

[Zero-Emission Freight and Marine Program](#)
Q&A - Last Updated on August 25, 2020

This document includes answers to questions received by the VW Administrator regarding the [Zero-Emission Freight and Marine Program \(“ZEF&M Program”\) Solicitation](#) (“Solicitation”).

The document is organized by topic as shown in the index below and will be updated approximately weekly or as new questions are received. The date shown in parentheses following each question is the most recent date that a response was posted. Table 1 below lists the dates that this document was updated.

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Table 1. Dates Q&A Updated

<u>Update Date</u>
<u>July 8, 2020: Document Published</u>
<u>July 22, 2020: Updates to Sections 1, 2, 8</u>
<u>August 5, 2020: Updates to Sections 6, 7, 8, 9</u>
<u>August 14, 2020: Updates to Sections 1, 6, 7, 8, 10</u>
<u>August 25, 2020: Updates to Sections 7, 8, 9, 10, 12</u>

1. Eligibility

- **Is leasing allowed under this solicitation? (7/8/20)**

Leasing equipment is allowed; however, the applicant must be the legal owner of the Baseline and Funded Equipment. If selected for award, the applicant/Funding Recipient will be responsible for conducting recordkeeping, reporting, and all other Program requirements.

- **Are delivery or drayage trucks eligible for the program? (7/8/20)**

No, on-road trucks--including delivery, freight and drayage trucks--are not eligible under the ZEF&M Program. However, funding for these vehicles may be offered through other VW NOx Mitigation solicitations, such as the Combustion Freight and Marine and Zero-Emission Class 8 Freight and Port Drayage Trucks categories (see <https://www.californiavwtrust.org/>). Incentive funding for replacement of these vehicles may also be offered by local air districts, e.g., through the Carl Moyer Program.

- **Are infrastructure-only projects, e.g. electric charging infrastructure without GSE vehicles or CHE, eligible? (7/8/20)**

No, infrastructure-only projects are not eligible under the Zero-Emission Freight and Marine Program, with the exception of Shore Power projects. See the Section II of the [Solicitation](#) for a list of eligible projects.

- **Instead of scrapping, can we instead re-commission, or even repower, the vehicle for use at a different site / in a different state? (7/8/20)**

No, projects that do not fully scrap old equipment are not eligible for the ZEF&M Program. See definition of “Scrapped” in Appendix B: Definitions of the [Solicitation](#).

- **May businesses or non-profits located outside of California apply? (7/22/20)**

No, unless the applicant has a California-based affiliate.

- **Can an organization submit multiple applications? (7/22/20)**

Yes. We recommend that you add multiple “Project Components” or pieces of equipment to a single application. All project components or pieces of equipment will be evaluated and ranked separately.

- **What requirements are there for the new equipment? (8/14/20)**

The requirements for new equipment can be found on page 5 and 6 (Section II.B.3) of the [Solicitation](#).

2. Funding Limits, Match Funding, and Reimbursement Process

- **Can other CARB funding sources like the Carl Moyer Program, Community Air Protection Program, or FARMER be used as match funding? (7/8/20)**

No, these inactive programs and any other funds that lead to double-counting of NOx emissions reductions may not be used as match with the ZEF&M Program funding. See Section III of the [Solicitation](#) to learn more about match funding source limits.

- **Are there category/technology caps that limit how much funding can go to any one category? (7/8/20)**

No, there is no limit on how much funding can be awarded to any one eligible project type of the ZEF&M Program. However, there are funding caps per Equipment or per berth or per entity. See Section III.A of the [Solicitation](#) to learn more about the funding limits.

- **Will VW-funded equipment be allowed to generate Low Carbon Fuel Standard (LCFS) credits for the owner applicant? (7/22/20)**

Yes, VW-funded equipment may be used to generate Low Carbon Fuel Standard credits. See Section III of the [Solicitation](#) to learn more about match funding source limits.

3. Program Schedule

4. Application Submittal Process and Evaluation

5. Inspections, Reporting, and Record Keeping

6. Implementation & Operation

- **If the Equipment is leased out, are there any special criteria required? Can grant requirements be fulfilled by a lessee? (8/14/20)**

Yes. In addition to the requirements specified in the [Solicitation](#), equipment owner must also comply with the following requirements:

- The lease agreement must be a minimum of 36 months;
- Equipment owner (lessor) must disclose those Grant Agreement requirements to the lessee and ensure all requirements, such as reporting, are satisfied.

An equipment owner who leases out equipment may be able to have some grant requirements fulfilled by other parties, such as usage requirement; however, the equipment owner remains responsible for satisfying all Grant Agreement requirements.

- **Is there a funding cap on leasing companies or other financing applicants? (8/5/20)**

Yes, all applicants are subject to the same funding limits that are stated in Section III.A of the [Solicitation](#).

7. Port CHE and Heavy-Duty Forklift Projects

- **Where can Port Cargo Handling Equipment (CHE) be located to be eligible for the program? (7/8/20)**

To be eligible, Port CHE must operate within ports, as stated in Section II.B of the [Solicitation](#).

- **Are terminal tractors (yard trucks) eligible? (7/8/20)**

Yes, see Section II.B of the [Solicitation](#) for a list of Port Cargo Handling Equipment including terminal tractors.

- **Is a non-electric forklift with a capacity of greater than 8,000 lbs., that is not at a port or an airport, eligible for replacement? (8/5/20)**

Yes, forklifts do not need to be located at a port or airport to be eligible. Baseline or old equipment must be fueled by gasoline, diesel, compressed natural gas, liquefied natural gas, or propane and meet other Program requirements.

- **How does the Program define “port”? (8/5/20)**

For the purpose of this solicitation, “port” is a publicly or privately owned property located at a harbor or along a waterway where marine and port terminals typically load and unload water-borne commerce onto and from ocean-going vessels; a port includes all property within the physical boundaries of the port or demarcated as the port on city or county land maps as well as other contiguous or adjacent properties owned or operated by the port. A port includes military terminals that operate cargo handling equipment when located as part of, or on contiguous properties with, non-military terminals.

- **Are yard tractors operated outside of ports eligible for any other VW category? (8/14/20)**

No, yard tractors operated outside of ports are not eligible for any other VW category. For the Zero-Emission Freight and Marine program, Port Cargo Handling Equipment, including yard tractors, must operate within ports in order to be eligible.

- **Are yard container handlers eligible? For example, one that takes containers from the holding area to our dock and then back again, awaiting the drayage trucks to pick them up and take them back to the port. (8/25/20)**

Yes, if the container handlers are rubber-tired gantry cranes, straddle carriers, shuttle carriers, terminal tractors, yard hostlers, and yard tractors that operate within ports and meet all applicable Program requirements.

- **Do electric railcar movers in ports qualify as Port CHE? (8/25/20)**

No, electric railcar movers do not qualify as Port CHE.

- **How do I provide documentation for a ZE Forklift and/or Port CHE that do not have an Executive Order? (8/25/20)**

Projects that include zero-emission equipment that CARB has not issued an EO or approval letter for may be evaluated on a case-by-case basis. If your equipment has been approved for other CARB programs, e.g. CORE or HVIP, please note this in the application.

8. Ferry, Tugboat and Towboat Repower Projects

- **Would the replacement of a Ferry, Tugboat, or Towboat vessel be eligible? (7/22/20)**

No, the replacement of the entire vessel is not eligible for the ZEF&M Program funding.

- **One of the engines in a vessel is Tier 2, and another engine is Tier 3. Can both engines be replaced as part of a repower project? (7/8/20)**

To be eligible, **all** combustion engines on the vessel must be replaced with battery-electric or hydrogen fuel cell technologies; however only costs related to the repower of the Tier 2 engine are eligible.

- **Is infrastructure an eligible expense for Tugboat, Towboat, or Ferry Repowers? (7/8/20)**

No, costs related to infrastructure for tugboat, towboat, or ferry repower projects is not eligible for funding under the ZEF&M Program.

- **Is a project converting a diesel hybrid electric ferry to 100% battery-electric or battery and hydrogen-powered eligible? (7/8/20)**

Yes, repower projects of a diesel hybrid ferry, tugboat or towboat to zero emissions, including battery and/or hydrogen fuel cell, are eligible. See [section II](#) for complete eligibility requirements.

- **We have already started with repowering our vessel. Can you help with funding it? (7/8/20)**

No, applicants who have started any work on their projects (e.g., physical changes to the equipment, signed purchase orders, financially committed) prior to receiving the Notice to Proceed are not eligible or will have their project disqualified and cancelled, as stated on page 14 of the [Solicitation](#).

- **Does the Ferry, Tugboat, or Towboat have to operate on the ocean to be eligible? (7/22/20)**

No, a vessel does not have to operate on the ocean to be eligible. Instead the vessel must operate within Regulated California Waters. See the definition of "Regulated California Waters" in Appendix B: Definitions of the [Solicitation](#).

- **Are repower projects that require design work eligible? (8/5/20)**

Yes, repower projects that require work to design modifications to the engine bay/compartment and work that is solely and directly related to the repower of the engines are eligible. Although applicants may want to complete the design *before* submitting an application, ***any costs incurred before the full execution of a grant agreement are NOT eligible for reimbursement or for use toward the match funding requirement.***

- **Are diesel work boats that ferry personnel eligible? (8/5/20)**

Work boats that ferry personnel to the worksite may be eligible, only if they meet the definition of "Ferry" in Appendix B: Definitions of the [Solicitation](#).

- **How will you determine if a repowered vessel would be located in a disadvantaged community? (8/5/2020)**

The determination for whether a vessel repower project is located in a disadvantaged or low-income community will be based on the domiciled location of the vessel, e.g. home port of the vessel, which may be different from port of registry.

- **Is a vessel eligible if it is not currently being used as a ferry, tug, or towboat, but will be used as such after the repower? (8/25/2020)**

No. A vessel is eligible for repowering only if it is currently used as a ferry, tug or towboat and will continue in the same service after the vessel is repowered and if it meets all applicable Program requirements in the [Solicitation](#).

- **Please explain process for obtaining a CARB approval letter for a zero emission hydrogen fuel cell marine system that is not produced as a single unit. (8/25/2020)**

Please contact CARB by e-mail at harborcraft@arb.ca.gov, or by phone at (888) 442-7238.

- **Once the hours defined as the Usage Requirement is met, has the applicant fulfilled all obligations under this grant? (8/14/20)**

The usage requirement is only one of the requirements of the Program. Please see the [Solicitation](#) for a complete list of requirements, such as maintaining written records of Equipment purchased with Trust funds for the duration of the contract term plus three years.

- **What happens if the Usage Requirement has not been met prior to the Project Life, or vice-versa? What is the consequence if an applicant fails to meet a grant requirement? (8/25/2020)**

In the event that the Usage Requirement has not been met prior to the end of project life, the Funding Recipient must refund to BAAQMD a prorated portion of Program funds received, in an amount equivalent to the original grant amount divided by total usage requirement and then multiplied by the requirement remaining: $(\text{Original Grant Amount} \div \text{total usage requirement}) \times (\text{total usage requirement} - \text{usage requirement achieved})$.

If the Usage Requirement has been met prior to the end of project life, the Grantee is still responsible for all other contractual requirements such as operational reporting.

Depending on the grant requirement that is not met, repayment of disbursed funds may be required, and applicants may be barred from receiving future funding.

- **As long as the equipment remains in California and operates in California, are there any restrictions on moving it for use in different areas during the Project Life, i.e. changing the “project location”? If so, for how long do these restrictions remain in place? (8/25/2020)**

Yes, projects shall operate at project locations during the project life specified in the grant agreements. Moving equipment from a disadvantaged or low-income community to a non-disadvantaged or low-income community may result in a reduction in award funds or cancellation of contract.

- **Will a vessel repower project with an extended implementation period (i.e. be placed into service more than 12 months after date of award) be considered? (8/25/20)**

Yes, vessel repower projects with an extended implementation period (i.e. be placed into service more than 12 months after date of award) will be considered on a case by case basis. In the application, please submit the proposed project timeline.

9. Airport GSE Projects

- **Is Infrastructure an eligible expense for projects with Airport Ground Support Equipment? (7/8/20)**

No, costs related to infrastructure for GSE is not eligible for funding under the ZEF&M Program.

- **Would any GSE decommissioned in CA but then operated somewhere else (outside of CA domestically or internationally) be eligible for the program? (7/8/20)**

No, the new funded equipment must also be operated in California.

- **Would an aircraft ground power unit, or aircraft tug, be considered eligible Airport GSE? (8/5/20)**

Yes, aircraft ground power units and aircraft tugs are eligible Airport GSE if they also meet other Program requirements.

- **What is considered the “Full Incremental Cost” for Airport GSE? (8/5/20)**

The full incremental cost is the difference in purchase price between a zero-emission piece of equipment and the costs of the a new conventional-fueled equivalent.

- **How do I provide documentation for Airport GSE that does not have an Executive Order? (8/25/20)**

Projects that include zero-emission equipment that CARB has not issued an EO or approval letter for may be evaluated on a case-by-case basis. If your equipment has been approved for other CARB programs, e.g. CORE or HVIP, please note this in the application.

10. Shore Power Projects

- **Can the money be used to retrofit a vessel to be equipped for shore power? Is the purchase of an Alternative Marine Power container and associated components, which will be utilized for vessels connecting to shore power, eligible for funding? (7/8/20)**

No, vessel-side retrofits or purchase of Alternative Marine Power container are not eligible shore power projects. See Section II.C and Table 1 of the [Solicitation](#) to learn more about the eligibility requirements and eligible costs of shore power projects.

- **Would a Shore Power project for a vessel that does not travel on the ocean (e.g. ferry or electric tug boat) be eligible? (7/8/20)**

No, only shore power projects for ocean-going vessels are eligible for funding.

- **Would a maritime hydrogen bunkering and fueling station be eligible for funding? (7/8/20)**

No, maritime hydrogen infrastructure projects are not eligible for the ZEF&M Program funds.

- **Do Shore Power projects have to be zero-emission, or can fuel cells generating the electricity for shore power also be eligible? (8/14/20)**

Shore power projects supplied by power sourced from the local utility grid are eligible. Shore Power systems that are not supplied by power sourced from the local utility grid may be eligible. However, costs related to distributed energy, such as fuel cells generating the electricity for shore power, are not eligible for grant reimbursement or use of match funds. In addition, only shore power systems serving ocean-going vessels that are not required by current regulation to reduce at-berth emissions from auxiliary engines are eligible.

- **Are large shore power projects with extended implementation periods (i.e. be placed into service more than 24 months after date of award) eligible? (8/25/20)**

Yes, large shore power projects (e.g. projects with multiple installations and/or substation work) with an extended implementation period (i.e. be placed into service more than 24 months after date of award)

may be eligible and will be considered on a case-by-case basis, but may be ranked after projects that meet all Program requirements.

11. Use of Online Application System (Fluxx)

- **What do I do after I register on the online application system? (7/8/20)**

For additional information on how to use the online application system, please see the "Resources" section at the following link <https://www.californiavwtrust.org/zero-freight-marine/>.

12. Other

- **For federal government projects, can a program exception be made for insurance? Federal facilities do not hold commercial property, liability, and workers compensation insurance; rather, federal laws and programs provide such protection to the facility and workers (8/25/20).**

Yes, documentation or self-certification declaring self-insurance from a federal entity is acceptable in place of private third-party insurance.