H-GAC Clean Vehicles Program Project Scope of Work

Donation Funds Attachment

Funding Source

Donation funds come from the Houston-Galveston Area Emission Reduction Credit Organization (AERCO), a 501(c3) non-profit entity whose purpose is to promote compliance with the Clean Air Act within the Houston-Galveston-Brazoria ozone non-attainment area. They are distributed thru the Clean Vehicles Program and managed by H-GAC, which acts as AERCO's fiscal agent.

Funding Attribute Definitions

Funding attributes reflect requirements that any funded vehicle, equipment, or infrastructure facility must meet in order to qualify for a particular funding type (i.e. CMAQ, SEP, etc.). Attributes are defined as follows:

Minimum Usage: The minimum level of usage which must be achieved by current and future vehicles, equipment, or infrastructure in order to be eligible for funding. For vehicles/equipment undergoing a tiered analysis, the collective average annual usage of the group as a whole must meet this requirement; however, individual vehicles/equipment included in the tiered analysis are not subject to this restriction.

Emission Calc. Methodology: This specifies which procedures listed in Technical Supplement #1 will be utilized to determine the projected and actual emission reductions achieved as a result of a CVP project. It also specifies whether or not a tiered analysis can be performed for that particular funding type and CFA.

Eligible Areas: This lists any restrictions on where the applicant is located and/or where the vehicles, equipment, or infrastructure are in/will be in operation.

Project Life: Describes the period over which emission reductions will be credited and monitoring will be required.

Required Certifications/Standards: Describes any certifications, verifications, minimum standards, or other external criteria which is required for a given vehicle, equipment, or infrastructure project.

Eligible Applicants: Specifies any limitations on who may apply for and receive the funding. For example, if "school districts" is listed, only school districts may apply for or receive the funding.

Eligible Vehicles/Equipment: Specifies any additional restrictions on the type of vehicles, equipment, or infrastructure that may be funded beyond those listed for the applicable CFA. These additional restrictions may include vehicle weights, engine horsepower, or specific applications/sectors.

Eligible Fuels: Describes any restrictions on the types of fuels that may be considered for the project. For example, "Qualifying alternative fuel" means that only those projects involving the deployment of an alternative fuel in accordance with the CVP definition (See Section 1.1) may be considered for funding.

Match Requirements & Restrictions: Any CVP project may receive a *total grant package* that covers *up to* 75-100% of the eligible project costs (depending on entity type; see Section 2.0 for more information), assuming that the project meets the applicable cost-effectiveness criteria. However, *individual funding type(s)* contained within the total grant package may have matching requirements and restrictions describing how the funds should or should not be utilized in combination with other funding types.

Destruction: Specifies what vehicle, equipment, or infrastructure component(s) must be destroyed as part of a replacement project.

Diesel-Based Cost-Effectiveness: Per the definitions listed in Section 1.1 of the Clean Vehicles Program Guidelines, this specifies the target cost-effectiveness factor for diesel-based vehicle and equipment project, broken out by the technological level of the project.

Gasoline-Based Cost-Effectiveness: Per the definitions listed in Section 1.1 of the Clean Vehicles Program Guidelines, this specifies the target cost-effectiveness factor for gasoline-based vehicle and equipment project, broken out by the technological level of the project.

Funding Attribute Matrix for Donation Funds

Table 1a for Clean Autos CFAs

Attribute	Light-Duty	Heavy-Duty
Min. Usage of Eligible Vehicles	Must be in current use (>500 miles/year)	Must be in current use (>500 miles/year)
Emission Calc. Method	Traditional Analysis; Tiered Analysis	Traditional Analysis; Tiered Analysis
Eligible Areas	May be designated by county	May be designated by county
Project Life	3 years	3 years
Required Certifications/ Standards	Retrofits: EPA/CARB-certified EPA Replacement: Tier 2 std., Bin 3 min. CARB Replacement: LEV II std, ULEV II min.	Retrofits: EPA/CARB-certified EPA/CARB Replacements: 0.2 g/bhp-hr NOx or better
Eligible Applicants	Only non-profit and governmental entities	Only non-profit and governmental entities
Eligible Vehicles	Any qualifying vehicle type	Any qualifying vehicle type
Eligible Fuels	Any qualifying fuel	Any qualifying fuel
Matching Requirements & Restrictions	25% Match Required	25% Match Required
Destruction Requirements	Engine only	Engine only
Diesel-Based Cost-Effectiveness	None	None
Gasoline-Based Cost-Effectiveness	None	None

Table 1b for Clean Machines CFAs

Attributes	Low-Power	Medium-Power	High-Power
Min. Usage of Eligible Equipment	Must be in current use (>25 hours/year)	Must be in current use (>25 hours/year)	Equipment & Marine: Must be in current use (>25 hours/year) Locomotives: Must be in current use (>1000 miles/year)
Emission Calc. Method	Traditional Analysis; Tiered Analysis	Traditional Analysis; Tiered Analysis	Traditional Analysis; Tiered Analysis
Eligible Areas	May be designated by county	May be designated by county	May be designated by county
Project Life	3 years	5 years	10 years
Required Certifications/ Standards	Retrofits: EPA or CARB certified Replacements: EPA Tier 3 minimum; Tier 4 if available	Retrofits: EPA or CARB certified Replacements: EPA Tier 3 minimum; Tier 4 if available	Equipment, Locomotive, & Marine Retrofits: EPA or CARB certified Equipment: Replacements: EPA Tier 3 minimum; Tier 4 if available Locomotives Replacements: EPA Tier 2 minimum; Tier 3 if available Category 1 Marine: EPA Tier 2 minimum; Tier 3 if available Category 2 Marine: EPA Tier 2
Eligible Applicants	Only non-profit and governmental entities	Only non-profit and governmental entities	Only non-profit and governmental entities
Eligible Equipment	Any qualifying vehicle type	Any qualifying vehicle type	Any qualifying vehicle type
Eligible Fuels	Any qualifying fuel	Any qualifying fuel	Any qualifying fuel
Matching Requirements & Restrictions	25% Match Required	25% Match Required	25% Match Required
Destruction Requirements	Engine Only	Engine Only	Engine Only
Diesel-Based Cost-Effectiveness	None	None	None
Gasoline-Based Cost-Effectiveness	None	None	None

Table 1c for Clean Technologies CFAs

Clean Technologies projects are not eligible to receive AERCO donation funds.

Table 2 for Eligible Project Costs

Project Cost	Eligibility
The cost of a new vehicle/piece of equipment	Eligible
The cost of a new engine	Eligible
The cost of a new retrofit	Eligible
The cost of an alternative fuel conversion kit or other equipment	Eligible
The cost of purchasing an ancillary retrofit system (i.e. filter cleaners)	Eligible
The cost of purchasing alternative fuel system components (i.e. pumps, tanks, etc.)	Eligible
Registration Fee (up to $500) for one Alt. Fuel/Advanced Tech. Training Course[1]	Eligible
The cost of verifying or certifying new technologies (associated with Demonstration & Pilot Project PFA)	Ineligible
The cost of fuel	Ineligible
The costs associated with recurring maintenance items/service (i.e. filters, tank cleaning, etc.)	Ineligible
The cost of performing market research, site assessments, or other studies	Ineligible
The cost of obtaining permits or complying with other ordinances or legal obligations	Ineligible
The cost of overhead and/or administrative costs	Ineligible

[1] Applicants may elect to send 1 representative to one alternative fuel/advanced vehicle technologies management or maintenance course ONLY if the implementation of the project will result in a first-time introduction of that alternative fuel/advanced vehicle technology to the organization within this region.