

Clean Transportation Incentives

Fiscal Year 2023-24

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

**Attachment E -
Commercial Harbor Craft**

Released June 11, 2024



Table of Contents

A.	PROJECT OVERVIEW.....	1
1.	Background.....	1
2.	Eligible Purchasers.....	1
3.	Project Participation Period.....	1
4.	Stacking CORE Funding with Other Programs.....	1
B.	VOUCHER AMOUNTS.....	2
1.	New Vessel Voucher Amount.....	2
2.	Conversion Kit Voucher Amount.....	2
C.	VOUCHER ENHANCEMENTS.....	3
1.	Small Business Definition.....	3
2.	Small Business Verification.....	4
3.	Disadvantaged Community Definition.....	4
4.	Shore-side Electric Charging or Zero-Emission Bunkering Equipment.....	4
D.	VOUCHER EXTENSIONS.....	4
E.	EQUIPMENT ELIGIBILITY APPLICATION.....	5
1.	Location.....	5
2.	Service and Repair.....	5
F.	EQUIPMENT CRITERIA.....	5
1.	Warranty.....	6
2.	Eligible Vessel Designs.....	6
3.	Emergency Diesel.....	6
4.	Telematics.....	6
G.	NEW VESSEL PATHWAY.....	7
1.	New Vessel Eligibility Application Process.....	7
2.	New Vessel Voucher Request Submittal.....	8
H.	CONVERSION KIT PATHWAY.....	10
1.	Conversion Kit Initial Equipment Eligibility Application Process.....	11
2.	Conversion Kit Voucher Request Submittal and Final Equipment Eligibility Application Process.....	11
I.	TERMS AND CONDITIONS ATTACHMENT E: COMMERCIAL HARBOR CRAFT.....	15
1.	Purchaser Terms and Conditions.....	15
2.	Manufacturer and Dealer Terms and Conditions.....	17

CORE Implementation Manual Attachment E (Release Date: June 11, 2024)

3.	Sales Disclosure.....	17
4.	Extended Downtime Report.....	18
5.	Annual User Experience Report	19
6.	Replacement Parts	19
7.	Telematics Reporting	19
J.	CORE APPROVED DEALER STEPS TO PARTICIPATE AND RESPONSIBILITIES	19
K.	PROJECT NONPERFORMANCE.....	21

A. PROJECT OVERVIEW

1. Background

The FY 2021-22 Funding Plan expanded CORE to cover heavy-duty off-road eligible and commercial harbor craft (CHC)¹. The goal of CORE is to overcome the most significant barrier to entry of zero-emissions equipment by lowering the purchase price and making cleaner technologies more achievable. In addition, CORE aims to support eligible purchasers that are going beyond the minimum requirements of the California Commercial Harbor Craft Regulation Amendments by purchasing fully zero-emissions vessels.

2. Eligible Purchasers

Eligible purchasers include an entity that is purchasing a vessel type that is subject to and fully compliant with the California Commercial Harbor Craft Regulation (17 CCR 93118.5)². The regulation applies to any private, commercial, government, or military marine vessel (with the exception of tactical support vessels) including, but not limited to, passenger ferries, excursion vessels, tugboats, ocean-going tugboats, towboats, push boats, crew and supply vessels, work boats, pilot vessels, supply boats, fishing vessels, research vessels, barge and dredge vessels, commercial passenger fishing vessels, oil spill response vessels, hovercraft, emergency response harbor craft, and barge vessels that do not otherwise meet the definition of ocean-going vessels or recreational vessels. The purchaser must be in compliance with CHC regulations at the time of voucher approval, to include annual reporting requirements³. In addition, the purchaser must obey all other guidelines as set forth in the CORE Implementation Manual and in the Purchaser Terms and Conditions.

3. Project Participation Period

The “project participation period” starts on the date the CORE-funded CHC is delivered or the date final payment is made, whichever is later, and ends three years following such date. For zero-emission conversion kits funded with a CORE voucher, the date of delivery shall be the date the fully converted CHC is delivered to the purchaser.

4. Stacking CORE Funding with Other Programs

Stacking, where CORE co-funds with other public funding programs, is allowed by CORE but may not be allowed by other programs. Be sure to confirm the terms, conditions, and program requirements of each funding source when evaluating whether fund-stacking is permissible. Additionally, CORE does not allow the total amount of incentive

¹ https://ww2.arb.ca.gov/sites/default/files/2021-10/fy21-22_fundingplan_appendix_d.pdf

² <https://ww2.arb.ca.gov/our-work/programs/commercial-harbor-craft>

³ <https://ww2.arb.ca.gov/our-work/programs/commercial-harbor-craft/chc-reporting-templates>

funding (from all sources) to exceed the total cost of the CHC (excluding taxes and fees). Accordingly, in an applicable transaction, a CORE voucher could be reduced below the amount originally determined for the affected CHC. Other incentive programs may require scrappage of existing internal combustion equipment; this is not a requirement to participate in the CORE program. However, CORE requirements do not replace or supersede the requirements of other incentive programs that may be used in conjunction. Therefore, if a purchaser is also seeking funding from other incentive programs/projects that require scrappage, the purchaser is still bound by such requirements. If purchasers are interested in additional funding to scrap their existing internal combustion equipment, they can contact their local Air District⁴.

B. VOUCHER AMOUNTS

Commercial harbor craft vouchers are per vessel and must not exceed \$1,000,000 including additional funding provided for small business, CHC deployment in disadvantaged or low-income communities and shore-side electric charging or zero-emission bunkering equipment.

In addition, while CORE does not prohibit combining a CORE voucher with funds from other incentive programs, the total CORE voucher amount plus all other public incentives may not exceed 100 percent of the total cost of the CHC (excluding taxes and fees).

1. New Vessel Voucher Amount

Table 1, below, sets forth the voucher amounts for a new commercial harbor craft vessel. Base voucher amounts will not exceed the incremental cost of the vessel.

Table 1: New Commercial Harbor Craft		Amount (\$)
Base Voucher	New Equipment \geq 19 kW Internal Combustion Powered Equivalent	Up to \$1,000,000
Enhancement	<99kW Shore Power Voucher	\$75,000
Enhancement	\geq 99kW Zero Emission Advanced Technology Charging Infrastructure Voucher	\$100,000
Enhancement	Zero-Emission Bunkering	\$100,000

2. Conversion Kit Voucher Amount

Table 2, below, sets forth the voucher amounts for a conversion kit commercial harbor craft vessel. Base voucher amounts will not exceed the incremental cost of the vessel.

⁴ <https://ww2.arb.ca.gov/california-air-districts>

Table 2: Conversion Kit Voucher Amount		
Level	kW Range	Not to Exceed Base Voucher Amount
1	≥ 19kW to 100 kW	\$250,000
2	101kW to 299 kW	\$500,000
3	300kW to 499 kW	\$750,000
4	≥ 500kW	\$1,000,000
Enhancement	50kW to 98kW Shore Power Voucher	\$75,000
Enhancement	≥99kW Zero Emission Advanced Technology Charging Infrastructure Voucher	\$100,000
Enhancement	Zero-Emission Bunkering	\$100,000

* Zero emissions alternatives that are not battery electric will be processed on a case-by-case basis.

C. VOUCHER ENHANCEMENTS

CHC are eligible for additional funding and voucher enhancements for Small Business, Deployments in Disadvantaged or Low-Income Communities, and shore-side charging or zero-emission bunkering equipment.

New CHC or CHC conversion kits purchased by a small business to be deployed or domiciled within a disadvantaged community (DAC) or low-income community for the entire duration of its project participation period, an additional 25 percent of the model-specific base voucher amount is available. (10 percent is available for deployments in DACs/low-income communities and 15 percent is available if the purchaser is a Small Business). The two additional voucher enhancements are cumulative for a total eligible enhancement of 25 percent.

Purchasers who are unsure of their small business designation, or who may need to relocate the CHC outside of a low-income or DAC community are encouraged to waive their voucher enhancements, to avoid the possibility of non-compliance.

CORE vouchers (including additional funding provided for small business, equipment deployment in disadvantaged or low-income communities, and the shore-side equipment enhancement) are capped at \$1,000,000. That is, no individual voucher can exceed \$1,000,000 or exceed the total cost of the equipment (excluding taxes and fees).

1. Small Business Definition

Government Code Section 14837 (d) (1) (A)⁵ defines “Small business” as: [An] independently owned and operated business that is not dominant in its field of

⁵ https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=14837.&lawCode=GOV

operation, the principal office of which is located in California, the officers of which are domiciled in California, and which, together with affiliates, has 100 or fewer employees, and average annual gross receipts of ten million dollars (\$10,000,000) or less over the previous three years, or is a manufacturer, as defined in subdivision (c), with 100 or fewer employees. Commencing January 1, 2019, the average annual gross receipts threshold shall be fifteen million dollars (\$15,000,000).

2. Small Business Verification

If a small business enhancement is being requested, purchasers must provide the following information to verify their small business status as defined above: Identify the total revenue, receipts, and sales reported to the Internal Revenue Service in your most recent filing. This information may be reported in Box 1c of IRS Form 1120, Box 1c of IRS Form 1065, or Box 3 of IRS Schedule C (Form 1040). If this information is not available, provide a letter of explanation to CaliforniaCORE@tetrattech.org within 30 calendar days of the voucher request.

3. Disadvantaged Community Definition

For the purposes of CHC the “use” in a DAC is defined as the domiciled location. Since most water areas are not mapped on CalEnviroScreen 4.0⁶ the location where the vessel is domiciled will be used to determine DAC applicability. Telematics reporting is still required to ensure that the CHC is operating in California Regulated Waters⁷.

4. Shore-side Electric Charging or Zero-Emission Bunkering Equipment

Voucher enhancements are available for commercial harbor craft shore-side electric charging or zero-emission bunkering equipment. Only shore power supply systems accompanied by a vessel voucher are allowed. CORE will only fund shore power and charging components.

Vessel operators can select infrastructure components and equipment that are compatible with their CHC. Purchasers must receive a valid CORE CHC voucher to be eligible for a shore-side equipment voucher. The shore-side equipment voucher is applied for as part of the CHC voucher process. See section B. Voucher Amounts.

D. VOUCHER EXTENSIONS

Vouchers are valid for 730 calendar days from the voucher created date. Case-by-case voucher extension and CHC change requests, will be evaluated by the Project Administrator and CARB and may be granted beyond 730 calendar days. Commercial harbor craft voucher will not be renewed beyond 32 months (945 calendar days) from the voucher created date.

Factors considered in extension requests include but are not limited to:

⁶ <https://oehha.ca.gov/calenviroscreen/report/calenviroscreen-40>

⁷ As defined in section 93118.5(d)(68) of the California Commercial Harbor Craft Regulations <https://ww2.arb.ca.gov/sites/default/files/barcu/regact/2021/chc2021/chcfro.pdf>

- Projected CHC delivery date.
- Funding expenditure deadlines.
- Demand for remaining available funding.
- Whether delays in CHC delivery or final payment were reasonably unforeseen.
- Whether the circumstances related to the delay were within the control of the purchaser, dealer, or manufacturer.
- Government approvals.

Voucher case-by-case extension and CHC change requests must be submitted in writing to CaliforniaCORE@tetrattech.org. Case-by-case requests may be submitted by the approved dealer, eligible purchaser, or eligible manufacturer.

E. EQUIPMENT ELIGIBILITY APPLICATION

The CHC CORE Equipment Eligibility Application presents two distinct pathways for manufacturers to receive eligibility in the CORE project and be listed in the equipment catalog. One pathway is for manufacturers who seek to deploy new vessels and the second pathway is for conversion kits of existing vessels. This entails a series of steps, outlined in section G. New Vessel Pathway and Section H. Conversion Kit Pathway, Manufacturers must submit Attachment A: Equipment Eligibility Application. Please email completed applications to core@arb.ca.gov. New vessels will be posted in the CORE equipment catalog, conversion kit manufacturers will be listed as an eligible manufacturer in the CORE equipment catalog.

1. Location

A manufacturer is not required to be located in California but must be able to meet the requirements as listed in Attachment A, Section A, Manufacturer and Equipment Information.

2. Service and Repair

A manufacturer has at least one service-and-repair facility in the State of California for the vessel. However, the following alternatives can satisfy this requirement:

- a) Having a manufacturer-approved dealer with a service center within California or
- b) Offering service-and-repair training to fleets as part of an equipment or conversion-kit purchase and
- c) Maintaining a team of factory-trained technicians that can respond to service-and-repair requests within 72 hours.

F. EQUIPMENT CRITERIA

Eligible equipment must meet the requirements below and receive an Equipment Eligibility Letter from CARB as explained in the process above.

1. Warranty

The vessel must be covered by a warranty meeting the criteria, below:

- a) The warranty period is, at a minimum, three years to cover the entire project participation period of the vessel or 6,500 usage hours (whichever comes first).
- b) For a vessel model, all applicable powertrain components (including, but not limited to, the energy storage system, fuel-cell stack, motors, and powertrain and thermal management systems); electronic components; telematics components; on-board charging or fueling components; all components along driveline (except for maintenance items); and the vessel (including, but not limited to, the hull and cabin structure) shall be warranted against defects, workmanship, and corrosion for the full warranty period.

2. Eligible Vessel Designs

Commercial harbor craft in the CORE program must be both zero-emission and commercially ready⁸. Designs that have non-zero emissions equipment onboard to supplement the zero-emissions powertrain are not eligible for the CORE program. The CHC must perform work equivalent to an internal combustion powered piece of equipment with $\geq 19\text{kW}$ and the vessel type must be subject to the CHC Regulation as outlined in Section A of this Attachment.

3. Emergency Diesel

The CHC regulation requires vessels to be equipped with Zero Emission Advanced Technologies (ZEAT), such as short run ferries. These vessels may have emergency back-up generators however, they are limited to 20 hours of operation per year for maintenance purposes unless there is a documentable emergency in which case the emergency operation hours would not count towards the 20 annual hours⁹.

4. Telematics

The CHC is installed with a telematics system that is capable of collecting and transmitting the parameters, below, to the manufacturer. Telematics data must include, at a minimum, the following parameters¹⁰:

- i. Cumulative Time in Use (hours),
- ii. Cumulative Energy Used (kWh),

⁸ Commercial-ready CHC model is one that has gone through sufficient testing and demonstration to ensure that it is a reliable and effective in its intended application(s). That is, a commercial ready CHC model is not a model that is still in the prototype or demonstration phase. Supporting documentation to demonstrate commercial-readiness (including, but not limited to, historical sales information, testing results, operational data, and user experience information) may be required to demonstrate commercial-readiness.

⁹ 13 CCR 93118.5 (F)(10)(B)2

¹⁰ CARB reserves the sole right to adjust the telematics criteria at any time, including, but not limited to: parameters collected, frequency of collection, and reporting format

- iii. Amount of time spent either docked or operating in (hours)¹¹:
 1. SB 535 Disadvantaged Communities;
 2. AB 1550 Low-income Communities;
 3. SB 535 Disadvantaged Communities and AB 1550 Low-income Communities;
 4. AB 1550 Low-income Communities within a 1/2 mile of a SB 535 Disadvantaged Community; and
 5. Potential Low-income Households within ½ Mile of Disadvantaged Community.
- iv. Average Energy Discharge Rate During Non-Idle Operation (kW).

CARB, at its sole discretion, may allow a manufacturer to sell a limited number of CHC or conversion kits without a fully functional telematics system through this program. Such allowance will depend on factors, such as whether the manufacturer has demonstrated a good-faith effort to implement the telematics system, the capabilities of comparable products from other manufacturers, manufacturer and purchaser participation levels within the applicable equipment category, etc. If an allowance is granted, the manufacturer will be required to work with the Project Administrator to develop a plan that will lead to the implementation of an effective telematics system within a reasonable time frame.

Note: The Project Administrator will prepare quarterly reports for CARB presenting the data collected for items i. through iv., above, as applicable, through the duration of the project. The report may also include information on performance anomalies, recommendations for future data-collection activities, and recommendations to streamline the collection, storage, and analyses of future data sets. It is the manufacturers responsibility to ensure the required Telematics Reporting data is submitted (in the appropriate format) to the Project Administrator.

G. NEW VESSEL PATHWAY

Manufacturers must complete the following steps to have a new vessel listed in the Eligible Equipment Catalog on the CORE website and be eligible for voucher requests.

A manufacturer may also be the approved dealer for their CHC. If this is the case, then the manufacturer must also go through the dealer enrollment process and the equipment eligibility application. The manufacturer must be an approved dealer to be able to submit vouchers for the eligible equipment. See Section J of this attachment for the dealer enrollment process.

1. New Vessel Eligibility Application Process

Step 1 – Manufacturer fills out and completes the CORE Equipment Eligibility Application (Attachment A). Completed applications are emailed to core@arb.ca.gov.

¹¹ Results shall be based on mapping data of each of the four categories found at CARB's website: <https://oehha.ca.gov/calenviroscreen/report/calenviroscreen-40>. CHC that dock in an area adjacent to a DAC are considered to be operating in that DAC.

Step 2 – CARB staff will review the CORE Equipment Eligibility Application to make an eligibility determination. If questions arise, CARB staff will reach out to the contact person identified on the application.

Step 3 – CARB staff will notify manufacturer of CORE eligibility.

Step 4 – CARB will relay equipment information to the Project Administrator to add the model to the Eligible Equipment Catalog on the CORE website¹²

Step 5 – Equipment is available for voucher applications.

2. New Vessel Voucher Request Submittal

Approved dealer and purchaser must complete the following steps to submit a voucher and redemption request for new vessels.

Step 1 – Voucher Request Submittal

- a) Dealer submits a completed voucher request form via the online Voucher Processing Center (VPC) on the CORE website that includes:
 - a. Purchaser information
 1. A purchaser can be a single point of contact, the small business general partner or the proprietor.
 2. A purchaser can be a single point of contact in charge of principal business function, or a person with similar policy or decision-making functions.
 - b. Choice of CHC from the CORE Eligible Equipment Catalog
 - c. Required voucher request documents:
 1. Purchase Order or Letter of Intent (LOI)
 - i. Commercial harbor craft purchasers may submit a LOI in lieu of a Purchase Order when procurement policies are prohibitive. A voucher request must be submitted with a LOI that has been signed or executed no more than 60 calendar days prior to the voucher submittal date.
 - ii. If an LOI is submitted, then the purchasers must provide the Purchase Order within 365 calendar days of the voucher submittal date.
 - iii. Purchasers who are combining CORE with another award (stacking or match funds) which restricts the issuance of a Purchase Orders must provide supporting documentation at the time of the voucher request which may include confirmation of application submittal, award letter, or other

¹² <https://californiacore.org/equipment-category/harbor-craft/>

supporting documentation. The purchaser must provide proof that they have been awarded funds within 365 calendar days of the voucher submittal date.

- b) The dealer must update the expected delivery date every 90 calendar days until the equipment is delivered. The first update must be provided within 90 calendar days of the electronic voucher request approval.
- c) Within 730 calendar days of the electronic voucher request, commercial harbor craft dealers must provide the hull identification number (HIN) that uniquely identifies the vessel.

Step 2 – Funding Status Notification

- a) Dealer and purchaser are notified of funding status after all CORE Terms and Condition requirements are met. A voucher confirmation email will be sent to the dealer and purchaser.
- b) Funds are set aside for the voucher once funding status is approved.
- c) Terms and Conditions are signed by CORE Approved Dealer and Eligible Purchaser.
- d) Voucher is issued after final review.
- e) Dealer and purchaser are notified to complete transaction and deliver equipment. Vouchers are valid for 730 calendar days from the voucher created date.

Step 3 – Vessel Delivery to Eligible Purchaser

- a) Dealer completes sales transactions of new zero-emission CHC.
- b) Purchaser takes delivery of CHC and pays dealer the sales price less the voucher amount.
- c) Voucher must not exceed 100% of the total cost of CHC.

Step 4 – Redemption Request

- a) Dealer submits Voucher Redemption once CHC is paid for and delivered to the purchaser.
- b) Redemption must be submitted to the VPC within 30 calendar days of CHC purchase and/or delivery to the purchaser.
- c) Proof of payment, invoice, copy of check or credit card receipt with purchaser name that matches the voucher.

Step 5 – Redemption Payment

- a) Dealer is paid the voucher amount generally within 14 calendar days of a completed voucher redemption being submitted.
- b) Voucher will be redeemed once all redemption paperwork has been submitted and approved.
- c) Payment to the dealer will be provided within 5 days of final approval of the redemption paperwork.

Step 6 – Annual User Experience Report

- a) Manufacturer works with dealer and purchaser to complete and submit the required user experience report annually for the duration of the project participation period of three years.

H. CONVERSION KIT PATHWAY

To be able to purchase a CHC conversion kit with a CORE voucher the equipment must first go through the equipment eligibility application process as outlined below. A manufacturer of zero-emissions CHC conversion kit must submit a completed Initial CORE Equipment Eligibility Application to CARB. Once approved the manufacturer will be listed as an approved conversion kit manufacturer in the Eligible Equipment Catalog. Once listed in the catalog, a purchaser can choose an approved manufacturer for their specific CHC vessel type. At this time, CORE Approved Dealers may submit a Voucher Request. A manufacturer must submit a completed Final CORE Equipment Eligibility Application to CARB for review within 180 calendar days from the voucher request submittal date. Once approved the manufacturer will receive their final voucher amount for the specific vessel.

Conversion kit manufacturers must apply to obtain an Executive Order from CARB Aftermarket Parts in parallel to submitting the final CORE Equipment Eligibility Application¹³. An Executive Order from CARB Aftermarket Parts is required for final voucher payment. In addition, conversion kits for CHC must meet the below requirements:

- a) The model is only intended for installation in CHC no older than 20 years with an existing internal combustion engine. If CHC is >20 years old, CARB will review on a case-by-case basis.
- b) The vessel's registration is current; and
- c) The vessel has a valid US Coast Guard COI (certificate of inspection) if it is an inspected vessel or satisfies the US Coast Guard requirements for an uninspected vessel.

The conversion-kit manufacturer or dealer may request CARB to consider specific CHC older than 20 years. A written agreement signed by the dealer/installer, manufacturer, and purchaser shall be submitted to the Project Administrator for review. The request may include, at a minimum all of the below:

- d) An assessment of the structural integrity of the vessel

¹³ A manufacturer may receive a preliminary eligibility letter from CARB. This provisional eligibility letter allows vouchers to be requested for the equipment identified in the CORE Eligible Equipment Catalog, but an Executive Order or written determination must be submitted by the manufacturer to CORE program staff, and a final CORE Eligibility Letter must be obtained, before requested vouchers will be redeemed. The manufacturer or dealer assumes all risk in the event vouchers are approved consistent with this provisional eligibility, but an Executive Order or written determination is not provided.

- e) Warranty repair records
- f) Serviceability and performance limitations impacted by age and condition of CHC, and
- g) Valid US Coast Guard Certificate of Inspection (COI)

1. Conversion Kit Initial Equipment Eligibility Application Process

Step 1 – Initial Equipment Eligibility Application Submittal

An equipment manufacturer fills out and completes the CORE Equipment Eligibility Application (Attachment A). For eligibility, manufacturers of conversion kits may apply using an actual past installation or a designed installation of their conversion kit technology. Please email completed applications to core@arb.ca.gov.

Step 2 – Initial Equipment Eligibility Application Review

CARB staff will review the CORE Equipment Eligibility Application to make an eligibility determination. If questions arise, CARB staff will reach out to the contact person identified on the application.

Step 3 – Initial Eligibility Determination

CARB staff will notify manufacturer of CORE eligibility.

Step 4 – Initial Eligibility Posting

CARB will relay manufacturer information to the Project Administrator to add the manufacturer as an eligible Conversion Kit manufacturer in the Eligible Equipment Catalog on the CORE website¹⁴.

2. Conversion Kit Voucher Request Submittal and Final Equipment Eligibility Application Process

The following steps outline the voucher request and redemption process an approved dealer and purchaser must complete.

A manufacturer may also be the approved dealer for their CHC. If this is the case, then the manufacturer must also go through the dealer enrollment process and the equipment eligibility application. The manufacturer must be an approved dealer to be able to submit vouchers for the eligible equipment. See Section J of this attachment for the dealer enrollment process.

Step 1 – Eligible Purchaser Selection

Purchasers select a conversion kit manufacturer listed in the Eligible Equipment Catalog.

¹⁴ <https://californiacore.org/equipment-category/harbor-craft/>

Step 2 – Approved CORE Dealer Submits Voucher Request

Approved CORE Dealer apply for a voucher to reserve funds for a CHC Conversion Kit. CORE is intended to fund equipment directly related to the powertrain and components required for a zero-emission vessel when determining the expected power required for the vessel. The following information is required to submit a voucher request:

- a) Dealer submits a completed voucher request form via the online Voucher Processing Center (VPC) on the CORE website that includes:
 - a. Purchaser information
 1. A purchaser can be a single point of contact, the small business general partner or the proprietor.
 2. A purchaser can be a single point of contact in charge of principal business function, or a person with similar policy or decision-making functions.
 - b. Choice of CHC kW level as shown in Table 2.
- b) Required voucher request documents:
 - a. Purchase Order or Letter of Intent (LOI)
 - i. Commercial harbor craft purchasers may submit a LOI in lieu of a Purchase Order when procurement policies are prohibitive. A voucher request must be submitted with a LOI that has been signed or executed no more than 60 calendar days prior to the voucher submittal date.
 - ii. The purchasers must provide the Purchase Order within 365 calendar days of the voucher submittal date.
 - iii. Purchasers who are combining CORE with another award (stacking or match funds) which restricts the issuance of a Purchase Orders must provide supporting documentation at the time of the voucher request which may include confirmation of application submittal, award letter, or other supporting documentation. The purchaser must provide proof that they have been awarded funds within 365 calendar days of the voucher submittal date.
 - b) Within 730 calendar days of the electronic voucher request, commercial harbor craft dealers must provide the hull identification number (HIN) that uniquely identifies the CHC piece and the expected delivery date.

Step 3 – Funding Set Aside

The Project Administrator reviews the voucher request. When approved, the manufacturer will be informed and the designated not to exceed base voucher amount will be set aside.

- a) Dealer and purchaser are notified of funding status after all CORE Terms and Condition requirements are met. A voucher confirmation email will be sent to the dealer and purchaser.
 - i. Funds are set aside for the voucher once funding status is approved.

- ii. Terms and Conditions are signed by CORE Approved Dealer and Eligible Purchaser
- iii. Voucher is issued after final equipment eligibility application review.
- iv. Dealer and purchaser are notified to continue with CHC conversion design.

Step 4 – Final Equipment Eligibility Application Submittal

The manufacturer must submit a completed updated Equipment Eligibility application within 180 calendar days of the voucher request submitted date. The application must include information for the specific vessel conversion kit. At the same time when submitting to CORE, the manufacturer must submit an application to Aftermarket Parts. Proof that of an in-process application must be sent to core@arb.ca.gov for the CORE application to be approved.

- a) The dealer/manufacturer has 180 calendar days after initial voucher submittal to submit the final Attachment A: Equipment Eligibility Application.
- b) CARB will process the application and determine the final voucher amount.
- c) Dealer and Purchaser continue with CHC conversion

Step 5 – Final Equipment Eligibility Application Review

CARB staff will review and approve the CORE Equipment Eligibility Application. If questions arise CARB staff will reach out to the contact person identified on the application.

Step 6– Final Vessel Eligibility and Voucher Amount

CARB staff will notify manufacturer of final voucher amount.

Step 7 – Final Listing of Eligible Vessel

The project Administrator will list the final vessel conversion kit and voucher amount in the Eligible Equipment Catalog.

Step 8 – Delivery of Vessel

- a) Dealer completes sales transactions of converted zero-emission CHC.
 - i. Purchaser takes delivery of CHC and pays dealer the sales price less the voucher amount.
 - ii. Voucher must not exceed 100% of the total cost of CHC.

Step 9 – Redemption Request

Voucher payment is issued after delivery of an operational vessel and issuance of an Executive Order from Aftermarket Parts.

- a) Dealer submits Voucher Redemption once CHC is paid for and delivered to the purchaser.

- i. Redemption must be submitted to the VPC within 30 calendar days of CHC purchase and/or delivery to the purchaser.
- ii. Proof of payment, invoice, copy of check or credit card receipt with purchaser name that matches the voucher.

Step 10 – Redemption Payment

- a) Dealer is paid the voucher amount generally within 14 calendar days of a completed voucher redemption being submitted.
 - i. Voucher will be redeemed once all redemption paperwork has been submitted and approved.
 - ii. Payment to the dealer will be provided within 5 days of final approval of the redemption paperwork.

Step 11 – Annual User Experience Report

- a) Manufacturer works with dealer and purchaser to complete and submit the required user experience report annually for the duration of the project participation period of three year

I. TERMS AND CONDITIONS ATTACHMENT E: COMMERCIAL HARBOR CRAFT

1. Purchaser Terms and Conditions

To participate in CORE, purchasers must agree to be bound by the following conditions:

1. Purchasers must be available for follow-up inspections, if requested by the Project Administrator, CARB, or CARB's designee.
2. Purchasers must operate CORE-funded CHC (purchased as new or conversion) for a minimum of 200 usage hours annually (three-year average) during the project participation period.
 - a. Purchasers unable to meet this requirement due to unforeseen circumstances must advise the Project Administrator, in writing¹⁵, as to why the CHC was unable to meet its usage target. In such situations, CARB, in consultation with the Project Administrator, will evaluate fleet-use data and determine appropriate actions. Failure to meet the minimum usage condition or justify limited use may restrict purchasers from further funding participation.
 - b. Failing to install necessary infrastructure in advance of CHC deployment is not an acceptable basis for failing to meet the 200-hour usage condition.
3. Purchasers may not make or allow any modifications to the CHC's or conversion kit's control systems, hardware, or software calibrations. Modifications during the project participation period may void the warranty and result in forfeiture of voucher funds. This restriction excludes user controls designed into the CHC or conversion kit.
4. Purchasers must operate the CORE-funded CHC (purchased as new or conversion) 100 percent of its time within California for the duration of the project participation period (i.e., the three-year period from the date of CHC delivery or final payment, whichever is later). CHC domiciled in a California county that borders Arizona, Nevada, Oregon, or Mexico, and CHC used for emergency response, may be granted permission to accrue up to 25 percent of its usage each year outside of California, if approved in advance by the Project Administrator, in writing. A written request from the purchaser should be submitted to the Project Administrator, or their designee for approval at the time of purchase or at least 30 calendar days before operating the CHC outside of California.
5. Purchasers must maintain insurance as required by law. If the CORE-funded CHC (purchased as new or conversion) is destroyed or otherwise deemed permanently inoperable due to an accident or for any other reason, the purchaser must notify the Project Administrator, in writing, within 2 weeks of the CHC being destroyed or become inoperable. The written notification must adequately demonstrate that the specific CHC has become inoperable. The Project Administrator, CARB, or their designee may request supporting evidence, such as photographs of the inoperable CHC with the HIN or other identifying markings visible, applicable insurance or law-enforcement documentation,

¹⁵ Notification by email at info@californiaCORE.org

etc. Recovery of CORE funds for such losses may be required during the project participation period.

6. Purchasers must respond in a timely manner to CORE surveys from the dealer, manufacturer, CARB, the Project Administrator, or their designee, on CHC experience and usage. Purchasers that fail to submit accurate and timely information in response to annual usage surveys may be restricted from future CORE participation.
7. Purchasers must be in good standing with all federal, state, and local air quality rules and regulations, including reporting requirements, if applicable. As such, “compliance checks” will be part of each voucher process and could occur at the time of voucher request or voucher redemption, or both. Furthermore, a purchaser may be required to furnish additional information (e.g., an explanation of a purchaser’s claim of regulatory exemption) during a compliance check before a voucher request or redemption is approved.
8. Purchasers must provide CARB, the Project Administrator, or their designee all requested information related to any purchases made with a CORE voucher (including purchase, lease, or rental agreements) within 30 calendar days of written request for such information.
9. Purchasers must allow the manufacturer to collect, aggregate, and transmit specified telematics data, as described in the Telematics Reporting section, to the Project Administrator, CARB, or their designee.
10. Purchasers must operate and maintain the CHC as recommended by the manufacturer to ensure CHC durability, efficiency, and reliability.
11. A purchaser must disclose if said purchaser and the manufacturer/dealer hold an equity interest in one another, are owned partially or wholly by a third party, or have one or more common corporate officers who are responsible for the overall direction of both the purchaser and the manufacturer/dealer.
12. All CHC purchased through CORE is required to perform commercial harbor craft activities. Purchasers may be asked to affirm that CHC purchased through CORE fulfills this requirement.
13. Issuance of CARB Executive Order is required for voucher payment on CHC conversion kits.
14. The voucher is contingent on final equipment eligibility approval and voucher determination from CARB.

2. Manufacturer and Dealer Terms and Conditions

For the purposes of CORE, a “dealer” is defined as a vendor of a fully assembled and completed commercial harbor craft, or a vendor that sells and/or installs conversion kits.

Manufacturers are required to ensure their participating dealers meet CORE requirements, which include, but are not limited to:

1. Becoming familiar with and agreeing to be bound by CORE terms and conditions.
2. Participating in dealer training, and refresher courses, covering the voucher application and redemption processes, as appropriate.
3. Providing accurate information to purchasers, the Project Administrator, CARB, and, if applicable, the Project Administrator’s or CARB’s designee.
4. Providing accurate and complete documentation to the Project Administrator of the CHC, conversion kit, and/or shore-side electric charging or zero-emission bunkering equipment funded through CORE.
5. Providing reasonable assistance to CARB or its designee to obtain updated purchaser information, inspect pieces of CHC (purchased as new and converted), and review CORE-related records.
6. Maintaining written records of purchase transactions and providing CARB, the Project Administrator, or their designee with these records within 30 calendar days upon request. These records could include, but are not limited to, invoices, proofs of purchase, DMV records, payment information and related bank records, and purchaser fleet information.

Additional terms and conditions for conversion kit manufacturers and dealers:

1. Manufacturers must ensure that the installation of CORE-funded conversion kits are only performed by manufacturer-approved installers.
2. Manufacturers must ensure conversion-kit installers submit documentation to the Project Administrator for each installation demonstrating that said conversion kit was installed in a CHC with an existing internal combustion engine.
3. Manufacturers must submit the CARB Aftermarket Parts Executive Order prior to voucher expiration date and is required for final voucher payment.
4. The voucher is contingent on final equipment eligibility approval and voucher determination from CARB.

Because of the specialized nature of commercial harbor craft, it is understood that some manufacturers will be “direct sellers” and serve as both the manufacturer and dealer. In these cases, the dealer requirements and commitments set forth in this document are to be met by the manufacturer as it is acting as both manufacturer and dealer.

3. Sales Disclosure

Manufacturers must ensure the purchaser is notified, before the order is placed, of the following:

- a) CORE purchaser terms and conditions.

- b) Capabilities of the service-and-repair network (e.g., number of locations, distance/proximity to location of intended use, etc.).
- c) The process that must be followed to obtain service or repair for funded equipment or conversion kit.
- d) Estimated operating time or range.
- e) Projected infrastructure costs and requirements (such as permit requirements) for shore-side electric charging or zero-emission bunkering equipment and/or storage.
- f) Most-current build times and estimated delivery dates of equipment (purchased as new or conversion).

4. Extended Downtime Report

For failures of warranted parts during the warranty period that prevent the CORE-funded equipment (purchased as new or converted) from operating as per the manufacturer's specifications and that require the equipment to be out of service for more than 30 calendar days for repair (or multiple individual repairs that cumulate to 30 calendar days) in any six-month period, the manufacturer must prepare and submit an Extended Downtime Report (EDR) to the Project Administrator.

Such a report must be prepared within 30 calendar days following the completion of the repair of the failure that resulted in the exceedance of the 30-day threshold and submitted to the Project Administrator. The manufacturer must submit the EDR as part of the applicable Annual User Experience Report (discussed below) or upon request of the Project Administrator, CARB, or their designee. An EDR requires the following:

- a. Name and contact information of purchaser,
- b. Description of equipment,
- c. Voucher number,
- d. An explanation of the cause of the failure(s),
- e. An explanation of delay(s) in repair,
- f. Method(s) of repair,
- g. How much time was needed to complete the repair(s) (including the time for equipment tear down, part(s) allocation, repair, and reassembly), and
- h. Explanation of any necessary revisions to the manufacturer's service-and-repair protocols (e.g., user training, part modification, etc.).

Note: EDR information is not considered confidential and may be made available to the public upon request or through other publications.

In addition, models exhibiting multiple failures with excessive periods of non-operation due to needed repairs, may be removed from CORE eligibility at CARB's sole discretion. Down time due to recommended or scheduled maintenance is not considered as part of the 30-day "down time" count.

5. Annual User Experience Report

The manufacturer shall be responsible for working with purchasers to develop an Annual User Experience Report each year and providing said reports to the Project Administrator, CARB, or their designee. Each Annual User Experience Report shall cover every piece of CORE-funded equipment (purchased as new and conversions) sold by the manufacturer that is still within the project participation period. Reports are due within 90 calendar days of the end of each year. It is the manufacturer's responsibility to ensure reports are submitted in a timely manner.

The Annual User Experience Reports shall include the following information:

- a. Fleet and manufacturer concerns,
- b. Fleet maintenance procedures,
- c. Fleet experience with the manufacturer for repairs, and
- d. Fleet and manufacturer recommendations.

Together with the Annual User Experience Reports, the manufacturer shall also submit to the Project Administrator their EDRs as well as information on all other warranty claims and repairs of CORE-funded equipment that occurred during their project participation periods.

6. Replacement Parts

Manufacturers must make a good faith effort to stock replacement parts, and make them readily available to dealers, other manufacturer-authorized service providers, purchasers with manufacturer-trained in-house technicians, and if appropriate, through the secondary market.

7. Telematics Reporting

The manufacturer shall process and transmit the required telematics data collected from the telematics system to the Project Administrator, or their designee, in a format agreed upon by the Project Administrator and CARB. For each CORE-funded equipment piece (purchased as new or conversion), the manufacturer shall be responsible for uploading the telematics data once a month for the first three months following delivery. After the initial three-month period, the telematics data shall be submitted quarterly until the data covering the entire project participation period of said equipment piece or conversion kit have been reported to CARB. If the data submittal date for the third month will be within 30 calendar days before a quarterly reporting date and the data submittals from the first two months are deemed sufficient by the Project Administrator, the manufacturer may submit their third-month data within their first quarterly report, in lieu of submitting both the third monthly report and the first quarterly report.

J. CORE APPROVED DEALER STEPS TO PARTICIPATE AND RESPONSIBILITIES

Step 1 – Email the CORE Project Administrator expressing your interest in becoming a CORE-approved Dealer at coredealertraining@californiacore.org; attach the

1. [Dealer Registration Form, Dealer's Terms & Conditions](#), and
2. [IRS W-9 Form](#).

Step 2 – After confirmation, a CORE Project Administrator will provide the link to the CORE Dealer Enrollment Learning Module, a learning module based on the Implementation Manual that provides programmatic basics, insights on participation requirements, and a weighted quiz. Completion of the Dealer Enrollment Learning Module is mandatory. Prospective Dealers must score 80% or higher to meet the minimum standards for Dealer approbation. Allow at least 60 minutes to complete this requirement. You must download and email the Certificate of Dealer Approbation (available upon completion of the module) to confirm you have completed the course.

Step 3 – Once confirmation is verified, a CORE Project Administrator will provide Voucher Processing Center login credentials and add the newly CORE-approved Dealer to the Eligible Equipment Catalog.

CORE approved dealer’s responsibilities include but are not limited to:

- a) Familiarity with all CORE Attachment E and Implementation Manual requirements.
- b) Participating in dealer information sessions and dealer webinars.
- c) Completing voucher request and voucher redemption forms, with the assistance of the CHC purchaser, and in supplying the necessary CHC purchase documentation.
- d) Ensuring access to the correct CHC in the VPC by checking the CORE Eligible Equipment Catalog (californiaCORE.org) and notifying the Project Administrator if it appears inaccurate.
- e) Issuing the final CHC invoice to the purchaser and delivering the completed CHC to the eligible purchaser. Completed CHC means that a vessel (and shore-side electric charging or zero-emission bunkering equipment if applicable) have been delivered and the vessel is operable.
- f) Ensuring invoices must show the CORE voucher amount being provided to the purchaser to discount the purchase of the CHC.
- g) Providing true, accurate, and complete documentation of the CHC purchase to the Project Administrator and any designees.
- h) Providing reasonable assistance to CARB or its designee to obtain updated purchaser information, inspect CHC, and review CORE related records during the first three years after CHC receipt and final payment by the purchaser, whichever is later.
- i) Frequently checking the CORE webpage at californiacore.org for updates and announcements.

The voucher request form and voucher redemption form both are legally binding and enforceable agreements to meet the requirements of the project. The dealer is responsible for ensuring the truth and accuracy of the CHC and dealership information on all voucher requests or redemption forms submitted to the Project Administrator. Submission of false information on any of these forms may result in cancellation of the voucher, recapture of funds, and removal from the dealer list. In addition, CARB may seek other remedies available under law.

Participating dealers must keep written records of sales transactions for CHC funded with a CORE voucher – including, but not limited to, the CHC invoice and proof of purchase – for three years after the CHC receipt and final payment by the purchaser, whichever is later. A CHC dealer must provide CARB or its designee with all requested information related to compliance with CORE requirements or any CHC(s) purchased with a CORE voucher within 10 calendar days of CARB’s written request for such information. Requested information may include but is not limited to purchase orders or agreements, CHC payment information and related bank records.

A dealer with no voucher activity for more than a year may be deactivated from the VPC. Reactivation may require additional dealer training. All dealers with unredeemed vouchers are required to keep their VPC account active and complete any required training. Dealers that submit false information to the Project Administrator (or its designee) may be required to return the full voucher amount to the Project Administrator, CARB (or its designee) and may be excluded from future participation in CORE. In addition, CARB (or its designee) may seek other remedies available under law. Dealer or manufacturer violations of any parameter of the IM may result in CARB barring or limiting the number of new voucher requests that can be placed by that dealer or manufacturer, and by any other dealers from an affiliated dealership. The length of the restriction is at CARB’s sole discretion.

K. PROJECT NONPERFORMANCE

CARB or its designee has the authority to recoup CORE funds which were received based upon misinformation or fraud. CORE funds can also be recouped when a Project Administrator or its subcontractors, a dealer, manufacturer, or CHC purchaser is in significant or continual noncompliance with this Implementation Manual or State law. CARB also retains the authority to prohibit any entity from participating in CORE due to noncompliance with project requirements.