South Coast Air Quality Management District



Financial Incentives for Purchasing Low or Zero Emission Heavy-Duty Engines and Equipment

> Application Deadline July 11, 2017 -1:00 pm







What Is the Carl Moyer Program?

The Carl Moyer Program is named after Dr. Carl Moyer in recognition of his work in improving public health by reducing vehicle emissions.

Since 1998, the Carl Moyer Program (CMP) has provided funding to encourage owners of diesel engines to go beyond regulatory requirements by retrofitting, repowering, or replacing their engines with newer and cleaner ones. The CMP has been a successful and popular air pollution reduction program. While air pollution regulations continue to be the primary means to clean up the air, the CMP plays a complementary role to California's regulatory program by providing incentives to obtain early or extra NOx, PM and ROG emission reductions.

This is the 19th year of the CMP. Approximately \$24 million in funding is available for eligible projects within the SCAQMD's four-county jurisdiction. Additional funding may become available.

Who Is Eligible?

Any owner of an eligible heavy-duty on-road or off-road project, public or private, that results in cost-effective NOx, PM and/or ROG emission reductions. The project must not be required by a current regulation or be within three years of a regulatory compliance deadline. Projects must operate at least 75% of their time (mileage- or hour-based) within the SCAQMD boundaries. To be eligible for CMP funds, projects must meet the criteria described in the 2015 Carl Moyer Program Guidelines and all subsequent advisories to the Guidelines. Projects must be in compliance with applicable California Air Resources Board (CARB) regulations, meet a cost-effectiveness threshold, and be fully in operation within eighteen (18) months of contract execution or by May 24, 2019, whichever is earlier.



Carl Moyer Program Overview

The Carl Moyer Program fills a critical niche in California's strategy to achieve clean air. In the past 18 years, the CMP has provided \$437 million in funding which has resulted in approximately 7,084 tons per year of NOx and 188 tons per year of PM emission reductions throughout the four-county South Coast region.

What's New?

The CARB is proposing updates to the CMP Guidelines by no later than July 1, 2017. Some of the key changes to the CMP include establishing new cost-effectiveness limits based on consideration of technology and regulatory costs. Other changes will include incorporating other public funding sources to leverage CMP funds. If the Guideline revisions become finalized by CARB in time for the evaluation period, the SCAQMD will use the new Guidelines for evaluation of projects submitted under this Program Announcement.

What Types of Projects Qualify for the Carl Moyer Program?

The project categories identified for funding under the SCAQMD's 2017 CMP solicitation are:

ON-ROAD

All on-road projects must generate surplus emission reductions. Vehicles subject to CARB's fleet rules have limited or no CMP funding opportunities under the current Guidelines. However, the proposed 2017 Guidelines update will provide new funding opportunities for on-road projects that involve cleaner-than-required engines and advanced technologies. In anticipation of the new guidelines becoming finalized by CARB, the SCAQMD encourages all fleets to submit applications for such on-road projects.

Emergency vehicles, including but not limited to prisoner transport buses and fire apparatus, are exempt from CARB regulations and therefore are eligible for CMP funding.

OFF-ROAD

Propulsion engines greater than 25 horsepower on mobile off-road equipment are eligible for CMP funding, with limitations. Off-road projects must demonstrate compliance with any applicable CARB regulation at the time of application. Off-road heavy-duty equipment/engines include, but are not limited to, construction equipment, agricultural tractors, marine engines, shore power and locomotive equipment. Portable equipment are not eligible for CMP funding.

- 1. <u>Construction equipment</u>: projects fall into three distinct categories: (a) repower with an emission-certified engine, (b) retrofit with a verified diesel emission control strategy, and (c) replacement by a vehicle with an engine certified as meeting the current off-road emission standards.
- 2. <u>Cargo handling equipment electrification</u> projects operating at seaports or intermodal rail yards. This applies to rubber-tired gantry (RTG) cranes projects either converting or replacing existing diesel-powered cranes with a zero-emission power system.
- 3. Marine vessel projects include engine repower with cleanest available technology.
- 4. <u>Shore power</u> projects within port locations must be surplus to CARB's At-Berth Regulation and approved on a case by case basis.
- 5. Locomotive projects for new locomotives and replacement engines must be certified to Tier 4 standards.

How Will Applications Be Evaluated?

All applications will be evaluated based on their cost-effectiveness of NOx, PM10 and ROG emissions reduced as well as on their disproportional impact evaluation. At least 50 percent of CMP funds will be directed toward disproportionately impacted areas that are identified based on poverty level, PM2.5 exposure and/or air toxics exposure. For further information, please see Program Announcement #PA2017-04.

How Is the Size of a Carl Moyer Program Grant Determined?

The Carl Moyer Program grants are based on the cost-effectiveness and emission benefits of the project.

Cost-Effectiveness Limit

All project awards shall not exceed the project's incremental cost or the maximum cost-effectiveness limit of \$18,260 per ton of weighted emissions reduced unless revised by CARB prior to the SCAQMD awards. Please note the proposed 2017 CMP Guidelines update includes a higher cost-effectiveness limit for all project categories.

When Are Applications Due?

All applications must be received either electronically through our new CMP Online Application Program (OAP) or on paper with submittal to the SCAQMD headquarters by no later than **1:00 p.m. on Tuesday, July 11, 2017**. The preferred method of delivery for this solicitation is through the SCAQMD CMP Online Application Program (OAP), available at: *www.aqmd.gov/moyer*. Faxed or emailed applications will not be accepted.

Applications must be directed to: Procurement Unit

Procurement Unit South Coast Air Quality Management District 21865 Copley Drive Diamond Bar, CA 91765

Schedule of Carl Moyer Program Workshops:

(Attendance at a program workshop is recommended, but not mandatory. Training for the new online application system will be included in these workshops)

General Workshops

Wednesday, May 24, 2017 – 9:00 a.m. to Noon SCAQMD Headquarters, Conference Room GB 21865 Copley Drive - Diamond Bar, CA 91765

Wednesday, May 31, 2017 – 9:00 a.m. to Noon SCAQMD Headquarters, Conference Room CC-6 21865 Copley Drive - Diamond Bar, CA 91765

Wednesday, June 7, 2017 – 9:00 a.m. to Noon SCAQMD Headquarters, Conference Room CC-6 21865 Copley Drive - Diamond Bar, CA 91765

Marine Vessels/Shore Power/ CHE Electrification Workshop

Wednesday, May 17, 2017 - 10 a.m. to Noon <u>Port of Los Angeles</u>, Board Room 425 South Palos Verdes Street - San Pedro, CA 90731

For additional information about the SCAQMD's Carl Moyer Program, please visit: *www.aqmd.gov/Moyer*

Website Links to CARB Rules That Affect CMP Eligibility

(Please check the appropriate website to determine if your project is subject to CARB's regulation and compliance dates)

On-Road Private (truck and bus) - www.arb.ca.gov/msprog/onrdiesel/onrdiesel.htm Public/Utility Fleets - www.arb.ca.gov/msprog/publicfleets/publicfleets.htm In-Use Off-Road (CI eng.) - www.arb.ca.gov/msprog/ordiesel/ordiesel.htm Harbor Craft - www.arb.ca.gov/ports/marinevess/harborcraft.htm Cargo Handling Equipment - www.arb.ca.gov/ports/cargo/cargo.htm Shore Power - www.arb.ca.gov/ports/shorepower/shorepower.htm









SCAQMD Staff Contacts

On-Road Heavy-Duty Vehicles/ Emergency Vehicles	Ashkaan Nikravan	(909) 396-3260	anikravan@aqmd.gov
Off-Road Compression Ignition Equipment	Andrew Yoon Walter Shen Krystle Martinez	(909) 396-3043 (909) 396-2487 (909) 396-3021	ayoon@aqmd.gov wshen@aqmd.gov kmartinez@aqmd.gov
Cargo Handling Equipment/ Electrification	Greg Ushijima	(909) 396-3301	gushijima@aqmd.gov
Marine Vessels	Mark Coleman Von Loveland	(909) 396-3074 (909) 396-3063	mcoleman@aqmd.gov vloveland@aqmd.gov
Shore Power	Greg Ushijima	(909) 396-3301	gushijima@aqmd.gov
Locomotives	Mei Wang	(909) 396-3257	mwang@aqmd.gov



South Coast Air Quality Management District 21865 Copley Drive Diamond Bar, CA 91765-4178

RETURN SERVICE REQUESTED