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Notice of Funding Opportunity

Title: SDAPCD Goods Movement Emission Reduction Program – Trucks (Class 5, 6, 7, and 8)
Website: <https://www.sdapcd.org/content/sdc/apcd/en/grants-and-incentives/proposition-1b-goods-movement-emission-reduction-program--gmerp-.html>
Funding: Total: \$4,300,000. Maximum awards: \$30K.
Dates: Application Submission Deadline: December 4, 2020

Summary: The San Diego County Air Pollution Control District (District) is pleased to announce the availability of funds from the State Goods Movement Emission Reduction Program (GMERP). GMERP is a partnership between the State Air Resources Board (CARB) and local agencies (like air districts and seaports) to quickly reduce air pollution emissions and health risk from freight movement along California's trade corridors. Projects funded under this Program must achieve early or extra emission reductions not otherwise required by law or regulation.

Project Topic Areas:

These are the project options for diesel truck owners available as part of this solicitation:

1. Truck Replacement - Diesel to Natural Gas or Advanced Technology (e.g., electric, hybrid, or hydrogen) – All Fleets
2. Three-Way Truck Transactions - Diesel to Natural Gas or Advanced Technology
3. Electrification Infrastructure for Truck Stops or Distribution Centers
4. Electric Charging Stations or Hydrogen Fueling Units

Funding:

At least \$4.3 million in total GMERP funding is available for all eligible GMERP truck projects. Concurrently, an additional \$22.9 million is available for the Clean Air for All Grant Program projects (including: off-road equipment replacement, engine repowers, infrastructure installations, school projects, and select stationary source projects). Eligible projects may be funded at the lower of 50% or \$30,000 for the purchase of electric charging or hydrogen fueling units for one vehicle. In addition, the equipment owners must demonstrate proof of equipment warranty of at least three years, commit to a five (5) year project life, and comply with all local permitting requirements.

Project Requirements:

Truck Replacement

All eligible equipment must be involved in the movement of "Goods" the majority of time. "Goods" is defined as having the meaning in Commercial Code section 2105.

To be eligible for funding, equipment owners must demonstrate:

- At least 75% operation within California for the past 24 months
- Class 7 and 8 trucks must demonstrate at least 20,000 vehicle miles each 12-month period for the past 24 months. Class 5 and 6 trucks must demonstrate at least 10,000 miles each 12-month period for the past 24 months
- Registration:
 - Current registration (California based-plated, California International Registration Plan (IRP), or dual-plated registration (California based-plated/California IRP and Mexico only) for trucks carrying goods across the California-Mexico border, as they are required to be dual-plated.
 - Minimum 8-period registration history available from California Department of Motor Vehicles (DMV) documenting that the vehicle: has been registered in CA for at least 6 months out of the past 24 months and, that there is registration activity shown in each of the past two 12-month periods.
- New diesel trucks no longer qualify as eligible replacement equipment. All replacement equipment purchased must be considered zero or near-zero emission equipment by CARB.
- Engines eligible for funding must be certified to the following standards by a CARB Engine Executive Order for on-road use: Class 8 – Intended service of Heavy-Heavy Duty (HHD) for

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diesel engines or Heavy Duty Otto (HDO) for applicable alternative fuel vehicles; Class 7 – Intended service of Medium Heavy Duty (MHD) or HHD for diesel engines or HDO for applicable alternative fuel vehicles; Class 5 and 6 – Intended service of MHD for diesel engines or HDO for applicable alternative fuel vehicles.

- All replacement trucks must have a manufacturer's GVWR of: 33,001 lbs or greater (Class 8); 26,001 lbs – 33,000 lbs (Class 7); 19,501 lbs – 26,000 lbs (Class 6); 16,001 lbs – 19,500 lbs (Class 5).
- The replacement truck must be in the same weight classification range (Class 5, 6, 7, or 8) as the existing truck except for the following conditions (funding levels for trucks in different weight classification ranges are specified in Table 1):
 - The equipment owner chooses to replace two eligible trucks for one replacement truck (2-for-1 option). For 2-for-1 replacement projects, existing Class 5, 6, 7, or 8 trucks are eligible for funding based on the highest class of the two existing trucks, or the class of the replacement truck, whichever is less. Replacement Class 8 trucks must have HHD engines.
 - Replacement required by the equipment owner in order to meet a vocational need, as approved by the District. The funding amount is based on the weight classification of the existing or new truck, whichever is less.
 - Replacement of a Class 7 truck with a Class 8 truck or Class 8 with a Class 7 truck, as long as both trucks have an HHD engine. The funding amount is based on the weight classification of the existing or new truck, whichever is less. Please note that the funding amount would be at a Class 7 level for both scenarios.
 - Replacement of a Class 7 truck with a Class 6 truck or Class 6 with a Class 5 truck, as long as both trucks have an MHD engine. The funding amount is based on the weight classification of the existing or new truck, whichever is less.

Three-Way Truck Transactions – All Fleets

All potential applicants may also apply for the Three-Way Truck Transaction, which means replacing an engine MY 2007-2009 truck with an OEM or Level 3 PM filter (Truck A) with a new advanced technology truck (Truck C). Large fleets are not eligible to purchase a new diesel truck (Truck C). A third truck (Truck B) that is engine MY 2006 or older and compliant with the CARB Truck and Bus Regulation must be scrapped. The grant award shall apply to the purchase of Truck C and provide the same amount as listed. Please contact District staff if you are interested in the Three-Way Truck Transaction funding options.

Electrification Infrastructure for Truck Stop or Distribution Center

Existing truck stop facilities located within the San Diego/Border corridor (i.e. San Diego and Imperial Counties) are eligible to apply and receive funding to install landside truck electrification infrastructure. Truck Stop Electrification reduces diesel engine idling and use of diesel-fuel internal combustion auxiliary power systems while parked. Eligible projects may be funded at the lower of 50% of eligible project costs or a level commensurate with a cost-effectiveness of 0.10 pounds of weighted emissions reduced per State dollar invested. Projects shall be eligible to compete for funding only if the cost-effectiveness is equal to or greater than 0.10 pounds of weighted emissions reduced per State dollar invested. Eligible costs include purchase and installation of electrical infrastructure or equipment to enable heating, cooling, and the use of cab power for parked trucks at truck stops. Ineligible costs include on-board auxiliary power units and other equipment installed on trucks, equipment, and services unrelated to heating and cooling (i.e. telephone, internet, television, etc.), electricity costs, operation cost, and maintenance costs. Total reimbursement of eligible costs shall be based on demonstrated use over the first year of operation.

Eligible Applicants:

Owners of diesel trucks used to move goods as part of a sales transaction (a majority of the time) with a manufacturer's gross vehicle weight rating (GVWR) of 16,001 lbs or greater (Class 5 through Class 8). Owners of diesel truck stops, distribution centers, and other places where heavy duty diesel trucks congregate within the San Diego/Border corridor.