



## Surplus Off-Road Opt-In for NO<sub>x</sub> (SOON)

### SOUTH COAST AQMD PROGRAM ANNOUNCEMENT PA 2025-04

The South Coast Air Quality Management District (South Coast AQMD) is seeking proposals for the Surplus Off-Road Opt-In for NO<sub>x</sub> (SOON) Provision of the California Air Resources Board's (CARB's) In-Use Off-Road Diesel-Fueled Fleets Regulation. The primary purpose of this Program is to provide financial incentives to assist in the purchase of zero or lower-emissions heavy-duty engine technologies to achieve near-term nitrogen oxide (NO<sub>x</sub>) emissions reductions from in-use off-road equipment. Since funding for the SOON Program is from the Carl Moyer Program (CMP), all CMP requirements apply to this Program, except where specifically noted, or where the South Coast AQMD implements more stringent program criteria as described in the Rule 2449 SOON Implementation Guidelines.

#### **SECTION I: OVERVIEW**

The South Coast AQMD is soliciting project proposals for the following purpose according to terms and conditions attached. In this Program Announcement (PA), the words "Recipient", "Proposer," and "Applicant" are used interchangeably.

- WHO:** Construction Fleets that can demonstrate compliance with the Off-Road Regulations by CARB throughout the contract term.
- WHAT:** Replacement or repower of older diesel engines to Tier 4 Final or cleaner technologies. Engines must be CARB-certified. The new engine must be certified for sale in California.
- 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/soon>. Application assistance will be offered to applicants that do not own a computer or have internet access. Please note: Hardcopy, Facsimile or Email submittals will not be accepted.
- WHEN:** Solicitation opens on March 14, 2025, and closes on Tuesday, July 1, 2025 at 1:00 pm PST

#### **GENERAL PROGRAM INFORMATION**

The primary focus of the SOON Program is to achieve emission reductions from heavy-duty off-road vehicles and equipment operating in California as early and as cost-effectively as possible. The SOON Program is intended to achieve additional NO<sub>x</sub> reductions which are needed to meet the PM<sub>2.5</sub> and ozone ambient air quality standards in the South Coast Air Basin. The emission reductions expected through the deployment of zero or low-emissions engines or replacement technologies under this Program must be real, surplus and quantifiable. Senate Bill 513 (Beall)

removed many of the limitations associated with co-funding from other sources. The air district must verify the sum of all other incentive funds to ensure the CMP funds will not exceed the total project cost. Applicants from non-public entities must provide at least 15 percent of the Moyer eligible project costs from non-public sources.

Replacement and repower projects are **limited to only** those involving a diesel baseline engine subject to the off-road regulation and lower emission or zero emission technology that may be verified and approved by CARB. No administrative or vehicle operational costs are eligible.

It is expected that multiple awards will be granted under this PA, subject to the approval of the South Coast AQMD Governing Board.

All proposals will be evaluated based on criteria set forth in this PA. The South Coast AQMD will evaluate and/or verify information submitted by the Applicant. At South Coast AQMD's discretion, consultants contracted by South Coast AQMD may conduct all or part of such evaluation and/or verification. Data verification during the evaluation and contracting process may cause initial cost-effectiveness rankings, and associated awards, to change. Furthermore, the South Coast AQMD reserves the right to make adjustments to awards based on the subsequent verification of information as well as changes in cost-effectiveness.

#### **PROGRAM CRITERIA**

- Fleets with a total statewide equipment horsepower over 20,000 hp and with 40 percent or more of their vehicles at Tier 0 and Tier 1 emission levels as of January 1, 2008, are subject to the SOON Program and are required to apply for funding. Fleets not meeting both of the above criteria on January 1, 2008, may voluntarily participate in this Program and apply for funding.
- On November 17, 2022, amendments to the Off-Road Regulation were adopted by CARB and significantly limited the eligibility of off-road equipment for CMP funding. The potential funding to the current NOx standard of Tier 4 Final or Zero-Emission replacements and repowers will be available for the existing Tiers until the following dates:

<b>Potential Funding</b>	<b>Large Fleets</b>	<b>Medium Fleets</b>	<b>Small Fleets</b>
Tier 0	Not allowed	Not allowed	12/31/2025
Tier 1	Not allowed	12/31/2025	12/31/2027
Tier 2	12/31/2025	12/31/2027	12/31/2029

Tier 3 and Tier 4 Interim equipment may be replaced or repowered without restriction to Tier 4 Final or Zero Emission technologies when feasible. They must also demonstrate eligibility with the most current Off-Road Regulation & CMP Guidelines.

- The annual hours used to calculate cost-effectiveness will be included in the contract. An extension of the contract or partial payback of funds may be required if the proposed annual hours are not achieved.
- For all repower projects, fleets are **not** required to, but may install the highest level verified diesel emission control system (VDECS) at their own cost.

- Applicants must demonstrate that during the contract period, vehicles equipped with new engines, or that have been replaced using SOON program funding, will not use a lower emission rate to calculate the fleet average index and target rate and BACT credit to meet compliance in the DOORS. Actions taken using SOON program funding may be used for determining compliance **after** the completion of the SOON program project contract period for that vehicle. For example, if a Tier 2 vehicle is repowered with a Tier 4 engine with SOON Program funds for purposes of compliance with the off-road regulation, that vehicle is still treated as if it were a Tier 2 until the end of the contract period for the SOON program project.
- Applicants **must** provide vendor quotes with their online application to document the cost of implementing the proposed technology. **All quotes must have been obtained within 90 days of application submittal. Applicants may be required to submit quotes from more than one technology provider.** Applicants must demonstrate that they are in full compliance with all applicable CARB regulations and that vehicle/equipment funding requests under this Program provide surplus emissions reductions. **Applicants are required to submit a compliance plan using the ARB DOORS Fleet Average calculator showing how they will comply with the targets of CARB's In-Use Off-Road Diesel-Fueled Fleets Regulation throughout the contract term, as well as how the new projects under this PA will meet SOON NOx targets in 2025.**
- Applicants must ensure that the vehicle/equipment to be purchased or installed is in compliance with all applicable federal, state and local air quality rules and regulations and that it will maintain compliance for the full contract term.
- Any associated tax obligation with the award is the responsibility of the Applicant.
- No third-party contracts will be executed. The South Coast AQMD contract must be signed by the equipment owner.
- Pre-inspections, post-inspections and destruction inspections of all vehicles/engines/equipment approved for funding will be conducted by South Coast AQMD.
- Destruction of the engine/equipment being repowered or replaced is required.
- To avoid double dipping, applicants shall not apply for funding for the same equipment in any other air district.
- Project equipment must be domiciled and operate a minimum of 75 percent of the time within the boundaries of the South Coast AQMD jurisdiction.

## PROJECT CRITERIA

The South Coast AQMD retains the authority to impose more stringent requirements in order to address local concerns.

- SOON Program grants can be no greater than a project's incremental cost. The incremental cost shall be reduced by the value of any current financial incentive that reduces the project price, including but not limited to tax credits or deductions, grants or other public financial assistance.
- For off-road replacement and repower projects, the CMP guidelines specify that the horsepower rating of the new (or replacement) engine must not be greater than 135 percent of the original manufacturer rated horsepower of the old (or existing) engine. If the new engine is greater than 135 percent, then the eligible funding amount will be based on the cost of an engine or equipment with a horsepower rating that is no higher than 135 percent of the existing engine horsepower rating. The applicant must pay the additional costs associated with the higher horsepower engine and obtain a price quote for an engine or equipment that is within the 135 percent range for the funding determination. In addition, verifiable records on the existing engine must be provided with the online application to accurately identify the engine manufacturer year and horsepower (e.g., photographs of engine labels, statements from engine manufacturers, etc.).
- Applicants must ensure that the vehicle/equipment to be purchased or installed is in compliance with all applicable federal, state and local air quality rules and regulations and that it will maintain compliance for the full contract term.
- The certification emission standard and Tier designation for the engine must be determined from CARB's Executive Order issued for that engine, not by the engine model year. Executive orders for off-road engines may be found at <http://www.arb.ca.gov/msprog/offroad/cert/cert.php>.
- Reduced emission engines must be certified/verified for sale in California and must comply with durability and warranty requirements. These may include new CARB-certified engines and verified diesel emission control strategies.
- Class 7 diesel forklifts are the only diesel forklifts eligible for SOON Program funding and are subject to all off-road project criteria. The South Coast AQMD must obtain and verify documentation of the classification of the forklift prior to funding.
- If repower with an engine meeting the current applicable standard is technically infeasible, unsafe or cost prohibitive, the replacement engine must meet the most current practicable previously applicable emission standard and cost-effectiveness criteria and, if rated at less than 175 hp, must comply with the requirements related to replacing in-use engines contained in Title 40, Code of Federal Regulations, Section 1068.240.
- Replacement of an uncontrolled diesel off-road engine with a new on-road engine certified to an emission standard equal to or lower than the Tier 4 Final off-road emission standard or a newer emission-certified alternative fuel engine may be eligible for funding as off-road equipment with similar modes of operation as on-road vehicles on a case-by-case basis. Other equipment may be eligible for funding on a case-by-case basis. These repowers must meet all other applicable project criteria.
- Applicants must provide their DOORS Fleet Compliance Snapshot.

- Applicants must provide the DOORS EIN for each vehicle for which funding is requested.
- Applicants must provide proof they have owned each vehicle for which funding is requested for a replacement vehicle for at least two years.
- Applicants must provide at least the most recent two (2) years of hour-meter readings.
- Dual-fuel repower or replacement technology including electric hybrid technologies that utilize a combination of either CNG and diesel fuel or LNG and diesel fuel are eligible for funding provided that the technologies and fuels will be referred to CARB for evaluation and possible eligibility in the program.

Potential projects that fall outside of these criteria may be considered on a case-by-case basis if evidence provided to the air district suggests potential surplus, real, quantifiable and enforceable emission reduction benefits.

### **MAXIMUM ELIGIBLE FUNDING**

The maximum eligible funding amount and project life for each SOON project type is summarized below.

<b>Project</b>	<b>Maximum Funding</b>	<b>Maximum Project Life</b>
Replacement	80% of vehicle/equipment cost	5 years, except: (three years max. for excavators, skid steer loaders, and rough terrain forklifts)
Repower	85% of engine cost plus parts and labor necessary for installation	7 years
Replacement or Repower to Zero Emission	85% of vehicle/equipment cost or 85% of engine cost plus parts and labor necessary for installation, respectively	10 years

### **COST-EFFECTIVENESS EVALUATION DISCUSSION**

The SOON Program is required to meet the requirements of the CMP by using the cost-effectiveness calculation methodology found in Appendix C of the CMP 2024 Guidelines (see <http://www.arb.ca.gov/msprog/soon/guidelines/current.htm>). Under the SOON Program, only NOx emission reductions will be taken into consideration to calculate the cost-effectiveness.

### **REPORTING AND MONITORING**

All participants in the SOON Program are required to keep appropriate records during the full contract period. Project life is the number of years used to determine the cost-effectiveness and is equivalent to the contract implementation period. All equipment must operate in the South Coast

AQMD for the full project life. The South Coast AQMD shall conduct periodic reviews of each project's operating records to ensure that the engine is operated as stated in the program application. Annual records must contain the following, at a minimum:

- Total Hours of Operation
- Total Hours of Operation in the South Coast AQMD jurisdiction
- Annual Maintenance and Repair Information
- DOORS snapshot demonstrating compliance with the Off-Road Regulation

Records must be retained and updated throughout the project life and made available for South Coast AQMD inspection. The South Coast AQMD may conduct periodic reviews of each vehicle/equipment project's operating records to ensure that the vehicle is operated as required by the project requirements.

The equipment owner, if awarded CMP grant funds, will be required to submit annual reports for the life of the project, as described in Section II – Work Statement/Schedule of Deliverables.

## **SECTION II: WORK STATEMENT/SCHEDULE OF DELIVERABLES**

All applicants that are selected for funding awards must complete the Work Statement and Schedule of Deliverables described below as part of the contracting process. Development of these materials for the initial application is NOT required; however, applicants must sign the online application indicating their understanding of the requirements for submittal of additional project information to finalize a contract.

### **WORK STATEMENT**

The scope of work involves a series of tasks and deliverables that demonstrate compliance with the requirements of the SOON Program as administered by CARB and South Coast AQMD.

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

- Emission reductions must be real, quantifiable, enforceable and surplus in accordance with CARB and South Coast AQMD guidelines.
- Cost-effectiveness of the project must meet the minimum requirement of the CMP guidelines.
- Project engines or equipment must operate in-service for the full project life.
- Appropriate annual usage records must be kept and reported to South Coast AQMD during the project life (i.e., annual hours of operation).
- A compliance plan that demonstrates compliance with the off-road regulation throughout the contract period must be provided.
- Ensure that the project complies with other local, state and federal programs, and resulting emission reductions from a specific project are not required as a mitigation measure to reduce adverse environmental impacts that are identified in an environmental document prepared in

accordance with the California Environmental Quality Act or the National Environmental Policy Act.

- If requested, a contractor must provide a financial statement and bank reference, or other evidence of financial ability to fulfill contract requirements.

### **DELIVERABLES**

The contract will describe how the project will be monitored and what type of information will be included in project progress reports. At a minimum, the South Coast AQMD expects to receive the following:

- An annual report, throughout the project life, which provides the annual hours of operation, where the vehicle(s) or equipment(s) was operated, and operational and maintenance issues encountered and how they were resolved.
- An annual submission of the applicant's DOORS Fleet Compliance Snapshot demonstrating compliance with the off-road regulation.

South Coast AQMD reserves the right to verify the information provided.

### **SECTION III: PROPOSAL SUBMITTAL REQUIREMENTS**

In addition, Conflict of Interest and Project Cost information, as described below, must also be submitted with the application. It is the responsibility of the proposer to ensure that all information submitted is accurate and complete.

#### **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. Applicants need to inform vendors of the time frame of the award process so that they can accurately quote costs based on the anticipated order/purchase date. **Note that no purchase orders may be placed or work performed for projects awarded under this PA until after the date of award approval by the South Coast AQMD Governing Board. Any orders placed or payments made in advance of an executed contract with the South Coast AQMD are done at the risk of the applicant. The South Coast AQMD has no obligation to fund the project until a contract is fully executed by both parties.**

**The SOON Program funds only the differential cost between existing technology and zero or lower-emissions technology.** The proposed zero or lower-emissions technology must be CARB-certified in most cases. Non-CARB certified engines requiring an experimental permit from CARB may be considered, but the project will require special CARB approval. Proposals will be ranked by cost-effectiveness on a vehicle/equipment-by-vehicle/equipment basis. The cost-effectiveness limit has been established at \$60,000/ton of NOx emissions reduced for projects that bring diesel engines to the current standard and \$120,000/ton of NOx emissions reduced for projects beyond current standards such as zero-emission. The cost-effectiveness level used for the selection of projects may be lower depending on the demand for program funds. No fueling infrastructure, administrative or operational costs will be funded. Cost-effectiveness may vary depending on CARB review.



All project costs must be clearly indicated in the application. In addition, applicants must include any sources of co-funding and the amount of each co-funding source in the application.

**Applicants should be aware that the project life used in calculating the NO<sub>x</sub> emissions reductions will be used to determine the length of their annual reporting obligation and the length of their contract. For example, if a seven-year project life is used for the NO<sub>x</sub> emissions reduction calculation, then the applicant will be required to operate and track activity for the funded-vehicle/equipment for the full seven years.**

### PROPOSAL SUBMISSION

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

Issue PA2025-04	March 7, 2025
Applications Open	March 14, 2025
Workshops	Information on virtual pre-recorded presentations and other meetings (as needed) to be posted on <a href="http://www.aqmd.gov/moyer">www.aqmd.gov/moyer</a>
All Applications Due	1 pm PST on Tuesday, July 1, 2025
Contract Execution	January 2026 - thru June 2026

**ALL APPLICATIONS MUST BE RECEIVED VIA SOUTH COAST AQMD'S  
ONLINE GRANT MANAGEMENT SYSTEM  
NO LATER THAN TUESDAY, JULY 1, 2025 AT 1 PM PST**

Access to South Coast AQMD's online CMP/SOON Grant Management System (GMS) is provided at: [www.aqmd.gov/soon](http://www.aqmd.gov/soon)

#### Grounds for Rejection:

An application may be immediately rejected if the application:

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

#### Certifications and Representations

South Coast AQMD "Business Information Forms" requiring signatures will be available on the GMS and are required to be uploaded prior to the date and time above along with the application.



### Compliance Plan

Projects funded by SOON monies must result in NO<sub>x</sub> emissions reductions that are surplus to those that would be realized by fleets complying with the base rule. Fleets are required to submit a compliance plan in electronic format to demonstrate how they comply with both the base rule as well as the SOON provision of the rule. Fleet owners, at a minimum, must provide the following information for each year for the anticipated contract period:

- A vehicle list which includes, but is not limited to, vehicle type, manufacturer, model, model year, and whether the equipment is included in the base or SOON fleet for each piece of equipment in the fleet.
- Information including, but not limited to, calculations, fleet information, etc., showing compliance with the base rule fleet target levels or compliance with the BACT turnover and retrofit requirements. Either the CARB calculator (individual tabs for each future year) or the Excel SOON fleet calculator spreadsheet may be used.
- Information including, but not limited to, calculations, fleet information, etc., showing whether the vehicles funded by the SOON program are in compliance with the SOON NO<sub>x</sub> fleet average target levels.

SOON Compliance Plan documents and the Microsoft Excel SOON fleet calculator can be downloaded at the South Coast AQMD SOON website: [www.aqmd.gov/soon](http://www.aqmd.gov/soon).

### Methods of Delivery:

The proposer must submit the application using the South Coast AQMD online system (known as the CMP Grant Management System (GMS)), available at [www.aqmd.gov/soon](http://www.aqmd.gov/soon). The GMS will allow applicants to submit their application electronically to the South Coast AQMD prior to the date and time specified above. Tutorials of the GMS system are available – please visit [www.aqmd.gov/soon](http://www.aqmd.gov/soon).

### Disposition of Proposals

The South Coast AQMD reserves the right to reject any or all proposals. All responses become the property of the South Coast AQMD. One copy of the proposal shall be retained for South Coast AQMD files.

### Modification or Withdrawal

Once submitted, proposals cannot be altered without the prior written consent of South Coast AQMD.

## **SECTION IV: PROPOSAL EVALUATION/CONTRACTOR SELECTION CRITERIA**

South Coast AQMD staff will evaluate all submitted proposals and make recommendations to the South Coast AQMD Governing Board for final selection of project(s) to be funded. Proposals will be evaluated based on the 2024 CMP Guidelines, including verification that the project meets the NO<sub>x</sub> cost-effectiveness limit(s) for this program. The cost-effectiveness determination will be done on an equipment-by-equipment basis.

The evaluation will determine the ranking for each project based on the cost-effectiveness of NO<sub>x</sub> emissions reduced. Please note that depending upon the number of online applications

received in response to this PA, 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 AQMD jurisdiction. While South Coast AQMD encourages all eligible applications, this means that some projects may not be selected based on their domicile address, regardless of their cost-effectiveness ranking.

At least 50 percent of the CMP funds must be used for projects that are located and operated within a DAC and/or low-income community. South Coast AQMD uses the following method to meet these requirements.

1. All projects must meet the criteria in the 2024 CMP Guidelines and the cost-effectiveness limit of \$60,000/ton of NOx emissions reduced for projects bringing diesel engines to current standard and \$120,000/ton of NOx emissions reduced for project beyond current standards such as zero-emission. Cost-effectiveness may vary depending on CARB review.
2. Each project's domiciled address will be used to determine if the project is located within a DAC or low-income community. The CalEnviroScreen 4.0 tool will be used by South Coast AQMD to determine if a project is located within a DAC and/or low-income community. This tool is available at: <https://oehha.ca.gov/calenviroscreen/report/calenviroscreen-40>
3. Projects that are not domiciled within a DAC and/or low-income community may still be considered if the application documentation shows that the vehicle/equipment was operated a majority of time in a DAC and/or low-income community.

All other projects will be ranked according to NOx cost-effectiveness, with the most cost-effective projects considered first and then in descending order for each funding category until the remainder of the funds are exhausted.

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

#### **SECTION V: PAYMENT TERMS**

For all projects, payment will be made upon installation and commencement of operation of the funded equipment for 85 percent of the submitted repower invoice, 80 percent of the submitted replacement invoice, 85 percent of the submitted repower/replacement to zero emission invoice, or the contract maximum amount, whichever is less.

#### **SECTION VI: LEGAL UPDATES AND DEFINITIONS**

##### **STATEMENT OF COMPLIANCE**

Government Code Section 12990 and California Administrative Code, Title II, Division 4, Chapter 5, require employers to agree not to unlawfully discriminate against any employee or Applicant because of race, religion, color, national origin, ancestry, physical handicap, medical condition, marital status, sex, or age. A statement of compliance with this clause is included in all South Coast AQMD contracts.

##### **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.

### **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 contract.

### **COMPLIANCE WITH LABOR LAWS**

If an application is deemed eligible, the Applicant will be required to provide any labor violations that have occurred within the last three years to be further considered for an award. If awarded, the contractor will be required to notify 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.

**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 CMP 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. Alternative Fuel  
Alternative fuels include compressed natural gas (CNG), liquefied natural gas (LNG), methanol, ethanol, propane (LPG) and electric technologies.
2. Base Rule  
The base rule is defined as the CARB In-Use Off-Road Diesel-Fueled Fleets Regulation without the SOON provisions (Title 13, Division 3, Chapter 9, Article 4.8, Section 2449 and 2449.1). Compliance with the Base Rule is required and is demonstrated by the Diesel Off-

## Road Online Reporting System (DOORS) Compliance Snapshot.

### 3. Compliance Plan

Compliance plan is the future forecast of fleet average emissions using current fleet information and planned future repower, replacement, retirement and retrofit projects. An Excel spreadsheet template is available on the South Coast AQMD SOON webpage.

### 4. Contract Term

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

- i. Project completion period is the first part of the Contract term starting from the date of Contract 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 Contract term and equals the project life.

### 5. Cost-Effectiveness Limit

The cost-effectiveness limit determines the maximum funding that can be provided to an individual equipment repower or replacement project for each ton of emissions reduced. Under the SOON Program the cost-effectiveness is calculated based on tons of NO<sub>x</sub> reduced per year.

### 6. Current NO<sub>x</sub> Standard

For all engine horsepower categories, the current NO<sub>x</sub> standard in 2022 is Tier 4 Final.

### 7. Incremental Cost

Incremental cost is the percent of actual cost that is eligible for SOON funding.

- i. Repower projects are eligible to receive up to 85 percent.
- ii. Replacement projects are eligible to receive up to 80 percent.
- iii. Repower/Replacement to Zero Emission projects are eligible to receive up to 85 percent.

### 8. Project Life

Project life is the period of the contract term during which the repowered or replacement vehicle is operated. The contractor must report the annual usage throughout the project life. In addition, project life is used to calculate the cost-effectiveness and funding amount for a project.

### 9. Replacement Project

Replacement project is the purchase of a new or used equipment to replace an existing unit. Only new equipment with engines certified to Tier 4 Final, or cleaner, emissions standards are eligible for funding.

### 10. Repower Project

Repower project is the replacement of an old engine of an existing equipment with a newer engine certified to lower emission standards.

#### 11. 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.

#### **CONTACT FOR ADDITIONAL INFORMATION**

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

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