



Notice of Funding Availability

Goods Movement Emission Reduction Program

Cargo Handling Equipment

Year 5 - Solicitation 3

Air Pollution Control Board

Greg Cox	District 1
Dianne Jacob	District 2
Kristin Gaspar	District 3
Nathan Fletcher	District 4
Jim Desmond	District 5

February 21, 2020

The San Diego County Air Pollution Control District (District) is pleased to announce the availability of funds from the State Goods Movement Emission Reduction Program (GMERP). GMERP is a partnership between the State Air Resources Board (CARB) and local agencies (like air districts and seaports) to quickly reduce air pollution emissions and health risk from freight movement along California's trade corridors. Projects funded under this Program must achieve early or extra emission reductions not otherwise required by law or regulation. At least \$2 million in total GMERP funding is available for all eligible GMERP projects. Refer to the Project Evaluation and Competitive Ranking Section for more information on funding priorities.

APPLICATION INFORMATION

WHO: Owners of diesel cargo handling equipment operating at ports, intermodal rail yards or freight facilities in the San Diego/Border corridor (refer to Useful Resources Section).

WHAT: These are the project options for **diesel cargo handling equipment owners** available as part of this solicitation:

1. RTG Crane Conversion/Replacement to Zero Emission Power System
2. Diesel Yard Truck Conversion to An Electric-Powered Yard Truck
3. Diesel Yard Truck Replacement with An Electric-Powered Yard Truck
4. Diesel Yard Truck Replacement with a Fuel Cell-Powered Yard Truck
5. Single-Unit Battery Charger
6. Multi-Unit Battery Charger
7. Hydrogen Fueling Unit
8. Diesel Forklift Replacement with Electric-Powered Forklift
9. Diesel Forklift Replacement with Fuel Cell-Powered Forklift
10. Diesel Lift Replacement with Electric-Powered Lift
11. Diesel Lift Replacement with Fuel Cell-Powered Lift

For complete Program requirements, please refer to the latest Program Guidelines and related supplemental materials listed on the Program website at www.arb.ca.gov/gmbond. or call the Goods Movement Information Line (916) 44-GOODS (444-6637).

HOW: Submit applications online through the County's online Citizen Access system - <https://publicservices.sandiegocounty.gov/CitizenAccess/Default.aspx>
Paper applications, fax, email, and incomplete submittals will not be accepted. Staff at the District will be available to help applicants use the online application system by appointment during the application period. Please contact the District at (858) 586-2600 or cleanairgrants@sdcounty.ca.gov if you have questions about the program, have difficulty with the online application process, or have a project that does not fit into the online application categories. For most cargo handling equipment projects, part or all of the application can be done online through the District's website, however District staff will need to assist applicants with the submission of certain online data so applicants are

Notice of Funding Availability

Goods Movement Emission Reduction Program

Cargo Handling Equipment

asked to contact District staff before applying. Infrastructure projects require a written proposal, cost estimate (quotation), and other information requested by the District. Applications and all supporting documentation **must be received online by the District by 5:00 pm on Friday March 27, 2020.**

For general information or questions about the Program, please contact:

Benjamin Wong, Air Resources Specialist • (858) 586-2642 • Benjamin.Wong@sdcounty.ca.gov

Kim Impreso, Air Resources Specialist • (858) 586-2738 • Kim.Impreso@sdcounty.ca.gov

Robert Mercado (Habla Español), Air Quality Specialist • (858) 586-2694 • Robert.Mercado@sdcounty.ca.gov

Table 1: Eligible Equipment and Maximum Funding Amounts

Project Type	Maximum Funding Amounts
RTG Crane Conversion/Replacement to Zero Emission Power System	50% or \$500,000
Diesel Yard Truck Conversion to An Electric-Powered Yard Truck	80% or \$80,000
Diesel Yard Truck Replacement with An Electric-Powered Yard Truck	80% or \$100,000
Diesel Yard Truck Replacement with a Fuel Cell-Powered Yard Truck	80% or \$200,000
Single-Unit Battery Charger	50% or \$15,000
Multi-Unit Battery Charger	50% or \$35,000
Hydrogen Fueling Unit	50% or \$30,000
Diesel Forklift Replacement with Electric-Powered Forklift	50% or \$15,000 ^a / \$18,000 ^b
Diesel Forklift Replacement with Fuel Cell-Powered Forklift	50% or \$25,000 ^a / \$30,000 ^b
Diesel Lift Replacement with Electric-Powered Lift	50% or \$50,000 ^c
Diesel Lift Replacement with Fuel Cell-Powered Lift	50% or \$80,000 ^c
Equipment owner must demonstrate compliance with the current requirements of all applicable CARB regulations in order to be eligible for funding	
^a Forklifts with a lift capacity of 3,000 pounds to 8,000 pounds	
^b Forklifts with a lift capacity of 8,001 pounds to 12,000 pounds	
^c Lifts with a lift capacity greater than 12,000 pounds. Lift includes top pick, side handler, reach stacker, or forklift	

Notice of Funding Availability

Goods Movement Emission Reduction Program

Cargo Handling Equipment

GENERAL REQUIREMENTS (APPLICABLE TO ALL PROJECT CATEGORIES)

- The existing equipment must be diesel-fueled and operate at ports, intermodal rail yards or freight facilities in the San Diego/Border corridor
- Project eligibility will be based on the 2015 GMERP Guidelines, the January 2017 Executive Order G-17-004, and the September 2015 Supplemental Procedures for Ships at Berth and Cargo Handling Equipment Projects. All of these documents can be found at: www.arb.ca.gov/gmbond
- Certify that there are no outstanding CARB violations or non-compliance with CARB regulations associated with the equipment or the owner

ELIGIBILITY

RTG Crane Conversion/Replacement

- Commit to 15 years of 100% California operation in a port, or intermodal railyard, or freight facility service in the four trade corridors with at least 10% operation in the San Diego / Border trade corridor
- Be permitted to keep the existing diesel engine installed and operational for a limited number of hours each year and do the following at their own expense: (1) install an hour meter on the existing diesel engine and (2) provide activity reports when requested by the local agency or CARB, in a format defined by CARB staff
- Commit to a maximum limit of diesel engine usage to 30 hours annually based on a rolling 3-year average
- Comply with all local permitting requirements
- Demonstrate proof of equipment warranty for 5 years

Diesel Yard Truck Conversion to An Electric-Powered Yard Truck

- Agree to accept an on-board electronic monitoring unit at any time during the project life
- Commit to 5 years of 100% California operation in a port, or intermodal railyard, or freight facility service in the four trade corridors with at least 10% operation in the San Diego/Border trade corridor
- Demonstrate proof of equipment warranty for the project life and insurance on upgraded equipment

Diesel Yard Truck Replacement with An Electric- or Fuel Cell-Powered Yard Truck

- Agree to accept an on-board electronic monitoring unit at any time during the project life
- Commit to 5 years of 100% California operation in a port, or intermodal rail yard, or freight facility service in the four trade corridors with at least 10% operation in the San Diego/Border trade corridor

Notice of Funding Availability

Goods Movement Emission Reduction Program

Cargo Handling Equipment

- Demonstrate proof of equipment warranty for the project life and insurance on upgraded equipment

Battery Charger or Hydrogen Fueling Unit

- This funding option is only available if the equipment owner replaces or converts a yard truck(s) through the Program
- The number of chargers or units cannot exceed the number of yard trucks replaced or converted
- For multi-unit battery chargers, the unit must charge multiple equipment simultaneously
- Commit to 5 years of 100% California operation in a port, or intermodal railyard, or freight facility service in the four trade corridors with at least 10% operation in the San Diego/Border trade corridor
- Demonstrate proof of equipment warranty of at least 3 years
- Meet all requirements for at least one of the above yard truck projects
- Battery chargers must be capable of 480V/250 amps/3 Phase power (may be capable of other voltages in addition to meeting the 480V requirement)

Diesel Lift Replacement with Electric- or Fuel Cell-Powered Lift

- Existing equipment is categorized as a top pick, side handler, reach stacker, or forklift
- Existing equipment must have a lift capacity of 3,000 pounds or greater
- The existing equipment engine must be greater than 25 horsepower
- Replacement equipment must be a Class I electric-powered lift
- Eligible equipment must include the purchase of an electric powered forklift, one battery for each forklift purchased, and one California Energy Commission (CEC) compliant charger
- Single unit or multi-unit chargers or hydrogen fueling units may be purchased given the number of available charging or fueling units does not exceed the number of newly purchased forklifts
- Not replace existing zero emission equipment with new electric powered equipment
- Commit to 5 years of 100% California operation in a port, or intermodal railyard, or freight facility service in the four trade corridors with at least 10% operation in the San Diego/Border trade corridor
- Demonstrate proof of equipment warranty for one year or 1,600 hours, whichever comes first
- The replacement equipment must serve the same function as the existing equipment

GENERAL CONTRACT REQUIREMENTS FOR CARGO HANDLING EQUIPMENT (APPLICABLE TO ALL PROJECT OPTIONS)

- Equipment owners are required to notify the Air District as soon as possible if anything about the Project changes, as there may be circumstances that cause the Project to become ineligible
- Selected applicants must sign a contract with the District including project milestone and completion deadlines and commit to the following:

Notice of Funding Availability

Goods Movement Emission Reduction Program

Cargo Handling Equipment

- Demonstrate that your fleet is in full compliance with all applicable CARB regulations with the submittal of any required documents requested by the District or CARB without utilizing Program-funded equipment until the specified timeframe
- Equipment inspections at a District's designated time & location
- Destruction of existing equipment and engine at a District-approved facility. (Existing equipment must be kept in operating condition until it is delivered to the dismantler)
- Maintaining eligibility for Program funds throughout application evaluation, ranking, and contracting process. This includes correcting any air pollution citations, reporting, repairing, or replacing equipment that has been damaged, destroyed, or stolen, following all requirements in Program Guidelines (page 118)
- Commit to the project life (contract term) specified with the applicable Program-funded equipment project option
- Adhere to all Program requirements during the project life
- Ownership of the existing equipment shall not change from the time an equipment project application is submitted to invoice payment
- Agree to accept an on-board electronic monitoring unit on Program-funded equipment at any time during project life
- Comply with record-keeping, reporting, and audit requirements
- Properly maintain Program-funded equipment in good operating condition and according to manufacturer's recommendations
- Maintain insurance on the Program-funded equipment
- Demonstrate proof of equipment warranty that as noted above in the Eligibility Section
- Correct outstanding CARB equipment violations associated with the owner's entire fleet of equipment
- Program-funded projects must be purchased and operational (i.e. post-inspected, except scrappage) prior to any regulatory requirement, if applicable
- Agree and acknowledge that the District may release the information the application contains to third parties if required by state and federal public records laws
- Program funding shall only be used to pay down the capital cost of the new equipment
- Any tax obligation associated with the funding award is the responsibility of the equipment owner (grantee). Equipment owners receiving funding may be issued a 1099-G form by the District for the awarded amount, if required
- Any other program provisions described in the Program Guidelines

MODIFYING AN APPLICATION

Equipment owners are limited in what they can change in the application, as changes will affect a project's competitive ranking. Equipment owners are encouraged to select the option that best suits their company as changes may not be possible at a later date. For program-funded projects, equipment owners are able to select any make/model vehicle, engine, or equipment as long as it meets the required emission level as required in the Program Guidelines. Please note that your funding amount may change.

Equipment owners may change the project option after the solicitation period has closed subject to the following requirements:

Notice of Funding Availability

Goods Movement Emission Reduction Program

Cargo Handling Equipment

- The change must result in a funding amount equal to or less than the amount that was requested in the original application
- The change must result in calculated project cost-effectiveness equal to or greater than the project listed in the original application
- The change must result in the project remaining above the funding line on the ranked list

Equipment owners **cannot** substitute a different existing equipment or change the ownership of the existing equipment identified on the application after the solicitation period has closed.

The equipment owner may be allowed to re-apply for equipment project funding if a previous application for the same project has been rejected and is no longer being considered by a local agency for funding.

APPLICATION SUBMITTAL REQUIREMENTS

Once a GMERP application for cargo handling equipment has been submitted, an equipment owner **cannot** submit a subsequent Carl Moyer Program or GMERP application for the same equipment to any agency. Equipment owners who are found to have submitted multiple applications for the same equipment project and not disclosed any other requested, or received financial incentive may be disqualified from funding for that engine or piece of equipment under this Program. The equipment owner may also be prohibited from submitting future applications to any and all CARB incentive programs, or local agency incentive programs.

EQUIPMENT PROJECT PURCHASE RESTRICTIONS

For all equipment, an equipment owner may pre-order prior to contract execution at the equipment owner's risk. An equipment owner **may not** purchase, receive, install, pay for, or place into operation any engines, equipment, or vehicles, nor may work begin on a project to install electrical infrastructure, until the project contract is fully executed unless permitted in the Program Guidelines (page 104).

Dealers and equipment owners ordering engines, equipment, or vehicles prior to contract execution assume all financial risk, and are in no way assured Program funds.

PAYMENT PROCESS

The District shall expend Program funds through Invoice Payment. Invoice payments provide Program funding to equipment owners on a reimbursement basis.

Award of grant funding is contingent upon the availability of funds from the California Air Resources Board. In the event funds are not available, the District shall have no liability to pay any funds whatsoever or to furnish any other considerations.

Contracting for these projects is expected to occur in the Spring of 2020, with project funding disbursements in 2021 or later. New equipment funded can only be purchased or ordered once the existing equipment has been pre-inspected and the contract signed between the equipment owner and the District. Retirement of existing equipment included in this application, or the replacement

Notice of Funding Availability

Goods Movement Emission Reduction Program

Cargo Handling Equipment

equipment being purchased, cannot be used to demonstrate compliance with any applicable CARB regulations.

Invoice Payments

Reimbursement may only occur after the replacement equipment has passed a post-inspection and the District has received from the equipment owner a valid invoice package for the fully operational new engine, vehicle, or piece of equipment. The District may reimburse the equipment owner upon submission of a valid invoice once the following requirements have been met:

- Equipment owner or dealer must deliver the old equipment to a District-approved licensed dismantler within 30 calendar days of receiving the new fully operational equipment
- The District must verify with the dismantler that the old equipment has been delivered and is in the custody of the dismantler
- The equipment owner shall submit proof of warranty on the replacement equipment
- Equipment owner must submit proof of insurance for the replacement equipment
- Equipment owner must demonstrate compliance with the current requirements of all applicable CARB regulations, and submit a valid compliance certificate for the current year. **Equipment owners cannot utilize replacement equipment and/or retirement of the old equipment under contract for demonstrating compliance with any CARB regulation**
- Equipment owner must submit proof of replacement vehicle payment and a copy of the original invoice from the vendor or dealership. Additional information may be required by the District
- Reimbursement to equipment owners cannot exceed the amount directly paid by the equipment owner

For complete reimbursement payment information, please refer to the latest Program Guidelines and related supplemental materials listed on the Program website at www.arb.ca.gov/gmbond.

PROJECT EVALUATION AND COMPETITIVE RANKING

- Complete applications will be evaluated by the District and posted on a competitive rank list on the District's website to determine grant eligibility, based on availability of funds. Zero-emission projects will be prioritized for funding. For complete information regarding project evaluation and the competitive ranking process, please refer to Chapter IV of the 2015 Program Guidelines found on the CARB Program website at www.arb.ca.gov/gmbond.
- Eligible on-road truck applications, as described in the Trucks Notice of Funding Availability, will receive funding priority over all other project source categories. If available GMERP funds remain after evaluating all eligible on-road truck applications, the remaining applications with non-truck projects will be evaluated. **The District cannot guarantee all eligible projects will be funded.**

ANNUAL REPORTING REQUIREMENTS

Equipment owners shall be responsible for annual reporting to the District for the project life. The equipment owner annual report shall include, but is not limited to:

- Contact information (owner name, company, address, phone)

Notice of Funding Availability

Goods Movement Emission Reduction Program

Cargo Handling Equipment

- Date and location of installation of equipment
- Equipment type and name of home port, railyard or freight facility
- RTG crane, side pick, top pick, reach stacker and yard truck or yard truck and battery charging station, make, model, year, serial number, and power rating
- Annual hours of operation
- Summary of maintenance and inspections conducted
- Signed certification statement that the bond-funded technology was installed on the equipment for which it was approved, and that all information submitted to the local agency is true and accurate
- Other information as requested by the District

USEFUL RESOURCES

- CARB Goods Movement Emission Reduction Program: <http://www.arb.ca.gov/bonds/gmbond/gmbond.htm>
- San Diego County Air Pollution Control District – Grants and Incentives: <https://www.sandiegocounty.gov/content/sdc/apcd/en/grants-and-incentives/>
- Map of four major CA trade corridors: <https://www.arb.ca.gov/bonds/gmbond/docs/gmtradecorridors.jpg>
- CA Cargo Handling regulation: <http://www.arb.ca.gov/ports/cargo/cargo.htm>
- CA Off-Road Equipment regulation: <http://www.arb.ca.gov/msprog/ordiesel/ordiesel.htm>

DISTRICT SPECIFIC INFORMATION

Program funding plus other funding sources cannot exceed eligible cost of project or any required caps dictated by CARB via advisory or within the Program Guidelines.

Geographic Operations

Equipment must operate **at least 10%** of its annual hours at ports, railyards, and freight facilities within the San Diego / Border trade corridor.

Please note that other local air Districts in the state may have specific requirements or eligibility restrictions for projects applying for funding through their agency.

