



2023
CARL MOYER MEMORIAL
AIR QUALITY STANDARDS ATTAINMENT PROGRAM
PROGRAM ANNOUNCEMENT
“Year 25”

SOUTH COAST AQMD PROGRAM ANNOUNCEMENT
PA2023-04

South Coast AQMD is pleased to announce the availability of funds for the Carl Moyer Memorial Air Quality Standards Attainment Program (hereafter “CMP”). The CMP has played a significant role in incentivizing equipment owners to purchase cleaner-than-required engines, vehicles and equipment. This year marks South Coast AQMD’s 25th year of CMP implementation.

The CMP is intended to obtain “surplus” emission reductions of Nitrogen Oxides (NO_x), Particulate Matter (PM₁₀) and Reactive Organic Gases (ROG) from heavy-duty vehicles and other equipment operating in California as early and as cost-effectively as possible. The CMP provides financial incentives to equipment owners to repower, retrofit or replace in-use heavy-duty vehicles and equipment with cleaner-than-required engine and equipment technologies that will achieve emission reductions that are real, surplus, quantifiable and enforceable.

SECTION I – PURPOSE

The purpose of this Program Announcement (PA) is to solicit project applications for the 2023 Carl Moyer Memorial Air Quality Standards Attainment Program (CMP). **The budget for this PA will be approximately \$52 million from the CMP Funds and AB 923 Match Funds. The South Coast AQMD expects to receive additional funds for this year’s CMP, which may include funds in support of AB 617-Community Air Protection Program and the Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program.**

All applications will be evaluated based on the criteria set forth in this PA, the CMP Guidelines, and any subsequent updates and modifications/advisories to the Guidelines. This PA was prepared based on the latest version of the CMP Guidelines approved by the California Air Resources Board (CARB) on April 27, 2017, and all associated updates, which are available at: <https://ww2.arb.ca.gov/guidelines-carl-moyer>.

This PA generally identifies the equipment categories, project options and eligibility criteria to qualify for grant funding under this year’s CMP. Any tax obligation associated with an award is the responsibility of the grantee.

In the preparation of this PA, the words “Applicant” and “Contractor” are used interchangeably. South Coast AQMD staff will evaluate all qualified applications and make recommendations to the Governing Board for final selection of project(s) to be funded. All eligible projects will be ranked based on the cost-effectiveness of NO_x, PM₁₀ and ROG emissions reduced. Please note that depending upon the number of applications received in response to this PA, South Coast

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

At least 50 percent of South Coast AQMD's CMP funds will be targeted for projects that meet the criteria of a disadvantaged or low-income community projects. Other non-CMP funding sources may have DAC and/or low-income status requirements that may limit South Coast AQMD's ability to award such funding to projects that do not meet applicable geographic or income requirements. The Office of Environmental Health Hazard Assessment (OEHHA) in the California Environmental Protection Agency (CalEPA) has developed the California Communities Environmental Health Screening Tool: CalEnviroScreen Version 4.0 (CalEnviroScreen 4.0). The CalEnviroScreen 4.0 tool will be used by South Coast AQMD to identify projects that qualify as a DAC, which is defined as scoring in the top 25th percentile and will strive to maximize the benefits to these communities. All applications will be assessed with the CalEnviroScreen tool to identify and verify if the project will benefit a DAC within the 25th percentile. This tool is available at: <https://oehha.ca.gov/calenviroscreen/report/calenviroscreen-40>

South Coast AQMD's CMP is administered locally through its Technology Advancement Office. The South Coast AQMD reserves the right to allocate its CMP funds among the program categories or to specific projects in accordance with South Coast AQMD priorities. Applicants may only be offered partial funding due to cost-effectiveness or funding category limitations (i.e., caps), and not all applications that meet the cost-effectiveness criteria may be funded.

SECTION II – LEGAL UPDATES AND AND DEFINITIONS

CONFLICT OF INTEREST

Applicant must address any potential conflicts of interest with other clients affected by actions performed by the firm on behalf of the South Coast AQMD. Although the applicant will not be automatically disqualified by reason of work performed for such firms, the South Coast AQMD reserves the right to consider the nature and extent of such work in evaluating the application. Conflicts of interest will be screened on a case-by-case basis by the South Coast AQMD General Counsel's Office. Conflict of interest provisions of the state law, including the Political Reform Act, may apply to work performed pursuant to this contract. An example of a conflict of interest may occur when a consultant applying on behalf of an applicant for funding under the Carl Moyer Program is also contracted with South Coast AQMD.

COMPLIANCE WITH APPLICABLE LAWS

Applicants must comply with all federal, state, and local laws, ordinances, codes and regulations. If the application is eligible for funding, all vehicles and/or equipment to be purchased, or installed must be compliant with all applicable federal, state, and local air quality rules and regulations, and will maintain compliance for the full Contract term.

COMPLIANCE WITH LABOR LAWS

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

STATEMENT OF COMPLIANCE

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

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 Carl Moyer Program funds under this Program Announcement and received executed contracts from South Coast AQMD, are obligated to comply with existing economic sanctions imposed by the U.S. government in response to Russia's actions in Ukraine.

DEFINITIONS

Alternative Fuel

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

Equipment Replacement

Equipment replacement means the replacement of an older vehicle or piece of equipment that still has remaining useful life with a newer, cleaner vehicle or piece of equipment. For Equipment Replacement project types, applicant must have owned and operated the old (i.e., existing) equipment in California for the previous two years from date of application. For locomotive projects, the applicant must have owned and operated the old equipment in California for minimum of one year.

Engine Repower

Engine repower means the replacement of an in-use engine with another, cleaner engine (more than 15 percent cleaner) within an existing vehicle or equipment.

Retrofit

An emission control system employed exclusively with an in-use engine, vehicle or piece of equipment. CARB guidance requires the applicant to select the highest-level technology certified for that engine that provides the most emission reductions. For many projects, this includes a diesel emission control device that reduces both PM and NOx emissions. In order to be eligible for CMP funding, the retrofit device must be verified for the specific engine family found on the equipment and achieve the highest-level emission reductions when compared to other verified retrofit devices. If a specific device reduces both NOx and PM, but the PM reduction from a retrofit is required by a regulation, only the NOx reduction may be eligible for funding.

South Coast AQMD Jurisdiction

The South Coast AQMD is the air pollution control agency for all of Orange County and the urban portions of Los Angeles, Riverside and San Bernardino counties. This area of 10,743 square miles is home to approximately 17 million people—about half the population of the 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.

SECTION III -- FUNDING CATEGORIES

Project equipment must be domiciled within the SCAB and operate a minimum of 75% of the time within the boundaries of the SCAB, except for on-road replacement projects, which are required to operate at least 51% of the time in the SCAB. Below are the specific project categories identified for funding under this PA:

Project Category*	Examples
On-Road Heavy-Duty Vehicles	<ul style="list-style-type: none"> • Transit fleet vehicles • Drayage trucks • Solid waste vehicles • Public agency/utility vehicles • Emergency vehicle Replacement (fire apparatus)
Off-Road Equipment	<ul style="list-style-type: none"> • Marine Engine Repower • Shore Power • Construction Equipment • Industrial Equipment • Agricultural Mobile Equipment (loaders, tractors, water pulls, etc.) • Locomotives • Cargo Handling Equipment

Project Category*	Examples
Infrastructure (to fuel or power a zero or near zero emission, heavy-duty vehicle or equipment)	<ul style="list-style-type: none"> • Electric chargers • Alternative fueling stations for zero-emission and near zero-emission vehicles

*To be eligible for funding, all projects must be compliant with all applicable federal, state, and local air quality rules and regulations.

ON-ROAD VEHICLES

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

- For on-road vehicles, a project's new engines may not be diesel-fueled (with the exception of Emergency Apparatus).
- Eligible engine model years are 2017 and older. Engine model years 2009 and older subject to the Truck and Bus Regulation are no longer eligible as their compliance life has passed
- Projects must include commercially available technologies that are certified or verified by CARB.

For purposes of the CMP, the following on-road vehicle classifications are used:

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

The proposed vehicle must be in the same weight class as the existing vehicle (LHD, MHD or HHD). The engine must be certified to the applicable heavy-duty intended service class as shown on the engine certification Executive Order. However, the following cases may be allowed: 1) MHD engines may be installed in HHD vehicles with GVWR up to 36,300 lbs. (10 percent higher than 33,000 lbs. GVWR) with written warranty verification by engine and chassis manufacturer, or 2) HHD engines may be installed in MHD vehicles if necessary for vocational purposes but only if the GVWR are within 10 percent of the HHD intended service class (i.e., GVWR of 29,701 lbs. or greater).

Executive Orders for on-road vehicles may be downloaded at:

<http://www.arb.ca.gov/msprog/onroad/cert/cert.php>.

Project emission reductions will be based on the lower of two 12-month periods of California usage during the previous thirty months. Fleet averages cannot be used.

A vehicle registration gap between March 1, 2020 and June 1, 2020 is acceptable provided that 24-month continuous registration would be demonstrated if the registration could be renewed between March 1, 2020 and June 1, 2020.

If usage was impacted during the period of March 1, 2020 to June 1, 2020, it can be substituted with usage from the 3-month period immediately before the 24-month period prior to application submittal.

Replacement of On-Road Vehicles

This project type involves the replacement of an older, in-use vehicle with a newer, cleaner vehicle. The replacement engine must be certified by CARB at or below the optional low NOx standard of 0.02 g/bhp-hr (or cleaner) and PM emission standard of 0.01 g/bhp-hr. In alignment with South Coast AQMD's 2016 AQMP, all on-road projects under the CMP must select the optional low-NOx, hybrid or zero-emission technologies. Diesel engines are not allowed in replacement vehicles except for Emergency Vehicles.

The South Coast AQMD requires that all on-road projects be operated within the South Coast AQMD jurisdiction for at least 75% of the time.

Applicants must clearly demonstrate their compliance status with the applicable CARB regulation (i.e., Statewide Truck & Bus Regulation, Drayage Truck Regulation, Fleet Rule for Public Agencies & Utilities, Transit Bus Regulation, TRU ATCM, etc.) at the time of application submittal and remain in compliance through final selection and contract execution (if selected).

Please note that if you are an owner of a fleet with 10 or fewer vehicles (greater than 14,000 lbs. GVWR), you may be eligible for funding through the On-Road Voucher Incentive Program (VIP). Currently, the VIP is the only incentive funding program in the SCAB that funds a compliant diesel vehicle or repower project. Please refer to the South Coast AQMD's VIP Web page to explore funding opportunities for replacement at: www.aqmd.gov/vip.

In addition, the following on-road projects will be considered on a case-by-case basis:

- On-road vehicles with a GVWR between 8,501 and 14,000 pounds,
- Retrofits that reduce NOx by at least 15 percent; for engines that are certified above 0.01 g/bhp-hr PM, the retrofit must also reduce PM emissions by 85 percent,
- Zero-emission transport refrigeration units (TRUs). Hybrid TRU projects are not eligible.

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

Funding Table for Replacement Drayage Truck Projects

Annual Mileage of Existing Truck	Grant Amount for 0.02 NOx Drayage Replacement deployed in 2024*							
	2010	2011	2012	2013	2014	2015	2016	2017
Engine Model Year								
20,000 Miles/Year	\$118,219	\$114,076	\$109,933	\$80,045	\$77,678	\$75,311	\$72,943	\$70,576
30,000 Miles/Year	\$160,000	\$160,000	\$160,000	\$145,036	\$139,710	\$134,383	\$129,057	\$123,730
40,000 Miles/Year	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000

50,000 Miles/Year	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000
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Annual Mileage of Existing Truck	Grant Amount for ZE Drayage Replacement deployed in 2024*							
Engine Model Year	2010	2011	2012	2013	2014	2015	2016	2017
20,000 Miles/Year	\$332,167	\$321,514	\$310,861	\$235,846	\$229,632	\$223,417	\$217,203	\$210,989
30,000 Miles/Year	\$410,000	\$410,000	\$410,000	\$410,000	\$407,478	\$393,496	\$379,514	\$365,532
40,000 Miles/Year	\$410,000	\$410,000	\$410,000	\$410,000	\$410,000	\$410,000	\$410,000	\$410,000
50,000 Miles/Year	\$410,000	\$410,000	\$410,000	\$410,000	\$410,000	\$410,000	\$410,000	\$410,000

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

On-Road Emergency Vehicle Replacement

Authorized emergency vehicles, as described in California Vehicle Code 165, including but not limited to fire apparatus, pumpers, ladder trucks, water tenders, and prisoner transport buses, are exempt from CARB regulations and therefore eligible for CMP funding. Eligible emergency vehicle projects are those in which an older, more polluting emergency vehicle is replaced with a new or used replacement vehicle with an engine meeting the current model year California emission standards. The older, replaced vehicle must be destroyed.

A fire truck reuse option is also available on a case-by-case basis. The fire truck reuse option allows fire departments to give away the existing old vehicle and destroy another older vehicle in its place.

On-Road Vehicle Conversion

Conversions involve the replacement or modification of the original engine or vehicle to include either a cleaner engine or other system that provides motive power and change of the fuel type used. Hybrid conversion systems using internal combustion engines must be certified according to “California Certification and Installation Procedures for Medium-and Heavy-Duty Vehicle Hybrid Conversion Systems.” The baseline engine model year for hybrid conversions must be 2010 or newer. The conversion system manufacturer must provide written confirmation that the funded vehicle would not exceed the certified allowable limit. All-electric conversion systems must receive an exemption Executive Order per Vehicle Code section 27156.

INFRASTRUCTURE

Infrastructure projects that enable the deployment of alternative, advanced, and cleaner technologies to support the State’s air quality goals are also eligible for CMP funding. Depending upon the number of applications received, the South Coast AQMD may have to limit the available CMP funding that will be allocated to infrastructure projects. Specifically, projects in this category involve the installation of fueling or energy infrastructure that will be used to fuel or power zero or alternative fuel emission (subject to change) heavy-duty vehicles or

equipment. Infrastructure designed to exclusively fuel or charge light-duty vehicles is not eligible for CMP funding.

Infrastructure projects will be selected on a competitive basis taking into consideration the project location, total requested funding, the percentage of renewable source, public accessibility, expected usage for the life of the project, fleet commitments to utilize the infrastructure, equipment throughput relative to cost, project implementation timeliness, cost-share, and other factors. Each scoring criterion will be weighted as shown in the table below. The priority for project selection may change based on technology development/commercialization and requirements of any additional funds that may become available. Infrastructure projects are not subject to a cost-effectiveness limit, but are subject to maximum limits prescribed by CARB.

Infrastructure Project Scoring Criteria

Criteria #	Criteria	Percentage
1	Project Location (if in an AB617 community)	8%
2	Renewable Sources	8%
3	Expected Throughput Usage per District Cost	20%
4	Project Co-Funding	10%
5	Infrastructure Usage and Equipment Availability	30%
6	Project Readiness and Implementation	21%
7	Application Completeness at Submittal	3%
	Total	100%

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. Non-public entities must provide quotes from a minimum of two different vendors with the application. The vendor quotes must be dated within 90 days of the application submittal date. Applicants need to inform vendors of the time frame of the award process so that they can estimate prices based on the future/projected order/purchase date.

Eligible costs include planning and engineering, permitting, equipment necessary for the functional operation of the infrastructure, and installation. Operational costs are not eligible and should not be included in the vendor quotes.

Applicants shall include a description of the installation vendor selection process. Applicants must demonstrate that they either own the land on which the project will be located, or control it through a long-term lease, easement or other legal arrangement, for the duration of the project life. Infrastructure projects may also require a case-by-case review by CARB.

Eligible infrastructure projects include, but are not limited to:

- Battery charging stations: New, conversion of existing, and expansion to existing battery charging stations for heavy-duty vehicles and equipment (not for light-duty vehicles)

- Hydrogen Fueling Station: New, conversion of existing, or expansion of existing hydrogen fueling station for heavy duty vehicles and equipment
- Stationary Agricultural Station: Pump electrification
- Shore Power: Shore-side electrification for projects not subject to CARB's shore power regulation. Only a port authority, terminal operator, or marine vessel owner is eligible for this type of infrastructure project.

A vehicle or equipment project is not required to be submitted as a condition of eligibility for infrastructure funding, however, priority will be given to such projects. The applicant must provide proof (i.e., letter of commitment from the fleet operator, purchase orders, etc.) that a sufficient number of supported vehicles/equipment be acquired and/or committed to utilize the infrastructure when the project is complete. For infrastructure expansion projects, documentation of increased throughput at the station is required to ensure the expansion is commensurate with projected fueling demand.

All projects funded need to be registered with the Department of Industrial Relations (DIR) and must comply with DIR requirements on labor practices which covers a broad prevailing wage. The Carl Moyer Program also specifies that applicants awarded a contract must comply with applicable provisions of Labor Code Sections 1720-1861.

OFF-ROAD COMPRESSION-IGNITION EQUIPMENT

This category includes off-road, mobile compression ignition equipment with engines greater than 25 horsepower. Off-road heavy-duty equipment/engines include, but are not limited to, construction equipment, agricultural equipment, marine engines, ship-side shore power and locomotive equipment. Portable equipment is not eligible for CMP funding. The following off-road equipment projects may be eligible for funding:

- **Repower:** The replacement of an existing engine with a newer emission-certified engine, or zero-emission system, instead of rebuilding the existing engine to its original specifications.
- **Retrofit:** The installation of a CARB-verified emission control system on an existing engine. Examples include, but are not limited to, particulate filters and diesel oxidation catalysts.
- **Equipment Replacement:** The purchase of new or used equipment with an engine certified to the current emission standard (Tier 4 Final) or zero-emission technology to replace an older, fully functional piece of equipment that is to be scrapped.

For off-road replacement and repower projects (excluding marine engines), the CMP guidelines specify that the horsepower rating of the new (or replacement) engine must not be greater than 125 percent of the original manufacturer rated horsepower of the old (or existing) engine. If the new engine is greater than 125 percent, then the eligible funding amount will be based on the cost of an engine or equipment with a horsepower rating that is no higher than 125 percent of the existing engine horsepower rating. The applicant must pay the additional costs associated with the higher horsepower engine and obtain a price quote for an engine or equipment that is within the 125 percent range for the funding determination. In addition, verifiable records on the existing engine must be provided with the application to accurately identify the engine manufacture year and horsepower (e.g., photographs of engine labels, statement from engine manufacturers, etc.).

Diesel Construction Equipment

According to CARB's In-Use Off-Road Diesel Vehicle Regulation (Off-Road Regulation), the construction fleets are categorized as follows:

Fleet Size	Horsepower Range
Small	Less than or equal to 2,500 HP
Medium	Between 2,500 HP and 5,000 HP
Large	Greater than 5,000 HP

On November 17, 2022, amendments to the Off-Road Regulation will be considered by CARB. Actions adopted by CARB at this time may significantly limit the eligibility of off-road equipment for CMP funding. If amendments are adopted as proposed, the potential funding for Tier 4 Final or Zero-Emission replacements and repowers will be available for the existing Tiers until the following dates:

Potential Funding	Large Fleets	Medium Fleets	Small Fleets
Tier 0	Not allowed	Not allowed	12/31/2025
Tier 1	Not allowed	12/31/2024	12/31/2027
Tier 2	12/31/2024	12/31/2026	12/31/2029

Tier 3 and Tier 4 Interim equipment may be replaced or repowered without restriction to Tier 4 Final or Zero Emission technologies when feasible. Proposed Off-Road Regulation Amendment above is pending CARB Board approval. We will evaluate projects based on the most updated Off-Road Regulation. In all cases, large and medium fleets must meet final compliance requirements and small fleets must meet final compliance requirements by December 31, 2026 to be eligible for funding. They must also demonstrate eligibility with the most current Off-Road Regulation & CMP Guidelines.

Fleets are also eligible to apply for funding through the Surplus Off-Road Opt-In for NOx (SOON) Program for new diesel engines, however additional demonstration of fleet compliance to the Off-Road Regulation is required. More information can be found at the Year 25 SOON Program Announcement. Please visit www.aqmd.gov/soon.

Applicants must submit information regarding fleet size and compliance status. **This must include the Diesel Off-Road On-line Reporting System (DOORS) ID of the fleet, the DOORS Compliance Snapshot, the DOORS equipment list, and the DOORS Equipment Identification Number (EIN) of the funded equipment.** All documentation submitted must be signed and dated by the applicant and include language certifying that the fleet list provided is accurate and complete.

Cargo Handling Equipment

Cargo handling equipment (CHE) is any motorized vehicle used to handle cargo delivered by ship, train, or truck, or used for scheduled routine maintenance activities at a port or intermodal rail yard. Equipment that handles cargo containers includes yard trucks, top handlers, side handlers, reach stackers, forklifts, and rubber-tired gantry (RTG) cranes.

Applicants must be in compliance with the CHE Regulations and equipment utilizing regulatory extensions are not eligible for funding. Cargo handling equipment located at other locations such as distribution warehouses must be in compliance with the off-road diesel regulation.

Agricultural Equipment

Diesel agricultural equipment are not subject to the off-road regulation. However, a statement of how the equipment will be used and what percentage of the time the equipment will be used for agricultural purposes is required in order to be eligible for the CMP funding. Agricultural equipment must be operated over 50% of the time in agricultural operations. Agricultural operations include, but are not limited to, activities such as the raising and harvesting of crops from soil, the raising of fowl or animals, logging, and forestry operations. A majority of the off-road vehicles used in facilities such as wineries, dairies, logging operations, farms, ranches, and wholesale are considered “agricultural operations”.

Large Spark-Ignition Equipment

LSI engines or alternative fuel-powered LSI internal combustion engines. Are designed for powering, but not limited to powering, forklift trucks, sweepers, generators, and industrial equipment. In order to be eligible for CMP funding, LSI fleets must have met the final compliance requirements. To be eligible for funding LSI fleets must have at least three years of emission reductions surplus to the LSI Fleet Regulation. If you have a large fleet of four or more forklift units or four or more units consisting of sweepers/scrubber, ground support equipment (GSE), and industrial tow tractors you must meet final LSI Regulation average emissions to be eligible for funding.

Marine Vessels

Marine vessel project types include engine repower and shore power. Only existing engines on a marine vessel with a fully functioning non-resettable hour meter are eligible for CMP funding.

Marine Engine Repower

Vessels subject to the in-use compliance requirements of CARB’s Commercial Harbor Craft (CHC) Regulation (i.e., barge, crew/supply, dredge, excursion, ferry, towboat and tugboats) are eligible for Carl Moyer Program funding as long as the vessel is fully compliant with the CHC Regulation. Based on the vessel’s operation, the newer engine’s emissions must be surplus to the currently required U.S. EPA marine engine emission standard (i.e., Tier 3 (for Commercial Fishing Vessels only), Tier 3 + DPF, Tier 4 and Tier 4 + DPF etc.). Remanufacture kits, which are comprised of engine component parts that, when installed, reduce the engine’s emissions, are subject to the same requirements as engine repower projects. For all marine engine repower projects, the replacement engine must provide at least a 15 percent NOx reduction relative to the baseline engine.

The final CHC Regulation were provided to the Office of Administrative Law by CARB on July 21, 2022. The updated CHC Regulation compliance dates for marine vessel types can be found on Table 7 through 10 of the Final Regulation Order at <https://ww2.arb.ca.gov/rulemaking/2021/chc2021>. Due to the updated compliance dates and Carl Moyer requirements for surplus emissions, the following table highlights eligible marine vessel repower projects based upon engine model year:

Marine Vessel Type	Engine Model Year
Ferries (except short-run ferries) Pilot Tugboats	2020 or newer
Research Excursion Commercial Passenger Fishing (or Charter Fishing)	2013 or newer
Dredges Barges Crew & Supply Workboats	2007 and newer
Commercial Fishing	All model years eligible

Ship-Side Shore Power

Limited CMP funding opportunities remain for ship-side shore power projects due to the applicability of CARB's At-Berth Regulation. Applicants must submit their CARB-approved Initial Terminal Plan to document compliance with CARB's Shore Power regulation. The proposed projects must provide emission reductions that are surplus to regulatory requirements. Projects not subject to CARB's regulation are eligible.

Locomotives

All new locomotives and replacement engines must be certified to Tier 4 standards or cleaner to be eligible for CMP funding. There are very limited CMP funding opportunities for Class 1 freight railroads. Such a project will be subject to a case-by-case approval by CARB. Class 2/Class 3 freight railroads and passenger railroads are not subject to any CARB fleet regulations and are therefore eligible for CMP funding.

The following project types are eligible for CMP funding:

1. Locomotive replacement (the reuse and/or recycling of the baseline chassis is allowed if the baseline engine is destroyed)
2. U.S. EPA-certified engine remanufacture kit or repower
3. Head-end power (HEP) unit (apply as an off-road engine project).

SECTION IV – APPLICATION SUBMITTAL REQUIREMENTS

Applicants must apply for CMP funding using the South Coast AQMD's CMP Online Grant Management System (GMS) which will be provided on January 10, 2023 at:

www.aqmd.gov/moyer. In addition, all Business Information Forms including 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. **Paper applications will not be accepted.**

PROJECT COST

Applicants must provide cost information that specifies the amount of funding requested and the basis for that request by attaching vendor quotes to the application. The vendor quotes must be

dated within 90 days of the application submittal date. Applicants need to inform vendors of the time frame of the award process so that they can estimate prices based on the future/projected order/purchase date.

Purchase orders or other purchase commitments shall not be placed until after the date of award approval by the South Coast AQMD Governing Board. Purchase orders may be placed after South Coast AQMD Governing Board approval and in advance of a fully executed contract, but these orders/commitments are placed at the applicant's own risk.

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

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

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

APPLICATION SUBMISSION

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

Grounds for Rejection: An application may be immediately rejected if:

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

Staff Contact Information: South Coast AQMD staff contacts for each category are listed under South Coast AQMD Staff Contacts and Additional Resources below. Applicants may contact South Coast AQMD staff to discuss their project prior to submitting an online application to ensure program eligibility.

Business Information Forms: All business information forms **must** be completed and submitted with the online application. Please note, if recommended for an award, you will be required to submit an updated Campaign Contribution Disclosure form at a later date. Download these forms at www.aqmd.gov/moyer. These business forms will also be available on the Carl Moyer Program GMS.

Electronic Submittal: A link to access South Coast AQMD’s Carl Moyer Program GMS will be available on January 10, 2023 at: www.aqmd.gov/moyer. The Carl Moyer Program GMS allows applicants to submit applications electronically to the South Coast AQMD and track the progress of their application(s). **Applications must be submitted through the Carl Moyer Program GMS by May 9, 2023 at 11:59 PM.** The GMS will not allow applications to be submitted after the due date and time. South Coast AQMD “Business Information Forms” requiring signatures must be scanned and uploaded to the electronic application in PDF format.

First-time users must register as a new user to access the system. Applicants will receive a confirmation email after all required documents have been successfully uploaded. A tutorial of the system will be provided at the pre-application workshops or online and you may contact staff if you would like additional assistance.

Third parties assisting in applications may create their own account on the Carl Moyer Program GMS that can be linked through the primary user account.

Missing Information – Within thirty (30) business days of the online application submittal due date of May 9, 2023, South Coast AQMD will email letters to applicants regarding the missing or incomplete information. Applicants will have seven (7) business days to provide any missing information requested in the letter. It will be the applicant’s responsibility to submit the missing or incomplete information within the time specified by South Coast AQMD staff. Only complete applications can move forward in the evaluation process.

Disposition of Applications - The South Coast AQMD reserves the right to reject any or all applications. All responses become the property of the South Coast AQMD. A copy of each application not selected for funding shall be retained for one year. Additional copies and materials will be returned only if requested and at the applicant's expense.

SECTION V – WORK STATEMENT/SCHEDULE OF DELIVERABLES

Prior to submitting the application, applicants must sign and agree to the terms and conditions of the requirements for submittal of additional project information to finalize a contract and that all vehicles, engines or equipment shall be in operation within eighteen (18) months of contract execution.

SCOPE OF WORK

The scope of work will describe tasks and deliverables that demonstrate compliance with the requirements of the CMP as administered by CARB and the South Coast AQMD. The project applicant is responsible for developing detailed project plans and ordering equipment that complies with the program criteria and guideline requirements. In addition, alternative fuel project applicants must discuss their plan for refueling the proposed vehicles/equipment, and if appropriate, should provide a letter of agreement from their fuel provider (see Application forms).

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

- Provide emission reductions that are real, surplus, quantifiable and enforceable in accordance with CMP guideline requirements.
- Project equipment must be domiciled within the boundaries of the SCAB.
- Meet the cost-effectiveness limit, as described in this PA and the CMP Guidelines, and subsequent CMP Advisories.
- For repower and replacement projects, the new engine must achieve an annual NOx emissions benefit of at least 15 percent to receive any funding.
- Commit that project engines or equipment operate in service for the full project life and at least 75 percent of annual operation must occur within the South Coast AQMD except for on-road replacement projects. On-road replacement projects may be eligible for funding with a minimum of 51% annual operation within the South Coast AQMD.
- The cost-effectiveness calculation is based on the percent operation within the South Coast AQMD boundary. Project life is the number of years used to determine the cost-effectiveness and is equal to the contract term. The contract will include the percent operation as a minimum requirement (75% for all projects, except on-road replacement projects, which are allowed a 51% minimum).
- Commit that all vehicles/engines/equipment are in operation within 18 months of contract execution.
- Provide for appropriate recordkeeping during the project life (i.e., annual mileage, fuel consumption and/or hours of operation), including submission of annual reports as detailed below.
- Ensure that the project complies with all applicable rules and regulations, and the resulting emission reductions from the project are not required as a mitigation measure to reduce adverse environmental impacts that are identified in an environmental document prepared in accordance with the California Environmental Quality Act or the National Environmental Policy Act.
- If requested, contractor must provide a financial statement and bank reference, or other evidence of financial ability to fulfill contract requirements.
- If requested, contractor must make all equipment and records available to the South Coast AQMD or CARB for audit and inspections.

PAYMENT TERMS

For all projects except shore power projects, full payment will be made upon installation and commencement of operation of the funded equipment. For shore power projects, a progress payment schedule may be established that allows payment upon completion of key milestones, as delineated in the contract.

DELIVERABLES

The contract will describe how the project will be monitored and what type of information must be submitted as part of the reporting requirements. At a minimum, the South Coast AQMD expects to receive an annual report for each year during the full contract term, or project life, which provides the annual miles, -fuel consumption or hours of operation, where the vehicle or equipment was operated, and operational and maintenance issues encountered and how they were resolved. South Coast AQMD reserves the right to verify the information provided.

Annual reporting forms are available online at: www.aqmd.gov/moyer

SECTION VI – APPLICATION EVALUATION/CONTRACTOR SELECTION CRITERIA

South Coast AQMD staff will evaluate all eligible online applications and make recommendations to the Governing Board for final selection of project(s) to be funded. Each project will be evaluated based on two primary criteria: (1) the cost-effectiveness of NO_x, PM₁₀ and ROG reduced, and (2) the project’s status with respect to the disadvantaged community and low-income criteria prescribed by CARB.

Note: Infrastructure projects are not subject to a cost-effectiveness limit but instead will be evaluated on a competitive basis using metrics that include, but are not limited to: fleet usage commitments, project location and readiness, expected vehicle usage/throughput and cost share.

PROJECT COST-EFFECTIVENESS

The CMP award amount shall not exceed the project’s incremental cost, applicable funding caps and/or cost-effectiveness limit(s). The “Step 1” cost-effectiveness limit, \$33,000 per weighted ton of emissions reduced, applies to projects that bring vehicles and equipment up to current standards. The “Step 2” cost-effectiveness limit of a maximum of \$500,000 per weighted ton of emissions reduced may be implemented pending CARB approval (in lieu of the \$109,000 per weighted ton, as stated in the 2017 Carl Moyer Program Guidelines) and applies to projects that are zero-emission or meet the cleanest certified optional standard applicable (by source category). Project cost-effectiveness is subject to change to meet additional program requirements.

All projects must meet the criteria stated in this PA and the CMP Guidelines in effect at the time of contract execution. A project’s cost-effectiveness is determined based on the annualized cost of the project and the amount of NO_x, ROG and PM₁₀ emission reductions that will be achieved by the project. Project cost-effectiveness is currently calculated according to the following formula:

$$\frac{\text{Annualized Cost (\$/year)}}{[\text{NO}_x \text{ reduction} + \text{ROG reduction} + (20 \times \text{combustion PM}_{10} \text{ reduction})] \text{ (tons/year)}}$$

For projects that involve advanced technologies, the cost-effectiveness will be calculated using the CMP’s two-step calculation approach. Detailed guidance for the new two-step calculation approach, as well as all CMP emissions reduction and cost-effectiveness calculations is available at: https://www.arb.ca.gov/msprog/moyer/guidelines/2017gl/2017_gl_appendix_c.pdf.

SECTION VII – IMPORTANT PROGRAM INFORMATION

- Applicants **must** provide proof of ownership with their online application. This may include vehicle/equipment title, bill of sale, or in the case of marine vessel projects, the U.S. Coast Guard registration documentation. Equipment must be owned a minimum of two years from

the date of application submittal (with the exception of locomotive projects, which is a one-year minimum).

- Project equipment must be domiciled within the SCAB and operate a minimum of 75% of the time within the boundaries of the SCAB (except on-road replacement projects, which are required to operate a minimum of 51% within the SCAB).
- Applicants must provide vendor quotes with their application to document the cost of the new replacement vehicle/equipment project (or engine for repower project). Applicants may be awarded up to the designated percentage of total cost for the specified type of project (new purchase, repower replacement and/or retrofit, infrastructure), subject to funding caps and program cost-effectiveness limits. All quotes must have been obtained within 90 days prior to the application submittal date.
- Applicants must provide legible engine tag photos of the baseline engine(s) or manufacturer specifications that document the engine serial number, horsepower, model year and engine family number, emissions certification level and CARB Executive Order (if controlled).
- Applications for fuel and engine technologies that are not certified, verified or approved by CARB, or falling outside the categories specifically discussed in this PA, may be referred to CARB for determination of CMP eligibility on a case-by-case basis. Please discuss these projects with South Coast AQMD staff prior to application submittal. Projects submitted for CARB case-by-case review will require the applicant to provide additional justification and documentation regarding the project and the applicant's justification for such consideration.
- A number of the CARB fleet rules and air quality regulations impact CMP eligibility. Compliance with existing CARB regulations is a pre-requisite for CMP funding. Only emission reductions in excess of regulatory requirements can be considered for CMP funding. If applicants are applying for CMP funds to reduce emissions before the required compliance date (i.e., early reductions), the equipment must demonstrate sufficient years of operation before the regulatory compliance deadline. Applicants are responsible for ensuring that they are in full compliance with all applicable regulations and that vehicle/equipment requests under the CMP provide surplus emission reductions. As noted earlier, applicants must provide documentation of their regulatory compliance status.
- Any tax obligation or liabilities associated with the award is the responsibility of the grantee. Please consult your tax advisor on the tax liabilities of receiving a grant award under the Carl Moyer Program.
- No third-party contracts will be executed.
- Pre-, post- and destruction inspections of all vehicles/engines/equipment approved for funding will be conducted, as required. However, due to the impact of Covid-19 and to ensure the safety of the staff and the public, inspections of all vehicles/engines/equipment may be conducted virtually via remote inspections depending on the status of the pandemic. Applicants must make all equipment available for in-person or remote inspections unless

otherwise specified during contract preparation, or through updates from South Coast AQMD. Documentation of compliance with existing regulatory requirements is required at the time of pre-inspection.

- The usage for off-road equipment projects will be based on hours (except for locomotive projects, which require annual fuel consumption in gallons), and the usage for on-road vehicle projects will be based on mileage. The applicant must provide the historical usage records for the equipment as part of the application for the previous two years. For on-road projects, the emission reductions will be based on the lower of the two 12-month periods of California usage within the prior thirty months. Low usage during the period of March 1, 2020 and June 1, 2020 can be substituted with the 3-month period that precedes the 24-month period prior to application submittal. Fleet averages cannot be used. Registration gaps during this period can be accepted if the vehicle was registered prior to March 1, 2020 and immediately after June 1, 2020.
- It is the applicant's responsibility to ensure that the most current information and requirements are reflected in a submitted project application. Applicants should check the CARB website for updates and advisories to the guidelines (www.arb.ca.gov/msprog/moyer/moyer.htm).
- In cases of conflict between CARB guidelines and South Coast AQMD criteria, the more stringent criteria will prevail. South Coast AQMD will post any new information and requirements on its CMP Web page at www.aqmd.gov/moyer.
- Projects subject to CARB regulations must submit a copy of the most recent CARB compliance report(s) or other documentation that provides South Coast AQMD with clear understanding of the fleet's compliance status.
- All emission reductions resulting from funded projects will be credited to the Carl Moyer Program. A grant shall not be made that provides the applicant with funds in excess of the maximum eligible amount, in accordance with CMP guidelines.
- A project may be leveraged with other funding sources. The applicant must disclose all funding sources at the time of application and will be required to report all funding sources prior to invoice payment. Other funding sources may include but are not limited to state and federal funding programs that reduce greenhouse gas (GHG) emissions, funding provided by the Alternative and Renewable Fuel and Vehicle Technology Program, Air Quality Improvement Program, or CARB's Low Carbon Transportation Investment funds to reduce GHG emissions. The sum of all grants and other funds applied toward the project shall (1) not exceed the total project cost for public agency applicants and (2) not exceed 85% of the total project cost for non-public agency applicants. In other words, the grantee must pay at least 15 percent of the project cost from non-public sources.
- The emission reductions paid for by the CMP shall not be claimed by the other funding sources.

SECTION VIII – SCHEDULE OF EVENTS

Issue PA2023-04	December 2, 2022
Applications Open	January 10, 2023
Workshops	Information on virtual pre-recorded presentations and other meetings (as needed) to be posted on www.aqmd.gov/moyer
All Applications Due by 1:00 pm	Tuesday, May 9, 2023
Awards Consideration by the Board	October - December 2023
Contract Execution	January 2024 thru June 2024

**ALL APPLICATIONS MUST BE RECEIVED VIA SOUTH COAST AQMD'S
CMP ONLINE GRANT MANAGEMENT SYSTEM
NO LATER THAN TUESDAY, MAY 9, 2023 at 11:59 PM**

Access to South Coast AQMD's CMP Online GMS is provided at: www.aqmd.gov/moyer

In light of COVID-19 and ensuring public safety protocols are being met, the South Coast AQMD may conduct in-person workshops for this year's CMP. However, if in-person workshops are not held due to impacts of COVID-19, South Coast AQMD will post pre-recorded presentations and host virtual meetings to provide program information and application assistance for applicants interested in participating in the CMP. Details on meetings and pre-recorded presentations will be posted at www.aqmd.gov/moyer after January 10, 2023.

SOUTH COAST AQMD STAFF CONTACTS AND ADDITIONAL RESOURCES

The South Coast AQMD staff contacts are listed in Table 1 by project category. Copies of the Program Announcement, Business Information Forms and a sample South Coast AQMD CMP contract may be accessed at: www.aqmd.gov/moyer.

Table 1: CMP Staff Contacts

Project Category	Staff Contact	Phone Number	Email
On-Road Heavy-Duty Vehicles	Tom Lee	(909) 396-2270	tlee@aqmd.gov
	David Chen	(909) 396-3083	dchen@aqmd.gov
	Justin Joe	(909) 396-2054	jjoe@aqmd.gov
Off-Road Equipment	Alyssa Yan	(909) 396-2024	ayan@aqmd.gov
	Darren Ha	(909) 396-2548	dha@aqmd.gov
	Kevin Perozo	(909) 396-2522	kperozo@aqmd.gov
Cargo Handling Equipment Electrification	Greg Ushijima	(909) 396-3301	gushijima@aqmd.gov
Marine Vessels	Nick Volpone	(909) 396-2636	nvolpone@aqmd.gov
Ship-Side Shore Power	Nick Volpone	(909) 396-2636	nvolpone@aqmd.gov
Locomotives	Andrew Yoon	(909) 396-3043	ayoon@aqmd.gov
Infrastructure	George Wu	(909) 396-2533	gwu@aqmd.gov

CONTACT FOR ADDITIONAL INFORMATION

Questions regarding the content or intent of this PA, procedural matters or locations of workshops should be addressed to: carlmoyer@aqmd.gov

WEBSITE LINKS TO CARB RULES THAT AFFECT CMP ELIGIBILITY

CARB Regulation	Website
On-Road Private (Truck and Bus)	http://www.arb.ca.gov/msprog/onrdiesel/onrdiesel.htm
Drayage Truck Regulation	Drayage Truck Regulation Sunset California Air Resources Board
Public/Utility Fleets	http://www.arb.ca.gov/msprog/publicfleets/publicfleets.htm
In-Use Off-Road	http://www.arb.ca.gov/msprog/ordiesel/ordiesel.htm
Harbor Craft	http://www.arb.ca.gov/ports/marinevess/harborcraft.htm
Cargo Handling Equipment	http://www.arb.ca.gov/ports/cargo/cargo.htm
Shore Power	http://www.arb.ca.gov/ports/shorepower/shorepower.htm