



LOCOMOTIVES

What is the Program?

The San Joaquin Valley Air Pollution Control District (SJVAPCD) *will pay you* to reduce emissions from locomotive engines. If you have a locomotive engine that needs to be replaced or plan to purchase new engines for line haul, short haul, switch yard, or passenger rail services, the SJVAPCD may give you money to retrofit your engine or replace it with a new, cleaner burning engine that runs on diesel or alternative fuels such as natural gas, liquefied petroleum gas, methanol, ethanol, or electricity. The SJVAPCD is providing incentives to municipalities, government agencies, school districts, private firms, and individuals interested in the purchase of:



- ▲ New reduced-emission engine on new locomotive
- ▲ New reduced-emission engines for replacement in existing locomotives (repowers)
- ▲ Reduced-emission retrofit technologies meeting certain eligibility criteria

Why is the SJVAPCD Offering These Incentives?

The purpose of the Heavy-Duty Engine Emission Reduction Incentive Program (Heavy-Duty Engine Program) is to assist the SJVAPCD in achieving air quality standards by the early introduction of reduced-emission technologies. The widespread use of lower emitting heavy-duty engines can provide significant improvements to air quality in the San Joaquin Valley. When you retrofit or repower your locomotive engine, you will contribute to cleaner air for everyone in the Valley.

How Much Money Can I Get?

Since the funding is intended to decrease the expense associated with the purchase of cleaner technologies, the amount of money you can receive will depend on the price difference between the reduced-emission technology and engines meeting the current standards. The eligible incentive amount for replacing a conventional engine with a reduced-emission engine (repower project) will be the new engine cost minus the rebuild cost. The total incentive provided by the SJVAPCD will not exceed the value of \$6.50 per pound (\$13,000 per ton) of nitrogen oxide (NO_x) emissions reduced or maximum cost limits based on horsepower rating.

How Do I Know If I Am Eligible For Funding?

Any public agency, company, or individual may apply to receive an incentive under this program. Funds are available for eligible new locomotive engines and/or engine retrofits that meet specific program criteria. The criteria for eligible engines/retrofit technology are as follows:

- ▲ The existing locomotive is used in one of the following:
 - Line haul service
 - Short line service
 - Switch yard service
 - Passenger service
- ▲ The proposed engine technology is eligible for program funding.
- ▲ The reduced-emission engine/technology has been tested or is under experimental permit for operation in California.
- ▲ For retrofit or add-on equipment projects:
 - Must show 15% reduction of NO_x emissions and no increase in particulate emissions compared to the applicable U.S. EPA standards for that engine year and type of application
- ▲ Pre-1973 model year locomotives must test to 15% below uncontrolled baseline NO_x emissions.



- ▲ 1973 and later model year locomotives must test to Tier 1 or Tier 2 federal locomotive NOx standards.
- ▲ The purchase or emission reductions are not required by or used to comply with any local, state, or federal rule or regulation, Memorandum of Understanding (MOU), or Memorandum of Agreement (MOA).

What's the Catch?

There is no catch. We're paying you to help us clean up the air. However, to achieve this goal, your clean locomotive has to operate in the San Joaquin Valley. For us to make sure this happens, we'll need the following from you:

- ▲ Assurance that the locomotive will be based within the SJVAPCD (see map at right).
- ▲ 75% or more of the locomotive annual miles, ton-miles traveled, hours of operation, and fuel consumption will be within the boundaries of the SJVAPCD for at least 5 years from the date the locomotive is placed into service with the new reduced-emission technology. If the locomotive does not complete the minimum 5-year term set forth in this program, a prorated portion of the funds must be returned to the SJVAPCD.
- ▲ Simple annual reports will be required for 5 years from the beginning of locomotive operation with the new technology. The reports shall include such information as fuel consumption, hours of operation, and details regarding maintenance. These reports help us know that we are indeed improving air quality with valuable tax dollars.



How Do I Apply?

Applications will be evaluated and approved on a **first-come, first-serve basis** until program funds are exhausted. The process is as follows:

1. Send an application to the SJVAPCD. The application will require contact information and descriptions of the replacement locomotive engine/technology and operations.
2. SJVAPCD staff reviews the application to determine eligibility. You will be notified if more information is needed.
3. If the application meets minimum criteria, an incentive amount will be determined for the proposed engine/technology.
4. Applicants will be notified of application approval or denial. Upon approval of the application, the SJVAPCD will prepare a simple contract for signature by the applicant and SJVAPCD.
5. The applicant orders and places the reduced-emission technology into service within 1 year of contract signature.
6. The applicant submits equipment invoice, receipts, and SJVAPCD Claim(s) for Payment form. The SJVAPCD issues payment upon verification that the vehicle has been placed into service.
7. As mentioned above, the applicant will submit simple annual reports. The SJVAPCD maintains the right to monitor the project periodically to ensure emission reductions.

Where Do I Get an Application?

You can receive an application by calling the SJVAPCD at (559) 230-5858. For general information about the program, you can call (559) 230-5800 or visit the SJVAPCD website at www.valleyair.org.