



**South Coast
Air Quality
Management District**

INVEST CLEAN



Program Announcement

#PA2026-02

Measure 2.1 - Battery Electric Freight Vehicle Deployment Incentive Program

Accepting Applications: August 15, 2025, at 12 PM PT
Submission Deadline: November 28, 2025, at 12 PM PT

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). The 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.

The purpose of this Program Announcement (PA) is to solicit project applications for INVEST CLEAN – Measure 2.1: Battery Electric Freight Vehicle Deployment Incentive Program. This Program will provide funding rebates for the transition of goods movement operations to advanced technologies and reduce emissions by replacing heavy-duty Class 8 diesel freight delivery vehicles with Class 8 trucks that are powered by battery-electric technology.

SECTION 1 – PROGRAM OVERVIEW

The total rebate funding for Measure 2.1: Battery Electric Freight Vehicle Deployment Incentive Program is approximately \$28,000,000 from the INVEST CLEAN funds awarded to the South Coast AQMD. All applications will be evaluated based on the requirements set forth in this PA, which align with the INVEST CLEAN workplan and the Terms and Conditions of the grant awarded to INVEST CLEAN.

- WHO:** Applicants may be public or private entities currently operating a Class 8 vehicle for goods movement. Eligible applicants are asset-owners/operators.
- WHAT:** Incentives under this PA are rebate-based and limited to the replacement of diesel-fueled Class 8 trucks with Class 8 trucks powered by battery-electric technology. Only Class 8 (GVWR 33,001 pounds or higher) goods movement trucks are eligible for this rebate. An equivalent baseline truck that will be scrapped must be diesel-fueled.
- HOW:** Applications must be submitted online 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 the application period closes on November 28, 2025 at 12 PM PT or until program funds are exhausted.

Item	Date
Issue PA2026-02	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 expended (whichever comes earlier)
Agreement Execution	January 2026 through August 2027
Performance and usage tracking	Commencing after Deployment

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

1.1 - GENERAL PROGRAM INFORMATION

Incentive funding under this PA is rebate-based. Only diesel Class 8 goods movement trucks are eligible for a rebate under this Program. South Coast AQMD staff will evaluate all applications submitted online as they are received until the application deadline, or until all funds are exhausted, whichever date occurs first.

Eligible Participant

- The applicant must provide proof of compliance with applicable fleet/truck regulations during the application process.
- If awarded, the applicant must enter into a written Agreement with South Coast AQMD as a condition of receiving rebate funds. See SECTION IV – PROJECT AGREEMENT
- The applicant must agree to adhere to all applicable Terms and Conditions. See SECTION VI – LEGAL UPDATES AND DEFINITIONS

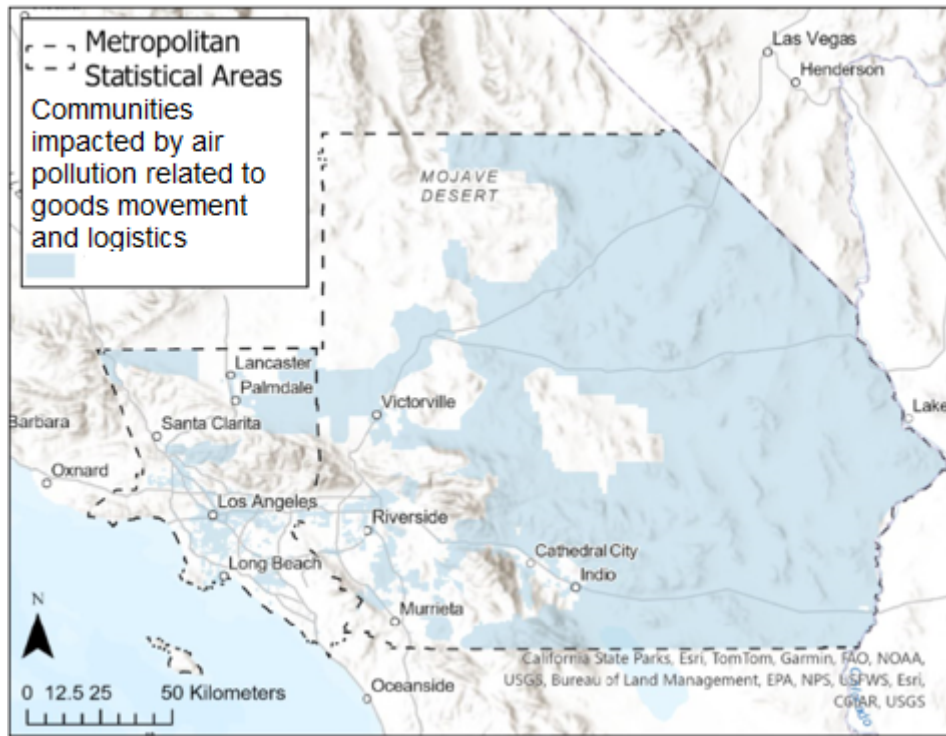
Eligible Existing Vehicle

- The existing vehicle must be diesel-powered.
- The existing vehicle must be domiciled and have operated at least 75% within either one or both MSAs for the prior 12 months from application submittal. The MSA regions are shown in the dotted areas on the map below in Figure 1, which include the four counties: Los Angeles, Orange, Riverside, and San Bernardino.
- The existing vehicle must have operated a minimum of 7,000 miles during the 12 months prior to application.

Eligible Replacement Vehicle

- The replacement vehicle must be brand new and battery-electric powered.
- The replacement vehicle must not be powered by hydrogen or any fossil fuels.
- The replacement vehicle must not be a retrofit, repower, or conversion.
- The replacement vehicle must be deployed no later than February 2028.
- The replacement vehicle must operate at least 75% within one or both of the MSAs for a minimum of 5 years after vehicle deployment.

Figure 1: Area inside dotted line represents the two MSAs qualified territories



1.2 - ELIGIBLE FUNDING AMOUNT

Each eligible Class 8 truck project will receive a rebate amount up to \$400,000.

While Program grants can be combined with other non-federal grants and incentives, in no case may the total grant/rebate funds be greater than 100% of a project's total cost, as explained in Section 1.3 below.

1.3 - PROJECT COST

All project costs must be clearly indicated in the application. Applicants must provide an itemized dealership or manufacturer quote for the replacement vehicle. Sales tax, Federal Excise Tax (FET), and delivery fees are eligible costs under the INVEST CLEAN program. Please note that any combined incentive funds with this opportunity cannot exceed the cost of the replacement truck.

1.4 – PROGRAM WORKFLOW

The flowchart in Figure 2 depicts the evaluation process of a typical replacement project, while Table 1 below provides a detailed explanation of each step. Projects will begin with an online application, followed by a project evaluation conducted by South Coast AQMD staff. This will be followed by the execution of Agreements, project implementation, invoicing and reimbursement, and required reporting.

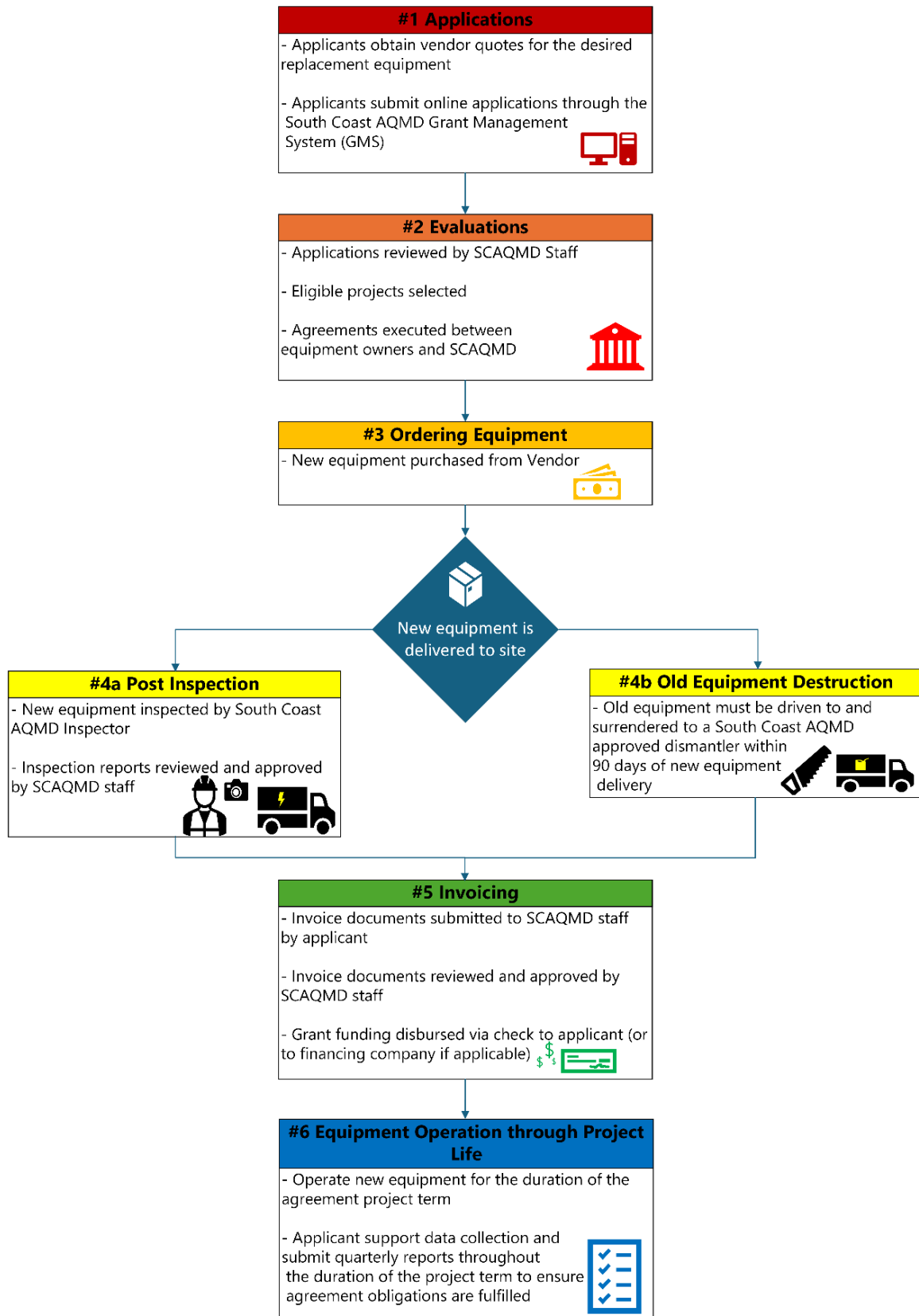



Figure 2: Lifecycle for Battery Electric Class 8 Vehicle Replacement Projects

Table 1-Step-by-Step Explanation

Chart Process #	Description of Process
1	Applicants submit INVEST CLEAN grant applications online through South Coast AQMD's Grant Management System (GMS). Applicants must provide all required information and documentation as prompted by the GMS.
2	Upon receipt of a submitted application, South Coast AQMD staff will review the application to screen for completeness and project eligibility. If additional information, documentation or corrections are required, South Coast AQMD staff will allow the applicant 14 calendar days to provide a response to the request. Eligible applications will be approved for funding as project reviews are completed and approved with priority determined by the application submittal date. If an applicant has been approved for funding, an agreement will be executed between the applicant and South Coast AQMD.
3	Once an Agreement has been fully executed, the applicant, now Awardee, may proceed to order and purchase the new/replacement vehicle from the vehicle dealer/vendor.
	New/replacement vehicle is delivered to the applicant. The Awardee must inform South Coast AQMD staff upon delivery of project vehicle.
4a	Inspection of the new vehicle is required. A South Coast AQMD Inspector will coordinate an inspection date and time with the Awardee directly. Inspections may be performed either on-site or via video or photograph(s) at the inspector's discretion.
4b	Upon delivery of the new/replacement vehicle, the awardee will have 90 days to surrender the old/baseline vehicle to the authorized dismantler.
5	Awardee will submit an itemized invoice to South Coast AQMD to request payment. South Coast AQMD will confirm that the Awardee has met all program and agreement requirements prior to rebate payment.
6	Awardee will allow a South Coast AQMD designated data collection organization to track data for the operation of the new vehicle (See pg. 10 Data Collection). Awardee will meet program requirements and submit semi-annual reports to the South Coast AQMD.

SECTION 2 – APPLICATION SUBMITTAL REQUIREMENTS

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

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

Grounds for Rejection:

An application may be immediately rejected if the application:

- Does not submit all the required information and documentation via GMS.
- It 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 submitted with the Application.

Methods of Delivery:

The applicant must submit the application using the South Coast AQMD’s GMS. Multiple projects may be entered into a single application. Applicants are required to perform the first and final steps of initiating and submitting applications; however, the application may be filled in by a third-party consultant.

Disposition of Applications:

The South Coast AQMD reserves the right to reject any or all applications. All responses become the property of the South Coast AQMD. The electronic copy of the application shall be retained for South Coast AQMD files. Please review the Access to Records and Retention disclaimer in SECTION 6 – LEGAL UPDATES AND DEFINITIONS.

Modification or Withdrawal:

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

SECTION 3 – APPLICATION EVALUATION

South Coast AQMD staff will evaluate and qualify submitted applications as they are received to approve the project(s) to be funded. South Coast AQMD staff may request additional information, documentation or updates based on their application review. Applicants will be allowed 14 calendar days to provide a response to the request.

Funds may be distributed based on applications received to target areas most heavily impacted by goods movement and ensure geographic distribution. To the extent feasible, South Coast AQMD will ensure that funding is balanced across the two Metropolitan Statistical Areas (MSAs): Los Angeles-Orange County MSA and Inland Empire MSA. Some funds may be reserved initially to ensure the funds are available to both MSAs.

There is a possibility that due to large program interest that applicants may be offered partial funding and not all eligible applications may be funded.

SECTION 4 –AGREEMENT

All applicants that are selected for funding awards must enter a written Agreement with the South Coast AQMD and will be considered rebate recipients, or Awardees.

Note: The South Coast AQMD has no obligation to fund a project until an Agreement is fully executed by both parties.

The scope of work will include tasks and deliverables that demonstrate compliance with the requirements of the EPA-funded INVEST CLEAN Program administered by South Coast AQMD.

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

- Be available for a follow-up inspection by South Coast AQMD, if requested.
- Existing vehicles must be scrapped.
- Provision of data to ensure monitoring and compliance through telematics or other travel logs as appropriate.
- Register the new/replacement vehicle in California with the Department of Motor Vehicles (DMV).
- Maintain insurance on the new/replacement vehicle as required by law.
- Ensure the operation of the new/replacement vehicle is within one of the MSAs and provide all necessary progress reports.
- The funded vehicle is required to maintain a minimum of 7,000 miles a year, and 75% of which must be within the two MSAs for the entire operating period.
- Ensure the new vehicle is operated and maintained with proper maintenance throughout the Agreement term.
- The replacement vehicle is to have at least a three-year manufacturer's warranty.
- Ensure that vehicle operation is restricted specifically to goods movement.

4.1 - INSPECTIONS

Inspections will be performed on the new vehicles approved for funding. Additional inspections of old vehicles/engines or destruction of old vehicles may be conducted at the discretion of South Coast AQMD. Inspections of vehicles/engines may be conducted virtually via remote inspections. Recipients must make all vehicles available for in-person or remote inspections unless otherwise specified within the Agreement, or through updates from South Coast AQMD.

4.2 - SCRAPPING REQUIREMENTS

The existing vehicle must be scrapped according to the following criteria:

- Existing vehicle must be driven, not towed, to a South Coast AQMD-approved dismantler. A dismantler receipt must be collected by the applicant and provided to South Coast AQMD before the rebate can be processed.
- Existing vehicle must be scrapped within ninety (90) days of the dismantler's receipt

- The scrapping method must include drilling a three-inch asymmetrical hole in the engine block and cutting the frame rail.
- Evidence of destruction will be provided to the Awardee by the approved dismantler and must include digital photos of VIN tag, front, side profile, and rear of the vehicle, engine tag, before and after photos of the destroyed engine block, and cut frame rails or other cut structural components as applicable. The Awardee must submit this documentation to South Coast AQMD per the Agreement terms.

On a case-by-case basis depending on the condition and emission rate of the vehicle, South Coast AQMD may allow vehicles to be used for other programs to reduce emission rates within the South Coast AQMD region.

4.3 - DATA COLLECTION

For the duration of the 5-year operating period, recipients shall allow installation of data loggers to enable real-time data submission or remote access to the South Coast AQMD Contractor, the designated third-party data verification organization under INVEST CLEAN. A designated data collection organization will collect and analyze operational data for this Program. Recipients may request to withhold business-sensitive data, provided this does not compromise the data collection objectives. Note that such requests will not abrogate or modify the provisions of Government Code Section 7920 et seq. (Public Records Act). Specific data collection and reporting procedures will be provided to recipient by the designated data collection organization.

4.4 - DELIVERABLES

The Agreement will describe how the project will be monitored and what type of information will be included in project progress reports for the duration of the 5-year operating period. At a minimum, the South Coast AQMD expects to receive the following:

- Semi-Annual reports consisting of:
 - Vehicle Miles Traveled (VMTs)/energy usage,
 - vehicle registration, vehicle insurance, and
 - other information as requested by the South Coast AQMD

South Coast AQMD reserves the right to verify the information provided. Please review the Access to Records and Retention disclaimer in SECTION 6 – LEGAL UPDATES AND DEFINITIONS.

4.5 - PERFORMANCE

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

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

- Extending the project Agreement to allow for the makeup of the usage requirement shortfall
- The owner will make its best effort to repair the vehicle 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.

SECTION 5 – PAYMENT TERMS

To receive a rebate payment, the Awardee must submit:

- Proof of vehicle purchase, including signed sale agreements and proof of payments.
- Proof of replacement vehicle registration, vehicle insurance, and warranty information
- Proof of fleet compliance with applicable fleet/truck regulations
- Proof that the existing vehicle was surrendered to an authorized dismantler

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

All payment requests must be submitted by February 2028.

SECTION 6 – LEGAL UPDATES AND DEFINITIONS

6.1 - CONFIDENTIALITY

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

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

6.2 - 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.

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

In accordance with 2 CFR 200.334, the recipient must retain all Federal award records, including but not limited to, financial records, supporting documents, and statistical records for at least three years from the date of submission of the final financial report. The records must be retained until all litigation, claims, or audit findings have been resolved and final action has been taken if

any litigation, claim, or audit is started before the expiration of the three-year period. Examples of the required records include: (1) time and attendance records and supporting documentation; and (2) documentation of compliance with statutes and regulations that apply to the project. In accordance with 2 CFR 200.337, the EPA, the Inspector General, the Comptroller General, and the pass-through entity, or any of their authorized representatives, have the right of access to any documents, papers or records of the recipient which are pertinent to the grant award. The rights of access are not limited to the required retention period, but last as long as the records are retained.

6.3 - USE OF LOGOS

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

6.4 - 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.

6.5 - 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/rebate, 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.

6.6 - CONFLICT OF INTEREST

Applicants 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.

6.7 - 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 certification will be due at the same time as the semi-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.

6.8 - ECONOMIC SANCTIONS (RUSSIA/UKRAINE)

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

DEFINITIONS

1. Agreement Term

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

- i. Project completion period is the first part of the Agreement term starting from the date of Agreement execution by both parties to the date the project post-inspection confirms that the project has become operational.
- ii. Project implementation period is the second part of the Agreement term and equals the operating period.

2. 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.

3. Goods Movement

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

WORKSHOP AND ADDITIONAL INFORMATION/ASSISTANCE:

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/investclean>

Additionally, information on virtual pre-recorded presentations and other meetings (as needed) are to be posted on the INVEST CLEAN website.

South Coast AQMD staff members are available to answer questions during the application period. To expedite assistance, please direct your inquiries to investclean-onroad@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 Name
Business Address
City, State and Zip
Phone
Contact Name
Title
E-mail Address

FLEET INFORMATION

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

PROJECT DESCRIPTION

<p>Existing Vehicle Information:</p> <ul style="list-style-type: none"> • VIN • Vehicle Make • Vehicle Model • Vehicle Model year • GVWR • License plate • CHP CA Number • Primary Yard address • Regulatory Compliance Documents (for all applicable regulation) • Vocation of the Vehicle
<p>Existing Engine Information:</p> <ul style="list-style-type: none"> • Engine Fuel Type • Engine Make • Engine Model • Engine Model Year • Engine Serial Number

<ul style="list-style-type: none"> • Engine Family Number • ARB Certification Engine Executive Order Number
Operational Information <ul style="list-style-type: none"> • Total annual mileage and % Operation within the two (2) MSAs for existing vehicle • Projected Future % Operation within the two (2) MSAs • Projected Future Annual Mileage • Current Odometer Reading
Replacement Vehicle/Engine Information <ul style="list-style-type: none"> • Replacement Vehicle Make • Replacement Vehicle Model • Replacement Vehicle Model Year • Replacement Vehicle GVWR • Primary Yard Address • Replacement Engine Make • Replacement Engine Model • Replacement Engine Model Year • ARB Certification Engine Executive Order Number • Odometer Reading of Replacement Vehicle

PROJECT COST BREAKDOWN

Amount requested from South Coast AQMD
Replacement vehicle Cost (Including Tax)
Vendor Information: <ul style="list-style-type: none"> • Vendor Name • Vendor Contact Name • Vendor Phone Number • Vendor Address

APPLICATION FUNDING SUMMARY

Total Amount requested from SOUTH COAST AQMD for all projects in this Category (Class 8 On-Road Vehicles)
Total Amount to be paid by Applicant for all projects in this Category (Class 8 On-Road Vehicles)
Application # for any other applications in this solicitation from other Program Categories (i.e. CHE, infrastructure)
Funding From other Sources: <ul style="list-style-type: none"> • Name of Funding Entity • Funding Amount
Total Cost of all vehicle rebate requests in this Category (Class 8 On-Road Vehicles)

REQUIRED ATTACHMENTS:

- Compliance documentation for entire fleet for all applicable regulations
- Vehicle Title for vehicle to be scrapped
- Photo of VIN label
- Photo of GVWR label
- Photo of Engine Emission Control Label
- Photo of Engine Info/Serial Number Tag
- ARB Certification Engine Executive Order for Existing Engine
- Photo of Current Odometer Reading
- Insurance for the past 12 months
- Registration for the past 12 months
- Odometer/Operational/GPS Records for past 12 months
- New Vehicle Quote
- 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