

PORT EMISSION REDUCTION AND ELECTRIFICATION PROGRAM GRANT AGREEMENT
BETWEEN
THE BAY AREA AIR QUALITY MANAGEMENT DISTRICT
AND
[GRANTEE NAME]
[PROJECT#]

This Port Emission Reduction and Electrification Program grant agreement (“Agreement”) is made and entered into between [Grantee Name], hereinafter referred to as “Grantee,” and the Bay Area Air Quality Management District, hereinafter referred to as the “Grantor” or “Air District,” hereinafter collectively referred to as the “Parties.”

RECITALS

- 1) The Port Emission Reduction and Electrification Program is based on Carl Moyer Memorial Air Quality Standards Attainment Program, California Health and Safety Code section 44275 et seq. (“Program”), is an incentive program to provide grants in order to reduce emissions of oxides of nitrogen, particulate matter (PM10), and reactive organic compounds in the State from sources of air pollution, such as heavy-duty and light-duty diesel vehicles, off-road construction equipment, marine vessels, and agricultural sources of pollution, by measures such as replacement of engines with cleaner-than-required engines or installation of emission reduction equipment.
- 2) The California Air Resources Board (“CARB”), which oversees and administers the Program, has adopted guidelines and criteria for the Program’s implementation entitled The Carl Moyer Program Guidelines, Approved Revision 2024 and subsequent CARB advisories issued for Program implementation (together the “CARB Program Guidelines”). The Air District implements the Program in the San Francisco Bay Area air basin in accordance with the CARB Program Guidelines and the criteria and guidelines of the Air District.
- 3) The Control Measure for Ocean-Going Vessels At Berth as set forth in Sections 93130 through 93130.22 (inclusive of Appendices) of Title 17 of the California Code of Regulations (the “Control Measure”) includes an additional compliance option that may be used under limited circumstances to remediate emissions from ocean-going vessels by making remediation payments into a remediation fund established pursuant to the Control Measure (“Remediation Fund”). The Remediation Fund may be used for incentive activities that directly benefit communities impacted by excess emissions from the port or independent marine terminal and achieve emission reductions consistent with CARB’s most recent applicable incentive program guidelines for: Carl Moyer Program, Proposition 1B Program, or Community Air Protection Incentives Program; or similar programs for mobile and/or stationary sources of air pollution.
- 4) Based on the information provided in the Grantee’s project application, the Air District determined that the Grantee proposed a project (“Project”, the details of which are presented in Attachment A) to replace or install equipment that is eligible for Program funding and meets the CARB Program Guidelines and the Air District’s criteria and guidelines, including cost-effectiveness requirements. In entering into this Agreement, the Air District has relied upon the representations in Grantee’s project application.
- 5) This Agreement is made pursuant to and in accordance with the requirements of the Program, established by the California State Legislature and implemented by CARB. All equipment funded under the terms of this Agreement (“Project Equipment”) must meet the applicable requirements set forth in the CARB Program Guidelines.
- 6) On [Date], the Board of Directors of the Air District authorized the Air District’s Executive Officer/APCO to execute Grant Agreements for projects meeting all of the CARB Program Guidelines and Air District criteria with total individual grant amounts up to \$500,000.

SECTION I

GRANTEE AGREES:

- 1) To complete and implement the Project in accordance with the terms and conditions of this Agreement and all attachments hereto and the CARB Program Guidelines, which are incorporated herein by reference. Failure to comply with the terms and conditions of this Agreement, including requirements in attachments hereto and in the CARB Program Guidelines, will be deemed a breach of this Agreement, and upon any such breach the Air District may pursue any remedies available under law, including requiring repayment of any funds awarded under this Agreement and/or terminating this Agreement pursuant to the termination provisions herein. A breach of this Agreement, significant Project delays and/or failure to complete the Project may also disqualify Grantee from participating in future Air District incentive programs, at the discretion of the Air District.

- 2) To purchase, operate, monitor the operation of, and maintain each piece of Project Equipment according to the manufacturer's specifications throughout each respective Project Equipment Operational Period, as defined in Attachment A. No tampering or modification of the Project Equipment is allowed.

The Air District or its designee may perform a pre-installation inspection and will perform a post-project inspection of the Project Equipment funded under the terms of this Agreement to verify that the Project has been implemented according to the terms of this Agreement. Grantee will facilitate the Air District inspection(s) and make the new Project Equipment available for pre-installation inspection(s) of engines, tanks, or similar funded components whose tags or labels will not be visible after installation, and for post-project inspection, which may include verifying that the Project Equipment is fully operational, to document that Project Equipment complies with Program requirements. Grantee must contact the Air District to arrange post-project inspection and should provide at least two business days advanced notice for scheduling.

- 3) To permanently destroy and remove from service any equipment replaced as part of the Project ("Baseline Equipment"), as specified in Attachment A, Paragraph 5, and to provide documentation to support destruction of the Baseline Equipment.

The Air District or its designee will perform a preliminary inspection of any Baseline Equipment prior to implementation of the Project, and a post-project inspection that verifies the destruction of any Baseline Equipment. Grantee agrees to facilitate and cooperate with the Air District inspections and make any Baseline Equipment available for inspection. Grantee must demonstrate to the Air District that any Baseline Equipment to be replaced under this Agreement is fully operational at the time of the preliminary inspection. Grantee must also facilitate the Air District obtaining and confirming equipment information (e.g., model year, serial numbers, horsepower) at the time of inspection.

- 4) To comply with the invoicing and reporting conditions identified in Attachment A. Any Project cost overruns are the sole responsibility of the Grantee.
- 5) To allow the staff and third-party representatives of the Air District and CARB to inspect the Project Equipment and to conduct financial and performance audits of the Project. Grantee agrees that the Air District, CARB, CA Department of General Services, CA Department of Finance, CA Bureau of State Audits, and/or their designated representative will have the right to review and to copy any records and supporting documentation pertaining to the performance of this Project. Grantee further agrees to cooperate fully with such inspections and audits, including providing on a timely basis, copies of any Project records related to performance of this Agreement requested by the Air District or CARB.
- 6) To acknowledge the Air District and the Port Emission Reduction and Electrification Program, or other applicable state funding source, as funding sources for the Project in any related media events, articles, news releases, or other publicity materials. Grantee must obtain prior written approval by the Air District in order to disseminate any report or other document describing the Program, the Project, or this Agreement.

- 7) To complete and operate the Project in compliance with all applicable federal, State, and local laws, rules, guidelines, and regulations, and requirements.
- 8) To not assign, sell, transfer, license, or otherwise transfer any rights or obligations under this Agreement without the prior written consent of the Air District.

If the Grantee wishes to assign, transfer, or sell the Project Equipment to another entity before its contractual requirements have been satisfied, the new entity must agree to assume all of the outstanding requirements of this Agreement through a novation agreement executed by the Grantee, new entity, and the Air District. Grantee will remain responsible for complying with all outstanding requirements of this Agreement unless and until a novation agreement that includes all outstanding requirements of this Agreement is fully executed.

Grantee will notify the Air District in writing of any change in registration or operational status of any Project Equipment funded and installed under this Agreement within ten (10) business days of its occurrence. For purposes of this Agreement, a “change in operational status” occurs whenever any Project Equipment is removed from active service, relocated outside the boundaries of the Air District, relocated outside of a Priority Area, wrecked, scrapped, sold, assigned, or transferred to another entity, before full completion of the Project Equipment Operational Period.

- 9) To neither seek nor accept other private or public financial incentives for the Project without prior written approval from the Air District.
- 10) To obtain and maintain the insurance coverage specified in “Insurance Requirements,” Attachment B, and to comply with all insurance requirements set forth therein.
- 11) To use the Air District’s approved logo on any printed material intended for public consumption associated with the Project and on any signs posted at the site of any construction associated with the Project. The logo provided by the Air District must be displayed on the Project Equipment identified in Attachment A, Paragraph 5.
- 12) To maintain and retain the Project records for at least three years after Agreement Term ends.
- 13) To comply with all “Special Conditions,” set forth in Attachment A.
- 14) To comply with the following nondiscrimination and compliance provisions: During the performance of this Agreement, the Grantee and its contractors will not unlawfully discriminate against, harass, or allow harassment against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability (including HIV and AIDS), mental disability, sexual orientation, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age (over 40), sexual orientation, or veteran or military status, or allow denial of family-care leave, medical-care leave, or pregnancy-disability leave. The Grantee and its contractors will ensure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination and harassment. The Grantee and its contractors will comply with the provisions of the Fair Employment and Housing Act (Gov. Code section 12990 et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, title 2, section 11000 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code section 12990 (a-f), set forth in Chapter 5 of Division 4.1 of title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. The Grantee and its contractors will give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. Grantee will include the nondiscrimination and compliance provisions of this clause in all agreements with contractors to perform work funded by this Agreement.
- 15) To be bound by and meet the requirements of all applicable provisions of State Labor Code Section 1720-1861 regarding prevailing wages paid to workers employed on public works and labor compliance and to provide confirmation of compliance if requested.
- 16) To accept tax liability associated with accepting grant funds.
- 17) To ensure that work products submitted to CARB, uploaded, or otherwise provided to CARB by the Grantee and/or its subcontractors under this Agreement comply with Web Content Accessibility

Guidelines 2.0, levels A and AA, and otherwise meet the accessibility requirements set forth in California Government Code Sections 7405 and 11135, Section 202 of the federal Americans with Disabilities Act (42 U.S.C. § 12132), and Section 508 of the federal Rehabilitation Act (29 U.S.C. § 794d) and the regulations promulgated thereunder (36 C.F.R. Parts 1193 and 1194). For any work product provided to CARB in PDF format, the Grantee must also provide an electronic version in the original electronic format (for example, Microsoft Word or Adobe InDesign).

- 18) That this Agreement is binding on and will inure to the benefit of Grantee's heirs, executors, administrators, and successors in interest.
- 19) To require that all subcontractors comply with the terms of this Agreement.

SECTION II

AIR DISTRICT AGREES:

- 1) To reimburse Grantee in an amount not to exceed the "Total Grant Funds Available," set forth at Attachment A, paragraph 4.

Total Grant Funds Available is the maximum amount of funding available. In no event will the grant funds paid under this Agreement exceed the Total Grant Funds Available.

The final amount of funds reimbursed to Grantee (the "Funds Awarded") may be less than the Total Grant Funds Available. The final Funds Awarded will be less than the Total Grant Funds Available if (1) the invoiced Eligible Costs incurred are less than the Estimated Eligible Costs in Attachment A; (2) Grantee has received funding from an Air District approved co-funding incentive source; and/or (3) there are no longer funds available.

- 2) To verify that Grantee has completed the Project prior to reimbursing the Grantee. Verification by Air District will include physical inspection of any Project Equipment specified in Attachment A, confirmation that the Project Equipment is operational and in service, and review of evidence of the permanent destruction of any Baseline Equipment replaced as part of the Project.
- 3) To endeavor to reimburse Grantee the final Funds Awarded within thirty (30) calendar days of receipt of an approvable invoice submitted in accordance with Attachment A, and after the Air District has verified Project completion.
- 4) To provide reasonable notice to Grantee prior to Air District, CARB or third-party inspection or audit of the Project. What constitutes "reasonable notice" may be based in part upon any prior notice from CARB received by the Air District of such audit or inspection.

SECTION III

AIR DISTRICT AND GRANTEE AGREE:

- 1) Agreement Term: The term of this Agreement ("Agreement Term") begins on the Effective Date and will remain in effect until the conclusion of all Project Equipment Operational Periods and submission of all required reports, as set forth in Attachment A.
- 2) Termination:
 - a) Either Party may terminate this Agreement at will and without specifying any reason at any time prior to the Air District's transfer of Funds Awarded by notifying the other Party in writing. The notice of termination must specify the effective date of termination, which will be no less than thirty (30) calendar days from the date of delivery of such notice.
 - b) The Air District may terminate this Agreement for breach of the Agreement by Grantee by giving Grantee a minimum of ten (10) business days written notice of such breach and the opportunity to cure the breach within that period of time. The notice will specify the amount of Funds Awarded to be reimbursed to the Air District, if any, which Grantee will reimburse within

thirty (30) days of the effective date of termination. The Air District will calculate the reimbursement based on the repayment formula set forth in Paragraph 15 of Attachment A.

- c) The Air District will not pay any Funds Awarded in the event that this Agreement is terminated, and no funds have been expended by Grantee. If the Project has been completed and the Air District has paid the Funds Awarded to Grantee, Grantee may not terminate this Agreement pursuant to subparagraph 2(a), unless it reimburses the Air District the amount of Funds Awarded due based on the repayment formula set forth in Paragraph 15 of Attachment A.
- 3) **Additional Acts and Documents:** Each Party agrees to do all such things and take all such actions, and to make, execute, and deliver such other documents and instruments that are reasonably required to carry out the provisions, intent, and purpose of this Agreement. All attachments to this Agreement are expressly incorporated herein by this reference and made a part hereof as though fully set forth.
- 4) **Indemnification:** Grantee agrees to indemnify and hold harmless CARB, the Air District, its officers, employees, agents, representatives, and successors-in-interest from and against any and all liability, loss, expense, including reasonable attorneys' fees, or claims for injury or damages arising out of the performance of the duties and obligations under this Agreement by Grantee or its officers, agents, employees, representatives, subcontractors and successors in interest, and arising out of the installation or operation of the Project Equipment that is the subject of this Agreement by the Grantee or its officers, agents, employees, representatives, subcontractors, and successors in interest.
- 5) **Notices:** All notices that are required under this Agreement will be provided in the manner set forth herein, unless specified otherwise. Notice to a party will be delivered to the attention of the person at the address listed below, or to such other person or persons as may hereafter be designated by that party in writing. Notice will be in writing sent by e-mail OR delivered in person. Notices will be deemed to have been received on the date of such transmission, provided such date was a business day and delivered prior to 4:00 p.m. PST/PDT. Otherwise, receipt of notices will be deemed to have occurred on the following business day.

AIR DISTRICT	Bay Area Air Quality Management District 375 Beale Street, Suite 600 San Francisco, CA 94105 Attn: Director of Strategic Incentives Project #: [project #] grants@baaqmd.gov
GRANTEE	[company or individual name] [street address] [city, state, zip] Attn: [project contact] Project #: [project #] [e-mail]

- 6) **Contacts:** The Contact for the Grantee is the person named in the Project application, which also lists the Contact's address, telephone number, and email address. The Contact is the liaison to the Air District pertaining to implementation of this Agreement and is the contact for information about the Project. The Grantee agrees to notify the Air District of a change of the Contact's name or contact information in writing no later than ten (10) business days from the date of any change.
- 7) **Project Number:** All correspondence must reference this Agreement number, which is the same as the Project Number or Project Application Number.
- 8) **Integration of Agreement:** This Agreement represents the final, complete, and exclusive statement of the agreement between the Grantee and the Air District and supersedes all prior and contemporaneous

understandings and agreements of the Parties. No Party has been induced to enter into this Agreement nor is any Party relying upon any representation or warranty outside those expressly set forth herein.

- 9) Amendment: This Agreement may not be modified except in writing, signed by both Parties hereto, and any attempt to modify this Agreement orally will be void and of no effect. Any change in Project scope requires an amendment under this Agreement.
- 10) Independent Contractor: Grantee is an independent contractor. None of Grantee's officers, employees, agents, contractors, subcontractors, or vendors are, nor will they be considered, officers, employees, or agents of the Air District or CARB.
- 11) Assignment: Grantee may not assign, sell, transfer, license, or otherwise transfer any rights or obligations under this Agreement without the prior written consent of the Air District.
- 12) Waiver: No waiver of a breach, of failure of any condition, or of any right or remedy contained in or granted by the provisions of this Agreement will be effective unless it is in writing and signed by the party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right, or remedy will be deemed a waiver of any other breach, regardless of similarity, nor will any waiver constitute a continuing waiver unless the writing so specifies. Further, the failure of a party to enforce performance by the other party of any term, covenant, or condition of this Agreement and the failure of a party to exercise any rights or remedies hereunder will not be deemed a waiver or relinquishment by that party to enforce future performance of any such terms, covenants or conditions, or to exercise any future rights or remedies.
- 13) Severability: If a court of competent jurisdiction holds any provision of this Agreement to be illegal, unenforceable, or invalid, in whole or in part for any reason, the validity and enforceability of the remaining provisions, or portions thereof will not be affected.
- 14) Effective Date: The effective date of this Agreement is the date the Air District's Executive Officer/Air Pollution Control Officer, or their designee, executes this Agreement.
- 15) Availability of Funds: The Air District's obligations under this Agreement are contingent upon the availability of funds. In the event such funds are not available, the Air District will have no liability to pay any funds to Grantee or to furnish any other consideration under this Agreement.
- 16) Force Majeure: Neither CARB, the Air District, nor Grantee will be liable for or deemed to be in default for any delay or failure in performance under this Agreement or interruption of services resulting, directly or indirectly, from acts of God, enemy or hostile governmental action, civil commotion, strikes, lockouts, labor disputes, fire or other casualty, judicial orders, governmental controls, regulations or restrictions, or inability to obtain labor or materials or reasonable substitutes for labor or materials necessary for performance of the services, or other causes, except financial, that are beyond the reasonable control of CARB, the Air District or Grantee, for a period of time equal to the period of such force majeure event, provided that the party failing to perform notifies the other party within ten (10) business days of discovery of the force majeure event, and provided further that that party takes all reasonable action to mitigate the damages resulting from the failure to perform. Notwithstanding the above, if the cause of the force majeure event is due to party's own action or inaction, then such cause will not excuse that party from performance under this Agreement. Notwithstanding the above, fire or casualty loss to Project Equipment will not excuse Grantee's obligation to perform under this Agreement. Grantee will be responsible to repair or replace Project Equipment or to reimburse the Air District in accordance with Attachment A, Paragraph 15.
- 17) Governing Law: Any dispute that arises under or relates to this Agreement will be governed by law, including Health & Safety Code section 44280 et seq., its accompanying regulations, and the CARB Program Guidelines, excluding any laws that direct the application of another jurisdiction's laws. Venue for resolution of any dispute that arises under or relates to this Agreement is San Francisco, California. Any rights or remedies of the Air District provided for in this Agreement are in addition to any other rights and remedies provided by law.
- 18) Emissions Testing: The Air District may conduct emissions testing, at its expense, on any Project Equipment that is purchased or modified as part of the Project, including a vehicle or vessel. Testing for

a piece of Project Equipment will be limited to no more than once per calendar year during the Project Equipment Operational Period. Testing will be conducted according to a schedule agreed upon by both Parties.

- 19) Emission Reductions: The Air District retains the exclusive right to claim any emission reduction credits under State or Federal law that might result from emissions reduced by the Project implemented pursuant to this Agreement. The emissions reduced by the Project may not be used by Grantee to comply with any local, State, or Federal air pollution regulation or law, or used to fulfill Grantee's obligations arising out of any order, settlement contract, memorandum of understanding, or other binding legal document.
- 20) Compliance with CARB Program Guidelines: Any questions or disputes the Parties may have regarding the implementation of this Agreement will be resolved in accordance with the applicable CARB Program Guidelines.
- 21) Enforcement: CARB is an intended third-party beneficiary of this Agreement and has the right to enforce the terms of the Agreement to ensure emission reductions are obtained. Both the Air District and CARB, or their designees, have the authority to inspect the Project, enforce the terms of this Agreement, and pursue repayment of grant funds for noncompliance with the terms of this Agreement, including requirements in attachments hereto, in the CARB Program Guidelines, or applicable state laws or regulations throughout the Agreement Term.
- 22) Public Documents: To the extent not otherwise prohibited by law and to the extent required by the California Public Records Act (Government Code section 7920 et seq.), the Grantee will place in the public domain any software, written document, or other product developed with Program funds as part of the Project.
- 23) Survival of Terms: Any terms of this Agreement that by their nature extend beyond the term (or termination) of this Agreement will remain in effect until fulfilled and apply to both Parties' respective successors and assigns.
- 24) Public Entities Conflict of Interest: The Grantee warrants and represents that its public officials, including its officers and employees in their official capacity, presently have no interest and agrees that its public officials, including its officers and employees in their official capacity, will not acquire any interest which would represent a conflict of interest under California Government Code sections 1090 et seq. and 87100 et seq. during the performance of this Agreement.
- 25) Russian Sanctions: On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 regarding Economic Sanctions against Russia and Russian entities and individuals. Economic Sanctions refers to sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under state law. Grantee represents and warrants that it is not a target of Economic Sanctions, and that it will refrain from conducting prohibited transactions with sanctioned individuals or entities through the Agreement Term.
- 26) Authority to Sign: The persons executing this Agreement certify that they have the legal authority to bind their respective entities to all terms and conditions set forth herein.
- 27) Penalty for Falsifying Information: In entering into this Agreement, the Air District has relied upon the representations in Grantee's application, which is incorporated by this reference as if fully set forth herein, in determining the eligibility of Grantee. Grantee agrees that the information submitted in its application, including information about its eligibility status and Project, and the information provided to the Air District in furtherance of this Agreement, is accurate, true, and correct. The Air District or CARB may consider submission of false information a criminal offense, punishable under penalty of perjury under the laws of California. Grantee acknowledges, understands, and accepts that by providing or making any false statements or providing false information, Grantee may be in violation of California law. All statements, responses, and information are subject to investigation and any incomplete, unclear, false, or dishonest statement, response, or information may be grounds for disqualification from receiving any existing or further funding or participating in any programs or projects using Air District or CARB-provided funds, or from doing business with the State of California or the Air District. If false information is or was provided, the Air District or CARB may require Grantee to return the Funds

Awarded, may exclude Grantee from participation in future funding programs, and may pursue other remedies available under the law.

IN WITNESS WHEREOF, the Parties to this Agreement have caused this Agreement to be duly executed on their behalf by their authorized representatives.

SIGNATURES

Bay Area Air Quality Management District

By: _____

Date: _____

Philip M. Fine
Executive Officer/Air Pollution Control Officer
Bay Area Air Quality Management District

Approved as to form:

By: _____

Alexander Crockett
General Counsel
Bay Area Air Quality Management District

Grantee

By: _____

Date: _____

[Grantee Authorized Signatory]
[Grantee Authorized Signatory Title]
[Grantee Name]

ATTACHMENT A – PROJECT SPECIFIC INFORMATION

[Note: The section numbers shown in parentheses below refer to the Sections in the Agreement.]

1. **Grantee:** [Grantee Name]
2. **Project Number (Section III.7):** [Project #]
3. **Air District Approval Date (Section III.14):** Effective Date of this Agreement
4. **Total Grant Funds Available (Section II.1):** [Grant Amount]
5. **Cost Breakdown (Section II.1):** A detailed breakdown of estimated project costs and equipment information is shown in Table 1.

Table 1: Detailed Project Description						
Baseline Equipment Description	Project Equipment Description*	Estimated Eligible Costs	Maximum Percentage of Eligible Costs	Total Usage & Project Equipment Operational Period	Location of Operation	Funds Available
Equipment: Type Equipment ID Year Make Model Engine: Year Make Model hp, Fuel type	Equipment: Type Equipment ID Year Make Model Engine: Year Make Model hp, Fuel type	\$__	__%	— hours/miles & — years	__% in CA __% in Air District Operates in Priority Areas: YES	\$__
Infrastructure description: including new/expansion number of stations/chargers being funded, charger level, and address of installation. And any other relevant info. <i>Example:</i> <i>Purchase and install: 100 new DC fast and 100 new level 2 ports with associated electrical conduit and infrastructure.</i> <i>Total Minimum Output (All Ports Combined): 5.2 MW</i> <i>Location: 123 Beale Street, San Francisco, CA 94105, non-publicly accessible.</i>		\$__	__%	— kWh & — years	__% in CA Operates in Priority Areas: YES	\$__
Total Grant Funds Available: [Grant Amount]						

*Grantee may propose Equivalent Equipment subject to advanced written approval from the Air District. The Equivalent Equipment must result in the same or better emissions reductions and meet or exceed the operational parameters specified in Attachment A of this Agreement.

The terms in Table 1 above are defined as follows:

Baseline Equipment Description: Information identifying the existing equipment and engine, including manufacturer unique identifiers and Grantee identifiers.

Project Equipment Description: Information describing the replacement equipment and engine, including fuel type and other specifications. Inclusion of “-R” at the end of an equipment ID number designates equipment that will replace equipment with the ID number that precedes “-R” and for which a new equipment ID number is not yet available.

Estimated Eligible Costs: The amount of the Project cost determined during the application evaluation eligible to be included in the calculation for reimbursement. Eligible Costs are Project costs that are eligible based on the CARB Program Guidelines and Air District policies.

Maximum Percentage of Eligible Costs: The maximum allowable percentage of the actual Eligible Costs that can be reimbursed for Project Equipment, based on the maximum percentage allowed for the equipment by the applicable CARB guidelines for the equipment type.

Total Usage & Project Equipment Operational Period: Total Usage refers to the minimum amount the Grantee is required to operate the Project Equipment, over the period of time specified and defined as the Project Equipment Operational Period. Total Usage is measured in either hours, miles, kWh, or fuel used, as applicable.

Location of Operation: The minimum percentage of time that the Project Equipment must operate within California and/or within the Air District boundaries, as noted, during the Project Equipment Operational Period. Also indicates whether the Project is required to operate within a Priority Area(s), as defined in Attachment C, and in accordance with the requirements of Paragraph 16 (Special Conditions).

Funds Available: The maximum funding that can be paid to Grantee for the Project pursuant to this Agreement.

6. Project Description: Off Road/Marine/Locomotive Equipment Replacement

Table 1 provides the details of existing (old) Baseline Equipment and funded Project Equipment. Any change in Project Equipment specifications or Project Description must receive written approval in advance by the Air District.

For equipment replacement projects, the Baseline Equipment must be fully operational at the time of preliminary inspection by Air District staff. If the Baseline Equipment is not operational, the grant award and funding may be cancelled by the Air District. For repower, conversion and equipment replacement projects, the Grantee is responsible for ensuring that the Baseline Equipment is destroyed within the timeframe required by the CARB Guidelines.

7. **Project Term:** Table 1 lists the required Total Usage and Project Equipment Operational Period for each piece of Project Equipment. The Project Equipment Operational Period begins when the Project Equipment has been successfully inspected by the Air District. The Project Term begins at the start of the earliest Project Equipment Operational Period and concludes upon the satisfaction of the usage and Project Equipment Operational Period requirements for each piece of Project Equipment and upon confirmation by the Air District that all Project requirements have been met.
8. **Operating Parameters:** Air District has awarded this Grant based upon Grantee’s agreement to operate the Project Equipment for the usage identified in Table 1 of this Attachment. In no event may Grantee operate the Project Equipment less than the minimum project term specified in the CARB Program Guidelines. For Project Equipment that must be charged (e.g., electric or hydrogen vehicles), Grantee agrees that it will not charge Project Equipment with diesel or propane generators or fuel, except in the case of an emergency.
9. **Project Schedule:** By no later than [Deadline], the Project must be completed by Grantee and inspected by the Air District, and Grantee must have submitted its request for payment in accordance with Paragraph 13 of this Attachment.
10. **RESERVED.**

11. RESERVED.**12. RESERVED.**

- 13. Project Implementation Report and Request for Payment (Section I):** In a timely manner and as soon as practicable after completion of the work set forth in the Project Description, Grantee shall submit a Project Implementation Report (PIR), an IRS W-9 form, and a project invoice to request payment for the Eligible Costs of the Project.

The Project invoice must:

- Provide documentation for all Eligible Costs, document the Equipment serial number(s), and include a description of the Equipment purchased.
- Demonstrate the costs are Eligible Costs and have been expended in compliance with the Project Description and the Project Schedule.
- Itemize the total funds requested for this reimbursement, which must include an itemization of payments to vendors, consultants, and contractors.
- Include copies of invoices that document the goods and services provided by vendors, consultants, and contractors and documentation of the total hours incurred to complete the Project, the hourly rates of any labor charges, the costs of such goods, and any other Eligible Costs.
- Be submitted with a summary sheet that specifies the Project Number. If costs are incurred that are not directly related to the Project as described in Paragraph 5 of this Attachment, all such costs must either be deleted when the Project invoice is prepared or clearly identified as costs that are not eligible for reimbursement by the Air District.
- Include proof of warranty for the specific project option and type of Project Equipment described in Table 1 of this attachment, if required by the CARB Program Guidelines.
- For new or converted electric Equipment or hybrid Equipment, provide owner's manual or equivalent documents describing the major components; theory of operation and operating procedures; battery maintenance and use; service intervals and requirements; contact information for the manufacturer and CA servicer(s); instructions about safe operation and battery handling; and emergency procedures and potential safety precautions for use of the Equipment.

The Grantee may seek an interim payment from the Air District. To request an interim payment, the Grantee must submit an updated Project schedule that identifies the anticipated completion date, together with invoices for costs incurred to date, to the Air District. The Air District has the sole discretion to approve an interim payment for Eligible Costs incurred to date.

Upon verification that the Project has been completed according to the terms of this Agreement, the Project Equipment has been installed and is fully operational, the Baseline Equipment has been removed from service and destroyed for repower, conversion, and replacement projects, and approval of the invoice, the Air District will issue final payment of the Funds Awarded.

- 14. Annual Monitoring Reports:** Grantee must submit an annual monitoring report each calendar year for the Project Term, in a format provided by the Air District. The monitoring report must provide information regarding annual fuel consumption, annual hours or miles of operation, locations where Project Equipment operated, percentage of operating hours or miles within the boundaries of the Air District, and proof of insurance. Annual reports are due by August 1 of each reporting year, with the reporting period covering July 1 of the prior year through June 30 of the reporting year, except for the first report, for which the reporting period will be the Effective Date of this Agreement through June 30 of the reporting year, and the last report, for which the reporting period will be July 1 of the prior year through the end of the Project Term. The final report must be submitted by August 1 following completion of the Project Term.

Prior to project completion, the annual report must include a report on the Grantee's progress in completing the Project by the deadline set forth in Paragraph 9 of this Attachment. If Grantee fails to submit annual monitoring reports in a timely fashion, the Air District may perform a project performance audit.

15. Repayment of Grant Funds for Failure to Complete Project Equipment Operational Period:

Grantee must repay the Funds Awarded on a prorated basis for selling, assigning, transferring, retiring, scrapping, or removing any piece of Project Equipment from service in the location(s) specified in Table 1 of Attachment A prior to completing its Project Equipment Operational Period. The fraction of funds to be repaid will be determined by subtracting the usage of the Project Equipment at the time of sale, assignment, transfer, retirement, scrapping, or removal from service from Total Usage, pursuant to Table 1 and Paragraph 7 of this Attachment, and dividing that result by the Total Usage. At its sole discretion, the Air District may waive repayment if it determines that Grantee's failure to complete the Project was due to events beyond Grantee's reasonable control per Section III.16.

At its sole discretion, the Air District may waive repayment if the Grantee facilitates transfer of this Agreement by the Air District to the subsequent owner who agrees to assume all obligations under this Agreement and specifically agrees to continue operation of the Project Equipment in order to provide equivalent emission reductions in accordance with CARB Program Guidelines.

16. Special Conditions:

- A. Operation in Priority Areas:** Grantee agrees to operate the funded Project Equipment within or benefiting Priority Areas, which are communities disproportionately impacted by air pollution and/or low-income communities. This benefit to Priority Areas is required throughout the Project Equipment Operational Period(s) to ensure that the Project directly reduces emissions in impacted communities and helps to reduce public health risks associated with such air contaminants in the impacted communities. Grantee must continue to operate in the same location(s) described in the application materials submitted by the Grantee, since the location(s) were a factor in determining eligibility and/or the funding level awarded. Attachment C provides a map of Priority Areas. Grantee must demonstrate, as part of the Annual Monitoring Reports, that it has operated in the Priority Area(s) designated in Attachment C for each year of operation.

For the duration of the Project Equipment Operational Period(s), Grantee must operate the Project Equipment within California and the Air District as specified in the "Location of Operation" column in Table 1 of Attachment A. Grantee must demonstrate, as part of the Annual Monitoring Reports, that the percentages of operation within the Air District boundaries and within California, as identified in Table 1, have been achieved for each year of operation.

B. Grantee certification:

1. I certify that the fleet, engine(s), and Baseline Equipment are in compliance with all applicable Federal, State, and local air quality rules and regulations as of the Effective Date of this Agreement.
2. I understand that I must maintain compliance with all applicable Federal, State, and local air quality rules and regulations for the Agreement Term.
3. I have disclosed to the Air District all other private or public financial incentives applied for or used for this Project.
4. I will not apply for or receive other private or public financial incentives for the Project without prior approval from the Air District, including any sources that become available after the Effective Date of this Agreement. The receipt of additional public funding for the Project Equipment could result in a reduction of the Total Grant Funds Available and the final Funds Awarded.
5. I understand that I must own and operate the Project Equipment pursuant to the terms of Table 1 of Attachment A, which include usage and location requirements.

6. I will not assign, transfer, or sell the Project Equipment during the Agreement Term without prior written consent of the Air District. Such written consent will not be given unless the terms and obligations of this Agreement are first transferred in full to a new owner/operator.
7. I understand that the following requirements apply to additional private or public financial incentives used to support this Project.
 - a. Grantee must meet all criteria associated with each funding source used to fund the Project.
 - b. The total of all incentives for the Project must not exceed the total project costs.
 - c. Grantees that are not public entities must provide at least 15 percent of the Eligible Cost from non-public sources.
 - d. All covered emission reductions (NOx, ROG, and PM) achieved from this Project with these funding sources, will be credited as reductions to the Port Emission Reduction and Electrification Program. Other emission reductions such as greenhouse gas emissions may be claimed by the other programs used in co-funding this Project.

Signature: _____

Name (printed): _____

Title: _____

Date: _____

- C. **Security Interest:** Grantee hereby grants the Air District a security interest in the Project Equipment that has been purchased partially or entirely with funding provided by the Air District pursuant to this Agreement. Grantee acknowledges and agrees that the Air District will have all lien rights as a secured creditor on the Project Equipment throughout the Project Equipment Operational Period (Project Term). Grantee agrees and authorizes the Air District to file a Uniform Commercial Code (UCC) financing statement (Form UCC-1), U.S. Coast Guard Notice of Claim of Lien, California Title Lien, or similar security instrument to secure its interests in the Project Equipment. In the event the Project Equipment is repossessed or Grantee files for dissolution or bankruptcy protection, Grantee will notify the Air District within ten (10) business days of the repossession or court filing.
- D. **Two-Party Check:** If the Grantee requests, the Air District may pay the Funds Awarded to the equipment vendor designated by the Grantee as a two-party check to the Grantee and the designated vendor.
- E. **Hour Meter:** As required by the CARB Program Guidelines, Grantee will ensure that Project Equipment, inclusive of infrastructure Equipment, is equipped with a tamper-proof, non-resetting hour meter, energy meter, or odometer (as applicable). If this meter fails during the Project Equipment Operational Period, the Grantee must notify the Air District, remain responsible for validating any hours not recorded by the meter, and take action to repair or replace the meter within thirty (30) days.
- F. **Off-road projects:** No emission reductions achieved from the Project can count towards a fleet's regulatory requirements for the duration of the Project Term. Project Equipment must be included in the fleet's reporting of total horsepower from which the BACT requirements of the In-use Off-road Diesel Vehicle Regulation are calculated.
- G. **Baseline Equipment Warranties:** For repower and conversion projects, the installation of Project Equipment must be completed in a manner that does not void any remaining warranties provided by the Baseline Equipment manufacturer.
- H. **CARB Fleet Rules:** For Grantees subject to CARB regulations, Project Equipment funded as part of this Agreement:

1. Must be included when defining the size of the fleet for determining regulatory requirements.
2. Must not be used to generate credits or compliance extensions and must be excluded when determining regulatory compliance.

I. Projects that include fueling or charging infrastructure Project Equipment:

- Grantee must either own the land on which the Project infrastructure is installed or control the land through a long-term lease, easement, or other legal arrangement for the duration of the Project Term.
- Grantee must comply with, and ensure any subcontractors comply with, all applicable regulations (e.g., Cal. Code Regs., tit. 13, §§ 2360-2360.5)
- Infrastructure Equipment and parts must be new. Remanufactured or refurbished equipment and parts are not eligible.
- The fueling and charging infrastructure Equipment must be in operating condition for the duration of the Project Term.
- For battery charging stations, the chargers must be certified by a National Recognized Testing Laboratory (e.g., Underwriter's Laboratory, Intertek) located at <https://www.osha.gov/dts/otpca/nrtl/nrtllist.html>.
- Grantee must report all battery charging station installations to the Department of Energy Alternative Fuel Data Center located at <http://www.afdc.energy.gov/locator/stations>, pursuant to Cal. Code Regs., tit. 13, §§ 2360-2360.5.
- Non-publicly accessible infrastructure Equipment must operate without disruption and Grantee must report any downtime to the Air District within 15 days of Equipment malfunction outlining specified actions to return Project Equipment to service.
- For charging infrastructure installations:
 - Grantee must ensure that all charging infrastructure installations are performed in accordance with Public Utilities Code 740.20 and by a contractor with the appropriate license classification, as determined by the Contractors' State License Board, and at least one (1) electrician on each crew, at any given time, who holds an Electric Vehicle Infrastructure Training Program (EVITP) certification. Projects that include installation of a charging port supplying 25 kilowatts or more to a vehicle must have at least 25 percent of the total electricians working on the crew for the project, at any given time, who hold EVITP certification. One (1) member of each crew may be both the contractor and an EVITP certified electrician. The requirements stated in this paragraph do not apply to any of the following:
 - Electric vehicle charging infrastructure installed by employees of an electrical corporation or local publicly owned electric utility.
 - Electric vehicle charging infrastructure funded by moneys derived from credits generated from the Low Carbon Fuel Standard Program (Sub article 7 (commencing with Section 95480) of Article 4 of Subchapter 10 of Chapter 1 of Division 3 of Title 17 of the California Code of Regulations).
 - Single-family home residential electric vehicle chargers that can use an existing 208/240-volt outlet.
 - Prior to performing any electric vehicle infrastructure or equipment installation work funded or authorized under this Agreement, Grantee must complete the Certification Form provided by the District in order to:

- Certify that the project will comply with all of the above requirements of Public Utilities Code 740.20 or describe why these requirements do not apply to the project. The Certification Form must be signed by the Grantee's authorized representative.
- Provide EVITP Certification Numbers of each EVITP certified electrician that will install electric vehicle charging infrastructure or equipment. EVITP Certification Numbers are not required to be submitted if the Public Utilities Code 740.20 requirements do not apply to the project.

ATTACHMENT B – INSURANCE REQUIREMENTS

Grantee to initial next to each checked box indicating they have read the insurance requirements.

Minimum Scope of Insurance and Verification of Coverage: Throughout the Agreement Term as defined in Section III of the Agreement, Grantee and any third-party subcontractors must obtain and maintain in full force and effect the insurance as set forth below. Grantee must provide, and require any subcontractors to provide, the Air District certificates and/or other evidence of insurance coverage. The Air District reserves the right to require Grantee to provide complete, certified copies of any insurance offered in compliance with these specifications. Certificates, policies, and other evidence provided must specify that the Air District will receive thirty (30) calendar days advanced notice of cancellation from the insurers.

x 1. Liability Insurance

Corporations and Public Entities - a limit of not less than \$1,000,000 per occurrence. Such insurance must be of the type usual and customary to the business of the Grantee, and to the operation of the vehicles, vessels, engines, or equipment operated by the Grantee.

Initial

Single Vehicle Owners - a limit of not less than \$750,000 per occurrence. Such insurance must be of the type usual and customary to the business of the Grantee, and to the operation of the vehicles, vessels, engines, or equipment operated by the Grantee.

At the time Grantee submits invoices for payment to the Air District, Grantee must demonstrate that each piece of Project Equipment purchased under this Agreement is covered under the following property insurance. The property insurance for each piece of Project Equipment must remain effective from the date of the invoice to the Air District to the end of the Project Equipment Operational Period as defined in Attachment A of the Agreement.

x 2. Property Insurance for Vehicle/Vessel/Equipment Repower, Replacement and/or Retrofit, and Infrastructure Projects

in an amount of not less than the insurable value of Grantee's vehicles, vessels, engines, or equipment funded under the Agreement of which this Attachment is a part, covering all risks of loss, damage or destruction of such vehicles, vessels, engines, or equipment.

Initial

x 3. Workers' Compensation Insurance

as required by California law and employers' liability insurance with a limit of not less than \$1 million.

Initial

Acceptability of Insurers: Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: VII. The Air District may, at its sole discretion, waive or alter this requirement.

ATTACHMENT C – OPERATION OF PROJECT EQUIPMENT WITHIN PRIORITY AREAS

Grantee to initial next to each checked box indicating their agreement to operate the Project Equipment in the Priority Area(s) indicated below throughout the Project Equipment Operational Period(s). Project Equipment must continue to operate in the same location(s) described in the application materials submitted by Grantee. For infrastructure-only projects, the definition of “operation within” may be based on the vehicles/equipment that use the supporting infrastructure.

- ☐ 1. Disadvantaged Communities (“DAC”), an example of which is shown in Figure 1 below, and as identified by the [California Climate Investments Priority Population 4.0 map](#)

Initial

- ☐ 2. Low Income Communities (“LIC”), an example of which is shown in Figure 1 below, and as identified by the [California Climate Investments Priority Population 4.0 map](#)

Initial

Figure 1: Example DAC and LIC Areas

