

PORT EMISSION REDUCTION AND ELECTRIFICATION PILOT PROGRAM



PROGRAM OVERVIEW

The Port Emission Reduction and Electrification Pilot Program (Program) aims to improve air quality, protect public health, and advance environmental equity in communities that are disproportionately impacted by emissions from port-related activities. Through grant funding, the Program supports equipment owners and commercial operators in accelerating the adoption of near-zero- and zero-emission technologies and infrastructure for heavy-duty equipment operating in and around ports, including cargo-handling equipment, marine vessels, locomotives, and airport ground support equipment.

Program administration will be primarily based on the California Air Resources Board's (CARB) Carl Moyer Program Guidelines and applicable Incentive Program Implementation (IPI) notices.

Up to \$20 million in grant funding is available through this pilot program, with at least 75% of program funds reserved for eligible zero-emission projects. Applications will be accepted beginning **September 3, 2026, until 5:00 PM PDT on November 9, 2026**. Awards will be made to complete and eligible projects on a first-come, first-served basis until available funds are exhausted.

The Bay Area Air District reserves the right to modify the Program and its requirements at its sole discretion.

WHO IS ELIGIBLE

- **Eligible Applicants:** Both private businesses and governmental agencies that commercially operate heavy-duty equipment in Eligible Geographic Areas.
- **Eligible Geographic Areas:**
Projects must operate at least 50% or be domiciled within the following Eligible Geographic Areas:
 - **Port of Oakland** (including Oakland Seaport and OAK Airport) or within 1/2 mile of its city-owned port boundaries.

- **Port of Richmond** or within 1/2 mile of its city-owned property boundaries or of the Santa Fe Channel shore.

- **Eligible Project Types**

Eligible Project Category	Eligible Project Types
Off-Road Equipment: Cargo Handling Equipment, Airport Ground Support Equipment, etc.	Replacement, Repower, Retrofit
Marine: Commercial Harborcraft –Ferry, Tug, Crew and Supply, etc.	Replacement, Repower, Retrofit
Locomotives: Switchers, Line-haul, etc.	Replacement, Repower, Retrofit
Infrastructure: Supporting or standalone infrastructure for eligible equipment, such as Charging Stations, Shorepower, Microgrid, etc.	New Installation

FUNDING

EQUIPMENT REPLACEMENT & REPOWER PROJECTS

Funding amounts are based on emission reduction cost-effectiveness, and the maximum funding amounts are between 50% to 85% of total eligible project costs depending on project compliance and replacement technologies:

- Base Limit (All eligible types): Up to \$30,000 per ton of emissions reduced
- Off-Road Zero-Emission: Up to \$120,000 per ton
- Locomotive Zero-Emission: Up to \$200,000 per ton
- Marine Zero-Emission: Up to \$522,000 per ton

INFRASTRUCTURE PROJECTS

Funding amounts are based on total eligible costs and the following percentages:

- Base Funding: Covers 60% of eligible project costs.
- Plus-ups:
 - +10% for projects integrating renewable solar or wind power
 - +10% for projects located near sensitive receptors
 - +15% for publicly accessible projects or public entity applicants.

KEY APPLICATION REQUIREMENTS

Baseline Equipment: Existing equipment must be commercial, operational, diesel- or spark-ignition-fueled, and have verifiable historic usage under District jurisdiction for at least 2 years prior to application.

Equipment Scrappage: Old baseline equipment and engines must be dismantled and scrapped in accordance with District scrap procedures.

Ordering Equipment: Applicants may order equipment prior to contract execution at their own financial risk, but applicants must not take delivery of equipment or perform repower/retrofit work until a Grant Agreement is fully executed.

Surplus Reductions: Emission reductions generated by the new equipment cannot be used as credits or offsets for state or federal regulatory compliance programs.

APPLICATION PROCESS

Applications are reviewed and awarded on a first-come, first-served basis for projects that meet all eligibility requirements.

1. **Create an Account in the District Grant Portal:** Contact District staff to discuss your project, confirm eligibility and readiness, and obtain access to the District's grant portal.
2. **Submit Your Application:** Complete and submit your application through the grant portal.
3. **Completeness Review:** Within 3 weeks, the District will review your application and notify you if additional information is needed.
4. **Project Review & Pre-Inspection:** Once your application review is complete, you will receive email notification regarding the eligibility, proposed grant award, pre-inspection steps, and District Board of Directors approval requirements (for projects with proposed award amount over \$500,000).
5. **Grant Agreement:** Successful applicants will receive a grant agreement for execution prior to beginning eligible project activities.

CONTACT INFORMATION & RESOURCES

Questions? Staff are here to help.

Email: freightmarine@baaqmd.gov Phone: (415) 749-4994

Additional information and supporting resources are available online at:

www.baaqmd.gov/port