



## Notice of Funding Opportunity

**Title:** Zero-Emission Freight and Marine Program  
**Website:** <https://www.californiavwtrust.org/zero-freight-marine/>  
**Funding:** \$35,000,000  
**Dates:** Pre-Application Webinars: June 26, 2020 1:30pm and August 6, 2020 2pm  
Application Submission Deadline: August 31, 2020

**Summary:** The Volkswagen Environmental Mitigation Trust (Trust) was established as part of a settlement reached between the United States District Court for the Northern District of California and Volkswagen (VW) for VW's use of illegal defeat devices in certain 2.0-liter and 3.0-liter diesel vehicles. Through the Trust, funding will be awarded to Eligible Mitigation Actions as prescribed in the settlement's Consent Decree that are intended to mitigate past and future emissions of nitrous oxides (NOx) emitted by the subject diesel vehicles.

The ZEF&M Program is designed to mitigate excess NOx emissions, reduce pollution in disadvantaged and low-income communities, support advanced technology vehicle and equipment deployments, and accelerate the zero-emission transformation in the heavy-duty freight and marine sectors.

The ZEF&M Program will provide up to \$70 million in Trust funds for eligible projects through two installments. The first installment of funding is being released through this solicitation and a second installment is expected in mid-2022. This solicitation seeks to award \$35 million on a competitive basis to projects that operate within the State of California and Regulated California Waters that will:

- scrap and replace forklifts, airport ground support equipment (GSE), and port cargo handling equipment (CHE) with new zero-emission technologies;
- repower ferries, tugboats, and towboats by scrapping and replacing marine engines with new zero-emission, all-electric or fuel-cell, technologies; and
- install shore power at berths that serve ocean-going vessels.

### Project Topic Areas:

Projects that benefit disadvantaged or low-income communities may be prioritized for award.

Eligible projects include:

- scrap and replace forklifts (with >8,000 lbs. lift capacity), airport ground support equipment (GSE) and port cargo handling equipment (CHE) with new zero-emission technologies;
- repower ferries, tugboats, and towboats by scrapping and replacing marine engines with new zero-emission, all-electric or fuel-cell, technologies; and
- install shore power at berths that serve ocean-going vessels.

### Cost Sharing

Up to \$35 million will be awarded to eligible projects statewide through this solicitation on a competitive basis. A second solicitation offering an additional \$35 million is expected to be released in mid-2022.

### Match Requirements by Entity:

i. Government Owners may request up to 100% of eligible project costs. However, applicants are encouraged to consider providing match since applications will be evaluated on a competitive basis,



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ii. Non-Government owners may request up to 25% of eligible project costs for shore power systems and up to 75% of eligible project costs for all other categories.

Match Source Limits:

i. Unallowed Sources: Match/co-funding may NOT include funding from sources where any portion of the resulting NOx emission reductions could be double counted.

ii. Allowable Sources: Subject to any limitations from the co-funding source, applicants may use CEC, Low Carbon Fuel Standard, Utility programs, and Congestion Mitigation Air Quality as match. Applicants may also use funding from other State, local, federal, non-profit, or private revenue sources that do not claim or require NOx reductions.

Applicant is responsible for any costs or cost-overages that are not covered by a grant award. Also, if any match funding funds falls out or the project becomes ineligible for match, the applicant is solely responsible for securing additional match funding to meet the requirements herein.

**Project Requirements**

Key project requirements include:

- For replacement and repower projects, the old equipment must be scrapped (destroyed).
- Funded equipment must be certified, verified, or otherwise approved by the U.S. EPA or CARB for operation in California.
- Funded equipment must be domiciled in and operate in the State of California for the duration of its project life.
- Funding recipients must report annually on operations for at least three years.

**Eligible Applicants**

Public agencies and private businesses are eligible to participate in this program.

Applicants must be:

- a. For Scrap and Replace/Repower Project Components, the legal owner of the existing and proposed Equipment; or
- b. For Shore Power Project Components, either: 1) the landowner, or 2) an operator with a long-term (i.e. 10 or more years remaining) lease agreement for the proposed berth.