



**2019
CARL MOYER MEMORIAL
AIR QUALITY STANDARDS ATTAINMENT PROGRAM
PROGRAM ANNOUNCEMENT
“Year 21”**

**SCAQMD PROGRAM ANNOUNCEMENT
PA2019-02**

The South Coast Air Quality Management District (SCAQMD) is pleased to announce the availability of funds from the Carl Moyer Memorial Air Quality Standards Attainment Program (hereafter “CMP”). The CMP has played a significant role in incentivizing equipment owners to purchase cleaner-than-required engines, vehicles and equipment. This year marks SCAQMD’s 21st year of CMP implementation.

The CMP is intended to obtain “surplus” emission reductions of Nitrogen Oxides (NO_x), Particulate Matter (PM₁₀) and Reactive Organic Gases (ROG) from heavy-duty vehicles and other equipment operating in California as early and as cost-effectively as possible. The CMP provides financial incentives to equipment owners to repower, retrofit or replace in-use heavy-duty vehicles and equipment with cleaner-than-required engine and equipment technologies that will achieve emission reductions that are real, surplus, quantifiable and enforceable.

COMPLIANCE WITH LABOR LAWS

If an application is deemed eligible, the applicant will be required to provide 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 SCAQMD 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 SCAQMD details about those violations in the certification. If the contractor has previously provided that information to the SCAQMD, 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. SCAQMD 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 SCAQMD. The contractor will also ensure that these requirements are included in all subcontracts.

SECTION I – OVERVIEW

PURPOSE

The purpose of this Program Announcement (PA) is to solicit project applications for the 2019 Carl Moyer Memorial Air Quality Standards Attainment Program. **The budget for this PA will be approximately \$30 million from the CMP and AB 923 Funds. The SCAQMD expects to receive additional funds for this year’s CMP, which may include funds in support of AB 617-Community Air Protection Program and the FARMER Program.**



All applications will be evaluated based on the criteria set forth in this PA, the CMP Guidelines, and all subsequent updates and modifications/advisories to the Guidelines. This PA was prepared based on the latest version of the CMP Guidelines approved by the California Air Resources Board (CARB) on April 27, 2017, which are available online at:

<http://www.arb.ca.gov/msprog/moyer/guidelines/current.htm>.

This PA will identify the equipment categories, project options and key eligibility criteria to qualify for this year's CMP. The detailed requirements for projects can be found in the CMP Guidelines. Applicants are encouraged to review the CMP Guidelines to confirm eligibility and understand the funding "caps" that may apply to certain types of projects. The SCAQMD will conduct workshops that provide additional opportunity for applicants to ask questions and seek clarification. The schedule of workshops is provided below.

In the preparation of this PA, the words "Applicant," "Contractor," and "Consultant" are used interchangeably.

WHAT'S NEW?

In June 2018, the California Governor approved SB 856 that allocates funds in support of the AB 617-Community Air Protection Program. Under this bill, \$245 million are allocated for financial incentives to reduce stationary and mobile source emissions. The project types listed in the bill include: mobile sources (including projects eligible under the CMP) with zero emission priority, charging infrastructure, especially for medium and heavy-duty vehicles, stationary sources and other projects included in the AB 617 community emission reduction plans. The SCAQMD anticipates the availability of SB 856 funds for eligible projects under this solicitation, although the funding amount for CMP projects is not yet known.

AB 1274 (O'Donnell) was signed by the Governor in October 2017 and resulted in the postponement of smog checks on new vehicles from Years 6 to 8, starting on January 1, 2019. A fee of \$25 per year the vehicle is exempted from smog check will be charged by DMV, and the revenues from the fee will be directed to the CMP. As a result of AB 1274, the funding for this year's CMP to be administered by the SCAQMD was increased by about \$4.3 million.

FUNDING CATEGORIES

Below are the specific project categories identified for funding under this PA:

- On-Road Heavy-Duty Vehicles, including transit fleet vehicles, drayage trucks, solid waste vehicles, public agency/utility vehicles and emergency vehicles (fire apparatus)
- Off-Road Equipment, including:
 - Marine Engine Repower
 - Shore Power (if project is not subject to CARB's At-Berth Regulation)
 - Construction Equipment
 - Agricultural Mobile Equipment (loaders, tractors, water pulls, etc.)
 - Locomotives
 - Cargo Handling Equipment



- Infrastructure to fuel or power a zero or near zero emission, heavy-duty vehicle or equipment, including but not limited to: on-road heavy-duty vehicles, cargo handling equipment, and marine vessels (shore power).

On-Road Heavy-Duty Vehicles

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

- Fleets must be fully compliant with all applicable fleet regulations. Eligible project types include vehicle replacement and repower/conversion projects; on-road retrofit projects will be considered on a case-by-case basis.
- Eligible vehicle types include heavy-duty trucks and buses, transit buses, solid waste collection vehicles, public agency and utility fleet vehicles and emergency vehicles (however, emergency vehicles are only eligible under the replacement project type).
- In addition to the cost-effectiveness limit(s) prescribed by the CMP Guidelines, each vehicle/engine is also subject to a funding cap¹ based on various factors including weight class (i.e., gross vehicle weight rating (GVWR)), vehicle type, and the proposed technology. The maximum grant award will be based on the allowable cost effectiveness and the applicable funding cap(s), whichever is less.
- Projects must include commercially available technologies that are certified or verified by CARB.

Off-Road Heavy-Duty Equipment/Engines

Below are the key requirements for the off-road equipment category:

- Fleets must be fully compliant with all applicable fleet regulations. Eligible project types include equipment replacement, engine repower and retrofit devices.
- Eligible equipment types include, but are not limited to: construction equipment, marine engines, shore power, locomotives, agricultural tractors, zero-emission rubber-tired gantry (RTG) cranes and other cargo handling equipment.
- Large fleets are eligible for CMP funding once after January 1, 2017. After January 1, 2017, for those large fleets eligible for funding a second or subsequent time, only zero-emission projects are eligible.

Infrastructure

Infrastructure projects that enable the deployment of alternative, advanced, and cleaner technologies to support the State's air quality goals are now eligible for CMP funding. Specifically, projects that install fueling or energy infrastructure that will be used to fuel or power zero or near-zero emission, heavy-duty vehicles or equipment are eligible for CMP funding consideration. The vehicles or equipment that will utilize the infrastructure must be a "covered source" under CMP, which includes heavy-duty on-road vehicles, off-road non-recreational equipment and vehicles, locomotives, marine vessels, agricultural sources of air pollution, and other categories as determined by CARB and SCAQMD that are necessary for the state and air district to meet air quality goals.

¹ Funding caps are provided in Tables 4-2 through 4-7 in the CMP Guidelines.



Infrastructure projects will be selected on a competitive basis with consideration for location within a disadvantaged or low-income community, renewable fuel source, public access, site availability for the life of the project, fleet commitments to utilize the infrastructure, cost-share and other factors that will determine the level of utilization of the infrastructure. The priority for project selection may change based on technology development/commercialization and requirements of any additional funds that may become available. Infrastructure projects are not subject to a cost-effectiveness limit. Applicants must provide a minimum of two bids from qualified installers for the infrastructure project as part of the application. In addition, applicants shall describe the process used or that will be used to solicit and select the final bid. Infrastructure projects may also require a case by case review by CARB. Applicants must demonstrate that they either own the land on which the project will be located, or control it through a long-term lease, easement or other legal arrangement, for the duration of the project life.

Eligible infrastructure projects include, but are not limited to:

- Battery charging stations: New, conversion of existing, and expansion to existing battery charging stations for heavy-duty vehicles and equipment
- Alternative Fueling Station: New, conversion of existing, or expansion of existing hydrogen or natural gas fueling station for heavy duty vehicles and equipment
- Stationary Agricultural Station: Pump electrification
- Shore Power: Shore-side electrification for projects not subject to CARB's shore power regulation. Only a port authority, terminal operator, or marine vessel owner is eligible for this type of infrastructure project.

A vehicle or equipment project is not required to be submitted as a condition of eligibility for infrastructure funding.

Purchase orders or other purchase commitments to design and install the proposed infrastructure shall not be placed until after the date of award approval by the SCAQMD Governing Board. Further, any purchase commitments placed after SCAQMD Governing Board approval but in advance of a fully executed contract are placed at the applicant's own risk.

Regulatory Compliance

All applicants must be fully compliant with all applicable regulations in order to be eligible for consideration for CMP funding. Refer to CARB's fleet rule Web pages that provide detailed information on compliance with these regulations. These are listed below in Section VI.

GENERAL PROGRAM INFORMATION

The CMP award amount shall not exceed the project's incremental cost, applicable funding caps and cost-effectiveness limit(s). The "Step 1" cost-effectiveness limit, \$30,000 per weighted ton of emissions reduced, applies to projects that bring vehicles and equipment up to current standards. The "Step 2" cost-effectiveness limit, \$100,000 per weighted ton of emissions reduced, applies to projects that are zero-emission or meet the cleanest certified optional standard applicable (by source category).

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 NO_x, ROG and PM₁₀ emission reductions that will be achieved by the project. Project cost effectiveness is currently calculated according to the following formula:

$$\frac{\text{Annualized Cost (\$/year)}}{[\text{NO}_x \text{ reduction} + 20 (\text{combustion PM}_{10} \text{ reduction}) + \text{ROG reduction}] (\text{Tons/year})}$$

For projects that involve advanced technologies, the cost effectiveness will be calculated using the CMP's two-step calculation approach.²

All projects must be operational within eighteen (18) months of contract execution or by May 21, 2021, 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).

In cases of conflict between CARB guidelines and SCAQMD criteria, the more stringent criteria will prevail. SCAQMD will post any new information and requirements on its CMP Web page at www.aqmd.gov/moyer.

Projects subject to CARB regulations must submit a copy of the most recent CARB compliance report(s) or other documentation that provides SCAQMD with clear understanding of the applicant's compliance status.

All emission reductions resulting from funded projects will be credited to the CMP. An award shall not be made that provides the applicant with funds in excess of the maximum eligible amount, in accordance with CMP guidelines.

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: 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 applicant³ must pay at least 15 percent of the project cost from non-public sources.

The emission reductions paid for by the CMP shall not be claimed by the other funding sources.

² Detailed guidance for the new two-step calculation approach, as well as all CMP emissions reduction and cost effectiveness calculations is available at:

https://www.arb.ca.gov/msprog/moyer/guidelines/2017gl/2017_gl_appendix_c.pdf.

³ Public agencies are exempt from this requirement.



ELIGIBILITY INFORMATION

Emission reductions obtained through CMP projects must be real, surplus, quantifiable and enforceable. The emission reductions must not be required by any federal, state or local regulation, memorandum of agreement/understanding, settlement agreement, mitigation requirement or other legal mandate.

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.

Key program requirements for on- and off-road equipment categories are highlighted below; however, applicants are responsible for consulting the CMP guidelines for additional program limitations/requirements. For repower and replacement projects, the replacement engine must result in a minimum of 15 percent NOx reduction.

ON-ROAD VEHICLES

For purposes of the CMP, the following on-road vehicle classifications are used:

Vehicle Classification	GVWR
Light Heavy-Duty (LHD)	14,001 to 19,500 pounds
Medium Heavy-Duty (MHD)	19,501 to 33,000 pounds
Heavy Heavy-Duty (HHD)	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 are 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:

<http://www.arb.ca.gov/msprog/onroad/cert/cert.php>.

Project emission reductions will be based on the lower of two 12-month periods of California usage during the previous twenty-four months. Fleet averages cannot be used.

Replacement

This project type involves the replacement of an older, in-use vehicle with a newer, cleaner vehicle. The replacement engine must be 2013 or newer engine model year certified by CARB at or below the optional low NOx standard of 0.10 g/bhp-hr and PM emission standard of 0.01 g/bhp-hr. In alignment with SCAQMD's 2016 AQMP, all on-road projects under the CMP must select the optional low-NOx, hybrid or zero-emission technologies for fleet sizes of greater than 10 vehicles. Fleet size is determined based on the number of vehicles with a GVWR of 14,001 lbs or greater.

The SCAQMD requires that all on-road projects be operated within the SCAQMD jurisdiction for at least 75% of the time. Applicants must clearly demonstrate their compliance status with the applicable



CARB regulation (i.e., Statewide Truck & Bus Regulation, Drayage Truck Regulation, Fleet Rule for Public Agencies & Utilities, Transit Bus Regulation, TRU ATCM, etc.) at the time of application submittal.

Please note that if you are an owner of a fleet with 10 or fewer vehicles (greater than 14,000 lbs. GVWR), you may be eligible for funding through the On-Road Voucher Incentive Program (VIP). Please refer to the SCAQMD's VIP Web page to explore funding opportunities for replacement at: www.aqmd.gov/vip.

In addition, the following on-road projects will be considered on a case-by-case basis:

- On-road vehicles with a GVWR between 8,501 and 14,000 pounds,
- Retrofits that reduce NO_x by at least 15 percent; for engines that are certified above 0.01 g/bhp-hr PM, the retrofit must also reduce PM emissions by 85 percent,
- Zero-emission transport refrigeration units (TRUs).

Emergency Vehicles

Authorized emergency vehicles, as described in California Vehicle Code 165, including but not limited to fire apparatus, pumpers, ladder trucks, water tenders, and prisoner transport buses, are exempt from CARB regulations and therefore eligible for CMP funding. Eligible emergency vehicle projects are those in which an older, more polluting emergency vehicle is replaced with a new or used replacement vehicle with an engine meeting the current model year California emission standards. The older, replaced vehicle must be destroyed. Emergency vehicles are eligible for up to 80 percent of the eligible costs as outlined in the program guidelines.

A fire truck reuse option is also available on a case-by-case basis. The fire truck reuse option allows fire departments to give away the existing old vehicle and destroy another older vehicle in its place.

Repowers

This project type involves the repower of an existing, in-use engine with a new, cleaner engine. The replacement engine must be CARB-certified at or below the optional low-NO_x emissions level of 0.10 g/bhp-hr NO_x and 0.01 g/bhp-hr PM₁₀. Repowers may be funded in various applications. However, due to technological constraints presented with the limited feasibility of newer engines with advanced emissions control equipment fitting into older chassis and maintaining durability, repowers with diesel engines are rare project types for trucks. Repowers with alternative fuel engines may not have the same technological constraints and may become more prevalent.

To ensure durability, certain repower projects may require prototype testing. If the project has been previously completed by the manufacturer, prototype testing is not required. The prototype testing must comply with the engine manufacturer quality assurance process that is equivalent to an Original Equipment Manufacturer (OEM) package. In these cases, a prototype vehicle (or vehicles) is thoroughly reviewed and tested to ensure that the installation meets OEM requirements, and the successful prototype installation is then replicated in other vehicles with the same chassis and engine combination. Per the CMP guidelines, air districts may approve repower projects that meet the OEM quality assurance process described above, subject to the following:



- Moyer Program funding may not be used for any costs associated with the prototype vehicle or vehicles.
- Repower contracts may not be executed until the prototype testing specified by the engine manufacturer is successfully completed.
- Written documentation from the engine manufacturer confirming that the prototype was successful must be maintained in the project file.
- If the proposed repower has been done previously by the manufacturer on the same chassis/engine configuration, prototype testing is not required. The manufacturer must provide written confirmation that the previous work was performed successfully and met OEM requirements.

Conversions

Conversions involve the replacement or modification of the original engine or vehicle to include either a cleaner engine or other system that provides motive power and change of the fuel type used. Hybrid conversion systems using internal combustion engines must be certified according to “California Certification and Installation Procedures for Medium-and Heavy-Duty Vehicle Hybrid Conversion Systems.” The baseline engine model year for hybrid conversions must be 2010 or newer. The conversion system manufacturer must provide written confirmation that the funded vehicle would not exceed the certified allowable limit. All-electric conversion systems must receive an exemption Executive Order per Vehicle Code section 27156.

OFF-ROAD COMPRESSION-IGNITION EQUIPMENT

This category includes off-road, mobile compression ignition equipment with engines greater than 25 horsepower. Off-road heavy-duty equipment/engines include, but are not limited to: construction equipment, agricultural tractors, marine engines, shore power and locomotive equipment. Portable equipment is not eligible for CMP funding. The following off-road equipment projects may be eligible for funding:

- Repower: The replacement of an existing engine with a newer emission-certified engine, or zero-emission system, instead of rebuilding the existing engine to its original specifications.
- Retrofit: The installation of a CARB-verified emission control system on an existing engine. Examples include but are not limited to: particulate filters and diesel oxidation catalysts.
- Equipment Replacement: The purchase of new or used equipment with an engine certified to the current emission standard (Tier 4 Final) or zero-emission technology to replace an older, fully functional piece of equipment that is to be scrapped.

For off-road replacement and repower projects, the CMP guidelines specify that the horsepower rating of the new (or replacement) engine must not be greater than 125 percent of the original manufacturer rated horsepower of the old (or existing) engine. If the new engine is greater than 125 percent, then the eligible funding amount will be based on the cost of an engine or equipment with a horsepower rating that is no higher than 125 percent of the existing engine horsepower rating. The applicant must pay the additional costs associated with the higher horsepower engine and obtain a price quote for an engine or equipment that is within the 125 percent range for the funding determination. In addition, verifiable records on the existing engine must be provided with the application to accurately identify the engine manufacture year and horsepower (e.g., photographs of engine labels, statement from engine manufacturers, etc.).



Construction Equipment

Fleets must be in compliance with CARB's In-Use Off-Road Diesel Vehicle Regulation (Off-Road Regulation) in order to be eligible for funding. Large fleets are eligible for funding once after January 1, 2017. After January 1, 2017, for those large fleets eligible for funding a second or subsequent time, only zero-emission projects are eligible.

Applicants must submit information regarding fleet size and compliance status. **This must include the Diesel Off-Road On-line Reporting System (DOORS) ID of the fleet, the DOORS Compliance Snapshot, the DOORS equipment list, and the DOORS Equipment Identification Number (EIN) of the funded equipment.** All documentation submitted must be signed and dated by the applicant and include language certifying that the fleet list provided is accurate and complete.

Off-road projects fall into three distinct categories: 1) repower existing equipment with an emission-certified engine, 2) retrofit with a verified-diesel emission control strategy (VDECS), and 3) replacement of an older, fully functional piece of equipment (that is to be scrapped) by equipment with an engine certified as meeting the current off-road emission standards, or cleaner.

Marine Vessel Projects

Marine vessel project types include engine repower and shore power. Only existing engines on a marine vessel with a fully functioning non-resettable hour meter are eligible for CMP funding.

Marine Engine Repower

Vessels not subject to the in-use compliance requirements of CARB's Commercial Harbor Craft (CHC) Regulation such as fishing vessels, pilot boats and work boats are eligible. Vessels subject to the in-use compliance requirements of CARB's Commercial Harbor Craft (CHC) regulation (i.e., barge, crew/supply, dredge, excursion, ferry, towboat and tugboats) are also eligible as long as the vessel is fully compliant with the CHC Regulation (i.e., engines meet Tier 2 standards). Based on the vessel's operation, the newer engine's emissions must be surplus to the currently required U.S. EPA marine engine emission standard (i.e., Tier 3, Tier 4, etc.). Remanufacture kits, which are comprised of engine component parts that, when installed, reduce the engine's emissions, are subject to the same requirements as engine repower projects. For all marine engine repower projects, the replacement engine must provide at least a 15 percent NO_x reduction relative to the baseline engine.

Shore Power Projects

Limited CMP funding opportunities remain for shore power projects due to the applicability of CARB's At-Berth Regulation. Applicants must submit their CARB-approved Initial Terminal Plan to document compliance with CARB's Shore Power regulation. The proposed projects must provide emission reductions that are surplus to regulatory requirements. Projects not subject to CARB's regulation are eligible.

Locomotives

All new locomotives and replacement engines must be certified to Tier 4 standards or cleaner to be eligible for CMP funding. There are very limited CMP funding opportunities for Class 1 freight railroads. Such a project will be subject to a case-by-case approval by CARB. Class 3 freight railroads



and passenger railroads are not subject to any CARB fleet regulations and are therefore eligible for CMP funding.

The following project types are eligible for CMP funding:

1. Locomotive replacement (the reuse and/or recycling of the baseline chassis is allowed if the baseline engine is destroyed)
2. U.S. EPA-certified engine remanufacture kit or repower
3. Head-end power (HEP) unit (apply as an off-road engine project).

DEFINITIONS

Alternative Fuel

Alternative fuels include compressed natural gas (CNG), liquefied natural gas (LNG), hydrogen (H₂), 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, applicant must have owned and operated the old equipment in California for the previous two years.

Repower

Vehicle repower means the replacement of an in-use engine with another, cleaner engine (more than 15 percent cleaner).

Retrofit

An emission control system employed exclusively with an in-use engine, vehicle or piece of equipment. CARB guidance requires the applicant to select the highest level technology certified for that engine that provides the most emission reductions. For many projects, this includes a diesel emission control device that reduces both PM and NO_x emissions. In order to be eligible for CMP funding, the retrofit device must be verified for the specific engine family found on the equipment and achieve the highest level emission reductions when compared to other verified retrofit devices. If a specific device reduces both NO_x and PM, but the PM reduction from a retrofit is required by a regulation, only the NO_x reduction may be eligible for funding.

SCAQMD Jurisdiction

The SCAQMD 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.



IMPORTANT PROGRAM INFORMATION

- 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 total cost for the specified type of project (new purchase, repower replacement and/or retrofit), 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.**
- 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.
- Any tax obligation associated with the award is the responsibility of the applicant.
- All projects must be operational within eighteen (18) months of contract execution or May 21, 2021, whichever is earlier.
- All project invoices must be submitted for payment no later than May 21, 2021. Projects which have not invoiced by the applicable date may forfeit their funding.
- No third-party contracts will be executed.
- Pre- and post-inspection of all vehicles/engines/equipment approved for funding will be conducted, as required. Applicants must make all equipment available **locally (i.e., within the SCAQMD boundaries)** for inspections unless specified during contract preparation. Documentation of compliance with existing regulatory requirements is required at the time of pre-inspection.
- **Local** destruction of the engine and/or equipment being replaced is required for repower or replacement projects.
- The project's cost effectiveness will be based on the historical usage of the existing equipment for the previous two years. The usage for off-road equipment projects will be based on hours (except for locomotive projects, which require annual fuel consumption), and the usage for on-road vehicle projects will be based on mileage. The applicant must provide the historical usage records for the equipment as part of the application. If historical usage documentation is not available, the proposed annual usage provided by the applicant will be used to determine the project's cost effectiveness and specified as a requirement in the contract. For on-road projects,



the emission reductions will be based on the lower of the two 12-month periods of California usage during the previous twenty-four months. Fleet averages cannot be used.

PROGRAM ADMINISTRATION

The CMP will be administered locally by the SCAQMD through its Technology Advancement Office. The SCAQMD reserves the right to allocate the CMP funds among the program categories or to specific projects in accordance with SCAQMD priorities. Additionally, the SCAQMD reserves the right to partially fund a project, such as the case where a project is found to exceed the cost effectiveness limit.

All qualified applications submitted in response to this PA will first be evaluated for completeness. SCAQMD 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 of June 4, 2019. SCAQMD will send letters to applicants regarding missing 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 SCAQMD staff. Only completed applications can move forward in the evaluation process.

Each project will be evaluated for its status as a Disadvantaged Community (DAC) or low-income community, as discussed in Section IV below. Each project will also be evaluated for cost effectiveness and ranked accordingly, except for infrastructure projects. Infrastructure projects are not subject to a cost-effectiveness limit, but instead will be evaluated on a competitive basis using metrics that include, but are not limited to: fleet usage commitments, public access, project type (i.e., public, private, solar, wind, renewable natural gas), expected vehicle usage/throughput and cost share. Funding category allocations will be determined based on the evaluation and selection criteria in Section IV and subject to approval by the SCAQMD Governing Board.

Applications for fuel and engine technologies that are not certified, verified or approved by CARB, or falling outside the categories specifically discussed in this PA, may be referred to CARB for determination of CMP eligibility on a case-by-case basis. Please discuss these projects with SCAQMD staff prior to application submittal.

SCHEDULE OF EVENTS

Issue #PA2019-02	March 1, 2019
Workshops	April – May 2019
All Applications Due by 1:00 pm	Tuesday, June 4, 2019
Awards Consideration by the Board	October 2019
Contract Execution	February - March 2020



**ALL APPLICATIONS MUST BE RECEIVED ELECTRONICALLY OR ON PAPER AT THE
SCAQMD HEADQUARTERS
NO LATER THAN 1:00 P.M. ON TUESDAY, JUNE 4, 2019**

Electronic submission using SCAQMD's new CMP Online Application Program (OAP) is preferred and is available at: www.aqmd.gov/mover.

If a paper copy application is being submitted, postmarks will not be accepted as compliant with the deadline; the paper copy applications must be received at the SCAQMD Headquarters reception desk by the above deadline. Fax or email applications will not be accepted. Applicants may hand deliver applications to the SCAQMD by submitting the application to the SCAQMD reception desk. The application will be date and time-stamped and the person delivering the application will be given a receipt. SCAQMD will hold workshops during the application period to provide background and assistance with program requirements, eligibility and a tutorial for the OAP. These workshops are scheduled as follows:

**ON-ROAD HEAVY-DUTY VEHICLE/INFRASTRUCTURE/MARINE VESSEL/SHORE POWER /CHE
ELECTRIFICATION WORKSHOP**

- **Wednesday, April 10, 2019 – 10 a.m. to Noon**
Port of Los Angeles Board Room
425 South Palos Verdes Street
San Pedro, CA 90731

OFF-ROAD AGRICULTURAL EQUIPMENT/ENGINES WORKSHOP

- **Wednesday, April 17, 2019 – 10 a.m. to 1 p.m.**
Coachella Valley Mosquito & Vector Control District, Board Room
43420 Trader Place
Indio, CA 92201

SCHEDULE OF CMP GENERAL WORKSHOPS:

- **Wednesday, April 24, 2019 - 9 a.m. to Noon**
SCAQMD Headquarters, Conference Room CC6
21865 Copley Drive
Diamond Bar, CA 91765
- **Thursday, May 2, 2019 - 9 a.m. to Noon**
SCAQMD Headquarters, Conference Room CC6
21865 Copley Drive
Diamond Bar, CA 91765
- **Wednesday, May 8, 2019 – 9 a.m. to Noon**
SCAQMD Headquarters, Conference Room CC6
21865 Copley Drive
Diamond Bar, CA 91765

Training and assistance with the online application system will be included in these workshops.



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 any employee or applicant because of race, religion, color, national origin, ancestry, physical handicap, medical condition, marital status, sex, or age. A statement of compliance with this clause is included in all SCAQMD contracts.

CONTACT FOR ADDITIONAL INFORMATION

Questions regarding the content or intent of this PA, procedural matters or locations of workshops should be addressed to:

Walter Shen
Science and Technology Advancement
South Coast Air Quality Management District
21865 Copley Drive, Diamond Bar, CA 91765
Phone (909) 396-2487/FAX (909) 396-3252
wshen@aqmd.gov

SECTION II - 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 May 21, 2021, whichever is earlier. **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 CMP as administered by CARB and the SCAQMD. 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 CMP guideline requirements.
- Meet the cost-effectiveness limit, as described in this PA and the CMP Guidelines, and subsequent CMP Advisories.
- For repower and replacement projects, the replacement engine must achieve an annual NO_x emissions benefit of at least 15 percent to receive any funding for NO_x reductions.



- Commit that project engines or equipment operate in-service for the full project life, a minimum of three years⁴, and at least 75 percent of annual operation must occur within the SCAQMD except for line-haul locomotives. The line-haul locomotives may be eligible for funding with a minimum of 51% annual operation within the SCAQMD. The cost-effectiveness calculation will be based on the SCAQMD operation. Project life is the number of years used to determine the cost effectiveness and is equal to the contract term.
- Commit that all vehicles/engines/equipment are in operation within 18 months of contract execution or by May 21, 2021, whichever is earlier.
- Provide for appropriate recordkeeping during the project life (i.e., annual mileage, fuel consumption and/or hours of operation), 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 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 SCAQMD 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 SCAQMD expects to receive an annual report for each year during the full contract term, or project life, which provides the annual miles or hours of operation⁵, where the vehicle or equipment was operated and operational and maintenance issues encountered and how they were resolved. SCAQMD reserves the right to verify the information provided.

Reporting forms are available online at: www.aqmd.gov/moyer.

SECTION III - APPLICATION SUBMITTAL REQUIREMENTS

Applicants are encouraged to apply for CMP funding using the SCAQMD's new CMP Online Application Program at: www.aqmd.gov/moyer. Applicants may also complete and submit a paper application with the appropriate application forms, which are listed in Appendix A. In addition, all Business Information Request Forms⁶, including Conflict of Interest and Project Cost information, as described below, must also be submitted with the application. It is the responsibility of the applicant to ensure that all information submitted is accurate and complete.

⁴ On-road projects may have a one-year minimum life, though it is difficult to qualify for meaningful funding with such a short project life.

⁵ Locomotive projects shall report annual fuel consumption.

⁶ www.aqmd.gov/moyer



Submit the original plus three (3) complete paper copies and one digital copy of all the entire application package.

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 SCAQMD. Although the applicant will not be automatically disqualified by reason of work performed for such firms, the SCAQMD 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 SCAQMD 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 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 date of award approval by the SCAQMD Governing Board. Purchase orders may be placed after SCAQMD Governing Board approval and in advance of a fully executed contract, but these orders/commitments are placed at the applicant's own risk⁷.

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 cases⁸. 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. 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.

⁷ Any purchase order/purchase commitment placed prior to the SCAQMD Governing Board approval of the project are prohibited by the CMP. However, orders/commitments placed after SCAQMD Governing Board approval but in advance of a fully executed contract are at the applicant's own risk.

⁸ Note that an experimental permit from CARB may be considered, but the project will require special CARB approval.



APPLICATION SUBMISSION

All applications must be submitted according to specifications set forth herein. Failure to adhere to these specifications may be cause for rejection of the application without evaluation.

Staff Contact Information: SCAQMD staff contacts for each category are listed in Table 1 below. Applicants are strongly encouraged to contact SCAQMD staff to discuss their project prior to submitting an application to ensure program eligibility.

For Paper Copy Applications - Application Forms: *(This section does not pertain to applicants using the SCAQMD's CMP Online Application System.)* The application forms are identified in Appendix A. These must be completed and submitted with other required documents (i.e., Business Information Forms, activity documentation, project quotes, etc.) discussed in the application and below.

A separate Form A-1 is required for each category (i.e., on-road, marine, off-road, locomotive, etc.). For example, if an applicant is requesting funding for marine engine repowers and off-road construction equipment, then two (2) separate Form A-1 applications must be submitted – one for each category. In addition to each Form A-1, the applicable category Form is required for each piece of equipment for which funding is requested (i.e., B-1, C-1, etc.). For example:

Example Application Package:

Applicant X plans to submit a request for CMP funding to replace three vehicles and two locomotives. The forms required are:

- Form A-1 (General Application Form), which includes:
 - Application Checklist
 - Application Statement
 - Business Information Request Forms (see details below)
- Complete a Form B-1 (On-Road Heavy-Duty Vehicle Replacement), one for the each vehicle to be replaced
- Complete a Form E-1 (Locomotive Replacement), one for the each locomotive to be replaced

Business Information Request Forms: Consists of business information forms that **must** be completed and submitted with the Application. Please note, if recommended for an award, you will be required to submit an updated Campaign Contribution Disclosure form at a later date. Download these forms at www.aqmd.gov/moyer.

Submit the original plus three (3) complete paper copies and one digital copy of all the entire application package.

Methods for Delivery:

1. **Electronic Submittal:** The preferred method of delivery for this solicitation is through SCAQMD's CMP Online Application Program (OAP), available at: www.aqmd.gov/moyer. This online system allows applicants to submit applications electronically to the SCAQMD



prior to the date and time specified below. SCAQMD “Business Information Request Forms” requiring signatures must be scanned and uploaded to the electronic application in PDF format. The system will not allow applications to be submitted after the due date and time.

First-time users must register as a new user to access the system. Applicants will receive a confirmation email after all required documents have been successfully uploaded. A tutorial of the system will be provided at the pre-application workshops and you may contact the Project Officer listed in Table 1 if you would like additional assistance.

2. Paper Copy Submittals – Although not preferred, an applicant may deliver the application in person or via a courier service or U.S. Mail. Applicants **shall submit the original plus three (3) complete signed copies of the application package (all forms and documents), as well as an electronic copy of the application and its supporting documents on a CD or flash drive**, in a sealed envelope, plainly marked in the upper left-hand corner with the name and address of the applicant and the words "**Program Announcement #PA2019-02.**" All paper copy applications shall be submitted in an environmentally friendly format: stapled, not bound, black and white print; no three-ring, spiral or plastic binders, and no card stock or colored paper. All application forms may be accessed from the SCAQMD’s CMP homepage at www.aqmd.gov/moyer.

Due Date - All applications must be received, either via the OAP or on paper, no later than **1:00 p.m., on Tuesday, June 4, 2019.** Postmarks are not accepted as proof of deadline compliance. **Faxed or emailed applications will not be accepted.** Applications must be directed to:

Procurement Unit
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765

Any correction or resubmission done by the applicant will not extend the submittal due date.

Grounds for Rejection - An application may be immediately rejected if:

- It is not prepared in the format described
- It is not signed by an individual authorized to represent the firm
- Does not include current cost quotes, Contractor Statement Forms and other forms required in this PA.

Missing Information – Within thirty (30) business days of the application submittal due date of June 4, 2019, SCAQMD will send 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 SCAQMD staff. Only complete applications can move forward in the evaluation process.



Disposition of Applications - The SCAQMD reserves the right to reject any or all applications. All responses become the property of the SCAQMD. 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.

SECTION IV - APPLICATION EVALUATION/CONTRACTOR SELECTION CRITERIA

SCAQMD staff will evaluate all qualified applications and make recommendations to the Governing Board for final selection of project(s) to be funded. Each project will be evaluated based on two primary criteria: (1) the cost effectiveness of NO_x, PM₁₀ and ROG reduced, and (2) the project's status with respect to the disadvantaged community and low-income criteria prescribed by CARB.

Note: Infrastructure projects are not subject to a cost-effectiveness limit but instead will be evaluated on a competitive basis using metrics that include, but are not limited to: fleet usage commitments, public access, project type (i.e., public, private, solar, wind, renewable), expected vehicle usage/throughput and cost share.

Be aware that there is a possibility that due to program priorities, cost effectiveness or funding category limitations (i.e., caps), project applicants may be offered only partial funding, and not all applications that meet the cost-effectiveness criteria may be funded.

At least 50 percent of SCAQMD's CMP funds are targeted for projects that meet the criteria of a disadvantaged or low-income community. The Office of Environmental Health Hazard Assessment (OEHHA) in the California Environmental Protection Agency (CalEPA) has developed the California Communities Environmental Health Screening Tool: CalEnviroScreen Version 3.0 (CalEnviroScreen 3.0). The CalEnviroScreen 3.0 tool will be used by SCAQMD to identify projects that qualify as a DAC, which is defined as scoring in the top 25th percentile, and will strive to maximize the benefits to these communities from this PA. All applications will be assessed with the CalEnviroScreen tool to identify and verify if the project will benefit a DAC. This tool is available at: <https://oehha.ca.gov/calenviroscreen/report/calenviroscreen-30>

SECTION V - PAYMENT TERMS

For all projects except shore power projects, full payment will be made upon installation and commencement of operation of the funded equipment. For shore power projects, a progress payment schedule may be established that allows payment upon completion of key milestones, as delineated in the contract.

SECTION VI: SCAQMD STAFF CONTACTS AND ADDITIONAL RESOURCES

The SCAQMD staff contacts are listed in Table 1 by project category. Copies of the Program Announcement, Application Forms and a sample SCAQMD CMP contract may be accessed at: www.aqmd.gov/moyer.



Table 1: CMP Staff Contacts

Project Category	Staff Contact	Phone Number	Email
On-Road Heavy-Duty Vehicles	Victor Juan Mei Wang	(909) 396-2374 (909) 396-3257	vjuan@aqmd.gov mwang@aqmd.gov
Off-Road Equipment	Walter Shen Ping Gui	(909) 396-2487 (909) 396-3187	wshen@aqmd.gov pgui@aqmd.gov
Cargo Handling Equipment Electrification	Greg Ushijima	(909) 396-3301	gushijima@aqmd.gov
Marine Vessels	Ping Gui	(909) 396-3187	pgui@aqmd.gov
Shore Power	Greg Ushijima	(909) 396-3301	gushijima@aqmd.gov
Locomotives	Greg Ushijima Walter Shen	(909) 396-3301 (909) 396-2487	gushijima@aqmd.gov wshen@aqmd.gov
Infrastructure	George Wu Mei Wang	(909) 396-2533 (909) 396-3257	gwu@aqmd.gov mwang@aqmd.gov

WEBSITE LINKS TO CARB RULES THAT AFFECT CMP 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>

In-Use Off-Road @ <http://www.arb.ca.gov/msprog/ordiesel/ordiesel.htm>

Harbor Craft @ <http://www.arb.ca.gov/ports/marinevess/harborcraft.htm>

Cargo Handling Equipment @ <http://www.arb.ca.gov/ports/cargo/cargo.htm>

Shore Power @ <http://www.arb.ca.gov/ports/shorepower/shorepower.htm>



APPENDIX A

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SCAQMD encourages applicants to utilize the CMP Online Application Program to submit applications to the Year 21 CMP. The CMP Online Application Program is available at the SCAQMD CMP homepage at www.aqmd.gov/moyer. If you choose to submit a paper application, please utilize the application forms and other documents identified below. Each document listed below is available on SCAQMD's CMP homepage for download.

1. Application Checklist – one per applicant.
2. Form A-1: General Application (includes Checklist and Application Statement). Provide a complete set of Form A-1 documents for each equipment category (i.e., locomotive, marine, off-road, etc.).
3. 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-2: On-Road Heavy-Duty Vehicles, Repower
 - c) Form B-3: Emergency Vehicles (Fire Apparatus)
 - d) Form C-1: Off-Road Equipment Replacement
 - e) Form C-2: Off-Road Equipment (Repower, Repower with Retrofit)
 - f) Form C-3: Off-Road Equipment Retrofit
 - g) Form C-4: Cargo Handling Equipment (CHE) Electrification
 - h) Form D-1: Marine Vessels, Repower
 - i) Form D-2: Marine Vessels, Shore Power
 - j) Form E-1 through E-3: Locomotives
 - Form E-1: Locomotive Replacement
 - Form E-2: US Engine Remanufacture Kit or Repower/Refurbishment
 - Form E-3: Head-end power (HEP) Unit
 - k) Form F-1: Infrastructure
4. Business Information Request Forms – complete, sign and submit all of these forms with your application.



APPLICATION CHECKLIST

Applicants are encouraged to submit their application using SCAQMD's online system. If you are applying in person, use this checklist to organize your paper copy application. Each of the following application sections is required to be submitted if you submit a paper application:

- A cover letter stating your funding request, how many pieces of equipment and/or engines included in the proposed project, and the funding amount being requested (per engine equipment/vehicle/vessel and for the total overall project). For applications covering more than one category, organize this information by project category (i.e., marine, locomotive, on-road, etc.)
- This Application Checklist (signed below).
- General Application Form A-1. Provide a separate Form A-1 for each category (i.e., marine, locomotive, etc.) for which funding is requested. Form A-1 also includes the Application Statement (signed and initialed, as applicable)
- Completed and **signed** Business Information Forms⁹
- Category Application Form specific to your project category (i.e., locomotive, off-road, marine, etc.), along with the following attachments/enclosures:
 - For multiple unit applications, applicants have the option to provide the information required by the applicable application form/category using an Excel spreadsheet.
 - Vendor quotes that have been obtained within 90 days prior to the application submittal date.
 - CARB Executive Orders for each engine. Download at (for the zero-emission vehicle or equipment, please provide a CARB's Approval Letter):
On-road: <http://www.arb.ca.gov/msprog/onroad/cert/cert.php>
Off-road: <http://www.arb.ca.gov/diesel/cv.htm>
 - Previous two years of historical records documenting equipment usage, retroactive to the date of application.

Once completed, submit the original plus three (3) complete signed copies of the application package (all forms and documents), as well as an electronic copy of the application and its supporting documents on a CD or flash drive, in accordance with the Application Submittal Instructions.

I understand that all documents, as listed above, are required in order to have a complete application package in order to be considered for funding under the Carl Moyer Program.

Signature

Date

⁹ These forms may be downloaded at: www.aqmd.gov/moyer.