattainment. Of this amount, \$30.1 million is designated for project funding, and the General Fund will be reimbursed up to \$2.01 million for administrative and outreach efforts. These funds will be recognized into the Carl Moyer Program SB 1107 Fund (32).

For the Prop 1B Program, any remaining funds that are or may become available (including from returned projects) will be awarded to eligible projects with CARB's approval from the Proposition 1B-Goods Movement Program Fund (81) until all funds are exhausted.

**Attachments**

1. Resolution
2. Clean Heavy-Duty Vehicles and Advanced Good Movement Equipment Program Announcements #PA2022-01 and #PA2022-02 (to be released on April 19, 2022)

**RESOLUTION NO. 22-**

**A Resolution of the South Coast Air Quality Management District Governing Board Recognizing Funds and Accepting the Terms and Conditions of the FY 2021-22 Senate Bill 129, State General Funds for Extreme Nonattainment**

WHEREAS, under Health & Safety Code §40400 et seq., the South Coast Air Quality Management District (South Coast AQMD) is the local agency with the primary responsibility for the development, implementation, monitoring and enforcement of air pollution control strategies, clean fuels programs and motor vehicle use reduction measures; and

WHEREAS, the South Coast AQMD is authorized by Health & Safety Code §§40402, 40440, and 40448.5 as well as the Carl Moyer Memorial Air Quality Standards Attainment Program (§§44275 et seq.) to implement programs to reduce transportation emissions, including programs to encourage the use of alternative fuels, zero and low emission vehicles, to develop and implement other strategies and measures to reduce air contaminants and achieve the state and federal air quality standards; and

WHEREAS, in July 2021, Governor Newsom signed into law Senate Bill (SB) 129, which appropriates \$333.5 million from the State Budget for FY 2021-22 to the California Air Resources Board (CARB) for reducing criteria, toxic and greenhouse gas (GHG) emissions; and

WHEREAS, CARB has proposed an allocation of \$32,100,000 from SB129 to the South Coast AQMD to implement projects pursuant to the Carl Moyer Memorial Air Quality Standards Attainment Program Guidelines; and

WHEREAS, the South Coast AQMD is designated as an extreme non-attainment area for Ozone and, as such, is required to utilize all feasible means to meet national ambient air quality standards.

THEREFORE, BE IT RESOLVED that the Governing Board of the South Coast AQMD, State of California, in regular session assembled on April 1, 2022, does hereby recognize up to \$32.1 million from CARB and authorize the Executive Officer to accept the terms and conditions of SB 129 Carl Moyer grant award from CARB.

BE IT FURTHER RESOLVED that the Executive Officer is authorized and directed to take all steps necessary to carry out this Resolution.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Faye Thomas, Clerk of the Board



**SOUTH COAST AQMD PROGRAM ANNOUNCEMENT**  
**For**  
**CLEAN HEAVY-DUTY VEHICLE REPLACEMENT PROGRAM**  
**PA2022-01**

The South Coast Air Quality Management District (South Coast AQMD) is pleased to announce the availability of funds for the Clean Heavy-Duty Vehicle Replacement Program (Program). Projects funded under this Program Announcement (PA) must achieve early or extra emission reductions not otherwise required by law or regulation. Program funding will be available until a sufficient number of eligible and complete applications have been received, and all Program funds are fully committed through executed contracts. This Program will be jointly funded by State General Funds (SB 129), Carl Moyer Funds, Proposition 1B funds and other funding sources as applicable.

This PA is seeking applications for heavy-duty diesel vehicle projects. About \$35 million in Program funds are available for this solicitation.

**WHO:** The following may apply for funding through this solicitation:

Owner of an on-road, heavy-duty diesel truck or bus (with a manufacturer's gross vehicle weight rating (GVWR) of 14,001 lbs. or greater (Class 4, 5, 6, 7 or 8 truck).

**WHAT:** Replacement with a truck or bus emitting 0.02g/bhp-hr of NO<sub>x</sub> or lower (Funding for lower-emission school buses under this announcement are not as cost effective and will continue to be funded through a separate program);

Repower to natural gas optional low NO<sub>x</sub> engine available for fleet size of 3 trucks or less

**HOW:** All applications must be submitted according to specifications in the Application Portal. Failure to adhere to these specifications may be cause for rejection of the application without evaluation. The Application Portal can be found on South Coast AQMD's program page: <http://www.aqmd.gov/moyer>. Application assistance will be offered to applicants that do not own a computer or have internet access.

**NOTE:** Hardcopy, Facsimile or Email submittals **will not be accepted.**

**WHEN:** Solicitation open: April 19, 2022  
Solicitation close: July 15, 2022, or when South Coast AQMD reaches \$35 million in eligible applications, whichever comes first.



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**BACKGROUND**

In July 2021, the State Legislature appropriated \$45 million to the California Air Resources Board (CARB) under SB129, The Budget Act of 2021, for a program to improve air quality in South Coast AQMD and San Joaquin Valley Air Pollution Control District, areas in severe or extreme non-attainment. Of the \$45 million, South Coast AQMD was allocated \$32.1 million based on the population of existing medium- and heavy-duty trucks and buses registered in the Department of Motor Vehicles between the two respective air districts. This funding supports the replacement of diesel vehicles with engines certified to meet the 0.02 g/bhp-hr NO<sub>x</sub> standard or lower through the Carl Moyer Memorial Air Quality Standards Attainment Program (CMP).

In addition, CARB has granted approximately \$486 million in Prop 1B funds to South Coast AQMD since 2008 to reduce emissions from the goods movement sector, including the replacement of heavy-duty diesel trucks, transportation refrigeration units (TRUs), locomotives, cargo-handling equipment, and shore power installation for ships at berth. Approximately \$25M in Prop. 1B Program funds remain available for goods movement emission reduction projects.

**EVALUATION CRITERIA**

In the preparation of this PA, the words "Applicant" and "Contractor" are used interchangeably. South Coast AQMD staff will evaluate all applications under the CMP Guidelines or the Prop. 1B Guidelines, as applicable. For example, if the applicant owns a goods movement truck with an engine model year 2007-09, the application will be evaluated under both CMP Guidelines and Prop 1B Guidelines. If a project qualifies for funding under both guidelines, the higher award amount may be offered. Applications will be evaluated in the order they are received.

South Coast AQMD may prioritize the selection of projects to reduce emissions in and around Disadvantaged Communities (DAC) and low-income communities located within the South Coast Air Basin (SCAB). While South Coast AQMD encourages all eligible applications, this means that some projects may not be selected based on their domicile address.

All applications will be evaluated based on the criteria set forth in this PA, the CMP Guidelines and Prop 1B Guidelines, and any subsequent updates and modifications/advisories to those guidelines. This PA was prepared based on the latest version of the CMP Guidelines and Prop 1B Guidelines approved by the CARB.

CMP Guidelines are available online at: <http://www.arb.ca.gov/msprog/moyer/guidelines/current.htm>

Prop 1B Guidelines are available online at:  
[https://ww2.arb.ca.gov/sites/default/files/classic/bonds/gmbond/docs/prop\\_1b\\_goods\\_movement\\_2015\\_program\\_guidelines\\_for\\_implementation.pdf](https://ww2.arb.ca.gov/sites/default/files/classic/bonds/gmbond/docs/prop_1b_goods_movement_2015_program_guidelines_for_implementation.pdf)



**SOUTH COAST AQMD PROGRAM ANNOUNCEMENT**  
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## **DEFINITIONS**

### Alternative Fuel

Alternative fuels include compressed natural gas (CNG), liquefied natural gas (LNG), hydrogen (H<sub>2</sub>), methanol, ethanol, propane (LPG) and electric technologies. Experimental technologies and fuels will be referred to CARB for evaluation and possible eligibility in the Program.

### Equipment Replacement

Equipment replacement means the replacement of an older vehicle or piece of equipment that still has remaining useful life with a newer, cleaner vehicle or piece of equipment. For this project type, the applicant must have owned and operated the old equipment in California for the previous two years.

### Freight Facility

Distribution centers, warehouses, retail and wholesale outlets, and agricultural processing centers, and other places where trucks congregate (other than truck stops.)

### Goods

Defined as having the same meaning in Commercial Code section 2105, which essentially requires that:

- The goods must be movable.
- The goods being moved must be part of a transaction that involves a contract for the sale of the goods.
- Rental equipment does not qualify as "Goods".

### Optional Low-NO<sub>x</sub> Truck

The truck that utilizes a new Optional Reduced Emission Standard Heavy-Duty Engine that is certified/verified (as applicable) by CARB. The Optional Reduced Emission Standard is one of five separate but related regulatory actions that together will reduce GHG & NO<sub>x</sub> air emissions from medium- and heavy-duty vehicles and engines; harmonize State requirements with Federal requirements; establish new, optional provisions; and enhance enforcement and implementation of existing regulations. Specifically, the optional low oxides of nitrogen (NO<sub>x</sub>) standards for heavy-duty vehicle engines provide a mechanism to allow heavy-duty engine manufacturers to optionally certify engines to standards more stringent than the 2010 standards. Trucks equipped with new engines that are certified by the CARB to the optional low-NO<sub>x</sub> standard of 0.02 g/bhp-hr NO<sub>x</sub> or lower will be considered for funding through this Program Announcement.

### Zero-emission vehicle (ZEV)

A vehicle that itself produces no emissions of pollutants (including carbon dioxide, carbon monoxide, hydrocarbons, oxides of nitrogen, and particulates) when stationary or operating. Battery Electric and Fuel Cell Electric powered vehicles are examples of ZEV.



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South Coast AQMD Jurisdiction

The South Coast AQMD is the air pollution control agency for all of Orange County and the urban portions of Los Angeles, Riverside and San Bernardino counties. This area of 10,743 square miles is home to approximately 17 million people—about half the population of the whole state of California. It is the second most populated urban area in the United States and one of the smoggiest. Visit <http://www.aqmd.gov/nav/about/jurisdiction> for more information.

**ELIGIBILITY REQUIREMENTS**

**On-Road Heavy-Duty Diesel Vehicles under Carl Moyer Program**

On-Road Heavy-Duty Diesel Fueled Vehicles: drayage trucks, solid waste vehicles, public agency/utility vehicles, transit/shuttle buses, and emergency vehicles.

Below are the key requirements for on-road, heavy-duty vehicle projects:

- Only replacement projects of a diesel-fueled baseline vehicle will be eligible.
- The existing vehicle must be Class 4 – 8
- The replacement vehicles' engines may not be diesel-fueled.
- Fleets must be fully compliant with all applicable fleet regulations.
- Eligible Engine Model Years (EMY) for the vehicles subject to the Statewide Truck & Bus Regulation, Drayage Truck Regulation, and Fleet Rule for Public Agencies and Utilities are 6 or more years of age prior to the current calendar year. For example, the application submitted in 2022, the eligible EMY must be between 2007 and 2016. The application submitted in 2023, the eligible EMY is between 2010 and 2017. A small number of specialty vehicles with EMY prior to 2007 may be eligible if they have remaining compliance life. Vehicles that maintain compliance utilizing the low use exemption are not eligible. Only vehicles with a compliance deadline of January 1, 2023, or later are eligible for funding. **Currently, the eligible EMY under CMP Guidelines is 2010 or older. The expansion of eligible EMY to include 6 or more years of age prior to the current calendar year is pending and subject to CARB's final approval.**
- Eligible vehicle types include diesel fueled heavy-duty trucks, solid waste collection vehicles, public agency and utility fleet vehicles and emergency vehicles (for this solicitation, emergency vehicles are only eligible for a 0.02 Low-NOx or cleaner vehicle replacement).
- The project's cost effectiveness will be based on the annual mileage of the existing equipment for the previous two years. The applicant must provide the historical mileage records for the equipment as part of the application. The emission reductions will be based on the lower of the two 12-month periods of California usage during the previous twenty-four months. Low usage during the period of March 1, 2020 and June 1, 2020, can be substituted with the 3-month period that precedes the 24-month period prior to application submittal. Fleet averages cannot be used. Registration gaps during this period can be accepted if the vehicle was registered prior to March 1, 2020 and immediately after June 1, 2020.



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- Emergency vehicles are defined in California Vehicle Code 165, including but not limited to fire apparatus, pumpers, ladder trucks, water tenders, and prisoner transport buses
- Project equipment, baseline or replacement, must be domiciled within the SCAB and operate a minimum of 75% of the time within the boundaries of the SCAB.
- **Must** provide proof of ownership with the application.
- California registration or California IRP
- Operational history for the prior 24 months
- Applicants **must** provide vendor quotes with their application to document the cost of the low- or zero-emission vehicle/equipment project. Applicants may be awarded up to the designated percentage of the total cost for the specified type of project, subject to funding caps and program cost-effectiveness limits. Eligible costs include installation labor and sales tax. **All quotes must have been obtained within 90 days prior to the application submittal date.**
- Applicants must provide legible engine tag photos of the baseline engine(s) or manufacturer specifications that document the engine serial number, model year and engine family number, emissions certification level and CARB Executive Order (if controlled).
- Projects must include commercially available technologies that are certified or verified by CARB.
- Vehicles or Engines operating under a regulatory compliance extension granted by CARB, an air district, or the United States Environmental Protection Agency (U.S. EPA) are not eligible for funding.
- For purposes of the CMP, the following on-road vehicle classifications are used:

Vehicle Classification	GVWR
Light Heavy-Duty (LHD) Class 4-5	14,001 to 19,500 pounds
Medium Heavy-Duty (MHD) Class 6-7	19,501 to 33,000 pounds
Heavy Heavy-Duty (HHD) Class 8	Over 33,000 pounds

The proposed vehicle must be in the same weight class as the existing vehicle (LHD, MHD or HHD). The engine must be certified to the applicable heavy-duty intended service class as shown on the engine certification Executive Order. However, the following cases may be allowed: 1) MHD engines may be installed in HHD vehicles with GVWR up to 36,300 lbs. (10 percent higher than 33,000 lbs. GVWR) with written warranty verification by engine and chassis manufacturer, or 2) HHD engines may be installed in MHD vehicles if necessary for vocational purposes but only if the GVWR is within 10 percent of the HHD intended service class (i.e., GVWR of 29,701 lbs. or greater). Executive Orders for on-road vehicles may be downloaded at: <https://ww2.arb.ca.gov/new-vehicle-and-engine-certification-executive-orders>



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**Eligibility Requirements for Heavy-Duty Diesel Vehicles under Prop 1B** The existing truck has been used to move goods a majority of the time for the past 2 years

- The existing vehicle must be Class 5 – 8 (Class 4 vehicles are not eligible)
- California operation, not limited to South Coast AQMD Jurisdiction
- For existing truck, at least 75% operation within California each year for the past 24 months, and the replacement truck must be 90% to 100% operation within California for project life
- Annual vehicle miles traveled (VMT) in California each year for the past 2 years for existing truck:
  - At least 20,000 miles for each Class 7 or 8 truck.
  - At least 10,000 miles for each Class 5 or 6 truck.
- The existing truck must have a MHD or HHD engine (service class), except Class 5 trucks which may have LHD engines.
- The Engine Repower option is available only under Prop 1B for fleet size of 3 trucks or less. The repowered engine must meet the optional low NOx standard of 0.02 g/bhp-hr.
- The replacement truck must have the same weight classification range (Class 5, 6, 7, or 8) and service class (HHD or MHD) as the existing truck, except for the following conditions (funding levels for trucks in different weight classification ranges are specified in Table 1 below):
  - The equipment owner chooses to replace 2 eligible trucks for 1 replacement truck (Two-for-One option). For 2 for 1 replacement projects, the funding amount is based on the highest weight classification of the two existing trucks, or the weight classification of the replacement truck, whichever is less.
  - Replacement required by the equipment owner in order to meet a vocational need, as approved by the South Coast AQMD.
  - Replacement of a Class 7 truck with a Class 8 truck or Class 8 with a Class 7 truck, as long as both trucks have a HHD engine. Please note that the funding amount would be at a Class 7 level for both scenarios.

**Table 1: Prop 1B Heavy-Duty Trucks – Funding Examples for Weight Class Modifications (Based on GVWR)**

<b>Project Type</b>	<b>Old Truck</b>	<b>Replacement Truck</b>	<b>Funding Level</b>
Replacement (1 for 1)	Class 7	Class 8	Class 7
Replacement (1 for 1)	Class 8	Class 7	Class 7
Replacement (1 for 1)	Class 6	Class 5	Class 5
Replacement (2 for 1)	Class 7 and Class 8	Class 8	Class 8
Replacement (2 for 1)	Class 8 and Class 8	Class 7	Class 7
Replacement (2 for 1)	Class 6 and Class 6	Class 7	Class 6
Replacement (2 for 1)	Class 6 and Class 8	Class 7	Class 7
Replacement (2 for 1)	Class 6 and Class 5	Class 7	Class 6



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**Heavy-Duty Vehicle Replacement under the CMP**

The award amount shall not exceed the project’s incremental cost, applicable funding caps and/or cost-effectiveness limit(s). If applicable, the “Step 1” cost-effectiveness limit, \$33,000 per weighted ton of emissions reduced, applies to projects that bring vehicles and equipment up to current standards. The “Step 2” cost-effectiveness limit, \$200,000/\$500,000<sup>1</sup> per weighted ton of emissions reduced, applies to projects that are zero-emission or meet the cleanest certified optional standard applicable.

All projects must meet the criteria stated in this PA and the CMP Guidelines in effect at the time of contract execution. A project’s cost effectiveness is determined based on the annualized cost of the project and the amount of NOx, ROG and PM<sub>10</sub> emission reductions that will be achieved by the project. Project cost effectiveness is currently calculated according to the following formula:

$$\frac{\text{Annualized Cost (\$/year)}}{[\text{NOx reduction} + 20 (\text{combustion PM}_{10} \text{ reduction}) + \text{ROG reduction}] (\text{tons/year})}$$

The following tables 2 & 3 provide the estimated amounts of possible awards for a heavy-duty vehicle replacement based on the existing diesel vehicle engine year, the annual mileage and the replacement vehicle type (0.02 Low NOx or zero emission). The estimated awards are for fleet size of 10 trucks or less only. For fleet sizes of more than 10, the award amount cannot exceed 50 percent of the project cost, excluding taxes and fees.

**FUNDING TABLES (CMP-Table 2&3, Prop1B-Table 4)**

Annual Mileage of Existing Truck	<b>Table 2: Grant Amount for 0.02 NOx Projects deployed in 2023*</b>							
	Engine Model Year	2007/08/09	2010	2011	2012	2013	2014	2015
20,000 Miles/Year		\$54,004	\$115,614	\$111,353	\$107,092	\$78,862	\$76,376	\$73,890
30,000 Miles/Year		\$86,444	\$160,000	\$160,000	\$160,000	\$142,373	\$136,780	\$131,187
40,000 Miles/Year		\$122,509	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000
50,000 Miles/Year		\$160,000	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000

<sup>1</sup> Cost-effectiveness limit is dependent on the replacement equipment technology.



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Annual Mileage of Existing Truck	<b>Table 3: Grant Amount for ZEV Projects deployed in 2023*</b>							
	Engine Model Year	2007/08/09	2010	2011	2012	2013	2014	2015
20,000 Miles/Year		\$167,489	\$321,514	\$310,861	\$300,208	\$229,632	\$223,417	\$217,203
30,000 Miles/Year		\$267,657	\$410,000	\$410,000	\$410,000	\$407,478	\$393,496	\$379,514
40,000 Miles/Year		\$378,478	\$410,000	\$410,000	\$410,000	\$410,000	\$410,000	\$410,000
50,000 Miles/Year		\$410,000	\$410,000	\$410,000	\$410,000	\$410,000	\$410,000	\$410,000

**\*The data on the tables are to be used for reference purposes only. The amounts represent a general estimation of the maximum award amount and are not to be used to determine individual award amounts.**

**Heavy-Duty Vehicle Replacement under the Prop 1B Program**

The table below displays the maximum funding amount based on the vehicle weight class and replacement technology. Please refer to the earlier section on the Eligibility Criteria for the annual qualifying usage. Project life for the replacement truck is five years.

**Table 4: Heavy-Duty Trucks – All Fleet Sizes**

Project Type <sup>1</sup>	Truck Class	Old Truck Engine Model Year	Replacement Engine Model Year	Maximum Funding Amounts
Replacement (2-for-1 also available)	Class 8	2007-2009	New MY2019 engine zero emission truck <sup>1,2</sup>	\$200,000
			New MY2019+ engine hybrid zero emission mile truck <sup>1,2</sup>	\$150,000
			New MY2019+ engine optional low-NOx truck (0.02 g/bhp-hr NOx or less) <sup>1,2</sup>	\$100,000
	Class 7	2007-2009	New MY2019+ engine zero emission truck <sup>1,2</sup>	\$200,000
			New MY2019+ engine hybrid zero emission mile truck <sup>1,2</sup>	\$150,000
			New MY2019+ engine optional low-NOx truck (0.02 g/bhp-hr NOx or less) <sup>1,2</sup>	\$100,000
	Class 6	2007 – 2009	New MY2019+ engine zero emission truck <sup>1,2</sup>	\$100,000
			New MY2019+ engine optional low-NOx truck (0.02 g/bhp-hr NOx or less) <sup>1,2</sup>	\$50,000
	Class 5	2007 – 2009	New MY2019+ engine zero emission truck <sup>1,2</sup>	\$80,000
			New MY2019+ engine optional low-NOx truck (0.02 g/bhp-hr NOx or less) <sup>1,2</sup>	\$40,000

Table 4 Notes:



**SOUTH COAST AQMD PROGRAM ANNOUNCEMENT**  
**For**  
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1. Projects may be co-funded with CARB's Air Quality Improvement Program, Low Carbon Transportation Program, or the California Energy Commission's (CEC's) Alternative Renewable Fuel Vehicle Technology Program funds as applicable.
2. Co-funded projects can only utilize one additional source of State funding and the combined funding may not exceed 90% of the total eligible project cost or any other funding restrictions of each respective Program. Projects must meet the requirements of each Program providing funding.

**COMPLIANCE WITH APPLICABLE LAWS**

Applicants must comply with all federal, state, and local laws, ordinances, codes and regulations. If the application is eligible for funding, all vehicles and/or equipment to be purchased or installed must be compliant with all applicable federal, state, and local air quality rules and regulations, and will maintain compliance for the full Contract term.

**COMPLIANCE WITH LABOR LAWS**

If an application is deemed eligible, the applicant will be required to provide information on any labor violations that have occurred within the last three years to be further considered for an award. If awarded, the contractor will be required to notify South Coast AQMD in writing if they have been found by a court or federal or state agency to have violated labor laws. The contractor will complete a yearly certification in which they will either state that they have not been found by a court or federal or state agency to have violated labor laws or, if such violations have been found, the contractor will give South Coast AQMD details about those violations in the certification. If the contractor has previously provided that information to the South Coast AQMD, they will be required to reattach that previous notification to the certification and provide any additional details about those violations that have not previously been provided. The contractor's yearly certification will be due at the same time as the annual progress reports. South Coast AQMD reserves the right to terminate the contract with a contractor that has been found to have violated labor laws, and the contractor may be required to return any and all contract funds, as determined by South Coast AQMD. The contractor will also ensure that these requirements are included in all subcontracts.

**MANUFACTURER DELAY COMPLIANCE EXTENSION**

If an applicant owns an existing diesel-fueled Heavy-Duty vehicle with an Engine Model Year between 2007 and 2009, the applicant may be able to extend the vehicle's compliance deadline with Truck and Bus Regulation's Manufacturer Delay provision, but a purchase agreement for the replacement vehicle must be executed before September 1, 2022. The Manufacturer Delay provision can be found here:

<https://ww2.arb.ca.gov/sites/default/files/2021-11/TruckAndBusManufacturerDelay.pdf>



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**OTHER IMPORTANT PROGRAM INFORMATION**

- A number of the CARB fleet rules and air quality regulations impact CMP eligibility. Compliance with existing CARB regulations is a pre-requisite for CMP funding. Only emission reductions in excess of regulatory requirements can be considered for CMP funding. If applicants are applying for CMP funds to reduce emissions before the required compliance date (i.e., early reductions), the equipment must demonstrate sufficient years of operation before the regulatory compliance deadline. Applicants are responsible for ensuring that they are in full compliance with all applicable regulations and that vehicle/equipment requests under the CMP provide surplus emission reductions. As noted earlier, applicants must provide documentation of their regulatory compliance status.
- All projects are expected to be operational within eighteen (18) months of contract execution or by March 31, 2024, whichever is earlier. Some projects may have earlier in-service operational date requirements, if they are subject to CARB regulations.
- It is the applicant's responsibility to ensure that the most current information and requirements are reflected in a submitted project application. Applicants should check the CARB website for updates and advisories to the guidelines ([www.arb.ca.gov/msprog/moyer/moyer.htm](http://www.arb.ca.gov/msprog/moyer/moyer.htm)).
- In cases of conflict between CARB guidelines and South Coast AQMD criteria, the more stringent criteria will prevail. South Coast AQMD will post any new information and requirements on its CMP and Prop 1B Web pages at [www.aqmd.gov/moyer](http://www.aqmd.gov/moyer) and [www.aqmd.gov/prop1b](http://www.aqmd.gov/prop1b).
- A project may be leveraged with other funding sources. The applicant must disclose all funding sources at the time of application and will be required to report all funding sources prior to invoice payment. Other funding sources may include but are not limited to: state and federal funding programs that reduce greenhouse gas (GHG) emissions, funding provided by the Alternative and Renewable Fuel and Vehicle Technology Program, Air Quality Improvement Program, or CARB's Low Carbon Transportation Investment funds to reduce GHG emissions. The sum of all grants and other funds applied toward the project shall (1) not exceed the total project cost for public agency applicants and (2) not exceed 85% of the total project cost for non-public agency applicants. In other words, the grantee<sup>2</sup> must pay at least 15 percent of the project cost from non-public sources.
- Any **tax obligation** associated with the award is the responsibility of the grantee.
- All project invoices must be submitted for payment no later than March 31, 2024. Projects which have not been invoiced by this date may forfeit their funding.

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<sup>2</sup> Public agencies are exempt from this requirement.



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- No third-party contracts will be executed.
- Pre- and post-inspection of all vehicles/engines/equipment approved for funding will be conducted, as required. However, due to the impact of Covid-19 and to ensure the safety of the staff and the public, inspections of all vehicles/engines/equipment may be conducted virtually via remote inspections depending on the status of the pandemic. Applicants must make all equipment available for remote inspections unless otherwise specified during contract preparation, or through updates from South Coast AQMD. Documentation of compliance with existing regulatory requirements is required at the time of pre-inspection.
- Destruction of the engine and/or equipment being replaced is required for replacement projects and will also be conducted virtually via remote inspections, unless otherwise specified.

**PROGRAM ADMINISTRATION**

South Coast AQMD's mobile source incentive programs are administered locally through its Technology Advancement Office. The South Coast AQMD reserves the right to allocate incentive funds among the program categories or to specific projects in accordance with South Coast AQMD priorities.

All qualified applications submitted in response to this PA will be evaluated in the order the applications are received until the funds are depleted. Priority is given to the projects that reduce emissions in and around Disadvantage Communities (DAC) and Low-Income Communities located within SCAB. South Coast AQMD staff will notify each applicant of an incomplete application and request the additional information within thirty (30) business days of the application submittal due date. Applicants will have at least seven (7) business days to provide any missing information requested in South Coast AQMD's notification. It will be the applicant's responsibility to submit the missing or incomplete information within the time specified by South Coast AQMD staff. Only completed applications can move forward in the evaluation process; applications that remain incomplete after the delineated response period may be rejected and will not be evaluated or further considered.

**Electronic submission using South Coast AQMD's Online Application Program (OAP) is mandatory and is available at: <http://www.aqmd.gov/moyer>. No emailed, faxed, or mailed applications will be accepted.**



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**STATEMENT OF COMPLIANCE**

Government Code Section 12990 and California Administrative Code, Title II, Division 4, Chapter 5, require employers to agree not to unlawfully discriminate against, harass, or allow harassment against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age (over 40), sexual orientation, or veteran or military status, or allow denial of family-care leave, medical-care leave, or pregnancy-disability leave. All applicants awarded contracts under this PA will be required to comply with this nondiscrimination clause.

**WORK STATEMENT/SCHEDULE OF DELIVERABLES**

Applicants must sign the Application form indicating their understanding of the requirements for submittal of additional project information to finalize a contract and that all vehicles, engines or equipment must be in operation within eighteen (18) months of contract execution or by March 31, 2024, whichever is earlier. Some projects may have earlier in-service operational date requirements if they are subject to CARB regulations. **Unsigned applications may be deemed ineligible and may NOT be considered for funding.**

**WORK STATEMENT**

The scope of work involves a series of tasks and deliverables that demonstrate compliance with the requirements of the Program as administered by CARB and the South Coast AQMD. The project applicant is responsible for developing detailed project plans and ordering equipment that complies with the program criteria and guideline requirements. In addition, alternative fuel project applicants must discuss their plan for refueling the proposed vehicles/equipment, and if appropriate, should provide a letter of agreement from their fuel provider (see Application forms).

At a minimum, any contract for funding the proposed project must meet the following criteria:

- Provide emission reductions that are real, surplus, quantifiable and enforceable in accordance with program guideline requirements.
- Project equipment must be domiciled within the boundaries of the SCAB.
- The replacement engine must achieve an annual NOx emissions benefit of at least 15 percent to receive any funding for NOx reductions.
- Commit that project engines or equipment operate in service for the full project life and within the SCAB for 75% of the time (CMP), or within CA for at least 90% of the time (Prop 1B)
- Commit that all vehicles are in operation within 18 months of contract execution or by March 31, 2024, whichever is earlier and comply with CARB's Truck and Bus Regulation.
- Provide for appropriate recordkeeping during the project life (i.e., annual mileage), including submission of annual reports as detailed below.
- Ensure that the project complies with all applicable rules and regulations, and the resulting emission reductions from the project are not required as a mitigation measure to reduce



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adverse environmental impacts that are identified in an environmental document prepared in accordance with the California Environmental Quality Act or the National Environmental Policy Act.

- If requested, contractor must provide a financial statement and bank reference, or other evidence of financial ability to fulfill contract requirements.
- If requested, contractor must make all equipment and records available to the South Coast AQMD or CARB for audit and inspections.

### **DELIVERABLES**

The contract will describe how the project will be monitored and what type of information must be submitted as part of the reporting requirements. At a minimum, the South Coast AQMD expects to receive an annual report for each year during the full contract term, or project life, which provides the annual miles, where the vehicle was operated, and operational and maintenance issues encountered and how they were resolved. South Coast AQMD reserves the right to verify the information provided.

Annual Report form is available online at:

CMP: [www.aqmd.gov/moyer](http://www.aqmd.gov/moyer)

Prop 1B: [www.aqmd.gov/prop1b](http://www.aqmd.gov/prop1b)

### **APPLICATION SUBMITTAL REQUIREMENTS**

Applications will only be accepted via the South Coast AQMD's Online Application Program at: [www.aqmd.gov/moyer](http://www.aqmd.gov/moyer). In addition, all Business Information Forms<sup>3</sup>, including Conflict of Interest and Project Cost information, as described below, must also be submitted with the application.

### **CONFLICT OF INTEREST**

Applicant must address any potential conflicts of interest with other clients affected by actions performed by the firm on behalf of the South Coast AQMD. Although the applicant will not be automatically disqualified by reason of work performed for such firms, the South Coast AQMD reserves the right to consider the nature and extent of such work in evaluating the application. Conflicts of interest will be screened on a case-by-case basis by the South Coast AQMD General Counsel's Office. Conflict of interest provisions of the state law, including the Political Reform Act, may apply to work performed pursuant to this contract. Please discuss potential conflicts of interest on the Application Statement Form in Appendix A.

### **PROJECT COST**

Applicants must provide cost information that specifies the amount of funding requested and the basis for that request by attaching vendor quotes to the application. The vendor quotes must be dated within 90 days of the application submittal date. Applicants need to inform vendors of the time

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<sup>3</sup> [www.aqmd.gov/moyer](http://www.aqmd.gov/moyer)



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frame of the award process so that they can estimate prices based on the future/projected order/purchase date.

**Purchase orders or other purchase commitments shall not be placed until after the award has been provided to the applicant in writing or an executed contract. Orders placed in advance of a fully executed contract are at the applicant's own risk**<sup>4</sup>.

The CMP will fund only a percentage of the cost of the low emission or zero-emission technology based on the type of project. The proposed low-emission or zero-emission technology must be certified, verified or approved by CARB in most cases<sup>5</sup>. No administrative or operational costs will be funded.

All project costs must be clearly indicated in the application. In addition, applicants must disclose all sources of co-funding, including the name of the funding source and amount of funding in the application. **Applicants are cautioned that the project life period used in calculating emissions reductions will be used to determine the length of their annual reporting obligation.** In other words, a project applicant using a ten-year life for the emissions reduction calculations will be required to operate, track and report activity for the project vehicle for the full ten years. The contract term will also be ten years.

Applicants are not required to calculate a project's cost effectiveness. However, methodologies for calculating cost effectiveness are provided in the CARB Moyer Guidelines at: [https://www.arb.ca.gov/msprog/moyer/guidelines/2017gl/2017\\_gl\\_appendix\\_c.pdf](https://www.arb.ca.gov/msprog/moyer/guidelines/2017gl/2017_gl_appendix_c.pdf).

The Prop 1B program does not utilize cost effectiveness to determine the award amount.

## **APPLICATION SUBMISSION**

**South Coast AQMD's Online Application Program must be used to submit applications to the Clean Heavy-Duty Vehicle Program. The Online Application Program will be available on **April 19, 2022**, at the South Coast AQMD Carl Moyer Program website at [www.aqmd.gov/moyer](http://www.aqmd.gov/moyer)**

As a reminder, one application must be filed per applicant and the following forms must be completed:

1. Form A-1: General Application (includes Checklist and Application Statement). Provide a complete set of Form A-1 documents. Read the Application Statement carefully – it is a certification of the applicant's understanding for each item listed.

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<sup>4</sup> Any purchase order/purchase commitment placed prior to the South Coast AQMD Governing Board approval of the project are prohibited by the CMP. However, orders/commitments placed after South Coast AQMD Governing Board approval but in advance of a fully executed contract are at the purchaser's own risk.

<sup>5</sup> Note that an experimental permit from CARB may be considered, but the project will require special CARB approval.



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2. Category Application Form specific to your project category (one per unit, or use excel templates referenced in the form for multiple unit projects)
  - a) Form B-1: On-Road Heavy-Duty Vehicles, Replacement
  - b) Form B-3: Emergency Vehicles (Fire Apparatus)
3. Business Information Forms – Complete, sign and submit Business Information Forms with your application. Please note, if recommended for an award, you will be required to submit an updated Campaign Contribution Disclosure form at a later date. All required Business Information Forms will be available in the Application Portal.

**Missing Information** – Within thirty (30) business days of the application submittal date, South Coast AQMD will email letters to applicants regarding the missing or incomplete information. Applicants will have seven (7) business days to provide any missing information requested in the letter. It will be the applicant's responsibility to submit the missing or incomplete information within the time specified by South Coast AQMD staff. Only complete applications can move forward in the evaluation process.

**Disposition of Applications** - The South Coast AQMD reserves the right to reject any or all applications. All responses become the property of the South Coast AQMD. One copy of each application not selected for funding shall be retained for one year. Additional copies and materials will be returned only if requested and at the applicant's expense.

**PAYMENT TERMS**

For all projects full payment will be made upon installation and commencement of operation of the funded equipment.

**WEBSITE LINKS TO CARB RULES THAT AFFECT ELIGIBILITY**

On-Road Private (truck and bus) @ <http://www.arb.ca.gov/msprog/onrdiesel/onrdiesel.htm>

Drayage Truck Regulatory @ <https://www.arb.ca.gov/msprog/onroad/porttruck/porttruck.htm>

Public/Utility Fleets @ <http://www.arb.ca.gov/msprog/publicfleets/publicfleets.htm>

**Staff Contact Information:** For general information or questions about this solicitation, please contact: Krystle Martinez Air Quality Specialist (909) 396-3021 or [kmartinez@aqmd.gov](mailto:kmartinez@aqmd.gov)



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Additional staff contact information can be found below. Applicants are strongly encouraged to contact South Coast AQMD staff to discuss their project prior to submitting an application to ensure program eligibility.

**Program Staff Contacts**

<b>Staff Contact</b>	<b>Phone Number</b>	<b>Email</b>
David Chen	(909) 396-3083	<a href="mailto:dchen@aqmd.gov">dchen@aqmd.gov</a>
Justin Joe	(909) 396-2054	<a href="mailto:jjoe@aqmd.gov">jjoe@aqmd.gov</a>
Krystle Martinez	(909) 396-3021	<a href="mailto:kmartinez@aqmd.gov">kmartinez@aqmd.gov</a>
Andrew Yoon	(909) 396-3043	<a href="mailto:ayoon@aqmd.gov">ayoon@aqmd.gov</a>
Tom Lee	(909) 396-2270	<a href="mailto:tlee@aqmd.gov">tlee@aqmd.gov</a>



# SOUTH COAST AQMD PROGRAM ANNOUNCEMENT For CLEAN HEAVY-DUTY VEHICLE REPLACEMENT PROGRAM PA2022-XX



## PROPOSITION 1B APPLICANT AGREEMENT CHECKLIST



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**Applicant Certification for the Prop 1B program (goods movement trucks):**

**I am the owner of the existing equipment, have the legal authority to apply for incentive funding for the entity described in this application, and agree to the following statement by signing below:**

- I (equipment owner) have reviewed the information provided in this application, including all supporting documentation, and certify the application information is true and correct, and meet the minimum requirements of the Proposition 1B –Goods Movement Emission Reduction Program;
- I agree to follow all requirements of the Proposition 1B - Goods Movement Emission Reduction Program- Final 2015 Staff Report and Guidelines for Implementation;
- The Program-funded equipment shall be placed into operation and post-inspected prior to the applicable operational deadline to remain eligible for funding;
- I understand that the Program-funded equipment may not be used by the equipment owner to comply with any applicable CARB regulations for the specified timeframe;
- Neither the owner nor equipment identified in the application has any outstanding violations or non-compliance with CARB regulations;
- I have not and will not apply for additional Proposition 1B – Goods Movement Emission Reduction Program grant funds from any other local agency or funding from any other CARB incentive program for the equipment included in this application.
- I will disclose any other source(s) of funding that has been applied for and will be used for the same project, including the source of funds, amount, and the purpose of the funding;
- I will disclose the value of any existing financial incentive that directly reduces the project cost, including tax credits or deductions, grants, or other public financial assistance for the same equipment project;
- Grant funds shall only be used to offset the capital cost of the equipment and/or shall reduce the principal owed to purchase the equipment;
- New equipment must **not** be purchased, received, installed, paid for, or placed into operation prior to contract execution unless specified by the Program Guidelines, and if allowed, equipment owner shall assume all financial risk and is in no way assured Program funds;
- New equipment purchased outside of California may be subject to California sales and/or use taxes;
- I have all the information needed to understand what must be done to maintain eligibility for Program funds. This includes maintaining registration and ownership; keeping equipment in legal operating condition within California; correcting any air pollution citations; complying with all CARB regulations; and reporting, repairing, or replacing equipment that has been damaged, destroyed, or stolen;
- I understand that an incomplete or illegible application, including applications that are missing required documentation, may be rejected by the South Coast AQMD at their discretion;
- I acknowledge that the South Coast AQMD may release information contained in the application to third parties if required by state and federal public records laws;
- I understand that for the switcher and medium horsepower locomotive projects; the equipment owner must commit to operating the Program-funded equipment at least 50% of the time within the four California trade corridors during the project life; for line-haul locomotive projects: the equipment owner must commit at least a majority of the percentage California operation within the four CA trade corridors during the project life;



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- Any additional non-Program funding needed to complete the equipment project according to the proposed timeframe is reasonably available; and
- I understand as an applicant that incentive programs have limited funds and shall terminate upon depletion of program funding.

**Printed Name of Owner:** \_\_\_\_\_ **Signature of Owner:** \_\_\_\_\_



# SOUTH COAST AQMD PROGRAM ANNOUNCEMENT FOR GOODS MOVEMENT EQUIPMENT PA2022 - 02

The South Coast Air Quality Management District (South Coast AQMD) is pleased to announce the availability of funds for the Proposition 1B - Goods Movement Emission Reduction Program (“Program”). The Program is administered by a partnership between the California Air Resources Board (CARB) and local agencies to reduce air pollution emissions and health risk from freight movement along California’s trade corridors. Projects under this Program Announcement (PA) must achieve early or extra emission reductions not otherwise required by law or regulation. This PA is seeking applications for freight locomotives and cargo handling equipment projects. Approximately \$25 million in Program funding is expected to be available for this solicitation. A separate program announcement is being issued for heavy-duty diesel vehicle projects (see Program Announcement #xxxx-xx.)

**WHO:** The following may apply for funding through this solicitation:

1. Locomotive projects: Owners of diesel-powered freight locomotives with no or minimal emission control technology (i.e., uncontrolled, or meeting Tier 0 through Tier 2 standards)
2. Cargo Handling Equipment projects: Owners of an existing diesel-powered yard truck, lift (as defined below), or rubber-tired gantry crane (RTG)

**WHAT:** There are several project options available for each category

For Locomotive projects:

1. Replace or retrofit\* switcher locomotive (1,006 hp - 2,300 hp)
2. Replace or retrofit\* medium horsepower locomotive (2,301 hp - 4,000 hp)
3. Replace or retrofit\* line-haul locomotive (4,001 hp or higher)
4. Locomotive emissions capture and control system

For Cargo Handling Equipment projects:

1. Yard Truck Conversion to Electric
2. Yard Truck Replacement – Electric or Fuel Cell
3. Yard Truck Battery Charging Station
4. Forklift Replacement – Electric or Fuel Cell
5. Lift Replacement – Electric or Fuel Cell
6. RTG Crane Conversion/Replacement

\*The term “retrofit” includes rebuild, repower, remanufacture, filter installation, and all other modifications other than replacement. The equipment specifications for each of the project options can be found in Appendix B of the 2015 Program Guidelines at:

[https://ww2.arb.ca.gov/sites/default/files/classic/bonds/gmbond/docs/prop\\_1b\\_goods\\_movement\\_2015\\_program\\_guidelines\\_for\\_implementation.pdf](https://ww2.arb.ca.gov/sites/default/files/classic/bonds/gmbond/docs/prop_1b_goods_movement_2015_program_guidelines_for_implementation.pdf)



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**HOW:** All applications must be submitted according to specifications in the Prop 1B Application Portal. Failure to adhere to these specifications may be cause for rejection of the application without evaluation. The Application Portal can be found on South Coast AQMD’s Prop 1B program page: <http://www.aqmd.gov/Prop1B>  
Application assistance will be offered to applicants that do not own a computer or have internet access.

**NOTE:** Hardcopy, Facsimile or email submittals **will not be accepted.**

**WHEN:** Solicitation opens: April 19, 2022  
Solicitation closes: July 15, 2022, or when South Coast AQMD reaches \$25 million in eligible applications, whichever comes first.

**SCHEDULE:**

Solicitation Opens	April 19, 2022
Solicitation Closes	<b>Applications will be accepted until July 15, 2022, or when South Coast AQMD reaches \$25 million* in eligible applications, whichever comes first.</b> <b>* This is an estimated amount. More funds could become available if additional projects dropout</b>
Anticipated: South Coast AQMD Evaluation Period	April – July 2022
CARB’s Approval of Eligible List	July - August 2022
South Coast AQMD to Issue Contracts	Starting July 2022
Equipment in Operation by	March 31, 2024

For general information or questions about the South Coast AQMD Proposition 1B – Goods Movement Emission Reduction Program, please contact:

Andrew Yoon, Air Quality Specialist • (909) 396-3043 • [ayoon@aqmd.gov](mailto:ayoon@aqmd.gov), or  
Justin Joe, Air Quality Specialist • (909) 396-2054 • [jjoe@aqmd.gov](mailto:jjoe@aqmd.gov)



# SOUTH COAST AQMD PROGRAM ANNOUNCEMENT FOR GOODS MOVEMENT EQUIPMENT PA2022 - 02

## **BACKGROUND**

The diesel engines in trucks, locomotives, ships, harbor craft, and cargo handling equipment are major contributors to the State’s air pollution challenges. These sources account for nearly half of the statewide particulate matter (PM) emissions. Diesel PM is both a toxic air contaminant and a contributor to black carbon, a powerful short-lived climate pollutant. Near-source exposure to emissions of this particulate matter is associated with health risks, especially near distribution centers, railyards, and seaports, many of which impact disadvantaged communities. Emissions from freight transport also account for over one third of the statewide nitrogen oxides (NO<sub>x</sub>) that form fine particles.

To date, CARB has granted approximately \$486 million in Proposition 1B (Prop 1B) funds to the South Coast AQMD to reduce emissions from the goods movement sector, including the replacement of heavy-duty diesel trucks, locomotives, cargo-handling equipment, and shore power installation for ships at berth. The vast majority of these equipment are currently operational, providing significant emission reduction benefits to the region. Due to the cancellation of many projects, a new solicitation is now needed to receive applications for additional locomotives and cargo handling projects that meet the criteria of the Prop 1B – Goods Movement Program.

This solicitation is intended to obtain “surplus” emission reductions of Nitrogen Oxides (NO<sub>x</sub>), Particulate Matter (PM<sub>10</sub>) and Reactive Organic Gases (ROG) from goods movement equipment operating in California trade corridors. It provides financial incentives to equipment owners to replace in-use equipment with cleaner-than-required engine and equipment technologies that will achieve emission reductions that are real, surplus, and quantifiable. It also allows equipment owners to achieve early emission reductions before they are required by applicable rules, regulations or enforceable agreements. The Program supplements existing regulations and may be combined with Federal or Local funding programs to cut diesel emissions.

## **DEFINITIONS**

### Conversion

CARB-approved aftermarket replacement of the fueling system in a diesel powered equipment to a natural gas, hybrid technology, or zero-emission fueling system. Engines must have CARB approval as an aftermarket conversion to be sold in California. The proposed engines in conversion projects are not fueled by diesel.

### Equipment Replacement

Equipment replacement means the replacement of an older piece of equipment that still has remaining useful life with a newer, cleaner piece of equipment. For this project type, applicant must have owned and operated the old equipment in California for the previous two years.

### Forklift

An off-road industrial truck used to hoist and transport materials by means of steel fork(s) under



# SOUTH COAST AQMD PROGRAM ANNOUNCEMENT FOR GOODS MOVEMENT EQUIPMENT PA2022 - 02

the load.

## Freight Facility

Distribution centers, warehouses, retail and wholesale outlets, and agricultural processing centers, and other places where trucks congregate (other than truck stops.)

## Goods

Defined as having the same meaning in Commercial Code section 2105:

- The goods must be movable.
- The goods being moved must be part of a transaction that involves a contract for the sale of the goods.
- Rental Equipment does not qualify as "Goods".

## Lift

Includes top pick, side handler, reach stacker, or forklift

## Locomotive Retrofit

Locomotive retrofit includes rebuild, repower, remanufacture, filter installation, and all other modifications other than replacement, and meet one or more of the following, pursuant to Code of Federal Regulations Title 40, Part 92.2(1):

- To replace, or inspect and qualify, each and every power assembly of a locomotive or locomotive engine, whether during a single maintenance event or cumulatively within a five-year period;
- To upgrade a locomotive or locomotive engine;
- To convert a locomotive or locomotive engine to enable it to operate using a fuel other than it was originally manufactured to use; or
- To install a remanufactured engine or a freshly manufactured engine into a previously used locomotive. Or pursuant to Code of Federal Regulations Title 40, Part 92.2,
- Replacement of the engine in a previously used locomotive with a freshly manufactured locomotive engine.

## Reach Stacker

An off-road truck-like cargo container handler that uses an overhead telescopic boom that can reach across two or more stacks of cargo containers and lift the containers from the top.

## Rubber-Tired Gantry Crane or RTG Crane

An off-road overhead cargo container crane with the lifting mechanism mounted on a cross-beam supported on vertical legs which run on rubber tires. RTG cranes do not include gantry cranes that operate on steel wheels and rails.

## Side Handler or Side Pick

An off-road truck-like cargo container handler that uses an overhead telescopic boom to lift empty or loaded cargo containers by grabbing either two top corners on the longest side of a container, both arms of one side of a container, or both top and bottom sides of a container.



# SOUTH COAST AQMD PROGRAM ANNOUNCEMENT FOR GOODS MOVEMENT EQUIPMENT PA2022 - 02

## Terminal

A facility that operates cargo handling equipment at a port or intermodal rail yard.

## Top Handler or Top Pick

An off-road truck-like cargo container handler that uses an overhead telescopic boom to lift empty or loaded cargo containers by grabbing the top of the containers.

## Yard Truck

An off-road mobile utility vehicle used to carry cargo containers with/without chassis; also known as utility tractor rig, yard tractor, yard goat, yard hostler, yard hustler, or prime mover.

## **OWNERSHIP REQUIREMENTS**

Applications shall be signed and submitted by the current legal owner of the existing equipment that will be upgraded or replaced.

Non-owner applications are not eligible for funding. Third party applications are not allowed.

Ownership of the existing equipment shall not change from the time an equipment project application is submitted through receiving Program funding.

Individuals or companies that operate the existing equipment under a lease agreement with the equipment owner are prohibited from applying for bond funding.

## **FUNDING REQUIREMENTS**

### **Locomotives**

Eligible costs may include a new chassis, freshly manufactured or retrofitted engine(s), new generator set(s), filter, and diesel oxidation catalyst for PM control, exhaust gas recirculation and selective catalytic reduction device for NOx control, other emission control equipment, and new or upgraded mechanical/electrical/control system components necessary for safe operation.

Ineligible costs include auto start/stop devices required by regulation or agreements, GPS devices and associated monitoring and reporting costs, design, engineering, consulting, license, registration, taxes, insurance, operation, maintenance, and repair.

### Option 1: Switcher Locomotive (1,006 hp to 2,300 hp)

Partial funding to replace or retrofit an uncontrolled, or Tier 0 through Tier 2 switcher locomotive with a unit certified at or below the U. S. EPA Tier 4 emission standards (1.30 grams per brake horsepower-hour(g/bhp-hr) for NOx and 0.03 g/bhp-hr for PM). Replacing a switcher locomotive with a U.S. EPA Tier-4 or zero emission rail car mover is an option only for Class III operated switchers.

### Option 2: Medium Horsepower Locomotive (2,301 to 4,000 hp)

Partial funding to replace or retrofit an uncontrolled, or Tier 0 through Tier 2 medium horsepower locomotive with a unit certified at or below the U. S. EPA Tier 4 emission standards (1.30 g/bhp-hr for NOx and 0.03 g/bhp-hr for PM). Equipment owner must demonstrate at least



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50% operation or equivalent locomotive horsepower operation within the four California trade corridors for the past 2 years.

**Option 3: Line-Haul Locomotive (4,001 hp or higher)**

Partial funding to replace or retrofit an uncontrolled, or Tier 0 through Tier 2 line-haul locomotive with a unit certified at or below the U. S. EPA Tier 4 emission standards (1.30 g/bhp-hr for NOx and 0.03 g/bhp-hr for PM).

**Option 4: Locomotive Emissions Capture and Control System**

Partial funding for the lower of 80% of eligible costs or a level commensurate with a cost-effectiveness of at least 0.10 pounds of weighted emissions reduced per State dollar invested for the purchase and installation of an ARB-approved locomotive emission capture and control system (a.k.a. hood or bonnet) to reduce diesel PM and NOx emissions from freight locomotives.

**Table 1: Funding Table for Locomotive Projects**

Project Type	Funding Amount*
Switcher Locomotive 1,006 - 2,300 horsepower	75% and up to \$1,875,000
Replace Switcher with Tier 4 rail car mover	50% and up to \$250,000
Replace Switcher with zero emission rail car mover	75% and up to \$500,000
Medium hp Locomotive 2,301- 4,000 horsepower	75% and up to \$2,250,000
Line-Haul Locomotive > 4,000 horsepower	75% and up to \$2,250,000**
Capture & Control System***	80% of eligible cost

\*If the equipment is banned from California operation instead of scrapped, the funding amount will be reduced by 20%. Equipment owner must demonstrate at least 50% operation or equivalent locomotive horsepower operation within the four California trade corridors for the past 2 years.

\*\*This amount is only for 90% to 100% CA Operation. Less than 90% CA Operation will be eligible for a lesser funding amount.

\*\*\*The Capture & Control System must be CARB-certified and have a cost-effectiveness of at least 0.10 lb of weighted emission reduction per State dollar spent.

**In addition, equipment owner shall:**

- Commit to 90% or 100% California-only operation for the duration of the project life; equipment is permitted to temporarily travel out-of-state for periodic maintenance, if outlined in the contract between the local agency and equipment owner.
- Commit to at least 50% of operation within the four California trade corridors for the duration of the project life.
- Commit to a project life of 15 years.
- Commit to the funded locomotive using CARB diesel fuel unless CARB approves an exemption, and it is included in the contract between the local agency and equipment owner.
- Scrap the old engine/locomotive or ban old engine/locomotive from California operation (replacements and retrofits involving engine replacement).



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- Install an active GPS device on both the old equipment (if not scrapped) and the new equipment, fund and commit to data collection, and report location data.

**Cargo Handling Equipment**

**Table 2: Cargo Handling Equipment - Heavy-Duty Yard Trucks and RTG Cranes**

Eligible Equipment		Equipment Upgrade <sup>1</sup>	Proposed Program Funding	Project Life <sup>2</sup>
<b>1</b>	Existing diesel powered yard truck.	Replace with a zero emission electric yard truck. <sup>3</sup>	Lower of 80 percent of eligible cost or \$100,000/yard truck.	5 years
<b>2</b>	Existing diesel powered yard truck.	Convert to a zero emission electric yard truck. <sup>3</sup>	Lower of 80 percent of eligible cost or \$80,000/yard truck.	5 years
<b>3</b>	Existing diesel powered yard truck.	Replace with a zero emission fuel cell powered yard truck. <sup>3</sup>	Lower of 80 percent of eligible cost or \$200,000/yard truck.	5 years
<b>4</b>	Multi-unit battery chargers with the conversion or replacement of 3 yard trucks.	Install a multiple-unit battery charger <sup>4</sup> with the conversion or replacement of 3 yard trucks with electric yard trucks.	Lower of 50 percent of eligible cost or \$35,000 for the cost a multi-unit battery charger	5 years
<b>5</b>	Battery charger with the conversion or replacement of a yard truck.	Install a battery charger <sup>4</sup> with the conversion or replacement of a yard truck with a zero emission electric yard truck.	Lower of 50 percent of eligible cost or \$15,000 for the cost a battery charger plus the lower of 80 percent of eligible cost or \$80,000 (conversion) or \$100,000 (replacement) for the yard truck.	5 years
<b>6</b>	Existing diesel engine RTG crane.	Convert or replace with a zero emission powered system <sup>3</sup> .	Lower of 50 percent of eligible cost or \$500,000/crane.	15 years

Table 2 Notes:

1. Program funded equipment cannot be used to comply with the regulatory requirement for replacing non-compliant equipment with electric or zero emission equipment associated with obtaining third and/or fourth years of “No VDECS (Verified Diesel Emission Control Systems) Available” compliance extension.
2. Program funded equipment is not eligible to be counted towards compliance for a two-year period.
3. Requires a 5-year warranty.



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4. Battery charger projects require a 3-year warranty. Associated zero emission yard truck projects still require a 5-year warranty.

**Table 3: Cargo Handling Equipment – Lifts**

Eligible Equipment		Equipment Lift Capacity	Equipment Upgrade <sup>1</sup>	Proposed Program Funding	Project Life <sup>2</sup>
<b>1</b>	Existing diesel powered forklift <sup>3</sup>	3,000 – 8,000 lbs	Replace a forklift with a Class I electric powered zero emission forklift, including battery, and charger <sup>4,5</sup> .	Lower of 50 percent of eligible cost or \$15,000 for each forklift.	5 years
		8,001 – 12,000 lbs		Lower of 50 percent of eligible cost or \$18,000 for each forklift	
<b>2</b>	Existing diesel powered forklift <sup>3</sup>	3,000 – 8,000 lbs	Replace a forklifts with a Class 1 fuel cell powered forklifts including batteries, and chargers <sup>4,5</sup> .	Lower of 50 percent of eligible cost or \$25,000 for each forklift.	5 years
		8,001 – 12,000 lbs		Lower of 50 percent of eligible cost or \$30,000 for all each forklift.	
<b>3</b>	Existing diesel powered lift, including: forklift, side handler, top pick, or reach stacker	Greater than 12,000 lbs	Replace an existing lift with a Class I electric powered zero emission lift <sup>4,5</sup> .	Lower of 50 percent of eligible cost or \$50,000	5 years
<b>4</b>	Existing diesel powered lift, including: forklift, side handler, top pick, or reach stacker	Greater than 12,000 lbs	Replace an existing lift with a fuel cell powered zero emission lift <sup>4</sup> .	Lower of 50 percent of eligible cost or \$80,000	5 years

Table 3 Notes:

1. Program funded equipment cannot be used to comply with the regulatory requirement for replacing non-compliant equipment with electric or zero emission equipment associated with obtaining third and/or fourth years of “No VDECS (Verified Diesel Emission Control Systems) Available” compliance extension.
2. Program funded equipment is not eligible to be counted towards compliance for a two-year period.
3. Engine must be greater than 25 horsepower.
4. Equipment warranty shall be one year or 1,600 hours, whichever comes first.
5. Electric chargers must be California Energy Commission (CEC) compliant to be eligible for funding.

## **ELIGIBILITY AND GENERAL REQUIREMENTS**

### **Eligibility**

Project eligibility will be based on the Prop. 1B Program Guidelines which can be found at: [https://ww2.arb.ca.gov/sites/default/files/classic/bonds/gmbond/docs/prop\\_1b\\_goods\\_movement\\_2015\\_program\\_guidelines\\_for\\_implementation.pdf](https://ww2.arb.ca.gov/sites/default/files/classic/bonds/gmbond/docs/prop_1b_goods_movement_2015_program_guidelines_for_implementation.pdf)

In order to be eligible for funding, the equipment owner (grantee) must demonstrate:

### **General Requirements applicable to all equipment:**

- Commit to the project life specified by the applicable equipment project option.
- Adhere to all Program requirements during the project life.
- Agree to equipment inspections.
- Comply with record-keeping, reporting, and Program review or fiscal audit requirements.
- Sign a legally binding contract with the local agency including project milestones and completion deadlines.
- Properly maintain upgraded equipment in good operating condition and according to manufacturer's recommendations.
- The new or upgraded Equipment must meet the required emission levels or standards as evidenced by a U.S. EPA Certificate of Conformity (if available) and CARB Verification Letter of the emission levels achieved.

### **Program Specific Requirements for Locomotives:**

- Commit to 90% or 100% California-only operation for the duration of the project life; equipment is permitted to temporarily travel out-of-state for periodic maintenance, if outlined in the contract between the local agency and equipment owner.
- Commit to at least 50% of operation within the four California trade corridors for duration of the project life.
- Commit to the project life of 15 years
- Commit to the funded locomotive using CARB diesel fuel unless CARB approves an exemption, and it is included in the contract between the local agency and equipment owner.
- Scrap the old engine/locomotive or ban old engine/locomotive from California operation (re-placements and retrofits involving engine replacement).
- Install an active GPS device on both the old equipment (if not scrapped) and the new equipment, fund and commit to data collection, and report location data.
- Exclude any Program-funded equipment from the compliance calculations for the 1998 agreement for locomotives operating in the South Coast Air Basin for the duration of the project life (applicable to Union Pacific and BNSF Railway only).
- Operation or equivalent locomotive horsepower operation in California for the past 2 years.
- For switchers and medium horsepower locomotives: at least 50% operation or equivalent locomotive horsepower operation within the four California trade corridors for the past 2 years.

- For line haul locomotives: a majority of the minimum percentage operation or equivalent locomotive horsepower operation within the four California trade corridors for the past 2 years.
- For Class I and Class II railroad, the old locomotive must meet the minimum fuel usage requirement of 20,000 gallons or equivalent per year during the past 2 years to be eligible. For Class III railroad, a lower fuel usage of at least 5,000 gallons is allowed but with a reduced funding amount.
- The new or upgraded equipment must meet the required emission levels or standards as evidenced by a U.S. EPA Certificate of Conformity.
- Commit to the project life specified by the applicable equipment project option.
- Adhere to all Program requirements during the project life.
- Agree to equipment inspections.
- Comply with record-keeping, reporting, and Program review or fiscal audit requirements.
- Sign a legally binding contract with the local agency including project milestones and completion deadlines.
- Properly maintain upgraded Equipment in good operating condition and according to manufacturer's recommendations.
- The new or upgraded Equipment must meet the required emission levels or standards as evidenced by a U.S. EPA Certificate of Conformity (if available) and CARB Verification Letter of the emission levels achieved.

#### Program Specific Requirements for Locomotive Emissions Capture and Control System

- Commit to 100% operation within the four California trade corridors for the duration of the project life.
- Commit to a project life of 10 years.
- Document the system is commercially available and achieves an overall capture and control efficiency rate of at least 85% for the removal of NO<sub>x</sub> and PM.
- Demonstrate system performance and efficiency with source testing prior to funding and annually thereafter by capturing emissions from an operating locomotive undergoing diagnostic procedures. Performance measures include: (i) no visible emissions after bonnet is connected to the locomotive

#### Program Specific Requirements for Cargo Handling Equipment:

- The existing equipment must be in compliance with applicable CARB regulations.
- The existing equipment must be a diesel-fueled equipment
- The new or upgraded equipment must meet the required emission levels or standards as evidenced by a CARB Verification Letter of the emission levels achieved.

#### For Yard Truck Projects:

- Agree to accept an on-board electronic monitoring unit at any time during the project life.
- Commit to 5 years of 100% California operation in a port, or intermodal railyard, or freight facility service in the four trade corridors.

- Demonstrate proof of equipment warranty for the project life and insurance on upgraded equipment.
- Insurance on upgraded equipment shall cover the replacement of the equipment for fuel cell projects.
- The charging infrastructure equipment must have a 3-year warranty at minimum.

For Lift Projects:

- Not replace existing zero emission equipment with new electric powered equipment (electric projects) or new fuel cell equipment (fuel cell projects).
- Commit to 5 years of 100% California operation in a port, or intermodal railyard, or freight facility service in the four trade corridors.
- Demonstrate proof of equipment warranty for one year or 1,600 hours, whichever comes first.
- The replacement equipment must serve the same function as the existing equipment.
- The equipment engine must be greater than 25 horsepower.
- The charging infrastructure equipment must have a 3-year warranty at minimum.

For RTG Crane Projects:

- Commit to 15 years of 100% California operation in a port, or intermodal railyard, or freight facility service in the four trade corridors.
- Be permitted to keep the existing diesel engine installed and operational for a limited number of hours each year and do the following at their own expense: (1) install an hour meter on the existing diesel engine and (2) provide activity reports when requested by the local agency or ARB, in a format defined by ARB staff.
- Commit to a maximum limit of diesel engine usage to 30 hours annually based on a rolling 3 year average.
- Comply with all local permitting requirements.
- Demonstrate proof of equipment warranty for 5 years

**APPLICATION SUBMITTAL REQUIREMENTS**

A complete online application must be submitted to South Coast AQMD by no later than the application deadline to be considered for Program funding. It is the applicant's responsibility to ensure the application contains all the required information at the time of submittal to the South Coast AQMD. The South Coast AQMD is not required to contact the applicant to obtain the required information that is missing from the application.

Union Pacific and BNSF Railway must certify that any locomotive that would operate in the South Coast Air Basin will be excluded from the railroads fleet average emissions calculations under the 1998 agreement.

Below is a list of all application forms and attachments for the Prop 1B Program:

- Applicant Information
- Category application form specific to your project category (one per unit):

- Switcher Locomotive
- Medium Horsepower Locomotive
- Line-Haul Locomotive
- Locomotive Emission Capture and Control System
- Cargo Handling Equipment - Yard Truck/RTG Crane
- Cargo Handling Equipment - Lift
- Business Information Forms (BIR):
  - Attachment 1 – Business Information Request
  - Attachment 2 – Disadvantaged Business Certification
  - Attachment 3 – W-9 - Request for Taxpayer Identification Number and Certification
  - Attachment 4 – Withholding Exemption Certificate
  - Attachment 5 – Campaign Contribution Disclosure

Note: Each Attachment (#s 1-5) must be completed and submitted with each set of projects. If your application is approved, an updated Attachment 5 may be requested by your assigned Project Officer at a later date.

### **EQUIPMENT PROJECT PURCHASE RESTRICTIONS**

Grantee **may not** purchase, receive, install, pay for, or place into operation any engines, equipment, nor may work begin on a repower or retrofit project or a project to install infrastructure, until the project contract is fully executed. Grantee may pre-order prior to contract execution at the equipment owner’s risk but can only be purchased once the existing equipment has been pre-inspected and the contract is signed between the grantee and South Coast AQMD. The South Coast AQMD **will not** reimburse grantees for orders or any payments on a new engine, piece of equipment, or vehicle that takes place prior to South Coast AQMD approval of the project through contract execution.

### **PAYMENT PROCESS**

For all projects full payment will be made after the satisfactory completion of a post-inspection by South Coast AQMD and receipt of invoice. Payments will be by reimbursement to grantee or through a direct payment to vendor upon written request of grantee.

Reimbursement cannot exceed the amount directly paid by grantee.

An invoice shall be itemized to include enough detail to ensure that the local agency provides reimbursement only for the eligible project costs yet be clear and concise enough to be understandable.

Grantee shall not request or receive payment for engines, equipment or infrastructure that are non-operational, taxes, consulting services, license, permit fees, registration, insurance, or any other cost not eligible for Program funds.

Labor expenses are not eligible for payment with Program funds. However, labor expenses shall be included in the itemized invoice with the detailed number of hours charged and

hourly wage.

Grantee may submit a signal itemized invoice for multiple, completed equipment projects under this Program. The invoice shall itemize the charges for each equipment project.

Equipment certification or verification may still be pending at the time of application or contract execution, however, equipment must be verified or certified prior to the payment.

### **PROJECT EVALUATION AND COMPETITIVE RANKING**

Complete applications will be evaluated by the South Coast AQMD, and all eligible projects will be competitively ranked according to the procedures specified in the Program guidelines. The ranked list, once approved by CARB, will be posted on the South Coast AQMD website. South Coast AQMD will award grant funds to the top project on the ranked list and continue down the list until the Program funds are exhausted. For complete information regarding project evaluation and the competitive ranking process, please refer to Chapter IV of the Final 2015 Staff Report and Guidelines for Implementation found on the CARB Program website at: <https://ww2.arb.ca.gov/our-work/programs/proposition-1b-goods-movement-emission-reduction-program>

### **ANNUAL REPORTING REQUIREMENTS**

Grantee shall be responsible for annual reporting to the local agency that includes, but is not limited to:

#### **Locomotive Projects:**

- Contact information (owner name, company, address, and phone).
- Build number, date, builder, builder model.
- Date of equipment installation.
- Locomotive type.
- Name and location of home railyard.
- Annual megawatt-hours of operation, notch profile and fuel consumed since last report.
- Representative profile data to determine engine duty cycle.
- Certification and documentation of 90% or 100% California-only operation for switchers and medium horsepower locomotives.
- Certification and documentation of percentage of operation in the four California trade corridors for switcher and medium horsepower locomotives.
- Certification and documentation of percentage of California operation for line-haul locomotives.
- Certification and documentation of percentage of operation in the four California trade corridors for line-haul locomotives.
- Summary of maintenance performed (including location) and inspections conducted.

- GPS data in a usable format.
- The estimated percentage of annual travel in each of the four California trade corridors:
  - Bay Area trade corridor.
  - Central Valley trade corridor.
  - Los Angeles/Inland Empire trade corridor.
  - San Diego trade corridor.
- Certification that Program-funded equipment was used in accordance with the signed contract and that all information submitted is true and accurate.
- Other information as requested by CARB or the local agency.

**Locomotive Emission Capture and Control System:**

- Predicted locomotive activity data with new system over project life.
- Number and type of locomotive units using the hood.
- Average time locomotives will spend under the hood idling and in notches 1-8 for each unit type identified above.
- Power usage to run the system and source of power (grid- vs. non-grid-based).
- Natural gas usage (if any) for heating selective catalytic reduction duct burner.
- Projected emissions and benefits with the project.
- Emissions with the project over 10 years of operation.
- Emission reductions attributable to the project (beyond those required by any law, regulation, or enforceable agreements) for 10 years.
- Demonstration that the weighted emission reductions are equal to or higher than 0.10 pounds per State dollar invested.

**Cargo Handling Equipment:**

- Contact information (owner name, company, address, phone).
- Date and location of installation of equipment.
- Equipment types and name of home port, railyard or freight facility.
- Yard truck, lifts, and battery charging station make, model, year, serial number, and power rating.
- Annual hours of operation.
- Summary of maintenance and inspections conducted.
- Signed certification statement that the bond-funded technology was installed on the equipment for which it was approved, and that all information submitted to the local agency is true and accurate.
- Other information as requested by the South Coast AQMD.

**USEFUL RESOURCES**

CARB Goods Movement Emission Reduction Program:

<https://ww2.arb.ca.gov/our-work/programs/proposition-1b-goods-movement-emission-reduction-program>





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## Proposition 1B Applicant Certification List (To be signed during On-Line Application)

**I am the owner of the existing equipment, have the legal authority to apply for incentive funding for the entity described in this application, and agree to the following statement by signing below:**

- I (equipment owner) have reviewed the information provided in this application, including all supporting documentation, and certify the application information is true and correct, and meet the minimum requirements of the Proposition 1B –Goods Movement Emission Reduction Program;
- I agree to follow all requirements of the Proposition 1B - Goods Movement Emission Reduction Program-Final 2015 Staff Report and Guidelines for Implementation;
- The Program-funded equipment shall be placed into operation and post-inspected prior to the applicable operational Deadline to remain eligible for funding;
- I understand that the Program-funded Equipment may not be used by the equipment owner to comply with any applicable CARB regulations for the specified timeframe;
- Neither the owner nor Equipment identified in the application has any outstanding violations or non-compliance with CARB regulations;
- I have not and will not apply for additional Proposition 1B – Goods Movement Emission Reduction Program grant funds from any other local agency or funding from any other CARB incentive program for the Equipment included in this application.
- I will disclose any other source(s) of funding that has been applied for and will be used for the same project, including the source of funds, amount, and the purpose of the funding;
- I will disclose the value of any existing financial incentive that directly reduces the project cost, including tax credits or deductions, grants, or other public financial assistance for the same equipment project;
- Grant funds shall only be used to offset the capital cost of the Equipment and/or shall reduce the principal owed to purchase the Equipment;
- New Equipment must **not** be purchased, received, installed, paid for, or placed into operation prior to contract execution unless specified by the Program Guidelines, and if allowed, equipment owner shall assume all financial risk and is in no way assured Program funds;
- New Equipment purchased outside of California may be subject to California sales and/or use taxes;
- I have all the information needed to understand what must be done to maintain eligibility for Program funds. This includes maintaining registration and ownership; keeping Equipment in legal operating condition within California; correcting any air pollution citations; complying with all CARB regulations; and reporting, repairing, or replacing Equipment that has been damaged, destroyed, or stolen;
- I understand that an incomplete or illegible application, including applications that are missing required documentation, may be rejected by the South Coast AQMD at their discretion;
- I acknowledge that the South Coast AQMD may release information contained in the application to third parties if required by state and federal public records laws;
- I understand that for switcher and medium horsepower locomotive projects; the equipment owner must commit to operating the Program-funded Equipment at least 50% of the time within the four California trade corridors during the project life; for line-haul locomotive projects: the Equipment owner must commit at least a majority of the percentage California operation within the four CA trade corridors during the project life;
- Any additional non-Program funding needed to complete the Equipment project according to the proposed timeframe is reasonably available; and
- I understand as an applicant that incentive programs have limited funds and shall terminate upon depletion of program funding.

**Printed Name of Owner:** \_\_\_\_\_ **Title:** \_\_\_\_\_

**Signature of Owner:** \_\_\_\_\_ **Date:** \_\_\_\_\_