

SAN DIEGO CLEAN AIR FOR ALL GRANTS NOTICE OF FUNDING AVAILABILITY

January 2023—The San Diego County Air Pollution Control District (District) Clean Air for All Grant Program (Program), funded by the California Air Resources Board (CARB), provides funding to upgrade or replace eligible equipment and to develop eligible fueling/charging infrastructure projects, thus achieving air pollutant emission reductions that are early and surplus to regulatory requirements. Up to \$30 million is available for eligible projects this application period. Concurrently, an additional approximately \$1.5 million is available for Goods Movement Emission Reduction Program (GMERP)-eligible projects such as Transport Refrigeration Units, cargo handling equipment, and locomotives; the GMERP details and Notice of Funding Availability documents can be found here: <https://tinyurl.com/sdapcd-gmerp>.

Applications will be accepted from Monday, January 23, 2023, to Friday, February 24, 2023, at 5 p.m.

Eligible applicants are encouraged to apply promptly, as those who submit by the February 24, 2023 deadline will have the highest chances of having their application considered. Eligible applicants who submit their application after the deadline may still be included on a backup list if grant funds are available.

This Clean Air for All solicitation is for three related grant programs:

- Carl Moyer Memorial Air Quality Standards Attainment Program (Moyer),
- Funding Agricultural Replacement Measures for Emission Reductions (FARMER), and
- Community Air Protection Program (CAPP).

Grant applicants are not required to familiarize themselves with these funding sources as District staff will match projects with the most appropriate funding program.

The District intends to award at least 50% of the available Moyer Program funds to those projects based in Environmental Justice (EJ) areas. EJ areas include SB 535 (disadvantaged communities), AB 1550 (low-income communities) and AB 617 communities census tracts. The AB 617 communities are included in the SB 535 and AB 1550 communities. Maps are found at: <https://bit.ly/ej-map> for SB 535 and AB 1550, and at <https://bit.ly/Portside-map> and <https://bit.ly/Border-map> for AB 617. The District intends to award 100% of the available CAPP funds to projects based in SB 535 disadvantaged communities.

Eligible projects will either be ranked by cost-effectiveness and Environmental Justice status or scored and evaluated according to District criteria. Funding awards will be made until funds are exhausted. The District may choose to prioritize zero-emission or infrastructure projects as well as projects that provide emission reductions that meet the requirements of any approved local Climate Action Plan. Refer to the Eligibility section for additional requirements.



Grants and Incentives Team
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<http://tinyurl.com/sdapcd-moyer>

Partially funded through California Climate Investments, a statewide program that puts billions of Cap-and-Trade dollars to work reducing greenhouse gas emissions, strengthening the economy, and improving public health and the environment—particularly in disadvantaged communities.



WHO:

- Owners of eligible equipment/engines or proponents of eligible infrastructure/public school projects listed below, particularly those in disadvantaged communities.

WHAT:

Potential grant funding for projects, including:

- **Equipment/Vehicle Replacement**—Replacing existing equipment/vehicles with new, emission certified equipment/vehicles.
 - Includes off-road (construction, industrial, cargo handling, agricultural) equipment locomotives, and on-road heavy-duty trucks
 - Medium and Large Fleets subject to the Off-Road Regulation that meet the final compliance requirements of the Off-Road Regulation are eligible for funding.
 - Limited opportunities exist for on-road diesel trucks subject to the Truck and Bus Regulations.
- **Engine Repower**—Replacing an existing engine with a new, emission certified engine.
 - Includes marine, off-road (construction, industrial, cargo handling, agricultural) equipment, locomotives, and on-road heavy-duty trucks
- **Infrastructure**—Installing eligible hydrogen fueling stations or charging infrastructure serving equipment in the categories listed above
- **School**—Projects at public schools (serving students in any grade K-12) located in disadvantaged communities, including Zero-Emission Lawn and Garden Equipment Replacement, Composite Wood Products meeting NAF (no added formaldehyde) or ULEF (ultra-low emitting formaldehyde) standards, and Air Filtration Enhancement and Replacement using new filters with MERV (Minimum Efficiency Reporting Value) of 14 or greater. Zero-Emission School Bus Replacement grants available for any public schools.
- **Stationary Source**—Projects located in disadvantaged communities, including hexavalent chromium plating facilities or any stationary source categories approved by CARB.

Maximum funding amounts for each eligible project category are listed in the table on the last page. Additional project categories may be available. Please contact the District Grants and Incentives Team for more information.

HOW:

Visit <http://tinyurl.com/sdapcd-moyer> for instructions and <https://bit.ly/application-documents> for a list of documents needed to submit with the application.

WHERE:

Applications are submitted through the County's Citizen Access online application system:

<https://publicservices.sandiegocounty.gov/CitizenAccess/>

Paper, fax, email, and incomplete submittals will not be considered. Support can be provided for those without access to the online system; please contact the District Grants and Incentives Team at cleanairgrants@sdapcd.org or 858-586-2600.

WHEN:

Applications will be accepted from **January 23, 2023, to February 24, 2023, at 5 p.m.** All projects selected for funding should be completed after contact execution and before **January 1, 2025** (subject to guideline requirements).

ELIGIBILITY — All Funding Programs (Moyer, FARMER, CAPP)

At a minimum, project eligibility is based on the requirements of the Carl Moyer Guidelines (<https://bit.ly/CM-Guidelines>) as noted below. Supplemental CARB guidelines may apply to a particular project depending on its funding source (if awarded).

- **Projects must meet a cost-effectiveness limit of one of the following amounts (by specified project type) per weighted ton of ton of NO_x, ROG, and PM₁₀ reduced:** \$34,000 for conventional projects such as diesel replacements to tier 4 standards, \$522,000 for off-road zero emission technology, \$209,000 for on-road optional advanced technology, and \$522,000 for on-road zero emission technology. A project proponent may provide funds for costs above the applicable cost-effectiveness limit to complete the project. Infrastructure projects do not have a cost-effectiveness limit and will be evaluated by a weighted point system.
- Emission reductions obtained through 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.
- 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 Carl Moyer Program Guidelines source category chapter.
- Throughout the contract term, projects funded by the program **must not be used to generate NO_x or PM₁₀ credits or compliance extensions and must be excluded when determining regulatory compliance**.
- Most replacement engines cannot exceed 125% of the baseline engine horsepower rating. Refer to the specific Carl Moyer Program Guidelines source category chapter for more detail.
- 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 Carl Moyer Program Guidelines 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 marine project emission reductions that occur **within San Diego County** or [within 25 miles of the San Diego County coast](https://bit.ly/San-Diego-waters) (map at <https://bit.ly/San-Diego-waters>) excluding Mexican waters, will be used when calculating a project's cost-effectiveness.
- **The old equipment and/or engine must be destroyed** to receive grant funds.
- Large Spark Ignition (LSI) equipment must be replaced with a similarly-functioning zero-emission equipment.
- Medium and large off-road fleets subject to the Regulation for In-Use Off-Road Diesel-Fueled Fleets are no longer eligible unless they meet the final 2023 In-Use Off-Road Diesel-Fueled Fleets standard or are purchasing zero-emission equipment.
- **For school bus applications, please contact District Staff for guidance on providing usage documentation to account for COVID-19 related school closures.**

Program projects **must also meet requirements applicable to each project category** found in the applicable source category chapter of the 2017 Carl Moyer Program Guidelines and all subsequently approved revisions.

ELIGIBILITY — Additional FARMER Program Requirements

In addition to the Moyer requirements above, project eligibility is also based on the requirements of the [2018 FARMER Guidelines](#) and 2019 and 2022 modifications (found at <https://bit.ly/FARMER-Guidelines>). All FARMER funds must benefit agricultural equipment owners. In addition, zero-emission agricultural equipment such as tractors and forklifts, and equipment critical to its operation such as level 2 chargers, can now qualify for funding. Maximum incentive level for zero-emission agricultural equipment will be based on a cost-effectiveness limit of \$66,000 per weighted ton of emission reductions, and the grant amount can be up to 80% of the replacement equipment cost.

Zero-emission Utility Terrain Vehicle (UTV) projects are also eligible to replace either a gas/diesel UTV or a tractor less than 25 horsepower. These projects require the replacement UTV to be new and have a **towing capacity** of 500 pounds or greater, and a **total vehicle weight** of 700 pounds or greater. Maximum grant amounts are the lower of 75% of eligible costs or \$13,500.

ELIGIBILITY — Additional CAPP Requirements

In addition to the Moyer requirements above, project eligibility is also based on the requirements of the [2019 CAPP Guidelines](#) (found at <https://bit.ly/CAPP-Guidelines>).

- **Most vehicles and equipment must be registered, domiciled, or operated a majority of the time within** a disadvantaged community census tract located in San Diego County.
- **Transit and school buses must serve at least one stop or station within** an disadvantaged community census tract located in San Diego County.
- **EJ maps:** <https://bit.ly/ej-map> (disadvantaged communities marked orange or pink) and at <https://bit.ly/Portside-map> and <https://bit.ly/Border-map> for AB 617

Refer to the section ADDITIONAL CONSIDERATIONS FOR INFRASTRUCTURE AND CAPP PROJECTS below, for additional details regarding project selection.

CALCULATING COST-EFFECTIVENESS

For assistance calculating the cost-effectiveness of both on-road and off-road projects, including marine, please contact District Staff.

APPLICATION PROCESS AND PROJECT SCHEDULE

Completed applications shall consist only of the information requested by the District and any supporting documentation explicitly requested in the application. **Information specifically requested by the District, either in the application or subsequently, is the only information that will be reviewed during evaluation of the project.** Summaries of information requested by equipment category may be found at: <https://bit.ly/application-documents>. All applications must be signed electronically by the owner of the vehicle/equipment. Those individuals or firms using a third party to prepare the application must still sign 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.

Photos of the existing equipment and engine plates shall be submitted with the application. Other photos may be requested during the application evaluation and contracting stages.

DISCLOSURES

Project applications include disclosures that the equipment owner must sign. These 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, whether funds have been awarded or may be awarded, and if so, the funding amount. An applicant may re-apply for project funding if a previous application for the same project has been denied 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 CARB. Such an applicant may also be banned from submitting future applications for any program funding. CARB 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.

MISSING INFORMATION

Within thirty (30) business days of application receipt, the District will notify the applicant via email that the application is either complete or not complete, and identify what information is required to correct an incomplete application. An applicant will have ten (10) business days to provide the missing information. Failure to provide the requested information within the specified timeframe may result in the application being rejected, at the discretion of the District. The District reserves the right to request additional information at any time as needed to fully evaluate the project.

GROUNDS FOR REJECTION

The District will notify the applicant via email if the application is rejected. Possible grounds for rejection include:

- Failure to complete, sign, and date the application in the prescribed format.
- Submitting duplicate applications during the same grant window for any piece of equipment may result in all applications for that project being rejected.
- Failing to provide missing information within the specified timeframe.
- Failing to meet minimum eligibility.
- Ordering or making 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.

EVALUATION PROCESS

At a minimum, each application will be evaluated for eligibility using the [Carl Moyer Program Guidelines \(https://ww2.arb.ca.gov/guidelines-carl-moyer\)](https://ww2.arb.ca.gov/guidelines-carl-moyer) and all subsequently approved revisions. Projects, except for infrastructure projects, are evaluated based on multiple factors: cost-effectiveness, zero-emission projects, Environmental Justice or CAPP status, emission reductions helping to meet local Climate Action Plan targets, total emission reductions, available funding, and ability to complete the project by the established deadline.

Project applications will be **evaluated after submittal**, and once deemed complete, applicants of eligible projects will be contacted to schedule a pre-inspection of the selected equipment. Upon successful completion of the pre-inspection, selected projects will then enter the grant agreement phase, execution of a contract between the applicant and the District. Contracts include language requiring appropriate insurance, a drug and alcohol-free workplace, 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. A fully executed grant agreement must be returned within a reasonable amount of time from notification of the award, or funding may be revoked and given to another eligible project.

PAYMENT AND AWARD OF FUNDS

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

The District reserves the right to limit funding for any or all categories. A list of approved projects will be posted on the District's website. The District reserves the right to use eligible applications received as part of this solicitation to create a waiting list of projects that may receive priority consideration for future funding cycles after these funds are exhausted. Funding awards are contingent upon approval by the District and 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.

ADDITIONAL CONSIDERATIONS FOR INFRASTRUCTURE AND CAPP PROJECTS

Infrastructure projects have no cost-effectiveness limit. Therefore, the District will apply a weighted point system to evaluate these projects. Infrastructure projects will be evaluated using both Group 1 and Group 2 criteria in the table below. Moyer-funded infrastructure projects are eligible for a maximum grant of \$1 million.

For CAPP projects, besides the cost-effectiveness limits established in the Eligibility Section above, the District may apply the Group 1 criteria. Additionally, prior to project selection, the District will consider input from the **Community Air Protection Program (AB 617) Portside Steering Committee**, which has prioritized zero-emission projects. The District reserves the right to prioritize zero-emission vehicles or infrastructure when feasible.

SUPPLEMENTAL EVALUATION CRITERIA TABLE

Score Topic	Point Total	Category	Maximum Points
Group 1 (CAPP and Infrastructure Projects)			
Disadvantaged Communities	3	Operating in SB 535 San Diego County census tracts	1
		Operating in AB 617 designated San Diego County communities	1
		Operating in AB 1550 San Diego County census tracts	1
Criteria Pollutant Cost-Effectiveness	2	Criteria pollutant emission reductions per grant funding amount (scored on a curve of either all submitted CAPP applications or infrastructure applications)	2 (Curved)
Greenhouse Gas Cost- Effectiveness	1	Greenhouse gas emission reductions per grant funding amount (scored on a curve of either all submitted CAPP applications or infrastructure applications)	1 (Curved)
Zero-Emission Technology	1	Uses zero-emission technology or is set up to use this technology	1
Group 2 (Infrastructure Only)			
Expected Use	2	Estimated expected use over contract life (scored on a curve of all submitted infrastructure applications)	2 (Curved)
Equipment Availability	3	Already own, or have an approved contract in place to purchase, hydrogen fuel--powered or electric equipment that can use the infrastructure	1
		Infrastructure application associated with District grant-funded equipment	1
		Proposed infrastructure is publicly accessible to others with zero-emission equipment	1
Project Readiness	3	Obtained required local agency permits	1
		CEQA review complete (either exempt or completed document)	1
		Design and permits in process, but not yet complete	1

FUNDING TABLE: (CAPP-funded EJ projects may be funded at higher maximum levels)

Project Category	Project Type	Maximum Funding Available (Dollar amount or % of Eligible Project Cost)	
Off-Road Compression Ignition or Large Spark Ignition (LSI) Equipment (including mobile agricultural equipment)	Tier 4 Engine Repowers	Up to 85%	
	New or Used Equipment Replacement to Tier 4 Final or Zero-Emission Engines	Up to 80%	
Zero-Emission Agricultural	New Zero-emission agricultural equipment, including UTV replacing gas/diesel UTV/ATV or tractor under 25 hp (agricultural only)	Up to 75% or \$13,500, whichever is less, for UTVs Up to 80% of other zero-emission replacement equipment cost.	
Marine Vessels	EPA Marine Tier 3 or Tier 4 Repower or Remanufacture Kit	Dependent on compliance deadlines in Amended Commercial Harbor Craft Regulation.	
	Shore Power—Shore Side	Up to 50%	
	Shore Power—Ship Side	Up to 100% of Retrofit Costs — Up to 50% of Transformer Costs	
Locomotives	Locomotive Replacement	Class 1 or 2 — Up to 75% Class 3 and Passenger—Up to 85%	
	Tier 4 or cleaner Engine Repower	Class 1 or 2 — Up to 75% Class 3 and Passenger — Up to 85%	
	Head End Power Unit Repower (case-by-case)	Class 1 or 2 — Up to 75% Class 3 and Passenger—Up to 85%	
On-Road Heavy-Duty Class 4 (GVWR > 14,000 lbs.) and Above, Transit Vehicles, Drayage Trucks, Solid Waste Collection Vehicles, Public Agency and Utility Vehicles and Emergency Vehicles^{1, 2}	Hybrid Conversion	\$7,500 (Class 4) to \$15,000 (Class 8)	
	Diesel, Alternative Fuel or Hybrid Replacement	Emergency vehicles— Up to 80%	\$30,000 (Class 4) to \$60,000 (Class 8)
	Certified 0.1 NO _x Replacement (0.1g/bhp-hr or less NO _x)		\$40,000 to \$160,000
	Certified Optional 0.02 NO _x Repowers (Trucks and buses not subject to the ICT Regulation)		\$40,000
	Zero-Emission Replacement or Conversion	Transit Bus \$80,000	\$170,000 (Class 4) to \$410,000(Class 8)
School Bus	Repower (\$70,000), Diesel or Alternative Fuel (\$165,000), Low-NO _x or Hybrid Replacement (\$220,000), Electric Conversions (\$400,000), Zero-Emission Replacements (\$400,000)		
Public School Projects (located in disadvantaged communities)	Zero-Emission Lawn and Garden Equipment Replacement (including trimmers, walk-behind mowers, ride-on mowers)	70% of purchase price (maximum limits determined by equipment type)	
	NAF/ULEF Composite Wood Products (including tables, desks, countertops, chairs, and storage cabinets)	100% of incremental cost for NAF 90% of incremental cost for ULEF	
	Air Filtration Enhancement and Replacement	Up to 100% for air filters Up to 90% for standalone systems	
Infrastructure (must fuel or power the type of vehicles or equipment covered in the 2017 Carl Moyer Program Guidelines)	All Projects	Not Accessible to Public — Up to 50% Publicly Accessible Projects — Up to 60%	
	Projects with Solar/Wind Power Systems	Not Accessible to Public — Up to 65% Publicly Accessible Projects — Up to 75%	
	Public School Buses—Battery Charging and Hydrogen Fueling Stations	Up to 100%	

¹ No more than 80 percent of vehicle cost for fleets with 10 or less vehicles, no more than 50 percent of vehicle cost for larger fleets except for emergency vehicles and school buses

² With the exception of school buses, fleets with more than ten vehicles must select optional low NO_x or zero-emission technologies.

• Vehicles and equipment operating in specific census tracts may be eligible for additional funds under CAPP. Refer to Table A-1 - Table A-9b on pages A-2 through A-6 in the 2019 CAPP guidelines for additional maximum funding: <https://bit.ly/CAPP-Guidelines>. Refer to the Eligibility Additional CAPP Requirements Section for more census tract details.

• There is no limit on the number of public co-funding sources that can be used to fund a project, as long as the total project costs are not exceeded and a 15 percent applicant cost share requirement is met for private sector projects. Co-funding will not penalize an applicant's cost-effectiveness. Additional co-funding requirements may be applicable in other programs.