



Air Pollution Control District
San Luis Obispo County

REQUEST FOR PROPOSALS

SLO COUNTY CLEAN AIR INCENTIVE PROGRAM

Version 5.0, January 25, 2023

INTRODUCTION

The San Luis Obispo County Air Pollution Control District (APCD) Clean Air Incentive Program provides funding to individuals, businesses and public agencies to help pay for projects that reduce emissions from heavy-duty engines, with a focus on diesel emissions reduction. This incentive program is administered by the APCD and funded with APCD Board approved monies, which may include Carl Moyer, AB923, FARMER, mitigation funds, or other Board approved sources.

The contents of this document are subject to modification. Any significant program modifications will be posted on the APCD website at: www.slocleanair.org/programs/grants.php. Applicants are responsible for complying with all information contained in this document and proposals must adhere to all requirements.

All projects funded with Carl Moyer, AB 923 or FARMER funds under this RFP must comply with the current *Carl Moyer Program Guidelines* and applicable Carl Moyer Program Mail-outs and Advisories (Moyer Guidelines). Projects funded with FARMER funds must also comply with the current *FARMER Program Guidelines* and *Funding Guidelines for Agencies that Administer California Climate Investments*, both published by the California Air Resources Board (CARB). Projects funded with local incentive monies under this RFP must comply with requirements as approved by the APCD Board. From this point forward, the term "Applicable Guidelines" will be used to refer to the particular set or sets of guidelines which apply to a project, based on the project's source of funds.

PROGRAM DETAILS, ELIGIBILITY CRITERIA AND FUNDING

Program Details

- The APCD is currently seeking proposals to fund qualified emission reduction projects for the various funding categories listed below.
- Grant applications for each category contain additional eligibility criteria and are found on the following webpage: www.slocleanair.org/programs/grants.php.
- Grant project applications (except school buses) are awarded on a first-come, first serve basis, based on the date on which the APCD deems the application complete. If multiple applications are deemed complete on the same day, funding priority will be given to the most cost-effective projects. School bus project applications will be accepted only for a limited time and will be ranked and awarded according to the criteria in the APCD School Bus Replacement Program RFP.

Eligible Project Categories

- **Infrastructure for Electric Vehicle Charging and Electrification of Agricultural Engines**
This category provides funding to help install infrastructure for electric vehicle charging stations and electrification of agricultural engines. Funded components may include (but are not limited to) underground wiring, conduit and utilities, transformers, and dispensing equipment.
- **Marine Engine Repower**
This category provides funding to help replace diesel engines in commercial harbor craft, including commercial fishing vessels, that are operated in California coastal waters. Replacement engines must meet current U.S. EPA marine engine standards.
- **Off-Road Heavy-Duty Equipment Replacement**
This category provides funding to help replace older off-road equipment, including agricultural tractors and construction equipment, with new equipment.
- **Off-Road Heavy-Duty Repower or Retrofit**
This category provides funding to help replace engines in heavy-duty off-road equipment such as cranes, loaders and scrapers with the cleanest available engine as defined in the Applicable Guidelines. It can also provide funding to help retrofit diesel engines in this type of equipment with CARB-verified Diesel Emission Control Systems.
- **Stationary and Portable Agricultural Engines**
This category provides funding to help replace agricultural engines with new, cleaner technologies, including diesel engines, spark-ignited engines, or electric motors and eligible infrastructure.

General Eligibility Criteria

To be eligible for funding, projects must meet the criteria described in the Applicable Guidelines. These criteria include but are not limited to the following:

- The emission reductions from the project must be real, quantifiable, enforceable, and permanent, and must not be required by any local, state, and/or federal rule, regulation, or other legally binding requirement. The project must be completed in advance of any regulatory emissions compliance deadline.
- Applicant must sign a Grant Agreement (contract) with the APCD.
- The new engine/equipment must not have been ordered or purchased prior to the effective date of the signed Grant Agreement. No work on the project, including ordering engines, equipment or vehicles, can begin until the contract is signed by all parties.
- The old engine/equipment must be in operating condition and in regular use.
- If required by CARB regulation, the old equipment must be reported to the CARB in the appropriate format (e.g. DOORS), and the fleet must be in compliance with all applicable rules and regulations, including the CARB Off-Road Regulation. All stationary or portable agricultural diesel engines 50 horsepower or more must be registered with or permitted by the APCD.
- The old engine must be a minimum of 25 horsepower.
- The old engine/equipment must be destroyed and disposed of as scrap (except for retrofit-only or infrastructure projects). This destruction must be documented with an APCD inspection.

- For mobile-source projects, Program participant must have a physical address in San Luis Obispo County.
- Eligible stationary engines and infrastructure projects must be located in San Luis Obispo County.
- At least 75% of the operation of the old and the new engine/equipment must be in California (except marine projects).
- The new engine/equipment must remain in service for the project life and may be required to operate a minimum amount if specified in the Grant Agreement (e.g., engine hours).
- No emission reductions generated by the SLO County Clean Air Incentive Program shall be used as marketable emission reduction credits, or to offset any emission reduction obligation of any person or entity, nor shall they be used for credit under any federal or state emission averaging banking and trading program.
- Replacement engines, other than marine engines, must be certified by CARB for sale in California and must comply with durability and warranty requirements. Marine engines must be certified by the U.S. EPA or CARB.
- If required by Chapter 10 of the Moyer Guidelines, infrastructure projects must be solicited and selected through the following competitive bid process:
 - Applicant will develop impartial bidding specifications and objective supplier selection criteria with a reasonable deadline to bid and share this information with potential suppliers.
 - Applicant must submit copies of all eligible suppliers' bids to APCD, with a statement of reason for the bid selected.

Project Funding and Caps

- Expenses that are eligible for grant funding vary slightly depending on the project type and the specifics of your project, but will generally include:
 - Costs of engines, vehicles, equipment or mechanical items necessary for project completion;
 - Costs of the installation labor to complete the project;
 - Cost of sales tax; and
 - Reasonable delivery cost of materials.
- APCD grants do not pay for spare filters or maintenance for emission control systems.
- Projects must not exceed the cost-effectiveness threshold in the Applicable Guidelines (cost per weighted ton of reduced emissions).
- Except for public entities (as defined in the Moyer Guidelines), each fleet under common ownership and control (as defined in the CARB Truck & Bus Regulation) is limited to a maximum cumulative total award amount of \$300,000 for all active APCD grant agreements at any time.
- Projects will be subject to the maximum category funding level allowed in the Applicable Guidelines or 65% of eligible project expenses, whichever is less, except for the following:
 - Off-road equipment replacement or repower projects that exceed the Tier 4 final emission standards will have a maximum award of 40% of eligible expenses; and

- Public entities may qualify for funding up to the maximum level allowed in the Applicable Guidelines.

SUBMISSION OF PROJECT PROPOSALS

The SLO County Clean Air Incentive web page (www.slocleanair.org/programs/grants.php) has links to our list of Frequently Asked Questions and category-specific eligibility requirements and applications. Applications must be delivered to:

San Luis Obispo County Air Pollution Control District
Attn: Vince Kirkhuff
3433 Roberto Court
San Luis Obispo, CA 93401
vkirkhuff@co.slo.ca.us

ADDITIONAL REFERENCE INFORMATION

APCD Phone: 805-781-5912, Fax: 805-781-1002

For more information on the Carl Moyer, AB 923 and FARMER funded incentive programs please visit the following CARB websites:

ww2.arb.ca.gov/our-work/programs/carl-moyer-memorial-air-quality-standards-attainment-program

ww2.arb.ca.gov/index.php/our-work/programs/farmer-program

The grant eligibility information presented here is a summary. The full grant guidelines for project funding administered by CARB are available at the CARB websites:

ww2.arb.ca.gov/guidelines-carl-moyer

ww2.arb.ca.gov/resources/documents/farmer-program-guidelines

ww2.arb.ca.gov/resources/documents/cci-funding-guidelines-administering-agencies