

Marine Engine Grant Program

2026 PROGRAM ELIGIBILITY

For more information
please contact the APCD at
805-781-5912

1. **Funding Opportunity Limitations:**
   - Amendments to the CARB Commercial Harbor Craft (CHC) Regulation in 2022 eliminated the engine replacement requirement exemptions for charter and commercial fishing vessels.
   - All vessels operating in California waters, including commercial fishing vessels, now have compliance dates when their engines must meet reduced emission standards.
   - Federal changes do not likely affect compliance deadlines for most vessels in SLO County.
   - Grant-funded projects must be completed at least 1 year in advance of any emission-reduction requirements of the CHC Regulation or Shore Power Regulation.
   - The CHC Regulation requires that all vessels submit an initial report to CARB by February 28, 2009 and maintain records for each vessel engine. If you have not yet registered your vessel, visit www.arb.ca.gov/ports/marinevess/harborcraft/reporting.htm for details. ***A copy of your initial report, your most recent annual report, and your opacity testing must be submitted before APCD can award project funding.***
2. **Maximum Eligible Funding Amounts:**
   - Funding is available for up to 65% of eligible costs of new propulsion or auxiliary engines, up to $100,000 maximum per engine, subject to the cost-effectiveness limit and maximum award amounts stipulated in the RFP. Applicants/businesses under common ownership may not exceed $300,000 in active projects at one time.
   - Eligible costs are defined as the purchase price and installation cost of the replacement engine, taxes and reasonable delivery charges. Eligible costs may also include: the purchase of or modifications to the cooling system; fuel and exhaust system; wiring, panel, and harness system; power take-offs; propulsion control system; gauges and alarms; and radiator and ventilation, if attached to or integral to the functioning of funded engine; and costs related to the purchase and/or installation of a new transmission when it is a necessary part of the engine repower.
   - Eligible costs do not include: purchase or modifications of rudders, propellers or steering systems; sea trials; dry docking; paint, coatings, or hull work not directly related to the engine repower; and tax, freight, or labor for ineligible parts.
3. **Existing Engine Requirements:**
   - Existing main or auxiliary diesel engines greater than 25 horsepower on commercial harbor craft with a homeport in San Luis Obispo County are eligible for funding.
   - Existing engine must be currently operating and in regular use.
   - Old equipment must be reported in compliance with the CARB Commercial Harbor Craft regulation.
   - Repowered old engines must be delivered to an approved salvage yard and destroyed. See the current list at: www.slocleanair.org/community/grants/marine.php. APCD may allow other forms of verified destruction on a case-by-case basis; call the APCD.
4. **Replacement Engine Requirements:**
   - Replacement engine must meet emission standards equal to or cleaner than the current U.S. EPA or CARB marine standards and be marinized. Commercial fishing vessels do not need to repower beyond Tier 3.
   - Replacement engine must be equipped with a fully operational, non-resettable hour meter.
   - The applicant must ensure that repower installations are completed in a manner such that they do not void the engine warranty provided by the manufacturer nor any remaining warranty provided by the vessel manufacturer.
   - The final installation must be inspected and approved by a representative of the engine manufacturer, and for propulsion repowers, a sea trial must be performed to verify that the engine is installed and operating properly.

Completed applications and any questions regarding APCD Marine Engine Repower grants may be directed to: 805-781-5912 or amutziger@co.slo.ca.us.

This information is a summary. The full program requirements are available from the California Air Resources Board (CARB) at www.arb.ca.gov/msprog/moyer/guidelines/current.htm.

Commercial Harbor Craft Regulation Factsheets: Commercial Harbor Craft Factsheets | California Air Resources Board

Implementation Timeline for Commercial Harbor Craft Regulation: CHC Factsheet: Implementation Timeline | California Air Resources Board



Marine Engine Grant Program
2026 APPLICATION CHECKLIST

Applicant Information	Dealer Information
Company Name:	Dealership Company:
Contact Name:	Dealer Rep:
Phone:	Phone:
E-mail:	E-mail:

✓	Application Requirements
☐	**Completed Application:** Complete and submit this checklist and ALL application pages, sign and date in ink.
☐	**Price Quotes and Supporting Documentation for New Propulsion or Auxiliary Engine(s):** Provide itemized material and labor quote from the engine distributor, dealer, or installer. ☐ Itemized quote of the parts, tax, shipping costs and installation labor to complete the project. Labor should be broken down by hourly rate and expected hours to complete the project. The final invoice submitted for reimbursement must have this hourly rate breakdown. Note: Only parts and labor directly related to the repower are eligible for grant funding. ☐ Documentation of new engine's certified emission levels from the U.S. EPA or copy of CARB Emissions Executive Order for new engine equipment. ☐ Manufacturer's specification sheet for the new engine equipment. ☐ Installer must complete and sign section F, "System Engineering" of application.
☐	**Applicant's Business Structure**: Provide one of the following, to document the structure of your business: • Articles of Incorporation and specific documentation identifying the officers for the corporation • Partnership agreement • Sole proprietors provide a signed W9 form and a copy of a photo ID • Other business structure documentation not listed above
☐	**Signature Delegation Letter:** If the owner or corporate officer will not be signing the contract, then they must provide a letter naming and authorizing another individual to sign the grant contract and other documents on behalf of the business. General partnerships please provide a letter of authorization for the signing partner, signed by the non-signing partner(s).
☐	**W-9 Form:** Complete and submit IRS form W-9, available from the IRS web site: www.irs.gov/pub/irs-pdf/fw9.pdf. APCD will issue form 1099 as required by law.
☐	**Annual Usage:** Please provide engine hour meter readings for the engine collected at a minimum of once per year for at least the twenty-four (24) month period immediately prior to the application date. More than 24 months' usage can be considered if the average over that period is more indicative of future usage. Please provide the source documentation (repair work orders, employee timesheets, etc.) used to generate your usage log. Contact the APCD if the above specified hour meter readings are not available – limited usage documentation or other circumstances will be considered on a case-by-case basis. Prior to contracting, the APCD will conduct a pre-inspection of the old engine to verify its operational status.

☐	**Operation in Regulated California Waters:** To document the percentage of operation occurring in Regulated California Waters (see definition below), please provide one of the following for the twenty-four (24) month period immediately prior to the application date: ☐ Summary of GPS records of daily vessel movements; ☐ Summary of receipts documenting sale of catch (fish tickets), showing date, quantity sold, and location of catch (fishing block number); also provide copies of the original fish tickets. ☐ Other documentation approved by APCD.
☐	**Applications Completed by Someone Other Than Applicant:** If compensated for completing the application on the owner's/company's behalf, then attach details on the source of payment and the amount paid.
☐	**Commercial Harbor Craft Report:** Please provide a copy of the initial CHC report and your most recent annual CHC report to the CARB. Visit www.arb.ca.gov/ports/marinevess/harborcraft/reporting.htm for details.
☐	**Vessel Registration:** Copy of current United States Coast Guard vessel Certificate of Documentation or registration from California Department of Motor Vehicles.

☐	**Commercial Fishing Vessels:** Please provide the following documentation: ☐ Copy of current Commercial Fishing License issued by the California Department of Fish and Game ☐ Copy of receipts documenting sale of catch (fish tickets) for the last 24 months. Provide documentation to show Commercial Fishing Vessel status and verify operation within Regulated California Waters (see definition below.) ☐ Letter signed by owner, partner or corporate officer verifying that the vessel operates solely for commercial or charter fishing purposes.

	Additional Application Requirements, if your project is selected for funding
☐	**Equipment Purchase:** Do not purchase or put any money down on the new engine until your Grant Agreement is fully executed. You must make payment in full (or make other financing arrangements) when you take delivery of the new engine. The APCD may be able to provide 50% of grant funds at the time the engine is ordered; contact APCD. Balance of your grant award will be paid to you as a reimbursement, typically 4 to 6 weeks after installation of the engine.
☐	**Equipment Financing:** You may obtain financing via a conventional loan to assist in the purchase of the replacement engine (leasing is not allowed). If the grant-funded equipment is used to secure the loan, you must provide a copy of the signed financing contract, and agree to the release of pertinent information by the finance company to the APCD. If the grant will be used as a down payment for the loan, then you must provide evidence that the grant reimbursement payment has been applied to the loan.
☐	**UCC-1 Financing Statement:** To protect its financial interest, APCD will perfect its lien against the funded engine through a UCC-1 financing statement filed with the Secretary of State of California, for the duration of the term of the Grant Agreement.

GRANTEES ARE NO LONGER REQUIRED TO CARRY HULL AND MACHINERY INSURANCE

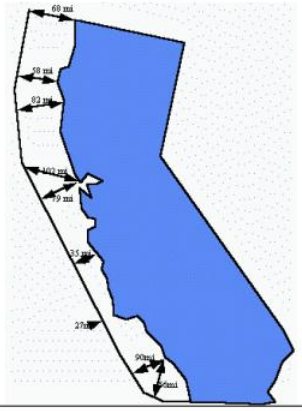
Regulated California Waters

Marine vessel projects are not required to operate a minimum percentage of time within California; however, only activity within Regulated California Waters may be used to determine project emission reductions. The CARB CHC Regulation defines Regulated California Waters as:

A. all California internal waters;
B. all California estuarine waters;
C. all California ports, roadsteads, and terminal facilities;
D. all waters within 3 nautical miles of the California baseline, starting at the California-Oregon border and ending at the California-Mexico border at the Pacific Ocean, inclusive;
E. all waters within 12 nautical miles of the California baseline, starting at the California-Oregon border and ending at the California-Mexico border at the Pacific Ocean, inclusive;
F. all waters within 24 nautical miles of the California baseline, starting at the California-Oregon border to 34.44 degrees North, 121.10 degrees West; inclusive; and
G. all waters within the area, not including any islands, between the California baseline and a line starting at 34.44 degrees North, 121.10 degrees West; thence to 33.50 degrees North, 118.58 degrees West; thence to 33.38 degrees North, 118.62 degrees West; thence to 32.65 degrees North, 117.73 degrees West; and ending at the California-Mexico border at the Pacific Ocean, inclusive.

Figure 12-1

California Coastal Water Boundaries





Marine Engine Grant Program
2026 APPLICATION FORM

Please print clearly or type all information on this application.

A. APPLICANT INFORMATION

1. Company or organization name:		
2. Business type:		
3. Contact name and title:		
4. Person who filled out funding application:		
5. Person with contract signing authority (if different from above):		
6. Business mailing address and contact information: Street:		
City:	State:	Zip code:
Phone for project contact: ( )	Alternate phone: ( )	
E-mail*:		
7. Commercial Fishing License Number:		
8. How many engines of each type are being applied for? (Please make a separate copy of page 8 for each engine) Main (propulsion): _____ Auxiliary: _____		
9. Public Funding Disclosure: Will the applicant apply for any other grants or public financial assistance for this project? ☐ Yes ☐ No If yes, please provide: Source of funds: _____ Expected amount: $_____ The state grant guidelines require the disclosure of all sources of public funds for this project and set limits on the total amount of public funds. Failure to provide this information would be a breach of the grant agreement which may lead to sanctions including repayment of excess grant awards.		

***Please note:** Failure to provide a valid e-mail address may delay time-sensitive correspondence.

Third Party Certification

I have completed the application, in whole or in part, on behalf of the applicant.

Print name of third party:	Title:
Signature of third party:	Date:
Amount paid to third party:	Source of funding to third party:

B. VESSEL INFORMATION

1. Owner Name(s):	2. Vessel Name:
3. Vessel Registration Number:	4. Homeport:

5. Vessel Classification:

Total Annual Hours of Operation:

☐ Less than 300 hours
☐ At least 300 but less than 1,500 hours
☐ 1,500 or more hours

Is the vessel used for the following vocations:

YES	NO	
☐	☐	Commercial fishing
☐	☐	Charter fishing/ Commercial Passenger Fishing Vessel/ Sport Fishing Vessel
☐	☐	Excursion vessel (includes whale watching, harbor cruises, diving, etc.)
☐	☐	Work boat
☐	☐	Crew & supply boat
☐	☐	Barge or dredge
☐	☐	Pilot boat
☐	☐	Tugboat
☐	☐	Towboat
☐	☐	Push-boat
☐	☐	Passenger ferry
☐	☐	Other – please describe: _____

Percent of annual operation occurring within Regulated California Waters (see definition on page 5):

_____ %

6. Number of Main Engines on this vessel:	7. Number of auxiliary engines on this vessel:

C. ENGINE INFORMATION (please use a separate page for each engine)

Engine type: ☐ Main ☐ Auxiliary

	Existing (Baseline) Engine	New Engine
1. Make:		
2. Model:		
3. Model Year:		
4. Serial Number:		
5. Fuel Type:		
6. Number of Cylinders:		
7. Total Displacement:		
8. Horsepower:		
9. Engine Tier (if known):		
10. Engine Family # (if known):		
11. Hour Meter Reading:		
12. Exhaust Type:	☐ wet ☐ dry	☐ wet ☐ dry

13. Quoted cost for the repower. Quote must be itemized, including tax, shipping and hourly labor rate: $ _____	**Note:** APCD will determine grant award amount and applicant cost share for the project from the quote and other documentation submitted with this application.

D. OTHER INFORMATION

Maintenance
Describe your maintenance facility and practices, including any training regarding the low-emission technology. If the training has not been completed, provide a time line for completion.

Completed applications and any questions regarding APCD Marine Engine Repower grants may be directed to Meghan Field: 805-781-1003 or mfield@co.slo.ca.us

Engine dealer or repower specialist must complete this section.

F. SYSTEM ENGINEERING

By signing below, I certify the following:

1. The engine(s) and/or emission reduction equipment have been appropriately selected for the application and all parts are original equipment manufacturer (OEM) parts or, if not OEM, are functionally equivalent to OEM parts with regard to emissions, durability, warranty and safety.
2. Only necessary and applicable engine accessories and support systems have been included as part of the project and are appropriately selected for the application and the engine(s).
3. I have provided or will provide the applicant with the manufacturer's maintenance and operation specifications and manuals for the equipment proposed in this application.
4. I warrant that the installation work, as proposed in this application, will be completed in a workmanlike manner and meet or exceed manufacturer's specifications and requirements. All manufacturers' warranties on equipment installed or affected by this installation will be in full force and effect.

Printed Name of Engine Dealer/Repower Specialist:	
Signature of Engine Dealer/Repower Specialist:	Date:

G. APPLICANT'S STATEMENT – To be signed by company representative with contract signing authority

- I hereby make an application to the San Luis Obispo County Air Pollution Control District (APCD) for emission reduction incentive funding and I understand and agree to the following:
  - In order to receive incentive funds, I must enter into a Grant Agreement (contract) with the APCD and there will be conditions placed upon receiving the grant award. I agree to refund the grant award, or a portion thereof as specified in the Grant Agreement, if it is found that at any time that I do not meet those conditions and if directed to do so by the APCD or the California Air Resources Board (CARB).
  - I will not place orders, make purchases or begin any work associated with this project until notified by the APCD that all parties have signed the project's Grant Agreement and it is effective.
  - The replacement equipment and any certified emission system must operate in a manner consistent with historic usage of the old equipment for the life of the Grant Agreement.
  - All information provided with this application will be used by the APCD and/or CARB to evaluate the eligibility of this application to receive incentive funds. APCD/CARB will at its sole discretion determine which program funds, if any, will be used for this project. APCD/CARB staff reserves the right to request additional information of the applicant and can deny the application if such requested information is not provided. APCD will contact applicants who submit incomplete or illegible applications and work with them to complete the application. If the applicant does not respond within 30 days, the application will be suspended; in such cases, the applicant can petition the APCD to re-initiate the application if they supply the previously identified missing information. The APCD may require the applicant to provide updated information.
  - To expedite application processing, APCD's preferred method of communication is through electronic mail. Failure by applicant to provide a valid e-mail address may delay time-sensitive correspondence.
  - Information collected under the auspices of this grant program, except for confidential or personally identifiable information, may be made publicly available to the extent allowed by federal, State, and local laws and regulations.
  - Grant programs have limited funds and will terminate upon depletion of program funding. The APCD will honor projects that have been contracted but is under no obligation to honor applications prior to contracting.
  - The APCD will issue IRS form 1099 to grant recipients as required by law. It is the grant recipient's responsibility to determine their tax liability associated with their participation in the grant program.
  - I will deliver the old equipment specified in this application to an APCD-approved salvage yard to be permanently removed from service and destroyed within 14 days of the delivery of the new replacement equipment.
- I have reviewed the information contained in this application and all attachments. I certify under penalty of perjury that the information contained in this application, including all attachments and the following statements, is complete, accurate and correct:
  - If the proposed project has been or may be considered for funding by any air district, the CARB, or any other public agency, then I have disclosed the specifics to the APCD.
  - The applicant entity is in compliance and will remain in compliance with all applicable federal, state, and local laws, air quality rules and regulations, and the applicant entity does not have any outstanding/unresolved/unpaid Notices of Violation (NOV) or citations for violations of any federal, state or local air quality regulation.
  - I have the legal authority to apply for incentive funding for the entity described in this application.
- I agree to the above statements by signing below. If signing electronically, I agree and understand that an electronic signature is the legal equivalent of my manual/handwritten signature, and my electronic signature is as valid on this document as if I signed the document in writing.

Printed name of company representative with contract signing authority:	Title:
Signature:	Date:

SLO COUNTY apcd | Air Pollution Control District San Luis Obispo County

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3433 Roberto Court
San Luis Obispo, CA 93401