

Combustion Freight and Marine Projects

Administered
by the
South Coast
AQMD





Volkswagen (VW) Environmental Mitigation Trust Overview



Combustion Freight and Marine Projects Category Overview



Eligibility Criteria



Funding Information

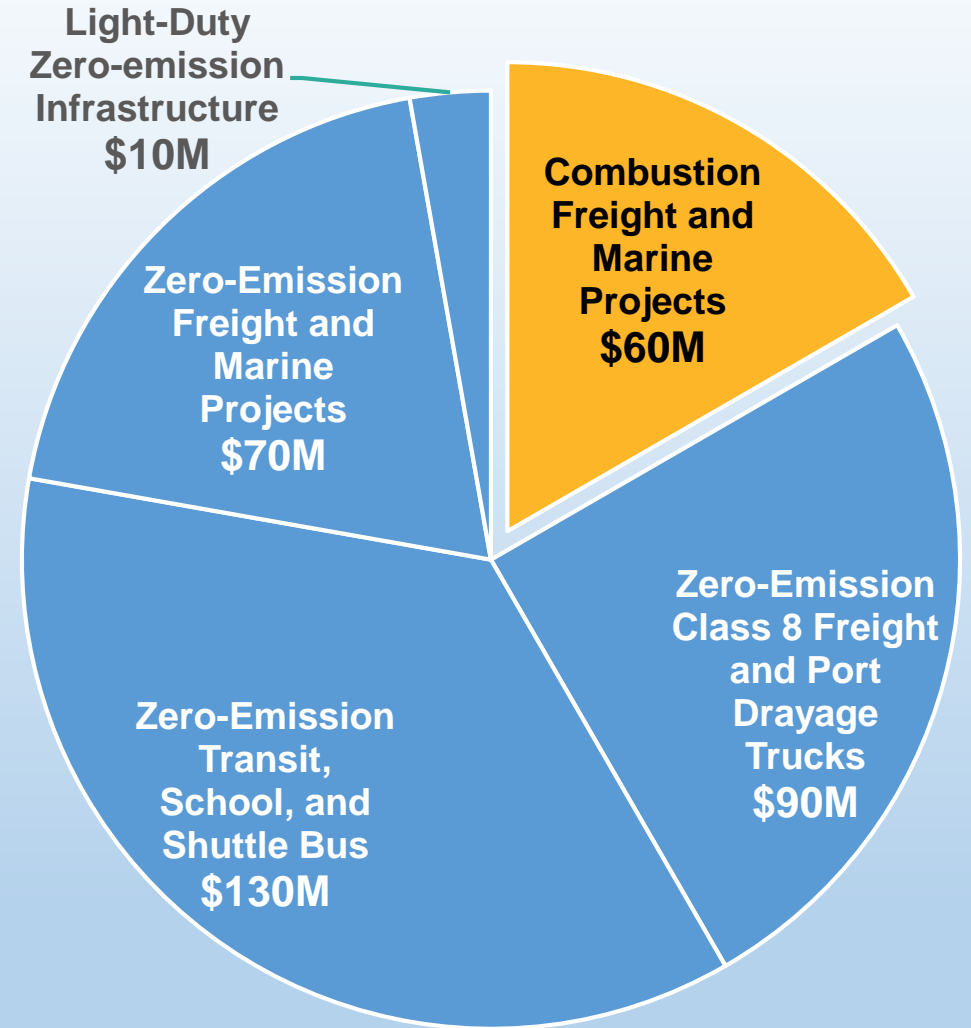
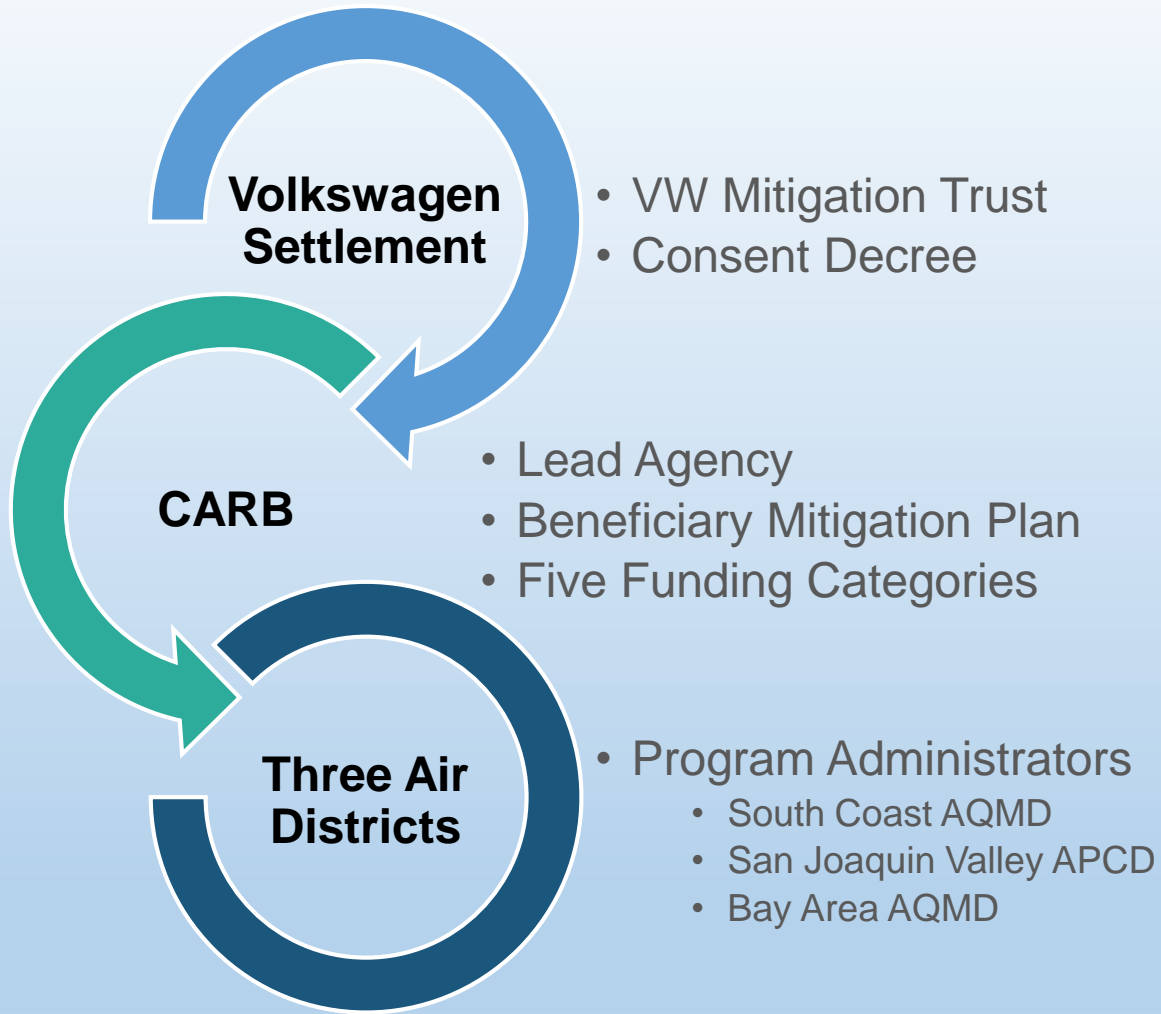


General Timeline and Overview



Questions and Answers

VW Mitigation Funds for California



Combustion Freight and Marine Projects - 1st Solicitation

Open Now!



Solicitation Close:
March 4, 2020 at 1:00 P.M.



**Class 7 or 8
Freight Trucks**

(Including waste haulers, dump trucks, &
concrete mixers)









**Freight Switcher
Locomotive**



**Ferry/
Tugboat/Towboat**

Key Program Information



-  Total Funds Allocated: \$60 million
-  First Installment: \$30 million
-  Statewide program for public and private entities
-  Replace or repower to cleanest commercially available internal combustion or hybrid technologies
-  Solicitation is competitive
-  At least 50% of funds are expected to be used for projects that benefit disadvantaged or low-income communities



Additional Program Information



Web-based Application Portal



Legal Owner or Engine
Manufacturer



Third Party/Consultant Assistance



No 'work' until contract executed



Out-of-state IRP eligible

General Eligibility Requirements



Operation

- The existing vehicle/equipment must have operated in California for at least 90% of the time during the past 2 years.
- The new vehicle/equipment/engine must operate in California for at least 90% of the time for the term of the contract.



Inspections

- Old and new vehicle/equipment/engine will need to be made available for inspections.



Compliance

- Fleet must be in compliance with applicable state and federal rules and regulations.



Scrapping

- Old vehicle/equipment/engine needs to be scrapped.



No more than
\$1.5 million
per entity



Co-funding
and Incentives

Funding & Eligibility Table



Equipment Type	Engine Year (to be replaced)	Replacement Technology	Project Type	Applicant Type	Maximum Percentage of Funding (of cost)	Maximum Funding Limit (per Engine/ Vehicle)
Class 7 & 8 Freight Trucks (including Waste Haulers, Dump Trucks, Concrete Mixers)	Non-Drayage: Engine Model Years 2005-2012	Low NOx (certified at 0.02 g/bhp-hr)	Replacement	Non- Government	25% (or 50% for Class 8 port drayage)	\$85,000
	Government			100%		
	Drayage: Engine Model Years 2007- 2012		Repower	Non- Government	40%	\$35,000
	Government			100%	\$50,000	
Freight Switcher Locomotive	Pre-Tier 1	Tier 4	Replacement	Non- Government	25%	\$1,350,000
				Government	100%	
			Repower	Non-Government	40%	
				Government	100%	
Ferry, Tugboat, Towboat	Pre-Tier 3	Tier 4, or Hybrid w/ Tier 4- equivalent NOx emissions	Repower	Non- Government	40%	\$1,000,000
				Government	100%	

Eligible Trucks & Technology Option



Class 7 & 8

Freight Trucks

including

Waste Haulers

Dump Trucks

Concrete Mixers

Replace or Repower

Other Eligibility Criteria:

GVWR

- Class 7: 26,001- 33,000 lbs
- Class 8: 33,001+ lbs

Old Engine Model Year

- Non-Drayage Truck: 2005 to 2012
- Drayage Truck: 2007 to 2012

Technology Option

Low NOx

(0.02 g/bhp-hr or lower)

Eligible Locomotives & Technology Option



Locomotives

Freight
Switchers

Replace or Repower

Other Eligibility Criteria:

Old Engine Tier

- Pre –Tier 1

Operation

- 1,000 hours per year or more

Horsepower

- Old & New Engine: 1,006 to 2,300

Technology
Option

Tier 4

Eligible Marine Vessels & Technology Option



Marine Vessel Type

Ferry

Tugboat

Towboat

Repower Only

Other Eligibility Criteria:

Old Engine Tier

- Pre –Tier 3

Operation

- Vessel must serve a dedicated purpose

Technology Option

Tier 4

Hybrid w/ Tier 4 equivalent NOx emissions



Replacement

Government

Non-Government

Maximum Percentage of Vehicle Cost

100%

25%

50%
Class 8 Drayage only

Maximum Funding per Vehicle

\$85,000

Repower

Government

Non-Government

Maximum Percentage of Vehicle Cost

100%

40%

Maximum Funding per Engine

\$50,000

\$35,000

Locomotive Funding: Replacement or Repower



Replacement

Government

Non-Government

Maximum Percentage of Project Cost

100%

25%

Maximum Funding per Freight Switcher

\$1,350,000

Repower

Government

Non-Government

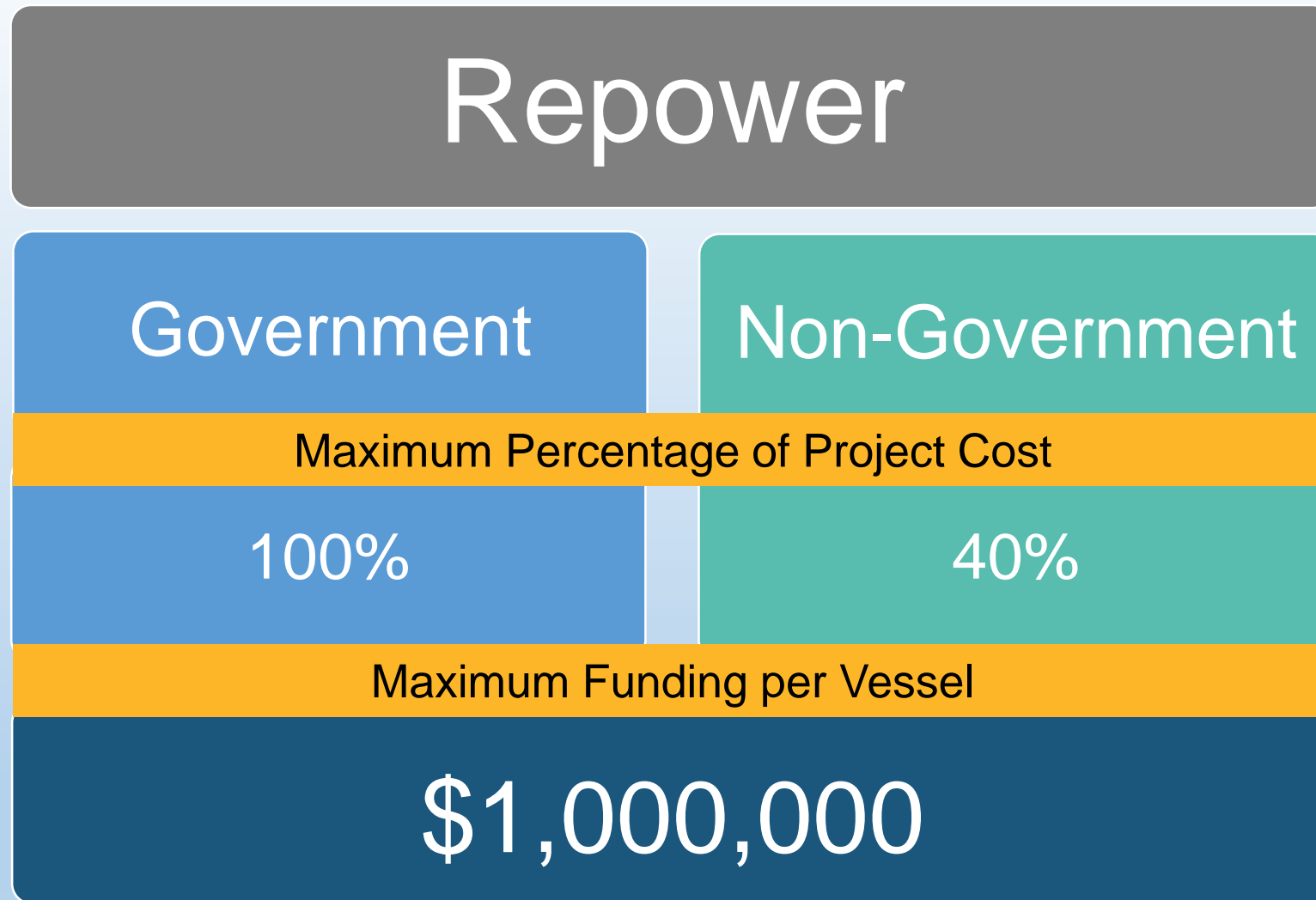
Maximum Percentage of Project Cost

100%

40%

Maximum Funding per Freight Switcher

\$1,350,000

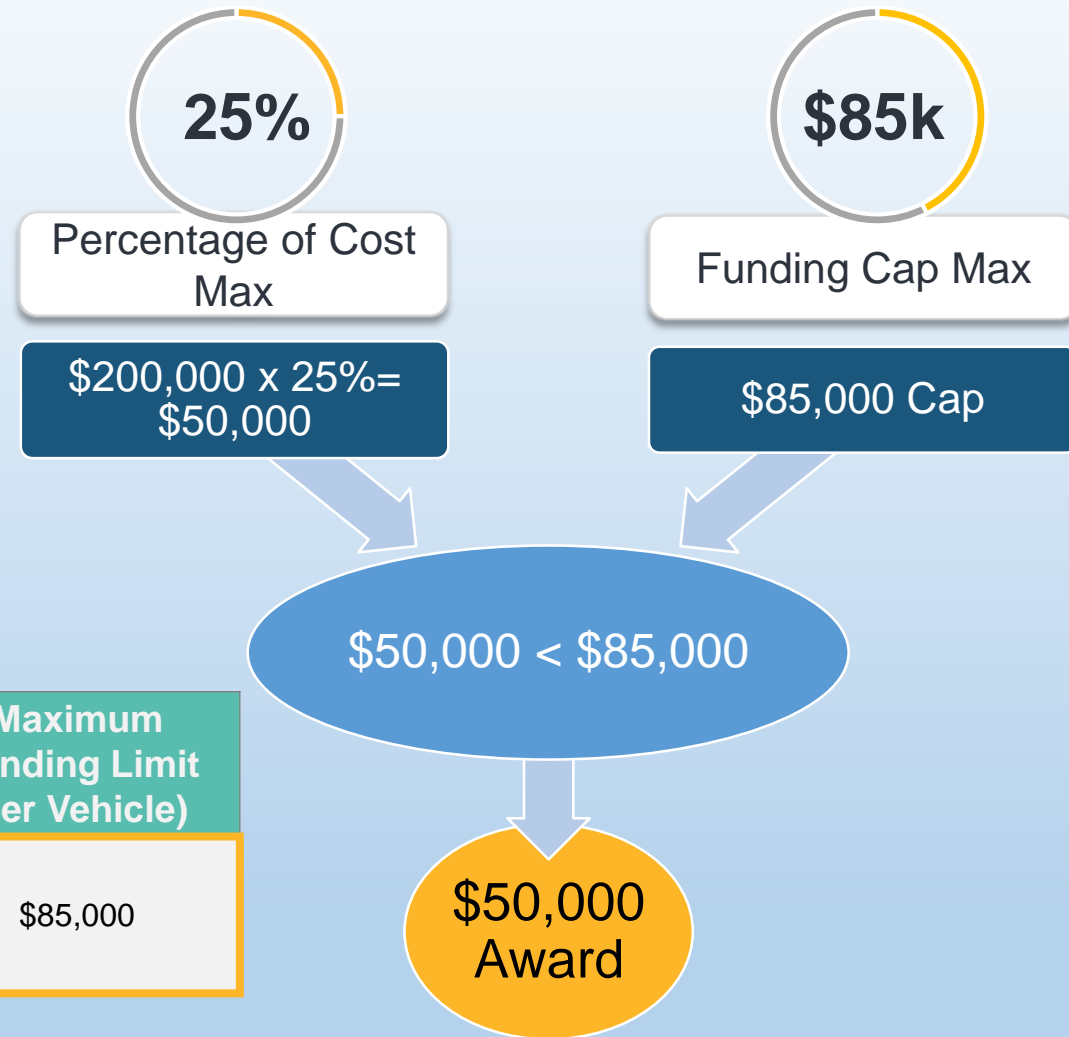


How Funding Works – Example 1



Scenario:

- ✓ Class 8 Freight Truck
- ✓ Replacement
- ✓ Non-Government
- ✓ New Truck Cost \$200,000



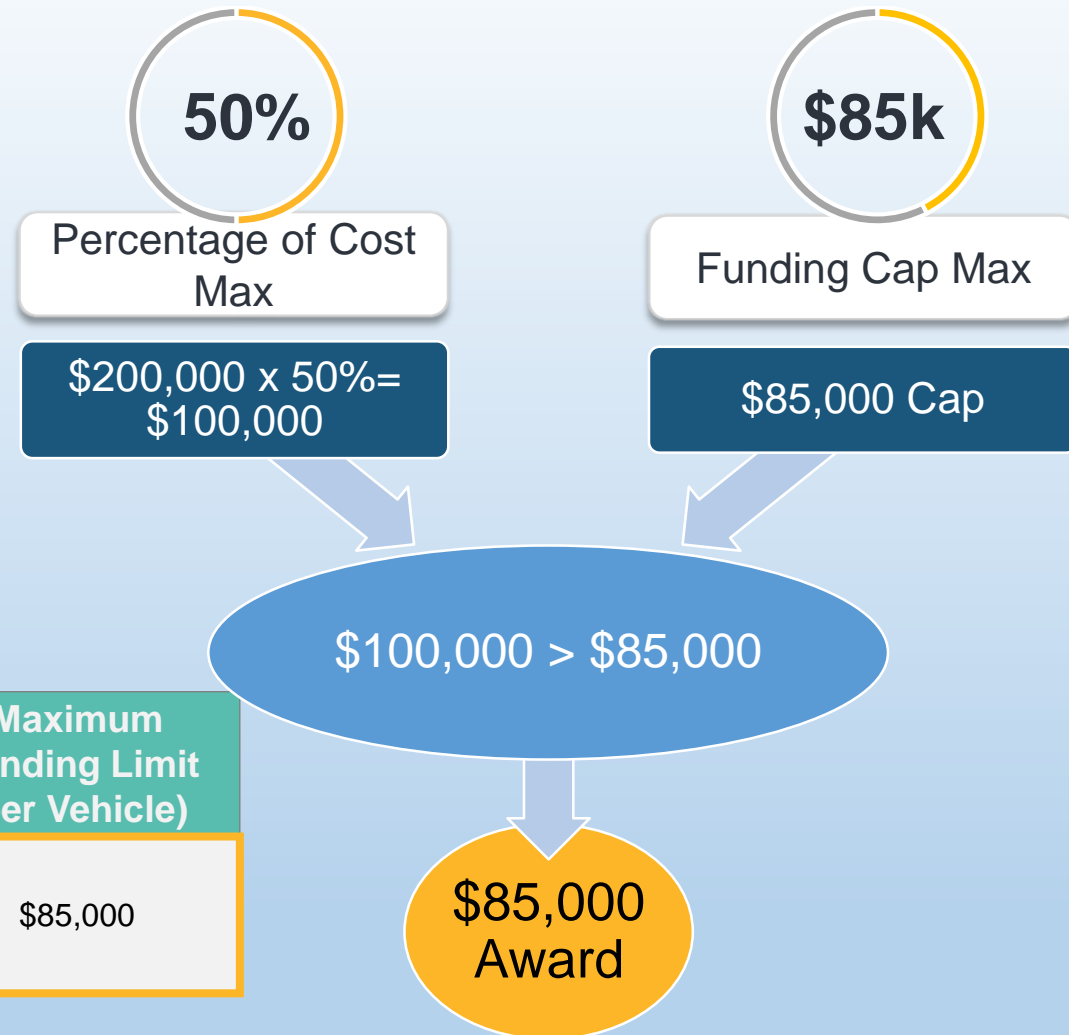
Equipment Type	Project Type	Applicant Type	Maximum Percentage of Funding (of cost)	Maximum Funding Limit (per Vehicle)
Class 7 & 8 Freight Truck	Replacement	Non- Government	25% (or 50% for Class 8 drayage)	\$85,000
		Government	100%	

How Funding Works – Example 2



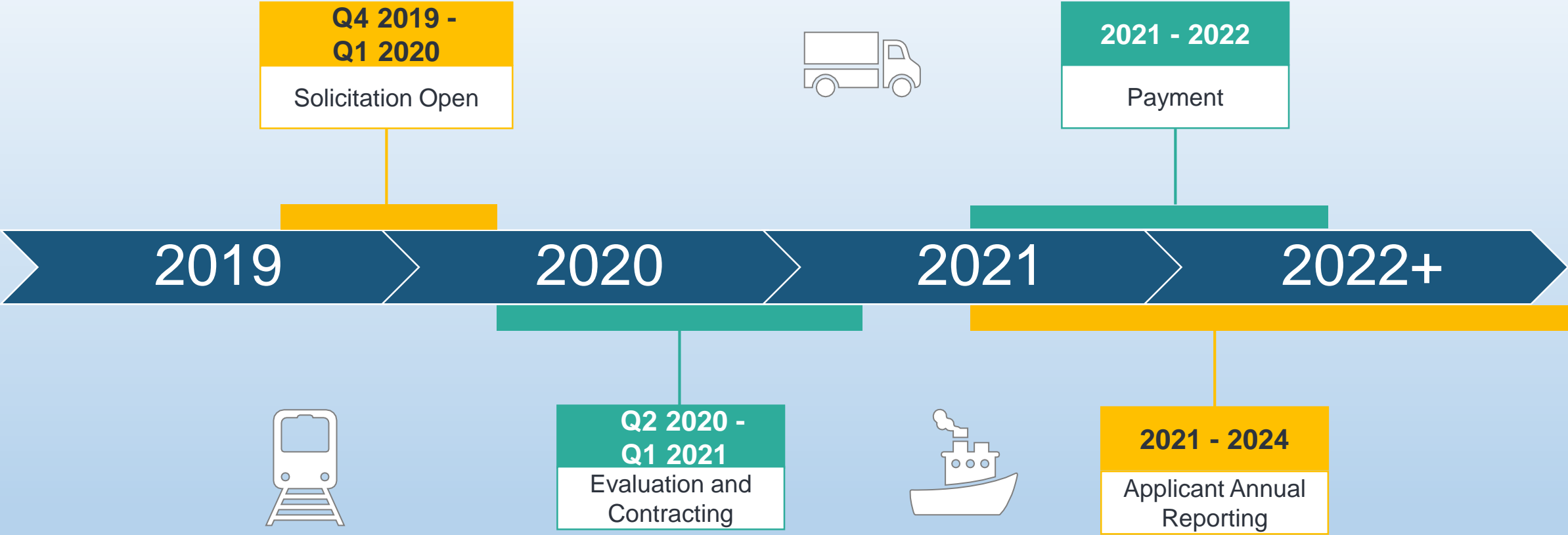
Scenario:

- ✓ Class 8 Freight Truck (Drayage)
- ✓ Replacement
- ✓ Non-Government
- ✓ New Truck Cost \$200,000



Equipment Type	Project Type	Applicant Type	Maximum Percentage of Funding (of cost)	Maximum Funding Limit (per Vehicle)
Class 7 & 8 Freight Truck	Replacement	Non- Government	25%	\$85,000
			(or 50% for Class 8 drayage)	
		Government	100%	

Anticipated Timeline



Basic Application Requirements

WHAT YOU'LL NEED

- ✓ Copy of title (or proof of ownership)
- ✓ Usage Records (24 months)
- ✓ Insurance Documentation (24 months)
- ✓ Vehicle Registration (24 months)
- ✓ Vendor Quote
- ✓ Existing and new vehicle/equipment/engine information
- ✓ Supporting photos and documentation

Application

Evaluation &
Contracting

Payment


Reporting

Evaluation and Contracting



Evaluation

- Eligibility
- Compliance Check
- NOx Reductions
- Ranking
- Project Award



Contracting

- 3 year Contract
 - Milestones
 - Usage
 - Reporting
 - Recordkeeping
 - Inspections/Audit

Evaluation &
Contracting

Payment

Reporting

Award Payment for Selected Applicant



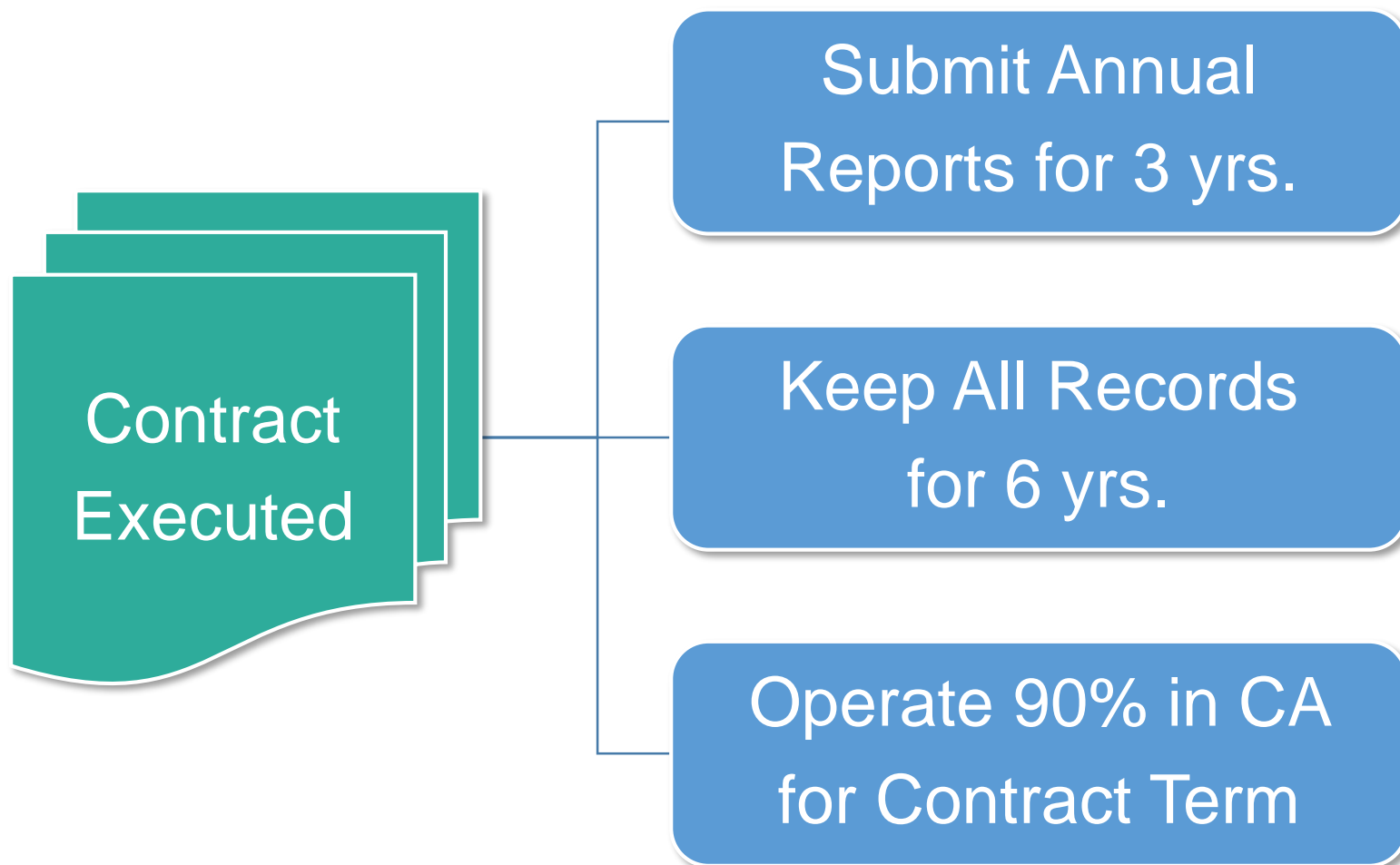
Payment will be made
after verification of:

- ☒ Complete and valid invoice
- ☒ Eligibility and program requirements
- ☒ Vehicle/equipment placed into service
- ☒ Completion of inspections and proof of destruction of old vehicle/engine

Payment

Reporting

Reporting and Recordkeeping



Reporting

Questions and Answers





Q: Do I get paid in advance?

A: Payment is by reimbursement only. The VW Program is not rebate or voucher based.



Q: What is considered 'work' performed before contracting?

A: Work performed includes physical changes made to existing vehicles or equipment.



Q: Can I order vehicles/equipment before I'm under contract?

A: Having a purchase order prior to an executed contract will not deem your project ineligible, however certain criteria apply.



Q: What if I'm not able to meet the in-service date milestone (12/31/21)?

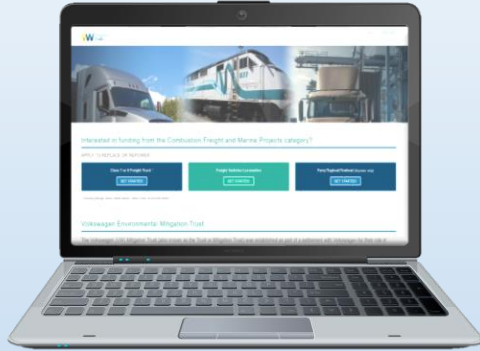
A: This will be on a case-by-case basis and depend on the compliance of the unit and if other milestones were met.



Q: Are zero-emission vehicles eligible for this solicitation?

A: Not under the Combustion category. However, we anticipate the Zero-Emission Class 8 Freight and Port Drayage Trucks category to open later this year.

Additional Questions?



For more information, please visit:
<http://www.aqmd.gov/vw>

Contact Us:



South Coast AQMD VW Funding



(833) 894-7267



vwfunds@aqmd.gov



Staff is available Tuesday to Friday from 7:30 am to 5:30 pm



Other Helpful Links

- [CA VW Landing Page](#)
- [CARB VW Website](#)
- [Consent Decree](#)
- [Beneficiary Mitigation Plan \(BMP\)](#)