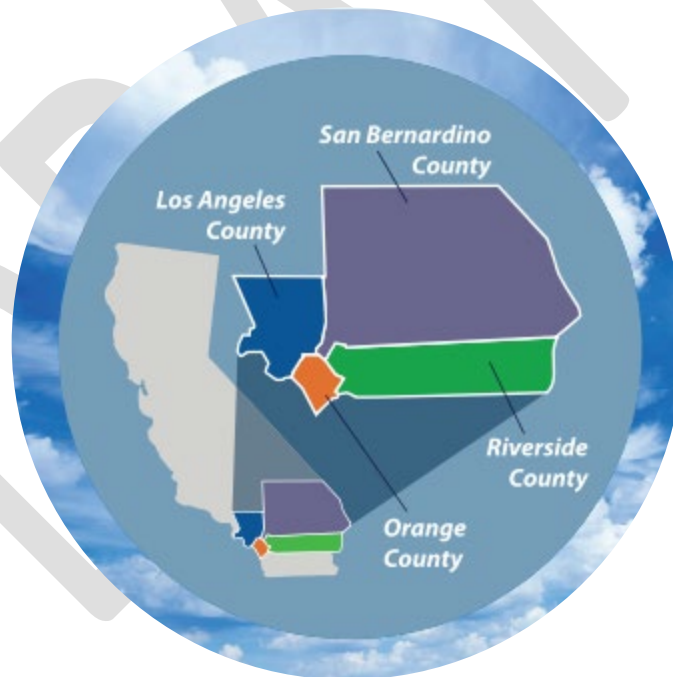




Implementation Plan for INVEST CLEAN Last Mile Freight Vehicle Deployment Program (Measure 2.2)



Prepared by South Coast AQMD

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LAST MILE FREIGHT PROGRAM-CLASS 4-8 VEHICLE REPLACEMENT

1. Introduction

In July 2024, U.S. EPA awarded funds (EPA grant agreement 5E97T15501) to the South Coast Air Quality Management District (South Coast AQMD) to implement INVEST CLEAN in Los Angeles-Long Beach-Anaheim and Riverside-San Bernardino-Ontario Metropolitan Statistical Areas (MSAs). The two MSAs include the following four counties: Los Angeles, Orange, Riverside, and San Bernardino. The INVEST CLEAN initiative focuses on reducing emissions from the goods movement sector by implementing incentive measures and electrifying the Southern California goods movement corridor. INVEST CLEAN includes four measures, which provide incentives for the installation of electrical charging equipment to support heavy-duty battery-electric (BE) vehicles and replacing high-polluting vehicles and equipment with BE Class 8 freight vehicles, last-mile delivery vehicles, cargo handling equipment (CHE), and switcher locomotives.

Through a subaward, the Southern California Association of Governments (SCAG) will be administering the “Last Mile Freight Rebate Program” (Program) under the INVEST CLEAN grant. Following the overall approaches in the Workplan, this Implementation Plan (Plan) addresses the procedures and methodologies to implement the Program so that the outputs and outcomes specified in the Workplan can be achieved. This Program will incentivize the transition of goods movement operations to advanced technologies and reduce emissions by replacing or upgrading last-mile Class4-8 freight delivery vehicles with battery-electric technology by providing Participant Support Costs in the form of rebates. Total incentive funding of \$50 million is allocated for last mile freight delivery vehicles. This Plan describes the funding structure, timeline, application solicitation and distribution procedures, application evaluation process, key program requirements, invoice process, engagement with local communities, data reporting, and other strategies to ensure the successful execution of this Program.

2. Definitions

Applicant: Entity that submits an application to the Program.

Data Collection Implementation Plan: A guidance document drafted to supplement the Quality Assurance Project Plan providing additional detailed guidance beyond quality parameters.

Emission Reduction Projection Period: The 25-year period for which the South Coast AQMD estimated emission reduction projections. The South Coast AQMD will continue to assess the Emission Reduction Projection Period estimates by performing further emission reduction projections using data obtained during the EPA Grant term and Rebate Agreement Term.

EPA Grant Term: The Federal period of performance under the EPA grant agreement with South Coast AQMD.

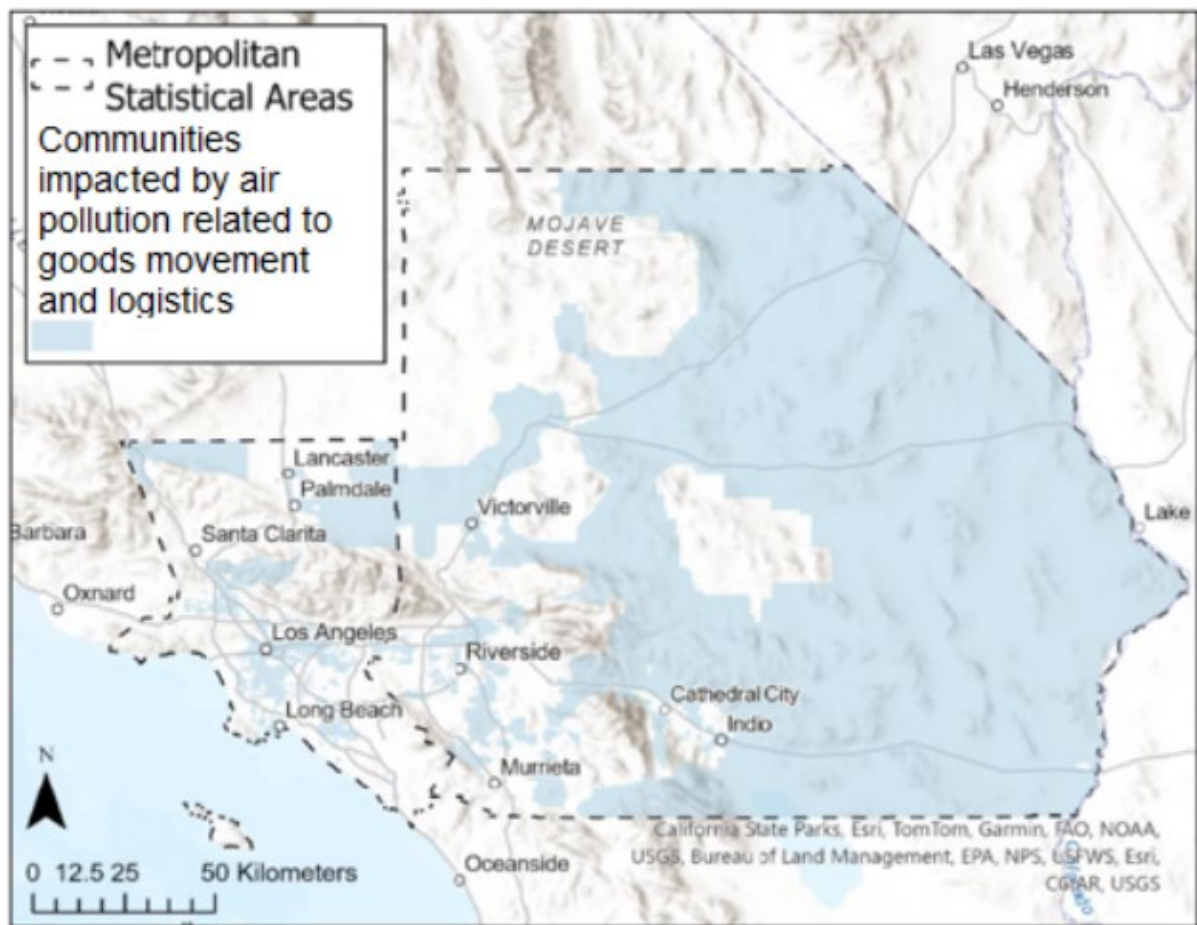
Goods Movement: As defined in Commercial Code Section 2105, goods are movable and the goods being moved must be part of a transaction that involves a contract for the sale of the goods.

Gross Vehicle Weight Rating (GVWR): The maximum allowable total weight of a vehicle when fully loaded.

Last Mile Freight Delivery Vehicles: Vehicles used to deliver goods transported from a transportation hub to their final destination (business-to-business, or business-to-consumer).

Metropolitan Statistical Areas (MSAs): Statistical areas defined by the Office of Management and Budget which have an urban core population of at least 50,000. The INVEST CLEAN program specifically serves the Los Angeles-Long Beach-Anaheim and Riverside-San Bernardino-Ontario MSAs, which include the following four counties: Los Angeles, Orange, Riverside, and San Bernardino.

Figure 1 Area inside the dotted lines represents the two MSA qualified territories





Measure: One of the four battery electric technology categories under the INVEST CLEAN grant. It covers the incentive program, data collection, workforce training, and community outreach. In this Plan, it refers to Battery Electric Freight Vehicles.

Participant Support Cost: Direct cost contributions on behalf of award recipients who are participating in the Program. For this program these are specifically rebates for purchases and installations of commercially available, standard (“off the shelf”) pollution control equipment or zero emission vehicles under programs authorized by EPA appropriation acts and permitted by terms specified in EPA assistance agreements or guidance, when the program participant rather than the recipient owns the equipment..

Program: The incentive portion of the Measure for Last Mile Freight Rebate under the INVEST CLEAN grant.

Project: A Project is considered a Vehicle Conversion or Vehicle Replacement, as defined below, that has applied and/or received funding under the Program.

Quality Assurance Project Plan (QAPP): Written document that provides a structure for data collection to ensure that the project produces reliable data that can be used to meet the project's overall objectives and goals.

Rebate: Reimbursement of funds as participant support costs to a rebate recipient after they have made an eligible purchase or completed a qualifying activity under the Rebate Agreement. The eligible purchases must be backed up with proof of payment before a rebate payment can be issued.

Rebate Agreement with SCAG: A written document that establishes the amount, eligibility criteria, responsibilities, and compliance requirements associated with the rebate award, ensuring that funds are used for their intended purpose and that the recipient fulfills the program objectives before payment. For Measure 2.2, all rebate agreements will be between the rebate recipient and SCAG.

Rebate Agreement Term: The 5-year post-deployment reporting period as required by the Rebate Agreement between SCAG and the rebate recipients. This is the period of time during which the rebate recipient is subject to the Rebate Agreement and data collection requirements. The term begins when the equipment is deployed, with a required duration of 5 years unless otherwise determined.

Rebate Recipient: The selected entity that enters into a Rebate Agreement with SCAG. It will be required to fulfill all program requirements – such as purchasing eligible equipment, replacing or scrapping old equipment, and providing required documentation- to receive an approved rebate payment. Rebate Recipient is the same as a Program Beneficiary but for consistency purposes, Rebate Recipient will be used in this document.

South Coast Air Quality Management District (AQMD): South Coast AQMD is the regulatory agency responsible for improving air quality for large areas of Los Angeles, Orange, Riverside



and San Bernardino counties, including the Coachella Valley. South Coast AQMD provides oversight of the Program and prepares program reports to the EPA.

Southern California Association of Governments (SCAG): SCAG is a joint powers authority under California state law, established as an association of local governments and agencies that voluntarily convene as a forum to address regional issues. SCAG is the designated third-party administrator of the “Last Mile Freight Rebate Program” (Program) under the INVEST CLEAN grant. SCAG is the subaward recipient of \$51,500,000, where \$1.5 million is allocated towards SCAG's administrative costs and \$50,000,000 will be passed through to Program rebate recipients.

Subaward Recipient (or subrecipient): The selected entity, SCAG, that enters into a subaward agreement with South Coast AQMD. It will be required to fulfill all program requirements and provide the required documentation to ensure transparency to South Coast AQMD and the EPA.

University of California Irvine (UCI): The designated third-party data collection and verification organization under INVEST CLEAN.

Vehicle Class: Trucks are categorized into different classes based on the GVWR of the vehicle.

Vehicle Class	GVWR Category
Class 4	14,001-16,000 lbs
Class 5	16,001-19,500 lbs
Class 6	19,501-26,000 lbs
Class 7	26,001-33,000 lbs
Class 8	33,001+ lbs

Vehicle Conversion: Vehicle conversion projects must use standardized conversion kits that have passed the CARB evaluation process. The kits must hold an official Executive Order (EO) number and must be mass-produced, commercially available off-the-shelf products. The kits must be manufactured for an entire vehicle platform rather than custom-made for a single vehicle, and must be for full-vehicle electrification rather than modular or component-level upgrades. Engine replacement projects are not eligible for funding. All compatible vehicle makes and models must be documented in the EO. For all conversion projects, the existing engine must be destroyed as per Scrapping Requirements in this document.

Vehicle Replacement: Vehicle Replacement Projects require the decommissioning of an existing retiring/baseline vehicle and the commissioning of new battery electric vehicle(s). The baseline vehicle must be scrapped as per Scrapping Requirements.

3. Structure and Eligibility

The Last Mile Freight Program offers rebate incentives as participant support costs open to fleets involved in last mile freight through the commercial deployment of Class 4-8 vehicles and will be administered as a separate component through SCAG's existing Last Mile Freight Program.



SCAG is the subaward recipient of \$51,500,000, where \$1.5 million is allocated towards SCAG's administrative costs and \$50,000,000 will be passed through to Program rebate recipients. As participant support costs, rebates can only be used by program beneficiaries on eligible costs, such as the purchase and deployment of Class 4-8 commercial vehicles, conversions of existing Class 4-8 diesel, and Class 4-6 gasoline vehicles to battery-electric technology. All vehicles must operate within the MSAs. Priority consideration will be given to applicants offering a one-to-one replacement of combustion vehicles for each new battery electric vehicle (BEV) purchased or one Vehicle Conversion. \$50 million is allocated for the Last Mile Freight Rebate Program. The incentive amount per vehicle shall not exceed \$67,000 for Class 4/5, \$75,000 for Class 6/7, and \$108,000 for Class 8.

Applicant Eligibility

Eligible applicants include those engaged in delivering goods within the MSAs. This includes, but is not limited to, asset-owners/operators, independent contractors, and asset-light logistics entities.

Equipment Eligibility

Eligible projects include fully battery-electric Class 4-8 vehicles or battery-electric conversion kits designed for last-mile freight/goods movement vocations. Rebate eligibility requires that an existing vehicle be scrapped or converted to battery electric power. However, this program does not require a 1:1 replacement ratio; a minimum of 51% diesel/gasoline scrappage is required (i.e. 3 replacement vehicles can be received for 2 vehicles scrapped).

Existing Vehicle

Diesel vehicles (Classes 4-8) and gasoline vehicles (Classes 4-6) are eligible to be scrapped for replacement with a new battery-electric vehicle through this program. In addition to new vehicle purchases, the program also offers rebates for the conversion of the above vehicle types and classes. The original combustion engine must be removed and dismantled by the conversion provider or delivered to a certified dismantler approved by CARB or the local air district.

- An existing internal combustion vehicle may be dismantled or converted in exchange for one or more battery-electric vehicles of a lower vehicle class, provided that all other program requirements are met. Replacement vehicles shall not exceed the class of the scrapped internal combustion vehicle.
- Must be designed for last-mile delivery vocations.
- Must be diesel- or gasoline-powered.
- Diesel vehicles must have an engine model year from 2010 or newer.
- Must be domiciled and have operated at least 75% within MSAs for the prior 12 months from application submittal.
- Must have operated a minimum of 5,000 miles during the 12 months prior to application.

Eligible Replacement Vehicle

Rebate eligibility requires that the replacement vehicles meet the following requirements:



- Must be brand new and battery-electric powered Classes 4-8 vehicles designed for last-mile delivery vocations or conversion kit(s);
- Must not be powered by hydrogen or any fossil fuels; and
- Must operate at least 75% within one or both of the MSAs for a minimum of 5 years after vehicle deployment
- The program allows for new vehicle purchases that meet the requirements above. The new purchases can be allowed as long as applicants still meet a minimum of 51% diesel/gasoline scrappage threshold, and new vehicle purchase class does not exceed the highest class of scrapped internal combustion vehicle. See Application and Evaluation Process Selection Criteria Section below.

Cost Eligibility

Eligible Costs are Project costs that qualify for reimbursement under this program. INVEST CLEAN Program rebates can be no greater than the Project's procurement cost.

Eligible costs are considered prior to any funding cap restriction determination.

- Procurement costs of the eligible vehicles or vehicle conversion kit(s)
- Installation costs of the vehicle conversion kit(s), if a Vehicle Conversion project
- Sales tax, license, title, and other standard point-of-sale fees associated with purchasing or converting an eligible vehicle.
- Certain fees, delivery costs, and warranties may be eligible on a case-by-case basis
 - The replacement equipment's invoice must include supplemental warranty costs if purchased from the dealer or manufacturer. If not purchased from the dealer or manufacturer, the grantee must supply documentation showing supplemental warranty costs.

Ineligible Costs are project costs that do not qualify for reimbursement under this Program, including but not limited to:

- Any indirect costs
- Insurance, registration, and other costs associated with fleet operation
- Unrelated costs such as infrastructure installation, vehicle maintenance, energy costs, or non-standard equipment.
- Costs incurred outside of the grant period

4. Implementation Timeline

The timeline for this Program is established in the South Coast AQMD CPRG workplan. Timeline for the release of this Program for application solicitation can be found in the Program Announcement (see Attachment 1). SCAG may reissue the solicitation if there are unencumbered funds or modifications needed for solidification based on the Projects' progress and performance to ensure timely implementation of the Program.



5. Funding

Rebate Amount

Up to the following amounts may be provided as rebates per eligible vehicle: \$67,000 for Class 4 or 5, \$75,000 for Class 6/7, and \$108,000 for Class 8.

All applicants must disclose all sources of any other funding, including the name of the funding source and the amount of funding. Other funding will be evaluated to determine whether they can be combined, or “stacked” with Measure 2.2 funding. There is no cost share required through this program. Other federal funding cannot be stacked with funding from this Program. Total incentive funds cannot exceed the cost of the vehicle.

Rebate Distribution

Upon delivery of new/converted vehicle, the participant will submit an invoice to SCAG using an approved form with supporting documentation. As part of the submittal, the participant will submit documentation including, but not limited to, the following:

- Purchase invoices and/or signed sale agreements for the new/converted vehicle(s) verifying that the eligible battery-electric unit(s) was sold to the rebate recipient;
- Copies of checks, wire transfers and/or financing documents documenting all payments for the invoiced amount charged by the dealership or equipment manufacturer;
- Proof of vehicle registration, insurance, and warranty information, for new or converted vehicle.
- Proof of fleet compliance with applicable fleet/truck regulations
- Documentation of inspections as described in the Inspections section below
- If applicable, documentation verifying each existing vehicle/engine was delivered to an approved dismantler and destroyed; and

6. Rebate Agreement

SCAG will execute legally binding agreements with rebate recipients to ensure Project implementation accountability, including the timeline and terms and conditions of the Project. Documentation of compliance with all EPA grant agreement 5E97T15501 terms and conditions, including those identified in Cross-Cutting statutes (i.e. Build America, Buy America, Davis-Bacon Act, etc.) will be required or demonstrated to be in progress prior to agreement execution. SCAG will flow down all necessary program terms and conditions including, but not necessarily limited to, the following:

- Describe the activities that will be supported by the rebates.
- Specifies the amount of the rebate.
- Specifies that the program beneficiary will comply with the applicable Federal cross-cutting authorities.



- Specifies that the costs must be reasonable and necessary, and incurred within the grant project period.
- Identifies which party will have title to equipment purchased with a rebate
- Makes clear that program beneficiaries are not eligible to receive PSCs if they are included on the debarred or suspended list in SAM.gov
- Delineates the procedures for returning unspent funds/unused rebates or recovering improperly documented or disallowed expenses
- Makes clear that the program beneficiary is responsible for any applicable federal or state taxes on payments or rebates received
- Establishes source documentation requirements to ensure proper accounting of funds.
- Be available for a follow-up inspection by South Coast AQMD, if requested. Applicants must notify South Coast AQMD at least 30 calendar days prior to the delivery of any baseline vehicle to the certified dismantler. Applicants must notify South Coast AQMD no later than 60 days from when replacement vehicle is delivered and operational.;
- When the Project is a vehicle replacement, the existing vehicle must be scrapped. The existing vehicle must be delivered to dismantlers no later than 90 days of beginning operation of new vehicle(s);
- Provision of data to ensure monitoring and compliance through telematics or other travel logs as appropriate;
- Register the new/converted vehicle in California with the Department of Motor Vehicles;
- Maintain insurance on the new/converted vehicle as required by law;
- Ensure the operation of the new/converted vehicle is within one or both of the MSAs and provide all necessary progress reports;
- The funded vehicle is required to maintain a minimum of 5,000 miles a year, 75% of which must be within the two MSAs for the entire operating period;
- Ensure the new vehicle is operated and maintained with proper maintenance throughout the Rebate Agreement Term. Any disposition of the equipment must be in accordance with EPA grant 5E97T15501 terms and conditions;
- The replacement vehicle is to have at least a three-year manufacturer's warranty; and
- Ensure that vehicle operation is restricted specifically to last mile freight delivery.

Failure to fulfill rebate agreement terms will require corrective action, see the Monitoring and Compliance Section, below.

7. Scrapping Requirements

All existing vehicles or existing engines as part of this program must be destroyed and rendered useless to ensure emission reductions are achieved. Documentation will be received and reviewed by SCAG. South Coast AQMD may select a subset of the documentation for review. At a minimum, the destruction of a vehicle/engine must include the following:

- For vehicle replacement, existing vehicle must be driven, not towed, to a South Coast AQMD-approved dismantler. Baseline vehicle must be scrapped no later than ninety (90) days after the dismantler's receipt. A dismantler receipt must be collected by the rebate



recipient and provided to SCAG before the rebate can be processed. Documentation of the destruction must be provided to SCAG no later than sixty (60) days after destruction.

- For conversions, the existing engine must be destroyed no later than ninety (90) days after the existing engine is removed. Documentation of the destruction must be provided to SCAG. Documentation of the destruction must be provided to SCAG no later than sixty (60) days after destruction.
- The scrapping method must include drilling a three-inch asymmetrical hole in the engine block and cutting the frame rail, as applicable.
- The cost of dismantling baseline equipment will not be reimbursed
- South Coast AQMD must be notified no later than thirty (30) days after equipment destruction so that an inspection can be performed if deemed necessary by South Coast AQMD.
- Dealer, OEM, or dismantler shall provide proof of scrappage to SCAG including:
 - Forms and digital photos of existing vehicle documenting before and after destruction for the following:
 - Vehicle from front (license plate, if available)
 - Vehicle from both sides
 - Vehicle from the rear (license plate, if available)
 - Vehicle Identification Number (VIN)
 - Engine serial number (ESN)
 - Frame rails for vehicle replacement Project
 - Engine block with identifier painted on
 - Location of dismantler yard where the existing vehicle/engine was destroyed
 - Date the existing vehicle is delivered to or picked up by a dismantler
- Completed REG 42 (Report of Vehicle to Be Dismantled) with DMV-stamped validation or other completed DMV forms used to validate vehicle dismantling and junking. The Awardee must submit this documentation to South Coast AQMD per the Agreement terms.

8. Outreach and Engagement Strategy

Efforts by SCAG will include:

- Engagement with industry stakeholders through conferences and trade associations, such as the Advanced Clean Transportation Expo
- Leverage existing contacts
- Stakeholder workshop(s)
- Partnerships with community-based organizations for outreach to impacted communities

With input gathered from initial outreach efforts, SCAG will develop an FAQ document to be published on the SCAG's webpage.



Based on input received from the public, South Coast AQMD will disseminate information and work with local and regional partners throughout the MSAs, to engage with industry, community, labor, and other stakeholders to promote the Program. Outreach will be conducted to ensure that original equipment manufacturers (OEMs), dealerships, and fleets in the Class 4-8 BEV market are aware of the program. Additionally, Community outreach and engagement will be conducted to receive feedback on Project prioritization considerations and related issues.

- Maximize outreach to reach potential incentive program participants through various channels including, but not limited to in person meetings/workshops, participating in industry and community events, social media, INVEST CLEAN website, email blasts, partnerships with governmental agencies, chambers of commerce and trade associations, and other methods
- Coordinate with Community Benefits Steering Committee to educate stakeholders on funding opportunities
- Engage with targeted communities and stakeholders, including Community Air Protection Program Steering Committees

The INVEST CLEAN website will be periodically updated to provide Program Announcements, Request for Proposals, public workshops, meetings and events, workforce development opportunities, and other information.

Thus far, public input on Project Implementation has focused on ensuring awards are:

- Geographically distributed throughout the two MSAs
- Prioritized for communities most impacted by goods movement and logistics
- Selected to maximize emission reductions
- Aligned with concepts of Community Air Quality Priorities

Other comments related to support for projects that invest in the local economy and the need for workforce development programs to provide communities with job opportunities. One comment suggested that projects related to 2028 Olympics in Los Angeles should be considered.

9. Application and Evaluation Process Selection Criteria:

Applications will be reviewed on a rolling basis throughout the submission period and will be assessed based on compliance with program requirements, Project feasibility, and potential to achieve regional air quality and emissions reduction benefits. SCAG staff will notify applicants if their applications are incomplete or require clarification so that applicants have an opportunity to provide missing information before the submission period closes.

Once the submission window has closed, SCAG will reevaluate applications collectively to ensure that a majority of purchases are replacements/conversions of existing diesel or gasoline vehicles. Rebate selections will also seek to achieve a geographic funding target of at least \$6,250,000 per county within the MSAs. Actual funding allocations will depend on application



volume, Project eligibility, and demand across the four counties. To ensure timely distribution of funds, a program sunset date will be established and enforced if one or more counties experience low participation or insufficient eligible applications.

All eligible applicants will be considered, but SCAG will use a tiered system to rank Projects based on vehicle replacement tiers defined below, “shovel-ready” vehicle acquisition plans, and projected emissions benefits. Funding preference will be given to higher-tier Projects to maximize regional air quality outcomes.

The tiered system is designed to provide transparency and consistency in the selection process while ensuring that rebate awards achieve the greatest possible impact. Projects are grouped into three tiers, with Tier 1 representing those that most closely align with program priorities, such as one-to-one replacement of higher-mileage vehicles with newer battery-electric technologies and demonstrating readiness for immediate deployment. Tier 2 Projects exceed baseline standards by satisfying key air quality objectives, while Tier 3 Projects meet all minimum program requirements but may be awarded funding only after higher-tier Projects have received higher priority awards.

This tier system allows SCAG to prioritize investments in Projects with the strongest attributes to meet program requirements for regional emissions reductions.

Tier 1 – High Priority

- Vehicle Replacement: One-to-one replacement or conversion of medium- or heavy-duty diesel or gasoline vehicles/engines for each BEV.
- Replaced Vehicle Age + Mileage:
 - 2014 or older vehicles with $\geq 12,500$ annual miles, or
 - 2015 or newer vehicles with $\geq 20,000$ annual miles
- Project Readiness: Demonstrated shovel-ready acquisition/deployment (infrastructure in place or documented to be in place at vehicle delivery) by spring 2028.

Tier 2 – Medium Priority

- Vehicle Replacement: 70%-99.9% replacement or conversion of medium- or heavy-duty diesel or gasoline vehicles/engines for each BEV.
- Replaced Vehicle Age + Mileage:
 - 2014 or older vehicles with 10,000-14,999 annual miles
 - 2015 or newer vehicles with 10,000-19,999 annual miles

Project Readiness: Acquisition plans are progressing with commitments made, but infrastructure access is still pending or conditional (infrastructure anticipated to be in place at vehicle delivery by spring 2028).

Tier 3 – Baseline Priority

- Vehicle Replacement: Meets minimum 51% medium- or heavy-duty diesel or gasoline replacement or conversion for each BEV.
- Replaced Vehicle Age + Mileage:
 - Any diesel vehicle age 2010 or newer or gasoline vehicle (any age) with 5,000-9,999 annual miles
- Timeline for infrastructure acquisition or contract to use third party infrastructure still pending; infrastructure still under development.

If an application meets only a portion of the requirements for placement within a particular tier, it will be placed in the highest tier for which it meets or exceeds all the requirements.

There is a possibility that, due to large program interest, applicants may be offered partial funding. In this scenario, to ensure that a majority (51 percent minimum) of purchases are replacements or conversions of existing medium- or heavy-duty diesel or gasoline vehicles, applicants requesting diesel or gasoline vehicle replacements below a one-to-one level may be asked to reduce the number of battery-electric vehicles to receive funding. If the program is oversubscribed, not all eligible applications may be funded.

10. Inspections

The South Coast AQMD will conduct on-site or remote inspections on the new vehicles approved for funding. Per 2 CFR 200.337, EPA and its authorized representative shall have access to the funded Projects. Additional inspections of 20% of project baseline vehicles or of destroyed baseline vehicles or engines may be conducted at the discretion of South Coast AQMD. Inspections of replacement/converted vehicles may be conducted virtually via remote inspections. Recipients must make all equipment available for in-person or remote inspections unless otherwise specified within the Agreement or requested by South Coast AQMD.

Pre-Inspection

Verification of the equipment specifications and operational condition of the existing equipment, which could include the following items:

- Photographs of the existing equipment and engine, including:
 - (1) Full equipment in frame
 - (2) Front, back, and both sides of the equipment
 - (3) Both sides of the engine
 - (4) Any specification plates/labels/identifiers or emission control labels attached to the equipment/engine including equipment serial number and engine serial number
 - (5) The equipment and engine in operation
 - (6) Current odometer reading
- Visual verification of operational condition by the South Coast AQMD Inspector to confirm:
 - (7) Equipment is able to start up and move backward and forward
 - (8) Fuel tank is in usable condition



- (9) No parts are stripped
- (10) Equipment is not vandalized
- Gathering of documents, including:
 - (11) Equipment or engine specifications
 - (12) Usage or maintenance documents
 - (13) Compliance documents demonstrating compliance with Federal/State/Local Laws, Rules and Regulations

Post-Inspection

Verification of the equipment specifications and operational condition of the replacement equipment, which could include the following items:

- Photographs of the replacement equipment, including:
 - (1) Full equipment in frame
 - (2) Front, back, and both sides of the equipment
 - (3) Equipment certification/verification of battery-electric zero emission
 - (4) Any specification plates/labels/identifiers or emission control labels attached to the equipment/engine including equipment serial number
 - (5) The data logger/mileage providing usage information
 - (6) Verification of the equipment and engine in operation
- Visual verification of operational condition by the South Coast AQMD Inspector to confirm:
 - (7) Equipment is able to start up and move backward and forward
 - (8) Fuel tank is in usable condition
 - (9) No parts are stripped
 - (10) Equipment is not vandalized
- Gathering of documents including:
 - (11) Equipment or power train specifications
 - (12) Compliance documents demonstrating compliance with Federal/State/Local Laws, Rules and Regulations

Destruction Inspection

Verification of the equipment specifications and confirmation of destruction of the existing equipment, which could include the following items:

- Photographs of the existing equipment and engine, including when applicable:
 - (1) Full equipment in frame
 - (2) Front, back, and both sides of the equipment
 - (3) Both sides of the engine
 - (4) Any specification plates/labels/identifiers or emission control labels attached to the equipment/engine including equipment serial number and engine serial number
 - (5) Odometer Reading (if still operational)
 - (6) Cut structural components
 - (7) Destroyed engine block



- (8) Any other cuts/holes or otherwise destroyed portions of the equipment or engine in accordance with the methods detailed in Scrapping Requirements Section above.
- Visual verification of destruction by the South Coast AQMD Inspector to confirm:
 - (9) Equipment is inoperable and irreparable
 - (10) Equipment has been destroyed in accordance with the methods detailed in Scrapping Requirements Section above.
- Gathering of documents including:
 - (11) Verification of destruction from an approved dismantler
 - (12) Equipment and engine specifications
 - (13) Usage or maintenance documents
 - (14) Completed REG 42 (Report of Vehicle to Be Dismantled) with DMV-stamped validation or other completed DMV forms used to validate vehicle dismantling and junking.

11. Monitoring and Compliance

Monitoring

South Coast AQMD designates a program designee to perform data collection and data analysis for the purpose of reporting program outcomes. The University of California Irvine is currently selected as a third party to be the program designee for data collection and data analysis. Rebate recipients will provide the program designee periodic updates on the Project's operation data metrics, such as mileage and other relevant data. The new unit must remain in service for the entire Rebate Agreement Term. South Coast AQMD project officers will track the life cycle of the project to ensure project milestones are met.

Rebate recipients will be required to report performance metrics, such as mileage and other relevant data. The new unit must remain in service for the entire Rebate Agreement Term. Where feasible, rebate recipient must install data loggers on the granted vehicle to enable real-time data submission or remote access. Rebate recipient may request to withhold business-sensitive data, provided this does not compromise the objectives of the data collection. Note that such requests will not abrogate or modify the provisions of Government Code Section 7920 et seq. (Public Records Act). The designated third-party data verification organization will collect and analyze vehicle data to verify the Measure's performance, emission reductions, and associated job creation. Details on the data to be collected, data collection methodology, data collection frequency, and other reporting requirements will be specified in the Data Collection Implementation Plan and the Quality Assurance Project Plan (QAPP). Specific data collection and reporting procedures from the Data Collection Implementation Plan and QAPP will be included in the Rebate Agreement. Adherence to the data collection implementation plan and QAPP will be reviewed and enforced by South Coast AQMD. Program Designee is responsible for performing quality control and quality assurance of collected data and will provide the South Coast AQMD with routine reports as detailed in the Data Collection Implementation Plan and QAPP. When program designee is unable to perform data collection, South Coast AQMD will collect data in accordance to the Data Collection Implementation Plan and QAPP for the duration of the Rebate Agreement Term.



From conversation with fleets and operators that have participated in other incentive programs, individuals and companies that have experienced owning and operating a battery electric unit developed strong preferences towards the new technology. It is expected that applicants will retain operation of the replacement vehicle where feasible. Beyond the Rebate Agreement Term, applicants will be requested to voluntarily notify the South Coast AQMD when truck ownership is transferred. South Coast AQMD expects to observe that after the Rebate Agreement Term many of the vehicles will enter the secondary market to enable late adopters of battery electric vehicles to be introduced to the technology at a much lower price point. The 25-year emission reduction was based on similar assumption that the diesel vehicles are scrapped and no longer on the road and their replacements will continue to be battery-electric alternatives electric alternatives for the Emission Reduction Projection Period after the Rebate Agreement Term ends. INVEST CLEAN's investment in building out the charging infrastructure and training the workforce are intended to support the sustainability of fleet conversion to battery electric.

Compliance

When a rebate recipient is unable to meet the program requirements (e.g., documentation, operation, utilization, emission benefits, etc.) or terms specified in the Agreement, SCAG may consider options to remedy the violation before seeking enforcement action. In addition, when a rebate recipient cannot meet the average usage requirements or terms specified in the Agreement, SCAG may seek remediation.

Options for non-performance include, but are not limited to, the following:

- Extending the Project Agreement to allow for the makeup of the usage requirement shortfall.
- The owner will make its best effort to repair the vehicle and assist with identifying a new operator.
 - SCAG will review and approve the justification for the deployment failure before any ownership transfer can be authorized.
- SCAG may withhold Project funds until compliance is met. Additionally, per their discretion, SCAG may require return of Project funds.
- SCAG may require a new operator to meet performance requirements.

12. Workforce Training

This measure does not consist of a charger component hence the International Brotherhood of Electrical Workers (IBEW) pre-apprenticeship and apprenticeship programs are not involved. However, if any participating fleet receiving a rebate needs training on battery-electric technology, IBEW will coordinate the training efforts through a local university or a training institution. To minimize program redundancy and maximize effectiveness, Vehicle operation training is not budgeted for this Measure as there are other programs available to the public for workforce training such as the South Coast AQMD-administered Clean Heavy Duty Vehicle Vocational grant named ELECTRIC.



13. Program Performance Evaluation and Contingency

SCAQMD will evaluate and closely monitor the program's progress to identify the need for improvements and adjust accordingly, including modifying the solicitation and reissuing the solicitations. SCAQMD will evaluate the program performance based on the following:

- Project implementation progress
- Measures participation
- Agreement execution
- Data submission to Program Designee
- Program Designee analysis of the data collected from the fleet operation.
- Third party contractors and subrecipients for outreach, data collection, and data analysis are required to specify deliverables within their contracts
- Implementation of the outreach and engagement strategy will be monitored by delivery of Public Benefits Steering Committee outputs to achieve favorable outcomes including, completion of required meetings and outreach events, review of Community Air Quality Priorities document by rebate recipients, and development of list of community benefit projects for South Coast AQMD to consider for future implementation in partnership with local organizations. Additionally, reporting back to the Public Benefits Steering Committee on projects throughout the Program Implementation with updates shared at community events as well.

If the program performance did not meet the expectations, the contingency measures include but are not limited to, the following:

- Reopen the solicitations
- Reallocate funds to other rebate measures with consideration of the cost-effectiveness
- Conduct additional outreach
- Enforce agreements and impose penalties
- Meet with rebate recipients regularly to discuss plans to mitigate emission reduction shortfall and consider Community Air Quality Priorities from Public Benefits Steering Committee

Program progress will be communicated with the EPA through regular meetings to provide updates on the program and report any problems, delays, or adverse conditions that may materially impact adherence to the approved work plan. Progress is documented through the Semi-Annual Report which will include:

1. Technical progress and milestones as noted in the approved work plan
2. Budget updates
3. Any contingency or corrective actions
4. Community engagement activities
5. Environmental risk mitigation strategies
6. Climate resiliency plans
7. Personnel changes
8. Changes to third party contractors and subrecipients



9. Changes to contracts, subgrants, and participant support costs
10. Job Creation updates
11. Summary of anticipated activities in the next 6-month period.

Additionally, a one-year report will document co-pollutant emissions reductions of each pollutant impacted by each measure, the sector impacted, and the county in which the emissions change.

At the end of the program, program closeout will be documented by the South Coast AQMD in a final report submitted to the EPA in accordance with EPA's Information Collection Request 2806.01, OMB Control Number 2060-0763. Data collected during the EPA Grant Term will be used to provide a projection of the 25-year emission reduction.

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