

INVEST CLEAN

Climate Pollution Reduction Grant U.S. Environmental Protection Agency



Implementation Plan

Measure 3

Battery Electric Cargo Handling Equipment

1. Introduction

INVEST CLEAN, funded by the EPA CPRG grant, aims to overcome barriers to transitioning goods movement corridors to zero emission technologies in the two Metropolitan Statistical Areas (MSAs) in Southern California, i.e., Los Angeles-Long Beach-Anaheim and Riverside-San Bernardino-Ontario MSAs. The INVEST CLEAN initiative focuses on reducing emissions from the goods movement sector by implementing incentive measures and electrifying the Southern California goods movement corridor. The four measures provide incentives for the installation of electrical charging equipment to support heavy-duty battery electric (BE) vehicles, replacing high-polluting vehicles and equipment with BE Class 8 freight vehicles, last-mile delivery vehicles, cargo handling equipment (CHE), and switcher locomotives.

This Implementation Plan (Plan) addresses the procedures and methodologies to implement the “Battery Electric Cargo Handling Equipment Program” (Program). This Program provides funding for replacement, and in case-by-case situations, conversion of conventional cargo handling equipment (CHE) to zero-emission technology for goods movement facilities, including inland/dry ports, warehouses, intermodal railyards, and freight facility centers located within the two MSAs. The total incentive funding for the Program is \$20.6 million. This Plan describes the funding structure, timeline, application solicitation and distribution procedures, application evaluation process, key program requirements, invoice process, engagement with local communities, data reporting, and other strategies to ensure the successful execution of this Program.

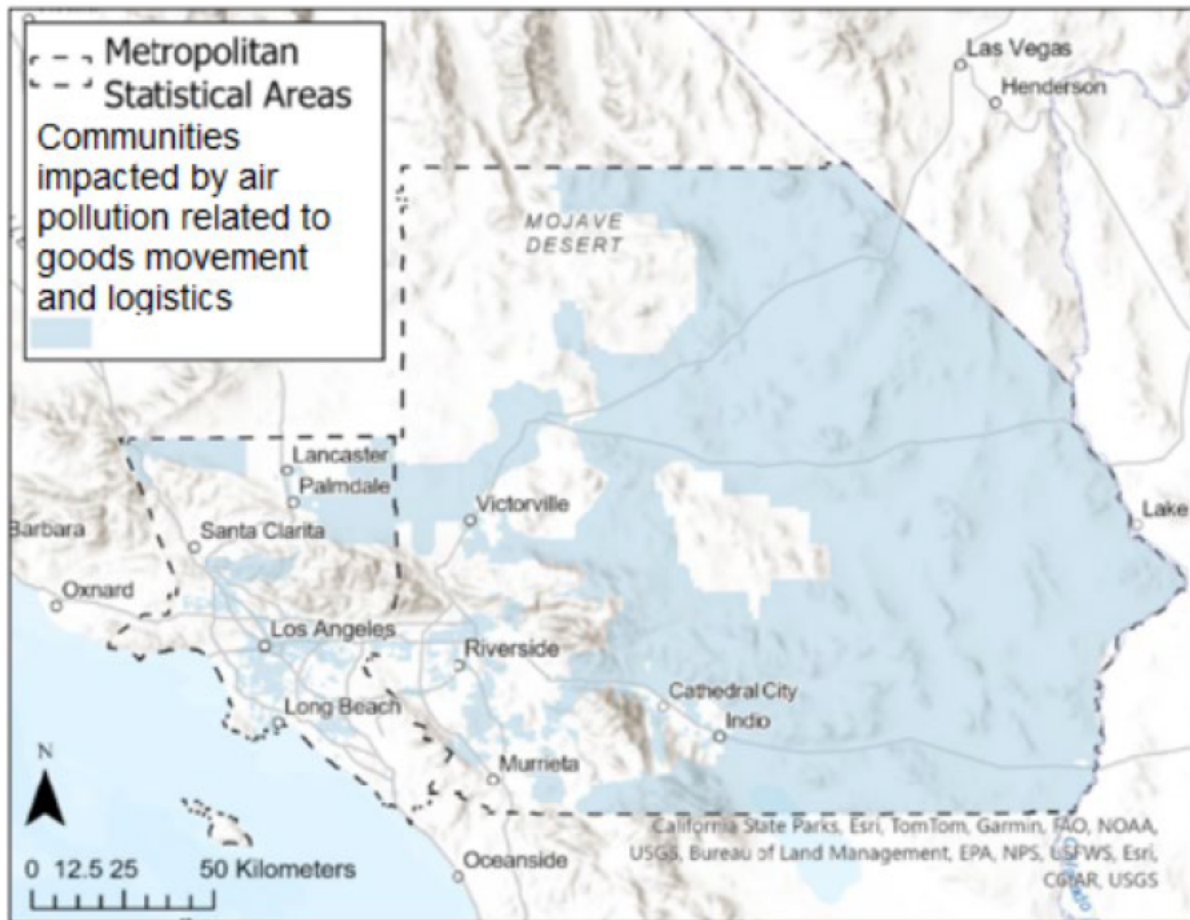
2. Definitions

Applicant: Entity that submits an application for the Program.

Goods Movement: Commercial Code section 2105, which defines goods to be movable and the goods being moved must be part of a transaction that involves a contract for the sale of the goods.

Metropolitan Statistical Areas (MSAs): Statistical areas defined by the Office of Management and Budget which have an urban core population of at least 50,000. INVEST CLEAN program specifically serves the Los Angeles-Long Beach-Anaheim and Riverside-San Bernardino-Ontario MSAs, which include the following four counties: Los Angeles, Orange, Riverside, and San Bernardino.

Figure 1 Area inside the dotted lines represents the two MSA qualified territories



Measure: One of the four battery electric technology categories under INVEST CLEAN grant. It covers the incentive program, data collection, workforce training, and community outreach. In this Plan, it refers to Battery Electric Cargo Handling Equipment.

Participant Support Costs: Direct cost contributions on behalf of award recipients who are participating in the Program. These are specifically contributions for equipment or electric motor(s) procurement/installation costs.

Project: A project is considered one (1) piece of off-road cargo handling equipment that has applied and/or received funding under the Program.

Program: The incentive portion of the Measure for Battery Electric Cargo Handling Equipment under the INVEST CLEAN grant.

Rebate: Reimbursement of funds to a recipient after they have made an eligible purchase or completed a qualifying activity under the Rebate Agreement. The eligible purchases must be backed up with proof of payment before a rebate payment can be issued.

Rebate Agreement: A written document that establishes the amount, eligibility criteria, responsibilities, and compliance requirements associated with the rebate award, ensuring that funds are used for their intended purpose and that the recipient fulfills the program objectives before payment.

Rebate Recipient: The selected entity that enters into a Rebate Agreement with South Coast AQMD and fulfills all program requirements – such as purchasing eligible equipment, replacing or scrapping old equipment, and providing required documentation- to receive an approved rebate payment. Rebate Recipient is the same as a Program Beneficiary but for consistency purposes, Rebate Recipient will be used in this document.

University of California Irvine (UCI): The designated third-party data collection and verification organization under INVEST CLEAN.

3. Structure

This Program is structured as rebate-based incentive to fund the deployment of battery electric zero-emission CHE. Yard tractors and top handlers are two primary types of equipment for this Program, as well as the supporting charging equipment. Funding for other CHE types may be made available based on the applications to be received and review of South Coast AQMD's other available incentive programs for CHE. Rebates will be provided on a reimbursement basis in accordance with the fully executed Agreement. Determination of rebate amount and payment requirements are detailed in Section 5. The program announcement in Attachment 1 illustrates the workflow from application to project completion for applicants of this Program and provides additional details regarding each process step.

Applications and required documentation must be completed and submitted through the South Coast AQMD's Grant Management System (GMS) customized for this Program. South Coast AQMD staff will review all submitted applications for eligibility and upon the approval of the South Coast AQMD Governing Board, award rebates via a Rebate Agreement. Please refer to Section 6 for additional details and requirements.

Applicant Eligibility

Owners of CHE at inland ports and seaports, warehouses, freight facility centers, and intermodal railyards located in the MSAs. The equipment must be domiciled and operate 100% of the time within the MSAs. Projects must achieve reductions of weighted tons of oxides of nitrogen (NOx), Particulate Matter (PM_{2.5}), and Carbon Dioxide Equivalent (CO₂e).

Equipment Eligibility

Primary eligible equipment types include battery-electric yard trucks and top handlers, with supporting chargers for the respective equipment. Other CHE types may be considered, pending the applications to be received for the Program and review of South Coast AQMD's other

existing incentive programs for CHE. The baseline equipment must serve the equivalent function as the battery electric one and be fueled with diesel.

Cost Eligibility

Eligible Costs are project costs that qualify for reimbursement under this Program, as outlined below. Rebates cannot exceed the project's total eligible cost or funding cap.

- Procurement cost of the eligible CHE
- Federal, State, and Local Taxes are potentially eligible costs.
- Certain fees, transport costs, and warranties may be eligible on a case-by-case basis.
 - The replacement equipment's invoice must include supplemental warranty costs if purchased from the dealer or manufacturer. If not purchased from the dealer or manufacturer, the grantee must supply documentation showing supplemental warranty costs and/or insurance costs.
- Insurance, registration, and other costs associated with fleet operation are not eligible
- INVEST CLEAN funds cannot be used to pay for energy costs such as charging the engine/equipment/vehicle.

4. Implementation Timeline

The timeline for the release of this Program is established in the Program Announcement (see Attachment 1). South Coast AQMD may reissue the solicitation if there are unencumbered funds or certain solidification components that need to be modified based on the project's progress and performance to ensure timely implementation of the Program.

5. Incentive Funding

Rebate Amount

The maximum funding amount for the two primary eligible battery electric CHE types is shown below. For each piece of eligible equipment, the awardee could receive up to the total cost (including tax and other fees) for the respective equipment or the funding cap limits in Table 1 below, whichever is lower. The cost for the supporting charger is included in the cap. South Coast AQMD may fund other types of CHE and the funding cap may be determined accordingly ensuring emission reduction goals of the Program are met. A total of \$20,600,000 is available for this Program. South Coast AQMD does not have an established Geographical Funding Minimum, for each county within the two MSAs, but the intent is to allocate project funding equally throughout the two MSAs, if feasible.

Table 1. Battery Electric CHE Rebate Funding

Project Type	Funding Cap Per Unit
Yard Truck	Up to \$300,000
Top Handler	Up to \$400,000

Rebate Distribution

Except as specified below, South Coast AQMD will make payment for a Project or equipment only after South Coast AQMD finds the project or equipment in place and operational, and South Coast AQMD receives an invoice itemized in sufficient detail to ensure that only completed and eligible project costs are reimbursed, and other sources and amounts of funding for the project are reviewed to ensure the sum of all project funds does not exceed the total project cost. The South Coast AQMD will maintain electronic copies of all invoices and documentation of payment in the project file and have them readily available. Rebate payments will be issued after an invoice is submitted with all the required documentation, the existing diesel-powered equipment is surrendered to the dismantler or destroyed (i.e., scrapped) and the replacement battery-powered units are placed into service. South Coast AQMD staff will review the invoice package and verify the expenditure and documents to ensure all the rebate agreement terms are met.

6. Rebate Agreement

Legally binding agreements will be executed between the South Coast AQMD and the selected applicants to ensure project implementation accountability and that the selected applicants will comply with the timeline, terms and conditions of the program. Documentation of compliance with relevant EPA terms and conditions will be required or in progress prior to agreement execution. The South Coast AQMD has no obligation to fund a project until an Agreement is fully executed by both parties.

Agreements will include, but will not be limited to, the following requirements:

- Operate and perform proper maintenance on CHE, keeping equipment in service for a minimum of five (5) years from the date of commissioning.
- Disclose and ensure all the funding received doesn't exceed the project's total cost.
- Ensure the equipment has a warranty period for a period of use of three years.
- Existing equipment must be scrapped.
- Provision of data to ensure monitoring and compliance through telematics or other operational logs as appropriate.
- If requested, an awardee must provide a financial statement and bank reference, or other evidence of financial ability to fulfill Agreement requirements.
- Be available for a follow-up inspection by South Coast AQMD, upon request.
- Operate a minimum annual usage of the replacement program based upon the annual usage rate of the retiring/baseline vehicle.
- Operate the replacement vehicle solely in the goods movement industry.
- Maintain operation within one or both of the MSAs.

Failure to fulfill rebate agreement terms will require corrective action, see Section 11 Monitoring and Compliance

7. Scrappage Requirements

The equipment that was replaced as part of this Program must be surrendered to a dismantler, destroyed and rendered useless. Payment will not be issued until the existing equipment is surrendered to a dismantler or scrapped with a scrappage certificate provided by a dismantler. This ensures that emission reductions are real and prevents the existing equipment from being reused.

- The baseline equipment can be destroyed with the following method: A hole in the engine block with a diameter of at least three inches at the narrowest point. The hole must be irregularly shaped (i.e., no symmetrical squares or circles). Other equivalent methods of destruction may be allowed if approved by South Coast AQMD.
- The baseline equipment must be destroyed after it is replaced and the replacement equipment is placed into full service. Documentation of the destruction must be provided to South Coast AQMD within 60 days of destruction.
- The rebate recipient is responsible for expenses of the salvage of the existing equipment, if any.
- South Coast AQMD must be notified within 14 days of equipment destruction so that an inspection can be performed if deemed necessary by SCAQMD.

8. Outreach and Engagement Strategy

Based on input received from the public, South Coast AQMD will disseminate information and work with local and regional partners throughout the MSAs, to engage with industry, community, labor, and other stakeholders to promote the Program. Outreach will be conducted to ensure that original equipment manufacturers (OEMs), dealerships, and fleets in the CHE market are aware of the program. Additionally, Community outreach and engagement will be conducted to receive feedback on Project prioritization considerations and related issues.

- Maximize outreach to reach potential incentive program participants through various channels including, but not limited to in person meetings/workshops, participating in industry and community events, social media, INVEST CLEAN website, email blasts, partnerships with governmental agencies, chambers of commerce and trade associations, and other methods
- Utilize subscription mailing lists by Standardized Industrial Classification to reach a broader pool of potential program applicants.
- Coordinate with Community Benefits Steering Committee to educate stakeholders on funding opportunities
- Engage with targeted communities and stakeholders, including Community Air Protection Program Steering Committees

The INVEST CLEAN website will be periodically updated to provide Program Announcements, Request for Proposals, public workshops, meetings and events, workforce development opportunities, and other information.

9. Application and Evaluation Process

Applications must be submitted online through the South Coast AQMD's Grant Management System (GMS) and will require:

- The new equipment will be required to operate within the two MSAs 100% of the time.
- The equipment documentation details the existing equipment make, model, model year, and engine serial number.
- Engine documentation detailing existing engine serial number, model year, horsepower, and tier certification
- Historical usage records for the most recent 12-month period.
- Proof of ownership for the existing equipment
- Vendor quotes for the new equipment detail the equipment Make, Model Year, engine family number, or tier.
- Business information forms: all business information forms will be available for download on the GMS. Forms requiring signatures must be scanned and uploaded to the electronic application in PDF format.
- CARB compliance status documentation and verification, such as DOORS Compliance Snapshot if applicable
- Disclosure of other funding sources that ensure that the awardee is not receiving more incentives than the cost of the equipment

Projects will be prioritized based on the age, hour meter reading, annual usage, cost, and geographic distribution of the eligible existing/retiring vehicles/equipment. There is a possibility that due to large program interest that applications with a large number of projects may be offered partial funding of the application with only a portion of the projects funded based on the prioritization described previously. South Coast AQMD does not have an established Geographical Funding Minimum, for each county within the two MSAs, but the intent is to allocate project funding equally throughout the two MSAs, if feasible, following the completion of the application evaluations.

Applicants will be required to sign an agreement with the South Coast AQMD and commit to operating the replacement vehicles/equipment for at least 5 years.

10. Inspections

At a minimum – South Coast AQMD will conduct on-site or remote inspections of all new replacement equipment (Post Inspection). Per 2 CFR 200.337, EPA and its authorized representative shall have access to the funded Projects. To further verify the information provided by the recipients, South Coast AQMD may choose to perform inspections for the baseline equipment (Pre Inspection) and destruction (Destruction Inspection), per South Coast AQMD discretion. A South Coast AQMD Inspector will be assigned to conduct the inspections. Recipients must make all equipment available for in-person or remote inspections as specified within the Agreement or when requested by South Coast AQMD.

Pre-Inspection

Verification of the equipment specifications and operational condition of the existing equipment, could include the following:

- Clear photographs or recorded videos of the existing equipment and engine, including:
 - (1) Full equipment in frame
 - (2) Front, back, and both sides of the equipment
 - (3) Both sides of the engine
 - (4) Any specification plates/labels/identifiers or emission control labels attached to the equipment/engine including equipment serial number and engine serial number
 - (5) The equipment and engine in operation
- Visual verification of operational conditions by the South Coast AQMD Inspector to confirm:
 - (1) Equipment is able to start up and move backward and forward
 - (2) Fuel tank is in usable condition
 - (3) No parts are stripped
 - (4) Equipment is not vandalized
- Gathering of documents including:
 - (1) Equipment or engine specifications
 - (2) Usage or maintenance documents
 - (3) Compliance documents demonstrating compliance with Federal/State/Local Laws, Rules and Regulations

Post-Inspection

Verification of the equipment specifications and operational condition of the replacement equipment, which could include the following items:

- Clear photographs or recorded videos of the existing equipment and engine, including:
 - (1) Full equipment in frame
 - (2) Front, back, and both sides of the equipment
 - (3) Equipment certification/verification of battery-electric zero emission
 - (4) Any specification plates/labels/identifiers or emission control labels attached to the equipment/engine including equipment serial number
 - (5) The data logger/hour meter/mileage providing usage information
 - (6) The equipment and engine in operation
- Visual verification of operational conditions by the South Coast AQMD Inspector to confirm:
 - (1) Equipment is able to start up and move backward and forward

- (2) Fuel tank is in usable condition
 - (3) No parts are stripped
 - (4) Equipment is not vandalized
- Gathering of documents including:
 - (1) Equipment or power train specifications
 - (2) Compliance documents demonstrating compliance with Federal/State/Local Laws, Rules and Regulations

All new/replacement equipment must receive a Post-Inspection, and the Post-Inspection must be completed before disbursement of funds.

Destruction Inspection

Verification of the equipment specifications and confirmation of destruction of the existing equipment, which could include the following items:

- Clear photographs or recorded videos of the existing equipment and engine, including:
 - (1) Full equipment in frame
 - (2) Front, back, and both sides of the equipment
 - (3) Both sides of the engine
 - (4) Any specification plates/labels/identifiers or emission control labels attached to the equipment/engine including equipment serial number and engine serial number
 - (5) Cut structural components
 - (6) Destroyed engine block
 - (7) Any other cuts/holes or otherwise destroyed portions of the equipment or engine in accordance with the methods detailed in Section 7.
- Visual verification of destruction by the South Coast AQMD Inspector to confirm:
 - (1) Equipment is inoperable and irreparable
 - (2) Equipment has been destroyed in accordance with the methods detailed in Section 7 .
- Gathering of documents including:
 - (1) Verification of destruction from a verified dismantler
 - (2) Equipment or engine specifications
 - (3) Usage or maintenance documents

11. Monitoring and Compliance

Monitoring

Rebate recipients will be required to report operation data metrics, such as equipment usage, energy usage, and other relevant data. The new equipment must remain in service for the entire contract term. Where feasible, rebate recipient must install data loggers on the granted equipment to enable real-time data submission or remote access. Rebate recipients may request to withhold business-sensitive data, provided this does not compromise the objectives of the data collection. Note that such requests will not abrogate or modify the provisions of Government Code Section 7920 et seq. (Public Records Act). The University of California, Irvine (UCI), the designated third-party data verification organization under INVEST CLEAN, will collect and analyze vehicle data to verify the Measure's performance, emission reductions, and associated job creation. Details on the data to be collected, data collection methodology, data collection frequency, and other reporting requirements will be specified in the UCI implementation plan for data collection. Specific data collection and reporting procedures from the UCI implementation plan will be included in the Rebate Agreement.

Compliance

When a rebate recipient is unable to meet the program requirements (e.g., documentation, operation, utilization, 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 rebate recipient cannot meet the average usage requirements or terms specified in the Agreement, South Coast AQMD may 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.
- The owner will make its best effort to repair the equipment and assist with identifying a new operator.
 - SOUTH COAST AQMD and EPA will review and approve the justification for the deployment failure before any ownership transfer can be authorized.
- South Coast AQMD may withhold project funds until compliance is met. Additionally, per their discretion, South Coast AQMD may require return of project funds.

12. Workforce Training

South Coast AQMD will work with the Los Angeles County Electrical Educational and Training Trust Fund (LA ETI) of the National Electrical Contractors Association (NECA) of greater Los Angeles and the International Brotherhood of Electrical Workers (IBEW) and partners to support pre-apprenticeship and apprenticeship programs which allow students in higher education to participate in the Workforce Development Program. The approach is centered around NECA-IBEW's joint labor-management apprenticeship program, which utilizes apprentices in charging infrastructure projects. On-the-job training will be offered to students aspiring to become electricians. The Workforce Development Program will support professional certifications and promote overall job growth in this industry in alignment with industry standards, workers' rights, and Construction Labor Standards. Additionally, if needed, fleets new to the technology can

receive training on charging equipment operation, equipment maintenance, and equipment repair, just to name a few. Costs may include labor, travel, demonstration units, materials, facility fees, etc. Details will be provided in the Workforce Development Program Implementation Plan developed by NECA-IBEW.

13. Program Performance Evaluation and Reporting

SCAQMD will evaluate and closely monitor the program's progress to identify the need for improvements and adjust accordingly, including modifying the solicitation and reissuing the solicitations. South Coast AQMD will evaluate the program performance based on the following:

- Project implementation progress
- Measures participation
- Agreement execution
- Data and report submission to UCI
- UCI analysis of the data collected from the charger deployments, utilization, and reported malfunctions and challenges.

If the program performance did not meet the expectations, the contingency measures include but are not limited to, the following:

- Reopen the solicitations
- Obtain EPA's approval and reallocate funds to other measures and consider the cost-effectiveness
- Conduct additional outreach
- Enforce agreements and impose penalties
- Increase monitoring and project tracking
- Meet with rebate recipients regularly to discuss plans to mitigate emission reduction shortfall

Attachment 1
Program Announcement



**South Coast
Air Quality
Management District**

INVEST CLEAN

Climate Pollution Reduction Grant U.S. Environmental Protection Agency



Program Announcement #PA2026-01

Measure 3-Battery Electric Cargo Handling Equipment

Accepting Applications: August 15, 2025, at 12:00 PM PT

Submission Deadline: November 28, 2025, at 12:00 PM PT

Section 1 – Introduction

In July 2024, US EPA awarded funds to the South Coast Air Quality Management District (South Coast AQMD) to implement INVEST CLEAN in Los Angeles-Long Beach-Anaheim and Riverside-San Bernardino-Ontario Metropolitan Statistical Areas (MSAs). These two MSAs include the following four counties: Los Angeles, Orange, Riverside, and San Bernardino. INVEST CLEAN targets the limiting factors and challenges to the electrification transformation of the Southern California goods movement corridor.

INVEST CLEAN comprises four incentive measures to modernize the goods movement sectors. Under this Program Announcement (PA), the South Coast AQMD is soliciting applications for **Measure 3** of the INVEST CLEAN Program, the Battery Electric (BE) Cargo Handling Equipment (CHE) Deployment Program. The total incentive amount of CPRG Funding allocated for Measure 3 is \$20.6 million. This measure focuses on deploying BE CHE to introduce advanced technologies to the market and to accelerate the adoption of those technologies within the two MSAs mentioned above, which serve as the West Coast's gateway to international commerce. This measure will help reduce emissions from goods movement facilities by retiring and replacing diesel-powered CHE used at facilities such as warehouses, intermodal railyards, airports, ports, or freight facility centers. CHE encompasses a wide variety of equipment including, but not limited to, yard trucks and top handlers. **Measure 3** is structured as a rebate-based initiative for the replacement of eligible CHE with BE technology. Each rebate requires the recipient to scrap an existing CHE, which is pivotal to the strength of this emission reduction strategy because existing CHE is predominantly diesel-fueled and highly polluting.

South Coast AQMD places a high level of emphasis on funding projects that reduce emissions from traditionally diesel-powered CHE, contributing to improved air quality in impacted communities and California trade corridors.

The following sections describe the eligibility requirements to participate in the Measure 3 Battery Electric Cargo Handling Equipment of the INVEST CLEAN program and the guidelines for submitting an application under this PA.

Section 2 – PA Overview & Eligibility Requirements

Measure 3: Battery Electric Cargo Handling Equipment of the INVEST CLEAN Initiative provides funding for the deployment of BE CHE within the two MSA geographic areas.

2.1 Available Funding

The maximum funding amount for each type of eligible Battery Electric CHE is shown below. For each piece of eligible equipment, the awardee could receive up to the total cost (including tax and other fees) for the respective equipment, subject to the funding cap limits in Table 1 below.

Table 1. Project Funding Available

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

Note that up to 100% of the equipment cost may be covered under this program. However, the rebate may be discounted to ensure that the total incentives for a project do not exceed the total eligible cost.

Should South Coast AQMD receive applications with total requests less than the amount allocated, or if applications are deemed non-meritorious, South Coast AQMD reserves the right to reduce the total funding available and reallocate funds to other INVEST CLEAN Measures and/or reopen another BE CHE Program Announcement. Funding for other CHE types may be made available at a later date, pending eligibility determination by the US EPA and review of other available incentive programs for CHE.

2.2 Geographical Funding Minimum

South Coast AQMD has not established a Geographical Funding Minimum for each county within the two MSAs, but the intent is to allocate project funding equally throughout the two MSAs, if feasible, following the completion of application evaluations.

2.3 Eligibility Requirements

For this PA, the following eligibility requirements apply:

WHO: Fleet owners of CHE at inland/dry ports, warehouses, freight facility centers, and intermodal railyards. The equipment must be domiciled and operate 100% of the time within one of the two MSA regions shown in the dotted areas on the map below in Figure 1, which include the following four counties: Los Angeles, Orange, Riverside, and San Bernardino.

WHAT EQUIPMENT: Eligible equipment types include yard trucks and top handlers. The equivalent baseline equipment (top handler or yard truck) that will be removed from operation must be diesel-fueled.

HOW:

Applications must be submitted through South Coast AQMD's Grant Management System (GMS), which can be found at: <http://www.aqmd.gov/investclean>.

WHEN:

Applications can be submitted starting August 15, 2025, at 12 PM PT and will be accepted until November 28, 2025, at 12 PM PT or until Program funds are encumbered.

ALL APPLICATIONS MUST BE SUBMITTED VIA SOUTH COAST AQMD'S ONLINE GRANT MANAGEMENT SYSTEM (GMS)

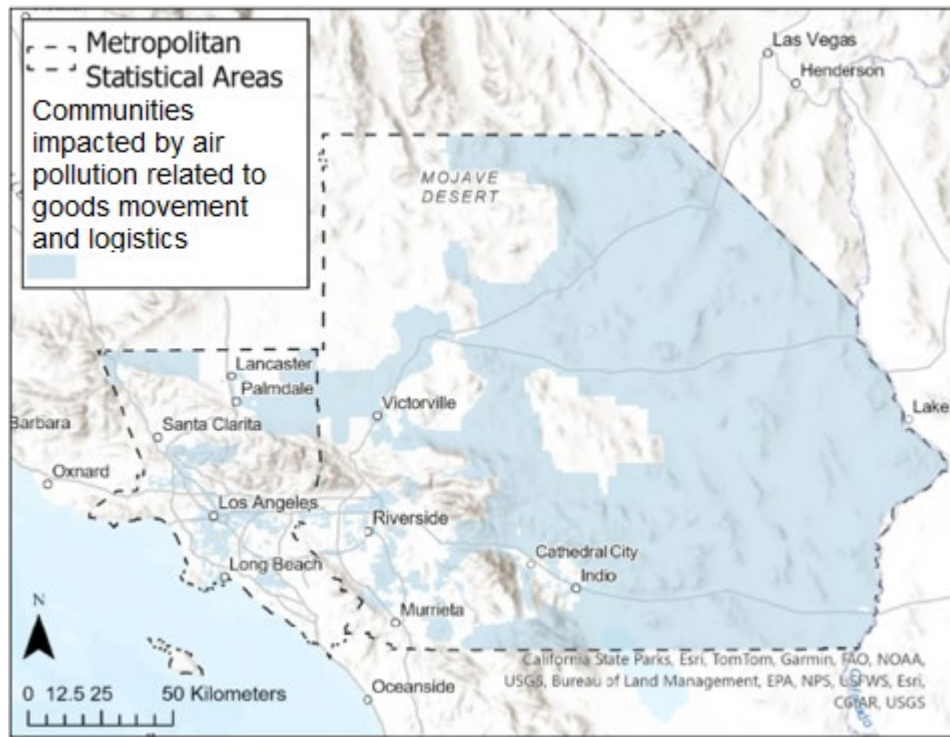


Figure 1: Area inside the dotted lines represents the two MSA qualified territories.

Deployment of New BE CHE:

- Upon delivery of the new equipment, the applicant must notify South Coast AQMD Staff so a post-inspection may be performed. During the post-inspection, South Coast AQMD Inspectors or their designees will verify the specifications of the new equipment and confirm that the equipment is operational. Inspections can occur virtually or in person at the discretion of South Coast AQMD.
- The new equipment should be operated 100% within one or both of the two MSAs for the full project term. At a minimum, a five (5) year project term for each new BE CHE will be required, but if unforeseen circumstances prevent the applicants from meeting this requirement, documentation must be provided.

Required Destruction of Old Equipment (Scrapping):

After the deployment of replacement battery-electric equipment, the engines and equipment that were replaced as part of this program must be destroyed and rendered useless. Payment will not be issued until the existing equipment is scrapped. This ensures that the existing equipment is not reused. Requirements for old/baseline equipment destruction are as follows:

- Both the old engine and the old equipment must be destroyed. Destruction must occur within 60 days after the new equipment is received and placed into service.
- South Coast AQMD must be notified within 14 days prior to equipment destruction so that an inspection can be performed if deemed necessary by South Coast AQMD.
- Documentation of the destruction must be provided to South Coast AQMD within 90 days of destruction.
- The method used to destroy the old equipment may vary depending on the equipment type; however, the equipment must be rendered inoperable, and all engines must be destroyed using the following methods:
 - All frame cuts must be performed on load-bearing frames of the existing equipment.
 - A hole in the engine block with a minimum diameter of three inches at its narrowest point. The hole must be irregularly shaped (e.g., no symmetrical squares or circles).
 - Other equivalent methods of destruction may be used if approved by the South Coast AQMD.
- The cost of salvaging any existing equipment will not be reimbursed.

2.4 Project Workflow:

The flowchart in Figure 2 depicts the evaluation process for a typical BE CHE project, while Table 1 below provides a detailed explanation of each step. Projects will begin with an online application, followed by an evaluation conducted by South Coast AQMD staff. If approved, projects will then proceed through the following stages: execution of agreements, project implementation, invoicing and reimbursement, and required reporting.

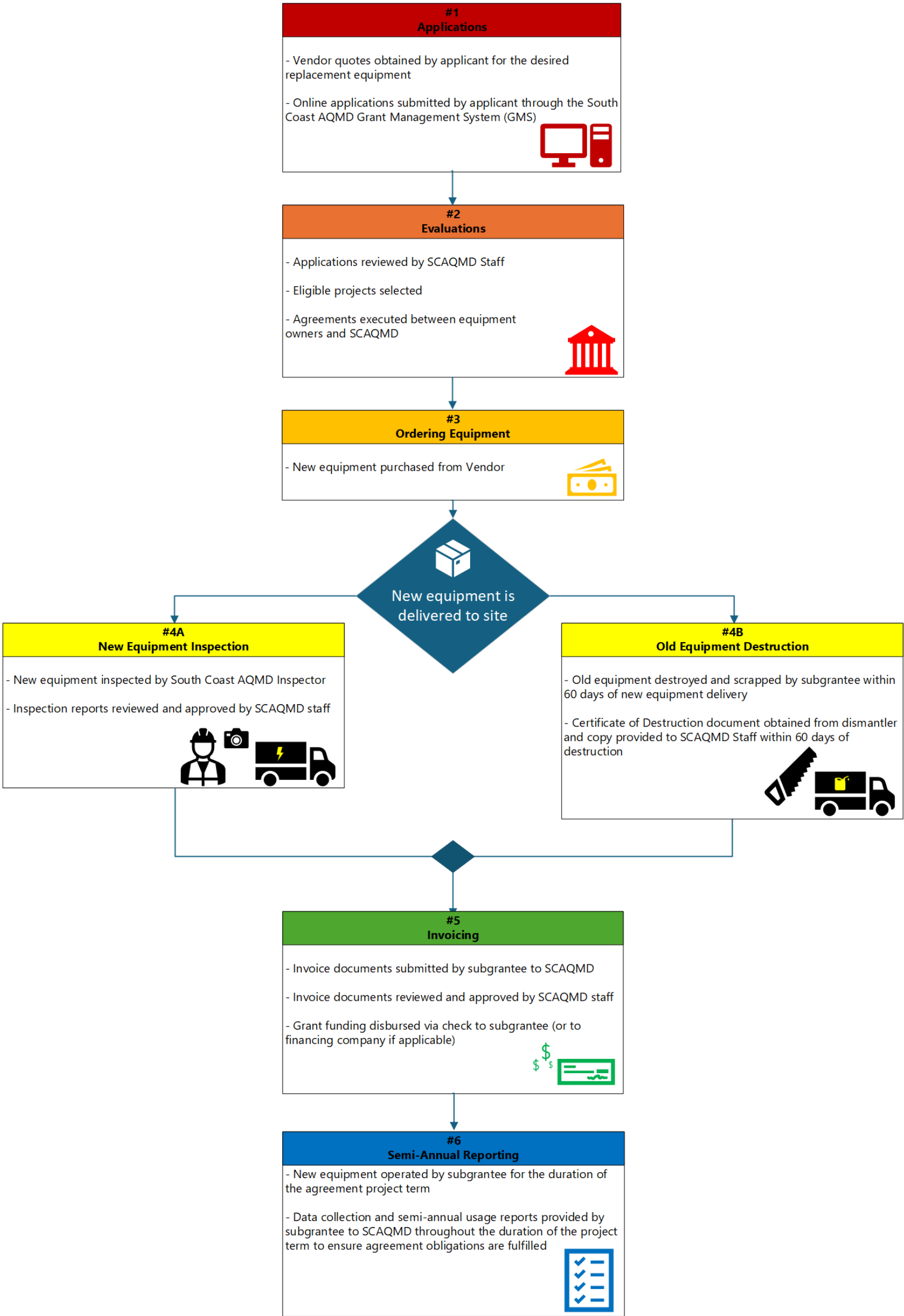


Figure 2: Lifecycle for Battery Electric Cargo Handling Equipment Replacement Projects

Table 1 below offers a step-by-step explanation of the flow chart. Please refer to the flow chart's box number and the corresponding process description below:

Table 1: Step-by-Step Explanation

Chart Process #	Description of Process
1	The process begins with an open application period when applicants may submit INVEST CLEAN grant applications online through South Coast AQMD's Grant Management System (GMS). During the application process, applicants are required to obtain at least one quote from an equipment vendor for the new equipment they intend to purchase. More than one quote is encouraged to determine the best price estimate. All vendor quotes must be dated within 90 days of the application submission date. Quotes for new equipment must include a minimum 3-year warranty (which will be included as an eligible cost). When completing an application, applicants must provide information and documentation including, but not limited to, the materials summarized in Attachment A.
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 updates are required, South Coast AQMD staff will allow the applicant 14 days to provide any requested documentation and/or updates. Eligible projects will be approved for funding as received and prioritized by application submission date. If an applicant has been approved for funding of one or more projects, an agreement will be executed between the applicant and South Coast AQMD. Agreements specify the project requirements and set milestones for the destruction of the old/baseline equipment and the delivery and operation of the new/replacement equipment.
3	Once an agreement has been fully executed, the applicant, now referred to as the Awardee, may proceed to order and purchase the new/replacement equipment from the equipment vendor. Measure 3 of INVEST CLEAN provides grant funding on a reimbursement basis, issued as a rebate. Accordingly, South Coast AQMD will disburse funds to the Awardee after project implementation is completed as outlined in Step 5 below.
	After the new/replacement equipment is delivered, the Awardee must inform South Coast AQMD staff so an inspection can be scheduled.
4A	A South Coast AQMD Inspector will be assigned to inspect the new/replacement equipment. The Inspector will coordinate with the Awardee directly to arrange an inspection date and time. Inspections may be performed either on-site or via video or photograph(s) at the Inspector's discretion. The inspector will verify specifications for the new/replacement equipment including, but not limited to, new equipment make, model, model year, product identification number/serial number, Product Identification Number/Serial Number, battery type, battery capacity, range, motor make, motor model, power rating (in kW or HP), charging options/location(s), or other applicable specifications. Upon completion of the inspection, the Inspector will submit an Inspection Report for review by South Coast AQMD staff.

4B	Upon delivery of the new/replacement equipment, the Awardee will have 60 days to destroy the old/baseline equipment and engine. The applicant may destroy the old equipment through a certified dismantler. Other methods of scrapping and dismantling may be approved by South Coast AQMD on a case-by-case basis in advance (in writing). Upon destruction and scrapping of the old equipment, the Awardee must obtain a Certificate of Destruction from the scrap yard/dismantler and provide a copy to South Coast AQMD Staff within 60 days of destruction.
5	Upon approval of the post-inspection report and receipt of the Certificate of Destruction, the Awardees can submit invoices to the South Coast AQMD staff. Invoice documents include, but are not limited to, an Invoice requesting payment from the Awardee, copies of any Purchase Invoices from the vendor, and copies of any bank-cleared checks from the applicant to the vendor as proof of payment. For financed equipment, additional documents will be required including a copy of the finance agreement between the Awardee and financing company, a Payment Authorization Form (provided during the invoicing process upon request), copies of any bank-cleared checks from the Awardee to the financing company, and a copy of the wire transfer from the Awardee/financing company to the vendor. Once all documents are received and approved by South Coast AQMD staff, payment will be issued per the terms of the agreement.
6	After the new equipment has been delivered and funding has been disbursed, the Awardee is responsible for maintaining ownership of the new equipment for the duration of the project term and must abide by any usage requirements and real-time or telematic usage data collection requirements detailed in the agreement. Usage reports noting the hour usage (or mileage) of the new equipment must be submitted to South Coast AQMD on a semi-annual basis according to the schedule specified in the project milestones of the agreement. At the conclusion of the project term and after all semi-annual usage reports have been submitted and reviewed, South Coast AQMD staff will notify the Awardee of project completion status. In the event that project milestones or usage requirements are not met, South Coast AQMD reserves the right to extend the project term if necessary to achieve project goals.

Section 3 – PA Timeline (These dates are subject to change)

Item	Date
Issue PA2026-01	August 1, 2025
Applications Open	August 15, 2025, at 12 PM PT
Deadline to Submit Application	November 28, 2025, at 12 PM PT or until funds are encumbered (whichever comes earlier)
Agreement Execution	January 2026 through April 2027
Invoice Review and Payment	June 2026 through February 2028
Performance and usage tracking	Commencing after Deployment for a minimum of five years.

NOTE: PA may be re-issued as needed

3.1 PA Amendments

South Coast AQMD may modify the PA and/or issue supplementary information or guidelines relating to the PA during the application preparation and acceptance period from August 15, 2025, at 12:00 PM PT to November 28, 2025, at 12:00 PM PT. Amendments will be posted on the INVEST CLEAN website at <https://www.aqmd.gov/home/technology/implementation/invest-clean>.

Section 4 – Application Preparation & Submittal Instructions

4.1 Application Submission Requirements:

Please reference **Attachment A** for information required to complete and submit an application through our online INVEST CLEAN Grant Management System (GMS) provided at: <https://www.aqmd.gov/home/technology/implementation/invest-clean>

- INVEST CLEAN Program grants can be no greater than a project's procurement cost. Costs for warranty, shipment, and tax may be eligible project costs.
- Applicants must provide proof that they have owned each old/baseline equipment unit for at least one year.
- Vendor quotes must be dated no longer than 90 days prior to the application submittal date.
- More than one quote is encouraged to determine the best cost estimate.
- Applicants shall inform the vendor of the time frame of the award process so that the vendor can estimate prices based on the projected order/purchase date, since funding requests and awards may not be revised after the Program closing date
- Vendor quotes must include a minimum 3-year warranty for the new equipment.
- Applicants must provide engine documentation for existing/baseline equipment detailing engine serial number, model year, horsepower, and tier certification. 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>

- Applicants must provide documentation for new battery-electric equipment detailing make, model, model year, battery type, battery capacity, range, charging options, or other applicable specifications.
- New battery-electric equipment must be certified/verified for sale in California and must comply with durability and warranty requirements.
- Applicants must provide historical usage records of the existing/baseline equipment for the past 12 months.
- Applicants must provide the CARB compliance status for the existing CHE fleet (ex., DOORS Compliance Snapshots).

The South Coast AQMD retains the authority to impose more stringent requirements as necessary to address additional concerns

4.2 Certifications and Representations

South Coast AQMD “Business Information Forms” require signatures and are available on the GMS via the application portal. These forms are required to be uploaded prior to the application deadline as part of the application submittal.

4.3 Vendor Notification

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. Vendor quotes must be dated no more than 90 days prior to the application submittal date. Applicants must inform vendors of the timeframe for the award process so that they can accurately quote costs based on the anticipated order or purchase date.

No purchase orders may be placed or work performed for projects awarded under this PA until after the execution date of the rebate agreement between the Awardee and South Coast AQMD. The South Coast AQMD has no obligation to fund a project until an agreement is fully executed by both parties. All project costs must be clearly indicated in the application.

4.4 Confidentiality

Applicants must ensure that any trade secret, confidential or proprietary information they provide is marked accordingly. Please see the following website for more details:

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

Section 5 – Application Evaluation

South Coast AQMD staff will evaluate all submitted applications as they are received until the application deadline or until all funds are expended, whichever date occurs first. Applications will be evaluated based on the CPRG/INVEST CLEAN Workplan, including verification that the project meets all specified requirements for this program. Funding determination will be done on a project-by-project basis and if feasible, funding will be distributed geographically.

Be aware that there is a possibility that, due to program priorities and funding category limitations (i.e., caps), project applicants may be offered only partial funding.

5.1 Grounds for Rejection

An application may be immediately rejected if the application:

- Does not include the correct documentation and other forms required.
- Was not submitted by an individual authorized to represent the firm.
- Does not meet the conditions laid out in the application prior to submission.

5.2 Disposition of Applications

The South Coast AQMD reserves the right to reject any or all applications. All responses become the property of the South Coast AQMD. A digital copy of the application shall be retained for South Coast AQMD files.

5.3 Modification or Withdrawal

Once submitted, applications cannot be altered without the prior written consent of South Coast AQMD. 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 applicant to ensure that all information submitted is accurate and complete.

Section 6 – Funding & Conditions

6.1 Payment

Selected Measure 3 projects will be paid on a reimbursement basis in accordance with the rebate agreement. The payment will be made after the BE CHE is delivered and the old unit is scrapped. The final invoice must be submitted with supporting documents no later than February 28, 2028 unless extended at the sole discretion of South Coast AQMD. The agreement term under this PA will end five years from the date the equipment is commissioned to ensure operation of the equipment for at least 5 years.

The Awardee will be encouraged to obtain the most recent price estimate during application submittal and place the purchase order as soon as the agreement is executed to secure the equipment pricing. It is recommended that applicants work with vendors on the timeline of when the units will be delivered and in service and adjust pricing accordingly.

6.2 Inspections

Inspections will be performed on the CHE approved for funding per the agreement terms. Inspections of equipment may be conducted in person or virtually via remote inspections. Recipients must make all equipment available for in-person or remote inspections, unless otherwise specified within the agreement, or through updates from South Coast AQMD. Each Awardee funded under each measure is subject to inspection based on the South Coast AQMD and the U.S. EPA's discretion.

6.3 Reporting

Selected Awardees will be required to submit semi-annual reports. Awardees will be provided with data collection requirements to ensure the South Coast AQMD has the necessary data to evaluate project performance. The data may be collected in real-time or through telematic equipment, which may include, but will not be limited to, CHE availability (percent of time the BE CHE is ready and available for use), duty cycle coverage (percent of typical diesel CHE tasks completed within one full battery cycle), hours operated, maintenance and operating costs, operational fit, interoperability and operator feedback, miles traveled, energy used, charging frequency, charging rate, charger uptime downtimes and other challenges encountered during the reporting period. Awardees must ensure that performance data is provided and that the usage requirements in the agreement are met. South Coast AQMD reserves the right to verify the information provided via inspection.

A designated third-party contractor may collect and analyze vehicle data to verify the Measure's performance.

6.4 Agreement Structure

An agreement will be executed with the South Coast AQMD and the owner for the deployment of the BE CHE. This agreement will outline the Awardee's responsibilities, milestones, and deliverables.

6.5 Performance

When an Awardee is unable to meet the program requirements (e.g., annual reporting, operation, 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 an Awardee cannot meet the average usage requirements or terms specified in the agreement, South Coast AQMD may consider an extension of the contract to address non-performance.

Options to address or remedy 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 BE CHE to another entity committed to complying with the agreement and operating of the BE CHE
 - The owner will make its best effort to assist with identifying a new operator and maintain the CHE in operating condition until transfer of ownership is complete.

- South Coast AQMD and US EPA will review and approve the justification for the deployment failure before any ownership transfer can be authorized.

6.6 Closeout

If selected for funding, closeout of the agreement can occur once all required documentation has been received and the Awardee has fulfilled all obligations. In addition, the Awardee agrees to use the BE CHE(s) purchased under the INVEST CLEAN program for the purpose for which it was acquired, and for the duration of its useful life. After the end of the five-year grant period, the BE CHE(s) may be retained, sold, or otherwise disposed of with no further obligation to the US EPA or South Coast AQMD.

6.7 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 US EPA or South Coast AQMD may make publicly available on their websites copies or portions of project information.

US EPA and South Coast AQMD also reserve the right to access records of the Awardee 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 Awardee'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 (3) 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 US 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.

6.8 Use of Logos

Use of the US 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.

6.9 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.

6.10 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 vehicles/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.

6.11 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.

6.12 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 that information to the South Coast AQMD, they will be required to reattach that previous notification to the certification and provide any additional details about those violations that have not previously been provided. The recipient's yearly certification will be due at the same time as the annual progress reports. South Coast AQMD reserves the right to terminate the agreement with a recipient that has been found to have violated labor laws, and the recipient may be required to return any and all funds, as determined by South Coast AQMD. The recipient will also ensure that these requirements are included in all downstream partnerships.

6.13 Economic Sanctions (Russia/Ukraine)

On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (EO) regarding economic sanctions in response to Russian aggression in Ukraine. Applicants who are considered eligible for funds under this PA and who have received executed agreements 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.

Section 7 – INVEST CLEAN Contact Information

This program announcement and additional information and resources pertaining to the INVEST CLEAN Program can be obtained from the INVEST CLEAN website at:

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

South Coast AQMD staff members are available to answer questions during the application period. To expedite assistance, please direct your inquiries to investclean-che@aqmd.gov.

ATTACHMENT A – PROJECT INFORMATION FORM

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

APPLICANT INFORMATION

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

PROJECT DESCRIPTION

Existing Equipment Information: • Equipment Make • Equipment Model • Equipment Model year • Equipment Serial Number • Primary Yard address • DOORS EIN (if registered in DOORS) • Regulatory Compliance Documents for the company (for all applicable regulations)
Existing Engine Information: • Engine Fuel Type • Engine Make • Engine Model • Engine Model Year • Engine Serial Number • Engine Family Number • ARB Certification Engine Executive Order Number
Operational Information • Percent Operation in 2 MSA's • Projected Future Percent Operation in 2 MSA's • Projected Future Annual Usage Hours • Current Hour Meter Reading
Replacement Equipment Information • Replacement Equipment Make • Replacement Equipment Model • Replacement Equipment Model Year • CARB Certification or Approval Letter certifying the equipment as zero emission

PROJECT COST BREAKDOWN

Amount requested from South Coast AQMD
Replacement vehicle Cost (Including Tax)
Vendor Information:

• Vendor Name • Vendor Contact Name • Vendor Phone Number • Vendor Address

APPLICATION FUNDING SUMMARY

Total Amount requested from South Coast AQMD for all projects
Total Amount to be paid by Applicant for all projects
Funding From other Sources: • Total Amount to be paid by other funding Sources for all projects • Name of Funding Entity • Funding Amount
Total Cost of all projects in application

REQUIRED ATTACHMENTS:

• Compliance documentation for entire fleet for all applicable regulations (CHE, WAIRE, Off-Road Diesel Regulation) • Proof of Ownership • Photo of Existing Equipment Serial Number for equipment that will be scrapped • Photo of Existing Engine Emission Control Label for equipment that will be scrapped • Photo of Existing Engine Info/Serial Number Tag for an engine that will be scrapped • ARB Certification Engine Executive Order for scrapped Engine (if applicable) • Photo of Current Hour Meter Reading • Equipment Operational Records for past 12 months • New Equipment Quote with 3 Year Warranty (dated 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
