

Act 13 Chapter 27 Natural Gas Vehicle Grant Program

As unconventional gas development continues across Pennsylvania, Act 13 of 2012 enacts stronger environmental standards, authorizes local governments to adopt an impact fee and builds upon the state's ongoing efforts to move toward energy independence. Act 13, through the impact fee, creates a new three-year Natural Gas Energy Development Program to be administered by the Department of Environmental Protection (DEP). Over the next three years, this new program will make \$20 million in grant funds available on a competitive basis to purchase or convert eligible vehicles to natural gas.

Funding Authorized

Act 13 of 2012 allocates the following for competitive grants for *Eligible Vehicles*:

- \$10 million in FY 2012-2013 (\$5 million for local transportation agencies)
- \$7.5 million in FY 2013-2014 (50 percent for local transportation agencies)
- \$2.5 million in FY 2014-2015

Eligible Costs

- Grants may be awarded **ONLY** to pay for the *Incremental Purchase Costs*, including the cost to retrofit eligible vehicles.
- Grants are capped at 50 percent of the incremental purchase and retrofit costs.
- Grants are capped at \$25,000 per eligible vehicle.
- Grants under this program cannot be used to pay for project development costs, fueling stations or other fueling infrastructure.

Definitions

- Eligible Applicants - Commonwealth or municipal authorities, the Pennsylvania Turnpike Commission, nonprofit entities, for-profit companies, local transportation organizations and state-owned or state-related universities.
- Eligible Vehicles include dedicated compressed natural gas (CNG) or liquefied natural gas (LNG) vehicles that weigh at least 14,000 pounds and bi-fuel vehicles that are part of a fleet.
- Fleet Vehicle - A vehicle registered to an eligible applicant
- Bi-Fuel Vehicle - Motor vehicle equipped to be propelled in part by CNG and in part by diesel or gasoline fuel
- Dedicated CNG Vehicle - Motor vehicle that operates on 100 percent CNG fuel
- Dedicated LNG Vehicle - Motor vehicle that operates on 90 percent or more LNG and 10 percent or less gasoline or diesel fuel
- Incremental Purchase Cost - Excess cost of a CNG, LNG or bi-fuel vehicle over the price of a gasoline or diesel fuel motor vehicle of a similar model, or the cost to retrofit such a vehicle
- Local Transportation Organization - Political subdivision, public transportation, port or redevelopment authority, nonprofit entities providing public transportation

Program Requirements

(Note: DEP may request additional information than is contained in the actual grant application to help the department effectively and efficiently distribute the funds.)

Eligible applicants must meet the following criteria:

- Plan to convert five or more eligible vehicles that will be financially viable within four years
- Construct a natural gas fueling station in Pennsylvania or use an existing station
- Calculate the projected use of natural gas
- Estimate project costs
- Identify the source and amount of any matching funds
- Intend to maintain operations in the commonwealth for no fewer than six years
- Register all purchased vehicles in Pennsylvania
- Utilize federal funds where available
- Explain whether the project includes the utilization of a natural gas fueling facility accessible to the public

Grant recipients must comply with federal/state safety rules, including U.S. Environmental Protection Agency rules.

For more information, visit www.dep.state.pa.us, keyword: Act 13.

Natural Gas Vehicle Program Regional Contacts

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