

# Alternative Fuel Incentive Program (AFIP) Request for Grant Proposal

- A. E85 and Other Alternative Fuels: Fuel Infrastructure Projects and Price Parity Incentives**
- B. Biofuels—Startup of Small Production Facilities In California**
- C. Plug-in Hybrid and Alt Fuel Vehicle Demonstration and Research**
- D. Transit Bus Projects**
- E. Alternative Fuel Vehicle Incentive Program**
- F. Consumer Education and Outreach**

## Application and Instructions Fiscal Year 2006-2007

**Proposal Deadline**  
**5:00 PM March 12, 2007**  
**No faxes or emails will be accepted**

Please contact Kathy Leuterio or Katrina Sideco for copies of the application packet or for questions regarding the application or the grant process:

Kathy Leuterio (916) 322-1731  
Katrina Sideco (916) 323-1082  
[STTB@arb.ca.gov](mailto:STTB@arb.ca.gov)

February 9, 2007

California Air Resources Board  
**Alternative Fuel Incentive Program (AFIP)**  
**Request for Grant Proposal**

February 9, 2007

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## **SUMMARY**

The California Air Resources Board (ARB or Board) is requesting Alternative Fuel Incentive Program (AFIP) grant proposals from applicants for the fiscal year 2006/2007. All funds must be encumbered by June 30, 2007.

The ARB is responsible for administration of \$25 million (twenty-five million dollars) in State Funds to further the goal of reducing air pollution and greenhouse gas emissions. These funds have been included in the fiscal year 2006/2007 budget for the purpose of incentivizing biofuels and high efficiency, low emitting vehicle technology. The purpose of the grant program is to provide resources to initiate new programs that are creative and innovative.

## **BACKGROUND**

The mission of the California Air Resources Board (ARB) is to promote and protect public health, welfare and ecological resources through the effective and efficient reduction of air pollutants while recognizing and considering the effects on the economy of the State.

Chapter 48, Statutes of 2006 (Assembly Bill 1811) authorized ARB and the California Energy Commission (CEC) to jointly develop a plan to expend \$25 million (twenty-five million dollars) in the 2006/2007 budget year to incentivize the use and production of alternative fuels. These funds are to be expended for the following purposes:

- Market-based incentives such as buydowns, rebates, credits, or other incentives for purchasers of high efficiency, high mileage, clean alternative fuel light, medium, and heavy duty vehicles, both individual and public fleet, in California.
- Production incentives such as loans, loan guarantees, and credits for clean alternative fuel production in California.
- Market-based incentives such as loans and loan guarantees for the construction of publicly accessible, clean alternative refueling stations, including refueling stations that sell ethanol blends consisting of at least 85 percent ethanol E85, sufficient in number to match the existing and anticipated supply of E85 vehicles in California.
- Grants for research and development of clean and zero emission fuels and vehicle technology to assist in making those technologies affordable in the marketplace.
- Incentives to replace the current state vehicle fleet with clean, high mileage alternative fuel vehicles.

Consistent with this direction, the Request for Grant Proposal (RFGP) includes several categories available for grant proposals. Each category is detailed in an attachment

which will document application eligibility, requirements and procedures. These attachments are:

Attachment A. E85 (fuel that is 85 percent ethanol and 15 percent gasoline) and Other Alternative Fuels: Fuel Infrastructure Project and Price Parity Incentives

Attachment B. Biofuels—Startup of Small Production Facilities in California

Attachment C. Plug-in Hybrid and Alternative Fuel Vehicle Demonstration and Research

Attachment D. Transit Bus Projects

Attachment E. Alternative Fuel Vehicle Incentive Program

Attachment F. Consumer Education and Outreach

Each attachment contains the forms and guidelines for submitting complete proposals for funding. The decisions regarding eligible applicants and proposals that are ultimately funded will be the sole discretion of the ARB. Grant applications must be complete and meet all of the requirements set forth in the application packet.

Two signed original copies and one CD of the proposals, including all the required documents, must be received at the Air Resources Board headquarters office at 1001 I Street, Sacramento, CA 95812 by 5:00 PM on Monday, March 12, 2007. No application documents may be submitted by fax or email.

None of these funds may be used for incentives, grants, or any support of fuels derived from petroleum, petroleum coke, or coal.

These funds must be encumbered by June 30, 2007.

More information on the Alternative Fuel Incentive Program may be accessed at <http://www.arb.ca.gov/fuels/altfuels/incentives/incentives.htm>

## **ELIGIBLE PROJECTS**

The attached grant applications detail requirements for each grant category, and the eligibility requirements for projects to be funded. Refer to the appropriate attachment for additional information.

Attachment A. E85 and Other Alternative Fuels: Fuel Infrastructure and Price Parity Incentives

There are two types of E85 and alternative fuel infrastructure projects that are eligible for incentive funding: 1) projects to install alternative fuel infrastructure

for fleet use, and 2) projects to install alternative fuel infrastructure for general public use.

**Attachment B. Biofuels—Startup of Small Production Facilities in California**

There are two types of fuel production projects that are eligible for incentive funding: 1) new biofuel production facilities, and 2) projects to install digesters.

**Attachment C. Plug-in Hybrid and Alternative Fuel Vehicle Demonstration and Research**

Eligible projects will accelerate the commercialization of plug-in hybrids and alternative fuel vehicles. Priority will be given to projects that include vehicle demonstrations to test pre-commercial vehicle technologies or explore customer response to alternative fuel vehicles in general or plug-in (electric fuel) vehicles in particular.

**Attachment D. Transit Bus Projects**

Grants are available to develop near zero and zero emission enabling technologies in buses.

**Attachment E. Alternative Fuel Vehicle Incentive Program**

Eligible contractors will demonstrate the ability to administer a grant award program and a general knowledge of the Board's clean air goals. This incentive program will provide grants to purchasers of eligible electric, plug-in hybrid and alternative fuel motorcycles, passenger cars and light-and medium duty trucks.

**Attachment F. Consumer Education and Outreach**

There are two types of projects eligible for funding in this category: 1) projects that are designed to carry out a marketing campaign to increase awareness and promote alternative fuel, clean and high efficiency vehicles for the Air Resources Board, and 2) support for existing programs that promote and increase awareness and promote alternative fuel, clean and high efficiency vehicles.

**AVAILABLE FUNDING**

The total available funding under this grant solicitation is \$25 million. It is anticipated that the grants will be distributed as indicated below. However, should an insufficient number of quality proposals be received in any individual category, monies may be shifted among categories. Not all monies may be awarded. In no event will the total grant amount exceed \$25 million.

(It should be noted that \$3.3 million is reserved for funding research and development of clean and zero emission fuels and vehicle technology to assist in making those technologies affordable in the marketplace. These directed research projects are not included in this grant solicitation.)

- |  |               |
|--|---------------|
| 1. E85 and Other Alternative Fuels:<br>Fuel Infrastructure and Price Parity Incentives | \$7 million   |
| 2. Biofuels—Startup of Small Production Facilities<br>In California                    | \$5 million   |
| 3. Plug-in Hybrid and Alternative Fuel Vehicle<br>Demonstration and Research           | \$5 million   |
| 4. Transit Bus Projects  | \$2 million   |
| 5. Incentives for Advanced Technology PZEVs and ZEVs                                   | \$1.5 million |
| 6. Consumer Education and Outreach   | \$1.2 million |

## **APPLICATION REQUIREMENTS**

All grant proposals must meet the specific requirements of this solicitation to be considered for project funding. Additional information may be requested during the application review process if needed. For each area of funding available, specific application requirements are detailed in the applicable attachment.

Grant proposals should be straightforward and concise. The proposal must be complete and accurate. Omissions, inaccuracies or misstatements may be cause for rejection of a proposal. To conserve paper, proposals may be two-sided, or use single or one-and-a-half spacing. Please do not include large company brochures. Due to limited storage space, the proposal package should be prepared in the least expensive method (i.e., cover page with staple in upper left-hand corner, no fancy bindings).

Costs incurred for developing proposals and in anticipation of award of the agreement are entirely the responsibility of the Proposer and shall not be charged to the State of California. The awarding agency reserves the right to reject all proposals. The agency is not required to award an agreement.

An individual who is authorized to bind the proposing firm contractually shall sign the grant proposal. The signature must indicate the title or position that the individual holds in the firm. An unsigned proposal will be rejected. No oral understanding or agreement will be binding on either party. No work will begin until grant contract is in place (see example grant contract language).

## **APPLICATION PROCESS**

Two signed original copies and one CD of the proposals, including all the required documents must be received at the Air Resources Board headquarters at 1001 I Street, Sacramento, CA 95812 **no later than 5:00 PM, March 12, 2007.**

Mail or deliver proposals to the following address:

### U.S. Postal Service Deliveries

Ms. Kathy Leuterio

Air Resources Board  
Mobile Source Control Division  
P.O. Box 2815  
Sacramento, CA 95812

### Hand Deliveries

(UPS, Express Mail, Federal Express)

Ms. Kathy Leuterio

Air Resources Board  
Mobile Source Control Division  
1001 I Street  
Sacramento, CA 95814

**Postmark dates will not suffice to meet the stated deadlines.**

**No application documents may be submitted by fax or email.**

### *Timelines*

Public Release of Solicitation	February 9, 2007
Application Deadline	March 12, 2007 5:00 PM
Review/Rating of Proposals	
Grantees Selected	April 12, 2007
Public Posting Notice	
Award Notification	
Deadline for Encumbrance of Funds	June 30, 2007

### *Format Requirements*

The ARB strongly encourages applicants submitting proposals to be accurate, brief and clear in the presentation of their proposal/ideas.

Information regarding Evaluation and Scoring can be found in Attachments.

## **EVALUATION AND SCORING**

Applications will be initially screened to determine that the application is complete and has been submitted in a timely fashion.

The ARB will conduct an evaluation of each qualifying project based on the merit of the grant proposal. The maximum score is 100 points. Qualifying projects within each category will be considered for funding.

A multi-agency state team will review, evaluate, and make recommendations to the provided grant proposals. The multi-agency state team is comprised of the Air Resources Board (ARB), California Energy Commission (CEC), California Department of Food and Agriculture (CDFA), Department of Forestry and Fire Protection (CDF), Integrated Waste Management Board (IWMB) and Water Resources Control Board (WRCB).

## **MONITORING AND REPORTING REQUIREMENTS**

Successful grant awardees must maintain records and data related to this grant for the life of the project. Specific reporting requirements are detailed in the Attachments.

## **DISBURSEMENT OF FUNDS**

Grants will be disbursed upon approval and disbursement will be based on the criteria from each of the sections.

## **CONTACT PERSONS**

Please contact Kathy Leuterio or Katrina Sideco for information relating to this grant. Questions and correspondence should be directed to:

Kathy Leuterio  
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Mobile Source Control Division  
P.O. Box 2815  
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