Overview of Air District Grant Funding Opportunities

DFx33: Funding to replace diesel fleets and equipment

August 5, 2020

Amy Dao, Senior Staff Specialist
Bay Area Air Quality Management District
375 Beale Street, San Francisco, CA
Introduction & Background

The Bay Area Air Quality Management District

Location
9-county Bay Area

Population
7.7 M in 2019

Regulate
Stationary Sources

Incentivize
Mobile Sources
Transportation Fund for Clean Air
Mobile Source Incentive Fund
Carl Moyer Program
AB 617 / Community Health Protection
VW NOx Mitigation*

Projected Grant Revenues for CY 2019 (in Millions)

$107

Transportation Fund for Clean Air
Mobile Source Incentive Fund
Carl Moyer Program
AB 617 / Community Health Protection
VW NOx Mitigation*

$107

Carl Moyer Category Includes Funding From:
CMP Year 20
CMP Statewide Funds
FARMER (agriculture only)
LCFS - Low Carbon Fuel Standard

Other Funding Sources:
EFMP – Enhanced Fleet Modernization Program
RFG – Reformulated Gasoline Settlement Fund
SEP - Supplemental Environmental Project

*Total Volkswagen funding is $423dM statewide, which will be dispersed over ~5 year period. Staff projects that as much as 33% of funding could go to projects locate in the Bay Area.
# Air District Grants Open Solicitations

<table>
<thead>
<tr>
<th>Program Name, Description, and Website</th>
<th>Eligible</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Carl Moyer</strong> <a href="www.baaqmd.gov/moyer">www.baaqmd.gov/moyer</a></td>
<td>Vehicle &amp; Equipment Owners</td>
<td>CMP, MSIF, CHP, FARMER</td>
</tr>
<tr>
<td>To replace heavy-duty on- &amp; off-road vehicles and equipment, marine engines, and locomotives</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Community Health Protection</strong> <a href="https://www.baaqmd.gov/AB617">https://www.baaqmd.gov/AB617</a></td>
<td>Vehicle &amp; Equipment Owners</td>
<td>SB 856</td>
</tr>
<tr>
<td>To replace heavy-duty on- &amp; off-road vehicles and equipment, marine engines, and locomotives in EJ areas.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Climate Tech Finance (Loan)</strong> <a href="www.baaqmd.gov/ctf">www.baaqmd.gov/ctf</a></td>
<td>Public Agencies &amp; Small Business</td>
<td>IBank, Air District</td>
</tr>
<tr>
<td>To purchase emerging climate technologies that reduce GHGs</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Clean Cars for All</strong> <a href="www.baaqmd.gov/cleancarsforall">www.baaqmd.gov/cleancarsforall</a></td>
<td>Residents</td>
<td>CCI, VW Settlement Funds</td>
</tr>
<tr>
<td>To retire and replace their vehicles with a cleaner option</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Vehicle Buy Back</strong> <a href="www.baaqmd.gov/vbb">www.baaqmd.gov/vbb</a></td>
<td>Residents</td>
<td>MSIF</td>
</tr>
<tr>
<td>To scrap 1996 or older light-duty cars</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Additional grant programs for other project categories scheduled to open later this year*

CCI: California Climate Investments  
CMP: Carl Moyer Program  
FARMER: Funding Agricultural Replacement Measures for Emission Reductions  
MSIF: Mobile Source Incentive Fund  
TFCA: Transportation Fund for Clean Air
Maximum On-road Funding Amounts

### Vehicle type

<table>
<thead>
<tr>
<th>GVWR</th>
<th>Zero-emissions (ZE)</th>
<th>Low-NOx engines</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class 8 (33,001 lbs +)</td>
<td>Up to 60 - 95%</td>
<td>$100,000</td>
</tr>
<tr>
<td>Class 6 &amp; 7 (19,5001 - 33,000 lb)</td>
<td>Up to 60 - 95%</td>
<td>$80,000 - $100,000</td>
</tr>
<tr>
<td>Class 4 &amp; 5 (14,001 - 19,500 lb)</td>
<td>Up to 60 - 95%</td>
<td>$70,000</td>
</tr>
<tr>
<td>Transit buses</td>
<td>Up to 60 - 95%</td>
<td>$25,000</td>
</tr>
<tr>
<td>Emergency vehicles</td>
<td>Up to 90% of cost</td>
<td></td>
</tr>
<tr>
<td>Infrastructure</td>
<td>Up to 60% with additional funding available for infrastructure that is publicly accessible, powered by solar/wind, serving a port/railyard/freight facility, or located at a sensitive receptor site.</td>
<td></td>
</tr>
</tbody>
</table>

- ZE projects in Community Health Protection areas are eligible for up to: 95% / 90% / 60% maximum for fleets of 1-3 vehicles / 4-10 vehicles / 10+ vehicles, respectively.
- Low-NOx engines: Funding levels vary by certified NOx emissions level (0.1, 0.05 or 0.02 g/bhp-hr).
- Additional funding is also available for Hybrids and CNG.
Off-road Funding Amounts

Maximum funding levels for off-road equipment

<table>
<thead>
<tr>
<th>Project type</th>
<th>Maximum Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diesel repower</td>
<td>Up to 95%</td>
</tr>
<tr>
<td>Large-spark ignition (LSI) engine repower</td>
<td>Up to 95%</td>
</tr>
<tr>
<td>Repower to zero-emission</td>
<td>Up to 95%</td>
</tr>
<tr>
<td>Mobile equipment Replacement</td>
<td>Up to 90%</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>Up to 60% of the cost to purchase and install alternative fueling or charging infrastructure</td>
</tr>
</tbody>
</table>

- New equipment not meeting the current emission standards are not eligible for max funding up
- Additional funding may be available for infrastructure that is publicly accessible, powered by solar/wind, serving a port/railyard/freight facility, or located at a sensitive receptor.
# Maximum School Bus Funding Amounts

<table>
<thead>
<tr>
<th>Project Type</th>
<th>Funding (per piece of equipment)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Replacement or Conversion to Electric or Fuel Cell</td>
<td>$400,000*</td>
</tr>
<tr>
<td>Replacement to Low-NOx CNG</td>
<td>$220,000</td>
</tr>
<tr>
<td>Replacement to Hybrid</td>
<td>$220,000</td>
</tr>
<tr>
<td>Repower</td>
<td>$70,000</td>
</tr>
<tr>
<td>CNG Tank Replacement</td>
<td>$20,000</td>
</tr>
<tr>
<td>Alternative Fueling Infrastructure</td>
<td>Up to 100%</td>
</tr>
</tbody>
</table>

* Eligible for co-funding with other state, federal, or private incentive funding
Community Health Protection Program

- Community input on air pollution sources in Bay Area communities in order to provide targeted outreach and new projects to improve air quality in the Bay Area
- Higher grant amounts available for the replacement of diesel-fueled equipment with zero-emissions (or cleanest available) in AB617 communities
- Co-funding with other funding sources (e.g. CORE, CEC, or PG&E)
Basic Evaluation Criteria

• Scrap old equipment for replacement projects
• Fund both small fleets of 1-10 vehicles and large fleets of more than 10
• Must be in compliance with applicable regulatory requirements
• Operate at least 30% in the Bay Area and 75% of the time in CA
• Provide surplus emissions reductions
• Document two years of operation, registration, insurance, and usage
How to Apply

• Understand any applicable state fleet rules that may apply to the fleet
• Identify older, dirtier vehicles to upgrade and replace
• Determine whether equipment qualifies for funding
• Start gathering equipment information and supporting documents
• Work with an equipment dealer on the replacement equipment
• Apply online at: www.baaqmd.gov/moyer or www.baaqmd.gov/ab617grants
Email us: grants@baaqmd.gov

Visit our website: www.baaqmd.gov/grants

Join the grants email list: www.surveymonkey.com/r/tfcaemails

Amy Dao
BAAQMD
415.749.4933
adao@baaqmd.gov
Topics

- Volkswagen (VW) Environmental Mitigation Trust Program Overview
- General Overview of Funding, Reporting, and Operational Requirements
- Overview of Project Categories
- Links and Contact Information
- Questions and Answers
VW Mitigation Trust Overview

Volkswagen Settlement
- VW Mitigation Trust
- Consent Decree

CARB
- Lead Agency
- Beneficiary Mitigation Plan
- Five Funding Categories

Three Air Districts
- Program Administrators
  - South Coast AQMD
  - San Joaquin Valley APCD
  - Bay Area AQMD

- Volkswagen Settlement
- CARB
- Three Air Districts

Funding Categories:
- Zero-Emission Freight and Marine Projects
  - $60M
- Zero-Emission Class 8 Freight and Port Drayage Trucks
  - $90M
- Zero-Emission Transit, School, and Shuttle Bus
  - $130M
- Light-Duty Zero-Emission Infrastructure
  - $10M

South Coast AQMD
SJVAPCD
BAAQMD

DFx33 Funding Webinar
VW Mitigation Trust Funding for California

**Zero-Emission Transit, School, and Shuttle Bus**
(SJVAPCD)

- $130M Total
- $65M – Currently Open for Transit and Shuttle

**Zero-Emission Class 8 Freight and Port Drayage Trucks**
(South Coast AQMD)

- $90M Total
- $27M – Opens 8/2020

**Combustion Freight and Marine Projects**
(South Coast AQMD)

- $60M Total
- $<30M – 2nd Solicitation Q4 2020

**Zero-Emission Freight and Marine Projects**
(BAAQMD)

- $70M Total
- $35M – Currently Open

**Light-Duty Zero-Emission Infrastructure**
(BAAQMD)

- $10M Total

DFx33 Funding Webinar
<table>
<thead>
<tr>
<th>Category</th>
<th>Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inspections</td>
<td>Make old and new engine / vehicle available for inspection</td>
</tr>
<tr>
<td>Operations</td>
<td>Operate the “grant-funded” engine / vehicle in accordance with the contract</td>
</tr>
<tr>
<td>Scrapping</td>
<td>Scrap an older engine / vehicle and replace it with the “grant-funded” engine / vehicle</td>
</tr>
<tr>
<td>Payment</td>
<td>Submit request for payment AFTER contract execution and project completion</td>
</tr>
<tr>
<td>Reporting</td>
<td>Submit annual reports for the term of the contract (expected 3 years)</td>
</tr>
</tbody>
</table>
Zero-Emission Transit, School, and Shuttle Buses
**Zero-Emission Transit, School, and Shuttle Buses**

**Key Points**

- $130M Total Funding
  - $65M – Currently open for Transit & Shuttle

- First Come, First Served

- Open to public and private organizations

- 50% of funding to disadvantaged or low-income communities

**DFx33 Funding Webinar**
Zero-Emission Transit, School, and Shuttle Buses
Eligible Projects and Funding Amounts

$65M to Replace Class 4-8 School, Transit and Shuttle Buses

**School Buses**
- **Up to $400,000**
  - To replace an eligible school bus with new, commercially-available, zero-emission technology

**Transit Buses**
- **Up to $180,000**
  - For a new, commercially-available, battery-electric bus
- **Up to $400,000**
  - For a new, commercially-available, fuel-cell bus

**Shuttle Buses**
- **Up to $160,000**
  - To replace an eligible shuttle bus with new, commercially-available, zero-emission technology

- Total funding for this category is $130 million, with the initial $65 million increment currently open (transit/shuttle)
- No more than 50% of available funds in each increment will be allocated to a single bus category
- Total cost per vehicle must not exceed 75% for non-government owned and 100% for government owned vehicles
- Stacking of VW funds with HVIP and other CARB funds not allowed
Zero-Emission Transit, School, and Shuttle Buses
Funding Still Available for Transit and Shuttle

To Apply
http://vwbusmoney.valleyair.org/
Zero-Emission Class 8 Freight and Port Drayage Trucks

Administered by South Coast Air Quality Management District
Zero-Emission Class 8 Freight and Port Drayage Trucks

Overview

- Total funds available: $90 million
- First installment: $27 million
  - Up to $200k per vehicle
- Applications will be received on a first-come, first-served basis
- Open to public and private entities
- At least 50% of funds for projects that reduce emissions in disadvantaged or low-income communities
Zero-Emission Class 8 Freight and Port Drayage Trucks

Eligible Vehicle Types

Engine MY 1992-2012:
- Freight Truck
- Dump Truck
- Drayage Truck
- Concrete Mixer
- Waste Hauler

To be replaced with:

Zero-Emission Technology
(commercially available, approved by CARB)
- Battery Electric
- Hydrogen Fuel Cell
ZE Class 8 Freight and Port Drayage Trucks Webinar

August 12 at 10:00 am PST

Register Here!
(http://learn.aqmd.gov/VW_Settlement_Webinar_Registration)
Zero-Emission Freight and Marine Projects – OPEN

Applications Due: 1 pm on August 31, 2020

Administered by

Bay Area Air Quality Management District
Zero-Emission Freight & Marine Projects

Key Points

- Open to public and private organizations
- Competitive Solicitation
- $70M Total Funding; $35M – Currently Open
- 75% of funding to disadvantaged or low-income communities

DFx33 Funding Webinar
Zero-Emission Freight & Marine Projects
Eligible Projects and Funding Amounts

$35M currently available, awards* up to:

Full Incremental Cost

$175,000
Per Equipment

Replace
airport ground support equipment and vehicles
Starting aircraft; aircraft fueling & maintenance; transporting & loading passengers & cargo, baggage handling, lavatory & food service etc.

Replace
heavy-lift forklifts, port cargo handling equipment
Forklifts: reach stackers, side loaders, and top loaders with >8,000 lbs. lift capacity
Port CHE: rubber-tired gantry cranes, straddle & shuttle carriers, terminal tractors, and yard hostlers & tractors operating in Ports

Repower
ty, tug & towboat;
Install
shore power
Repowers: all-electric & fuel cell
Shore Power: cables, cable management, coupler, distribution control systems, & power distribution for shore power

* Up to 75% of eligible costs for non-government-owned vehicles or equipment
Up to 25% for non-government owned Shore Power
Zero-Emission Freight & Marine Projects Currently Open!

Apply NOW!
www.californiavwtrust.org/zero-freight-marine/
Applications Due: 1 pm on August 31, 2020

Webinar
Live Webinar: Thursday, August 6, 2020
2:00-3:00 PM PDT

Additional Resources
Visit www.californiavwtrust.org/zero-freight-marine/
For more information, please visit:

http://www.aqmd.gov/vw
http://vwbusmoney.valleyair.org
https://www.californiavwtrust.org