



# Alternative Fuels Incentive Grant Program

2023 Grant Program



## COVER PHOTOS

DEP Grant-Funded Electric Transportation Projects at:

Top: College Township, Centre County

Middle: Lancaster County Solid Waste Management Authority, Lancaster

Bottom: Wawa, Philadelphia

# Alternative Fuels Incentive Grant Program

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# Alternative Fuels Incentive Grant Program

## Introduction

The Pennsylvania Department of Environmental Protection (DEP) is offering competitive grant funding for clean, alternative fuel transportation projects in Pennsylvania and investment in Pennsylvania's energy sector. DEP receives approximately \$5 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 protect Pennsylvania's environment through the use of alternative fuels that will advance economic development in the commonwealth and reduce dependence on petroleum products. 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, revised in 2004, 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>.

The Department of Environmental Protection values working with partners who share our view that diversity and equity are integral to success in restoring and protecting the environment for all Pennsylvanians. As we work to demonstrably improve the inclusivity of our programs and processes, we also encourage our partners to pursue increased inclusivity in their operations. In this way, Pennsylvania's natural resources are best protected as "the common property of all the people," as identified in our state constitution.

## Key Considerations Prior to Applying

- All applications must be submitted online through PA's Electronic Single Application (ESA) system. <http://www.esa.dced.state.pa.us/>
- 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 \$300,000 per applicant**, per project location. An applicant may receive **no more than 10%, or approximately \$300,000**, of the funds available under this grant program in any fiscal/calendar year.
- An applicant may submit more than one application; however, no business or business with ownership in common will be awarded more than the maximum project category amount (\$300,000) from the program during the fiscal year. Business owners or representatives with an ownership stake of greater than 20% in any one of multiple business subsidiaries who submit an application are ineligible to receive more than the maximum category grant award per year for those businesses or subsidiaries.
- Activities funded must be conducted in Pennsylvania. Similarly, the vehicle usage and refueling should occur primarily in Pennsylvania
- Vehicles funded must be registered in Pennsylvania for on-road use and remain registered in Pennsylvania for no less than two years after project completion. The registration requirement is not applicable to yard trucks (see definitions).

- Projects will not be reimbursed for construction or installation work performed prior to the grant award date.
- Vehicle Retrofit and Purchase applications may only include vehicles owned by the applicant.
  - An applicant may not apply on behalf of other entities, but non-profits, schools, and local government entities that operate fleets may apply jointly, provided a letter is provided to the lead applicant authorizing them to apply for AFIG grant funding on the other entities' behalf.
- All projects must have a measurable environmental net benefit for the Commonwealth.
- Written consent of property owners must grant DEP access to project sites.

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 prior to submitting an application. Please see the program changes and priorities for AFIG 2023 under the New This Round section.

### **Driving PA Forward vs. AFIG**

- Applicants considering 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's grant and rebate programs. Applicants may also contact DEP AFIG staff for assistance in determining which rebate or grant program is the best fit.
- 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.
- Please note: Projects which have previously been awarded any VW Mitigation Trust Fund (Driving PA Forward) incentives are not eligible to receive AFIG funding for the same project.

### **New This Round**

The AFIG program will remain open continuously until December 15, 2023. Submission period end dates are by 11:59 PM on August 25 and December 15, 2023.

For refueling infrastructure, AFIG 2023 will focus on projects that service medium-duty fleets of class 3-6 vehicles, and light-duty fleets of class 1 and 2 vehicles. Funding for other types of refueling infrastructure projects may be available through the Level 2 Rebate program, PennDOT programs funded through the [National Electric Vehicle Infrastructure \(NEVI\) program](#), and through the IIJA Charging and Fueling Infrastructure (CFI) Discretionary Grant Program funding.

Priorities for funding for AFIG 2023:

- Zero emission vehicle (ZEV) projects
- Medium-Duty and Light-Duty fleet refueling infrastructure projects
- Renewable natural gas (RNG) vehicle and infrastructure projects

- Projects located in or predominantly serving environmental justice (EJ) areas (<https://www.dep.pa.gov/PublicParticipation/OfficeofEnvironmentalJustice/Pages/PAEnvironmental-Justice-Areas.aspx>)
- Applicants that are minority, veteran, or woman-owned businesses
- DEP will endeavor to award a minimum 20% of available AFIG funding for the program year to the following entities, dependent upon applications received:
  - Counties, townships, municipalities, or municipal authorities
  - Public school districts including brick and mortar charter schools
  - Organizations registered as a 501(c)3 that provide services to seniors, low income individuals and families, individuals with disabilities, veterans, or medical services of any type.
  - Businesses either registered with the Commonwealth as a Small Diverse Business or who are registered with one of the PA Department of General Services accepted approved third-party certifications as identified on the website: (<https://www.dgs.pa.gov/Small%20Diverse%20Business%20Program/Small-DiverseBusiness-Verification/Pages/default.aspx>)
  - Organizations who are county/local government-supported or contracted to provide services to seniors, low income individuals and families, individuals with disabilities, veterans, or medical services of any type.

## **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

An applicant may submit more than one application; however, no business or businesses with ownership in common can apply for or be awarded more than the maximum project category amount (\$300,000) from the program during the fiscal year. Business owners or representatives with an ownership stake of greater than 20% in any one of multiple business subsidiaries who submit an application are ineligible to receive more than the maximum category grant award per year for those businesses or subsidiaries.

Ineligible entities include but are not limited to: state and federal agencies, and institutions that are part of the PA State System of Higher Education.

## Eligible Project Categories:

### 1. Vehicle Retrofit or Purchase Projects:

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

### 2. Alternative Fuel Refueling Infrastructure Projects:

- Medium-duty Fleet Refueling – The cost to purchase and install refueling equipment servicing, at a minimum, one fleet of ten (10) or more Class 3-6 alternative fuel vehicles with a GVWR of greater than 10,000 lbs. and less than 26,000 lbs.
- Light-duty Fleet Refueling Projects – The cost to purchase and install refueling equipment servicing at least two Class 1 or 2 alternative fuel vehicles with a GVWR less than 10,000 lbs.

### 3. 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 their own risk.

## **Application Requirements**

### **All Project Categories**

- The application, project description and required attachments must be complete, and the application must include all applicable items as outlined in the application instructions.
- A separate application is required for each project category. Applicants may not combine different project categories into the same application.
- 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 documentation supporting the environmental benefits resulting from the project.
- 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). The letters must state:
  - Applicant acknowledges that the DEP does not consider the following items as matching funds nor as eligible costs for the use of this funding: costs associated with 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.
  - Applicant has funds available and in-hand to support the match funding identified in this application's budget either through an already approved loan or cash on hand; or
  - Applicant has a third-party agreement to support the match funding identified in this application's budget. A letter from that organization identifying the amount available must be provided.
- Monies "applied for" from other sources may not be included as matching funds.
- Other DEP program funds, including Driving PA Forward funds, cannot be used to comply with the project match requirement.
- The application must include a budget for the project. AFIG funds cannot be used to cover the following ineligible costs, which are also ineligible as match:
  - 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.
- All applicants will need to complete and submit the Worker Protection and Investment Certification Form to ensure that every worker in Pennsylvania has a safe and healthy work environment and the protections afforded them through labor laws under [Executive Order 2021-06, Worker Protection and Investment \(October 21, 2021\)](#).

## **Application Evaluation**

### **All Project Categories**

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 project category requirements sections included in this grant solicitation.

- Improvement of Pennsylvania's air quality via environmental benefits, protection of the natural environment and avoided emissions, including greenhouse gas emissions.



- Improvement of environmental conditions in areas of Pennsylvania designated as Environmental Justice areas.
- Focus on diversity, equity, and inclusiveness, which is integral to success in protecting the environment and improving air quality for all Pennsylvanians.
- Reduction of conventional energy consumption (crude oil and other petroleum products) or increased energy production from indigenous alternative energy sources.
- Promotion of Pennsylvania's alternative 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 must be documented by letters of financial commitment for Refueling Infrastructure and Innovative Technology projects. See *Application Requirements* section for details.
  - Letters *supporting* the project are not considered letters of financial commitment for matching funds or in-kind services. Letters of support are *not* required.
- 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. Examples include but are not limited to educational signage on your new vehicle or within your building, press releases, and incorporating the outcomes of the grant project into social media, local events, or other marketing materials.

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 commit to utilize Environmental Protection Agency (EPA) or California Air Resource Board (CARB) compliant vehicles.
- Does not document how the incremental purchase cost or conversion cost was derived.
- Does not document fuel displacement and air quality benefits.
- Indicates that costs have been expended prior to the dates stated in the solicitation, or in the case of vehicle retrofit or purchase projects or equipment purchases for refueling infrastructure, prior to January 1, 2023.

**Note:** Deposits to hold/order vehicles, deposits for refueling infrastructure equipment, or deposits for retrofit work are excluded from this requirement. Deposits may be made prior to January 1, 2023, provided vehicles were not taken delivery of until after January 1, 2023, or equipment installed until after the grant award date for Refueling Infrastructure and Innovative Technology projects.

- Does not clearly indicate that vehicles supported with AFIG funds will be registered in Pennsylvania and **primarily operated and fueled for two years** in Pennsylvania.
- Does not document the **minimum 50% match** requirement for Refueling Infrastructure and Innovative Technology projects.
- DEP reserves the right not to award funds to applicants that have:
  - an active AFIG grant project unless DEP has received and approved a final report and statement of expenditures for the active project
  - 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 required paperwork in a timely fashion; or
  - non-compliance issues with DEP or outstanding obligations to the commonwealth, including other commonwealth agencies.

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 for a dollar amount less than the requested amount.

## **Grant Award and Contract Conditions**

- All applicants will receive notification of their funding status once awardees have been selected.
- Projects selected for funding will receive a letter via email from the DEP Secretary or designee, addressed to the contact person specified in the application.
- Grantees will be assigned a DEP project advisor who will be their primary DEP point of contact.
- After the announcement of a grant award, DEP will forward a grant agreement to the recipient; individuals vested with the authority to do the legal business for the organization will be required to execute (sign) the grant agreement electronically.
- The grant recipient will provide a detailed scope-of-work, project schedule, budget, and other information as required to DEP.
- Grantees that have not had previous contracts or grant agreements with the commonwealth will be required to obtain a vendor identification number through the Office of the Budget, <https://www.budget.pa.gov/Services/ForVendors/Pages/Vendor-Registration.aspx> (Non-Procurement Registration Link) and to submit a Form W-9, Request for Taxpayer Identification Number and Certification.
- Payment:
  - AFIG is a **reimbursement** grant program. Payment requests may begin only after the grantee has received a fully executed grant agreement.
  - DEP will make payment to a 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 equipment or conduct retrofit work are excluded from this requirement and can be reimbursed.
- Reporting and Invoices:
  - The grantee will be required to submit the following reports, on forms provided by DEP, as per the grant agreement:
  - Quarterly Progress Reports.
  - A Final Report.
  - 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 via your DEP project advisor.
  - 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 grantee is not exceeded.
- Permits:
  - Grantees must secure all permits (federal, state, or local) 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(s). 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. 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 their 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.
- 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 to the grant period of performance are possible but will only be granted if
    - DEP determines the extension to be necessary through review of a time extension request.

- 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.
- 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 ensure where necessary that construction projects with a cost more than \$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 should contact the Department of Labor and Industry at 717-705-7256 or 800-932-0665 or visit the website at [www.dli.pa.gov](http://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. Fuels derived from petroleum, such as asphalt, plastics, and rubber, are not included in this definition.

*Alternative Fuel Vehicle* – A self-propelled vehicle operating on an alternative fuel designed for transporting persons or property. This term includes 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.

*Emissions Certification Compliance* – All vehicles must be in compliance with the California Air Resources Board (CARB) or Environmental Protection Agency (EPA) emissions certification. These entities evaluate the emission control systems of new vehicles and engines, including vehicle engine retrofits. A CARB compliant or EPA compliant vehicle meets tailpipe emissions standards which reduce air pollution.

*Environmental Justice (EJ) Area* – An EJ area is any census tract where 20% or more of individuals live in poverty, and/or 30% or more of the population is minority, based on the most current census data and the Federal guidelines for poverty.

*Existing Pennsylvania Fleet* – The total number of Class 1&2 or Class 3+ vehicles at all of the applicant's primary and subsidiary locations within the 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. Vehicles classes are defined by the Federal Highway Administration as follows:

- 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.

*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.

*Leased Vehicle*- A leased vehicle is defined as the short-term lease of a vehicle from a lessor whereby the leasing company owns the vehicle and their name appears on the title. This does not include lease agreements known as “equity” or “capital” lease agreements with a financial institution through which the financial institution is acting as a financier only and does not own the vehicles.

*Light-Duty Fleet* – A group of two or more 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) owned by a single school district, municipal authority, political subdivision, nonprofit entity, corporation, limited liability company or partnership located within this Commonwealth.

*Medium- Duty Fleet* – A group of ten or more vehicles comprised of passenger cars, light-duty trucks, buses and heavy-duty trucks greater than 10,000 lbs. GVWR and not more than 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.

*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.

*Neighborhood Electric Vehicle* – A four-wheeled electric vehicle that has a maximum design speed of not less than 20 miles per hour and of not more than 25 miles per hour and that complies with the Federal safety standards established in 49 CFR 571.500.

*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.

*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.

*Renewable Natural Gas (RNG)* – A biogas produced from the decomposition of organic matter and processed to purity standards for use as a transportation fuel.

*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.

*Yard Truck* – A terminal tractor, also known as a shunt truck, spotter truck, or port truck used to move cargo within a warehouse facility, intermodal facility.

*Zero-emissions vehicle (ZEV)* – A vehicle that emits no exhaust gas or emissions from the onboard source of power, to include battery electric vehicles and hydrogen fuel cell vehicles.



## **DEP AFIG Staff**

For AFIG project and funding inquiries, and general AFIG questions, please contact:

Josh Dziubek, 717-705-0374, [jdziubek@pa.gov](mailto:jdziubek@pa.gov)

### **Application Submission**

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

Submission period end date is by 11:59 PM on August 25, 2023 and December 15, 2023

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

Enterprise Help Desk, PA Office of Administration

Phone Number: 833.448.0647

Email: [egrantshelp@pa.gov](mailto:egrantshelp@pa.gov)

Days/Hours of Operation:

- Monday – Friday, excluding state holidays.
- 8:30 AM to 6:00 PM.

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

**(Maximum grant request: \$300,000)**

Vehicle Retrofit and Purchase projects include the *incremental cost* of purchase of new alternative fuel vehicles (any type or size) - the maximum award amounts are further defined in the tables in the section "Application Requirements." The new vehicles must be manufactured by the original equipment manufacturer to operate as dedicated alternative fuel vehicles.

- Vehicle Retrofit and Purchase also includes the incremental cost to retrofit new vehicles to operate on dedicated alternative fuels (any type or size). 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, demo miles, or in transporting the vehicle between dealers for sale).

Eligible vehicles include but are not limited to: Dedicated RNG, LNG or CNG vehicles, liquid propane gas, hydrogen, biodiesel (blends greater than B20), and electricity (Battery Electric Vehicles only, including Neighborhood Electric Vehicles, and yard trucks); no GVWR limits.

*Ineligible* vehicles include:

- Plug-in Hybrid Electric Vehicles and Standard Hybrid Vehicles
- Used or pre-owned vehicles.
- Off-road vehicles including construction vehicles (excluding yard trucks).
- Vehicles which have previously been awarded any AFIG or VW Mitigation Trust Fund (Driving PA Forward) incentives.
- Vehicles which are replacing existing alternative fuel vehicles including vehicles of the same fuel type are not eligible.
- Leased vehicles (see definition).

Vehicle purchasers/owners are eligible to receive a grant.

- Vehicles must be registered in Pennsylvania for on-road use and must be registered to the applicant. The registration requirement is not applicable to yard trucks (see definitions)
- Non-profits, including schools, and local government entities may apply jointly.

Project Requirements:

- Period of Performance
  - Vehicles must be purchased or converted and delivered after January 1, 2023. Deposits to hold/order vehicles may occur prior to January 1, 2023.
  - Vehicles must be purchased or converted within 12 months of the grant award date.
- All vehicles must be primarily operated and domiciled in Pennsylvania.

- The primary fueling station for the vehicles must be located 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 two years after project completion. Projects involving yard trucks must provide a signed statement that the vehicles will operate in Pennsylvania for no less than two 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 retrofit systems must meet emissions certification 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=PCV Conversion Policy Final Revised.pdf](http://www.depgreenport.state.pa.us/elibrary/GetDocument?docId=7557&DocName=PCV%20Conversion%20Policy%20Final%20Revised.pdf))
- 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, successful grantees will be required to submit the following documentation along with the Statement of Expenditures 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 of the vehicle(s).
  - Proof of payment such as copies of the canceled check, bank statement, or wire transfer.
  - A copy of a valid Pennsylvania vehicle registration. The name appearing on the vehicle registration must appear on the invoice.
    - For projects involving yard trucks registration is not required.
  - Proof of emissions certification compliance of the alternative fueling system.
  - Proof of delivery of the vehicle (ex. photos).

#### 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 awards as per the following table. Please note that vehicle classes are defined by the Federal Highway Administration in the definitions on page 9:

Battery Electric Vehicles (BEV):			
Vehicle Class	Battery System Capacity	% of Incremental Cost Eligible for Grant Request	Maximum Grant Award (per new vehicle)
Class 1 and 2	All BEV with capacity under 50 kWh	N/A	\$2,000
	BEV with capacity above 50 kWh	N/A	\$7,500
Class 3-4 (excluding School and Transit Buses)	BEV with capacity between 50 and 100 kWh	100%	\$10,000
	BEV with capacity above 100 kWh	100%	\$20,000
Class 5-7 (excluding School and Transit Buses)	BEV with capacity between 50 and 100 kWh	100%	\$30,000
	BEV with capacity above 100 kWh	100%	\$40,000
School and Transit Buses*	BEV with capacity between 50 and 100 kWh	100%	\$75,000
	BEV with capacity above 100 kWh	100%	\$100,000
Class 8	BEV with capacity between 50 and 200 kWh	75%	\$75,000
	BEV with capacity above 200 kWh	75%	\$100,000

\*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.

For the purposes of Class 1 & 2 BEVs the program will award up to 100% of the maximum award amount.

The transit bus category only applies to medium and heavy-duty transit buses at least 29 feet in length. Body-on-chassis transit vehicles should apply based on vehicle class.

Other Alternative Fuel Types:			
Alternative Fuel Type	Vehicle Class	% of Incremental Cost* Eligible for Grant Request	Maximum Grant Award (per new vehicle)
CNG	Class 1 and 2	Up to 100%	\$7,500
	Class 3-8	Up to 100%	\$40,000
RNG	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.

Applicants who have converted a portion of their existing Pennsylvania fleet to alternative fuels may request the following maximum grant award per vehicle:

- 1-25% of your current existing fleet converted to alternative fuels may request up to 75% of the maximum award per vehicle
- 26-50% of your current existing fleet converted to alternative fuels may request up to 50% of the maximum award per vehicle
- 51-75% of your current existing fleet converted to alternative fuels may request up to 25% of the maximum award per vehicle
- 75% or greater of your current or existing fleet converted to alternative fuels may request up to 10% of the maximum award per vehicle

For the purposes of this solicitation, an existing Pennsylvania fleet is defined as the total number of Class 1&2 or Class 3+ vehicles at all of the applicant's primary and subsidiary locations within the Commonwealth.

- The application must contain a completed Alternative Fuel Vehicle Summary Table.
- The application must provide documentation of the portion of the applicant's current existing fleet converted to alternative fuels either in the application narrative or as a separate attachment. The documentation should not include vehicles being applied for under this grant.

- The application must contain documentation 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.
  - Documentation must indicate whether:
    - The applicant owns and/or operates infrastructure to refuel or charge the vehicles for which funds are requested; or
    - The applicant owns the land on which the fueling infrastructure will be constructed; or
    - The applicant has an agreement in place to use existing fueling infrastructure owned by a third party and a copy of the agreement will be provided; or
    - The applicant has an agreement in place to use the land for construction of fueling infrastructure by a third party and a copy of the agreement will be provided; or
    - The applicant will utilize existing public refueling infrastructure.
- 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.
  - What the vehicles will be used for, including whether they will be used in or serve an EJ community.
  - The location and ownership of the primary fueling station to be utilized by the vehicles to be supported with grant funds.
  - 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 and type of fossil fuel to be displaced.
  - Amount of GHG (CO<sub>2</sub>) and NO<sub>x</sub> reductions.
  - A description of the vehicle(s) being replaced by the alternative fuel vehicle(s), if applicable.

### Application Evaluation:

In addition to the Application Evaluation criteria on Page 5 of this document, DEP will also evaluate the following items unique to this project type:

- The amount and cost effectiveness of fossil fuel to be displaced and resulting air quality benefits.
- The number of vehicles purchased during the grant period of performance.
- 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 percentage of the existing fleet converted to alternative fuels owned and operated by the applicants.
- The location of the primary fueling station relative to an interstate highway exit.
- 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**

**(Maximum grant request: \$300,000)**

Alternative Fuel Refueling Infrastructure projects include the cost to purchase and install refueling equipment for alternative fuel fleet vehicles.

Medium-Duty Fleet Refueling Projects are:

- Projects that service at least one existing fleet of medium-duty 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 buses and trucks with a gross vehicle weight of between 10,000 and 26,000 lbs. (Class 3 through Class 6 vehicles) owned by a single entity.

Light-Duty Fleet Refueling Projects are:

- Projects that service at least one existing fleet of light-duty alternative fuel vehicles by the end of the period of performance.
  - Alternative fuel vehicles supporting Light-duty fleet refueling projects must be a group of two or more 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) owned by a single entity.

New refueling facilities and expansion of existing refueling facilities for both Medium- and Light-Duty fleet 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.

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.
  - Equipment may be purchased no earlier than January 1, 2023. Equipment costs incurred on or after January 1, 2023 are eligible for reimbursement. Deposits to hold/order equipment may occur prior to January 1, 2023.
  - No installation costs may be incurred prior to the start of the period of performance, which is the grant award date.
- All refueling project locations must be located in Pennsylvania.
- Refueling projects must service vehicles using at least one of the following alternative fueling types:
  - Electricity, 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), and biodiesel greater than B5.



- Refueling projects must be for either new facilities or new equipment expanding existing facilities; replacement of existing alternative fuel infrastructure is not eligible.
- **A minimum 50% cost share is required.** Additional cost share provided over 50% will be considered during the competitive application evaluation process.
- Supplies, whether DEP funded or cost share match, may not exceed 10% of the total project costs.

#### Application Requirements:

- A single application under this category may not exceed \$300,000.
- 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.
  - All other public, state, federal and local funds applied for or obtained to be invested in the project.
  - The vehicles and vehicle types which would primarily utilize the refueling facility. Letters from prospective fleets are strongly encouraged.
- The application must contain details regarding project readiness including but not limited to:
  - Site engineering plans
  - Permits obtained or applied for
  - Project timelines

#### Medium-Duty Fleet Refueling Specific Requirements:

- All medium-duty fleet refueling projects must service at least one fleet of alternative fuel vehicles by the end of period of performance.
- Fleet vehicles described in the application must be a group of ten or more vehicles comprised of light-duty trucks, buses, and medium-duty trucks between 10,000 and 26,000 lbs. in gross vehicle weight owned by a single entity. (Class 3 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.

#### Light-Duty Fleet Refueling Specific Requirements:

- All Light-duty fleet refueling projects must service at least one fleet of alternative fuel vehicles by the end of the period of performance.

- Fleet vehicles described in the application must be two or more 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)
- Letters from the owners or intended owners of the fleet vehicles supporting the project are highly recommended to be included in the application.

### **Application Evaluation:**

In addition to the Application Evaluation criteria on Page 5 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.
- Number of expected public users per year.
- The core competencies of the applicant and project partners.
- 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**

**(Maximum grant request: \$300,000)**

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. Projects which are solely R&D will not be considered for funding.
- 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.
  - Demonstration projects must have partner fleets identified in the application.
- 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.
- Alternative fuels must be used for transportation-related projects.

### **Project Requirements:**

- Period of Performance
  - The scope of work must be completed within 24 months of the start of period of performance.
  - No grant-funded or match-funded costs may be incurred prior to the start of the period of performance, which is the grant award date.
- 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% cost share**. Additional cost share provided over 50% will be considered during the competitive application evaluation process.
- Personnel costs may not exceed 50% of the total grant funding requested.
- Supplies, whether DEP-funded or cost share match may not exceed 10% 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 \$300,000.
- 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 5 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.
- Creation of PA jobs.
- 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.**



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