

Notice of Funding Availability

Proposition 1B: Goods Movement Emission Reduction Program

NOTICE OF FUNDING AVAILABILITY – July 2015

The California Air Resources Board (ARB or Board) is soliciting applications from eligible local 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 five categories: heavy-duty diesel trucks, freight locomotives and railyards, cargo ships at berth and cargo handling equipment, commercial harbor craft, and transport refrigeration units. A local agency may submit applications for more than one category. This Notice describes the types of agencies eligible to apply and the two-step application process that includes online registration and application submittal.

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 \$740 million from bond sales for the Program, which has been awarded to implement various projects. The remaining \$240 million appropriation is available for local agency projects and ARB's administration costs.

As required by State law, the Board adopted the initial Program Guidelines in February 2008 and approved three subsequent updates most recently, in June, 2015. 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 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.

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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

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.

The Board adopted these priorities for the FY2015-16 (Year 5) funds:

- Truck projects to upgrade equipment to zero-emission and hybrid vehicles capable of zero emission miles, as well as vehicles certified to the lowest optional nitrogen oxides (NOx) standard of 0.02g/bhp-hr. These projects receive priority and enhanced funding, which will provide an added incentive to applicants and promote the transition to the cleanest technology. These projects will continue to reduce the health risk in communities statewide, especially those near freeways, freight facilities, and border crossings. In addition, these projects represent a vital investment to help attain federal and State health-based air quality standards.
- Truck projects to assist small fleets with upgrading to cleaner technology, which is consistent with previous Board direction to provide funding for small fleets that can still achieve early or extra emission reductions relative to the Statewide Truck and Bus Regulation.
- Projects to upgrade trucks, transport refrigeration units, commercial harbor craft, ships at berth, and cargo handling to zero and near-zero emission equipment through replacement, repower, and retrofit, as applicable. A broader deployment of these technologies will be needed in all trade corridors to attain health-based air quality standards as well as attain future long-term greenhouse gas reduction goals in all trade corridors.
- Locomotive projects based on engines meeting the most stringent national emission standards (Tier 4). These projects will further reduce the health risks near railyards and assist in the attainment of federal air quality standards for the South Coast and San Joaquin Valley Air Basins.

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 freight transportation. 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.

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-F of the Guidelines detail the equipment project options within each category for FY 2015-16 (Year 5) 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.

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.

Registration

The application process begins with e-mail registration to gain access to ARB’s Goods Movement Online Database (Database). Local public entities must complete a user account registration form, as specified below, and e-mail this form to gmbond@arb.ca.gov no later than 5:00 p.m., **July 20, 2015** to receive a username and password to access the Database.

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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 Proposal

After having successfully registered as a local agency, both new and previous applicants 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 Chapter III – Section E, of the Guidelines, or contact ARB staff for assistance. (See page 5 of this Notice for contact information.)

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APPLICATION DEADLINE AND SUBMITTAL

Two completed paper copies of each local agency's 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 August 7, 2015.**

Applications postmarked or received after 5:00 p.m. on **August 7, 2015** 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
Transportation and Toxics 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. In the subject line, write "Local agency application question" and in the body of the e-mail identify the:

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

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

TENTATIVE SCHEDULE (SUBJECT TO CHANGE AT ARB'S SOLE DISCRETION):

Notice of Funding Availability	July 6, 2015
Last Day to Register/Qualify as an Applicant	July 20, 2015
Deadline to Submit Applications	August 7, 2015
Proposed Funding Awards at ARB Board Meeting	September 24, 2015