

## Funding Programs for Commercial Harbor Craft

California Air Resources Board (CARB) staff has prepared this document to help inform stakeholders of potential funding opportunities for Commercial Harbor Craft (CHC). The funding programs listed have different requirements and timelines, and not all funding opportunities may be available at this time. Information is current as of September 2020, and is subject to change.

### Carl Moyer Program and Community Air Protection Incentives—Marine Vessel Projects

The Carl Moyer Program (CMP) provides grant funding for cleaner-than-required engines and equipment. Community Air Protection (CAP) Incentives follow the CMP guidelines for marine projects, but with higher maximum funding percentages for projects achieving reductions in California’s most heavily impacted communities (outlined by AB 617<sup>1</sup> and CARB’s Community Air Protection Program). The following table shows project types applicable to CHC. To apply for funding or for more information, consult with your local air district, and see the [2017 Carl Moyer Program Guidelines](#) and the [Community Air Protection Incentives 2019 Guidelines](#).

Marine Vessel Projects	Baseline Technology	Replacement Technology (Repower or Remanufacture)	Maximum Percentage for CMP	Maximum Percentage for CAP
Vessels subject to current CHC Regulation Schedules for Meeting Tier 2 or Tier 3 Standards	Tier 0 or Tier 1	Tier 3	50%	60%
		Tier 4	85%	95%
	Tier 2	Tier 3	80%	90%
		Tier 4	85%	95%
Vessels <b>not</b> subject to current CHC Regulation Schedules for Meeting Tier 2 or Tier 3 Standards	Tier 0, Tier 1, or Tier 2	Tier 3	80%	90%
		Tier 4	85%	95%
Installation of an EPA-verified hybrid system			85%	95%
Any vessel propulsion engine repowers with an off-road Tier 3 or cleaner certified engine			Case-by-case basis	
CARB-verified marine retrofit device (e.g., selective catalytic reduction, diesel oxidation catalysts or diesel particulate filters)			Case-by-case basis	
Vessel Replacement			Case-by-case basis	
Purchase of an EPA verified marine vessel exhaust capture and control system			Case-by-case basis	

### Volkswagen Environmental Mitigation Trust

The Volkswagen (VW) Environmental Mitigation 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. Funding opportunities specific to CHC include the repower of ferries, tugboats, and towboats as part of the “[Combustion Freight and Marine](#)” and “[Zero-](#)

<sup>1</sup> [Assembly Bill 617 \(Chapter 136, Statutes of 2017\)](#)

[Emission Freight and Marine](#)” funding categories. General information about each funding category is listed below; interested parties should contact the Program Administrator for additional details, and/or visit the following website for program announcements: <https://www.californiavwtrust.org/>.

VW Project Category	CHC Baseline Equipment	CHC Replacement Technology	Ownership Category	Maximum Incentive Percentage (Per Vessel)	Maximum Incentive Cap	Statewide Program Administrator and Contact Information
Combustion Freight and Marine	Pre-Tier 3	Tier 4, or Hybrid w/ Tier 4 equivalent NO <sub>x</sub> emissions	Non-Government	40%	\$1,000,000	South Coast Air Quality Management District <a href="mailto:vwfunds@aqmd.gov">vwfunds@aqmd.gov</a>
			Government	100%		
Zero-emission Freight and Marine	Pre-Tier 3	Hydrogen fuel cell or battery-electric engine repower	Non-Government	75%	\$2,500,000	Bay Area Air Quality Management District <a href="mailto:californiavwtrust@baaqmd.gov">californiavwtrust@baaqmd.gov</a>
			Government	100%		

#### **EPA Diesel Emission Reduction Act (DERA) Program**

The DERA Program funds grants and rebates that protect human health and improve air quality by reducing harmful emissions from diesel engines. Eligible projects are defined by Request for Proposals/Request for Applications and supporting documents as part of the application solicitation process. For information about funding availability and eligible marine projects, please visit the [DERA Program website](#) and/or contact the [U.S. Environmental Protection Agency](#).

#### **Low Carbon Transportation Operations Program (LCTOP)**

LCTOP provides operating and capital assistance for transit agencies to reduce greenhouse gas (GHG) emissions and improve mobility, with a priority on serving disadvantaged communities. Eligible marine projects include those that enhance or expand transit service by supporting new or expanded water-borne transit, and may include equipment acquisition, fueling, and maintenance, and other costs to operate those services or facilities. For more information, please visit the [LCTOP website](#).

#### **California Energy Commission (CEC) “Hydrogen Fuel Cell Demonstrations in Rail and Marine Applications at Ports (H2RAM)”**

The H2RAM solicitation will award up to \$12,600,000 in funding for the design, integration, and demonstration of hydrogen fuel cell systems and hydrogen fueling infrastructure for locomotive and commercial harbor craft applications at California ports. For more information, please visit the [CEC’s website](#).

#### **Transit and Intercity Rail Capital Program (TIRCP)**

TIRCP funds capital improvements that modernize California’s transit systems, including reducing GHG emissions, expanding and improving transit service, and improving transit safety. Eligible marine projects include ferry transit investments and ferry service integration. For more information, please visit the [TIRCP website](#).