



# 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:

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## **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



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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.



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## 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**

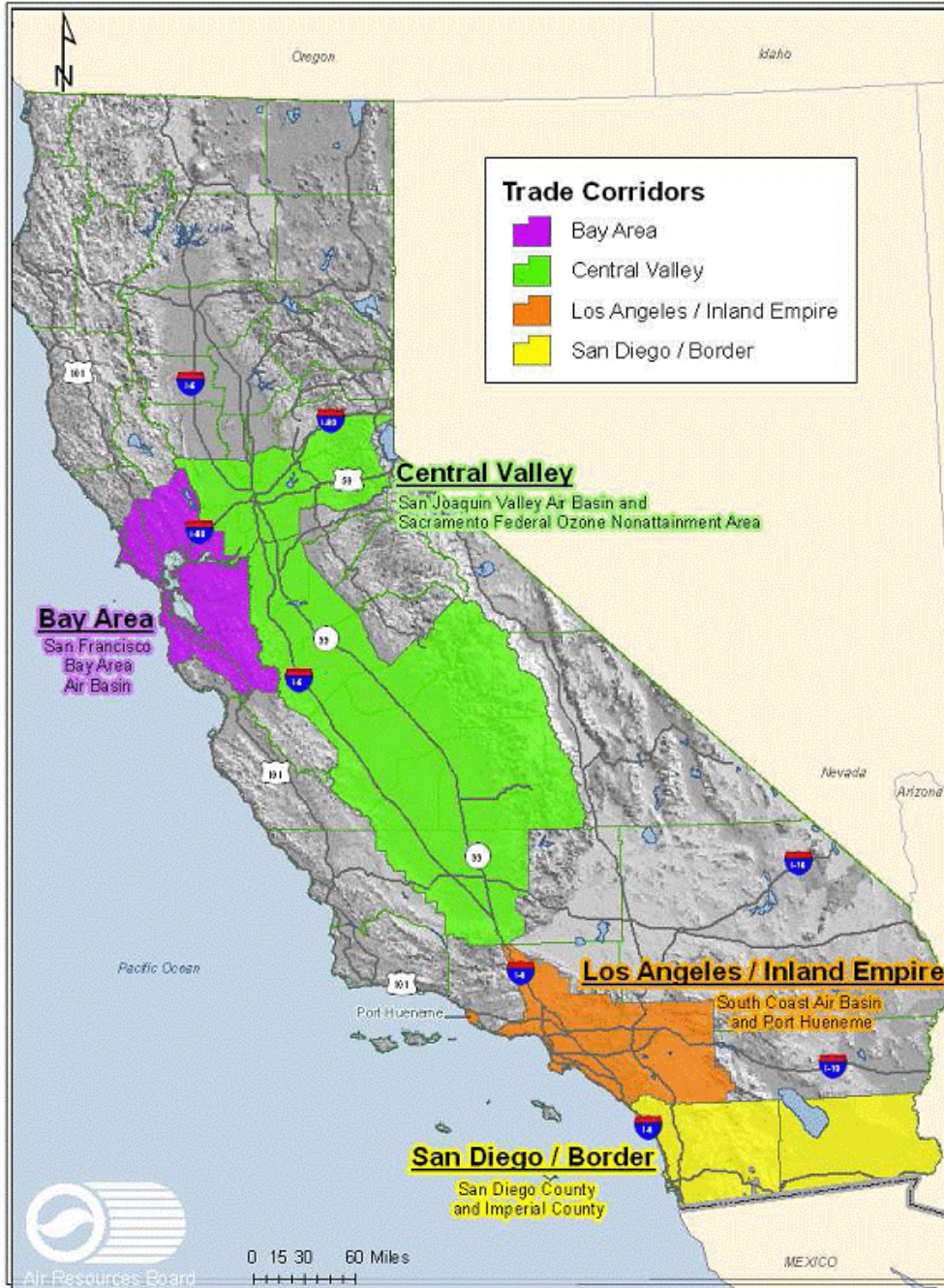
CARB Goods Movement Emission Reduction Program:

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



South Coast AQMD Prop. 1B Website (where a copy of the solicitation and application forms can be found): <http://www.aqmd.gov/prop1b>

**MAP OF THE TRADE CORRIDORS**







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

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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:** \_\_\_\_\_