

BOARD MEETING DATE: August 1, 2025

AGENDA NO. 4

**PROPOSAL:** Issue Program Announcement, Transfer Funds, and Execute Agreements for CHDV ELECTRIC Program and Amend Awards for Carl Moyer Program

**SYNOPSIS:** In January 2025, South Coast AQMD recognized an award of \$33,898,522, including administrative costs, from the U.S. EPA 2024 Clean Heavy-Duty Vehicles (CHDV) Grant Program. The awarded proposal titled “Empowering Local Environmental Change Through Replacing Internal Combustion with Battery Electric Class 6 or 7 Vehicles” (ELECTRIC) is designed to replace diesel or gasoline-powered Class 6 and 7 freight delivery vehicles with zero-emission vehicles. These actions are to: (1) issue a Program Announcement to solicit projects for ELECTRIC, (2) execute agreements with eligible applicants, (3) appropriate \$75,000 from the General Fund Undesignated (Unassigned) Fund Balance into Information Management’s FY 2025-26 Budget, Services and Supplies and/or Capital Outlays Major Objects for modifying the existing online application system to accept ELECTRIC applications, and (4) authorize the Executive Officer to amend awards and execute contract with Two Brothers Fishery LLC for up to \$200,000 under the Carl Moyer Program Fund (32) and with EV Mill Tenant LLC under the Community Air Protection AB 134 Fund (77).

**COMMITTEE:** Technology, June 20, 2025; Recommended for Approval

**RECOMMENDED ACTIONS:**

1. Issue Program Announcement (PA) #PA2026-04 under the U.S. EPA 2024 Clean Heavy-Duty Vehicles (CHDV) Empowering Local Environmental Change Through Replacing Internal Combustion with Battery Electric Class 6 or 7 Vehicles (ELECTRIC) program to incentivize the replacement of Class 6 and 7 diesel or gasoline powered freight delivery vehicles with new battery electric vehicles;
2. Based on the results of the PA, authorize the Executive Officer to execute agreements for the eligible projects for up to \$29,299,650 from the Advanced Technology, Outreach and Education Fund (17);

3. Appropriate \$75,000 from the General Fund Undesignated (Unassigned) Fund Balance into Information Management's FY 2025-26 Budget, Services and Supplies and/or Capital Outlays Major Objects for modifying the existing online application system to accept Empowering Local Environmental Change Through Replacing Internal Combustion with Battery Electric Class 6 or 7 Vehicles (ELECTRIC) applications; and
4. Amend two awards, approved in February 2024 and December 2024, due to ownership changes and authorize the Executive Officer to execute contracts with Two Brothers Fishery LLC for up to \$200,000 from the Carl Moyer Program Fund (32) and with EV Mill Tenant LLC for up to \$5,885,910 from the Community Air Protection AB134 Fund (77).

Wayne Nastri  
Executive Officer

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### **Background**

In July 2024, South Coast AQMD submitted a proposal titled ELECTRIC to the U.S. EPA's Clean Heavy-Duty Vehicles (CHDV) grant opportunity. In December 2024, the proposal was awarded for \$33,898,522 and the award was recognized by the Governing Board on January 10, 2025. ELECTRIC is designed to incentivize the replacement of older Class 6 and 7 internal combustion freight delivery vehicles with battery electric technology. Funding for charging equipment is also supported by ELECTRIC but it is subject to a cap for each vehicle type. ELECTRIC also invests in developing workforce training programs with local entities and organizations, which include, but are not limited to, community colleges, equipment dealerships, and manufacturers, for the operation, maintenance, and servicing of zero-emission vehicles. Additionally, the program includes a framework for community engagement for education and outreach on air pollution zero-emission technologies.

In February 2024, the Board approved a list of awards under the "Year 25" Carl Moyer Program. Staff has identified an amendment necessary to proceed with one award previously approved to SoCal Fish Co, LLC. The applicant underwent a partial change of ownership and needed an update to their business name from SoCal Fish Co, LLC to Two Brothers Fishery, LLC. The award amount remains unchanged at \$200,000.

In December 2024, the Board approved awards from the Carl Moyer Zero Emission Infrastructure Program. One of the grantees, EV Realty, Inc., transferred the awarded charging station project to a wholly owned subsidiary named EV Mill Tenant LLC. The project's awarded amount of \$5,889,110 remains the same.

**Proposal**

This action is to issue #PA2026-04 for replacing diesel or gasoline Class 6 and 7 freight vehicles with new battery electric vehicles. Funding for supporting charging infrastructure is also available upon request. The PA will open on August 15, 2025, and will close on September 30, 2025. Staff also recommends to authorize the Executive Officer to execute agreements using the Advanced Technology, Outreach and Education Fund (17) for eligible projects under #PA2026-04, until funds are exhausted.

In addition, South Coast AQMD will modify the existing Carl Moyer online project application system to accept and track ELECTRIC project applications.

Lastly, staff recommends amending two awards by changing the recipients' names approved under the "Year 25" Carl Moyer Program from SoCal Fish Co, LLC to Two Brothers Fishery LLC, and approved under the 2024 Carl Moyer Zero Emission Infrastructure Program from EV Realty, Inc. to EV Mill Tenant LLC.

**Outreach**

In accordance with South Coast AQMD's Procurement Policy and Procedure, a public notice advertising the PA and inviting bids will be published in the Los Angeles Times, the Orange County Register, the San Bernardino Sun, and Riverside County's Press Enterprise newspapers to leverage the most cost-effective method of outreach to the South Coast Basin.

Additionally, potential bidders may be notified utilizing South Coast AQMD's own electronic listing of notice of the PA will be placed on South Coast AQMD's website (<http://www.aqmd.gov>) where it can be viewed by making the selection "Grants & Bids."

**Benefits to South Coast AQMD**

The South Coast Air Basin is classified as in extreme nonattainment for ozone and serious nonattainment for PM2.5 with the NAAQS. Projects funded by ELECTRIC will support and accelerate the replacement of older, polluting internal combustion engine Class 6 and 7 vehicles with zero-emission technologies, reducing ozone, PM2.5, and other air pollution. The program is projected to annually reduce 29,434 pounds of NOx and 558 pounds of PM2.5. Furthermore, the program is expected to annually decrease carbon dioxide equivalent (MT CO2e) emissions by 599,200 metric tons. ELECTRIC will implement a workforce training program that not only supports the transition to zero-emission technologies but also creates jobs throughout the region. ELECTRIC will work with a third-party facilitator and a steering committee to amplify awareness, workforce training, and job creation benefits for South Coast AQMD residents through outreach and educational efforts.

**Resource Impacts**

Funding for the ELECTRIC program will be sourced from the US EPA award of \$33,898,522 in the Advanced Technology, Outreach and Education Fund (17), which includes administrative costs needed to implement this program. Sufficient funds are available in the General Fund Undesignated (Unassigned) Fund Balance for the ELECTRIC online application portal.

**Attachment**

PA #2026-04: Clean Heavy Duty Vehicle Incentive Program Battery Electric Freight Vehicles for Classes 6 and 7(ELECTRIC)



## Empowering Local Environmental Change

Through Replacing Internal Combustion with  
Battery Electric Class 6/7 Vehicles (ELECTRIC)



## Program Announcement PA2026-04

Clean Heavy Duty Vehicle Incentive Program  
Battery Electric Freight Vehicles for Classes 6 and 7

Accepting Applications : August 15, 2025 at 12 PM PT  
Submission Deadline: September 30, 2025 at 12 PM PT

## INTRODUCTION

The United States [Environmental Protection Agency's \(US EPA\)](#) established a funding initiative (Program) to replace older, non-zero-emission Class 6 and 7 heavy-duty vehicles with zero-emission alternatives. The Program aims to reduce air pollution and greenhouse gas emissions, particularly in communities in nonattainment areas.

In November 2024, South Coast AQMD was awarded \$29 million grant under the Program for the proposal titled "Empowering Local Environmental Change Through Replacing Internal Combustion with Battery Electric Class 6 or 7 Vehicles" (ELECTRIC), designed to replace diesel or gasoline-powered Class 6 and 7 freight and food product delivery vehicles with zero-emission technology. Many of these vehicles operate near residential neighborhoods and presenting significant health and environmental risks.

The purpose of this Program Announcement (PA) is to solicit project applications for ELECTRIC, which will provide rebates for the replacement of goods movement Class 6 and 7 internal combustion freight delivery vehicles with battery-electric alternatives. Supporting charging units for battery electric vehicles can also receive funding from ELECTRIC.

If training is needed in battery electric technology related to vehicles funded through the Program, the training will be provided by the Program through the manufacturers, a local university, or a training institution.

## SECTION I - OVERVIEW

The total funding amount under this PA is approximately \$29 million from ELECTRIC funds awarded to the South Coast AQMD. All applications will be evaluated based on the criteria set forth in this PA, which align with the ELECTRIC Workplan approved by the US EPA and Terms and Conditions for ELECTRIC.

- WHO: Applicants may be public or private entities that currently own and operate a Class 6 or 7 vehicle for goods movement.
- WHAT: Incentive replacements under this PA are rebate-based and limited to the replacement of battery electric Class 6 and 7 freight vehicles, including transport refrigeration unit (TRU) vehicles. Only Class 6 and 7 (GVWR 19,501 to 33,000 pounds) goods movement vehicles are eligible for the rebate. For additional information, please visit South Coast AQMD's program page: [ELECTRIC](#) (<http://www.aqmd.gov/electric>)
- HOW: Applications must be submitted online through South Coast AQMD's Grant Management System (GMS) link: <http://gms.aqmd.gov>
- WHEN: Application period will open on August 15, 2025 at 12 PM PT and will close on September 30, 2025 at 12 PM PT.

Item	Date
Issue PA2026-04	August 1, 2025
Applications Open	August 15, 2025, at 12 PM PT
Deadline to Submit Application	September 30, 2025, at 12 PM PT
Agreement Execution	October 2025 through December 2025
Performance and usage tracking	Commencing after Deployment

**ALL APPLICATIONS MUST BE RECEIVED VIA SOUTH COAST AQMD'S  
ONLINE GRANT MANAGEMENT SYSTEM**

## GENERAL PROGRAM INFORMATION

Incentive funding under this PA is rebate-based. Only Class 6 and 7 goods movement trucks are eligible for the rebate. One new charging unit per vehicle is also eligible for a rebate.

### Eligible Participant

- The applicant must be currently compliant with applicable fleet/truck regulations.
- The applicant must be the current registered owner of the vehicle(s) being retired.
- If awarded, the applicant must enter into a written agreement with South Coast AQMD as a condition of receiving funds and agree to operate the replacement vehicles for a minimum of 5 years. See SECTION IV – PROJECT AGREEMENT

### Eligible Retiring Vehicle

- The retiring vehicle must be powered by diesel or gasoline.
- The retiring vehicle must have an engine model year of 2010 or newer and be compliant and registered in the California Air Resources Board's TRUCRS database.
- The retiring vehicle must be domiciled and have operated at least 75% within the South Coast AQMD jurisdiction, which includes Orange County, and urban portions of Los Angeles, Riverside, and San Bernardino counties. Please visit: <http://www.aqmd.gov/nav/about/jurisdiction> for more information.
- The retiring vehicle must have operated a minimum of 7,000 miles during the 12 months prior to application.
- For the TRU truck option, the retiring unit must be the vehicle with the TRU. A "reefer", or TRU Trailer unit itself, is not eligible.

### Eligible Replacement Vehicle

- The replacement vehicle must be brand new and battery-electric powered.
- The replacement vehicle powered by hydrogen or any fossil fuel is not eligible.
- The replacement vehicle must not be a retrofit, repower, or conversion.

- For the TRU Truck option, the replacement vehicle must be 100% battery electric for both propulsion and refrigeration.
- The replacement vehicle must be deployed no later than October 2026.
- The replacement vehicle must operate at least 75% within the South Coast AQMD jurisdiction for a minimum of 5 years.

#### Eligible Charger Equipment

- Projects may include the purchase of one new charging unit per vehicle, including the unit and charging connector(s), mount and/or pedestal.
- Ineligible costs for the charging unit include power distribution, electrical panels, upgrades to existing panel or electrical service, transformers, wiring/conduit, solar and wind power generation equipment, battery storage systems, and all installation costs.

#### BUILD AMERICA BUY AMERICA (BABA) REQUIREMENTS

All charging units funded through this program will be subject to requirements in the Build America, Buy America (BABA) Act. The manufacturer of the charging unit equipment must provide a certification letter of BABA compliance in company letterhead. A template of the letter can be found here: [Certification Letter Template for Manufactured Products Covered Under the Build America, Buy America Act](https://www.epa.gov/system/files/documents/2025-01/baba-manuprod-cert-letter-template.pdf) (<https://www.epa.gov/system/files/documents/2025-01/baba-manuprod-cert-letter-template.pdf>).

- For more information on BABA, please visit:
  - <https://www.epa.gov/baba>
  - [eCFR :: 2 CFR Part 184 -- Buy America Preferences for Infrastructure Projects](#)

#### OTHER FEDERAL REQUIREMENTS

If a charging unit is funded by this grant, compliance with the following Federal laws will be required for the charger installation work.

- Davis-Bacon and Related Acts (DBRA) is a collection of labor standards provisions administered by the Department of Labor that are applicable to grants involving construction. Under DBRA, all contractors and subcontractors performing construction must be paid no less than the locally prevailing wage and fringe benefits for corresponding work on similar projects in the area. Weekly certified payrolls must be submitted to South Coast AQMD and maintained for no less than three years after work completion. By accepting a contract under INVEST CLEAN, the selected applicant acknowledges and agrees to the terms provided in the DBRA Requirements for Contractors and Subcontractors Under EPA Grants: [https://www.epa.gov/system/files/documents/2023-10/dbra\\_requirements\\_for\\_contractors\\_and\\_subcontractors\\_under\\_epa\\_grants.pdf](https://www.epa.gov/system/files/documents/2023-10/dbra_requirements_for_contractors_and_subcontractors_under_epa_grants.pdf)
- Endangered Species Act (16 U.S.C. §1531 et seq.): The Endangered Species Act requires a biological assessment to determine if any endangered or threatened species, or their critical habitat, could be adversely affected by the proposed construction activities. The



assessment must be completed within 180 days after the date it was initiated and must be completed prior to any contract for construction and before any construction has begun. The assessment process is outlined as follows:

- A desktop review to identify species and habitats in the vicinity of the construction site using the U.S. Fish and Wildlife Service's (USFWS) IPaC tool: <https://ipac.ecosphere.fws.gov/>
- If species or habitats are potentially impacted, a consultation with the USFWS may be required
- Avoidance and Mitigation measures such as protective buffers, erosion control, and other Best Management Practices (BMP) may be proposed.
- The USFWS must agree with the assessment and resolution before the project can commence.
  - Information on the Endangered Species Act: <https://www.epa.gov/laws-regulations/summary-endangered-species-act>
  - Procedures explained in 50 CFR Part 402: [50 CFR Part 402 -- Interagency Cooperation—Endangered Species Act of 1973, as Amended](#)
- National Historic Preservation Act (16 U.S.C. §470 et seq.): This Act requires a review of potential adverse effects of federally funded activities on historic properties listed or eligible for listing on the National Register. This review should be completed prior to applying for permits.
  - For more details see: <https://www.nps.gov/subjects/archeology/national-historic-preservation-act.htm>
  - Selected applicants under this RFP are to provide South Coast AQMD with documentation demonstrating compliance with the National Historic Preservation Act (16 U.S.C. §470 et seq.) A mapping tool such as the link below from the U.S. Department of the Interior can be utilized to determine whether the construction site impacts a registered national historical property: [https://www.nps.gov/orgs/1094/nrhp\\_spatialdata.htm](https://www.nps.gov/orgs/1094/nrhp_spatialdata.htm)
  - The applicant must work with the EPA on any required consultation process with the State or Tribal Historic Preservation Office prior to commencing the project to ensure compliance with section 106 of the NHPA.
- Archeological and Historic Preservation Act (54 U.S.C. §§ 312501-312508): Similar to the National Historic Preservation Act, this Act applies to federally funded activities. It requires historic and archeological objects and materials to be saved that would otherwise be destroyed as a result of the activity.
  - For more details see: <https://uscode.house.gov/view.xhtml?req=granuleid%3AUSC-prelim-title54-chapter3125&edition=prelim>

- Selected applicants under this RFP are to report to South Coast AQMD and the EPA any historical or archeological objects and materials found in the process of construction.
- Farmland Protection Policy Act (7 U.S.C. §4201 et. seq.): The purpose of this Act is to minimize or prevent the irreversible conversion of farmland to non-agricultural uses. This act would require identification of the effects federally funded activities may have on farmlands and to consider alternative options.
  - For more details see: <https://www.nrcs.usda.gov/conservation-basics/natural-resource-concerns/land/cropland/farmland-protection-policy-act>
  - Applicants selected under this RFP must demonstrate adherence to the Farmland Preservation Policy Act (7 U.S.C. §4201 et. Seq.)
    - <https://www.nrcs.usda.gov/conservation-basics/natural-resource-concerns/land/evaluation-and-assessment>
- Coastal Zone Management Act (16 U.S.C. § 1451 et. seq.): This act requires the review of federally funded activities to determine if the goal of the Act is being met: “preserve, protect, develop and where possible, to restore or enhance the resources of the nation’s coastal zone.”
  - For more details see: <https://coast.noaa.gov/czm/act/>
  - Applicants selected under this RFP are to consult with the California Coastal Commission to ensure that the applicant’s project will be consistent with the state’s coastal zone management plan.
    - Map of California Coastal Zone: <https://www.coastal.ca.gov/maps/>
    - Information about obtaining a permit: [https://www.coastal.ca.gov/enforcement/cdp\\_pamphlet.pdf](https://www.coastal.ca.gov/enforcement/cdp_pamphlet.pdf)

## REBATE AMOUNTS

Each vehicle or supporting charging unit can receive funding up to the maximum amounts specified in the table below.

Equipment Type	Maximum Rebate
Class 6 & 7 Box Truck	\$ 190,000
Class 6 & 7 Step Van	\$ 122,850
Class 6 TRU Truck	\$ 273,000
Class 7 TRU Truck	\$ 292,500
Level 2 Charging Unit	\$ 25,000
DCFC Charging Unit	\$ 70,000

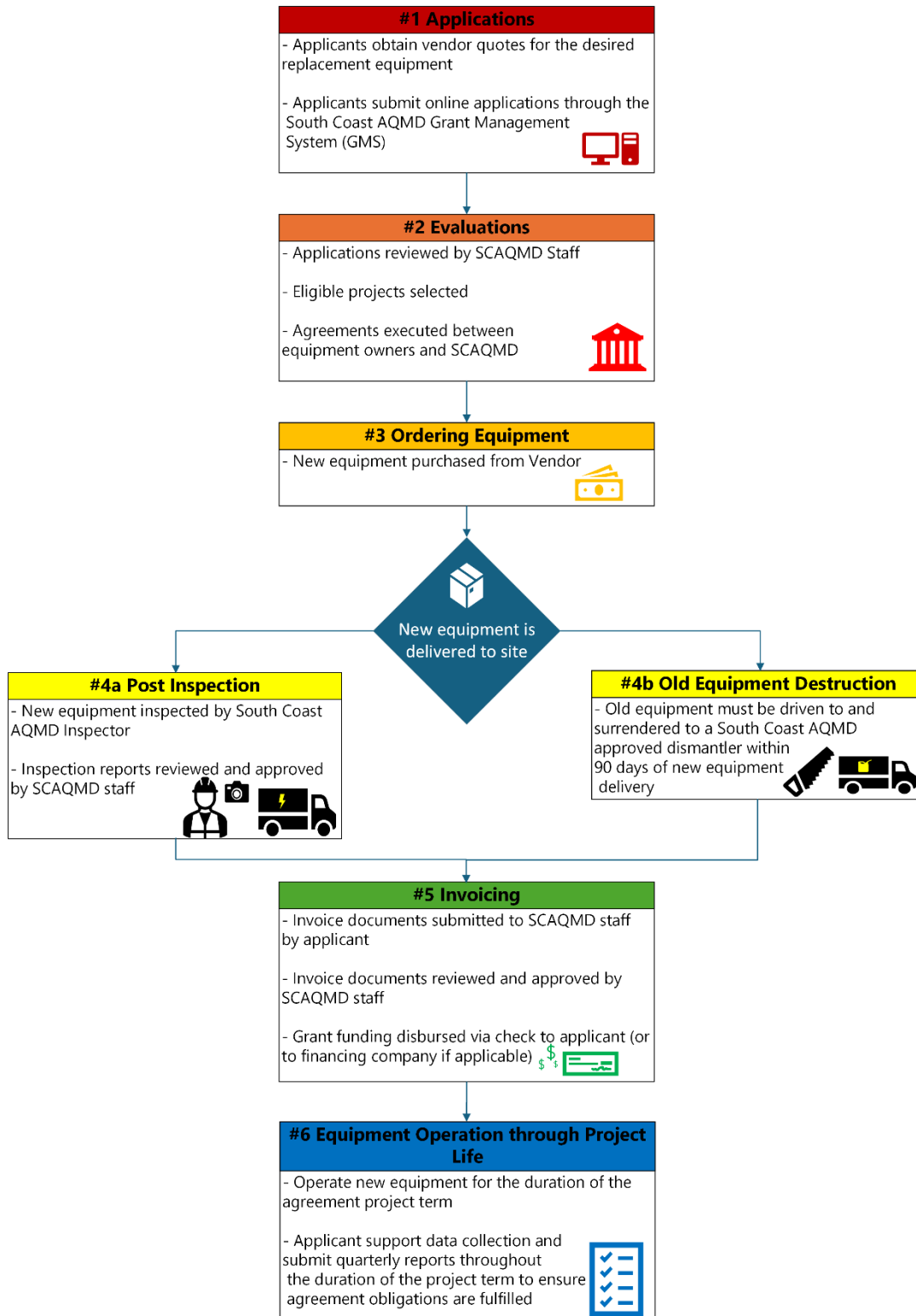
Disclosure is required for any other funding sources or tax credits received for the project. Other sources of funding will need to be evaluated to determine if they can be used in conjunction with the Program. While Program grants can be combined with other grants and incentives, in no case may the total grant funds be greater than 100% of a project’s total cost.

#### PROJECT QUOTATIONS


All project costs must be clearly indicated in the application. Applicants must provide cost information that specifies the amount of funding requested and the basis for that request, including vendor quotes, with their applications. Applicants are responsible for providing an accurate quote for the proposed equipment. Vendor quotes must be dated within 90 days prior to the application submittal date.

## PROGRAM WORKFLOW

The flowchart in Figure 1 depicts the lifecycle of a typical replacement project, while Table 1 below provides an explanation of each step.



**Figure 1: Lifecycle for CHDV Class 6/7 Vehicle Replacement Projects**

Chart Process #	Description of Process
1	Applicants submit ELECTRIC grant applications online through South Coast AQMD's GMS. Applicants will provide all necessary information and upload documentation as prompted by the GMS.
2	Upon receipt of a submitted application, South Coast AQMD staff will review the application to screen for completeness and project eligibility. If additional information, documentation or corrections are required, South Coast Staff will allow the applicant 14 days to provide any requested corrections and documentations. If an applicant has been approved for funding, an agreement will be executed between the applicant and South Coast AQMD.
3	Once an agreement has been fully executed, the applicant may proceed to order and purchase the new/replacement equipment from the equipment vendor.
	New/replacement equipment is delivered to the applicant. Upon delivery, the applicant must inform South Coast AQMD staff. If applicant applied for a charger rebate, the applicant must inform South Coast AQMD when the charger has been commissioned.
4a	An inspection of the new equipment will be performed. A South Coast AQMD Inspector will coordinate and inspection date and time with the applicant directly. Inspections may be performed either on-site or virtually via video or photograph at the inspector's discretion. This step is also applicable to the charging unit if the applicant applies for a charger rebate.
4b	Upon delivery of the new/replacement equipment, the applicant will have 90 days to surrender the old/baseline vehicle to the authorized dismantler.
5	Applicant will submit an invoice to South Coast AQMD to request for payment. South Coast AQMD will confirm that applicants have met all program and agreement requirements before rebate payment can be issued.
6	Applicant will provide operational data of the new equipment as detailed in the rebate agreement.

## SECTION II – APPLICATION SUBMITTAL REQUIREMENTS

The electronic application in the GMS will prompt applicants for all required application information. Attachment A provides a listing of required application information. It is the responsibility of the Applicant to ensure that all information submitted to South Coast AQMD's GMS is accurate and complete.

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

### Grounds for Rejection:

An application may be rejected if the application:

- Does not include all the mandatory information and documentation required via GMS.
- Is not signed by an individual authorized to represent the applicant.

### Certifications and Representations

South Coast AQMD “Business Information Forms” will be available on the GMS and must be signed and submitted as part of the application.

### Methods of Delivery:

The applicant must submit the application using the South Coast AQMD GMS. Multiple projects may be entered into a single application; however, for applicants with more than 10 projects, it is recommended that the applicant use additional applications to expedite GMS load times. Projects submitted by the same applicant will be evaluated as one application, unless otherwise specified in the submissions. Applicants are required to perform the first and final steps of initiating and submitting applications; however, the application may be filled in by a third-party consultant.

### 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. The electronic copy of the application shall be retained for South Coast AQMD files. Please review the Access to Records and Retention disclaimer in SECTION VI – LEGAL UPDATES AND DEFINITIONS.

### Modification or Withdrawal

Ensure that the information input and documentation uploaded are accurate and complete. Once submitted, applications cannot be altered unless requested by the South Coast AQMD staff. Applicants may submit more than one application per solicitation. Applications can be withdrawn through the GMS system.

## SECTION III – APPLICATION EVALUATION/SELECTION CRITERIA

South Coast AQMD staff will evaluate and qualify submitted applications to determine which project(s) will be funded. South Coast AQMD staff may request additional information, documentation or corrections as required during their review of the application. The applicants will be allowed 14 calendar days to provide the requested corrections. If the requested information are not provided within 14 calendar days, the application will be placed to the end of the queue and may jeopardize funding eligibility.

There is a possibility that due to program priorities, project Applicants may be offered only partial funding, and not all applications that meet the evaluation criteria can be funded, if oversubscribed.

## SECTION IV – PROJECT AGREEMENT

All applicants selected for funding awards must enter into a written agreement with the South Coast AQMD. The scope of work in the agreement will include tasks and deliverables that demonstrate compliance with the requirements of the EPA-funded ELECTRIC Program

administered by South Coast AQMD. The South Coast AQMD has no obligation to fund the project until an agreement is fully executed by both parties.

Agreements will include, at a minimum but not limited to, the following criteria:

- Be available for inspections by South Coast AQMD, if requested.
- Retired vehicles must be scrapped by a South Coast AQMD-authorized dismantler.
- Provide vehicle and charger data for monitoring and compliance.
- Register the new/replacement vehicle in California with the Department of Motor Vehicles (DMV).
- Maintain insurance on the new/replacement vehicle as required by law.
- Ensure operation of the new/replacement vehicle is within the South Coast AQMD jurisdiction and provide all necessary usage reports.
- The replacement vehicle is required to maintain a minimum of 7,000 miles a year, and 75% of which must be within the South Coast AQMD jurisdiction for the entire project life.
- The vehicle's manufacturer's warranty must be at least 3 years for the battery electric drivetrain.
- The vehicle vocation must be freight delivery

#### INSPECTIONS

Inspections will be performed on the newly deployed vehicles and equipment before issuing the rebates. Inspections of old vehicles or destruction of old vehicles may be conducted at the discretion of South Coast AQMD. Inspections of vehicles may be conducted virtually via video conference calls. Recipients must make all equipment available for in-person or remote inspections.

#### SCRAPPING REQUIREMENTS

The retiring vehicle must be scrapped in accordance with the following requirements:

- Retiring vehicle must be driven, not towed, to a South Coast AQMD-approved dismantler. A dismantler receipt must be collected by the applicant and provided to South Coast AQMD before the rebate can be processed.
- The retiring vehicle must be scrapped within ninety (90) days of the dismantler receipt.
- The scrapping method must include drilling a three-inch asymmetrical hole in the engine block and cutting the frame rail.
- Evidence of destruction will be provided by the approved dismantler and must include digital photos of the Vehicle Identification Number (VIN) tag, front, side profile, and rear of the vehicle, engine tag, before and after photos of the destroyed engine block, and cut frame rails or other cut structural components as applicable.

#### DELIVERABLES

The agreement will outline how the project will be monitored and what type of information will be included in project progress reports throughout the 5-year project life. At a minimum, the South Coast AQMD expects to receive the following:

- Annual reports consisting of Vehicle Miles Traveled (VMTs)/energy usage, vehicle registration, vehicle insurance, and other information as requested by the South Coast AQMD
- If the applicant received a charger rebate, the charger usage data in kWh will also be included in the report.

South Coast AQMD reserves the right to verify the information provided. Please review the Access to Records and Retention disclaimer in SECTION VI – LEGAL UPDATES AND DEFINITIONS.

## **PERFORMANCE**

When a recipient is unable to meet the program requirements (e.g., annual reporting, operation, emission benefits, etc.) or terms specified in the agreement, South Coast AQMD may consider the options to remedy the violation before seeking enforcement action. In addition, when a recipient cannot meet the average usage requirements or terms specified in the contract, South Coast AQMD may consider that the average usage is less than the activity required in the agreement and seek remediation.

Options for non-performance include, but are not limited to, the following:

- Extending the project agreement to allow for the makeup of the usage requirement shortfall
- Transfer ownership of the new equipment to another entity committed to complying with the agreement and operating the equipment
- Return of the funds
- The owner will make its best effort to repair the equipment and assist with identifying a new operator.
- SCAQMD and EPA will review and approve the justification for the deployment failure before any ownership transfer can be authorized.

## **SECTION V – PAYMENT TERMS**

For all projects, recipients shall provide:

- Proof of vehicle or charger purchase, including signed sale agreements and proof of payments.
- Proof of replacement vehicle registration, vehicle insurance, and warranty information
- Proof of fleet compliance with Truck and Bus Regulations
- Proof that the existing vehicle was surrendered to an authorized dismantler
- Proof that the charger has been commissioned and is fully operational



Payment will be made upon review and approval of the documentation listed above, verification via inspection of new vehicle or charger deployment, and verification via inspection of old/retiring vehicle destruction.

## SECTION VI – LEGAL UPDATES AND DEFINITIONS

### **CONFIDENTIALITY**

Please ensure that any trade secret, confidential or proprietary information being provided is marked accordingly. Please see the following website for more details:

<https://www.aqmd.gov/docs/default-source/default-document-library/Guidelines/praguidelines.pdf>

### **ACCESS TO RECORDS AND RETENTION**

Materials, reports, photos, and other documentation submitted pursuant to the project may be released in part or in whole pursuant to either the Freedom of Information Act or the California Public Records Act. The EPA or SCAQMD may make publicly available on their websites, copies or portions of project information.

EPA and SCAQMD also reserve the right to access records of the applicant/recipient pertinent to this award, to perform audits, execute site visits, or for any other official use. This right of access also includes timely and reasonable access to the applicant/recipient's personnel for the purpose of interviewing and discussion related to such documents or the Federal award in general. This right of access shall continue as long as the records are retained.

In accordance with 2 CFR 200.334, the recipient must retain all Federal award records, including but not limited to, financial records, supporting documents, and statistical records for at least three years from the date of submission of the final financial report. The records must be retained until all litigation, claims, or audit findings have been resolved and final action has been taken if any litigation, claim, or audit is started before the expiration of the three-year period. Examples of the required records include: (1) time and attendance records and supporting documentation; and (2) documentation of compliance with statutes and regulations that apply to the project. In accordance with 2 CFR 200.337, the EPA, the Inspector General, the Comptroller General, and the pass-through entity, or any of their authorized representatives, have the right of access to any documents, papers or records of the recipient which are pertinent to the grant award. The rights of access are not limited to the required retention period, but last as long as the records are retained.

### **USE OF LOGOS**

Use of the EPA's logo, along with logos of other participating entities, on outreach materials, websites, or reports, must adhere to the requirements of both the General Terms and Conditions, Paragraph Q, and California Health and Safety Code Section 40730.

### **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 Agreements for the Program.

#### COMPLIANCE WITH APPLICABLE LAWS

Applicants must comply with all federal, state, and local laws, ordinances, codes and regulations. If the application is selected for a funding award, all 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.

Applicants that receive rebates on vehicle chargers must be aware of the following legal requirements:

- Davis-Bacon and Related Acts (DBRA) is a collection of labor standards provisions administered by the Department of Labor that are applicable to grants involving construction. Under DBRA, all contractors and subcontractors performing construction must be paid no less than the locally prevailing wage and fringe benefits for corresponding work on similar projects in the area. Weekly certified payrolls must be submitted to South Coast AQMD and maintained for no less than three years after work completion. By executing an Agreement under INVEST CLEAN, the selected applicant acknowledges and agrees to the terms provided in the DBRA Requirements for Contractors and Subcontractors Under EPA Grants: [https://www.epa.gov/system/files/documents/2023-10/dbra\\_requirements\\_for\\_contractors\\_and\\_subcontractors\\_under\\_epa\\_grants.pdf](https://www.epa.gov/system/files/documents/2023-10/dbra_requirements_for_contractors_and_subcontractors_under_epa_grants.pdf)
- Endangered Species Act (16 U.S.C. §1531 et seq.): The Endangered Species Act requires a biological assessment to determine if any endangered or threatened species, or their critical habitat, could be adversely affected by the proposed construction activities. The assessment must be completed within 180 days after the date it was initiated and must be completed prior to any contract for construction and before any construction has begun. The assessment process is outlined as follows:
  - A desktop review to identify species and habitats in the vicinity of the construction site using the U.S. Fish and Wildlife Service's (USFWS) IPaC tool: <https://ipac.ecosphere.fws.gov/>
  - If species or habitats are potentially impacted, a consultation with the USFWS may be required
  - Avoidance and Mitigation measures such as protective buffers, erosion control, and other Best Management Practices (BMP) may be proposed.
  - The USFWS must agree with the assessment and resolution before the project can commence.
  - Information on the Endangered Species Act: <https://www.epa.gov/laws-regulations/summary-endangered-species-act>
  - Procedures explained in 50 CFR Part 402: [50 CFR Part 402 -- Interagency Cooperation—Endangered Species Act of 1973, as Amended](#)

- National Historic Preservation Act (16 U.S.C. §470 et seq.): This Act requires a review of potential adverse effects of federally funded activities on historic properties listed or eligible for listing on the National Register. This review should be completed prior to applying for permits. For more details see: <https://www.nps.gov/subjects/archeology/national-historic-preservation-act.htm>
  - Selected applicants under this Program Announcement are to provide South Coast AQMD with documentation demonstrating compliance with the National Historic Preservation Act (16 U.S.C. §470 et seq.) A mapping tool such as the link below from the U.S. Department of the Interior can be utilized to determine whether the construction site impacts a registered national historical property: [https://www.nps.gov/orgs/1094/nrhp\\_spatialdata.htm](https://www.nps.gov/orgs/1094/nrhp_spatialdata.htm)
  - The applicant must work with the EPA on any required consultation process with the State or Tribal Historic Preservation Office prior to commencing the project to ensure compliance with section 106 of the NHPA.
    - For possible exemptions, please see: Section “IV. Test Exemption” on the bottom on page 662303: <https://www.achp.gov/sites/default/files/exemptions/2022-11/Exemption%20for%20Electric%20Vehicle%20Supply%20Equipment%2010.26.22.pdf>
- Archeological and Historic Preservation Act (54 U.S.C. §§ 312501-312508): Similar to the National Historic Preservation Act, this Act applies to federally funded activities. It requires historic and archeological objects and materials to be saved that would otherwise be destroyed as a result of the activity.
  - For more details see: <https://uscode.house.gov/view.xhtml?req=granuleid%3AUSC-prelim-title54-chapter3125&edition=prelim>
  - Selected applicants under this Program Announcement are to report to South Coast AQMD and the EPA any historical or archeological objects and materials found in the process of construction.
- Farmland Protection Policy Act (7 U.S.C. §4201 et. seq.): The purpose of this Act is to minimize or prevent the irreversible conversion of farmland to non-agricultural uses. This act would require identification of the effects federally funded activities may have on farmlands and to consider alternative options.
  - For more details see: <https://www.nrcs.usda.gov/conservation-basics/natural-resource-concerns/land/cropland/farmland-protection-policy-act>
  - Applicants selected under this Program Announcement must demonstrate adherence to the Farmland Preservation Policy Act (7 U.S.C. §4201 et. Seq.): <https://www.nrcs.usda.gov/conservation-basics/natural-resource-concerns/land/evaluation-and-assessment>
- Coastal Zone Management Act (16 U.S.C. § 1451 et. seq.): This act requires the review of federally funded activities to determine if the goal of the Act is being met: “preserve, protect, develop and where possible, to restore or enhance the resources of the nation’s coastal zone.”
  - For more details see: <https://coast.noaa.gov/czm/act/>

- Applicants selected under this Program Announcement may need to consult with the California Coastal Commission to ensure that the applicant's project will be consistent with the state's coastal zone management plan.
- Map of California Coastal Zone: <https://www.coastal.ca.gov/maps/>
- Information about obtaining a permit: [https://www.coastal.ca.gov/enforcement/cdp\\_pamphlet.pdf](https://www.coastal.ca.gov/enforcement/cdp_pamphlet.pdf)
- Reporting Waste, Fraud and Abuse (2 CFR 200.113): Consistent with Federal requirements, applicants must promptly report in writing whenever there is credible evidence of the commission of a violation of federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations per the requirements outlined in EPA's General Terms and Conditions, Paragraph 51, which can be found at: [https://www.epa.gov/system/files/documents/2024-10/fy\\_2025\\_epa\\_general\\_terms\\_and\\_conditions\\_effective\\_october\\_1\\_2024\\_or\\_later.pdf](https://www.epa.gov/system/files/documents/2024-10/fy_2025_epa_general_terms_and_conditions_effective_october_1_2024_or_later.pdf)

#### CONFLICT OF INTEREST

Applicant must address any potential conflicts of interest with other clients affected by actions performed by the firm on behalf of 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 program.

#### COMPLIANCE WITH LABOR LAWS

If an application is deemed eligible, the Applicant will be required to disclose 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. 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 this 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 funds, as determined by South Coast AQMD. The recipient will also ensure that these requirements are included in all downstream partnerships.

#### 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 funds under this PA 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

### 1. Agreement Term

Agreement term is the duration for which the Agreement is valid. It encompasses both the project completion and project implementation periods:

- i. Project completion period is the first part of the Agreement term starting from the date of Agreement execution by both parties to the date the project post-inspection confirms that the project has become operational.
- ii. Project implementation period is the second part of the Agreement term which begins when the replacement vehicle is deployed. The project implementation period ends when the operational period is completed..

### 2. Project

A project is a single vehicle scrap and replacement combination under ELECTRIC. A applicant may apply for multiple projects in a single application.

### 3. 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. Within Riverside County, the South Coast AQMD also has jurisdiction over the Salton Sea Air Basin and a portion of the Mojave Desert Air Basin. 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.

### 4. Vehicle Weight Class 6 and 7

Class 6 vehicles (Gross vehicle weight of 19,501 to 26,000 lb.)

Class 7 vehicles (Gross vehicle weight of 16,001 to 33,000 lb.)

### 5. Goods Movement

"Goods" are defined as having the same meaning in Commercial Code section 2105, which essentially requires that: The goods must be movable; and the goods being moved must be part of a transaction that involves a contract for the sale of the goods.

## WORKSHOP FOR ADDITIONAL INFORMATION/ASSISTANCE:

Information on virtual pre-recorded presentations and other meetings (as needed) to be posted

Questions regarding the content or intent of this PA, procedural matters, sample agreement, and the compliance plan worksheet can be found at the South Coast ELECTRIC website (<http://www.aqmd.gov/electric>), or can be addressed to:

Technology Advancement Office  
South Coast AQMD  
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**ATTACHMENT A – PROJECT INFORMATION FORM**

Please be prepared to provide the following information as prompted by the ELECTRIC GMS.

**APPLICANT INFORMATION**

Applicant Name
Business Address
City, State and Zip
Phone
Contact Name
Title
E-mail Address

**FLEET INFORMATION**

What is your current fleet size?
Is your company registered in TRUCRS
Provide TRUCRS ID (enter NA if not applicable)

**VEHICLE DESCRIPTION**

Existing Vehicle Information: <ul style="list-style-type: none"><li>• VIN</li><li>• Vehicle Make</li><li>• Vehicle Model</li><li>• Vehicle Model year</li><li>• GVWR</li><li>• License plate</li><li>• CHP CA Number</li><li>• Primary Yard address</li><li>• Compliance Documents for Regulations vehicle is subject to</li></ul>
Existing Engine Information: <ul style="list-style-type: none"><li>• Engine Fuel Type</li><li>• Engine Make</li><li>• Engine Model</li><li>• Engine Model Year</li><li>• Engine Serial Number</li><li>• Engine Family Number</li></ul>

<ul style="list-style-type: none"> <li>• ARB Certification Engine Executive Order Number</li> </ul>
<b>Operational Information</b> <ul style="list-style-type: none"> <li>• Percent Operation in South Coast Air Basin</li> <li>• Projected Future Percent Operation in South Coast Air Basin</li> <li>• Projected Future Annual Mileage</li> <li>• Current Odometer Reading</li> </ul>
<b>Replacement Vehicle/Engine Information</b> <ul style="list-style-type: none"> <li>• Replacement Vehicle Make</li> <li>• Replacement Vehicle Model</li> <li>• Replacement Vehicle Model Year</li> <li>• Replacement Vehicle GVWR</li> <li>• Primary Yard Address</li> <li>• ARB Vehicle Certification Executive Order Number</li> <li>• Odometer Reading of Replacement Vehicle</li> </ul>

**CHARGING EQUIPMENT DESCRIPTION**

Charger Make and Model
Charger Power Level (kW)
Total # of Chargers (must be less than or equal to the Total # of Vehicles in the application)
<b>Vendor Information:</b> <ul style="list-style-type: none"> <li>• Vendor Name</li> <li>• Vendor Contact Name</li> <li>• Vendor Phone Number</li> <li>• Vendor Address</li> </ul>

**PROJECT COST BREAKDOWN**

Replacement Vehicle Cost (Including Tax)
Charger Cost (each)
<b>Vendor Information (for both Vehicle and Charger if applicable):</b> <ul style="list-style-type: none"> <li>• Vendor Name</li> <li>• Vendor Contact Name</li> <li>• Vendor Phone Number</li> <li>• Vendor Address</li> </ul>

**APPLICATION FUNDING SUMMARY**

Total Amount requested from SCAQMD for all projects in this Equipment Category (Class 6/7 Goods Movement Vehicles)
Total Amount to be paid by Applicant for all projects in this Equipment Category (Class 6/7 Goods Movement Vehicles)
<b>Funding From other Sources:</b> <ul style="list-style-type: none"> <li>• Name of Funding Entity</li> <li>• Funding Amount</li> </ul>



Total Cost of all replacement vehicles (Class 6/7 Battery Electric Goods Movement Vehicles)
Total Cost of all chargers

**REQUIRED ATTACHMENTS:**

- Compliance documentation for entire fleet for all applicable regulations
- Vehicle Title for vehicle to be retired
- Photo of VIN label
- Photo of GVWR label
- Photo of Engine Emission Control Label
- Photo of Engine Info/Serial Number Tag
- ARB Certification Engine Executive Order for Retiring Engine
- Photo of Current Odometer Reading
- Insurance for the past 12 months
- Registration for the past 12 months
- Odometer/Operational/GPS Records for past 12 months
- New Vehicle Quote (Within 90 Days)
- ARB Certification Engine Executive Order for Replacement Engine
- Business Information Request (BIR)
- Campaign Contribution Disclosure
- W-9 Request for Taxpayer Identification Number and Certification
- Direct Deposit Form
- 590 Withholding Exemption Certificate
- Certificate Regarding Debarment, Suspension, and Other Responsibility Matters
- Labor Law Compliance form