



## Goods Movement Emission Reduction Grant Program 2017 BAAQMD Locomotive Project Application

The Bay Area Air Quality Management District (BAAQMD or District) is accepting applications for locomotive projects. This program is funded by and follows the guidelines of the California Air Resources Board's (ARB) **Proposition 1B: Goods Movement Emission Reduction Program (GMP, Program)**. For more information on the Goods Movement Program and requirements go to: <http://www.arb.ca.gov/bonds/gmbond/gmbond.htm>

The GMP is a partnership between the ARB and local agencies to quickly reduce diesel emissions and health-risk from freight movement along California trade corridors. Projects funded under this Program must achieve early or extra emission reductions not otherwise required by law or regulation.

### Funding

The District has millions of dollars in California GMP Bond funding available for projects. Table 1 shows how the potential funding amounts vary based on the type of locomotive and when the locomotive project is completed.

**Table 1: GMP Locomotive Project Funding Levels<sup>1</sup>**

Locomotive type	Fuel use requirement	Funding levels <sup>2</sup> if new equipment is operational by:	
		2017	2018
Switcher (1,006-2,300 hp)	<i>Class 1, 2, and 3 with a minimum usage of 20,000 gal/ year</i>	80% up to \$2,000,000	75% up to \$1,875,000
	<i>Class 3 with a minimum usage of 10,000 to 19,999 gal/ year</i>	80% up to \$1,000,000	75% up to \$937,500
Medium hp (2,300-4,000 hp)	<i>Class 1, 2, and 3 with a minimum usage of 20,000 gal/ year</i>	80% up to \$2,400,000	75% up to \$2,250,000
	<i>Class 3 with a minimum usage of 10,000 to 19,999 gal/ year</i>	80% up to \$1,200,000	75% up to \$1,125,000
Line-haul (4,001 hp +) 90-100% CA	<i>minimum usage of 20,000 gal/ year</i>	80% up to \$2,400,000	75% up to \$2,250,000
Line-haul (4,001 hp +) 75% CA	<i>minimum usage of 20,000 gal/ year</i>	65% up to \$1,950,000	60% up to \$1,800,000
Line-haul (4,001 hp +) 50% CA	<i>minimum usage of 20,000 gal/ year</i>	40% up to \$1,200,000	35% up to \$1,050,000
Line-haul (4,001 hp +) 30% CA	<i>minimum usage of 20,000 gal/ year</i>	20% up to \$600,000	15% up to \$450,000

Applications submitted by the deadline that are determined to be complete will be evaluated by the District, and the final ranked list will be approved by the ARB. For approved projects, Program funds will be disbursed to the equipment owner only after the project is demonstrated to the District inspector to be fully operational prior to the project completion deadline. Program funds will not be provided for financing or progress payments.

<sup>1</sup> If the old equipment is banned from California operation instead of being scrapped, the funding amount is reduced by 20%.

<sup>2</sup> The percentage is based on the costs that are eligible for reimbursement under this program.

### **Eligible Equipment**

Equipment eligible to receive funding includes diesel-powered freight locomotives with no or minimal emissions control technology (i.e., uncontrolled, or meeting Tier 0 through Tier 2 standards). Equipment owners must demonstrate:

- Operation or equivalent locomotive horsepower operation in California for the past 2 years.
- For switchers and medium horsepower locomotives: at least 50% operation or equivalent locomotive horsepower operation within the four California trade corridors for the past 2 years.
- For line haul locomotives: a majority of the minimum percentage operation or equivalent locomotive horsepower operation within the four California trade corridors for the past 2 years.

### **General Requirements**

Equipment owner's awarded funding shall:

- Commit to the project life specified by the applicable equipment project option.
- Adhere to all Program requirements during the project life.
- Agree to equipment inspections.
- Comply with record-keeping, reporting, and Program review or fiscal audit requirements.
- Sign a legally binding contract with the local agency including project milestones and completion deadlines.
- Properly maintain upgraded equipment in good operating condition and according to manufacturer's recommendations.
- Demonstrate proof of equipment warranty and insurance on upgraded equipment.
- Certify that there are no outstanding ARB violations or non-compliance with ARB regulations associated with the equipment or the owner.
- Exclude any Program-funded equipment from the compliance calculations for the 1998 agreement for locomotives operating in the South Coast Air Basin for the duration of the project life (applicable to Union Pacific and BNSF Railway only).

Applicants interested in applying for emissions capture and control system projects should contact the District to discuss project requirements.

### **What You Need To Do**

If you would like to be considered for participation in this program, please fill out the application and mail two copies of the application form along with two copies of the required attachments to:

**Bay Area Air Quality Management District**  
**Attn: Anthony Fournier**  
**Strategic Incentives Division**  
**375 Beale Street, Suite 600**  
**San Francisco, CA 94105**

Completed applications **must be received by the Air District by Wednesday, May 31, 2017**. The District anticipates contracting for projects selected for funding in Summer 2017. The submittal of this information does not guarantee approval for funding. Any equipment purchased, or work done prior to the execution of an official grant agreement and pre-project inspection will not be eligible for funding. If you have any questions regarding this program or the application process, please contact **Anthony Fournier** by phone at **(415)749-4961** or by e-mail at [afournier@baaqmd.gov](mailto:afournier@baaqmd.gov).

## BAAQMD Goods Movement Locomotive Project Application

### Part 1: Applicant information

1. Legal name of organization/agency/company:

2. Railroad class (1, 2, or 3):

3. Mailing Address:

Street Address/P.O. Box:

State:

County:

City:

Zip:

4. Business information:

Number of locomotives:

Number of employees:

5. Contact information:

	Name	E-Mail	Phone number	Fax number
Primary Project Contact				
Person(s) with equipment / property contract signing authority (owner).				
Person who Completed Application				

If a **Third Party** (e.g., engine dealer, distributor or consultant, etc.) assisted the Applicant to complete the application, complete questions 6-9 below:

6. What is your position?

7. How much are you being paid to complete this application for the owner or to assist in the proposed project?  
\$ \_\_\_\_\_

8. What is the source of funds being used to pay you?

9. Third Party Signature and Date

Name:

Signature:

Date:

**Applicant must read and initial each item below to indicate understanding and agreement:**

- a. I certify that I am the legal owner of the equipment described in this application or that I have the legal authority to apply for funding for this equipment as or on behalf of the equipment owner and that I am authorized to sign this application as or on behalf of the equipment owner.  
**Initial:** \_\_\_\_\_
- b. I certify that I have reviewed the application and to the best of my knowledge, the information contained in this application and in any documentation submitted in furtherance of this application is true and accurate.  
**Initial:** \_\_\_\_\_
- c. I understand that an incomplete or illegible application or the absence of any required documentation may cause this application to be considered incomplete, and this application may be rejected by the Air District at its discretion.  
**Initial:** \_\_\_\_\_
- d. I agree to comply with all requirements of the Proposition 1B Goods Movement Emission Reduction Program Guidelines, and terms & conditions of the grant agreement signed in furtherance of the proposed Project.  
**Initial:** \_\_\_\_\_
- e. I certify that I have not applied for or received additional grant funds from any other public entity (including any air district, the California Air Resources Board (CARB), or any Federal agency) or public program for the equipment described in this application and I agree that, if in the future, I submit an application for or receive additional grant funds from other public entities that would be used for the same equipment, I will disclose the name of the funding source(s), the full grant amount(s) and purpose(s) of that additional funding.  
**Initial:** \_\_\_\_\_
- f. I certify that if previous Goods Movement Program, Carl Moyer Program, or other incentive funds have been used on the same equipment described in this application, I have indicated this in the application form.  
**Initial:** \_\_\_\_\_
- g. (If applicable) I hereby disclose the value of any existing financial incentive that directly reduces the Project cost (including tax credits or deductions, grants, or other financial assistance) for the same equipment described in this application:  
**Existing financial incentive:** \$ \_\_\_\_\_  
**Initial:** \_\_\_\_\_
- h. I certify that the equipment owner will pay any project costs beyond the grant amount awarded for this Project and that these matching funds will be available within a reasonable timeframe to complete this Project.  
**Initial:** \_\_\_\_\_
- i. I certify that neither the equipment owner nor the equipment described in this application has any outstanding (meaning "unpaid") violations of ARB regulations.  
**Initial:** \_\_\_\_\_
- j. I understand and agree that the Air District or its designees must conduct inspections of the equipment that is the subject of this application prior to an award in order to verify eligibility and compliance with requirements of the Goods Movement Program.  
**Initial:** \_\_\_\_\_
- k. I certify that the proposed project is not required by any local, State or Federal rule or regulation; judicial order, or agreement, memorandum of understanding, contract, or other binding obligation that requires the project

equipment to implement any portion of the project that would be funded by the Air District under the Goods Movement Program.

**Initial:** \_\_\_\_\_

- l. I certify that I have been provided information outlining equipment owner responsibilities to maintain eligibility for grant funds, including maintaining required vehicle registration and ownership; keeping equipment in legal operating condition, satisfying outstanding air pollution citations, complying with all ARB regulations, and reporting, replacing or repairing equipment that has been damaged, destroyed, stolen or had a change of usage from that described in this application.

**Initial:** \_\_\_\_\_

- m. I certify that I have attached documentation to this application showing that my organization carries at least the minimum insurance (e.g., Workers Compensation, Vehicle Liability, and Vehicle Physical Damage Insurance) as required by law for my fleet or company and that this insurance is held with a carrier rated A.M. Best's rating of no less than A: VII.

**Initial:** \_\_\_\_\_

- n. I understand that new equipment purchased outside of California may be subject to California sales and/or use tax.

**Initial:** \_\_\_\_\_

- o. I understand that this application is for evaluation purposes only and does not guarantee that grant funding will be awarded to any or all of the equipment described in this application.

**Initial:** \_\_\_\_\_

- p. I understand and agree that replacement equipment funded by the Goods Movement Program can only be purchased or placed into operation after the grant agreement has been fully-executed between the equipment owner and the Air District and a "start-work" order has been issued in writing to the equipment owner by the Air District.

**Initial:** \_\_\_\_\_

- q. I certify that replacement equipment purchased as part of this Project must be used only within the state of California (meaning 100% travel within California) unless I selected the 90% in-state operation option or the project equipment is a line-haul locomotive funded at a reduced amount, and I will comply with the appropriate usage and vehicle registration requirements for the duration of the Project Term outlined in the grant agreement (e.g., fifteen (15) years for locomotive projects).

**Initial:** \_\_\_\_\_

- r. I certify that the replacement equipment purchased as part of this Project will operate a minimum of 50% of its usage in California's major trade corridors for the duration of the Project Term outlined in the grant agreement. (map: <http://www.arb.ca.gov/bonds/gmbond/docs/gmtradecorridors.jpg>).

**Initial:** \_\_\_\_\_

- s. I certify that I have attached all the required Attachments to this application.

**Initial:** \_\_\_\_\_

- t. I certify that all the equipment for which I will be applying during this solicitation period has been included in this application.

**Initial:** \_\_\_\_\_

- u. I understand and certify that accepting grant funds from the Goods Movement Program may lead to tax liability and that by signing the grant agreement for the Project, agree to accept this liability.

**Initial:** \_\_\_\_\_

v. I understand and certify that if the Air District receives a Public Records Request requiring release of information about my Project, that the Air District may release a business address but not a personal or home address, since business addresses are considered to be publically-available (directory) information.

**Initial:** \_\_\_\_\_

w. I certify that, if selected for funding, the Program-funded equipment shall be placed into operation and post-inspected prior to the applicable operational deadlines to remain eligible for funding.

**Initial:** \_\_\_\_\_

**I certify that I have the legal authority to apply for funding on behalf of the applicant entity, and that I am authorized to sign and submit this application on behalf of the applicant/equipment owner.**

**Signed:** \_\_\_\_\_

**Date:** \_\_\_\_\_

(Authorized Representative of Applicant/ Equipment Owner)

**Name (Please Print):** \_\_\_\_\_ **Title:** \_\_\_\_\_

**Part 2: Project equipment information** (Complete **Part 2** for each locomotive in this application)

**Type of project: (ONLY CHECK ONE)**

- Locomotive replacement
- Locomotive retrofit (retrofit includes rebuild, repower, remanufacture, filter installation, and all other modifications other than replacement)
- Emission control and capture system (Please contact the Air District if interested in this project option)

**Existing Equipment and Activity Information**

	Existing Locomotive	Proposed (New) Locomotive/Equipment
<b>Locomotive information</b>		
Type of locomotive: (select one)	1. <input type="checkbox"/> Switcher (1,006-2,300 hp) <input type="checkbox"/> Medium hp (2,300-4,000 hp) <input type="checkbox"/> Line-haul (4,001 hp +)	24. <input type="checkbox"/> Switcher (1,006-2,300 hp) <input type="checkbox"/> Medium hp (2,300-4,000 hp) <input type="checkbox"/> Line-haul (4,001 hp +)
Build number:	2.	n/a
Build date:	3.	n/a
Builder:	4.	25.
Locomotive #/identifier:	5.	n/a
Locomotive make:	6.	26.
Locomotive model:	7.	27.
Locomotive serial number:	8.	n/a
Engine configuration (roots blown, turbo-charged, other):	9.	28.
Electronic monitoring unit device type and model (if equipped):	10.	29.
Name and location of home railyard:	11.	30.
<b>Engine information</b> (for each engine – copy and complete for equipment with multiple engines)		
Number of engines:	12.	31.
Emission control level (uncontrolled, Tier 0 through Tier 2):	13.	32.
EPA engine family name (if applicable):	14.	33.
Engine make:	15.	34.
Engine model:	16.	35.
Engine type:	17.	36.
Engine model year:	18.	37.
Engine serial number:	19.	n/a
Engine horsepower:	20.	38.
# of cylinders:	21.	39.
Engine fuel type:	22.	40.
Emissions control equipment:	23.	41.

**42. Locomotive activity**

Year	Total number gallons of fuel consumed by this locomotive	Megawatt hours of operation for this locomotive
2014		
2015		
2016		
2017 (to date)		
Estimated future annual operation of the new locomotive/equipment		

**43. Locomotive operation in California trade corridors:**

<http://www.arb.ca.gov/bonds/gmbond/docs/gmtradecorridors.jpg>

Trade corridor	Current % operation	Estimated future % operation for the new locomotive/equipment
Bay Area		
Central Valley		
Los Angeles/ Inland Empire		
San Diego/ Imperial		

**44. Locomotive operation in California**

	Current % operation	Estimated future % operation for the new locomotive/equipment
California operation		

**45. Project costs**

Total project equipment cost	\$
Labor (if applicable)	\$
Program funds requested	\$
Please list any other funding sources for this project	

**46. Estimated project schedule**

	Estimated date
Equipment order placed	
Expected equipment delivery date	
Installation completion (if applicable)	
New equipment enters operational service	
Destruction of the existing locomotive	
Request for Program reimbursement	

**Attachments: Please submit the following documents with the signed and completed application forms.**

- Documentation of current ownership and Proof of identity of equipment owner
- Activity documentation for past 2 years (for existing unit or units of comparable horsepower and function)
  - Fuel consumption or Megawatt hours of operation
- Documentation of percentage of operation within the four California trade corridors
- Insurance documentation for the existing equipment
- New equipment information - Quote/estimate and equipment description
- EPA and ARB Emissions certification documentation. Certification/verification may be pending at time of application; however, prior to payment the equipment must be certified/verified