



Commercial Harbor Craft 2022 Amendments

California Code of Regulations, Title 17, Section 93118.5

CHC Factsheet: Funding Programs

Date: September 27, 2023

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 January 2023 and is subject to change.

Clean Transportation Incentives: Advanced Technology Demonstration and Pilot Projects

The Advanced Technology Demonstration and Pilot Projects support the acceleration of the next generation of advanced technology vehicles, equipment, or emission controls that are not yet commercialized or commercialized technology that has not yet been widely adopted. The FY 2021-22 and FY 2022–23 Funding Plan for Clean Transportation includes zero-emission capable CHC and Tier-4 vessels. The zero-emission CHC categories focus on zero-emission and renewable dockside fuel generation and zero-emission CHC for small businesses, with projects required to be located in or benefit a disadvantaged or low-income community. The Tier-4 CHC category allocates \$60 million and prioritizes ferries, commercial passenger fishing vessels, research vessels, and excursion vessels. For more information, please visit [CARB's Low Carbon Transportation Investments webpage](#) or the [Advanced Technology Demonstration and Pilot Projects website](#).

Passenger Ferry Grant Program (Section 5307(h))

The Federal Transit Administration (FTA) Passenger Ferry Grant Program funds capital projects to purchase, replace or rehabilitate passenger ferries, terminals, and related facilities and equipment in urbanized areas. For FY 2022, \$36.5 million was available to be awarded, with \$3.25 million set aside for low to zero-emission ferries. Applications must be submitted electronically through [Grants.Gov website](#). The Notice of Funding for FY 2022 FTA Ferry Programs is available on the [FTA website](#).

Electric or Low-Emitting Ferry Program (Low-No Ferry Program)

The Electric or Low-Emitting Ferry Pilot Program makes federal funding available for purchase of electric and low-emitting ferry vessels that reduce emissions by using alternative fuels or on-board energy storage systems and related charging infrastructure to reduce

emissions or produce zero on-board emissions under normal operation. Beginning in 2022, in each fiscal year, at least \$49 million will be available for grants, and applications must be submitted electronically through [Grants.Gov website](#). A factsheet on the program can be found on the [FTA website](#).

Ferry Service for Rural Communities

The Rural Ferry federal funding program provides competitive funding for capital, operating, and planning assistance for ferry service that operated a regular schedule at any time in the 5-year period ending March 1, 2020. Beginning in 2022, in each fiscal year, at least \$200 million will be available to be awarded, and applications must be submitted electronically through [Grants.Gov website](#). A factsheet on the program can be found on the [FTA website](#).

Volkswagen Environmental Mitigation Trust

The Volkswagen (VW) Environmental Mitigation Trust provides about \$423 million for California to mitigate the excess oxides of nitrogen (NO_x) 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-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 [VW's California](#) website for program announcements.

VW Project Category	CHC Baseline Equipment	CHC Replacement Technology	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 _x emissions	40% ^a	\$1,000,000	South Coast Air Quality Management District
Zero-emission Freight and Marine	Pre-Tier 3	Hydrogen fuel cell or battery-electric engine repower	75% ^a	Limited by cost effectiveness	Bay Area Air Quality Management District

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

^a The maximum incentive coverage is 100% for government-owned projects.

projects, but with higher maximum funding percentages for projects achieving reductions in California’s most heavily impacted communities (outlined by AB 617^b and CARB’s Community Air Protection Program). The CMP staff are working on an update to the marine chapter guidelines. To apply for funding or more information, consult with your local air district, and see the [2017 Carl Moyer Program Guidelines](#) and the [Community Air Protection Incentives 2019 Guidelines](#).

Proposition 1B: Goods Movement Emission Reduction Program

Proposition 1B: Goods Movement Emission Reduction Program provides incentives to quickly reduce air pollution emissions and health risk from freight movement along California's trade corridors. The Program started in 2006 and solicitations are still being held for the final allocations of funding. Funding opportunities for CHC are limited to goods movement categories and only in San Diego. Projects funded under this Program must achieve emission reductions early or extra to those required by law or regulation. Eligible projects for commercial harbor craft can be found in Appendix D or page 191-196 of [the Prop 1B Guidelines](#).

Local air districts cannot combine funding from this Program and direct funding from the Carl Moyer program on the same equipment project. For more information, please view the [Prop 1B website](#) or contact [San Diego APCD](#).

Clean Off-Road Equipment Voucher Incentive Project (CORE)

CORE is an incentive program intended to encourage California companies to purchase or lease currently commercialized zero-emission off-road equipment by providing a streamlined voucher process to offset the higher cost of such technologies. Vouchers are awarded on a first-come, first-served basis. Dealers, not purchasers, are responsible for securing CORE incentives, equipment users do not need to gain an understanding of the voucher process to receive the full benefits of CORE. The FY 2021-22 Funding Plan expands CORE to include new equipment, conversion kits, infrastructure enhancements, and commercial harbor craft. For more information, visit the [CORE website](#).

Project	Description	Amount
Base Voucher	New Equipment or Conversion Kit ≥ 19 kW Internal Combustion Powered Equivalent	Up to \$500,000
Infrastructure Enhancement	Charging < 50 kW	\$3,000
Infrastructure Enhancement	Charging ≥ 50 kW	\$30,000
Infrastructure Enhancement	Hydrogen Fueling	\$30,000

^b [Assembly Bill 617 \(Chapter 136, Statutes of 2017\)](#).

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. In 2022, the allocation request window was opened in January and closed in March. For more information, please visit the [LCTOP website](#).

Transit and Intercity Rail Capital Program (TIRCP)

Transit and Intercity Rail Capital Program (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](#).

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 diesel emissions reduction projects include marine engines that use

- [EPA verified](#) retrofit technologies or certified engine configurations,
- [CARB verified retrofit technologies or certified engine configurations](#), and
- early engine, vehicle, or equipment replacements with [certified engine configurations](#).

For information about funding availability and eligible marine projects, please visit the [DERA Program website](#) and/or contact the [U.S. Environmental Protection Agency](#).