

An Introduction to the Clean Vehicles Program



Presentation Roadmap

- Bottom Line On Top
- Program Eligibility
- Funding Specific Eligibility
- Eligibility Problems?
- Project Process

Bottom Line on Top

- Why should my organization participate in your program?
 - ✓ \$\$\$\$ saved – it's like getting a “coupon” to take to your vendor – average grants on the order of \$25k/heavy-duty vehicle
 - ✓ Declare your independence from foreign oil!
 - ✓ Protect your family's and employee's health by reducing air pollution
 - ✓ Recognition – organizational link on Clean Vehicles webpage, may be featured in newsletters, may receive speaking invites

Bottom Line On Top

- NO RISK to submitting an application – applications can be submitted at any time and there is no application fee.
- Minimal obligations to receive grant
 - ✓ Destroy old vehicle (if replacing)
 - ✓ Submit simple quarterly reports
 - ✓ Maintain comparable usage patterns
 - ✓ Host occasional audit/site visit
 - ✓ Coordinate with us on accidents, ownership transfers, etc.

Program Eligibility

- **Guidelines: Section 3.1.2**
- Basic criteria that apply to all projects, regardless of funding source(s)
 - ✓ Must be in good working order and in use
 - ✓ Can't double count emission reductions already being credited under other programs

Program Eligibility



✓ 75% of vehicle usage must be in the “non-attainment region”

Program Eligibility

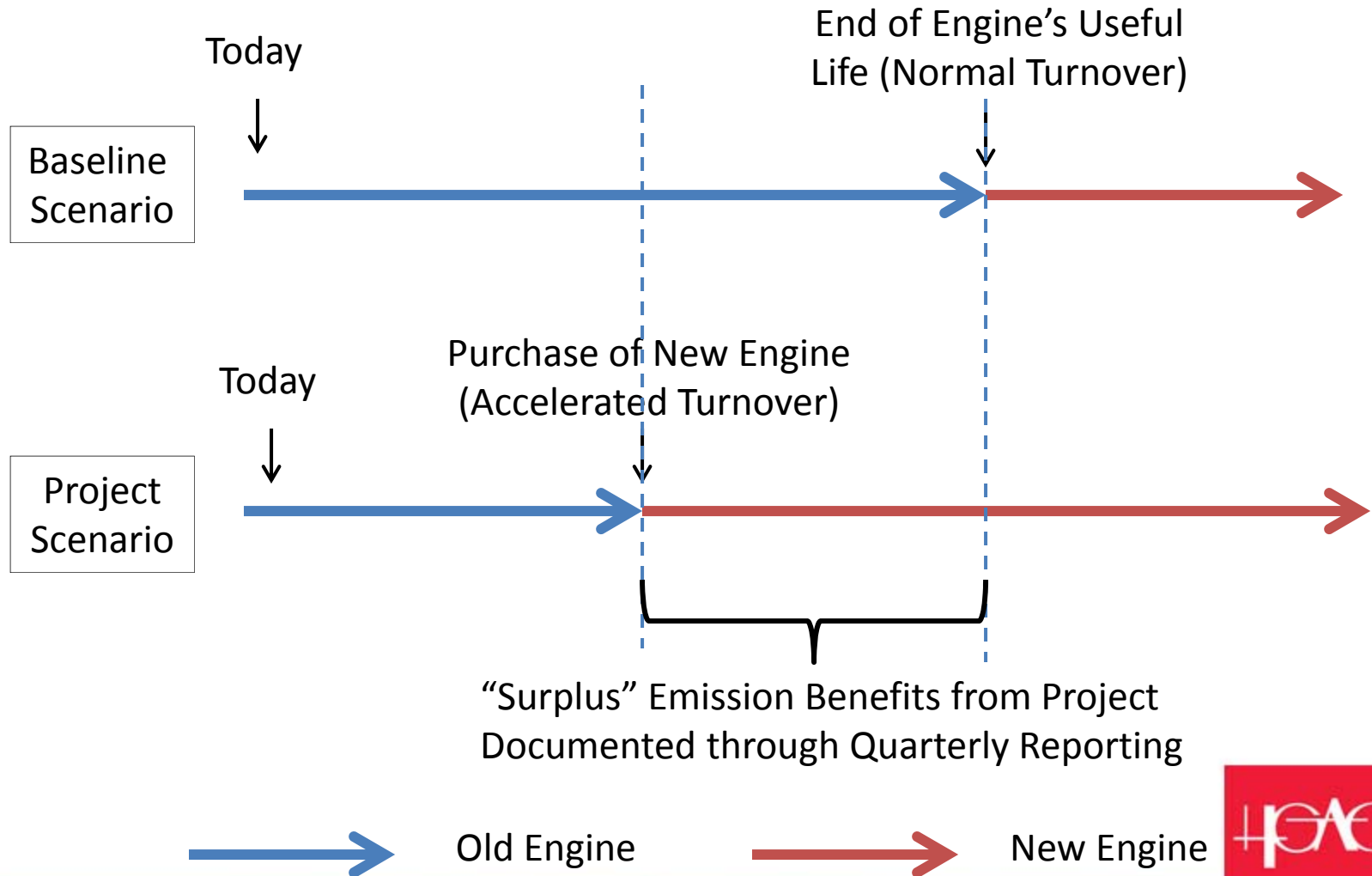
- ✓ Best practice policies must be in place or must be implemented
 - Anti-Idling
 - Drug-Alcohol
 - Driver Operating Procedures/Training
- ✓ Must have owned/operated the vehicle(s) in-region for the previous 2 years
- ✓ Replacements must be new (no previous owners besides dealer/manufacturer)
- ✓ Retrofits/Conversions must be EPA/CARB certified

Program Eligibility

- ✓ Must represent accelerated, NOT normal turnover. Why?
 - Why invest public monies into projects that would already otherwise happen without them?
 - Can't take emission credits for reductions that represent normal turnover
- How do you know if your vehicle(s) is eligible?
 - ✓ Contact a staff representative for guidance
 - ✓ Use the “Accelerated Deployment Calculator” for on-road vehicles (available on-line)

Program Eligibility

Graphical Illustration of Useful Life & Surplus Emissions



Funding-Specific Eligibility

- Criteria applies ONLY to projects benefiting from the funding type in question. It's entirely possible to be eligible for one funding stream but not another.
- Funding specific criteria contained in tables created for each funding type. Tables for common funding types are on website.
 - ✓ Funding Source Description
 - ✓ Funding Attribute Definitions
 - ✓ Table 1A – Clean Autos Criteria (on-road projects)
 - ✓ Table 1B – Clean Machines Criteria (off-road projects)
 - ✓ Table 1C – Clean Technologies Criteria (infrastructure)
 - ✓ Table 2 – Eligible Items for Reimbursement

Funding Specific Eligibility

- Most common funding types:
 - ✓ **Congestion Mitigation/Air Quality (Federal)**
 - ✓ **Supplemental Environmental Projects (State and/or Federal)**
- Other funding types sometimes distributed
 - ✓ Donations/Contributions (Private)
 - ✓ Diesel Emission Reduction Act (Federal)
 - ✓ Clean Cities funding (Federal)

Funding Specific Eligibility

- How do I know how much my vehicle(s) are eligible for?
 - ✓ Submit an application for evaluation – a formal estimate will be provided
 - ✓ Qualitative assessment of important factors
 - Vehicle Weight
 - In-Region Usage Levels
 - Year of engine
 - Current and proposed fuel types
 - Cost of proposed vehicle/technology
 - ✓ Range typically ~\$20-40k/heavy-duty vehicle and \$5-\$15k/light-duty vehicle

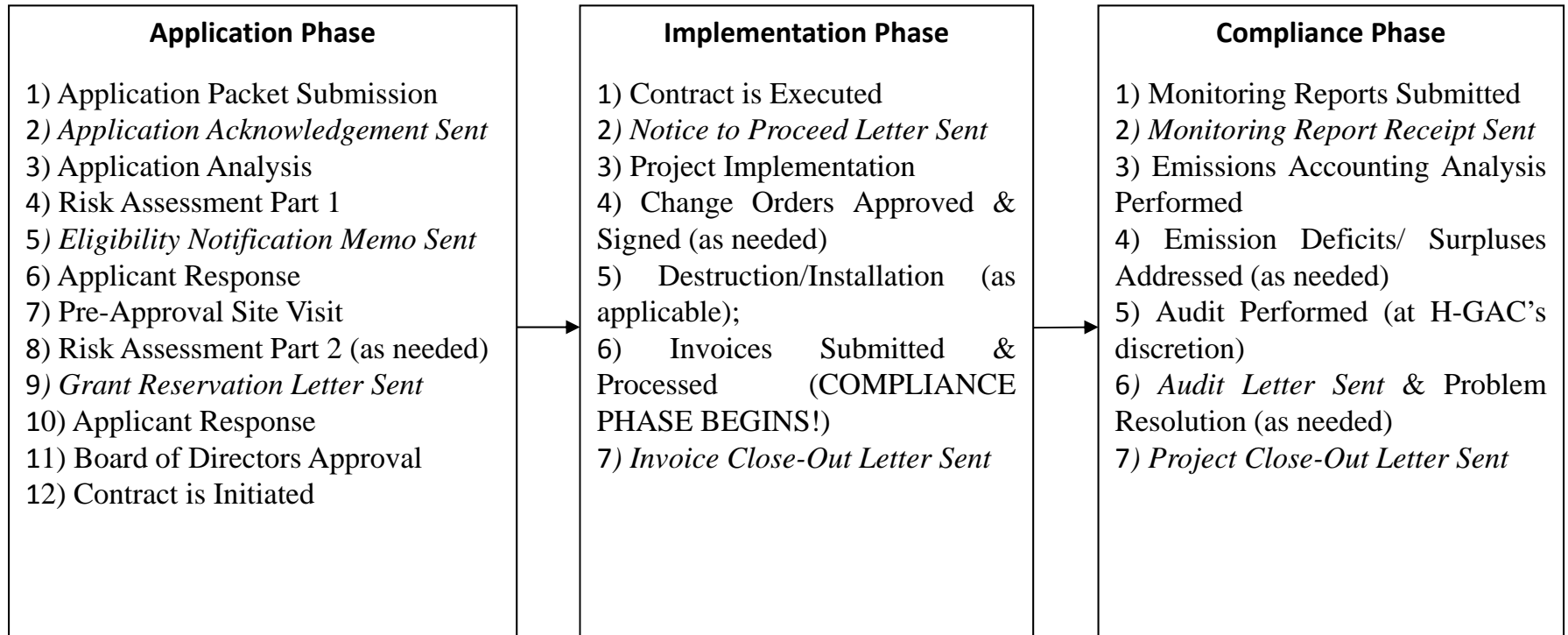
Eligibility Problems?

- I just discovered that my project/vehicle isn't eligible – now what?!
 - ✓ Change proposed project scope to meet eligibility criteria
 - ✓ Resubmit the project at a later date if criteria and/or circumstances change
 - ✓ Submit documentation/data to support waiver/modification of eligibility criteria
 - ✓ Request H-GAC staff to notify you of future RFP opportunities that the project/vehicle might be eligible for
 - ✓ Consider other funding programs (i.e. State TERP)



Program Process

CVP Project Work Flow Process



Application Phase

➤ Guidelines: Sections 3.1.3-3.1.9

➤ Analysis Type

- ✓ Traditional Analysis – per vehicle basis
- ✓ Tiered Analysis – group basis
- ✓ Infrastructure – group basis

➤ Emission Calculations

- ✓ $(\text{Usage Rate})(\text{Emission Rate}) = \text{Emissions}$
- ✓ $(\text{Baseline Emissions}) - (\text{Future Emissions}) = \text{Emission Reductions}$

➤ Cost – Effectiveness Calculations

- ✓ $(\text{Project Cost})(\text{Capital Recovery Factor}) = \text{Annualized Cost}$
- ✓ $\text{Annualized Cost}/\text{Emission Reductions} = \text{Cost-Effectiveness}$

Application Phase

- Pre-Approval Site Visit
 - ✓ Vehicle Inspection/Photographs
 - ✓ Operational procedures/policies
 - ✓ Orientation Packet discussion
- Risk Assessment (private, non-profit only)
 - ✓ Gauge organizational strength/experience
 - ✓ Gauge financial strength
- Board Approval, Contract Initiation

Implementation Phase

➤ Guidelines: Section 3.2

➤ Contract Execution

- ✓ Third-party agreement REQUIRED if lender is involved
- ✓ Supplemental requirements form if moderate risk
 - Extra site visits
 - GPS
 - Delayed reimbursement
- ✓ Change orders as needed

Implementation Phase

- Invoicing
 - Reimbursement based
 - Four components
 - Manufacturer's invoice
 - Proof of Payment
 - Photo documentation of implementation
 - Signed billing statement

Compliance Phase

➤ Guidelines: Section 3.3

➤ Monitoring Period

- ✓ Depending on project life (typically 3-5 years)
- ✓ Must achieve at least 70% of usage listed in application
 - Ex. Application listed 10,000 miles/year; must achieve at least 7,000 miles/year
- ✓ Reports required quarterly
- ✓ Simple Excel form

Compliance Phase

- Early Release/Vehicle Loss
 - ✓ Auto/equipment substitutions possible
 - Within 6 months of early release
 - Within 1 year of incident for vehicle loss
 - ✓ Contractor substitutions possible
 - ✓ Pro-Rated Refund
 - Usage shortfalls for previously submitted reports
 - Flat rate/report for future reports not submitted
 - ✓ Early Release requests **MUST** be approved **BEFORE** removal from service.
 - ✓ Changes involving a lender **REQUIRE** a third-party agreement be executed

Compliance Phase

➤ Audits/Problem Resolution

- ✓ Similar to Pre-Approval Site Visit
- ✓ May be triggered by specific concern or may be routine
- ✓ Typically 30 days allowed to resolve findings
- ✓ Supplemental requirements may be imposed as part of resolution
- ✓ Unresolved problems could ultimately result in legal action and/or refund of grant monies.

Contact Us With Questions!

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