



Notice of Funding Availability

Carl Moyer Memorial
Air Quality Standards Attainment Program
(Year 11/12 – Solicitation #2)

Air Pollution Control Board

Greg Cox	District 1
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The San Diego County Air Pollution Control District (District) is pleased to announce the availability of funds from the Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program). The purpose of the Carl Moyer Program is to obtain voluntary emission reductions from heavy-duty diesel engines through the use of incentive funding. A total of approximately \$2.8 million is currently available for eligible heavy-duty diesel emission reduction projects. **Funding will be awarded to the first eligible applicants submitting complete applications until all funds are exhausted.**



PROGRAM INFORMATION

WHO: Owners of eligible on-road, off-road, marine, locomotive, and stationary agricultural engines.

WHAT: Grant funding for potential projects including:

- **Engine Repowers** - The replacement of an existing engine with a new, emission certified engine.
- **Engine Retrofits** - The installation of a verified emission control system on an existing engine.
- **New Purchases** – The purchase of new vehicles or equipment certified to optional, lower emission standards.

More details on eligible project types can be found in the Carl Moyer Program Guidelines at: <http://www.arb.ca.gov/msprog/moyer/moyer.htm>.

HOW: Visit <http://www.sdapcd.org/homepage/grants/grants.html> for application forms and instructions.

WHERE: Original signed copies of completed applications must be submitted via mail, delivery, or in person to:

**San Diego County Air Pollution Control District
10124 Old Grove Road
San Diego, CA 92131
Attn: Mobile Source Incentives Section**

Electronic or facsimile submittals **will not be accepted.** Incomplete applications will not be accepted.



WHEN: Complete and eligible applications will be selected for funding **as they are received until all funds are exhausted.** All projects selected for funding must be completed by **June 30, 2012.**



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

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FUNDING AMOUNTS

The following tables list the maximum funding amounts for each eligible project category.

On-Road Heavy-Duty Vehicles

PROJECT	MAXIMUM FUNDING AMOUNT
New Vehicle Purchase	25% of eligible project costs
Repower	\$30,000
Retrofit	\$10,000 - Highest Level PM + NO _x \$20,000 - 2007 Engine Standard Equivalent
TRU Retrofit	100% of eligible project costs
Fire Apparatus Replacement	80% of eligible project costs

Off-Road Compression Ignition Equipment (including non-agricultural portable equipment)

PROJECT	MAXIMUM FUNDING AMOUNT
Tier 1 Repower	75% of eligible project costs
Tier 2 Repower	80% of eligible project costs
Tier 3 and Tier 4 Repowers	85% of eligible project costs
Retrofit	100% of eligible project costs

Off-Road Large Spark Ignition Equipment

PROJECT	MAXIMUM FUNDING AMOUNT
Retrofit	100% of eligible project costs
New Purchase	30% of eligible project costs for new electric equipment

Locomotives

PROJECT	MAXIMUM FUNDING AMOUNT
Alternative Technology Switcher	Class 1 - 50% of eligible project costs Class 3 and Passenger - 85% of eligible project costs
Retrofit	100% of eligible project costs
Idle Limiting Device (ILD)	Class 1 – not eligible Class 3 and Passenger – 50% of eligible project costs
Refurbishment or Certified Remanufacture Kit	Class 1 – 50% Class 3 and Passenger { Tier 0+: 75% of eligible project costs Tier 1+: 80% of eligible project costs Tier 2+: 85% of eligible project costs

Marine Vessels

PROJECT	MAXIMUM FUNDING AMOUNT
Engine Repower or Remanufacture Kit	Barge, crew & supply, dredge, excursion, ferry, tug, or tow boat 50% of eligible project costs
Tier 2 Repower/Remanufacture Kit	Fishing, pilot, work, or other vessel – 80% of eligible project costs
Tier 3 Repower/Remanufacture Kit	Fishing, pilot, work, or other vessel – 85% of eligible project costs
Shore Power – Shore Side	50% of eligible project costs
Shore Power – Ship Side	100% of retrofit costs 50% of transformer costs

Agricultural Sources

PROJECT	MAXIMUM FUNDING AMOUNT
Repower with Diesel Engine/Certified SI Engine/Electric Motor	85% of eligible project costs
Electric Motor New Purchase	20% of eligible project costs
Retrofit	100% of eligible project costs

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ELIGIBILITY

Project eligibility is determined based on the requirements of the 2011 Carl Moyer Program Guidelines and all subsequently approved revisions which can be found on ARB's Carl Moyer Program website at: <http://www.arb.ca.gov/msprog/moyer/moyer.htm>.

All projects must meet the following minimum requirements (additional requirements may apply):

- **Projects must meet a cost-effectiveness limit of \$16,640** per weighted ton of NO_x, ROG, and PM10 reduced. A project proponent may provide funds for costs above the \$16,640 per ton limit to complete the project.
- Emission reductions obtained through Carl Moyer Program projects **must not be required** by any federal, State, or local regulation, memorandum of agreement/understanding, settlement agreement, mitigation requirement, or other legal mandate.
- Carl Moyer Program grants can be **no greater than a project's incremental cost**. The incremental cost is generally expressed as the percent of the total project cost in each source category chapter of the Program Guidelines.
- Throughout the contract term, projects funded by the Carl Moyer Program **must not be used to generate credits or compliance extensions, and must be excluded when determining regulatory compliance**.
- In general, projects must have a **minimum project life of three years**, but some source categories allow a project life of less than three years. Refer to the specific source category chapter for more detail.
- Projects must have **at least 75 percent** of their total activity for the project life in California and **at least 50 percent** within San Diego County. (This requirement does not apply to marine projects).
- Only those emission reductions that occur **within San Diego County** or, for marine projects, **within 25 miles of the San Diego County coast** (excluding Mexican waters), will be used when calculating a project's cost-effectiveness.
- Carl Moyer Program projects **must also meet requirements applicable to each project category** found in the applicable source category chapter of the Program Guidelines.

The information provided in this notice **is not meant to be a substitute for thorough review of the Guidelines by the applicant.** Please refer to the 2011 Carl Moyer Program Guidelines, and all subsequently approved revisions, which can be found on the ARB's Carl Moyer Program website at <http://www.arb.ca.gov/msprog/moyer/moyer.htm> for more detailed information on specific project category requirements.

APPLICATION PROCESS

Completed application packets shall consist only of the forms provided by the District and any supporting documentation explicitly requested in the application forms. **Information specifically requested by the District, either in the application forms or subsequently, is the only information that will be reviewed during evaluation of the project.** All applications must be signed by the owner of the vehicle/equipment. Those individuals or firms using a third party to prepare the application must still sign

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and date the application, provide their personal contact information, and complete the section in the application authorizing the third party to represent them in discussions with the District. **Failure to complete, sign and date the application may result in rejection of the application.** Receipt of more than one application for any one project may result in all applications for that project being rejected. The District will notify the applicant if the application is either complete or not complete and identify what information is required to make the application complete. The District reserves the right to request additional information at any time as needed to fully evaluate the project.

Disclosures

Equipment project applications include disclosures that the equipment owner must sign, that include, but are not limited to:

- Specification of whether the applicant has submitted an application for incentive funds to any other entity or program for the same project (for example, repowering of the same project engine). The applicant must disclose to whom the other application was submitted, and whether funds have been awarded or may be awarded. If funds have been awarded or may be awarded, the funding amount must be disclosed. An applicant may re-apply for project funding if a previous application for the same project has been rejected by the funding entity and is no longer being considered for funding.
- An applicant shall disclose the value of any current financial incentive that directly reduces the project cost, including tax credits or deductions, grants, or other public financial assistance for the same engine. The incremental cost of the project shall be reduced by the amount of the current financial incentive.
- An applicant who is found to have submitted multiple applications for the same engine and who has not disclosed any current financial incentive in the disclosure required by the Program Guidelines shall at a minimum be disqualified from funding for that engine from all sources within the control of the District or ARB. Such an applicant may also be banned from submitting future applications for any Carl Moyer Program funding. ARB and the District may also seek civil or criminal penalties for such nondisclosure.
- The applicant shall also certify in the disclosure statement that he or she has reviewed the application and that the application information is accurate and correct.

EVALUATION PROCESS



Each application will be evaluated for eligibility using the 2011 Carl Moyer Program Guidelines and all subsequently approved revisions. Projects are evaluated based on cost-effectiveness, Environmental Justice status, total emission reductions, available funding, and ability to complete the project by the established deadline. **Eligible projects with complete applications will be selected for funding as they are received until all funds are exhausted.** Selected projects will be required to successfully complete a pre-inspection before moving on to the grant agreement phase. Applicants submitting incomplete application forms or those with projects not meeting the eligibility requirements will be notified of ineligibility. A list of approved projects will be posted on the District's website.

State Guidelines require these funds to be expended on eligible projects that will be completed by **no later than June 30, 2012.**

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The District reserves the right to limit funding for any or all categories.

Environmental Justice

Health and Safety Code Section 43023.5 requires 50 percent of the state Carl Moyer funds to be expended in a manner that directly reduces air contaminants or reduces the public health risks associated with air contaminants in communities of minority populations or low-income populations with the most significant exposure to air contaminants or localized air contaminants (Environmental Justice areas). The District identified Environmental Justice areas using the County's Geographic Information System to overlay areas that the 2000 Census reported to have an income level 80% or below the County median with areas in the County that exceed the state particulate matter standard. A map of Environmental Justice areas is available at: <http://www.sdapcd.org/homepage/grants/grants.html>.

AWARD OF FUNDS

Funding awards are contingent upon the availability of funds. In the event funds are not available, the District shall have no liability to award any funds whatsoever to applicants or to furnish any other considerations. All projects must successfully complete a pre-inspection as well as negotiation and execution of a contract between the applicant and the District. Contracts include language requiring appropriate insurance, a drug and alcohol free work place, indemnification of the District, and termination for nonperformance, default, or convenience. A detailed scope of work outlining all ongoing operational and reporting requirements will also be incorporated into each contract. Failure to successfully negotiate a contract with the District within a reasonable amount of time may result in loss of funding.

Payment of Awards

It is District policy to pay for contracted services and equipment in arrears (i.e., after completion of project tasks), upon presentation of invoices and back-up documentation to the District and after a satisfactory post-inspection of the project has been completed. Interim and final project reports detailing the progress and final results of the project, in addition to project deliverables, will also be required. Performance of the contractor may be evaluated and used in subsequent evaluations in other District funding programs.

PROJECTED SCHEDULE



Project applications will be **evaluated upon submittal** and once deemed complete eligible projects will be contacted to schedule a pre-inspection of the selected equipment. Upon successful completion of the pre-inspection project will move on to the grant agreement negotiation phase. A fully executed grant agreement may be obtained in a few weeks, but must be obtained within a reasonable amount of time from notification of the award, or funding may be revoked. All projects selected for funding must be completed and operational by **no later than June 30, 2012**.

NOTE: A potential grantee may **not order or make a down payment** on a new engine, piece of equipment, or vehicle prior to contract execution. Dealers ordering engines, equipment, or vehicles prior to District approval of grant applications via contract execution assume all financial risk, and are in no way ensured program funds. A grantee **may not receive engines, equipment, or vehicles, nor may work begin on a repower or retrofit project, until the project contract is fully executed.**