

**Air Quality Improvement Program (AQIP)
Advanced Technology Demonstration Projects:
Zero-Emission Off-Road Equipment**

Grantee Workshop January 3, 2013

Questions and Answers

On January 3, 2013, the Air Resources Board (ARB) held an AQIP Advanced Technology Demonstration Project Grantee Workshop to answer questions regarding the FY 2012-13 Zero-Emission Off-Road Equipment Grant Proposal Solicitation (solicitation). This document provides ARB responses to stakeholder questions at the workshop, and to those questions submitted by email prior to the workshop.

Match Funding and Administrative Cost Questions

- 1) Q: Define the difference between administrative costs and labor costs as it relates to the in-kind contribution?**

A: Administrative costs are indirect costs such as salaries and benefits of staff that provide administration and oversight to the demonstration project, such as managing project update meetings or the review of project reports. Labor costs are direct costs for the salary and benefits for employees and contractors incurred by the technology demonstrator to design, test, manufacturer, operate and maintain the equipment that is the focus of the demonstration. Both administrative costs and labor costs can be calculated as part of the in-kind contribution for the project.

- 2) Q: Is the 10 percent administrative cost cap as defined in the solicitation the total for both the technology demonstrator and the grantee?**

A: Yes, the 10 percent administrative cost cap as defined in the solicitation is for the entire proposed project budget, which includes AQIP funds and those funds provided by the technology demonstration and/or grantee as match and cost share for the project. The technology demonstrator is not allowed administrative costs covered directly from AQIP funds for administrating the project.

- 3) Q: Can Carl Moyer Program funds be used to meet a proposed project's match requirement?**

A: Generally no, Carl Moyer Program funds are typically used for projects that are already commercialized and are required to meet a defined cost effectiveness threshold. Typical projects funded under AQIP Advanced

Technology Demonstration Projects are not yet commercialized and typically do not meet the Carl Moyer program cost effectiveness requirements.

4) Q: Can Assembly Bill 2766 (AB 2766, Stats 1990 Ch 1705) funds be used to meet a proposed project's match requirement?

A: Yes, AB 2766 funds can be used to meet the proposed project's match requirement.

Clarification on the Solicitation Questions

5) Q: In regards to the calculation of cost effectiveness as required by Scoring Criteria 1, on page 10 in the solicitation package, what time frames should the cost effectiveness calculation cover?

A: Cost effectiveness should be calculated for two separate time frames: 1) the two year demonstration period alone and 2) for the useful life of the equipment one year after the demonstration project is completed. The cost effectiveness methodology that must be followed is detailed in Appendix C of the solicitation package. As an example, if the proposed project was for a zero-emission locomotive, the cost effectiveness should be calculated two way: 1) using a two year project life, that addresses the demonstration period only and 2) for the useful life of the equipment which for a new locomotive can be up to 20 years, therefore 20 years should be used as the time period for calculating the cost effectiveness one year after the project is complete.

6) Q: How long does it take for ARB to review applications and complete the evaluation and scoring of submitted applications?

A: A Solicitation Timeline is given on page 9 of the solicitation that states that Grantee Selection is to take place on February 22, 2013; therefore ARB will take about 2 weeks to score and review applications. Since all dates in the Solicitation Timeline are subject to change at ARB's sole discretion, more time could be taken if needed, for proposal evaluation.

7) Q: Is there a maximum award value for an eligible project out of the available \$1,000,000 in the solicitation?

A: No, there is not a maximum award value for projects under this solicitation. ARB expects to fund between two to five projects.

8) Q: If a proposed project is a zero-emission transportation refrigeration system that is replacing an old diesel-fueled transport refrigeration unit, what do I use as my baseline emission factor in determining cost effectiveness?

A: The baseline emission factor for any piece of equipment, as part of a proposed project, needs to be the emission factor that is associated with the emission standard that is required to be met by that piece of equipment to be legal for sale, as new, in California at the time of its field demonstration in the proposed project's timeline. Appendix C of the solicitation packet contains emission factors and methodologies to be used in determining cost effectiveness.

9) Q: The solicitation states that projects must be within three years of commercialization, who makes that determination?

A: The determination of a technology being within three years of commercialization is based on information presented by the proposed grantee and technology demonstrator in their application in response to this solicitation. The actual determination of whether the proposed project is within three years of commercialization will be made by ARB, in its sole discretion, during the Review of Applications period.

10) Q: Is there the possibility of a partial award being offered for a proposal that was selected for funding?

A: Yes, partial funding could be offered to a proposed project that was selected for funding.

Project Eligibility Questions

11) Q: Can a piece of equipment that is part of a proposed project be used in multiple locations within California and be considered eligible under this solicitation?

A: Yes, there is no limitation as to where pieces of equipment funded under this solicitation can be operated during its field demonstration.

12) Q: If the proposed project is for a new battery system for commercially available equipment, can both the new battery system and the commercially available equipment be eligible under the solicitation?

A: Yes, both the new battery system and the commercially available equipment, together, could be considered as eligible under this solicitation, if all the other considerations required under the solicitation are met.

13) Q: Can a rapid charging system be considered as eligible under the solicitation?

A: Yes, a rapid charging system can be included in a submitted application as part of a larger demonstration project. Proposed projects cannot be infrastructure dominant and therefore, a rapid charging system needs to be paired with a piece of equipment or vehicle that is also part of the proposed demonstration project, that will utilize the rapid charging system proposed in the application.