

*Notice of Funding Availability*

Proposition 1B: Goods Movement Emission Reduction Program

**NOTICE OF FUNDING AVAILABILITY – February 2013**

The California Air Resources Board (ARB or Board) is soliciting applications from eligible local and State agencies to administer funding to reduce emissions and health impacts from diesel equipment used to move freight in California's four priority trade corridors—the Los Angeles/Inland Empire, the Central Valley, the Bay Area, and the San Diego/Border region. The applications must include proposals to implement incentive projects in one of four categories: heavy-duty diesel trucks (including truck loan and/or loan guarantee programs), freight locomotives and railyards, cargo ships at berth and cargo handling equipment used at a port or intermodal railyard, or commercial harbor craft. This Notice describes the types of agencies eligible to apply and the two-step application process that includes online registration and proposal submittal.

Applications are due to ARB by March 15, 2013.

Proposition 1B authorized a total of \$1 billion to ARB for the Goods Movement Emission Reduction Program (Program), with \$980 million allocated for Program project implementation and \$20 million to cover bond issuance and oversight costs incurred by the control agencies. All funding is contingent on bond sales by the State and appropriation by the Legislature.

To date, ARB has received approximately \$587 million from bond sales for the Program which has already been awarded to implement various projects. The balance of \$393 million will require future bond sales; the Legislature has appropriated \$150 million of the \$393 million balance. The State anticipates future bond funding in the Spring of 2013 for this purpose.

The Board will consider awards for the \$150 million current appropriation when funding is received. As ARB receives additional appropriation and funding, the Board will consider further awards. ARB may rely on the applications received in response to this Notice of Funding Availability or may issue a subsequent Notice, depending on the time elapsed since submittal of applications.

As required by State law, the Board adopted the initial Program Guidelines in February 2008 and approved two subsequent updates most recently, in January 2013. The Guidelines define the responsibilities of ARB, local agencies, and equipment owners, as well as the technical specifications and funding amounts for eligible projects. In the event of a conflict between this Notice and the Guidelines, the Guidelines shall control. The Guidelines are available on the Program website at <http://www.arb.ca.gov/gmbond>.

## **FUNDING PRIORITIES**

To select local/State agency project proposals for funding, ARB considers the following factors: the availability of Program funds, the trade corridor and category funding targets, priorities established by the Board for each funding cycle, the emission reductions and cost-effectiveness of each proposed project, and public input.

ARB has established the following funding allocations for the trade corridors:

<u>Percent</u>	<u>By Trade Corridor</u>
55%	Los Angeles/Inland Empire
25%	Central Valley
14%	Bay Area
6%	San Diego/Border region

The Board has also set targets for each funding category over the course of the Program. While ARB maintains the allocations by trade corridor, it does not rely on a formula to calculate the specific funding by category within each trade corridor. The awards are determined based on the competitiveness of the proposals submitted by agencies for each corridor, along with other factors described in this section.

<u>Amount</u>	<u>By Funding Category</u>
\$700 million:	Heavy duty diesel trucks that haul goods, plus any truck electrification infrastructure.
\$100 million:	Diesel freight locomotives and railyards.
\$160 million:	Cargo ships at berth, plus cargo handling equipment used at a port or intermodal railyard.
\$ 40 million:	Commercial harbor craft.

The Board adopted these priorities for the FY2012-13 (Year 4) and later funds:

- Truck upgrade projects to lower the health risk and provide emission reductions to help meet federal air quality standards for regional air pollutants. This is consistent with statutory direction to give priority to projects that achieve the earliest possible health risk reduction in heavily impacted communities.
- Locomotive projects to reduce the elevated, excess cancer risks in neighborhoods near railyards as identified in ARB's health risk assessments. The California State Implementation Plan relies on incentives and other mechanisms to accelerate the implementation of cleaner locomotives and/or engines to attain federal PM2.5 and ozone standards in the South Coast and San Joaquin Valley air basins.
- Enhanced funding for zero-emission equipment to provide an added incentive to applicants to encourage transition to the cleanest zero-emission technology for future projects. A broader deployment of these zero-emission technologies will be needed in the South Coast and San Joaquin Valley air basins to attain health-based air quality standards and to achieve long-term greenhouse gas reduction goals.

## **AGENCY AND PROJECT ELIGIBILITY**

### **Local Public Entities**

Applicants must satisfy three criteria to be considered a local agency eligible for funding in this Program. First, applicants must be a “local public entity”, which is defined to include a county, city, district, public authority created by statute, public agency, and any other political subdivision in the State. Second, local public entities must be involved in the movement of freight through trade corridors or involved in air quality improvements associated with goods movement. Third, local public entities must have the legal authority and resources to run a regional scale incentive program that includes sources outside their geographic jurisdiction.

### **State Agencies**

California State agencies interested in and capable of implementing a large scale truck loan or loan guarantee program to finance truck upgrade projects are also eligible to apply for funding.

### **Project Eligibility**

Appendices A-E of the Guidelines detail the equipment project options within each category for FY2012-13 (Year 4) and later funds, including upgrade specifications, funding caps, minimum project life, and key operating conditions. Local agencies can choose to propose projects for one or more funding categories, and must offer all of the equipment project options within that category. Local agencies may also choose to propose allowable project alternatives as specified in Chapter III - Section C of the Guidelines which are available on the Program website at <http://www.arb.ca.gov/gmbond>.

## **APPLICATION PROCESS**

### **Local Public Entities**

The application process requires two steps: registration as a local public entity **and** submission of the project proposal. Information for each step is provided below. More detailed information can be found in Chapter III - Sections A and E of the Guidelines which are available on Program website at <http://www.arb.ca.gov/gmbond>.

#### **Registration**

The application process begins with e-mail registration to gain access to ARB’s Goods Movement Online Database (Database).

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Local public entities must complete a user account registration form, as specified below, and e-mail this form to [gmbond@arb.ca.gov](mailto:gmbond@arb.ca.gov) no later than 5:00 p.m., **February 22, 2013** to receive a username and password to access the Database.

### Previous Applicants

Local public entities that have previously successfully registered as local agencies may use an abbreviated set of registration instructions which can be found on the Program website at <http://www.arb.ca.gov/gmbond>.

### New Applicants

Local public entities that are new applicants to the Program must submit information described in the new applicant registration instructions which can be found on the Program website at <http://www.arb.ca.gov/gmbond>.

## **Project Proposals**

After having successfully registered as a local agency, the applicant must complete the application process by submitting a project proposal which includes information submitted to the Database and a separate proposal narrative as described below.

The data to be entered by the applicant into the Database must include:

- Local agency contact information
- Project details (project funds requested)
- Funding demonstration
- Air quality benefits (emission benefits)
- Project schedule

The proposal narrative must include:

- General information
- Project description
- Provisions to customize proposal
- Staff resources
- Local agency pre-application meeting information
- Certification to comply with Program requirements
- Board/commission resolution

For detailed descriptions of the elements listed above, please consult the Guidelines or contact ARB staff for assistance. (See page 6 of this Notice for contact information.)

## **State Agencies**

The application process requires two steps: qualification as an eligible State agency and the project proposal. Information for each step is provided below. More detailed information can be found in Chapter III - Section A of the Guidelines which are available on the Program website at <http://www.arb.ca.gov/gmbond>.

### **Qualification**

State agencies applying to administer a loan or loan guarantee program for truck projects do not need to register for Database access but need to submit qualifying information to determine eligibility in the Program.

This information must be emailed to [gmbond@arb.ca.gov](mailto:gmbond@arb.ca.gov) no later than 5:00 p.m., **February 22, 2013** and should include:

- Type of State agency
- Mission statement or purpose
- General information
- Description of how the State agency is involved in providing financial assistance, such as grants, loans or loan guarantee programs. This description shall include the agency's specific roles, authorities, responsibilities, and annual budget for these programs.
- State agency contact information

ARB staff will contact State agencies within five business days after receipt of information to discuss the results of qualification information.

### **Project Proposals**

After a State agency has successfully qualified as an applicant, they must complete that application process by submitting a project proposal. This proposal must include the following elements:

- Project description
- Provisions to customize proposal
- Funding demonstration
- Air quality benefits
- Staff resources
- Project schedule
- Certification to comply with Program requirements
- State agency board/commission resolution or similar document, if applicable

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**APPLICATION DEADLINE AND SUBMITTAL**

Two completed paper copies of each local agency's or State application along with completion of the electronic submittal as described in this notice **must be received by ARB no later than 5:00 p.m. on March 15, 2013.**

Applications postmarked or received after 5:00 p.m. on **March 15, 2013** will not be accepted and will be returned to the applicant. Only mailed or hand-delivered applications and supplemental information will be accepted. No faxed or emailed applications will be considered.

Please mail hardcopy applications and supplemental information to:

Ms. Barbara J. Van Gee  
Goods Movement Emission Reduction Program  
Stationary Source Division  
Air Resources Board  
Standard U.S. Mail: P.O. Box 2815, Sacramento, CA 95812  
Other Delivery Services: 1001 I Street, Sacramento, CA 95814

All application information shall be provided or the application shall be considered incomplete. Updates to any application information after the submittal deadline shall only be allowed on a case-by-case basis, at the sole discretion of ARB.

**FOR ASSISTANCE AND CONTACT INFORMATION**

ARB staff is available to assist applicants as needed. Please contact staff by e-mail or phone as described below.

E-mail question(s) to [gmbond@arb.ca.gov](mailto:gmbond@arb.ca.gov). In the subject line, write "Local or State agency application question", and in the body of the e-mail identify the:

- Local agency or State agency name;
- Trade corridor and funding category identified; and
- Question(s).

By phone, please contact: (916) 44-GOODS (444-6637).

**TENTATIVE SCHEDULE OF PROPOSAL AND AWARD PROCESS:**

Notice of Funding Availability	February 7, 2013
Last Day to Register/Qualify as an Applicant	February 22, 2013
Deadline to Submit Proposals	March 15, 2013
Approval of Awards at ARB Board Hearing	June 27-28, 2013