

## Chapter 11: LOCOMOTIVES

This chapter describes the minimum criteria and requirements for Carl Moyer Program locomotive projects. Air districts may set more stringent requirements based upon local priorities.

### A. Projects Eligible for Funding

Carl Moyer Program funding for California's larger Class 1 freight railroads is generally limited due to the availability of Goods Movement Emission Reduction Bond Program (Proposition 1B Goods Movement Program) funding, and the South Coast and Statewide Memoranda of Understanding (MOU) with these railroads (See Table 11-1).

**Table 11-1  
Summary of Locomotive Funding Opportunities**

Railroad Class	Subject to ARB Rule or MOU	Moyer Funding Opportunities
Class 1 Freight Railroads (Burlington Northern Santa Fe Railroad and Union Pacific Railroad)	<i>2005 Statewide Railyard Agreement<sup>1</sup> and 1998 South Coast MOU<sup>2</sup></i>	Very limited opportunity. Projects in California's goods movement trade corridors are generally ineligible for funding due to the availability of Proposition 1B funds. <sup>3</sup> These projects are only eligible for Carl Moyer Program funding on a case-by-case basis.
Class 3 Freight Railroads and Passenger Railroads	No	Class 3 and passenger railroad projects are not limited.

<sup>1</sup> Class 1 freight railroads are ineligible for ILD project funding due to the 2005 Statewide MOU. See: <http://www.arb.ca.gov/railyard/ryagreement/083005mouexecuted.pdf>

<sup>2</sup> The South Coast MOU further limits funding eligibility for Class 1 freight railroad new purchase or engine remanufacture/repower projects in the South Coast. See: <http://www.arb.ca.gov/msprog/offroad/locoflt.pdf>

<sup>3</sup> For a map of the trade corridors, see: <http://www.arb.ca.gov/bonds/gmbond/docs/gmtradecorridors.jpg>

Project Types: Five types of locomotive projects are eligible for Carl Moyer Program funding:

1. Locomotive replacement
2. Idle limiting device (ILD)
3. U.S. EPA certified engine remanufacture kit or repower/refurbishment
4. ARB verified retrofit
5. Head end power unit (HEP)

### B. Maximum Eligible Funding Amounts

Table 11-2 summarizes the maximum eligible funding for each project type. All projects are also subject to the cost-effectiveness threshold defined in Appendix G.

**Table 11-2  
Maximum Grant Amount for Carl Moyer Program Locomotive Projects**

<b>Railroad Class/Type</b>	<b>Locomotive Replacement</b>	<b>Idle Limiting Device (ILD)</b>	<b>Refurbishment or Certified Remanufacture Kit</b>
Class 1	50 percent	not eligible	50 percent
Class 3, Passenger, Military, and Industrial	85 percent	50 percent (passenger locomotives on case-by-case basis)	Tier 0+: 75 percent* Tier 1+: 80 percent* Tier 2+: 85 percent*

\* "+" is used to refer to the new U.S. EPA locomotive engine remanufacture standards (U.S. EPA, 2008)

### C. Emission Standards

The U.S. EPA has adopted regulations for exhaust emission standards for new and remanufactured locomotives. For reference, Tables 11-3 and 11-4 below summarize the hydrocarbon (HC), oxides of nitrogen (NOx) and particulate matter (PM) standards in grams per brake horsepower-hour (g/bhp-hr) for the 1998 Federal Standards and the 2008 Federal Standards.

**Table 11-3  
Locomotive Emission Standards (g/bhp-hr)  
Based on 1998 Federal Standards**

<b>Engine Model Year</b>	<b>Type</b>	<b>NOx<sup>1</sup></b>	<b>ROG<sup>2</sup></b>	<b>PM10<sup>1</sup></b>
1973-2001 Tier 0	Line-haul and Passenger	8.93	1.05	0.516
	Switcher	13.16	2.21	0.619
2002-2004 Tier 1	Line-haul and Passenger	6.96	0.58	0.387
	Switcher	10.34	1.26	0.464
2005-2011 Tier 2	Line-haul and Passenger	5.17	0.32	0.172
	Switcher	7.61	0.63	0.206

These factors are to be used for the project baseline emissions if the baseline locomotive is certified or required to be certified to the 1998 federal locomotive remanufacture standards and for the reduced emission locomotive if the project locomotive is remanufactured to these 1998 standards. Factors are based upon Regulatory Impact Analysis: Final U.S. EPA Locomotive Regulation (2008).

<sup>1</sup> NOx and PM10 emission factors have been adjusted by a factor of 0.94 and 0.86, respectively, to account for use of California ultra-low sulfur diesel fuel.

<sup>2</sup> Reactive Organic Gases (ROG) = HC \* 1.053

**Table 11-4**  
**Locomotive Emission Standards (g/bhp-hr)**  
 Based on 2008 Federal Standards

Engine Model Year	Type	NOx <sup>1</sup>	ROG <sup>2</sup>	PM10 <sup>1</sup>
1973-2001 Tier 0+	Line-haul and Passenger	6.96	0.58	0.189
	Switcher	11.09	2.21	0.224
2002-2004 Tier 1+	Line-haul and Passenger	6.96	0.58	0.189
	Switcher	10.34	1.26	0.224
2005-2011 Tier 2+	Line-haul and Passenger	5.17	0.32	0.086
	Switcher	7.61	0.63	0.112
2011-2014 Tier 3	Line-haul and Passenger	5.17	0.32	0.086
	Switcher	4.70	0.63	0.086
2015 Tier 4	Line-haul and Passenger	1.22	0.15	0.026
	Switcher	1.22	0.15	0.026

These factors are to be used for the project baseline emissions if the baseline locomotive is certified or required to be certified to the new (2008) federal locomotive remanufacture standards, and for the reduced emission locomotive if the project locomotive is remanufactured to the new standards or meets Tier 3 standards. Factors are based upon Regulatory Impact Analysis: Final U.S. EPA Locomotive Regulation (2008).

<sup>1</sup> NOx and PM10 emission factors have been adjusted by a factor of 0.94 and 0.86, respectively, to account for use of California ultra-low sulfur diesel fuel.

<sup>2</sup> ROG = HC \* 1.053

## D. Project Criteria

The minimum qualifications for locomotives are listed below. All projects must also conform to the requirements in Chapter 2: General Criteria, and in Chapter 3: Program Administration. Participating air districts retain the authority to impose additional requirements in order to address local concerns. Note that railroad classes are defined in Appendix B.

### 1. General Locomotive Project Criteria

- (A) Class 1 freight locomotive projects meeting the eligibility requirements for the Proposition 1B Goods Movement Program are only eligible for Carl Moyer Program funding on a case-by-case basis. Carl Moyer Program funds cannot be commingled with Proposition 1B Goods Movement Program funds.
- (B) Class 1 freight locomotives subject to the South Coast Memorandum of Understanding (MOU) are only eligible for Carl Moyer Program funding on a case-by-case basis. These locomotive projects must be excluded from the fleet average emission rate calculations which demonstrate compliance with the MOU provisions. The baseline emission rates used

to determine emission reductions and cost-effectiveness for these locomotive projects reflect the Tier 2 emission rates for line-haul and switch locomotives identified in Appendix D, Table D-17.

- (C) Class 2 railroad locomotives are subject to the same federal remanufacture requirements as Class 1 locomotives. There are currently no Class 2 railroad operators based in California. Should a Class 2 railroad apply for Carl Moyer Program funds, project eligibility and parameters shall be evaluated on a case-by-case basis.
- (D) Military and industrial railroads are considered Class 3 railroads for the purposes of the Carl Moyer Program.
- (E) Locomotive project activity must be based upon fuel consumption. Air districts may propose alternate project activity, such as actual usage data logged electronically by one or more locomotives, for case-by-case approval.
- (F) Carl Moyer Program funds cannot be used to pay for labor or parts used during routine maintenance.
- (G) For all liquefied natural gas-diesel or other dual-fuel locomotive projects, fuel consumption by fuel type must be monitored for the duration of the project life.
- (H) All locomotive projects receiving more than \$50,000 per locomotive in Carl Moyer Program funds must include the purchase and installation of an ILD if the locomotive is not already equipped with such a device and installation is technically feasible. Please see Part 3 of this section for ILD project minimum requirements.
- (I) Projects in which a Carl Moyer Program grant is made to a locomotive manufacturer or other third party, who in turn leases the project locomotive to an end user, are eligible for funding on a case-by-case basis. Factors to be considered include project life, lease terms, reporting and enforceability provisions, and other project parameters.
- (J) Locomotives must be both certified by EPA and verified by ARB in order to be eligible for funding.

## 2. Locomotive Replacement

Locomotive replacements are funded by the Carl Moyer Program and include Tier 4 locomotives (or cleaner), genset locomotives (multi-engine switcher) and electric-hybrid locomotives. Multi-engine switchers are typically powered by two or three off-road engines, while electric-hybrids use a small diesel engine to charge batteries

that provide locomotive power. United States Environmental Protection Agency (U.S. EPA) considers a refurbished locomotive a new locomotive if it includes at least 75 percent (by value) new parts.

- (A) The locomotive replacement must achieve a NOx emission rate of 3.5 g/bhp-hr and a PM emission rate of 0.10 g/bhp-hr.
  - (1) New locomotives with an aggregate engine power rating greater than or equal to 1,006 horsepower (750 kW) must be certified by U.S. EPA and verified by ARB to achieve this emission level (or cleaner).
  - (2) New locomotives with an aggregate engine power rating less than 1,006 horsepower are not required to be certified by U.S. EPA to locomotive standards. If not certified as a locomotive by U.S. EPA, the engines in the lower horsepower locomotives must be certified by ARB, and may be evaluated and considered for funding based upon the project engine on-road or off-road certification and corresponding Carl Moyer Program emission factor on a case-by-case basis.
- (B) Project locomotive emission rates will be the U.S. EPA emission rates unless the locomotive is certified to family emission limits (FEL).
  - (1) U.S. EPA certified emission rates for the project locomotive are found at [www.usepa.gov/otaq/certdata.htm](http://www.usepa.gov/otaq/certdata.htm). On the U.S. EPA spreadsheets, “L/H” refers to a line haul locomotive, “SW” refers to a switcher, and “THC” refers to total hydrocarbons. The U.S. EPA emission factors must be adjusted as follows (see Table 11-5): THC must be converted to ROG by multiplying by 1.053, and NOx and PM must be multiplied by 0.94 and 0.86, respectively, to account for the use of ultra low sulfur diesel. If this emission factor data is not made available by EPA for a locomotive which has been certified by EPA based on off-road engine certifications, districts must ask ARB to provide or approve appropriate locomotive emission factors.

**Table 11-5  
Adjustments to EPA Emission Rates for Project Locomotive  
(multipliers for rates from U.S. EPA spreadsheets)**

THC	NOx	PM
1.05	0.94	0.86

- (2) FEL certified locomotive emission rates are the emission standards for that locomotive model year. The FEL level must be lower than the required emission standard to be eligible for funding.
- (C) Baseline emissions for a locomotive replacement project reflect Tier 0 emission rates for Class 1 and intercity passenger and commuter

locomotives and uncontrolled emission rates for Class 3 locomotives and small passenger locomotives related to tourism, unless the locomotive to be replaced is currently certified, or is required by the U.S. EPA at the time of next rebuild to be certified, to a more stringent tier. In this situation, the baseline emission for calculation purposes must reflect the current or required, tier.

- (D) An alternative technology switcher must use the cleanest engine available certified to either the on-road or off-road engine standards.
- (E) Due to the design of alternative technology switchers, fuel consumption for the new locomotive may differ from baseline fuel consumption. Air districts may assume a fuel savings of 20% to estimate the fuel consumption for inclusion in the grant agreement. This fuel savings is already embedded into the cost-effectiveness calculation, and therefore it should not be applied when determining cost-effectiveness for the project.
- (F) Alternative technology locomotives which are not switch locomotives may be considered for funding on a case-by-case basis.
- (G) Project life:
  - (1) Class 1 locomotive replacement projects in air districts other than the South Coast must have a minimum project life of 10 years. ARB may approve a project life of less than 10 years for these locomotives on a case-by-case basis. Projects with shorter lives may be subject to additional funding restrictions, such as a lower cost-effectiveness limit or a project cost cap.
  - (2) All other locomotive projects have a minimum project life of three years.
  - (3) The maximum project life for a locomotive new purchase project is 20 years.

### 3. Idle-Limiting Device

Installation of an ILD can significantly reduce emissions from locomotives, which typically spend 40 to 60 percent of their operating time in the idle duty cycle.

- (A) ILD projects for Class 1 and intercity passenger and commuter locomotives and all other locomotives that are required by U.S. EPA to install an ILD at time of engine remanufacture are not eligible for Carl Moyer Funding.
- (B) If not already required by a rule, regulation, MOU, or other legal mandate, the Carl Moyer Program may pay up to 50 percent of the purchase and

installation cost for an ILD for Class 3 and Small Passenger locomotives related to tourism.

- (C) Locomotives with an existing ILD are only eligible on a case-by-case basis.
- (D) ILD emission reductions are calculated by applying the ILD factors in Appendix D, Table D-18.
- (E) All ILDs must comply with applicable durability and warranty requirements.
- (F) The maximum project life for a locomotive ILD project is 10 years.

#### 4. U.S. EPA-Certified and ARB verified Engine Remanufacture Kit or Locomotive Refurbishment

Engine remanufacture kits typically include new fuel injectors, cylinder head assemblies, pistons, and other engine components. Engine remanufacture kits must be certified by U.S. EPA, verified by ARB and meet all of the following criteria to be eligible for Carl Moyer Program funding. Locomotive refurbishments (or repowers) are also eligible for funding, provided the engine is certified and verified.

- (A) Purchase and installation of the cleanest available tier U.S. EPA-certified and ARB verified remanufacture kit or refurbishment (engine repower) is eligible for Carl Moyer Program funding. Applicants must provide evidence that the kit for which funding is requested is the cleanest available kit certified for use on the project locomotive.
- (B) Remanufacture kits must be demonstrated not to increase in-use emissions of NO<sub>x</sub>, ROG, or PM emissions.
- (C) Locomotive engine remanufacture and refurbishment projects must achieve at least a 30 percent NO<sub>x</sub> reduction beyond baseline emission levels.
- (D) Alternative-fueled engines must be ARB- or U.S. EPA-certified to achieve a reduced emission level in a locomotive application. Alternative-fueled engines not certified to achieve a reduced emission limit in a locomotive application may be eligible for funding on a case-by-case basis.
- (E) Baseline emissions reflect the emissions tier level required by federal locomotive remanufacture standards; i.e., the baseline emissions are the required remanufacture standard, which may not be the certification standard of the baseline locomotive.

- (1) Class 1 and passenger railroad use the emission rates associated with the federally required remanufacture tier see Table 11-4 and Appendix D, Table D-17b.
  - (2) Class 3 and small passenger locomotives use the uncontrolled emission rates in Appendix D, Table D-17a, unless the locomotive engine has already been upgraded to emit at a cleaner (Tier 0-2) emission level. In this case, baseline emissions would reflect existing engine Tier emission rate as indicated in Appendix D, Table D-17a or D-17b.
- (F) The U.S. EPA Certificate of Conformity (such as that shown in Appendix E, Figure E-2) identifies the applicable locomotive models and model years for which the remanufacture kit may be used, as well as the engine family used to verify the emission rate associated with the remanufacture kit. Emission reductions and cost effectiveness calculations shall use the factors from the Tier to which the kit is certified.
- (G) The eligible costs for a Carl Moyer Program remanufacture kit or repower project include only (1) those items the Certificate of Conformity identifies as being part of the rebuild kit and (2) those the certificate indicates must be contained in the base engine. Each of these specific items on the Certificate of Conformity must be individually itemized in the project invoice. Typical eligible costs of the remanufacture kit may also include the following items: camshafts, injectors, power assemblies (including piston rings, cylinder lines and cylinder head pistons), engine CPU, engine software, aftercoolers, heat exchangers (including radiators and oil cooler), cooling circuits, cooling fans, microprocessor, fuel injectors, oil separator element, governor, water, cooling, and scavenging pumps and pump installation kits, top deck cover seals, rocker arm sets, valve bridges, rod bearing sets, top deck cover seals, blower thrust valves, lower liner inserts, and locomotive control system software. Other items may be eligible for funding on a case-by-case basis.
- (H) Project life:
- (1) Remanufacture kit projects have a maximum project life of six years. A longer project may receive case-by-case approval if applicants provide justifying documentation. If fuel injectors are required to be replaced by the U.S. EPA Emissions Warranty for the project kit before the end of the project life, the applicant must commit via contract to replace the injectors as required with equivalent low-emission injectors. The Carl Moyer Program project cost may include funds for the replacement injectors. The project annual reports must include documentation that all required maintenance identified in the U.S. EPA Emissions Warranty is completed on schedule. Maintenance other than replacement of low-emission fuel injectors is not eligible for Carl Moyer program funding.



- (2) The maximum project life for a locomotive refurbishment project is 10 years if the new engine does not meet current federal new locomotive standards and 20 years if it meets or is cleaner than required by these standards.

## 5. Retrofit

Retrofits involve hardware modifications to the engine or exhaust system to reduce emissions, and include selective catalytic reduction, diesel oxidation catalysts or diesel particulate filters. Other retrofit projects may be eligible for funding on a case-by-case basis.

- (A) A retrofit device must be ARB- verified to reduce emissions from the project engine in order to be eligible for funding.
- (B) Up to 100 percent of the total cost of a locomotive retrofit project is eligible for Carl Moyer Program funding.

## 6. Head End Power Unit (HEP)

- (A) HEP replacement is eligible on a case-by-case basis.
- (B) The baseline engine must be certified to the applicable off-road standard at the time of manufacture.
- (C) The replacement engine must use the cleanest engine available.