

## **Alternative Fuels Incentive Grant Program Frequently Asked Questions**

**Question: What is new this year?**

**Answer:**

**▪Project Start Time and Duration**

Projects may start on or after July 1, 2011. No project may exceed 24 months. No projects applied for may end later than June 30, 2013. Applications for the reimbursement of the incremental cost to purchase biodiesel blends (biofuel buy-down) are limited to the period of July 1, 2011 through June 30, 2012.

**▪Production reimbursements** for biofuels have been eliminated.

**Question: What types of projects are eligible for funding this year?**

**Answer:** In accordance with Act 178, reimbursement funding is available to the following entities for the project types listed below:

- School districts, municipal authorities, political subdivisions, incorporated nonprofit entities, corporations, limited liability companies or partnerships incorporated or registered in the commonwealth are eligible to apply for:
  - The retrofit of fleet vehicles to operate on alternative fuels
  - The incremental cost of the purchase of alternative fuel fleet vehicles
  - The cost to install fleet refueling equipment for alternative fuel vehicles
  - Next phase advanced research, development and training related to alternative fuels and alternative fuel vehicles
- School districts, municipal authorities, political subdivisions and incorporated nonprofit entities are eligible to apply for the incremental cost to purchase biofuel and/ or the purchase of related refueling and storage equipment or tank cleaning.

**Question: How much money is available in the AFIG fund for grants?**

**Answer:** AFIG has approximately \$4 million available.

**Question: Is there a limit to how much of the fund can be awarded for a project?**

**Answer:** No more than 10% of the Alternative Fuels Incentive Fund (AFIF) balance may be awarded to any school district, municipal authority, political subdivision, nonprofit entity, corporation, limited liability company, partnership or resident of this Commonwealth in any one year. Note that the AFIF balance may be greater than the amount of grant funding that is available as the AFIF also funds other related alternative fuel transportation projects.

**Question: Is there a cost share or match requirement?**

**Answer:** Yes. Although there is not a specified minimum requirement applicants will be required to provide a cash and/or in-kind cost share. This does not apply to grants for the incremental buy down of biofuels without equipment. The amount of cost share is taken into consideration during scoring and contributes toward the overall score of the project.

**Question: What alternative fuel projects are eligible for AFIG funding?**

**Answer:** Transportation projects that use mixtures of 85% ethanol 15% gasoline (E85); liquid or compressed natural gas (LNG or CNG), liquid propane (LPG), hydrogen and hythane (hydrogen/natural gas mixture), electricity and biodiesel/diesel blends or other potential R&D advanced transportation fuels.

**Question: What is the biodiesel and E85 buy-down program funded under AFIG?**

**Answer:** School districts, transit authorities, local government agencies, municipal authorities and other tax-exempt entities may receive a grant to buy-down the added cost to purchase E85 or biodiesel blends for use in their vehicle fleet. Applicants utilizing the fuel may receive funding to help install refueling and/ or storage equipment or for tank cleaning as well.

**Question: What is a fleet?**

**Answer:** A group of 10 or more vehicles comprised of passenger cars, buses, or light, medium and heavy-duty trucks.

**Question: What type of refueling stations will AFIG fund for construction?**

**Answer:** AFIG funds the costs to install CNG/LNG, Electrification and E85 refueling stations servicing fleets. EV charging stations are also eligible for funding under the Innovative Technology category and as such need not be associated with fleets.

**Question: Does AFIG have any incentives for biodiesel or ethanol producers?**

**Answer:** Not currently.

**Question: What measures are being taken to assure biodiesel fuel quality?**

**Answer:** At the present time, all biodiesel produced and sold in PA must meet ASTM D6751. A testing certificate of analysis from an accredited laboratory is required to guarantee that the biodiesel quality meets the ASTM standard. The AFIG guidance provides detailed information on the requirements.

**Question: Will AFIG fund individuals who want to convert their own car to operate on an alternative fuel?**

**Answer:** Due to concerns for the safe operation of converted vehicles, aftermarket conversions will not be funded.

**Question: Can AFIG fund engineering studies or feasibility studies?**

**Answer:** No, but R&D and demonstration projects can be funded.

**Question: Can AFIG fund engineering or consultant costs?**

**Answer:** Yes. In some cases engineering and consultation is needed to determine the size and the best location of equipment. AFIG will cover up to 5% of the total project cost for engineering or consultation costs not including the cost of the engineering or consultant.

**Question: Will AFIG fund overhead or indirect costs such as administrative costs of projects?**

**Answer:** No. Only costs directly related to the project are covered. However, overhead and indirect costs may be used as cost share.

## **Application Timelines**

**April 9,, 2011 – Announcement in *Pennsylvania Bulletin***

**April 15, 2011 - Application link and Guidance document available from  
DEP website**

**June 17, 2011 – Application Deadline**

**September 2011 – Approximate time of grant award announcement**

**November – Approximate time for grant documents to be mailed to grantee.**

**Six – eight weeks for executed grant agreement.**