



SOUTH COAST AQMD PROGRAM ANNOUNCEMENT
For
CLEAN HEAVY-DUTY VEHICLE REPLACEMENT PROGRAM
PA2022-01

The South Coast Air Quality Management District (South Coast AQMD) is pleased to announce the availability of funds for the Clean Heavy-Duty Vehicle Replacement Program (Program). Projects funded under this Program Announcement (PA) must achieve early or extra emission reductions not otherwise required by law or regulation. Program funding will be available until a sufficient number of eligible and complete applications have been received, and all Program funds are fully committed through executed contracts. This Program will be jointly funded by State General Funds (SB 129), Carl Moyer Funds, Proposition 1B funds and other funding sources as applicable.

This PA is seeking applications for heavy-duty diesel vehicle projects. About \$35 million in Program funds are available for this solicitation.

WHO: The following may apply for funding through this solicitation:

Owner of an on-road, heavy-duty diesel truck or bus (with a manufacturer's gross vehicle weight rating (GVWR) of 14,001 lbs. or greater (Class 4, 5, 6, 7 or 8 truck).

WHAT: Replacement with a truck or bus emitting 0.02g/bhp-hr of NO_x or lower (Funding for lower-emission school buses under this announcement are not as cost effective and will continue to be funded through a separate program);

Repower to natural gas optional low NO_x engine available for fleet size of 3 trucks or less

HOW: All applications must be submitted according to specifications in the Application Portal. Failure to adhere to these specifications may be cause for rejection of the application without evaluation. The Application Portal can be found on South Coast AQMD's program page: <http://www.aqmd.gov/moyer>. Application assistance will be offered to applicants that do not own a computer or have internet access.

NOTE: Hardcopy, Facsimile or Email submittals **will not be accepted.**

WHEN: Solicitation open: April 19, 2022
Solicitation close: July 15, 2022, or when South Coast AQMD reaches \$35 million in eligible applications, whichever comes first.



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BACKGROUND

In July 2021, the State Legislature appropriated \$45 million to the California Air Resources Board (CARB) under SB129, The Budget Act of 2021, for a program to improve air quality in South Coast AQMD and San Joaquin Valley Air Pollution Control District, areas in severe or extreme non-attainment. Of the \$45 million, South Coast AQMD was allocated \$32.1 million based on the population of existing medium- and heavy-duty trucks and buses registered in the Department of Motor Vehicles between the two respective air districts. This funding supports the replacement of diesel vehicles with engines certified to meet the 0.02 g/bhp-hr NO_x standard or lower through the Carl Moyer Memorial Air Quality Standards Attainment Program (CMP).

In addition, CARB has granted approximately \$486 million in Prop 1B funds to South Coast AQMD since 2008 to reduce emissions from the goods movement sector, including the replacement of heavy-duty diesel trucks, transportation refrigeration units (TRUs), locomotives, cargo-handling equipment, and shore power installation for ships at berth. Approximately \$25 million in Prop. 1B Program funds remain available for goods movement emission reduction projects.

EVALUATION CRITERIA

In the preparation of this PA, the words "Applicant" and "Contractor" are used interchangeably. South Coast AQMD staff will evaluate all applications under the CMP Guidelines or the Prop. 1B Guidelines, as applicable. For example, if the applicant owns a goods movement truck with an engine model year 2007-09, the application will be evaluated under both CMP Guidelines and Prop 1B Guidelines. If a project qualifies for funding under both guidelines, the higher award amount may be offered. Applications will be evaluated in the order they are received.

South Coast AQMD may prioritize the selection of projects to reduce emissions in and around Disadvantaged Communities (DAC) and low-income communities located within the South Coast Air Basin (SCAB). While South Coast AQMD encourages all eligible applications, this means that some projects may not be selected based on their domicile address.

All applications will be evaluated based on the criteria set forth in this PA, the CMP Guidelines and Prop 1B Guidelines, and any subsequent updates and modifications/advisories to those guidelines. This PA was prepared based on the latest version of the CMP Guidelines and Prop 1B Guidelines approved by the CARB.

CMP Guidelines are available online at: <http://www.arb.ca.gov/msprog/moyer/guidelines/current.htm>



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Prop 1B Guidelines are available online at:

https://ww2.arb.ca.gov/sites/default/files/classic/bonds/gmbond/docs/prop_1b_goods_movement_2015_program_guidelines_for_implementation.pdf

DEFINITIONS

Alternative Fuel

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

Equipment Replacement

Equipment replacement means the replacement of an older vehicle or piece of equipment that still has remaining useful life with a newer, cleaner vehicle or piece of equipment. For this project type, the applicant must have owned and operated the old equipment in California for the previous two years.

Freight Facility

Distribution centers, warehouses, retail and wholesale outlets, and agricultural processing centers, and other places where trucks congregate (other than truck stops.)

Goods

Defined as having the same meaning in Commercial Code section 2105, which essentially requires that:

- The goods must be movable.
- The goods being moved must be part of a transaction that involves a contract for the sale of the goods.
- Rental equipment does not qualify as "Goods".

Optional Low-NO_x Truck

The truck that utilizes a new Optional Reduced Emission Standard Heavy-Duty Engine that is certified/verified (as applicable) by CARB. The Optional Reduced Emission Standard is one of five separate but related regulatory actions that together will reduce GHG & NO_x air emissions from medium- and heavy-duty vehicles and engines; harmonize State requirements with Federal requirements; establish new, optional provisions; and enhance enforcement and implementation of existing regulations. Specifically, the optional low oxides of nitrogen (NO_x) standards for heavy-duty vehicle engines provide a mechanism to allow heavy-duty engine manufacturers to optionally certify engines to standards more stringent than the 2010 standards. Trucks equipped with new engines that are certified by the CARB to the optional low-NO_x standard of 0.02 g/bhp-hr NO_x or lower will be considered for funding through this Program Announcement.



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Zero-emission vehicle (ZEV)

A vehicle that itself produces no emissions of pollutants (including carbon dioxide, carbon monoxide, hydrocarbons, oxides of nitrogen, and particulates) when stationary or operating. Battery Electric and Fuel Cell Electric powered vehicles are examples of ZEV.

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 whole state of California. It is the second most populated urban area in the United States and one of the smoggiest. Visit <http://www.aqmd.gov/nav/about/jurisdiction> for more information.

ELIGIBILITY REQUIREMENTS

On-Road Heavy-Duty Diesel Vehicles under Carl Moyer Program

On-Road Heavy-Duty Diesel Fueled Vehicles: drayage trucks, solid waste vehicles, public agency/utility vehicles, transit/shuttle buses, and emergency vehicles.

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

- Only replacement projects of a diesel-fueled baseline vehicle will be eligible.
- The existing vehicle must be Class 4 – 8
- The replacement vehicles' engines may not be diesel-fueled.
- Fleets must be fully compliant with all applicable fleet regulations.
- Eligible Engine Model Years (EMY) for the vehicles subject to the Statewide Truck & Bus Regulation, Drayage Truck Regulation, and Fleet Rule for Public Agencies and Utilities are 6 or more years of age prior to the current calendar year. For example, the application submitted in 2022, the eligible EMY must be between 2007 and 2016. The application submitted in 2023, the eligible EMY is between 2010 and 2017. A small number of specialty vehicles with EMY prior to 2007 may be eligible if they have remaining compliance life. Vehicles that maintain compliance utilizing the low use exemption are not eligible. Only vehicles with a compliance deadline of January 1, 2023, or later are eligible for funding. **Currently, the eligible EMY under CMP Guidelines is 2010 or older. The expansion of eligible EMY to include 6 or more years of age prior to the current calendar year is pending and subject to CARB's final approval.**
- Eligible vehicle types include diesel fueled heavy-duty trucks, solid waste collection vehicles, public agency and utility fleet vehicles and emergency vehicles (for this solicitation, emergency vehicles are only eligible for a 0.02 Low-NOx or cleaner vehicle replacement).
- The project's cost effectiveness will be based on the annual mileage of the existing equipment for the previous two years. The applicant must provide the historical mileage records for the equipment as part of the application. The emission reductions will be based on the lower of the two 12-month periods of California usage during the previous



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twenty-four months. Low usage during the period of March 1, 2020 and June 1, 2020, can be substituted with the 3-month period that precedes the 24-month period prior to application submittal. Fleet averages cannot be used. Registration gaps during this period can be accepted if the vehicle was registered prior to March 1, 2020 and immediately after June 1, 2020.

- Emergency vehicles are defined in California Vehicle Code 165, including but not limited to fire apparatus, pumpers, ladder trucks, water tenders, and prisoner transport buses
- Project equipment, baseline or replacement, must be domiciled within the SCAB and operate a minimum of 75% of the time within the boundaries of the SCAB.
- **Must** provide proof of ownership with the application.
- California registration or California IRP
- Operational history for the prior 24 months
- Applicants **must** provide vendor quotes with their application to document the cost of the low- or zero-emission vehicle/equipment project. Applicants may be awarded up to the designated percentage of the total cost for the specified type of project, subject to funding caps and program cost-effectiveness limits. Eligible costs include installation labor and sales tax. **All quotes must have been obtained within 90 days prior to the application submittal date.**
- Applicants must provide legible engine tag photos of the baseline engine(s) or manufacturer specifications that document the engine serial number, model year and engine family number, emissions certification level and CARB Executive Order (if controlled).
- Projects must include commercially available technologies that are certified or verified by CARB.
- Vehicles or Engines operating under a regulatory compliance extension granted by CARB, an air district, or the United States Environmental Protection Agency (U.S. EPA) are not eligible for funding.
- For purposes of the CMP, the following on-road vehicle classifications are used:

Vehicle Classification	GVWR
Light Heavy-Duty (LHD) Class 4-5	14,001 to 19,500 pounds
Medium Heavy-Duty (MHD) Class 6-7	19,501 to 33,000 pounds
Heavy Heavy-Duty (HHD) Class 8	Over 33,000 pounds

The proposed vehicle must be in the same weight class as the existing vehicle (LHD, MHD or HHD). The engine must be certified to the applicable heavy-duty intended service class as shown on the engine certification Executive Order. However, the following cases may be allowed: 1) MHD engines may be installed in HHD vehicles with GVWR up to 36,300 lbs. (10 percent higher than 33,000 lbs. GVWR) with written warranty verification by engine and chassis manufacturer, or 2) HHD engines may be



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installed in MHD vehicles if necessary for vocational purposes but only if the GVWR is within 10 percent of the HHD intended service class (i.e., GVWR of 29,701 lbs. or greater). Executive Orders for on-road vehicles may be downloaded at: <https://ww2.arb.ca.gov/new-vehicle-and-engine-certification-executive-orders>

Eligibility Requirements for Heavy-Duty Diesel Vehicles under Prop 1B The existing truck has been used to move goods a majority of the time for the past 2 years

- The existing vehicle must be Class 5 – 8 (Class 4 vehicles are not eligible)
- California operation, not limited to South Coast AQMD Jurisdiction
- For existing truck, at least 75% operation within California each year for the past 24 months, and the replacement truck must be 90% to 100% operation within California for project life
- Annual vehicle miles traveled (VMT) in California each year for the past 2 years for existing truck:
 - At least 20,000 miles for each Class 7 or 8 truck.
 - At least 10,000 miles for each Class 5 or 6 truck.
- The existing truck must have a MHD or HHD engine (service class), except Class 5 trucks which may have LHD engines.
- The Engine Repower option is available only under Prop 1B for fleet size of 3 trucks or less. The repowered engine must meet the optional low NOx standard of 0.02 g/bhp-hr.
- The replacement truck must have the same weight classification range (Class 5, 6, 7, or 8) and service class (HHD or MHD) as the existing truck, except for the following conditions (funding levels for trucks in different weight classification ranges are specified in Table 1 below):
 - The equipment owner chooses to replace 2 eligible trucks for 1 replacement truck (Two-for-One option). For 2 for 1 replacement projects, the funding amount is based on the highest weight classification of the two existing trucks, or the weight classification of the replacement truck, whichever is less.
 - Replacement required by the equipment owner in order to meet a vocational need, as approved by the South Coast AQMD.
 - Replacement of a Class 7 truck with a Class 8 truck or Class 8 with a Class 7 truck, as long as both trucks have a HHD engine. Please note that the funding amount would be at a Class 7 level for both scenarios.

Table 1: Prop 1B Heavy-Duty Trucks – Funding Examples for Weight Class Modifications (Based on GVWR)

Project Type	Old Truck	Replacement Truck	Funding Level
Replacement (1 for 1)	Class 7	Class 8	Class 7
Replacement (1 for 1)	Class 8	Class 7	Class 7
Replacement (1 for 1)	Class 6	Class 5	Class 5



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Replacement (2 for 1)	Class 7 and Class 8	Class 8	Class 8
Replacement (2 for 1)	Class 8 and Class 8	Class 7	Class 7
Replacement (2 for 1)	Class 6 and Class 6	Class 7	Class 6
Replacement (2 for 1)	Class 6 and Class 8	Class 7	Class 7
Replacement (2 for 1)	Class 6 and Class 5	Class 7	Class 6



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Heavy-Duty Vehicle Replacement under the CMP

The award amount shall not exceed the project’s incremental cost, applicable funding caps and/or cost-effectiveness limit(s). If applicable, the “Step 1” cost-effectiveness limit, \$33,000 per weighted ton of emissions reduced, applies to projects that bring vehicles and equipment up to current standards. The “Step 2” cost-effectiveness limit, \$200,000/\$500,000¹ 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 CMP Guidelines in effect at the time of contract execution. A project’s cost effectiveness is determined based on the annualized cost of the project and the amount of NOx, ROG and PM₁₀ emission reductions that will be achieved by the project. Project cost effectiveness is currently calculated according to the following formula:

$$\frac{\text{Annualized Cost (\$/year)}}{[\text{NOx reduction} + 20 (\text{combustion PM}_{10} \text{ reduction}) + \text{ROG reduction}] (\text{tons/year})}$$

The following tables 2 & 3 provide the estimated amounts of possible awards for a heavy-duty vehicle replacement based on the existing diesel vehicle engine year, the annual mileage and the replacement vehicle type (0.02 Low NOx or zero emission). The estimated awards are for fleet size of 10 trucks or less only. For fleet sizes of more than 10, the award amount cannot exceed 50 percent of the project cost, excluding taxes and fees.

FUNDING TABLES (CMP-Table 2&3, Prop1B-Table 4)

Annual Mileage of Existing Truck	Table 2: Grant Amount for 0.02 NOx Projects deployed in 2023*							
	Engine Model Year	2007/08/09	2010	2011	2012	2013	2014	2015
20,000 Miles/Year		\$54,004	\$115,614	\$111,353	\$107,092	\$78,862	\$76,376	\$73,890
30,000 Miles/Year		\$86,444	\$160,000	\$160,000	\$160,000	\$142,373	\$136,780	\$131,187
40,000 Miles/Year		\$122,509	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000
50,000 Miles/Year		\$160,000	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000

¹ Cost-effectiveness limit is dependent on the replacement equipment technology.



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Annual Mileage of Existing Truck	Table 3: Grant Amount for ZEV Projects deployed in 2023*							
	Engine Model Year	2007/08/09	2010	2011	2012	2013	2014	2015
20,000 Miles/Year		\$167,489	\$321,514	\$310,861	\$300,208	\$229,632	\$223,417	\$217,203
30,000 Miles/Year		\$267,657	\$410,000	\$410,000	\$410,000	\$407,478	\$393,496	\$379,514
40,000 Miles/Year		\$378,478	\$410,000	\$410,000	\$410,000	\$410,000	\$410,000	\$410,000
50,000 Miles/Year		\$410,000	\$410,000	\$410,000	\$410,000	\$410,000	\$410,000	\$410,000

***The data on the tables are to be used for reference purposes only. The amounts represent a general estimation of the maximum award amount and are not to be used to determine individual award amounts.**

Heavy-Duty Vehicle Replacement under the Prop 1B Program

The table below displays the maximum funding amount based on the vehicle weight class and replacement technology. Please refer to the earlier section on the Eligibility Criteria for the annual qualifying usage. Project life for the replacement truck is five years.

Table 4: Heavy-Duty Trucks – All Fleet Sizes

Project Type ¹	Truck Class	Old Truck Engine Model Year	Replacement Engine Model Year	Maximum Funding Amounts
Replacement (2-for-1 also available)	Class 8	2007-2009	New MY2019 engine zero emission truck ^{1,2}	\$200,000
			New MY2019+ engine hybrid zero emission mile truck ^{1,2}	\$150,000
			New MY2019+ engine optional low-NOx truck (0.02 g/bhp-hr NOx or less) ^{1,2}	\$100,000
	Class 7	2007-2009	New MY2019+ engine zero emission truck ^{1,2}	\$200,000
			New MY2019+ engine hybrid zero emission mile truck ^{1,2}	\$150,000
			New MY2019+ engine optional low-NOx truck (0.02 g/bhp-hr NOx or less) ^{1,2}	\$100,000
	Class 6	2007 – 2009	New MY2019+ engine zero emission truck ^{1,2}	\$100,000
			New MY2019+ engine optional low-NOx truck (0.02 g/bhp-hr NOx or less) ^{1,2}	\$50,000
	Class 5	2007 – 2009	New MY2019+ engine zero emission truck ^{1,2}	\$80,000
			New MY2019+ engine optional low-NOx truck (0.02 g/bhp-hr NOx or less) ^{1,2}	\$40,000

Table 4 Notes:



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1. Projects may be co-funded with CARB's Air Quality Improvement Program, Low Carbon Transportation Program, or the California Energy Commission's (CEC's) Alternative Renewable Fuel Vehicle Technology Program funds as applicable.
2. Co-funded projects can only utilize one additional source of State funding and the combined funding may not exceed 90% of the total eligible project cost or any other funding restrictions of each respective Program. Projects must meet the requirements of each Program providing funding.

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 Contract term.

COMPLIANCE WITH LABOR LAWS

If an application is deemed eligible, the applicant will be required to provide information on any labor violations that have occurred within the last three years to be further considered for an award. If awarded, the contractor will be required to notify South Coast AQMD in writing if they have been found by a court or federal or state agency to have violated labor laws. The contractor will complete a yearly certification in which they will either state that they have not been found by a court or federal or state agency to have violated labor laws or, if such violations have been found, the contractor will give South Coast AQMD details about those violations in the certification. If the contractor 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 contractor's yearly certification will be due at the same time as the annual progress reports. South Coast AQMD reserves the right to terminate the contract with a contractor that has been found to have violated labor laws, and the contractor may be required to return any and all contract funds, as determined by South Coast AQMD. The contractor will also ensure that these requirements are included in all subcontracts.

MANUFACTURER DELAY COMPLIANCE EXTENSION

If an applicant owns an existing diesel-fueled Heavy-Duty vehicle with an Engine Model Year between 2007 and 2009, the applicant may be able to extend the vehicle's compliance deadline with Truck and Bus Regulation's Manufacturer Delay provision, but a purchase agreement for the replacement vehicle must be executed before September 1, 2022. The Manufacturer Delay provision can be found here:

<https://ww2.arb.ca.gov/sites/default/files/2021-11/TruckAndBusManufacturerDelay.pdf>



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OTHER IMPORTANT PROGRAM INFORMATION

- A number of the CARB fleet rules and air quality regulations impact CMP eligibility. Compliance with existing CARB regulations is a pre-requisite for CMP funding. Only emission reductions in excess of regulatory requirements can be considered for CMP funding. If applicants are applying for CMP funds to reduce emissions before the required compliance date (i.e., early reductions), the equipment must demonstrate sufficient years of operation before the regulatory compliance deadline. Applicants are responsible for ensuring that they are in full compliance with all applicable regulations and that vehicle/equipment requests under the CMP provide surplus emission reductions. As noted earlier, applicants must provide documentation of their regulatory compliance status.
- All projects are expected to be operational within eighteen (18) months of contract execution or by March 31, 2024, whichever is earlier. Some projects may have earlier in-service operational date requirements, if they are subject to CARB regulations.
- It is the applicant's responsibility to ensure that the most current information and requirements are reflected in a submitted project application. Applicants should check the CARB website for updates and advisories to the guidelines (www.arb.ca.gov/msprog/moyer/moyer.htm).
- In cases of conflict between CARB guidelines and South Coast AQMD criteria, the more stringent criteria will prevail. South Coast AQMD will post any new information and requirements on its CMP and Prop 1B Web pages at www.aqmd.gov/moyer and www.aqmd.gov/prop1b.
- A project may be leveraged with other funding sources. The applicant must disclose all funding sources at the time of application and will be required to report all funding sources prior to invoice payment. Other funding sources may include but are not limited to: state and federal funding programs that reduce greenhouse gas (GHG) emissions, funding provided by the Alternative and Renewable Fuel and Vehicle Technology Program, Air Quality Improvement Program, or CARB's Low Carbon Transportation Investment funds to reduce GHG emissions. The sum of all grants and other funds applied toward the project shall (1) not exceed the total project cost for public agency applicants and (2) not exceed 85% of the total project cost for non-public agency applicants. In other words, the grantee² must pay at least 15 percent of the project cost from non-public sources.
- Any **tax obligation** associated with the award is the responsibility of the grantee.
- All project invoices must be submitted for payment no later than March 31, 2024. Projects which have not been invoiced by this date may forfeit their funding.

² Public agencies are exempt from this requirement.



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- No third-party contracts will be executed.
- Pre- and post-inspection of all vehicles/engines/equipment approved for funding will be conducted, as required. However, due to the impact of Covid-19 and to ensure the safety of the staff and the public, inspections of all vehicles/engines/equipment may be conducted virtually via remote inspections depending on the status of the pandemic. Applicants must make all equipment available for remote inspections unless otherwise specified during contract preparation, or through updates from South Coast AQMD. Documentation of compliance with existing regulatory requirements is required at the time of pre-inspection.
- Destruction of the engine and/or equipment being replaced is required for replacement projects and will also be conducted virtually via remote inspections, unless otherwise specified.

PROGRAM ADMINISTRATION

South Coast AQMD's mobile source incentive programs are administered locally through its Technology Advancement Office. The South Coast AQMD reserves the right to allocate incentive funds among the program categories or to specific projects in accordance with South Coast AQMD priorities.

All qualified applications submitted in response to this PA will be evaluated in the order the applications are received until the funds are depleted. Priority is given to the projects that reduce emissions in and around Disadvantage Communities (DAC) and Low-Income Communities located within SCAB. South Coast AQMD staff will notify each applicant of an incomplete application and request the additional information within thirty (30) business days of the application submittal due date. Applicants will have at least seven (7) business days to provide any missing information requested in South Coast AQMD's notification. It will be the applicant's responsibility to submit the missing or incomplete information within the time specified by South Coast AQMD staff. Only completed applications can move forward in the evaluation process; applications that remain incomplete after the delineated response period may be rejected and will not be evaluated or further considered.

Electronic submission using South Coast AQMD's Online Application Program (OAP) is mandatory and is available at: <http://www.aqmd.gov/moyer>. No emailed, faxed, or mailed applications will be accepted.



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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, harass, or allow harassment against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age (over 40), sexual orientation, or veteran or military status, or allow denial of family-care leave, medical-care leave, or pregnancy-disability leave. All applicants awarded contracts under this PA will be required to comply with this nondiscrimination clause.

WORK STATEMENT/SCHEDULE OF DELIVERABLES

Applicants must sign the Application form indicating their understanding of the requirements for submittal of additional project information to finalize a contract and that all vehicles, engines or equipment must be in operation within eighteen (18) months of contract execution or by March 31, 2024, whichever is earlier. Some projects may have earlier in-service operational date requirements if they are subject to CARB regulations. **Unsigned applications may be deemed ineligible and may NOT be considered for funding.**

WORK STATEMENT

The scope of work involves a series of tasks and deliverables that demonstrate compliance with the requirements of the 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 contract for funding the proposed project must meet the following criteria:

- Provide emission reductions that are real, surplus, quantifiable and enforceable in accordance with program guideline requirements.
- Project equipment must be domiciled within the boundaries of the SCAB.
- The replacement engine must achieve an annual NOx emissions benefit of at least 15 percent to receive any funding for NOx reductions.
- Commit that project engines or equipment operate in service for the full project life and within the SCAB for 75% of the time (CMP), or within CA for at least 90% of the time (Prop 1B)
- Commit that all vehicles are in operation within 18 months of contract execution or by March 31, 2024, whichever is earlier and comply with CARB's Truck and Bus Regulation.
- Provide for appropriate recordkeeping during the project life (i.e., annual mileage), including submission of annual reports as detailed below.
- Ensure that the project complies with all applicable rules and regulations, and the resulting emission reductions from the project are not required as a mitigation measure to reduce



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adverse environmental impacts that are identified in an environmental document prepared in accordance with the California Environmental Quality Act or the National Environmental Policy Act.

- If requested, contractor must provide a financial statement and bank reference, or other evidence of financial ability to fulfill contract requirements.
- If requested, contractor must make all equipment and records available to the South Coast AQMD or CARB for audit and inspections.

DELIVERABLES

The contract will describe how the project will be monitored and what type of information must be submitted as part of the reporting requirements. At a minimum, the South Coast AQMD expects to receive an annual report for each year during the full contract term, or project life, which provides the annual miles, where the vehicle 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 Report form is available online at:

CMP: www.aqmd.gov/moyer

Prop 1B: www.aqmd.gov/prop1b

APPLICATION SUBMITTAL REQUIREMENTS

Applications will only be accepted via the South Coast AQMD's Online Application Program at: www.aqmd.gov/moyer. In addition, all Business Information Forms³, including Conflict of Interest and Project Cost information, as described below, must also be submitted with the application.

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. Please discuss potential conflicts of interest on the Application Statement Form in Appendix A.

PROJECT COST

Applicants must provide cost information that specifies the amount of funding requested and the basis for that request by attaching vendor quotes to the application. The vendor quotes must be dated within 90 days of the application submittal date. Applicants need to inform vendors of the time

³ www.aqmd.gov/moyer



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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 award has been provided to the applicant in writing or an executed contract. Orders placed in advance of a fully executed contract are at the applicant's own risk⁴.

The CMP will fund only a percentage of the cost of the low emission or zero-emission technology based on the type of project. The proposed low-emission or zero-emission technology must be certified, verified or approved by CARB in most cases⁵. No administrative or operational costs will be funded.

All project costs must be clearly indicated in the application. In addition, applicants must disclose all sources of co-funding, including the name of the funding source and amount of funding in the application. **Applicants are cautioned that the project life period used in calculating emissions reductions will be used to determine the length of their annual reporting obligation.** In other words, a project applicant using a ten-year life for the emissions reduction calculations will be required to operate, track and report activity for the project vehicle for the full ten years. The contract term will also be ten years.

Applicants are not required to calculate a project's cost effectiveness. However, methodologies for calculating cost effectiveness are provided in the CARB Moyer Guidelines at: https://www.arb.ca.gov/msprog/moyer/guidelines/2017gl/2017_gl_appendix_c.pdf.

The Prop 1B program does not utilize cost effectiveness to determine the award amount.

APPLICATION SUBMISSION

South Coast AQMD's Online Application Program must be used to submit applications to the Clean Heavy-Duty Vehicle Program. The Online Application Program will be available on **April 19, 2022, at the South Coast AQMD Carl Moyer Program website at www.aqmd.gov/moyer**

As a reminder, one application must be filed per applicant and the following forms must be completed:

1. Form A-1: General Application (includes Checklist and Application Statement). Provide a complete set of Form A-1 documents. Read the Application Statement carefully – it is a certification of the applicant's understanding for each item listed.

⁴ Any purchase order/purchase commitment placed prior to the South Coast AQMD Governing Board approval of the project are prohibited by the CMP. However, orders/commitments placed after South Coast AQMD Governing Board approval but in advance of a fully executed contract are at the purchaser's own risk.

⁵ Note that an experimental permit from CARB may be considered, but the project will require special CARB approval.



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2. Category Application Form specific to your project category (one per unit, or use excel templates referenced in the form for multiple unit projects)
 - a) Form B-1: On-Road Heavy-Duty Vehicles, Replacement
 - b) Form B-3: Emergency Vehicles (Fire Apparatus)
3. Business Information Forms – Complete, sign and submit Business Information Forms with your application. Please note, if recommended for an award, you will be required to submit an updated Campaign Contribution Disclosure form at a later date. All required Business Information Forms will be available in the Application Portal.

Missing Information – Within thirty (30) business days of the application submittal date, 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. One copy of each application not selected for funding shall be retained for one year. Additional copies and materials will be returned only if requested and at the applicant's expense.

PAYMENT TERMS

For all projects full payment will be made upon installation and commencement of operation of the funded equipment.

WEBSITE LINKS TO CARB RULES THAT AFFECT ELIGIBILITY

On-Road Private (truck and bus) @ <http://www.arb.ca.gov/msprog/onrdiesel/onrdiesel.htm>

Drayage Truck Regulatory @ <https://www.arb.ca.gov/msprog/onroad/porttruck/porttruck.htm>

Public/Utility Fleets @ <http://www.arb.ca.gov/msprog/publicfleets/publicfleets.htm>

Staff Contact Information: For general information or questions about this solicitation, please contact: Krystle Martinez Air Quality Specialist (909) 396-3021 or kmartinez@aqmd.gov



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Additional staff contact information can be found below. Applicants are strongly encouraged to contact South Coast AQMD staff to discuss their project prior to submitting an application to ensure program eligibility.

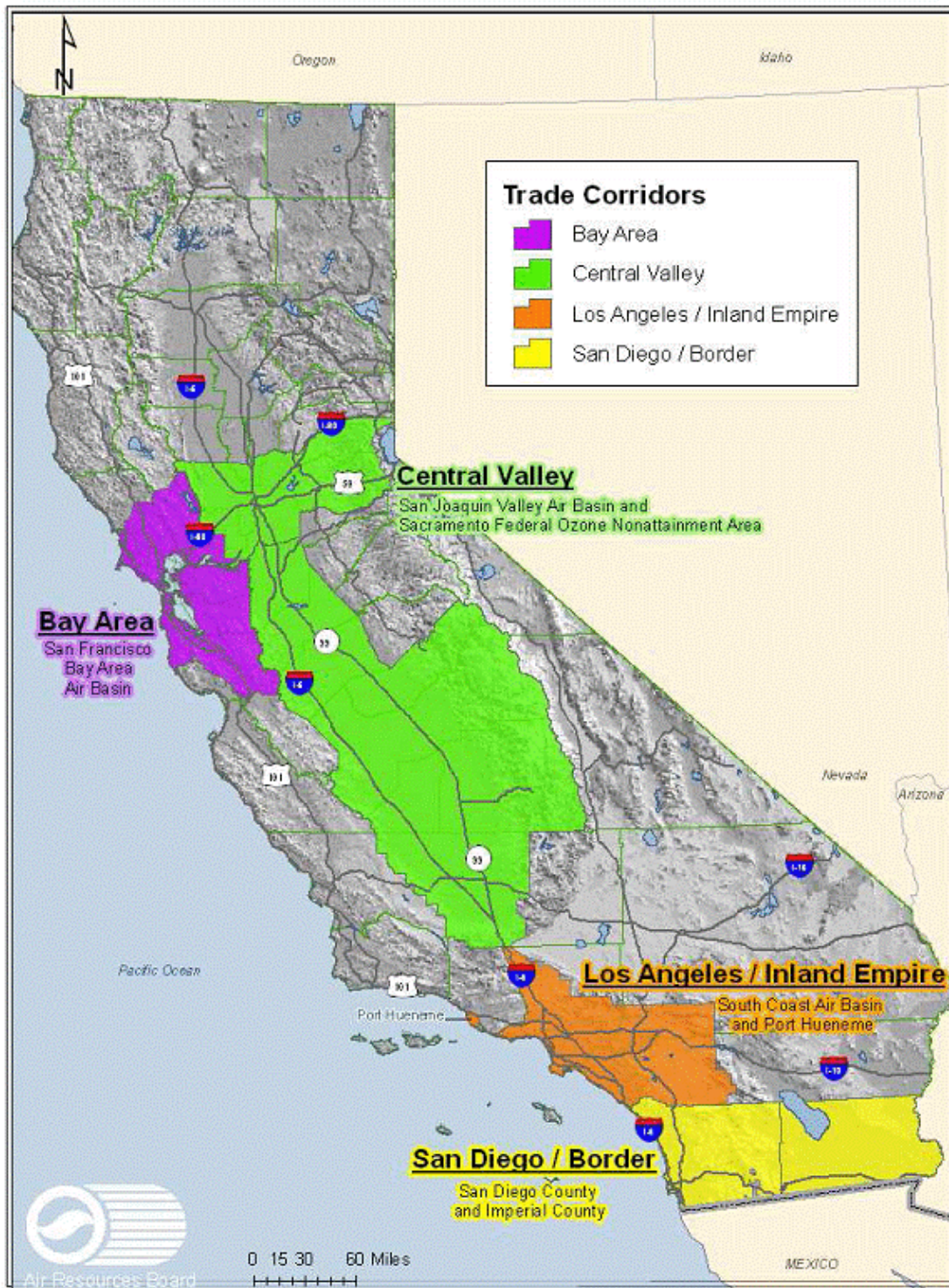
Program Staff Contacts

Staff Contact	Phone Number	Email
David Chen	(909) 396-3083	dchen@aqmd.gov
Justin Joe	(909) 396-2054	jjoe@aqmd.gov
Krystle Martinez	(909) 396-3021	kmartinez@aqmd.gov
Andrew Yoon	(909) 396-3043	ayoon@aqmd.gov
Tom Lee	(909) 396-2270	tlee@aqmd.gov



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PROPOSITION 1B APPLICANT AGREEMENT CHECKLIST



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Applicant Certification for the Prop 1B program (goods movement trucks):

I am the owner of the existing equipment, have the legal authority to apply for incentive funding for the entity described in this application, and agree to the following statement by signing below:

- I (equipment owner) have reviewed the information provided in this application, including all supporting documentation, and certify the application information is true and correct, and meet the minimum requirements of the Proposition 1B –Goods Movement Emission Reduction Program;
- I agree to follow all requirements of the Proposition 1B - Goods Movement Emission Reduction Program- Final 2015 Staff Report and Guidelines for Implementation;
- The Program-funded equipment shall be placed into operation and post-inspected prior to the applicable operational deadline to remain eligible for funding;
- I understand that the Program-funded equipment may not be used by the equipment owner to comply with any applicable CARB regulations for the specified timeframe;
- Neither the owner nor equipment identified in the application has any outstanding violations or non-compliance with CARB regulations;
- I have not and will not apply for additional Proposition 1B – Goods Movement Emission Reduction Program grant funds from any other local agency or funding from any other CARB incentive program for the equipment included in this application.
- I will disclose any other source(s) of funding that has been applied for and will be used for the same project, including the source of funds, amount, and the purpose of the funding;
- I will disclose the value of any existing financial incentive that directly reduces the project cost, including tax credits or deductions, grants, or other public financial assistance for the same equipment project;
- Grant funds shall only be used to offset the capital cost of the equipment and/or shall reduce the principal owed to purchase the equipment;
- New equipment must **not** be purchased, received, installed, paid for, or placed into operation prior to contract execution unless specified by the Program Guidelines, and if allowed, equipment owner shall assume all financial risk and is in no way assured Program funds;
- New equipment purchased outside of California may be subject to California sales and/or use taxes;
- I have all the information needed to understand what must be done to maintain eligibility for Program funds. This includes maintaining registration and ownership; keeping equipment in legal operating condition within California; correcting any air pollution citations; complying with all CARB regulations; and reporting, repairing, or replacing equipment that has been damaged, destroyed, or stolen;
- I understand that an incomplete or illegible application, including applications that are missing required documentation, may be rejected by the South Coast AQMD at their discretion;
- I acknowledge that the South Coast AQMD may release information contained in the application to third parties if required by state and federal public records laws;
- I understand that for the switcher and medium horsepower locomotive projects; the equipment owner must commit to operating the Program-funded equipment at least 50% of the time within the four California trade corridors during the project life; for line-haul locomotive projects: the equipment owner must commit at least a majority of the percentage California operation within the four CA trade corridors during the project life;



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- Any additional non-Program funding needed to complete the equipment project according to the proposed timeframe is reasonably available; and
- I understand as an applicant that incentive programs have limited funds and shall terminate upon depletion of program funding.

Printed Name of Owner: _____ **Signature of Owner:** _____