



## FREQUENTLY ASKED QUESTIONS

### 1) What is the Goods Movement Emission Reduction Program?

The Goods Movement Emission Reduction Program (GMERP) is an incentive program sponsored by a one billion dollar state bond measure passed by voters in 2006. The program partners the Air Resources Board (ARB) and the Sacramento Metropolitan Air Quality Management District (SMAQMD) to offer assistance to owners and operators of on-road heavy duty vehicles, including those servicing ports and rail yards; marine vessels; and line-haul locomotives with the purchase of new equipment and technologies. The goal of the measure is to improve public health by reducing pollution associated with diesel emissions from goods movement throughout the state of California.

### 2) When will applications be accepted and how much funding is available?

**Applications will be accepted March 1, 2011 through April 29, 2011.**

This is the First Solicitation of the Main Grant Year 2; \$9,100,000 is available. Available project options (and maximum funding) for Heavy Duty Diesel Trucks are Replacements (\$60,000), Retrofits (\$10,000), Repower (\$30,000), Three-Way Truck Transactions (\$60,000), Electrification Infrastructure (50% of cost or cost effectiveness).

### 3) What trucks are eligible under the Goods Movement Emission Reduction program?

- Any Class 7 or Class 8 heavy-duty diesel truck (GVWR > 26,000 lbs) used in goods movement operating in California, including port trucks and rail yard trucks.
- Old truck must be currently owned by the applicant and show continuous registrations for the past 24 months; or at least 8 months registration and other documentation that shows operation for past 24 months.
- Old truck must show current liability insurance with a minimum coverage of \$1,000,000 for property damage and bodily injury.
- ARB approved vocation – See vocation chart on the Applicant Checklist, page 2.
- Old truck must have operated at least 75% in California.
- Old truck must be in operational condition.
- Old truck must be turned in to a participating dealer for salvage in the same operating condition it was in the first inspection (Replacement only).
- Replacement - Old truck must be a 2003 model year or older.
- Replacement truck engine emissions must be ARB certified at 2007-Compliant emissions standards or better (1.20 g/bhp-hr NO<sub>x</sub> & 0.01 g/bhp-hr PM, FEL and CERT).
- Retrofit - Truck must have a 1994-2006 model year engine. Retrofit must be Level 3+ ARB verified.
- New equipment must be operational by 12/31/2012 for large fleets; and by 12/31/2013 for small fleets and drayage trucks.
- New equipment must operate at least 90% in California and at least 50% in the trade corridors for the duration of the contract term.

### 4) How will applications be chosen for funding?

We will use a competitive process to rank and choose the most cost-effective projects based on the total lifetime emission reduction of each project and requested funding amount. Emission reduction and cost effectiveness will be calculated for each vehicle project. All vehicle projects will be ranked based on the results of these calculations.



**Emission reductions** for each vehicle project are based on the average annual California miles and the model year of the old truck. Generally, the engine produces a certain amount of emissions per mile driven: the greater the annual miles, the greater the emissions. The new equipment (replacement truck or retrofit) is assumed to operate for the same annual miles as the old truck. For a replacement project, the newer engine produces less emissions per mile. For a retrofit project, the retrofit reduces the emissions per mile from the old truck engine. For both projects, there is a reduction of emissions for the life of the contract. Each vehicle project will be ranked according to the emission reduction, greatest to least.

**Cost effectiveness** is the emission reduction divided by the requested funding amount. This determines the emission reduction per funding dollar. Each vehicle will be ranked according to the cost effectiveness, greatest to least.

Both emission reduction and cost effectiveness ranking numbers will be added together to get the **Total Score**. Each vehicle will then be ranked according to the Total Score. This ranking will determine the order of project funding.

#### 5) How do I apply for funding?

- Determine if application is for truck replacement, retrofit, three-way transaction, or infrastructure.
- Determine how much funding you would like to apply for (as shown on the ARB Operational Deadlines document available on the SMAQMD Goods Movement website).
- **Submit a completed application, Sacramento County Payee Data Record, other required supporting documentation (refer to Applicant Checklist), and proof of identity to the SMAQMD.**
- Once the application solicitation period ends, District staff will begin the application review, verification, ranking, and inspection process.

#### 6) What documentation is required?

Refer to the Applicant Checklist to help identify which information will be required for your application. The **Project Ranking Requirements** section lists items required for ranking. **If this section is incomplete, the application will be rejected.** The **Additional Requirements** section lists items essential for the program. If this section is incomplete, applicant has 30 days to submit.

#### 7) How do I submit proof of my required documentation?

**Proof of Identity** – submit a copy of a government issued photo identification card or document.

**Vehicle Titles** – must be a complete copy of the document, registered owner(s) must be the same as the applicant, and title must be free of lienholders (leased vehicles do not qualify).

**Vehicle Insurance** – submit a copy of your current policy coverage that includes the coverage amount of at least \$1,000,000 per accident for bodily injury and property damage **and** also specifies the vehicle(s) covered under the policy.

**Vehicle Registration** – current and past 24 months from date of application - DMV printout, R60 reports, Vehicle Registration Information Report, or registration forms showing vehicle identification, dates, and owner information;

**Mileage** – current and past 24 months from date of application - BIT inspection, maintenance records may be use for proof of mileage **IF** documents show vehicle identification, dates, and odometer readings/trip mileage.

**Vehicle Vocation** – applicant must submit a letter stating body type and business role. See the Applicant Checklist, page 2 for ARB vocation list.

#### 8) What happens if my application is accepted for funding?

If the District accepts your application for funding, you will have to go through various steps before receiving state grant monies. All vehicles, whether applying for a retrofit or replacement, are required to undergo several inspections prior to final funding approval; funding is not guaranteed until all inspections verify compliance with program requirements.

A **pre-inspection** will be performed on all vehicles in order to verify actual vehicle and engine information provided



in the application. If all information is found to be accurate, and once a signed contract is executed, applicants may proceed with the selection and purchase of either retrofit equipment or a new vehicle. Inspection staff will then perform a **post inspection** of the newly retrofitted equipment or the new vehicle. For vehicle replacement projects only, the old vehicle being turned in for salvage will be subject to a **pre-salvage inspection**; this step is done to make sure the vehicle is in operating condition similar to that documented during the pre-inspection before going to a participating salvage yard. The final inspection for vehicle replacement projects is a **salvage inspection**. This last step will take place at the salvage yard to confirm that both the vehicle and engine have been destroyed per District specifications.

**9) When can I purchase retrofit equipment or a replacement vehicle if my application is accepted?**

A signed contract between you and the District must be in place before any new equipment or a new vehicle can be ordered or purchased. If you purchase equipment prior to this step, you will be denied funding.

**10) How does the payment process work for approved applications?**

Once your application has undergone the initial approval process, there are three steps the project must go through in order to receive your final funding check from the District: (1) a post inspection of funded equipment completed by District inspection staff; (2) submittal of a signed final invoice from the participating equipment dealer detailing the total cost of the new equipment including applicant's cost share; (3) receipt by the District of the participant-signed invoice requesting release of funds for payment. Checks can either be 1- or 2-party checks with the participant, the dealer, or both. **For vehicle replacement projects, a post and a pre-salvage inspection must be completed** before the participant invoice can be submitted to the District for payment.

**11) What will I be required to do once I am in the Goods Movement program?**

Participants in the program will be responsible for keeping all funded equipment in good operational condition throughout the entire contract period. Operating the vehicle outside of the State of California is prohibited during the contract period. Additionally, you will be required to **maintain vehicle registration and liability insurance** on equipment funded through the Goods Movement program and provide insurance verification documents on an annual basis. You will also be required to submit an **annual usage survey** on all equipment under contract. The survey form is simple to complete and allows the District to track contract compliance, as well as the actual pollution reduction achieved by your project. Finally, you may be subject to **financial and/or on-site audits** of your equipment. District inspection staff regularly conducts audits of projects found in non-compliance with contract requirements and also schedule them on a random basis.

**12) What happens if I do not meet the requirements of my contract?**

If you fail to meet the requirements of your contract with the District, you may transfer your contract to a new equipment owner who can satisfy the remaining requirements of your contract. If another party does not accept and fulfill your contract requirements, your contract remains in non-compliance status and the District may refer your project to our legal department for further action. In addition, you may become ineligible from participating in future incentive programs if you do not meet the current contract stipulations.

**13) What about truck efficiency upgrades?**

Please contact us if you would like information regarding upgrades to improve fuel efficiency, especially for long-haul trucks. Technologies that improve fuel efficiency for trucks may include devices that reduce aerodynamic drag and rolling resistance. Aerodynamic drag may be reduced using devices such as cab roof fairings, cab side gap fairings, cab side skirts, and on the trailer side, trailer side skirts, gap fairings, and trailer tail. Rolling resistance may be reduced using single wide tires or low-rolling resistance tires and automatic tire inflation systems on both the tractor and the trailer. These upgrades offer the potential to cut emissions of greenhouse gases and criteria pollutants, with a two to three year payback period through lower fuel costs. The benefits are variable based on the type of truck operations

**14) Who do I contact if I have more questions?**

Our website has helpful information, but you may also call us at the district. If you have questions about documentation, the process, or anything else, please do not hesitate to contact us.

