



ALTERNATIVE FUEL VEHICLE CONVERSION PROGRAM

GRANT APPLICATION GUIDELINES 2018

Earliest date when applications may be submitted:

Tuesday March 6, 2018 at 8:00 a.m.

Application period will remain open until all available funds are allocated.

Office of Environmental Education

P.O. Box 1049

Columbus, OH 43216-1049

Phone (614) 644-2873

Fax (614) 752-0727

Web Site:

**[http://www.epa.ohio.gov/oee/EnvironmentalEducation.aspx#131365076-
alternative-fuel-vehicle-grants](http://www.epa.ohio.gov/oee/EnvironmentalEducation.aspx#131365076-alternative-fuel-vehicle-grants)**

E-mail: derg@epa.ohio.gov

This program is funded from the Alternative Fuel Transportation Fund
of the Ohio Developmental Services Agency

Table of Contents

SECTION 1: REQUEST FOR PROPOSALS (RFP) OVERVIEW

- 1.1 RFP Time Table
- 1.2 Program Background

SECTION 2: PROGRAM REQUIREMENTS

- 2.1 Fund Reimbursement Policy
- 2.2 Record Maintenance
- 2.3 Non-Performance

SECTION 3: APPLICATIONS

- 3.1 Project Application
- 3.2 Communication and Inquiries

SECTION 4: ELIGIBILITY

- 4.1 Project Type
- 4.2 New Vehicle Purchases
- 4.3 Traditional Vehicle Engine Conversions
- 4.4 Ineligible Costs

SECTION 5: CHECKLIST FOR APPLICATION PACKET

SECTION 1: REQUEST FOR PROPOSALS (RFP) OVERVIEW

1.1 RFP Time Table

Release of RFP: December 21, 2017

Information Session: Thursday January 25th, 2018, from 10:00 – 11:30 a.m. in Auditorium at Ohio Department of Transportation, 1980 West Broad Street, Columbus, OH 43223

Applicant Conference Calls: Thursday February 8, 2018, 9:00 – 10:00 a.m.

Tuesday February 27, 2018, 9:00 – 10:00 a.m.

Callers may dial in to 1-877-372-2917 enter meeting ID 63950#. No pre-registration is necessary to participate in the information session or conference calls.

Beginning Date and Time to Submit Applications: 8:00 a.m. Tuesday March 6, 2018

Applications may be submitted via e-mail to DERG@epa.ohio.gov

Announcement of Awards: Ongoing as applications are deemed eligible, until all available funds have been allocated. See section 3.1 below.

1.2 Program Background

House Bill 390, passed by the Ohio General Assembly in June 2016, created a new Alternative Fuel Vehicle (AFV) Conversion Grant program with a one-time funding allocation of \$5 million, for grants to reimburse business owners of large diesel or gasoline vehicles weighing at least 26,000 pounds (class 7 and 8) for a portion of the cost of replacing or converting the vehicle to run on compressed natural gas (CNG), liquefied natural gas (LNG) or liquid petroleum gas (LPG, also referred to as propane or butane). In December, 2016 the Ohio General Assembly passed new legislation (HB 384) with a provision to make this grant program available to government-owned class 7 and 8 fleets as well. As required by statute, Ohio EPA conducted a formal rulemaking and three rounds of public comment in order to implement this program.

Invited to apply are all private sector and public sector fleet owners in Ohio who wish to purchase one or more new alternative fuel vehicles with a gross vehicle weight rating of at least 26,000 pounds, or convert one or more traditional fuel vehicles into alternative fuel vehicles of the same weight class. **AFV grant applications will be considered for projects requesting at least five thousand dollars (\$5,000) and not more than four hundred thousand dollars (\$400,000).**

2.1 Fund Reimbursement Policy

This is a reimbursement program and applicants must provide their own funding to cover expenses as they are incurred. Grant applications must include a demonstration that the applicant can cover the full cost of the project prior to approval of the reimbursement. Projects selected for funding will then be reimbursed *up to the amount authorized for that project* after the awardee submits proper documentation to show that eligible expenses have already been paid by the awardee.

2.2 Record Maintenance

AFV grant awardees will be required to maintain all financial and other project related documentation for a period of five years, consistent with the executed Grant Agreement. Grant applicants are required to attest that the purchased or converted vehicle will be used for business purposes, and that at least half the miles driven by the new or converted AFV vehicle will be driven within the state of Ohio. Grant awardees should be prepared to provide documentation to Ohio EPA upon request that these two requirements are met, during the first five years following purchase or conversion. AFV applicants should therefore include in the project narrative an explanation of the technology and/or procedures they will use to track and verify the use and movements of fleet vehicles. Additionally, records regarding the utilization and maintenance must be kept for the useful life of the vehicle.

Public financing requires transparency and documentation. Private sector applicants in particular should understand that their applications and documentation regarding reimbursed expenses and purchases made with public funds become public records, and are subject to public record requests and compliance review by Ohio EPA as the oversight agency. This information is not eligible for trade secret protection under Ohio law. Documentation regarding funded projects, including invoices submitted and approved for reimbursement, will reside in paper and electronic files at Ohio EPA that may be the subject of a public records request or audits.

2.3 Non-Performance

Applicants should not apply for an AFV grant until they have firm project scopes, firm project schedules, and firm project fiscal commitments. Ohio EPA will not consider or approve more than one scope change from what was included in the submitted AFV application. If Ohio EPA determines that an awardee is not making satisfactory progress implementing the project, Ohio EPA may notify the grant awardee that the grant is being revoked, and reallocate the funds to another eligible project applicant. Progress will be measured against the following milestones:

- Submittal of documentation that the vehicle conversion has been scheduled, or the new vehicle has been ordered, within **90 days** of a letter issued by Ohio EPA notifying the applicant that the AFV grant is being awarded;
- Submittal of final invoices for reimbursement of allowed expenses no later than **eighteen months** from the date the AFV grant agreement is executed with Ohio EPA, unless a six-month extension has been requested and approved.

SECTION 3: APPLICATIONS

3.1 Project Application

Application materials must be submitted electronically as attachments to an email to derg@epa.ohio.gov. Electronic submissions must be readable by Adobe reader (for pdf files)

Microsoft Word 2000 or newer software (for text, tables, and related materials) and Microsoft Excel 2000 or newer software (for spreadsheets). Electronic submissions in alternative file formats may be acceptable; please check with the staff in Ohio EPA's Office of Environmental Education before submitting.

Ohio EPA posted the application guidelines and application form on the [AFV grant program website](#) and notified interested parties December 21, 2017 in order to allow at least eight weeks before the initial application submittal date on March 6, 2018. Funds will be awarded on a first-come, first-served basis, to applicants submitting complete and eligible project applications via email to derg@epa.ohio.gov. No faxed or hand-delivered applications will be accepted. Applicants who do not receive email confirmation of receipt of their application within one business day should call 614-644-2873. Please do not call the same day the application is submitted. Ohio EPA will post a list of pending applications and review status at least weekly on the AFV grant program website at <http://epa.ohio.gov/oe/EnvironmentalEducation.aspx#131365076-alternative-fuel-vehicle-grants>.

Ohio EPA would prefer to receive applications as a single, combined pdf file. However, because large files can be difficult to e-mail, applicants may submit the primary application form, certification statement and fleet data spreadsheet in a first email, with the subject line "AFV Application (name of applicant)", and send a second or third email, with the subject line "AFV Supplement (name of applicant)" if needed for larger files such as price quotes or project scope description narratives. The application will be reviewed based on the time the first email is received by Ohio EPA. Applicants who do not receive an email confirmation of receipt of their supplemental email within one business day should call 614-644-2873. Please do not call the same day the application supplement is submitted. Emails with supplemental application information must be received by Ohio EPA within 24 hours of receipt of the first (primary application) email, to be included in the review.

Ohio EPA will review applications in the order received, for completeness and eligibility, and notify applicants whose applications have been rejected of any deficiencies. Applications determined to be incomplete or ineligible will not receive further consideration. Applicants who submitted an application that was determined to be incomplete or ineligible may submit a new application that will then be considered in the order received. When all available funds (\$5 million) have been allocated, Ohio EPA will post the list of awarded projects on the program website along with an announcement that new applications are no longer being accepted. Complete and eligible applications that have already been submitted but not awarded funding will be retained for one year and considered in the order received for possible allocation of funds if one or more of the initially approved projects does not move forward in a timely fashion.

Awarded projects cannot commence until all program requirements have been met. AFV funds may not be used to reimburse grant recipients for any grant expenses, **including equipment ordered or purchased**, prior to announcement of a grant award *and execution of the grant agreement*. Applicants should plan accordingly for scheduling vehicle purchases and engine conversions. Ohio EPA reserves the right to adjust the dates listed in section 1.1 above, for whatever reasons it deems appropriate; to request additional information to assist in the review

process; to reject any and all applications; to make fewer and smaller awards than anticipated; and to fund partial projects. All determinations of an application's eligibility or ineligibility are final.

3.2 Communication and Inquiries

Prior to the date when applications may first be submitted, two conference calls have been scheduled for questions from prospective applicants, on the dates indicated in section 1.1 of this RFP. Call information and notes will be posted on Ohio EPA's AFV grant program Website at: <http://www.epa.ohio.gov/oe/EnvironmentalEducation.aspx#131365076-alternative-fuel-vehicle-grants>. Prospective applicants are also encouraged to contact program staff members Alan.Harness@epa.ohio.gov at (614) 644-4838 with eligibility and technology questions, or Carolyn.Watkins@epa.ohio.gov at (614) 644-3768 with financial questions.

SECTION 4: ELIGIBILITY

4.1 Project Type

For purposes of this program, an alternative fuel vehicle means a motor vehicle that is:

- registered in Ohio for operation on public highways;
- propelled by a motor that runs on compressed natural gas, liquid natural gas, or liquid petroleum gas; and
- has a gross vehicle rating of at least twenty-six thousand pounds.

An alternative fuel vehicle may include a bi-fueled or dual-fueled vehicle with a motor that can run on both alternative fuel and on gasoline or diesel fuel. The following diagram illustrates some of the vehicle types eligible for funding through this program.

Class Seven: 26,001 to 33,000 lbs.



City Transit Bus



Furniture



High Profile Semi



Home Fuel



Medium Semi Tractor



Refuse



Tow

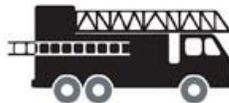
Class Eight: 33,001 lbs. & over



Cement Mixer



Dump



Fire Truck



Fuel



Heavy Semi Tractor



Refrigerated Van



Semi Sleeper



Tour Bus

To be eligible for reimbursement with AFV grant funding, the alternative fuel vehicle must meet **all** of the following criteria:

- (a) The purchaser purchased the vehicle from an original equipment manufacturer (OEM), automobile retailer, or after-market conversion facility.
- (b) The purchaser was the first person to purchase the vehicle not for resale.
- (c) The purchaser purchased the vehicle for use in business or government functions.
- (d) The alternative fuel technology used in the vehicle has been certified by the US Environmental Protection Agency (for new vehicles) or has met the US EPA compliance demonstration requirements for intermediate use vehicles. Ohio EPA will also accept Executive Orders issued by the California Air Resources Board for Heavy Duty Engines and Vehicles as acceptable evidence of compliance with national emission standards. Conversion systems must be compliant with the Environmental Protection Agency's [Final Rule 40 CFR 85 and 86](#), "Clean Alternative Fuel Vehicle and Engine Conversions" promulgated April 8, 2011.
- (e) The grant applicant submits a signed certification statement attesting that, of the total number of miles that the grant recipient or any employee or agent of the recipient will drive the alternative fuel vehicle, over half will be within Ohio.

The maximum grant amount allowed per alternative fuel vehicle will be the lesser of:

- 50% of the adjusted purchase price of the new alternative fuel vehicle, or
- 50% of the cost of the conversion, or
- \$25,000.

The limit on the total amount of grant funds allowed to a person that purchases or converts multiple alternative fuel vehicles is \$400,000. Applications from the same

company (corporate entity) for fleets at different Ohio locations will be reviewed as a single application for purposes of applying the \$400,000 cap. Ohio EPA will consider grant applications from leasing companies on behalf of different lessees as separate applications, if the application includes a firm commitment letter from the prospective lessee. Fleets operated by the same company or the same lessee (corporate entity) at different Ohio locations will be reviewed as a single application for purposes of applying the \$400,000 cap.

4.2 Eligibility: New Vehicle Purchases

Used vehicle purchases are not eligible for funding under this program. A purchased vehicle must be a new vehicle purchased from an original equipment manufacturer (OEM) or automobile retailer. The purchased vehicle must have an odometer reading of 500 miles or less at the time of purchase, not including mileage incurred in delivery from the manufacturer or in transporting the vehicle between dealers for sale.

To be eligible for AFV grant funding, **new vehicle engines** must be certified by US EPA or the California Air Resources Board as agreed to by US EPA. A copy of the Certificate of Conformity for the type of new vehicle the applicant proposes to purchase must be submitted with the application, and should be available from the original equipment manufacturer or retailer who is providing a quote to support the grant application. Certificates of conformity are issued from US EPA to the engine manufacturer. The certificate of conformity lists the engine family name and the engine model year. The EPA engine family name is displayed on the emission control information label on the engine. By checking the engine family names and engine model year emission standards, one can confirm the applicable emission standard or tier level. Prospective grant applicants are encouraged to consult the following US EPA Website on How to Obtain a Certificate of Conformity for a Heavy-Duty or Nonroad engine:

<https://www.epa.gov/importing-vehicles-and-engines/how-obtain-copy-certificate-conformity-heavy-duty-or-nonroad-engine>

Information on certified engines may be found at:

<https://www.epa.gov/compliance-and-fuel-economy-data/engine-certification-data> (US EPA)

Ohio EPA will also accept new vehicle engine certifications issued by the California Air Resources Board (ARB) as agreed to by US EPA. Information on how to find ARB Executive Orders for the appropriate heavy duty engine or vehicle may be found at:

<https://www.arb.ca.gov/msprog/onroad/cert/cert.php> (ARB)

and

<https://www.arb.ca.gov/msprog/onroad/cert/mdehdehdv/2018/2018.php> (ARB)

On the “**Fleet Data Reporting Spreadsheet for proposed new vehicle purchases**,” in the seventh column, grant applicants should indicate which agency (US EPA or the California ARB) issued the engine certification for the vehicle proposed for purchase. Include a copy of the

Certificate of Conformity (US EPA) or Executive Order (ARB) as an attachment to the grant application.

Include a **price quote** on letterhead from the Original Equipment Manufacturer or automobile retailer that the applicant proposes to purchase the new vehicle from. The quote must be dated within six months immediately preceding the date the application is submitted. List the OEM or retailer as the Vendor in Section 3 of the application form. Ask the vendor to clearly indicate on the quote the portion of the purchase price of a new alternative fuel vehicle that is attributable to the parts and equipment used for the storage of alternative fuel, the delivery of alternative fuel to the motor, and the exhaust of gases from the combustion of alternative fuel. This information constitutes the **adjusted purchase price** of the new vehicle. Grant applicants may apply for up to 50% of the adjusted purchase price of each vehicle, or \$25,000 per vehicle, whichever is less, up to a grant total of no more than \$400,000 for purchasing multiple vehicles.

The **project scope description narrative** section of the AFV application should explain:

- How, when and where the new vehicle(s) will be used and registered.
- Technology and/or procedures the applicant will use to track and ensure that more than half the miles the new vehicle(s) will be driven will be within Ohio.
- Technology and/or procedures the applicant will use to track and ensure that the new vehicle(s) will be maintained in accordance with manufacturer specifications.
- The availability of the alternative fuel in the areas where the vehicle will be most frequently driven. List the proposed primary fueling location for each vehicle in Table 3-4 of the application form.
- In the case of a bi-fueled or dual-fueled vehicle with a motor that can run on both alternative fuel and on gasoline or diesel fuel, explain the likely percentage of time the vehicle will be driven using the alternative fuel under normal operating conditions. Explain how the vehicle shifts between fuels, or if the fuel must be manually selected by the driver, what instructions will be given to drivers of the vehicle about how and when to operate using the alternative fuel.
- A demonstration that the applicant has the financial resources to cover the cost of the vehicle purchase(s), and explanation of the funding source that will cover the cost of project expenditures until reimbursement from the grant is approved. Private sector applicants are encouraged to provide documentation such as a credit rating or letter of credit to make this demonstration.
- An estimate of how much time will be needed to complete the project after the grant contact is executed.

If the grant applicant intends to lease the proposed new vehicle to a third party, include a letter from the proposed lessee documenting the lessee's understanding of, and intention to comply with, these requirements. If the identity of the lessee is not yet known at the time of grant application, this documentation will be required at the time when the grant awardee requests reimbursement for a vehicle purchase.

4.3 Eligibility: Traditional Vehicle Engine Conversions

Conversion systems modify vehicles and engines so that they can run on different fuels than the ones for which they were originally designed. Any change to the manufacturer's original vehicle or engine design is a potential violation of the Clean Air Act. US EPA has established protocols through which conversion manufacturers can demonstrate that emission controls in the converted vehicle or engine will continue to function properly, and emissions will not increase as a result of conversion. **Conversion systems must be compliant with the Environmental Protection Agency's Final Rule 40 CFR 85 and 86, "Clean Alternative Fuel Vehicle and Engine Conversions" promulgated April 8, 2011:**

<https://www.epa.gov/regulations-emissions-vehicles-and-engines/final-rule-clean-alternative-fuel-vehicle-and-engine>.

See US EPA's **Information for Consumers about Alternative Fuel Conversions:**

<https://www.epa.gov/vehicle-and-engine-certification/information-consumers-about-alternative-fuel-conversions>

and

<https://www.epa.gov/vehicle-and-engine-certification/lists-epa-compliant-alternative-fuel-conversion-systems>

Ohio EPA also highly recommends that prospective grant applicants interested in vehicle conversions consult the US Department of Energy's Alternative Fuel Data Center pages on CNG and propane conversions, at

https://www.afdc.energy.gov/vehicles/natural_gas_conversions.html

and

https://www.afdc.energy.gov/vehicles/propane_conversions.html.

To be eligible for AFV grant funding, ***and to ensure that proposed conversions of traditional diesel or gasoline-powered engines to alternative fuels do not violate federal anti-tampering laws under the Clean Air Act***, the grant application must demonstrate that the proposed conversion uses a system that has been certified by either US EPA or the California Air Resources Board or has met the US EPA compliance demonstration requirements for intermediate use vehicles. On the "Fleet Data Reporting Spreadsheet" for proposed engine conversions, in the eighth column, grant applicants should indicate which agency (US EPA or the California ARB) approved the alternative fuel vehicle conversion system being proposed. Follow the instructions below to identify the correct certification number to enter into the ninth column of the "Fleet Data Reporting Spreadsheet."

For alternative fuel conversion systems certified by US EPA, see the following websites:

<https://www.epa.gov/vehicle-and-engine-certification/vehicle-and-engine-alternative-fuel-conversions>

and

<https://www.epa.gov/vehicle-and-engine-certification/lists-epa-compliant-alternative-fuel-conversion-systems>

Note that this grant program will only fund conversion systems for new or intermediate-age vehicles or engines. Conversion systems will not be considered for outside useful age vehicles and engines.

For conversions of new vehicle engines, select the “Certified conversion systems for vehicles or engines” Excel Spreadsheet. On the “Heavy Duty Engines” tab, find the appropriate “Conversion Exhaust Certificate Number” and enter this into the grant application’s “Fleet Data Reporting Spreadsheet for Proposed Engine Conversions.”

For conversions of used (intermediate-age) vehicle engines, select the “Conversion systems for intermediate-age vehicles or engines” Excel Spreadsheet. On the ‘Light-Duty and HD IAV” tab, find the appropriate “Conversion Test Group” number, and enter this into the grant application’s “Fleet Data Reporting Spreadsheet” for Proposed Engine Conversions.”

For alternative fuel retrofit (conversion) systems approved by the California Air Resources Board, see the following website:

<https://www.arb.ca.gov/msprog/aftermkt/altfuel/altfuel.htm>

Select the PDF file for “Conversion Systems for 1994 and newer model year vehicles,” and find the appropriate Executive Order (EO) number. Enter this into the grant application’s “Fleet Data Reporting Spreadsheet for Proposed Engine Conversions.”

Conversion systems that may have been submitted to US EPA or the California Air Resources Board but not yet approved are not eligible for funding from this grant program.

Alternative fuel conversions of traditional vehicles must be performed by an after-market conversion facility or someone appropriately trained to ensure the conversion meets the terms of the US EPA or California Air Resources Board certification. Grant applicants should consult with the prospective vendor for conversion projects to ensure that they are selecting the appropriate conversion certification to enter into the grant application spreadsheet. Ohio EPA is not able to provide information about certifications that were awarded by either US EPA or the California Air Resources Board.

Include a **price quote** on letterhead from the aftermarket conversion facility, Original Equipment Manufacturer or automobile retailer that the applicant has selected to perform the conversion.

The quote must be dated within six months immediately preceding the date the application is submitted. List the selected aftermarket conversion facility, OEM or retailer as the **Vendor** in Section 3 of the application form. Ask the vendor to clearly indicate on the quote the cost of the conversion parts and equipment, separate from labor/installation costs. Grant applicants may apply for up to 50% of the cost of the conversion **parts and equipment** of each vehicle, or \$25,000 per vehicle, whichever is less, up to a grant total of no more than \$400,000 for converting multiple vehicles.

The **project scope description** narrative section of the AFV application should explain:

- How, when and where the converted vehicle(s) will be used and registered.
- How the applicant will ensure that the selected vendor is qualified to perform the proposed conversion in keeping with US EPA or California ARB certification.
- Technology and/or procedures the applicant will use to track and ensure that more than half the miles the converted vehicle(s) will be driven will be within Ohio.
- Technology and/or procedures the applicant will use to track and ensure that the converted vehicle(s) will be maintained in accordance with manufacturer and conversion specifications.
- The availability of the alternative fuel in the areas where the converted vehicle(s) will be most frequently driven. List the proposed primary fueling location for each vehicle in Table 3-4 of the application form.
- In the case of a bi-fueled or dual-fueled vehicle with a motor that can run on both alternative fuel and on gasoline or diesel fuel, explain the likely percentage of time the vehicle will be driven using the alternative fuel under normal operating conditions. Explain how the vehicle shifts between fuels, or if the fuel must be manually selected by the driver, what instructions will be given to drivers of the vehicle about how and when to operate using the alternative fuel.
- A demonstration that the applicant has the financial resources to cover the cost of the vehicle conversion(s), and explanation of the funding source that will cover the cost of project expenditures until reimbursement from the grant is approved. Private sector applicants are encouraged to provide documentation such as a credit rating or letter of credit to make this demonstration.
- An estimate of how much time will be needed to complete the project after the grant contact is executed.

4.4 Ineligible Costs

Ineligible costs include but may not be limited to:

- Operating expenses and fuel costs, including incremental costs of fuel.
- Any project required by any law or other legally binding agreement.
- Work done or purchases made prior to execution of the grant agreement between Ohio EPA and the grant awardee.
- Costs incurred for work or purchases not included in the approved project scope.
- Installation costs incurred from in-kind services or by an unauthorized vendor.
- Administrative costs.

- The cost of preparing and submitting proposals in response to this RFP is solely the responsibility of the applicant.

SECTION 5: CHECKLIST FOR APPLICATION PACKET

Below is a checklist of the sections that must be completed as part of this application. Please check to ensure that you have included all of the following materials in your application. Some sections require additional supporting documentation. Please clearly label your supporting documentation.

- Section 1. Contact Information for Applicant
- Section 2. Signed Applicant Certification Statement
- Section 3. Project, Vendor and Fueling Information
- Section 4. Budget Worksheet
- Section 5. Project Schedule
- Section 6. Project Scope Description Narrative
- Section 7. List of Attachments
 - Fleet Data Reporting Spreadsheet(s)
 - Vendor Price Quotes