



2026
PROGRAM ANNOUNCEMENT
AB 617 PROGRAM
CLEAN COMMUNITY SCHOOL INITIATIVE

SOUTH COAST AQMD PROGRAM ANNOUNCEMENT
PA2026-06

The South Coast Air Quality Management District (South Coast AQMD) is pleased to announce the availability of funds for the Assembly Bill (AB) 617 Clean Community School Initiative.

AB 617 was signed into California state law in July 2017 and provides a community-focused action framework to improve air quality and reduce exposure to criteria air pollutants and toxic air contaminants in communities most impacted by air pollution. The AB 617 Program requires the California Air Resources Board (CARB) and air districts, including South Coast AQMD, to engage with community members of heavily impacted communities to develop strategies to address air quality issues, strategies which include incentives for both mobile and stationary sources. As part of AB 617, CARB and air districts including South Coast AQMD, are implementing the [Community Air Protection Program](#), which is centered on community-informed local emissions and exposure reduction actions to help advance air pollution control efforts, which include targeted incentive funding to accelerate the deployment of cleaner technologies.

Also, CARB's Statewide Strategy and Implementation Guidance on the AB 617 Program, [Blueprint 2.0](#), further focuses AB 617 commitments to implement community emission and monitoring plans for the communities most impacted by air pollution and to provide additional program support for [Consistently Nominated Communities](#) (CNCs) and Disadvantaged Communities (DACs) as defined by [SB 535](#) as communities based on geographic, socioeconomic, public health and environmental hazard criteria.

The AB 617 Clean Community School Initiative is an incentive-based program focusing solely on public school-related projects located in CNCs and DACs that can provide emission reductions of Nitrogen Oxides (NOx), Particulate Matter (PM10) and Reactive Organic Gases (ROG) from heavy-duty vehicles and other stationary equipment operating in California as early and as cost-effectively as possible. The AB 617 Clean Community School Initiative will provide financial incentives to equipment owners and operators to replace in-use heavy-duty school buses with zero-emission school buses, charging infrastructure and other equipment technologies and projects that are used and associated with public school-related activities, that will achieve emission reductions that are real, surplus, quantifiable and enforceable.

SECTION I – PURPOSE

The purpose of this Program Announcement (PA) is to solicit eligible projects that are solely associated with public schools located in a CNC or DAC. The list of projects is highlighted in Section III – Funding Category and will include:

1. School Bus Replacement (for Zero-Emission School Buses)
2. Charging Infrastructure

At least \$30 million is available under this solicitation from the AB 617 Community Air Protection (CAP) Incentive Funds. Of the \$30 million:

1. \$20 million is allocated towards School Bus Replacement
2. \$10 million is allocated towards Charging Infrastructure

South Coast AQMD reserves the right to reallocate funding amounts for each category depending upon program demands and priorities. All applications will be evaluated based on the criteria set forth in this PA, the [Carl Moyer Program Guidelines](#), the [Community Air Protection Incentive Guidelines](#), and any subsequent updates and modifications/advisories to the guidelines. This PA generally identifies the equipment categories, project options and eligibility criteria to qualify for grant funding. Any tax obligation associated with an award is the responsibility of the grantee.

In the preparation of this PA, the words “Applicant” and “Recipient” are used interchangeably. South Coast AQMD staff will evaluate all qualified applications and make recommendations to the Governing Board for final selection of project(s) to be funded. Eligible projects for School Bus Replacements will be processed after the application due date and will be based on the cost-effectiveness of NOx, PM10 and ROG emissions reduced and other criteria as described in Section VI (Application Evaluation/Recipient Selection Criteria). South Coast AQMD will prioritize the selection of projects to reduce emissions in and around CNCs and DACs and low-income communities located within the South Coast AQMD jurisdiction. While South Coast AQMD encourages all eligible applications, this means that some projects may not be selected based on their domicile address, regardless of their cost-effectiveness.

For this PA, 100 percent of South Coast AQMD’s AB 617 CAPP Incentive funds will be targeted for projects that meet the criteria of a disadvantaged or low-income community projects or are located within a CNC. 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 4.0 (CalEnviroScreen 4.0). The CalEnviroScreen 4.0 tool will be used by South Coast AQMD 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. All applications will be assessed with the CalEnviroScreen tool to identify and verify if the project will benefit a DAC within the 25th percentile. This tool is available at: <https://oehha.ca.gov/calenviroscreen/report/calenviroscreen-40>

South Coast AQMD’s AB 617 Clean Community School Initiative is administered locally through the Community Engagement and Air Programs division. Applicants may only be offered partial funding due to cost-effectiveness or funding category limitations (i.e., caps), and not all applications that meet the cost-effectiveness criteria may be funded.

SECTION II – LEGAL UPDATES AND DEFINITIONS

CONFLICT OF INTEREST

Applicant must address any potential conflicts of interest with other clients affected by actions performed by the firm on behalf of the South Coast AQMD. Although the applicant will not be automatically disqualified by reason of work performed for such firms, the South Coast AQMD reserves the right to consider the nature and extent of such work in evaluating the application. Conflicts of interest will be screened on a case-by-case basis by the South Coast AQMD General Counsel's Office. Conflict of interest provisions of the state law, including the Political Reform Act, may apply to work performed pursuant to this contract. An example of a conflict of interest may occur when a consultant applying on behalf of an applicant for funding under the Carl Moyer Program is also contracted with South Coast AQMD.

COMPLIANCE WITH APPLICABLE LAWS

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

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 recipient will be required to notify South Coast AQMD in writing if they have been found by a court or federal or state agency to have violated labor laws. As part of their annual report, the recipient 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 recipient will give South Coast AQMD details about those violations in the certification. If the recipient has previously provided that information to the South Coast AQMD, they will be required to reattach that previous notification to the certification and provide any additional details about those violations that have not previously been provided. The recipient's yearly certification will be due at the same time as the annual progress reports. South Coast AQMD reserves the right to terminate the agreement with a recipient that has been found to have violated labor laws, and the recipient may be required to return any and all agreement funds, as determined by South Coast AQMD. The recipient will also ensure that these requirements are included in all subcontracts.

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 South Coast AQMD contracts.

ECONOMIC SANCTIONS (RUSSIA/UKRAINE)

On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (EO) regarding sanctions in response to Russian aggression in Ukraine. Applicants who are considered eligible for Carl Moyer Program funds under this Program Announcement and received executed contracts from South Coast AQMD, are obligated to comply with existing economic sanctions imposed by the U.S. government in response to Russia's actions in Ukraine.

DEFINITIONS

Alternative Fuel

Alternative fuels include compressed natural gas (CNG), liquefied natural gas (LNG), hydrogen (H₂), liquid propane gas (LPG) and electric technologies. Experimental technologies and fuels will be referred to CARB for evaluation and possible eligibility in the Program.

Consistently Nominated Communities

Under the AB 617 Program, a consistently nominated community is a community identified as heavily impacted by air quality burdens and have been either self-nominated or recommended by community-based organizations or an air district since 2018 and *are not part* of the six (6) AB 617-designated, CARB-approved communities located within the South Coast AQMD jurisdiction. These six AB 617-designated communities are:

- East Los Angeles, Boyle Heights, West Commerce (ELABHWC)
- San Bernardino, Muscoy (SBM)
- Wilmington, Carson, West Long Beach (WCWLB)
- Eastern Coachella Valley (ECV)
- Southeast Los Angeles (SELA)
- South Los Angeles (SLA)

Disadvantaged Communities

According to state law (SB 535 De Leon, Statutes of 2012), CalEPA designates these communities based on geographic, socioeconomic, public health, and environmental hazard criteria. These criteria may include, but are not limited to, areas disproportionately affected by environmental pollution and other hazards and areas with concentration of people that are of low income, high unemployment, low levels of home ownership, high rent burden, or low levels of educational attainment. The CalEnviroScreen 4.0 tool will be used by South Coast AQMD to identify projects that qualify as a DAC, which is defined as scoring in the top 25th percentile. This tool is available at: <https://oehha.ca.gov/calenviroscreen/report/calenviroscreen-40>

Equipment Replacement

Equipment replacement means the replacement of an older vehicle or piece of equipment that still has remaining useful life with zero-emission technologies. For equipment replacement project types, applicants must have owned and operated the old (i.e., existing) equipment in California for the previous two years from date of application.

South Coast AQMD Jurisdiction

The South Coast AQMD is the air pollution control agency for all of Orange County and the urban portions of Los Angeles, Riverside and San Bernardino counties. This area of 10,743

square miles is home to approximately 17 million people—about half the population of the 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.

SECTION III – FUNDING CATEGORY

Project equipment must be domiciled within the South Coast AQMD jurisdiction and operate a minimum of 51% of the time within the boundaries of the South Coast AQMD jurisdiction. Below are the specific project categories identified for funding under this PA:

School Buses

1. Applicant Eligibility

Private transportation providers that own their own school buses and are contracted with and service public schools located within a CNC and/or DAC are eligible to apply.

2. Project Eligibility

Existing School Bus Requirements:

South Coast AQMD is seeking applications from private transportation providers (that own their own school buses and are contracted with public school districts) to replace older school buses with combustion engines and with a Gross Vehicle Weight Rating (GVWR) of over 8,501 lbs. At a minimum, applicants will need to provide information identifying each of the school buses proposed for replacement, as well as documentation demonstrating current DMV registration, title, continuous CHP certification for the past two years, and photos of the school bus VIN, GVWR, and engine tag. The school buses proposed for replacement must be dismantled as required by the Carl Moyer Program Guidelines.

Table 1, below, provides a summary of the key eligibility requirements for the existing school buses proposed for replacement.

<u>Table 1: Existing School Bus Requirements</u>
1) Existing school bus must be diesel, CNG, or propane fueled
2) The existing school bus must have GVWR greater than 8,501 lbs.
3) The existing school bus must be currently registered with the DMV
4) Must be compliant with CARB’s Truck and Bus Regulation
5) Existing school buses must have a current, valid CHP certificate at the time of application
6) Must have maintained continuous CHP Safety Certificates for at least the past 2 years*
7) Must be willing to crush/dismantle existing school bus once replaced

** If lapse in the CHP safety certification exists, applicant must submit additional information/documentation as determined by South Coast AQMD staff to demonstrate regular use of the school bus.*

All existing combustion school buses proposed for replacement must be in current use. The

application calls for specific information related to the existing school bus to be replaced. Additional information may be required as evidence that the existing school bus is in operation. If there is a break in documentation, please inform South Coast AQMD staff.

The applicant is required to attach on the application a copy of the TRUCRS Fleet List located on the Vehicle Info tab showing the compliance option each vehicle in the fleet is using and a copy of the TRUCRS General Fleet and Compliance Information Summary showing compliance located on the Compliance Status tab (“Meets Small Fleet Option” will specify “yes” if the fleet is using the Small Fleet option). The TRUCRS website can be accessed at: https://ssl.arb.ca.gov/ssltrucrsto/trucrs_reporting/login.php.

Replacement School Bus Requirements:

Applicants may choose to purchase a zero-emission school bus that is certified or approved by CARB, including zero emission school buses that are eligible through the state’s Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP). Executive Orders from CARB may be downloaded at: <http://www.arb.ca.gov/msprog/onroad/cert/cert.php>

Table 2, below, provides an itemized summary of the key eligibility requirements for the replacement school buses.

Table 2: Replacement School Bus Requirements
1) New school bus must be zero emission
2) Replacement school bus must be in the same weight class as the existing school bus, unless otherwise approved by South Coast AQMD
3) Replacement school bus must have GVWR greater than 8,501 lbs.
4) Maintain CHP Certificates during the term of contract
5) Replacement school bus must be CARB certified zero-emission school bus technology

Applicants will need to provide a price quote and CARB Executive Order for the proposed new school bus. Executive Orders from CARB may be downloaded at: <http://www.arb.ca.gov/msprog/onroad/cert/cert.php>.

Recipients will need to own and operate the new school bus for a minimum of ten years from the date of agreement execution.

Infrastructure Requirements:

Applicants can request funding for the purchase and installation of infrastructure to support the new zero-emission school bus. **Natural gas fueling stations are no longer eligible for funding.**

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. Non-public entities must provide quotes from a minimum of two different vendors with 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.

Eligible costs include planning and engineering, permitting, equipment necessary for the functional operation of the infrastructure, and installation. Operational costs are not eligible and should not be included in the vendor quotes.

Applicants shall include a description of the installation vendor selection process. 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. Some projects may also require a case-by-case review by CARB.

Timelines for project completion need to be clearly identified. If the infrastructure project being submitted meets Carl Moyer Program eligibility and can be completed in 2026, please highlight this timeline.

The applicant must provide proof (i.e., letter of commitment from the fleet operator, purchase orders, etc.) that a sufficient number of supported vehicles/equipment are acquired and/or committed to utilizing the infrastructure when the project is complete. For infrastructure expansion projects, documentation of increased throughput at the station is required to ensure the expansion is commensurate with projected fueling demand.

All projects funded need to be registered with the Department of Industrial Relations (DIR) and must comply with DIR requirements regarding labor practices which cover a broad prevailing wage. The Carl Moyer Program also specifies that applicants awarded an agreement must comply with applicable provisions of Labor Code Sections 1720-1861.

3. School Bus (and Charging Infrastructure) Funding

The maximum eligible funding amount school bus and charging infrastructure is summarized in Table 3. The maximum funding amounts include sales tax and the cost of fire suppression and gas detection systems; however, operators will have to pay for any additional discretionary options that they may choose to include on the school bus. No co-funding for school bus replacement projects will be allowed under this solicitation.

Table 3: Maximum Program Funding Amounts for School Bus Replacement and Charging Infrastructure			
School Bus GVWR	Fuel Type	South Coast AQMD Maximum Award	Charging Infrastructure
>8,501 lbs.	Zero Emission	Up to 95% of eligible costs	Up to 60% of eligible costs

SECTION IV – APPLICATION SUBMITTAL REQUIREMENTS

Applicants must apply for funding using the South Coast AQMD's AB 617 CAP Incentives Online Grant Management System (GMS) which will be available on and after Tuesday, February 10, 2026 at www.aqmd.gov/cappincentives. In addition, all Business Information Forms 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. **Paper applications will not be accepted.**

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 South Coast AQMD Governing Board. Purchase orders may be placed after South Coast AQMD Governing Board approval and in advance of a fully executed contract, but these orders/commitments are placed at the applicant's own risk.

All project costs must be clearly indicated in the application. In addition, applicants must disclose all sources of co-funding (except for school bus replacement projects as no co-funding will be allowed), 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 agreement 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 Carl Moyer Program Guidelines at: <https://ww2.arb.ca.gov/sites/default/files/2024-11/AppendixCCostEffectivenessCalculations.pdf>

APPLICATION SUBMISSION

All online 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.

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

- Does not include correct documentation and other forms required.
- All applications are not signed by an individual authorized to represent the firm.

Staff Contact Information: South Coast AQMD staff contacts are listed under South Coast AQMD Staff Contacts and Additional Resources below. Applicants may contact South Coast AQMD staff to discuss their project prior to submitting an online application to ensure program eligibility.

Business Information Forms: All business information forms **must** be completed and submitted with the online 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. These business forms will also be available on the Carl Moyer Program GMS.

Electronic Submittal: A link to access South Coast AQMD’s Carl Moyer Program GMS will be available on February 10, 2026 at: www.aqmd.gov/cappincentives. The Carl Moyer Program GMS allows applicants to submit applications electronically to the South Coast AQMD and track the progress of their application(s). **Applications must be submitted through the AB 617 CAP Incentives GMS by Tuesday, April 7, 2026 at 11:59 PM.** The GMS will not allow applications to be submitted after the due date and time. South Coast AQMD “Business Information Forms” requiring signatures must be scanned and uploaded to the electronic application in PDF format.

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 or online and you may contact staff if you would like additional assistance.

Third parties assisting in applications may create their own account on the Carl Moyer Program GMS that can be linked through the primary user account.

Missing Information – Within thirty (30) business days of the online application submittal due date of Tuesday, April 7, 2026, South Coast AQMD will email letters to applicants regarding the missing or incomplete information. Applicants will have seven (7) business days to provide any missing information requested in the letter. It will be the applicant’s responsibility to submit the missing or incomplete information within the time specified by South Coast AQMD staff. Only complete applications can move forward in the evaluation process.

Disposition of Applications - The South Coast AQMD reserves the right to reject any or all applications. All responses become the property of the South Coast AQMD. A 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 V – WORK STATEMENT/SCHEDULE OF DELIVERABLES

Prior to submitting the application, applicants must sign and agree to the terms and conditions of the requirements for submitting additional project information to finalize an agreement and that all vehicles or equipment shall be in operation within eighteen (18) months of agreement execution.

SCOPE OF WORK

The scope of work will describe tasks and deliverables that demonstrate compliance with the requirements of the Carl Moyer Program as administered by CARB and the South Coast AQMD. The project applicant is responsible for developing detailed project plans and ordering equipment that complies with the program criteria and guideline requirements. In addition, alternative fuel project applicants must discuss their plan for refueling the proposed vehicles/equipment, and if

appropriate, should provide a letter of agreement from their fuel provider (see Application forms).

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

- Provide emission reductions that are real, surplus, quantifiable and enforceable in accordance with [Carl Moyer Program Guidelines](#), the [Community Air Protection Incentive Guidelines](#) requirements.
- Project equipment (including charging infrastructure) must be domiciled within the boundaries of the South Coast AQMD jurisdiction.
- Meet the cost-effectiveness limit, as described by Carl Moyer Program Guidelines, and subsequent Carl Moyer Program Advisories.
- Commit that project engines or equipment operate in service for the full project life and at least 51 percent of annual operation must occur within the South Coast AQMD.
- The cost-effectiveness calculation is based on the percent operation within the South Coast AQMD boundary. Project life is the number of years used to determine the cost-effectiveness and is equal to the agreement term.
- Commit that all vehicles/engines/equipment are in operation within 18 months of agreement execution.
- Provide for appropriate recordkeeping during the project life (i.e., annual throughput/usage, annual mileage, fuel consumption), including submission of annual reports as detailed below.
- Ensure that the project complies with all applicable local, state and federal 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, recipient must provide a financial statement and bank reference, or other evidence of financial ability to fulfill agreement requirements.
- If requested, recipient must make all equipment and records available to the South Coast AQMD or CARB for audit and inspections.

PAYMENT TERMS

For all projects, full payment will be made upon installation and commencement of operation of the funded equipment. Any tax obligation associated with an award is the responsibility of the Recipient.

Specifically for school bus replacement projects:

1. Following receipt of the fully executed agreement from South Coast AQMD, the school district must provide a copy of the agreement and key attachments to the selected vendor(s). Per the provisions of the grant, a purchase order shall be placed without delay to allow for the prompt delivery of the buses.
2. Funds will be paid on a reimbursement basis to the vendor, following the delivery of the new school bus(es) to the applicant (and all supporting documents required by the grant

have been submitted satisfactorily).

3. Vendors should be encouraged to directly invoice South Coast AQMD. Applicants shall cooperate fully with the vendor to provide the vendor with the various documents South Coast AQMD would need before reimbursing the vendor.
4. Proof of vehicle delivery and supporting documents, as required in the agreement, must accompany any request for reimbursement of approved funds. Applicant must identify any options purchased over and above those included in the base price. Besides the fire suppression and/or gas detection systems, other discretionary options must be paid for by the applicant.
5. Funds will be paid on a reimbursement basis at the time of completion of the infrastructure. Proof of completion shall accompany any request for reimbursement of approved funds. All requests for reimbursement must be signed by the responsible official and received by South Coast AQMD. Monies owed will be paid directly to the infrastructure provider.

DELIVERABLES

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

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

SECTION VI – APPLICATION EVALUATION/RECIPIENT SELECTION CRITERIA

South Coast AQMD staff will evaluate all zero-emission school bus and charging infrastructure applications and make funding recommendations for eligible projects. Each project will be evaluated based on the following criteria: (1) the cost-effectiveness of NOx, PM10 and ROG reduced, (2) the project's status with respect to the disadvantaged community and low-income criteria prescribed by CARB, (3) the school location with respect to an AB 617-designated community, and (4) the school location with respect to an AB 617 Consistently Nominated Community. Given that funds may be limited, South Coast AQMD will prioritize funding awards with consideration for the older school buses and/or school buses with the highest accumulated mileage. Depending upon the number of applications received and availability of funding, all the requests may not be funded in their entirety. Be aware that there is a possibility that due to program priorities, cost effectiveness or funding limitations (i.e., caps), applicants may be offered only partial funding, and not all applications meeting the eligibility criteria may be funded. South Coast AQMD retains discretion to make full awards, partial awards, or no awards.

For charging infrastructure projects, South Coast AQMD staff will evaluate all eligible applications and make the final selection of project(s) to be funded, and in addition to the above forementioned criteria, projects will also be evaluated based on the metrics that include, but are

not limited to: fleet usage commitments, project location and readiness, expected usage/throughput and cost share.

PROJECT COST-EFFECTIVENESS

For school bus replacement projects award amount shall not exceed the total cost of the replacement, applicable funding caps and/or cost-effectiveness limit(s). Per the Carl Moyer Program Guidelines, the cost-effectiveness limit of a maximum of \$313,000 per weighted ton of emissions reduced applies to projects that are zero-emission or meet the cleanest certified optional standard applicable.

All projects must meet the criteria stated in this PA and the Carl Moyer Program Guidelines in effect at the time of agreement execution. A project's cost-effectiveness is determined based on the annualized cost of the project and the amount of NOx, ROG and PM10 emission reductions that will be achieved by the project. Project cost-effectiveness is currently calculated according to the following formula:

$$\frac{\text{Annualized Cost (\$/year)}}{[\text{NOx reduction} + \text{ROG reduction} + (20 \times \text{combustion PM10 reduction})] \text{ (tons/year)}}$$

For projects that involve advanced technologies, the cost-effectiveness will be calculated using the Carl Moyer Program Guideline's emissions reduction and cost-effectiveness calculations methodology, which is available at:

<https://ww2.arb.ca.gov/sites/default/files/2024-11/AppendixCCostEffectivenessCalculations.pdf>

SECTION VII – IMPORTANT PROGRAM INFORMATION

- Applicants **must** provide proof of ownership with their online application. This may include vehicle/equipment title, bill of sale, maintenance logs for a minimum of two years, or tax depreciation records. Equipment must be owned for a minimum of two years from the date of application submittal.
- Project equipment must be domiciled within the South Coast AQMD jurisdiction and operate a minimum of 51% of the time within the boundaries of the SCAB.
- Applicants must provide vendor quotes with their application to document the cost of the new replacement vehicle/equipment project (or engine for repower project). Applicants may be awarded up to the designated percentage of total cost for the specified type of project, subject to funding caps and program cost-effectiveness limits. All quotes must have been obtained within 90 days prior to the application submittal date.
- Purchase orders or other purchase commitments **shall not** be placed until after award approval by South Coast AQMD. Purchase orders may be placed after South Coast AQMD approval and in advance of a fully executed agreement, but these orders or commitments are placed at the applicant's own risk.

- Applicants must provide legible engine tag photos of the baseline engine(s) or manufacturer specifications that document the engine serial number, horsepower, model year and engine family number, emissions certification level and CARB Executive Order (if controlled).
- 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 Carl Moyer Program or CAP Incentives eligibility on a case-by-case basis. Please discuss these projects with South Coast AQMD staff prior to application submittal. Projects submitted for CARB case-by-case review will require the applicant to provide additional justification and documentation regarding the project and the applicant's justification for such consideration.
- Any tax obligation or liabilities associated with the award is the responsibility of the grantee. Please consult your tax advisor on the tax liabilities of receiving a grant award under the Carl Moyer Program.
- No third-party contracts will be executed.
- Pre-, post- and destruction inspections of all vehicles/engines/equipment approved for funding will be conducted, as required. Inspections of all vehicles/engines/equipment may be conducted in-person or virtually via remote inspections. Applicants must make all equipment available for in-person or remote inspections during agreement preparation, or through updates from South Coast AQMD. Documentation of compliance with existing regulatory requirements is required at the time of pre-inspection.
- 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).
- Several of the CARB fleet rules and air quality regulations impact eligibility. Compliance with existing CARB regulations is a pre-requisite for funding. Only emission reductions in excess of regulatory requirements can be considered for funding. If applicants are applying for 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 provide surplus emission reductions. As noted earlier, applicants must provide documentation of their regulatory compliance status.
- In cases of conflict between CARB guidelines and South Coast AQMD criteria, the more stringent criteria will prevail. South Coast AQMD will post any new information and requirements on its Carl Moyer Program 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 South Coast AQMD with clear understanding of the fleet's compliance status.

- All emission reductions resulting from funded projects will be credited to the AB 617 Program. A grant shall not be made that provides the applicant with funds in excess of the maximum eligible amount, in accordance with AB 617 CAP and Carl Moyer Program guidelines.
- The emission reductions paid for by the AB 617 CAP Incentives funds shall not be claimed by the other funding sources.

SECTION VIII – SCHEDULE OF EVENTS

Issue PA2026-06	February 6, 2026
Applications Open	February 10, 2026
All Applications Due by 11:59 pm	Tuesday, April 7, 2026
Agreement Execution	August 2026 through January 2027

**ALL APPLICATIONS MUST BE RECEIVED VIA SOUTH COAST AQMD’S
 AB 617 CAP INCENTIVES ONLINE GRANT MANAGEMENT SYSTEM
 NO LATER THAN TUESDAY, April 7, 2026 at 11:59 PM
 (DEADLINE TO SUBMIT MAY CLOSE EARLY IF SOUTH COAST AQMD REACHES \$30 MILLION IN
 APPLICATIONS)**

Access to South Coast AQMD’s AB 617 CAP Incentives Online GMS is provided at:
www.aqmd.gov/cappincentives

SOUTH COAST AQMD STAFF CONTACTS AND ADDITIONAL RESOURCES

The South Coast AQMD staff contacts are listed in Table 1 by project category. Copies of the Program Announcement can be accessed at www.aqmd.gov/cappincentives. Business Information Forms and a sample South Coast AQMD agreement may be accessed at: www.aqmd.gov/moyer.

Staff Contacts

Staff Contact	Phone Number	Email
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REFERENCES AND WEBSITE LINKS

Topic	Website
AB 617 Blueprint 2.0	https://ww2.arb.ca.gov/capp/mdc/bp2/community-air-protection-program-blueprint-20
Carl Moyer Program Guidelines	https://ww2.arb.ca.gov/guidelines-carl-moyer
Carl Moyer – Calculation Methodologies	https://ww2.arb.ca.gov/sites/default/files/2024-11/AppendixCCostEffectivenessCalculations.pdf
Community Air Protection Program	https://ww2.arb.ca.gov/capp/community-air-protection-program
Community Air Protection Incentives Guidelines	https://ww2.arb.ca.gov/capp/fund/capi/community-air-protection-incentives
Consistently Nominated Communities List	https://ww2.arb.ca.gov/capp/resources/consistently-nominated-ab-617-communities-list
Senate Bill 535	https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201120120SB535
Truck and Bus Regulation and TRUCRS	https://ww2.arb.ca.gov/our-work/programs/truck-and-bus-regulation