

**2009**  
**MOBILE SOURCE EMISSIONS**  
**REDUCTION GRANTS**  
**APPLICATION PACKAGE**

**NORTH CAROLINA DEPARTMENT OF**  
**ENVIRONMENT AND NATURAL RESOURCES**  
**DIVISION OF AIR QUALITY**

## INTRODUCTION

This Application Package outlines/describes the process of applying for grant monies to be utilized in conducting on- or off- road mobile source related emissions reduction projects in North Carolina. This package contains information on the background of the program as well as information about the application process and selection procedures in awarding Mobile Source Emissions Reduction Grants.

## BACKGROUND

In 1993, the North Carolina General Assembly passed Clean Air Legislation which provided that certain portions of those taxes on the sale of gasoline in North Carolina be used to fund portions of the North Carolina Division of Air Quality beginning on January 1, 1995. Funding is provided by 1/64 of a cent per gallon of gasoline sold.

The Department of Environment and Natural Resources formed a Grant Review Committee to assist in determining how to best utilize the revenues generated from the gasoline tax. This committee is composed of representatives from environmental protection groups, private industry, and various city, county, and state agencies. Each year a focus is selected for the upcoming grant year. Although other projects may be submitted and funded, priority will be given to projects addressing the goal for that year. **The goal for the 2009 grants will be to reduce emissions from diesel engines.** However, any project that reduces mobile source emissions will be welcome for consideration.

## SOLICITATION OF PROPOSALS

Through this guidance, the North Carolina Department of Environment and Natural Resources invites government agencies, private organizations, businesses, and individuals to submit proposals for Mobile Source Emissions Reduction Grant Program. The goal is to award funds to projects that maximize efforts to preserve and enhance air quality across the state of North Carolina through the reduction of mobile source emissions.

The project criteria and selection process are outlined on the following pages. Interested parties should submit detailed proposals by December 31, 2008. Please contact Anne Galamb at (919) 715-6296, if you need further guidance or have questions pertaining to procedures.

## GENERAL REQUIREMENTS OF PROJECT APPLICATIONS

The following minimum requirements will apply to all projects:

- **Applicants Must Comply with State Laws and Apply in Writing:** Applicants must comply with all appropriate North Carolina State Laws and apply in writing to the North Carolina Department of Environment and Natural Resources, Division of Air Quality.
- **Applicable Permits and Permissions:** Applicable permits and permissions must be provided and are the responsibility of the applicant.
- **Applications must be EIGHT pages or less (not counting the required cover sheet), with appendices limited to FOUR pages.**

- Diesel Projects Preferred: Though all project ideas are encouraged and considered, the Department of Environment and Natural Resources will give preference to projects that reduce emissions from diesel engines.
- The complete and signed application including letters of support/commitment and/or attachments must be submitted by the 12/31/08 deadline.

## **PROJECT NARRATIVE GUIDELINES**

### *0. Mobile Source Emissions Reduction Grant Cover Sheet*

- A “2009 Mobile Source Emissions Reduction Grant Cover Sheet” with authorized representative’s signature is MANDATORY (This cover sheet is available in Word and PDF formats.)
- The cover sheet should serve as the first page of your application, but does not count as part of the eight page total.

### *1. Introduction and Project Description*

- Applicants must include a detailed description of the proposed project.
- Applicants must also include a description of the organization and staff who will be working on the project.
- Degree of support from affected parties: Include a list of project partners outside of your organization and what they will do. (A letter of intent/support may be submitted in the appendix.)
- Applications must address any “Project Specific Requirements”. (See below.)
- Discuss the public perception of appropriateness of your proposed project.
- Include any previous environmental efforts by your organization that relate to this project.

### *2. Quantifiable Reductions*

- Calculate emissions reductions for the proposed project. For diesel projects, an estimate of emissions reductions using the diesel quantifier (<http://cfpub.epa.gov/quantifier/view/index.cfm>) is required.
- For nondiesel projects, emissions calculations are encouraged, use <http://www.nctcog.org/trans/air/programs/terp/cfps/index.asp> or other method preapproved by DAQ for your project.
- The project must emphasize mobile source emissions reductions by concentrating on volatile organic compounds (VOCs) or hydrocarbons (HC), nitrogen oxides (NOx), particulate matter (PM), and Greenhouse gases (GHG) reductions, where estimates are available.
- State/explain the method used to derive emission reductions calculations.
- Provide sample emissions calculations in the appendix.
- State any assumptions you made in the calculations and why.

### *3. Unquantifiable benefits*

- Describe any unquantifiable benefits in this section.

### *4. Budget*

- An itemized listing of the total amount of funds requested, along with a listing of any other sources of monies both from the applicant and other sources, must be included.

- Also itemize the degree of matching cash or in-kind items such as staff time.

#### 5. *Cost Effectiveness*

- Calculate Cost Effectiveness Of The Project: All diesel projects must provide a cost effectiveness calculation (DAQ funded \$/emissions reduction) nondiesel projects are encouraged to include a cost effectiveness calculation as well.
- Cost effectiveness will be compared only with similar projects.

#### 6. *Permanence of Benefits*

- Project Should Be Sustainable: All proposals should also exhibit a long-term commitment to making the project and the resulting air quality improvements an ongoing effort.
- State the lifetime and remaining lifetime at the time of the retrofit of any equipment being purchased or retrofitted.

#### 7. *Timetable*

- Grant Work Must Be Performed During the Contract Period: Funds are available only for projects selected and installed during the contract period.
- Diesel Project Must be Completed by 9/30/2010: All diesel projects must be completed by September 30, 2010: All diesel projects must be completed and final reports received within approximately 1 year from contract start date (approximately fall of 2009). Nondiesel projects may take up to three years to complete.
- A funding/milestone schedule for project outputs will be necessary in order to allocate funds over the life of the project.
- Due to variable contract processing time, make the timeline relative to your contract start date rather than hard dates. E.g. 1 month after the contract is in place – order for school bus retrofits will be made.

#### 8. *Evaluation of Project Success*

- Describe how the success of the project will be evaluated.

#### 9. *Appendix*

- Maximum of 4 pages
- Letters of intent from contributors of matching funds or in-kind contributions if applicable
- Example of calculation of emissions - EPA quantifier entry screen showing numbers used and then example of output. - Explain what you did, what assumptions you made.
- Other

## **Project Specific Requirements**

In addition to the above guidelines for all applications received, the following requirements will also apply where applicable.

### School Bus Retrofits

- The preference is for projects combining the use of diesel oxidation catalysts, diesel multistage filters, or diesel particulate filters with crankcase recirculation systems.
- Priority will be given to school systems that have not yet received a Mobile Source Emissions Reduction Grant for retrofits.

### Biodiesel Projects

- Funding will not be available for production.
- Funding will be available for storage (tanks) and infrastructure (collection bins for waste oil, tank trucks, and tanks/pumps/piping for refueling sites).
- Any funding used for refueling infrastructure must be publicly accessible.

### Alternatively-Fueled Passenger Vehicles

- Vehicles for personal use will not be funded.
- Only the incremental cost of the vehicle can be requested.
- Priority will be given to fleets purchasing their first alternative fueled vehicles.
- No more than two passenger vehicles will be considered per applicant.

### Neighborhood Electric Vehicles

- No more than two neighborhood electric vehicles will be considered per applicant.
- When there is no comparable non-electric vehicle, the entire cost of the vehicle may be requested

### Long Haul Truck Auxiliary Power Units

- Due to limited grant funds and immediate payback, applicants of these projects are encourage to pursue low interest loans through the USEPA Smartway program. The Division of Air Quality encourages interested parties to investigate the Federal SmartWay program by visiting their website at <http://www.epa.gov/smartway/>

### Heavy-Duty Diesel Trucks and Equipment

- This category includes heavy-duty trucks, construction equipment, locomotives engines, and marine engines.
- Projects to be considered would be retrofits, repowering, and replacement.
- Replacements must be of a similar type and function and will be funded at no more than 25%.
- Repowers to cleaner burning engines may be funded up to 50% of the cost.
- Only the incremental cost of the vehicle can be requested for hybrid diesels.
- For engine upgrades, the total cost of the kit may be requested.
- Any engines replaced must be scraped.
- Priority will be given to applicants that have not yet received a Mobile Source Emission Reduction Grant.

### Locomotive Engine Block Heater System

- No more than 50% of the cost of the unit will be funded.

Pre-proposal meetings to clarify any questions about the grant process or project eligibility can be arranged by request only. If you are interested in setting up such a meeting, please contact Anne Galamb at (919) 715-6296 or by e-mail at [anne.galamb@ncmail.net](mailto:anne.galamb@ncmail.net).

## **Acceptable Signature Formats**

- Preferred: Complete signed application (including 2009 Mobile Source Emissions Reduction Grant Cover Sheet) in Word format

- PDF with a digital or hand signature
- Hard copy of hand signed application

## PROJECT SELECTION CRITERIA

- 1) Degree of matching or in-kind funds expected for the project.
- 2) Assessment of benefits from the proposed project including:
  - Emissions Reductions (quantitative or qualitative) – provide emissions reduction estimate
  - Permanence of benefits from the planned project
- 3) Cost Effectiveness
- 4) Degree of support/participation from affected parties.
- 5) Public perception of appropriateness of selected projects.

## HOW TO SUBMIT YOUR PROPOSAL(S)

**Preferred: Electronic format by e-mail to:**

[anne.galamb@ncmail.net](mailto:anne.galamb@ncmail.net)

However, applications may also be delivered to Anne Galamb NCDENR-Division of Air Quality, Mobile Sources Compliance Branch by:

**United States Mail or Other (UPS, FedEx, etc):**

United States mail to	FedEx, UPS or courier to
1641 Mail Service Center	2728 Capital Boulevard
Raleigh, NC 27699-1641	Raleigh, NC 27604

**Fax:**

(919) 715-6296

Additional information and grant applications are available on <http://www.ncair.org>

## PROJECT SELECTION PROCESS

Complete proposals should be e-mailed or postmarked no later than December 31, 2008. Preliminary review of applications begins in January 2009. The following schedule will be observed in the selection process.

Proposal submittal deadline.....	December 31, 2008
Committee review and project consideration.....	January – February 2009
Announcement of grant award(s).....	March - April 2009
Applicants contacted by e-mail for contract information.....	June 2009
Funds available after contract is in place.....	August - September 2009

## PROJECT ADMINISTRATION

If your proposal is selected for funding, the following applies:

- If your project is partially funded, you will be required to submit a revised application.
- All successful applicants will need to be registered in the e-procurement system (It is free to register for grantees.)  
*www2.eprocurement.ncgov.com/eprocurement/asp/section/ep\_index.asp*
- You will need to provide a Federal Tax Identification Number.
- Non-governmental agencies will need to provide a “Conflict of Interest” statement and a “No Overdue Tax Debt” statement. Templates for these are available on the <http://www.ncair.org> website
- In addition to the forms required by non-government agencies, nonprofit 501(c)(3) organizations will need to provide IRS federal tax exempt letter or 501 (c) verification form.
- Only work completed during the contract period (Once fully executed contract is in place) may be reimbursed.
- Reimbursement is by invoice only.
- 10% of the total allowable funding for the contract will be held back until the final report is received.
- Invoices may require up to 45 days for payment
- Final invoice must be received prior to 45 days after the end of the contract
- Equipment purchased with grant funds in excess of \$5,000 per item may be retained by the Grantee for the time the Grantee continues to provide service begun under this contract. However, if such equipment is sold, the Department of Environment and Natural Resources will receive the share of the profits in proportion to the Department’s original level of grant funding. This is in compliance with OMB 87 (<http://www.whitehouse.gov/omb/circulars/a087/a087-all.html>) or for higher learning institutions with A133 (<http://www.whitehouse.gov/omb/circulars/a133/a133.html>)
- University of North Carolina (UNC) system schools will be required to provide information for a DENR-UNC task order form.