



INVEST CLEAN Workshop

MAY 22, 2025

Workshop Overview

Today's Goals:

- Provide updates on INVEST CLEAN programs
 - Locomotive RFP
 - Other Program Announcements under the INVEST CLEAN
 - Implementation Timeline
- Updates on Warehouse Actions and Investments to Reduce Emission Program (WAIRE) funding
- Solicit feedback on the development and implementation of the program announcements and request for proposals

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Rule 2305 - Warehouse Actions and Investments to Reduce Emissions Program

What is WAIRE?
The Warehouse Actions and Investments to Reduce Emissions (WAIRE) Program aims to reduce nitrogen oxide and diesel emissions associated with warehouses, help meet federal standards and improve public health, especially in communities located near warehouses in the South Coast AQMD.

Who Must Comply?
Owners and operators of warehouses that have 100,000 square feet or more of indoor floor space in a single building.

How Does it Work?

Warehouse Operators
WAIRE is a menu-based point system. Warehouse operators are required to earn a specific number of points every year. This is based on the number of trucks that make to and from the warehouse each year, with larger trucks such as tractors or tractor-trailers multiplied by 2.5.

Points can be earned through:
a) completing any combination of actions in the WAIRE menu; or
b) completing actions in an approved, site-specific custom WAIRE Plan; or
c) paying a mitigation fee.

If a warehouse operator earns more points than needed during the compliance period, they can bank extra points for a future year, or transfer points to another warehouse they operate. Operators are required to submit a one-time, Initial Site Information Report about their operations as well as annual WAIRE Reports that document how they complied during the previous year.

Warehouse Owners
Warehouse owners are required to submit basic information (Warehouse Operators notifications) about the building and their tenants. Only warehouse operators must earn WAIRE Points, but owners can opt-in if they choose and transfer points to their tenants.

More information is available at www.aqmd.gov/WAIRE.
Questions? Please contact: issm.program@aqmd.gov or (909) 399-3140.

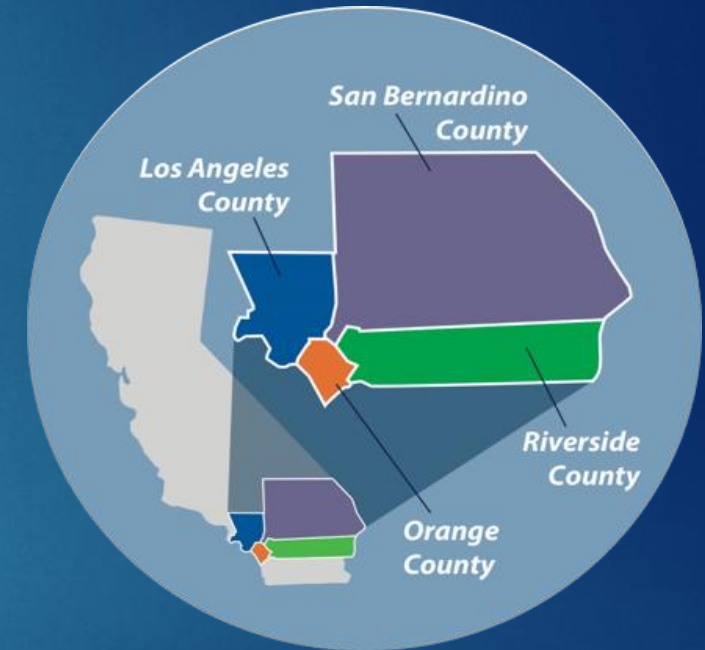


Overview: Infrastructure, Vehicles, and Equipment Strategy for Climate, Equity, Air Quality, and National Competitiveness (INVEST CLEAN)

- Competitive Grant awarded under the Inflation Reduction Act (IRA)
- Awarded ~\$500 Million for INVEST CLEAN in October 2024

Program's Purpose/Goals:

- Modernization of SoCal Goods movement and logistics network
- Reduce air pollution and provide air quality benefits to the region
- Support jobs
- Leverage funding, maximize emission reductions



Partnered with two Metropolitan Statistical Areas (MSAs):
Los Angeles-Long Beach-Anaheim and Riverside-San Bernardino-Ontario

South Coast AQMD's INVEST CLEAN

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- Implementation of 4 incentive measures:
 1. Measure 1 - Charging infrastructure
 2. Measure 2 - Battery Electric (BE) freight vehicles
 3. Measure 3 - BE cargo handling equipment
 4. Measure 4 - BE locomotives and Supporting Infrastructure
- Workforce Training: partnership with International Brotherhood of Electrical Workers (IBEW) and National Electrical Contractors Association (NECA)
- Community Benefits: third-party facilitators to create community steering committee(s) and develop the community benefit plan
- National Renewable Energy Laboratory : provide third -party oversight to validate the program performance
- INVEST CLEAN webpage:



<https://www.aqmd.gov/home/technology/implementation/invest-clean>

INVEST CLEAN - Four Incentive Measures Support Goods Movement

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Heavy-Duty
Charging
Infrastructure

Measure 1

\$178.5 Million*



Heavy-Duty
Trucks and Last
Mile Freight for
Class 4 & 5
Vehicles

Measure 2

\$78 Million*



Cargo Handling
Equipment

Measure 3

\$20.6 Million*



Battery Electric
Switcher
Locomotive

Measure 4

\$190.8 Million*

*Up to amounts

Battery Electric Switcher Locomotive Program (Measure 4)

- ▶ Pending Board Approval – Start accepting applications on June 6, 2025
- ▶ Eligible Applicants
 - ▶ Manufacturer partnered with a rail operator
 - ▶ Locomotive Switcher owners and/or operators
- ▶ Parallel path for locomotive and infrastructure build
- ▶ Flexible staggered deployment and scrappage opportunities of existing diesel locomotives
- ▶ Minimum usage requirement

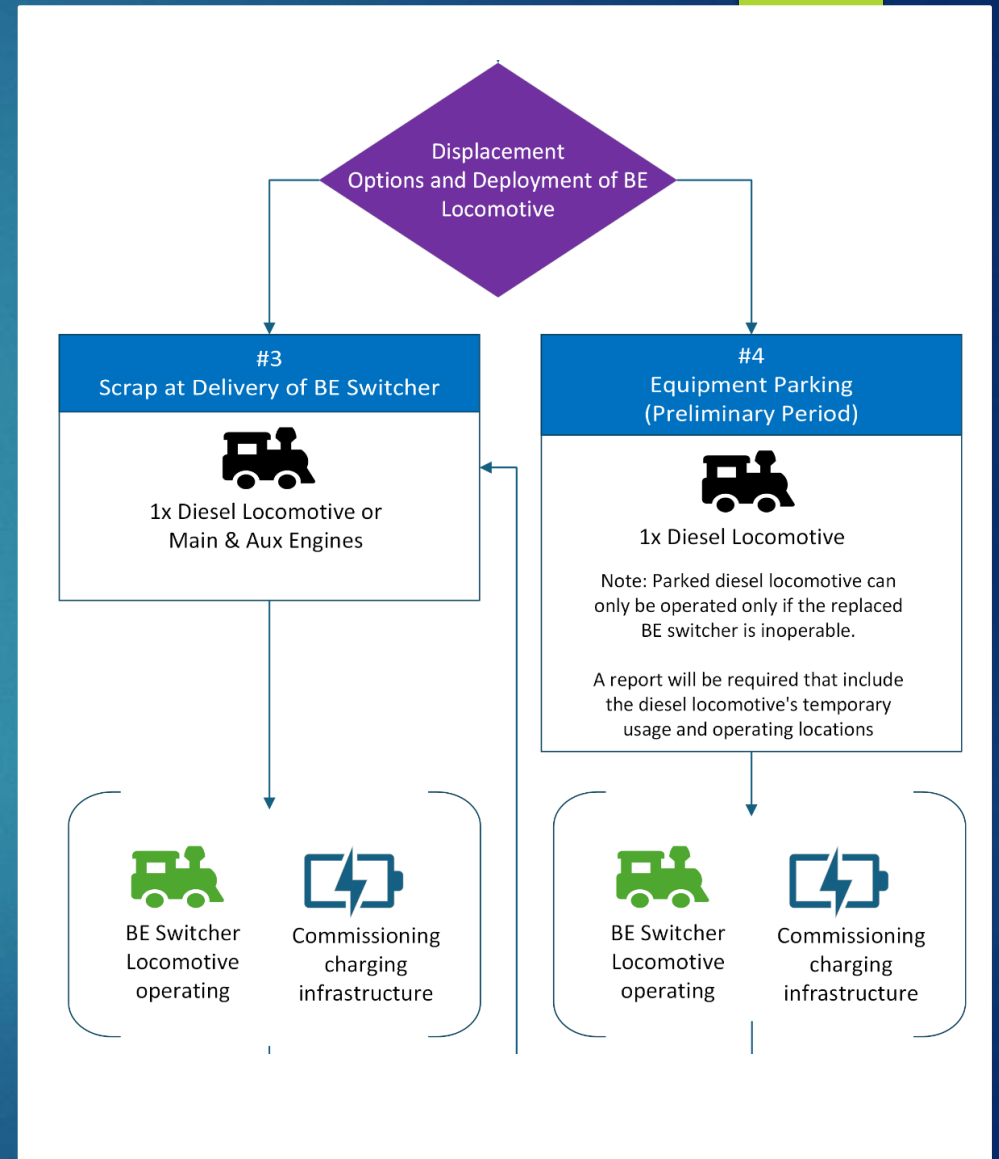


Battery Electric Locomotive Program

Two Displacement Options

Implement BE Switcher locomotive and infrastructure prior to scrappage of existing locomotive

- ▶ Allows time to fix deficiencies on the BE switcher locomotive
- ▶ Allows for proper workforce training with IBEW



Measure 4: Battery Electric Switcher Locomotive Program

Incentives for Battery Electric Switcher Locomotives and supporting infrastructure

TIMELINE

ITEM	DATE
BE Switcher Locomotive RFP Issued	June 6, 2025
BE Switcher Locomotive RFP Submission Deadline*	September 30, 2025 at 12 PM*
BE Switcher Locomotive Proposal Evaluation	October through December 2025
Subaward Agreement Execution	Starting October 2025

*If necessary, the RFP will be re-issued

Measures 1 through 3

Tentative Proposal Timeline

Measure 1 - Charging infrastructure

Measure 2.1 - Battery Electric (BE) freight vehicles

Measure 3 - BE cargo handling equipment

Item	Date
Release Solicitation	August 2025
Deadline to Submit Proposal	January 30, 2027 at 12:00 p.m. PST or until funds are expended (whichever comes first)
Project Evaluation	Upon Submission
Agreement Execution	January 2026 through April 2027
Procurement and Deployment	January 2026 through September 2027
Invoice Review and Payment	June 2026 through February 2028
Performance and usage tracking	Commencing after Deployment for five years

NOTE: Re-issue PAs as needed
Dates for Measure 2.2 TBD

Charging Infrastructure Deployment Incentive Program (Measure 1)

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► Eligible Entities:

- Entities that propose to develop and operate electric charging infrastructure to support HD vehicles involved in goods movement

► Location:

- Proposed infrastructure must be in one of the two MSAs

► Requirements:

- Build America Buy America
- EVIPT certified electricians
- Electrical installer must be a NECA/IBEW contractor

Available Funding Rebate Amount	
Infrastructure equipment	up to \$700/kW

- Installation costs are not eligible for the rebate
- The rebate can only be used for the equipment on the consumer's side of utility meter or behind-the-meter

Battery Electric Heavy-Duty Trucks Program (Measure 2.1)

▶ **Eligible Entities:**

- Fleet/Equipment Owner

▶ **Operating Location:**

- Equipment must be domiciled in one of the two MSAs

▶ **Existing Equipment Requirements:**

- Class 8 HHD Vehicles (GVWR of 33,001 pounds or greater) involved in good movement
- Diesel fueled

▶ **Replacement Equipment Requirements:**

- New Battery Electric Class 8 HHD Vehicle

- ▶ Rebate-based with a geographic funding minimum for each county within the two MSAs, when possible

Vehicle	Rebate Per Vehicle
BE Class 8 HHD Vehicle	Up to \$400,000

Last Mile Freight Program - Class 4 & 5 Vehicle Replacement Program (Measure 2.2)

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- ▶ SCAG will administer a rebate program to fund Class 4/5 battery-electric vehicles (max rebate \$67,000 per vehicle)
- ▶ Develop an implementation plan and program announcement for how the rebate program will be administered
- ▶ Include stakeholder engagement and outreach seeking input from public agency, industry, and local communities
- ▶ Require vehicle replacement through scrappage to achieve the emission reduction goals



Last Mile Freight Program - Class 4 & 5 Vehicle Replacement Program (Measure 2.2) (Cont'd)

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Eligible Entities:

- Fleet Owners, OEMs, and Dealerships

Operating Location:

- Vehicles must be domiciled in one of the two MSAs

Existing Equipment Requirements:

- Diesel fueled mobile vehicles
- Medium-duty vehicles used in goods movement

Replacement Equipment Requirements:

- New Battery Electric Class 4 and Class 5 vehicles used in goods movement



- Rebates not to exceed \$67,000 per vehicle

Battery Electric Cargo Handling Equipment Program (Measure 3)

Eligible Entities:

- Fleet Owners and Operators

Operating Location:

- Equipment must be domiciled in one of the two MSAs

Existing Equipment Requirements:

- Diesel or Natural Gas fueled Cargo Handling Equipment
- Top Handlers, Yard Trucks and other

Replacement Equipment Requirements:

- Battery Electric CHE Equipment

Project Type	Rebate Amount
Yard Truck	Up to \$300,000
Top Handler	Up to \$400,000

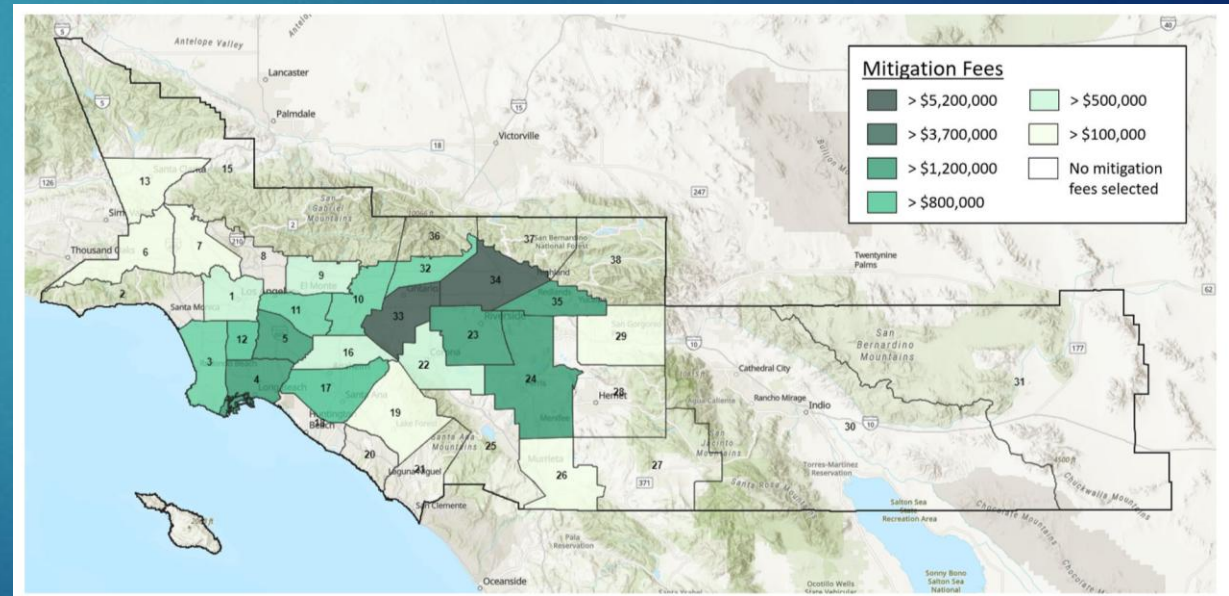


Discussion and Questions for INVEST CLEAN Program Development



Warehouse Actions and Investments to Reduce Emissions (WAIRE) Program Funding

- ▶ WAIRE Program is a rule applicable to ~4,000 large warehouses in South Coast AQMD
- ▶ Rule provides multiple options to address emissions associated with warehouses, including a mitigation fee
- ▶ Approximately \$48 million in mitigation fees collected to date
- ▶ Funding intended for:
 - ▶ Projects related to reducing NOx and Diesel PM emissions from warehouse sources
 - ▶ Mitigation projects in areas with warehouses that paid the mitigation fee
 - ▶ Mitigation projects with zero emissions infrastructure that use a skilled and trained workforce
- ▶ Anticipate opening solicitation in second half of 2025



Locations of warehouses that paid mitigation fees as of Aug. 2024

*Additional workshops about WAIRE funding may be scheduled at another time



Draft Design of Year 2025 WAIRE Mitigation Program

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- ▶ First come-first serve (in each geographic area)
- ▶ Stacking with other funding programs allowed
- ▶ Requires at least 15% cost share from applicant (considering all incentives)
 - ▶ Eligible cost: total vehicle or equipment purchase price (including taxes and fees)
- ▶ No scrapping required
- ▶ Examples of potential types of funded projects:
 - ▶ Zero emission on-road trucks or yard trucks (electric or hydrogen)
 - ▶ MD/HD zero emission charging and fueling infrastructure (not including installation costs)
 - ▶ Zero emission locomotives that go to warehouses

Submit all comments related to INVEST CLEAN by
June 3, 2025

Email: **InvestClean@aqmd.gov**

Questions Related to WAIRE

Email: **waire-program@aqmd.gov**

*Please ensure that any trade secret information being provided
is marked accordingly**

*[*https://www.aqmd.gov/docs/default-source/default-document-library/Guidelines/prg-guidelines.pdf](https://www.aqmd.gov/docs/default-source/default-document-library/Guidelines/prg-guidelines.pdf)*