



Alternative Fuels Incentive Grant Program



pennsylvania
DEPARTMENT OF ENVIRONMENTAL
PROTECTION



Dear Interested Party:

I am pleased to invite you to apply for the Alternative Fuels Incentive Grant Program (AFIG).

The transportation sector is responsible for significant air pollution, including nearly a quarter of the greenhouse gases emitted in Pennsylvania. One of the ways Pennsylvanians can reduce emissions from transportation is by using alternative fuels, such as electricity, natural gas, propane, biofuels, and hydrogen. In addition to improving air quality, use of alternative fuels provides other benefits, such as supporting local economic development and enhancing energy independence and energy security.

I have confidence that alternative fuel projects you submit will promote and build markets for advanced, renewable and alternative energy transportation technologies as well as lessen our carbon footprint. The intent of this grant program is to provide a stimulus for opportunities that better manage Pennsylvania's fuel resources in a way that also improves the environment, supports economic development and enhances our quality of life.

Eligible proposals may include a variety of opportunities for the use of alternative fuels and alternative fuel vehicles.

The Department of Environmental Protection (DEP) is particularly interested in supporting proposals that provide environmental benefits, are market-driven, create jobs, and produce economic development within Pennsylvania.

Along with the enclosed application is detailed guidance to help develop project proposals. I encourage you to read through the entire package carefully to ensure your successful application. Please contact AFIG staff with any questions you may have.

The AFIG program will remain open continuously throughout calendar year 2019 and DEP will select the best projects through a competitive scoring process. The Department will evaluate applications received by the end of each of two submission periods: July 12, 2019, and December 13, 2019. Unsuccessful applicants will be provided an opportunity to review their application with AFIG staff. The opportunity to quickly resubmit a follow-on application with improvements during the next submission period will be available to you.

DEP looks forward to funding a variety of energy projects that benefit Pennsylvania's environment, economy, and energy security.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick McDonnell".

Patrick McDonnell
Secretary

Secretary

Rachel Carson State Office Building | P.O. Box 2063 | Harrisburg, PA 17105-2063 | 717.787.2814 | www.dep.pa.gov

Alternative Fuels Incentive Grant Program

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Alternative Fuels Incentive Grant Program

The Pennsylvania Department of Environmental Protection (DEP) is offering competitive grant funding for clean, alternative fuel projects in Pennsylvania and investment in Pennsylvania's energy sector. DEP receives approximately \$6 million in funding each year through the utilities gross receipts tax collected during each fiscal year to carry out the provisions of the Alternative Fuels Incentive Act. The primary goals of the Alternative Fuels Incentive Grant Program (AFIG) are to improve Pennsylvania's air quality and reduce consumption of imported oil through the use of homegrown alternative fuels that will help the commonwealth's economy and environment. DEP is seeking applications for innovative, advanced fuel and vehicle technology projects resulting in a cleaner and greener transportation sector within the Commonwealth. DEP will consider projects within the category areas listed under General Eligibility and anticipates awarding all funds received during each fiscal year for projects consistent with the Alternative Fuels Incentive Act.

The AFIG Fund was established under Act 166 of 1992 and is administered by DEP through the Energy Programs Office. We encourage you to read and review the Alternative Fuels Incentive Act of 2004, P.L. 1376, No. 178, available at

<https://www.legis.state.pa.us/cfdocs/legis/li/uconsCheck.cfm?yr=2004&sessInd=0&act=178>.

Key Considerations Prior to Applying

- All applications must be submitted online through DCED's Electronic Single Application (ESA) system. <http://www.esa.dced.state.pa.us/>
- Eligible applicants may submit more than one application for different projects but may not exceed the total award amount for any individual applicant of \$600,000.
- Activities funded must be conducted in Pennsylvania.
- Vehicles funded must be registered in Pennsylvania and remain registered in Pennsylvania for no less than two years after project completion.
- For vehicle purchase or conversion projects, vehicles cannot have been purchased, delivered or converted prior to January 1, 2019. Deposits to hold/order vehicles are excluded from this requirement.
- Except for vehicle purchase or conversion projects, projects will not be reimbursed for work performed prior to the grant award date.
- Vehicle Retrofit and Purchase applications may only include vehicles owned or leased by the applicant – applicant may not apply on behalf of other entities.
- All projects must have a measurable environmental net benefit for the commonwealth.
- Grantees must secure all permits or approvals (state, federal, and local) required for the project to proceed prior to DEP providing grant reimbursement.
- Written consent of property owners must grant DEP access to project sites.
- Projects that are solely feasibility studies will not be funded.
- DEP reserves the right not to award funds to applicants that have:
 - not submitted an application that is administratively complete;
 - failed to complete previously funded projects with DEP;
 - exhibited poor performance in complying with the expectations and requirements of previously awarded grants with DEP including, but not limited to, failure to complete previously awarded projects or failure to submit paperwork in a timely fashion; or

- non-compliance issues with DEP or outstanding obligations to the commonwealth, including other commonwealth agencies.
- It is highly recommended that all applicants contact one of the DEP AFIG staff members listed on page 10 to discuss their project proposal via phone or email.

Driving PA Forward

- Applicants submitting either vehicle purchase or electric vehicle charging infrastructure projects should visit the **Driving PA Forward** website: <http://www.depgis.state.pa.us/DrivingPAForward/> to determine whether it is most beneficial to apply under AFIG or Driving PA Forward. Applicants may also contact DEP AFIG staff for assistance in determining which rebate or grant program is the best fit.
- Projects which have previously been awarded any AFIG or VW Mitigation Trust Fund (Driving PA Forward) incentives are not eligible.
- Please note: The Driving PA Forward program requires that replaced vehicles or engines must be scrapped or rendered permanently inoperable. AFIG does not require replaced vehicles to be scrapped.

New This Round

The AFIG program will remain open continuously throughout calendar year 2019.

Submission period end dates are by 4:00 PM on:

- July 12, 2019
- December 13, 2019

The program changes for the Vehicle Retrofit and Purchase projects category and the maximum grant awards are:

- For Innovative Technology projects, the maximum grant award has been increased to \$600,000.
- **Standard hybrid vehicles are not eligible for an AFIG award, only Plug-in Hybrid Electric Vehicles (PHEV) are eligible.**
- For new CNG, LNG, propane, Biodiesel vehicles using a blend greater than B20, Electric Vehicles with a battery system capacity equal to or greater than 30 kWh, and Hydrogen Fuel Cell vehicles, applicants may request 100% of the incremental costs for all vehicle classes but no more than \$7,500 for Class 1 and Class 2 passenger vehicles, and no more than \$40,000 per vehicle for all other vehicle classes.
- For Electric Vehicles with a battery system capacity between 10 kWh and 30 kWh, applicants may request a maximum of 75% of the incremental costs for all vehicle classes but no more than \$5,000 per vehicle for Class 1 and Class 2 passenger vehicles, and no more than \$30,000 for all other vehicle classes.
- For Electric Vehicles with a battery system capacity of less than 10 kWh, applicants may request a maximum of 50% of the incremental costs for all vehicles but no more than \$1,000 for Class 1 and Class 2 passenger vehicles, and no more than \$20,000 per vehicle for all other vehicle classes.
- These changes are also defined in the table found on Page 14.

General Eligibility

Eligible Applicants:

- School districts
- Municipal authorities
- Political subdivisions
- Incorporated nonprofit entities
- Corporations
- Limited liability companies or partnerships registered to do business in the Commonwealth

Ineligible entities include but are not limited to: state and federal agencies, and institutions that are part of the state system of higher education.

Eligible Project Categories:

Vehicle Retrofit or Purchase Projects:

- New Vehicle Purchase - The incremental cost of purchase of new alternative fuel vehicles (any type or size).
- Vehicle Retrofit - The incremental cost to retrofit new or existing vehicles to operate on alternative fuels (any type or size).

Alternative Fuel Refueling Infrastructure Projects:

- Fleet Refueling - The cost for the purchase and installation of refueling equipment servicing, at a minimum, one fleet of alternative fuel vehicles with a GVWR less than 26,000 lbs.
- Workplace, Home or Intermediary Refueling Projects - The cost to purchase and install refueling equipment at a vehicle's or vehicles' home location servicing only vehicles with a GVWR less than 10,000 lbs.

Innovative Technology Projects:

- Projects that include research, training, development and demonstration of new applications or next phase technology related to alternative transportation fuels and alternative fuel vehicles.

Note:

- For each specific project type described above, please see the individual requirements section to obtain detailed information for each project type.
- Any applicant who begins a project and incurs costs before receiving a fully executed grant agreement does so at his or her own risk.
- A separate application is required for each project category. Applicants may not combine different project categories into the same application.

Application Requirements – All Projects

- The application, project description and required attachments must be complete and the application must include all applicable items as outlined in the application instructions.
- The application must describe where all project activities will occur.
- The application must include documentation supporting the anticipated types and amounts of alternative fuel produced, dispensed and/or fossil fuel to be displaced.
- The application must include equipment specifications, maps, plans or financial documents associated with the project.
- The application must describe any other public funding included in the project.
- The application must contain letters documenting the financial commitment for any match claimed; these letters of commitment must include clear documentation of the amount of financial commitment from each source (both the applicant and from any entity other than the applicant).
- Monies "applied for" from other sources may not be included.
- Other DEP program funds cannot be used to comply with the project match requirement including Driving PA Forward funds.
- The application must include a budget for the project. AFIG funds cannot be used to cover the following ineligible costs:
 - Preparation of the AFIG application; land acquisition; permits; landscaping; advertising; business start-up costs; indirect costs (i.e., general administrative and overhead, contingency funds, etc.); travel, lodging, subsistence; conference or meeting expenses including catering, conference equipment and room rental; and any other cost not deemed acceptable to DEP.
 - If permits are required for the project and the applicant has received a permit, the applicant must include a copy of the permit with the application; if a permit has not yet been received prior to the submission of the application a copy of the permit must be supplied to DEP prior to the first reimbursement.

Application Evaluation – All Projects

DEP will conduct a comprehensive review of all complete and eligible grant applications including supporting documentation. Applications will be competitively evaluated based solely on the data provided; therefore, completeness and accuracy are important. Applications will be reviewed and evaluated by DEP using the criteria defined below and any other criteria that may be specifically referenced in each of the requirements sections included in this grant solicitation.

- Improvement of Pennsylvania's air quality via environmental benefits, protection of the natural environment and avoided emissions.
- Reduction of conventional energy consumption (imported crude oil and other petroleum products) or increased energy production from indigenous alternative energy sources.
- Promotion of Pennsylvania's energy resources, energy diversity and security.
- Economic benefits for the commonwealth, including jobs, savings to consumers and/or revenue generation.
- The amount of matching funds or in-kind services documented by letters of financial commitment (resolutions are not required at the time of application);

Note: letters supporting the project are not considered letters of financial commitment for matching funds or in-kind services. Letters of support are *not* required.

- The level of financial support needed by the applicant to complete the project.
- Promotion of the environmental benefits resultant of the project.
 - A written outreach and education plan for your project is encouraged to be submitted with your application to demonstrate how you will promote the environmental benefits of alternative fuels. This plan could range from an educational press release to an “inaugural ride” of your new AFV bus that includes coverage by local media and engaging students in educating attendees. Other examples include but are not limited to educational signage on your new vehicle or within your building, as well as incorporating the outcomes of the grant project into a new or existing educational curriculum.
- Support of economically distressed Act 47 municipality.

Projects may be determined to be incomplete and as such ineligible for an award if the information provided in the application:

- Is incomplete or contains inaccurate information.
- Does not clearly indicate that the project activities funded will be conducted in Pennsylvania.
- Does not clearly indicate that the project is ready to commence and can be completed within the grant period of performance.
- Does not provide letters from the applicant or project partners providing cost share that clearly documents financial commitment.
- Does not provide a letter or an agreement from the lessee if intending to lease vehicles which acknowledges the lessor’s approval of the intended vehicle modification and commitment to the registration and use of the vehicle primarily in Pennsylvania for not less than two years if the lessor regains control of the vehicle during this time.
- Does not commit to utilize EPA or CARB compliant vehicles.
- Does not document how the incremental purchase cost or conversion cost was derived.
- Does not document that costs have not been expended prior to the dates indicated in the solicitation, or in the case of vehicle retrofit or purchase projects, prior to January 1, 2019.

Note: Deposits to hold/order vehicles or deposits for retrofit work are excluded from this requirement

- Does not clearly indicate that vehicles supported with AFIG funds will be registered in Pennsylvania and primarily operated and fueled in Pennsylvania.

An application may fail to receive funding or be determined to be not reviewable due to application deficiencies or inadequacies.

DEP, at its discretion, may not fund a project if an applicant has an active AFIG grant project unless DEP has received and approved a final report and statement of expenditures for the active project.

Although applications will be accepted for each project category during a submission period, DEP, at its discretion, may choose to not award projects in each project category if no project application received within a category is determined to merit an award.

DEP may, at its discretion, award partial grant funding.

If an application is not awarded, applicants may request comments from AFIG staff indicating what changes could improve the application and reapply during the next submission period.

If an applicant is applying under more than one project category for related projects (ex. vehicle purchase and refueling infrastructure to support those vehicles), the total combined grant request of all applications from one applicant cannot exceed \$600,000 per applicant, per project location.

An applicant may receive no more than 10 percent, or \$600,000, of the money available under this grant program in any fiscal/calendar year.

General Grant Award and Contract Conditions

- Projects selected for funding will receive a letter from the DEP Secretary or designee, addressed to the contact person specified in the application.
- Grantees will be assigned a DEP project advisor and grantees may be required to meet with DEP staff to review contract requirements.
- After the announcement of a grant award, DEP will forward a grant agreement to the recipient; grantees will be required to execute (sign) the grant agreement electronically, and provide a detailed scope-of-work, project schedule, budget and other information.
- Grantees that have not had previous contracts or grant agreements with the commonwealth will be required to obtain a vendor identification number through the Vendor Data Management Unit, <https://www.vendorregistration.state.pa.us/cvmu/paper/GranteeRegistration.aspx> (Non-Procurement Registration Link) and to submit a Form W-9, Request for Taxpayer Identification Number and Certification.
- AFIG is a reimbursement grant program. Payment requests may begin only after the grantee has received a fully executed grant agreement and documented eligible expenses.
- DEP will make payment to the successful grantee based on review of the required Statement of Expenditures form, accompanying invoices and adequate proof of payment documentation; DEP will not fund costs in excess of the awarded grant amount. DEP will approve expenditure requests submitted on a quarterly basis.
- Grantees will be paid for funds expended only during the grant period of performance. Deposits to hold/order vehicles or for retrofit work are excluded from this requirement and can be reimbursed.
- Reporting and Invoices:
 - The grantee must submit a quarterly report, on the correct DEP-provided form, for the duration of the grant period; quarterly reports are due to the DEP project advisor by the 5th of the month following the quarter that is being reported.
 - Grantees must ensure current Quarterly Progress Report forms are on file with DEP for the periods covered by each Statement of Expenditures, as outlined in the grant agreement.
 - The grantee will use the report forms provided by DEP; these forms will be referenced in the grant agreement, but not attached to the grant agreement.
 - The grantee will be responsible for providing all the information required to complete the grant report.
 - Grantees must submit a Final Report within 30 days of the completion of the grant.
 - Grantees will be required to submit a One-Year Follow-Up Report, including performance measures and jobs created or retained, one year after the project completion date. Vehicle purchase or retrofit projects will require two Annual Fuel Usage Follow-up Reports.

- Completion of Project:
 - The project must be completed as described in the grant agreement; modifications to the project will not be considered, except for limited scope, time, and budget changes approved by DEP.
 - With DEP approval, changes may include replacements of equal quality and function, and reallocation of funds within the budget as long as the maximum contract dollar amount payable by DEP to the recipient is not exceeded.
- Permits:
 - Grantees must secure all permits or approvals otherwise required for the project to proceed; this includes any permits required by DEP.
 - If permits are required for the project, copies of the permits shall be submitted prior to the first reimbursement request; DEP will not make payments to the grantee prior to receiving a copy of the required permit; if applicable, the final building inspection report must be signed, and a copy must be submitted to DEP, before the grantee applies for final payment.
- Grantees must comply with all applicable laws and local ordinances including local, commonwealth and federal requirements in the implementation of the project.
- Accounting and Financial Controls:
 - Grantees must properly manage and account for funding received. A complete spending record for all expenditures will be required, including invoice receipts, logs of record and other properly certified documents.
 - All work or delivery of vehicles, equipment etc., must occur during the stated period of performance in the grant agreement. Grantee shall provide proof of payment and other required documentation within 30 days of the project completion date. No reimbursement will be given for costs expended prior to the grant period of performance (deposits to hold/order vehicles or for retrofit work are excluded). **Any applicant who starts a project and incurs costs before receiving a fully executed grant agreement does so at its own risk.**
 - Matching funds provided by the applicant or other project partners must be spent during the grant period of performance. No credit will be given for funds spent prior to the grant period of performance (deposits to hold/order vehicles or for retrofit work are excluded). Matching funds must correspond to eligible categories as outlined in the project budget. Documentation will be required for expenditure of matching funds as well as DEP funds.
 - All funding must be spent in accordance with the spending plan included in the grant agreement. DEP reserves the right to terminate the project and/or recover funding from grant recipients that the department determines are either not performing or not properly managing the funding, as per the conditions of this AFIG solicitation or the grant agreement.
 - Time extensions will only be granted if the department determines the extension to be necessary through review of a time extension request.
 - Requests for extensions to the grant period of performance should be received 60 days prior to the end date of the period of performance on a DEP Change Request form. A Change Request form may be obtained from the grant project advisor.
 - DEP reserves the right to inspect projects financed with AFIG funds and to audit or require a third-party audit of any project's financial transactions or compliance with grant agreement terms.
 - DEP reserves the right to recover funding from grant recipients that do not meet the requirements of the grant agreement during the grant term.

- AFIG grant proposals are public documents and subject to disclosure to the public. Any information included in the grant proposal that the applicant wishes the commonwealth to consider as proprietary must be on a separate sheet of paper and must be clearly marked as proprietary.
- Projects may be subject to Pennsylvania Prevailing Wage Act requirements, as follows:
 - Grantees shall insure where necessary that construction projects with a cost in excess of \$25,000, which are subject to Pennsylvania's Prevailing Wage Act requirements, are paid appropriate wages commensurate with the Act.
 - For information about the applicability of Prevailing Wage, applicants are encouraged to contact the Department of Labor and Industry at 717-705-7256 or 800-932-0665 or visit the website at www.dli.pa.gov. It is solely the responsibility of a grantee to ensure the Act is followed if applicable.

Definitions

The following are definitions of key terms that are used in this application package:

AFIG Grant – Monies allocated from the AFIG Fund for a project approved by DEP.

Alternative Fuel – Any transportation fuel other than conventional fuels; gasoline and diesel. This includes, but is not limited to: compressed natural gas, liquefied natural gas, propane, hydrogen, hythane electricity, biodiesel, ethanol, methanol and other advanced biofuels.

Alternative Fuel Vehicle – A self-propelled vehicle operating on an alternative fuel designed for transporting persons or property. This term includes bi-fuel, dual fuel, plug-in hybrid electric vehicles (PHEV), electric and other dedicated alternative fuel vehicles.

- New alternative fuel vehicles are defined as vehicles with an odometer reading of 500 miles or less (not including delivery from the manufacturer or demo miles).

Businesses – Corporations, limited liability companies or partnerships incorporated or registered in this Commonwealth.

Dedicated vehicle – A vehicle that runs exclusively on an alternative fuel, this also can include an original equipment manufacturer or retrofit vehicle.

Department or DEP – The Department of Environmental Protection of the Commonwealth of Pennsylvania.

Fleet – A group of 10 or more vehicles comprised of passenger cars, light-duty trucks, buses and heavy-duty trucks up to 26,000 lbs. GVWR that is owned and operated by a single school district, municipal authority, political subdivision, nonprofit entity, corporation, limited liability company or partnership located within this Commonwealth.

Fund – The Alternative Fuels Incentive Fund.

Grantee – An applicant that has an executed AFIG grant agreement with DEP to receive funding.

Gross Vehicle Weight Rating (GVWR) – The maximum weight of the vehicle, as specified by the manufacturer. GVWR includes total vehicle weight plus fluids, passengers, and cargo.

- Class 1: < 6000 lb.
- Class 2: 6001-10,000 lb.
- Class 3: 10,001-14,000 lb.
- Class 4: 14,001-16,000 lb.
- Class 5: 16,001-19,500 lb.
- Class 6: 19,501-26,000 lb.
- Class 7: 26,001-33,000 lb.
- Class 8: > 33,001 lb.

Hybrid Vehicle – A motor vehicle that draws propulsion energy from onboard sources of stored energy that are both:

- 1) An internal combustion engine using combustible fuel.
 - 2) A rechargeable energy storage system.
- For the purposes of this program, Hybrid Vehicle refers to Plug-in Hybrid Electric Vehicles that can drive ten (10) or more miles on electricity alone.

Incremental cost – Any of the following:

- The difference in cost between the purchase price of a conventional model vehicle and its alternative fuel model related to use of the alternative fuel.
- The cost to retrofit a conventional model vehicle to operate using alternative fuels.

Refueling Equipment – A permanent structure for storage or dispensing of alternative fuels. Structures involve new land development or result in a change to the existing use of land that may involve processing, storage and dispensing of alternative fuel into vehicles which utilize the fuel dispensed for transportation.

Municipal Authority – A body corporate and politic as defined by Section 5602 of the Municipality Authorities Act (53 Pa.C.S. §5602) or successor statutes.

Nonprofit Entity – Any association, as defined by Section 102 of the Associations Code, 15 Pa.C.S. §102, that is not organized for a purpose or purposes involving pecuniary profit, incidental or otherwise, to its shareholders or members, is registered with the Internal Revenue Service as a nonprofit entity, and is incorporated under the laws of Pennsylvania or has a certificate of authority from the Pennsylvania Department of State to conduct business in Pennsylvania.

Political Subdivisions – A Pennsylvania county, city, borough, incorporated town, township, school district, vocational school district, or county institutional district.

Retrofitted Vehicle – A new vehicle that has had a conversion system (the addition of a new item, modification or removal of an existing item of equipment beyond that of regular maintenance, on an automobile after its initial manufacture) installed which is in compliance with all Federal and State safety requirements including rules and regulations promulgated by the EPA and has been installed by a trained or approved installer of the conversion technology manufacturer.

DEP AFIG Staff

For individual location-specific project inquiries, please contact:

Michelle Ferguson, 570-327-3783 or Josh Dziubek, 717-783-8411

Counties: Bradford, Butler, Carbon, Cameron, Clarion, Clearfield, Centre, Clinton, Columbia, Crawford, Elk, Erie, Forest, Jefferson, Lackawanna, Lawrence, Lehigh, Luzerne, Lycoming, McKean, Mercer, Monroe, Montour, Northampton, Northumberland, Pike, Potter, Schuylkill, Snyder, Susquehanna, Sullivan, Tioga, Union, Venango, Warren, Wayne, and Wyoming.

Mark Hand, 717-705-4797 or Walt Dinda, 717-783-8411

Counties: Adams, Allegheny, Armstrong, Bedford, Beaver, Berks, Blair, Bucks, Cambria, Chester, Cumberland, Dauphin, Delaware, Fayette, Franklin, Fulton, Greene, Huntingdon, Indiana, Juniata, Lancaster, Lebanon, Mifflin, Montgomery, Perry, Philadelphia, Somerset, Washington, Westmoreland and York.

For multiple location/state wide project inquiries, please contact:

Josh Dziubek, 717-783-8411

Application Submission

All applications must be submitted online through DCED's Electronic Single Application (ESA) system.
<http://www.esa.dced.state.pa.us/>

Submission period end dates are by 4:00 PM on:

- July 12, 2019
- December 13, 2019

For questions regarding the online application process, refer to the Help tab on the grant application website or contact:

PA Department of Community and Economic Development (DCED)
Customer Service
800-379-7448 8:30 am-5:00 pm
ra-dcedcs@state.pa.us

PA Alternative Fuels Incentive Grant Vehicle Retrofit and/or Purchase Projects Eligibility, Requirements and Evaluation Criteria

Vehicle Retrofit and Purchase projects include the *incremental cost* of purchase of new alternative fuel vehicles (any type or size). The new vehicles must be manufactured by the original equipment manufacturer to operate on alternative fuel as dedicated, bi-fuel or dual-fuel.

- Vehicle Retrofit and Purchase also includes the incremental cost of retrofit of new vehicles to operate on alternative fuels (any type or size) and can be operated on alternative fuel as dedicated, bi-fuel or dual-fuel. New alternative fuel vehicles are defined as vehicles with an odometer reading of 500 miles or less (not including mileage incurred in delivery from the manufacturer or in transporting the vehicle between dealers for sale).

Eligible vehicles include but are not limited to: Dedicated, bi-fuel, and dual-fuel LNG or CNG vehicles, liquid propane gas, hydrogen, biodiesel (blends greater than B20), and electricity; no GVWR limits. Plug-In Hybrid Electric Vehicles (PHEV) are eligible.

- Scrappage of replaced vehicles is not required as in the Driving PA Forward rebate programs.

Eligible applicants:

- School districts;
- Municipal authorities;
- Political subdivisions;
- Incorporated nonprofit entities;
- Corporations; and
- Limited liability companies or partnerships registered to do business in the commonwealth.

Ineligible entities include but are not limited to: state and federal agencies, and institutions that are part of the state system of higher education.

Vehicle purchasers/owners/lessees and lessors are eligible to receive a grant.

- For lessees, the application must include a signed letter or agreement from lessor approving the vehicle modification and agreeing to the use of the vehicle in Pennsylvania for no less than two years.
- For lessors, the application must include a signed letter from the lessee agreeing to the use of the vehicle in Pennsylvania for no less than two years.
- Vehicles must be registered to the applicant.
 - Applications may only include vehicles owned or leased by the applicant – applicant may not apply on behalf of other entities.

Project Requirements:

- Period of Performance
 - Vehicles must be purchased or converted and delivered after January 1, 2019. Deposits to hold/order vehicles may occur prior to January 1, 2019.
 - Vehicles must be purchased or converted within 12 months of the grant award date.
- All vehicles must be primarily operated and fueled in Pennsylvania.

- All identified refueling facilities to be utilized by vehicles receiving DEP funds must be properly permitted even if existing prior to the grant award.
- The vehicles receiving funding must be registered in Pennsylvania and remain registered in Pennsylvania for no less than 2 years after project completion.
- DEP reserves the right to recover funding from grant recipients that do not meet the requirements of the grant agreement during the grant term.
- The applicant must identify a service technician or company that will service the alternative fuel system during the ownership of the proposed vehicles.
- All alternative fuel vehicles or conversion systems must be compliant with Environmental Protection Agency (EPA) or California Air Resource Board (CARB) requirements.
 - Please refer to the conversion system requirements as described in DEP's "Policy on Clean Alternative Fuel Conversion Systems" (<http://www.depgreenport.state.pa.us/elibrary/GetDocument?docId=7557&DocName=P CV Conversion Policy Final Revised.pdf>)
- The purchase of a used, pre-owned vehicle already converted to alternative fuel is not eligible.
- Vehicles which have previously been awarded any AFIG or VW Mitigation Trust Fund (Driving PA Forward) incentives are not eligible.
- Vehicles which are replacing existing alternative fuel vehicles are not eligible unless those vehicles can be proven to be at the end of their useful life.
- For projects involving the purchase or retrofit of new vehicles, DEP will make payment to the grantee based on review of the required form detailing actual incremental costs at time of purchase or retrofit with accompanying invoices and documentation of the delivery of the vehicle.
- For purchase or retrofit of new vehicles, DEP will not fund costs in excess of the requested grant amount or in excess of the percentage of incremental costs as documented on the Alternative Fuel Vehicle Summary Table, whichever is less.
- For purchase or retrofit of new vehicles, the following documentation must be submitted along with the reimbursement request form in order to secure payment:
 - A copy of the invoice or the bill of sale that clearly shows the incremental cost or conversion cost.
 - Proof of payment. This can be a copy of the front and back of a cancelled check, wire transfer receipt, or an invoice indicating a zero balance due and receipt of payment in full. For leased vehicles where the incremental purchase price is not paid as a separate one-time payment, grantee must show proof of lease payments that equal or exceed the incremental purchase price.
 - A copy of a valid Pennsylvania vehicle registration. The name appearing on the vehicle registration must appear on the invoice.
 - Proof of EPA or CARB compliance of alternative fueling system.
 - For leased vehicles only: a copy of the lease agreement.
- For entities (lessee) who will be leasing a vehicle owned by another entity (lessor), the following conditions apply:
 - The lessee is responsible for paying the incremental cost to be reimbursed by DEP within the grant period of performance.
 - Vehicles must be registered to the lessee for the entire term of the lease, which must be for not less than two years, and must agree to use the vehicle primarily in Pennsylvania for not less than two years.

- Lessee provides a signed agreement from lessor approving the vehicle modification and agreeing to the use the vehicle primarily in Pennsylvania for not less than two years if lessor regains control of the vehicle during this time.
- The lessee will provide to DEP a copy of the lease agreement.

Application Requirements:

A single application under this category may not exceed \$300,000. Any AFIG application seeking funding to support the incremental cost to purchase alternative fuel fleet vehicles or convert vehicles to utilize alternative fuels may request the following:

- For new CNG, LNG, propane, Biodiesel vehicles using a blend greater than B20, Electric Vehicles with a battery system capacity equal to or greater than 30 kWh, and Hydrogen Fuel Cell vehicles, applicants may request 100% of the incremental costs for all vehicle classes but no more than \$7,500 for Class 1 and Class 2 passenger vehicles, and no more than \$40,000 per vehicle for all other vehicle classes.
- For Electric Vehicles with a battery system capacity between 10 kWh and 30kWh, applicants may request a maximum of 75% of the incremental costs for all vehicle classes but no more than \$5,000 per vehicle for Class 1 and Class 2 passenger vehicles, and no more than \$30,000 for all other vehicle classes.
- For Electric Vehicles with a battery system capacity of less than 10 kWh, applicants may request a maximum of 50% of the incremental costs for all vehicles but no more than \$1,000 for Class 1 and Class 2 passenger vehicles, and no more than \$20,000 per vehicle for all other vehicle classes.

Alternative Fuel Type	Vehicle Class	Battery System Capacity (for EV's)	% of Incremental Cost* Eligible for Grant Request	Maximum Grant Award (per new vehicle)
Electric Vehicles	Class 1 and 2	= or >30 kWh	Up to 100%	\$7,500
		10 to 30 kWh	Up to 75%	\$5,000
		<10 kWh	Up to 50%	\$1,000
	Class 3-8	= or >30 kWh	Up to 100%	\$40,000
		10 to 30 kWh	Up to 75%	\$30,000
		<10 kWh	Up to 50%	\$20,000
CNG	Class 1 and 2		Up to 100%	\$7,500
	Class 3-8		Up to 100%	\$40,000
LNG	Class 1 and 2		Up to 100%	\$7,500
	Class 3-8		Up to 100%	\$40,000
Propane	Class 1 and 2		Up to 100%	\$7,500
	Class 3-8		Up to 100%	\$40,000
Biodiesel (>B20)	Class 1 and 2		Up to 100%	\$7,500
	Class 3-8		Up to 100%	\$40,000
Hydrogen Fuel Cell	Class 1 and 2		Up to 100%	\$7,500
	Class 3-8		Up to 100%	\$40,000

***Note: This grant program does not fund the total vehicle purchase cost. *Incremental cost* is defined as:**

The difference in cost between the base price of a conventional model vehicle and its alternative fuel model related to use of the alternative fuel or the cost to retrofit a conventional model vehicle to operate using alternative fuels.

- The application must contain a completed Alternative Fuel Vehicle Summary Table.
- The application must contain documentation such as a letter from the owner or operator of the primary fueling station confirming the existence of fueling infrastructure that is available to supply alternative fuels to the eligible vehicles to be supported with grant funds.
- The application must contain backup documentation showing how the incremental purchase cost was calculated, such as price quotes from the vehicle dealer or upfitter that clearly show the incremental purchase cost of the alternative fuel vehicle versus a comparable gasoline or diesel model (including similar amenities), or the conversion cost.
- The application must contain proof of any information pertaining to project readiness including and/or not limited to:
 - Vehicle or conversion orders,
 - Deposits made
 - Vehicle delivery or conversion dates
- The project narrative and/or the Alternative Fuel Vehicle Summary table must include a description of:
 - The number and type of eligible vehicles that have been or will be purchased or retrofitted.
 - The location and ownership of the primary fueling station to be utilized by the vehicles to be supported with grant funds.
 - The public accessibility of the primary fueling facility. The intention of the applicant to continue to use alternative fuels and to operate the vehicles in Pennsylvania.
 - The total amount of alternative fuel to be consumed and the amount of fossil fuel to be displaced.
 - Amount of GHG and NOx/SOx reductions.
 - A description and disposition of the vehicle(s) being replaced by the alternative fuel vehicle, if applicable.

Application Evaluation:

In addition to the Application Evaluation criteria on Page 4 of this document, DEP will also evaluate the following items unique to this project type:

- The amount of fossil fuel to be displaced.
- The number of vehicles purchased during the grant term.
- The use of funded vehicles by emergency personnel in emergency responses, rescues, and evacuations (to include police, fire, public safety, and ambulatory vehicles).
- The use by the vehicles purchased of a new station not previously supported by Commonwealth grants for vehicles or infrastructure.
- The level of public accessibility of the primary fueling station.
- The location of the primary fueling station within five road miles of an interstate highway.
- The location of the primary fueling station relative to other existing alternative fueling stations.
- The significance of the proposed education and outreach plan.

Information on Applying:

- Please see the PA Alternative Fuels Incentive Grant Electronic Single Application (ESA) Step-by-Step Guide: **Instructions for the Online Application.**
- Please see the AFIG Project Specific Step-by-Step Instructions: **Vehicle Purchase and/or Retrofit Projects.**

**PA Alternative Fuels Incentive Grant
Alternative Fuel Refueling Infrastructure Projects
Eligibility, Requirements and Evaluation Criteria**

Alternative Fuel Refueling Infrastructure projects include the cost to purchase and install refueling equipment for alternative fuel fleet vehicles and the cost to purchase and install refueling equipment at a vehicle or vehicles home location.

Fleet Refueling Projects are:

- Projects must service at least one existing fleet of alternative fuel vehicles by the end of the period of performance.
 - A fleet of alternative fuel vehicles must be a group of ten or more vehicles comprised of passenger cars, buses and trucks with a gross vehicle weight rating up to 26,000 lbs. (Class 1 through Class 6 vehicles) owned by a single entity.

Workplace, Home or Intermediary Refueling Projects are:

- Refueling infrastructure projects which are deployed where alternative fuel vehicle(s) have a high retention time. These could include the home storage or base of operation locations of alternative fuel vehicles. Locations for these projects should be sited where vehicles are expected to be parked for multiple hours. These stations should be able to identify and regularly service at least one alternative fuel vehicle capable of fueling at the station. A home storage location can be defined as the property location of the owner of the vehicle or the base of operation for the vehicle(s) using the refueling facility. Individuals cannot apply. Locations of the potential workplace or Intermediary refueling project could be a business park, office building, parking garage, mixed use facility, long-term airport parking, etc.
 - Alternative fuel vehicles supporting Workplace, Home or Intermediary refueling projects may only be passenger cars, light-duty trucks, or light heavy-duty trucks up to 10,000 lbs. in GVWR (Class 1 and Class 2a and Class 2b).

New refueling facilities and expansion of existing refueling facilities for both Fleet and Workplace, Home and Intermediary refueling projects will be considered. If the project is the expansion of an existing refueling facility, the applicant must show how the expansion would result in increased use of the facility and increased fuel displacement.

Eligible applicants:

- School districts;
- Municipal authorities;
- Political subdivisions;
- Incorporated nonprofit entities;
- Corporations; and
- Limited liability companies or partnerships registered to do business in the commonwealth.

Ineligible entities include but are not limited to: state and federal agencies, and institutions that are part of the state system of higher education.

Project Requirements:

- Period of Performance
 - The scope of work proposed in the application to be supported with grant funds must be completed within 24 months of the start of the period of performance.
- All refueling project locations must be located in Pennsylvania.

- Refueling projects must service vehicles using at least one of the following alternative fueling types:
 - Compressed Natural Gas (CNG), Liquefied Natural Gas (LNG), liquid propane gas (LPG), alcohol (ethanol E-85 or Methanol M85), hydrogen, hythane (any combination of CNG and hydrogen), biofuels (greater than biodiesel B5) and electricity.
- A minimum 50 percent cost share is required. Additional cost share provided over 50 percent will be considered during the competitive application evaluation process.
- Supplies, whether DEP funded or cost share match, may not exceed 10 percent of the total project costs.

Application Requirements:

- A single application under this category may not exceed \$600,000.
- The project narrative must include a description of:
 - The location and ownership of the fueling station,
 - The application must include a signed letter or agreement from landowner where the refueling facility will be located indicating their support of the project.
 - The public accessibility of the fueling facility.
 - The financial viability of the project including an identification of the volume of the expected annual fuel dispensed, and simple payback on investment in number of years.
 - A description of all other public, state, federal and local funds applied for or obtained to be invested in the project.
 - A description of the vehicles and vehicle types which would primarily utilize the refueling facility.
- The application must contain details regarding project readiness including but not limited to:
 - Site engineering plans.
 - Permits obtained or applied for.
 - Project timelines.

Fleet Refueling Specific Requirements:

- All fleet refueling projects must service at least one existing fleet of alternative fuel vehicles.
- Fleet vehicles described in the application must be a group of ten or more vehicles comprised of passenger cars, light duty trucks, buses and heavy-duty trucks up to 26,000 lbs. in gross vehicle weight owned by a single entity. (Class 1 through Class 6 vehicles).
- Letters from the owners or intended owners of the fleet vehicles supporting the project are highly recommended to be included in the application.

Workplace, Home or Intermediary Refueling Specific Requirements:

- All Workplace, Home or Intermediary refueling projects must service at least one alternative fuel vehicle by the end of the period of performance.
- Alternative fuel vehicles using this refueling infrastructure may only be passenger cars or light duty trucks or light heavy-duty trucks up to 10,000 lbs. in gross vehicle weight rating (Class 1 and Class 2a and Class 2b)
- Alternative fuel vehicles do not have to be fleet vehicles.
- Letters from vehicle owners who plan to use the infrastructure are encouraged but not required.

Application Evaluation:

In addition to the Application Evaluation criteria on Page 4 of this document, DEP will also evaluate the following items unique to this project type:

- The level of public accessibility of the station to be constructed.
- The expected annual amount of alternative fuels dispensed by the station in GGE/Yr.
- The core competencies of the applicant and project partners.
- The location of the primary fueling station within five road miles of an interstate highway.
- The location of the primary fueling station relative to other existing alternative fueling stations.
- The significance of the proposed education and outreach plan.

Information on Applying:

- Please see the PA Alternative Fuels Incentive Grant Electronic Single Application (ESA) Step-by-Step Guide: **Instructions for the Online Application.**
- Please see the AFIG Project Specific Step-by-Step Guide: **Refueling Infrastructure Projects.**

**PA Alternative Fuels Incentive Grant
Innovative Technology Projects
Eligibility, Requirements and Evaluation Criteria**

Innovative Technology Projects include the costs to perform research, development or training as well as the demonstration of new application or advanced next phase technology related to alternative fuels and alternative fuel vehicles.

- AFIG will only consider innovative technology and advanced research and development projects that are reasonably expected to directly result in the commercial application of the information gained or products produced.
- Manufacture of alternative transportation fuel and vehicle demonstration projects will only be considered for funding if they are shown to be the first deployment of this type of technology in Pennsylvania which has not had significant commercial success elsewhere.
- Retrofits or expansions of existing biofuel or alternative fuels manufacturing facilities which supply the transportation sector will only be considered under this category if the equipment or expansion of the facility tests or demonstrates an innovative technology in Pennsylvania.
- All projects proposed must be for the benefit of advancing technologies that will be incorporated into vehicles registered in PA.

Eligible applicants:

- School districts;
- Municipal authorities;
- Political subdivisions;
- Incorporated nonprofit entities;
- Corporations; and
- Limited liability companies or partnerships registered to do business in the commonwealth.

Ineligible entities include but are not limited to: state and federal agencies, and institutions that are part of the state system of higher education.

Project Requirements:

- Period of Performance
 - The scope of work to be supported must be completed within 24 months of the start of period of performance.
- Grant-funded project activities must be located in Pennsylvania.
- Grant-funded activities must occur after the grant award date.
- All Innovative Technology projects must include at least a 50 percent cost share. Additional cost share provided over 50 percent will be considered during the competitive application evaluation process.
- Personnel costs may not exceed 50 percent of the total grant funding requested.
- Supplies, whether DEP funded or cost share match may not exceed 10 percent of the total project costs.
- Project activities must ultimately result in a significant increase in effectiveness or efficiency of alternative fuel production or use and/or further the commercial success of an innovative technology as it is applied to alternative fuels or alternative fuel vehicle sector.

Application Requirements:

- A single application under this category may not exceed \$600,000.
- The project narrative must include:
 - A discussion of the technology including an assessment which provides that the technology to be supported is not currently in widespread commercial use.
 - A description of the potential outcomes including environmental benefits or enhancement of alternative fuel vehicles or alternative transportation fuel technologies that will result from the project.
 - A description of the location of the grant funded activity as well as the location of any pilot or deployment activities that will or could occur during the grant period of performance or into the future.
 - A comprehensive written plan which includes, at a minimum, the role of each partnering organization, a profile and identification of the core competencies of the organizations and estimated timeframes for each step to reach commercialization within two years of completion of the project.
 - Letters of commitment from all partnering entities to be funded through this proposal.

Application Evaluation:

In addition to the Application Evaluation criteria on Page 4 of this document, DEP will also evaluate the following items unique to this project type:

- The location of manufacture of equipment, and project components.
- Project readiness.
- The core competencies of the applicant and project partners.

Information on Applying:

- Please see the PA Alternative Fuels Incentive Grant Electronic Single Application (ESA) Step-by-Step Guide: **Instructions for the Online Application.**
- Please see the AFIG Project Specific Step-by-Step Guide: **Innovative Technology Projects.**

