

## **California Air Resources Board Funding Opportunities**

Financial incentives, grants, and funding opportunities are a key part of California's efforts to ensure cleaner cars, trucks, equipment, and facilities are operating in our neighborhoods. Funding helps drive the development of new, cleaner technologies and, by speeding up their sale and adoption, help clean up the air. To receive funding, applicants must meet the criteria for the program. Tribes should review each program as each program is different, is implemented by different parts of the California Air Resources Board (CARB) or local Air Districts and has different criteria. A description of each program and where to find more information for each program is outlined below.

### **1. Carl Moyer Memorial Air Quality Standards Attainment Program**

Since 1998, the Carl Moyer Memorial Air Quality Standards Attainment Program (Moyer Program or Program) has cost-effectively reduced smog-forming and toxic emissions. Approximately \$1 billion has been allocated to date and the Program continues to provide over \$90 million in grant funding each year to clean up older polluting engines throughout California. Funding is expected to increase in the future. The regulatory, technological and incentives landscape has changed significantly since the creation of the Moyer Program and to address evolving needs, the Legislature has periodically modified the Program to better serve California. Most recently, Senate Bill (SB) 513 (Beall, 2015) has provided new opportunities for the Program to contribute significant emission reductions alongside implemented regulations, advance zero and near-zero technologies, and combine program funds with those of other incentive programs. As a subset of the Carl Moyer Program, the State Reserve similarly provides funding for cleaner-than-required engines, equipment, and other sources of air pollution that have been determined to be in need. Local air districts administer Moyer Program grants and select projects to fund. Information on the State Reserve is available at: <https://ww2.arb.ca.gov/our-work/programs/carl-moyer-program-state-reserve>. Air District contact information is available at: <https://ww2.arb.ca.gov/our-work/programs/carl-moyer-memorial-air-quality-standards-attainment-program/carl-moyer-program>. More information can be found at: <https://ww2.arb.ca.gov/our-work/programs/carl-moyer-memorial-air-quality-standards-attainment-program>.

### **2. Community Air Protection Incentives**

Assembly Bill 617 (Garcia, Stats. of 2017, Ch. 136) (AB 617) seeks to ensure that all Californians benefit equitably from California's air quality and climate efforts, especially those who live in the areas of California most severely impacted by air pollution. Since 2017, the California Legislature has budgeted \$964 million to support AB 617. The Legislature designated the initial appropriation of \$250 million in 2017 for immediate benefits in heavily impacted communities while the other aspects of AB 617 were created and implemented. The Legislature appropriated an additional \$245 million in 2018 and the approved 2019 California State Budget contained another appropriation of \$245 million for

continued incentives to support the Community Air Protection Program, with Legislative direction matching the previous year's appropriation. The Legislature reduced that amount to \$209 million in mid-2020 due to lower than expected Cap-and-Trade auction proceeds earlier in the year. More information can be found at: <https://ww2.arb.ca.gov/our-work/programs/community-air-protection-incentives/resources>.

### **3. Community Air Grants**

Included in AB 617 is a provision for grants to community-based organizations for technical assistance and to support community participation in the implementation of the program. Pursuant to budgetary direction, eligible expenditures include, but are not limited to, hiring consultants and technical experts, and travel and other associated meeting costs. CARB administers these grants, and the funds are allocated from the Greenhouse Gas Reduction Fund (GGRF), the State's portion of Cap-and-Trade auction proceeds. Community Air Grants provide financial and technical assistance for community-based organizations and California Native American Tribes to participate in the Community Air Protection Program, and to build capacity to become active partners with government to identify, evaluate, and ultimately reduce air pollution and exposure to harmful emissions in their communities. After two years of Community Air Grant implementation, CARB has awarded approximately \$15 million to 48 innovative projects across the State. More information can be found at: <https://ww2.arb.ca.gov/capp-cag>.

### **4. Proposition 1B Goods Movement Emission Reduction Program**

The Proposition 1B Goods Movement Emission Reduction Program is a partnership between CARB and local agencies, air districts, and seaports to quickly reduce air pollution emissions and health risk from freight movement along California's trade corridors. Local agencies apply to CARB for funding, then those agencies offer financial incentives to owners of equipment used in freight movement to upgrade to cleaner technologies. Projects funded under this program must achieve early or extra emission reductions not otherwise required by law or regulation. More information can be found at: <https://ww2.arb.ca.gov/our-work/programs/proposition-1b-goods-movement-emission-reduction-program>.

### **5. Low Carbon Transportation Investments and the Air Quality Improvement Program**

The Low Carbon Transportation Investments and Air Quality Improvement Programs provide mobile source incentives to reduce greenhouse gas, criteria pollutant, and toxic air contaminant emissions through the deployment of advanced technology and clean transportation in the light-duty and heavy-duty sectors. Each year, the legislature appropriates funding to CARB for these incentives to reduce emissions and support advanced technology demonstrations and deployments. The [AQIP Guidelines](#) and annual [Funding Plans](#) guide CARB's implementation of these investments. For more information on clean transportation projects, incentives, and financing, please visit [Moving California](http://ww2.arb.ca.gov/sites/default/files/movingca/opportunitiesgov.html) at: <http://ww2.arb.ca.gov/sites/default/files/movingca/opportunitiesgov.html>.

Below are a few of the programs available. More programs can be found at:  
<https://ww2.arb.ca.gov/our-work/programs/low-carbon-transportation-investments-and-air-quality-improvement-program/low-1>.

### **A. Clean Mobility Options (CMO) Voucher Pilot Program**

The CMO voucher pilot program is a statewide program that will make it easier for communities to get funding for clean mobility projects to improve their sustainability and quality of life. The program enables smaller groups and communities of concern that may have fewer resources to access funds for clean transportation choices. The program focuses on providing community-based clean mobility solutions that include smaller scale car- bike- or scooter-sharing projects, subsidies for transit, or car-hailing services. Projects will also aim to address first and last-mile connector trips (getting residents to and from their homes and local transit stops). The program also provides funding for community transportation needs assessments to support communities design their mobility projects by centering the residents' primary needs. The new voucher-based funding opportunity for communities to conduct transportation needs assessments and to implement mobility projects (i.e. zero-emission carsharing, bikesharing, and innovative transit services) in disadvantaged, low-income, and tribal communities. CMO offers up to \$50,000 for needs assessments, and up to \$1 million for mobility projects and free technical assistance on an ongoing basis for application and project development, and implementation. In 2020, \$21.15 million was awarded to public agencies, tribal governments, and nonprofits. Check for upcoming meetings to discuss funding and timing for future voucher windows. More information can be found at: <https://www.cleanmobilityoptions.org/>.

### **B. Sustainable Transportation Equity Project (STEP)**

STEP is a new transportation equity pilot that aims to address community residents' transportation needs, increase access to key destinations, and reduce greenhouse gas emissions by funding planning, clean transportation, and supporting projects. STEP's overarching purpose is to increase transportation equity in disadvantaged and low-income communities throughout California via two types of grants: Planning and Capacity Building Grants and Implementation Grants. Within these two grant types, CARB currently has up to \$19.5 million available. CARB has \$1.75 million available for the Planning and Capacity Building Grants and \$17.75 million available for the Implementation Grants. More information can be found at:  
<https://ww2.arb.ca.gov/our-work/programs/low-carbon-transportation-investments-and-air-quality-improvement-program-1>.

### **C. Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP)**

HVIP plays a crucial role in the deployment of zero-emission and other clean trucks and buses. HVIP responds to a key market challenge by making clean vehicles more affordable for fleets through point-of-purchase price reductions. With an HVIP voucher, industry-leading vehicles can be as affordable as their traditional fossil-fueled

counterparts, enabling purchasers of all sizes to deploy advanced technologies that are cleaner, quieter, and in line with state regulations. HVIP is the earliest model in the U.S. to demonstrate the function, flexibility, and effectiveness of first-come first-served incentives that reduce the incremental cost of commercial vehicles. HVIP is administered by [CALSTART](#), a national clean transportation nonprofit consortium, on behalf of CARB. More information is available at: <https://californiahvip.org/about/>.

#### **D. Clean Vehicle Rebate Project (CVRP)**

California residents get up to \$7,000 for the purchase or lease of a new, eligible zero-emission or plug-in hybrid light-duty vehicle. More information is available at: <https://cleanvehiclerebate.org/eng>.

#### **E. Clean Off-Road Equipment Voucher Incentive Project (CORE)**

CORE is designed to accelerate deployment of cleaner off-road technologies by providing a streamlined way for fleets ready to purchase specific zero-emission equipment to receive funding to offset the higher cost of such technologies. This project is analogous to the [Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project \(HVIP\)](#), but will specifically target zero-emission off-road freight equipment that is currently in the early stages of commercial deployment. CORE will provide vouchers to California purchasers and lessees of zero-emission off-road freight equipment on a first-come, first-served basis, with increased incentives for equipment located in disadvantaged communities. More information is available at: <https://ww2.arb.ca.gov/our-work/programs/clean-off-road-equipment-voucher-incentive-project/about>.

### **6. Enhanced Fleet Modernization (EFMP) Program**

The EFMP contains two component programs: Retirement-only and Scrap and Replace. More information can be found at: <https://ww2.arb.ca.gov/our-work/programs/enhanced-fleet-modernization-program-efmp/efmp-resources>.

#### **A. Retirement-only Program**

Bureau of Automotive Repair implements the retirement-only program statewide through their Consumer Assistance Program. It provides up to \$1,500 to lower-income drivers to retire their old, high polluting car. Scrap and Replace program goes one-step further by providing up to \$4,500 to lower-income drivers who scrap an old car and purchase a cleaner and more fuel-efficient (35 MPG or better fuel economy rating) vehicle or \$7,500 for mobility options such as transit passes, in lieu of a replacement vehicle. CARB partners with implementing air districts to execute the EFMP programs in their air basins. Incentive amounts to participants are determined by participant's household income level, whether or not the applicant lives in or near a disadvantaged community, and choice of replacement option, with up to \$9,500 toward the purchase

of an advanced technology replacement vehicle (e.g. hybrid, plug-in hybrid, or zero-emission). For more information on how to apply for funding, see Scrap and Replace Implementing Air Districts. More information can be found at: [https://bar.ca.gov/Consumer/Consumer\\_Assistance\\_Program/CAP\\_Vehicle\\_Retirement\\_Program](https://bar.ca.gov/Consumer/Consumer_Assistance_Program/CAP_Vehicle_Retirement_Program).

## **B. Clean Cars 4 All**

The Clean Cars 4 All program helps lower-income California residents replace old, polluting cars with cleaner, more fuel-efficient vehicles. The program's guiding legislation aims to focus the benefits of the program to low-income and disadvantaged communities and has a heavy emphasis on consumer protections, education of the new technologies, and coordination with other clean transportation programs. AB 630 required CARB to adopt guidelines by January 1, 2019, establish measurable goals for replacement of light-duty vehicles, and then post this information on the performance of the Clean Cars 4 All Program annually. CARB partners with implementing air districts to execute EFMP programs in their air basins. More information can be found at: <https://ww2.arb.ca.gov/our-work/programs/clean-cars-4-all>.

## **7. Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program**

The FARMER Program provides incentive funds to replace agricultural equipment with the cleanest available technologies. Eligible projects include off-road agricultural equipment, heavy-duty trucks used in agricultural operations, agricultural utility terrain vehicles (UTV), and stationary agricultural pump engines. The FARMER Program provides criteria pollutant, toxic air contaminant, and greenhouse gas emission reductions, which are necessary to help meet air quality and climate change goals. In September 2017, CARB received \$135 million to reduce emissions from the agricultural sector from Assembly Bill (AB) 134 (Committee on Budget, Chapter 254, Statutes of 2017) and AB 109 (Ting, Chapter 249, Statutes of 2017). The bills provide funding for agricultural harvesting equipment, heavy-duty trucks, agricultural pump engines, tractors, and other equipment used in agricultural operations. CARB staff worked with local air districts and stakeholders to develop the proposed FARMER Program Guidelines, which set the minimum requirements for the program and ensure that the projects funded will provide the intended emission reductions. In March 2018, the Board approved the FARMER Program Guidelines. The administration of the FARMER Program is handled through the local air districts and local air districts will select which projects to fund. CARB sets the minimum requirements for the FARMER Program, while local air districts handle the day-to-day implementation by soliciting project applications, selecting projects, and entering into contracts to fund new vehicles and equipment. More information can be found at: <https://ww2.arb.ca.gov/our-work/programs/farmer-program/resources> or through email at: [farmer@arb.ca.gov](mailto:farmer@arb.ca.gov). District contacts are available at: <https://ww2.arb.ca.gov/our-work/programs/farmer-program/farmer-program-district-contacts>.

## 8. Volkswagen Environmental Mitigation Trust for California

The Volkswagen (VW) Environmental Mitigation Trust (Trust) provides about \$423 million for California to mitigate the excess nitrogen oxide (NO<sub>x</sub>) emissions caused by VW's use of illegal emissions testing defeat devices in certain VW diesel vehicles. The Trust is a component of partial settlements with VW and is enumerated in the first Partial Consent Decree as Appendix D. The Trust provides funding opportunities for specified eligible actions that are focused mostly on "scrap and replace" projects for the heavy-duty sector, including on-road freight trucks, transit and shuttle buses, school buses, forklifts and port cargo handling equipment, commercial marine vessels, and freight switcher locomotives. As required by the Consent Decree, California developed a Beneficiary Mitigation Plan (Plan) through an extensive public process. The Board approved the Plan in May 2018, and CARB reported it to the Trustee, Wilmington Trust, N.A., on June 28, 2018. The Plan describes the eligible mitigation actions from the list specified in the Consent Decree that will be funded from the State's allocation of the Trust. Senate Bill (SB) 92, passed in June 2017, directs CARB to strive to ensure that 35 percent of California's allocation benefit low-income or disadvantaged communities that are disproportionately impacted by air pollution. The approved Plan exceeds that target; at least 50 percent of the total funding is expected to benefit low-income or disadvantaged communities. More information can be found at: <https://ww2.arb.ca.gov/our-work/programs/volkswagen-environmental-mitigation-trust-california/resources>.

## 9. Supplemental Environmental Projects (SEPs)

CARB SEP Policy allows community-based projects to be funded from a portion of the penalties received during settlement of enforcement actions in lieu of a portion of a penalty payment to mitigate the effects of a particular violation. CARB's SEPs can improve public health, reduce pollution, increase environmental compliance, and bring public awareness to neighborhoods most burdened by environmental harm. In order for a project to be considered for funding, a SEP Proposal Form with supporting documentation is required and it must be put on the SEP list. At a minimum, the proposal must reduce direct/indirect air emissions or exposure to air pollution (e.g., diesel PM, NO<sub>x</sub>, GHGs, VOCs, etc.); relate to the violation; not benefit the violator; go above and beyond regulatory requirements; and demonstrate that the proposal is technically, economically, and legally feasible. More information can be found at: <https://ww2.arb.ca.gov/our-work/programs/supplemental-environmental-projects-sep>.