HEAVY-DUTY VEHICLE AND EQUIPMENT GRANT PROGRAM

Call for Projects:

Local Governments
On-Road, Non-Road, Locomotive, Stationary, and On-Board Idle Reduction Technology

February 2011 (Modified 3-25-2011)
North Central Texas Council of Governments
Air Quality Policy and Program Development
616 Six Flags Drive
Centerpoint Two
Arlington, TX 76011
(817) 608-2328

www.nctcog.org/trans/air/programs/terp/hdvegp
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INTRODUCTION

The Heavy-Duty Vehicle and Equipment Grant Program (HDVEGP) was established to provide financial assistance for the implementation of projects that reduce emissions from heavy-duty engines in the Dallas-Fort Worth (DFW) nine-county ozone nonattainment area; thereby, supporting efforts to reduce ozone concentrations and improve air quality in this region. This program is focused on three emphasis areas: local government projects, construction equipment projects, and idle reduction projects. Funds for this Call for Projects (CFP) are made available through a grants from the Texas Commission on Environmental Quality (TCEQ). The CFP is being administered by the North Central Texas Council of Governments (NCTCOG) and is consistent with the requirements set forth in the approved Texas Emissions Reduction Plan (TERP) Guidelines for Emissions Reduction Incentive Grants – RG-388, revised April 2008 May 2010. The TERP guidelines are available in their entirety at www.terpgrants.org.

This document contains criteria for grants awarded through the HDVEGP for implementation of local government projects only. Criteria for other project types are available in separate CFP documents at www.nctcog.org/trans/air/programs/terp/hdvegp.

PURPOSE

Nine counties in the DFW area have been classified as serious nonattainment under the National Ambient Air Quality Standard for ozone, meaning ground-level ozone concentrations in these counties exceed the federal health-based limit as set forth by the EPA. Ozone is formed when emissions of nitrogen oxides (NO\(_x\)) and volatile organic compounds (VOC) react in the presence of sunlight and heat. Numerous efforts are being implemented to reduce emissions that contribute to ozone formation. The region is considered NO\(_x\)-limited, indicating that NO\(_x\) emissions are the primary determinant of ground-level ozone formation; therefore, most strategies implemented at the regional level focus on reducing emissions of NO\(_x\).

CONTACT INFORMATION

CFP information, including application forms, calculators, and a sample contract, are available at www.nctcog.org/trans/air/programs/terp/hdvegp. Potential applicants may also contact NCTCOG staff with any questions or comments:

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Carrie Reese
Program Manager
817-608-2353
creese@nctcog.org
SCHEDULE

<table>
<thead>
<tr>
<th>Task</th>
<th>Dates</th>
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<tbody>
<tr>
<td>Call for Projects Opens</td>
<td>February 14, 2011</td>
</tr>
<tr>
<td>Application Deadline</td>
<td>Every second Friday of the month at 5:00 pm Central Time beginning March 11, 2011 on April 8, 2011</td>
</tr>
<tr>
<td>Evaluate &amp; Select Proposals</td>
<td>Monthly until funds are exhausted April 2011</td>
</tr>
<tr>
<td>Announce Awarded Projects</td>
<td>Monthly until funds are exhausted April 2011</td>
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<tr>
<td>Contracting</td>
<td>Ongoing upon award announcement</td>
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<tr>
<td>Technology Procurement &amp; Installation</td>
<td>Upon executed contract; must be completed by July 31 June 30, 2011</td>
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<tr>
<td>Request for Reimbursement</td>
<td>July 31 June 30, 2011</td>
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ELIGIBLE ENTITIES

This grant program is open to all public and private entities that operate on-road heavy-duty vehicles, non-road equipment, locomotives, and/or stationary engines on-board idle-reduction projects primarily within the DFW ozone nonattainment area (see the section “Eligible Areas” below). Stationary engines are eligible for funding for public entities only.

Public entities in which a NCTCOG or TCEQ employee, spouse, or family member of a NCTCOG or TCEQ employee has a direct or indirect interest, financial or otherwise, may be prohibited from receiving a grant, depending upon the nature of the interest. Any questions regarding the eligibility of an entity to apply for a grant should be referred to NCTCOG staff early in the application process.

ELIGIBLE AREAS

All Local government projects must occur within the nine counties of the DFW ozone nonattainment area in order to be eligible. The DFW ozone nonattainment area includes Collin, Dallas, Denton, Ellis, Johnson, Kaufman, Parker, Rockwall, and Tarrant Counties. Seventy-five percent of usage must occur within the eligible counties or on designated roadways outlined below. Usage outside of the HDVEGP eligible counties will not count towards emissions reductions used to determine the cost-effectiveness of the project. These nine counties and designated roadways are shown in the map below.
Eligible Areas of Operation for Local Government Projects

- Interstate Highway 10 from the Texas–New Mexico border to the Texas-Louisiana border,
- IH 20 from Interstate Highway 10 to the Texas-Louisiana border,
- IH 30 from the Rockwall County to the Texas-Arkansas border,
- IH 35 from the Texas-Mexico border to the Texas-Oklahoma border,
- IH 37 from the Gulf of Mexico to Bexar County,
- IH 45 from the Montgomery County to Ellis County,
- U.S. Highway 59 from the Texas-Mexico border to the Texas-Arkansas border,
- US 79 from Williamson County to the Texas-Louisiana border,
- US 281 from the Texas-Mexico border to the Texas-Oklahoma border,
- US 77 from the Texas-Mexico border to Ellis County, and
- US 290 from IH 10 to Waller County.

On-site and On-board idle reduction projects have additional restrictions. Usage is eligible only in areas outside jurisdictions with idling restrictions (Texas Administrative Code, Title 30, §114.512). Potential applicants should contact NCTCOG staff regarding the eligibility of a proposed idle reduction infrastructure installation. Information on such restrictions, including a map and list of adopting jurisdictions, is available at www.EngineOffNorthTexas.org.

ELIGIBLE ACTIVITIES

Activities that may be eligible under this program are outlined below. Vehicles and equipment used primarily for competition or recreation are not eligible for funding under any of the project categories.
On-Road Heavy-Duty Vehicles
On-road heavy-duty vehicles with a gross vehicle weight rating (GVWR) of 8,500 pounds or more are eligible for grant funding under this program. On-road vehicles used exclusively for off-road purposes; and therefore, not subject to State vehicle-registration requirements, may be considered for eligibility by the NCTCOG in particular cases.

Replacements
This category is for the replacement of an on-road heavy-duty vehicle with a new or newer on-road heavy-duty vehicle. For this category, the applicant must be replacing a vehicle with a minimum of five years of remaining useful life.

Activity Life: The applicant must commit to using the vehicle in the eligible counties and to monitor and report to NCTCOG for a minimum of five up to a maximum of seven years. The purchase of the replacement vehicle may not have been made prior to the open date of this call for projects.

Usage: More than 25 percent in eligible counties, and at least 75 percent of the annual usage projected for the Activity Life must be projected to take place in one or more of the eligible counties or designated highways. For most on-road vehicles, annual usage is to be measured using miles of operation. For refuse vehicles, street sweepers, and other vehicles with substantial power-take-off operations, fuel consumption should be used as the usage factor. NCTCOG may consider using either miles of operation or fuel consumption for particular applications on a case-by-case basis.

Ownership: The applicant must have owned the vehicle for a minimum of two years immediately preceding the grant application, and, unless otherwise approved by the NCTCOG, the vehicle must have been registered and used in Texas for the preceding two years, must be operational, and must have a current safety inspection (if a safety inspection is required for that vehicle and use). However, the use of the vehicles being replaced must not have changed. NCTCOG may require additional documentation to verify that the vehicle being replaced would have continued to be used within the eligible counties for the Activity Life.

Type: The 8,500+ pounds GVWR replacement vehicle must be of the same type, and should be intended for use in the same application (e.g., regional delivery), as the vehicle being replaced.

Certification: The replacement vehicle must be certified to emit at least 25 percent less NOx than the vehicle being replaced. The baseline for comparison of emissions is the difference between the emissions of the vehicle being replaced and the emissions of the vehicle being purchased. “Certified” means approval by the U.S. EPA, the California Air Resources Board (CARB), or acceptance on other grounds by the NCTCOG.

Repowers
This category is for the replacement of an existing engine on an on-road heavy-duty vehicle with a new, rebuilt, or remanufactured engine. Repowers resulting in any alteration from an original configuration of a vehicle or engine must ensure that altered vehicles and engines continue to meet required emissions standards. Eligible rebuilt or remanufactured engines must use original-equipment manufacturer (OEM)
components only and be purchased from the OEM or its authorized dealers or distributors. NCTCOG may accept engines from suppliers not connected with the OEM, subject to a case-by-case determination.

**Activity Life:** The applicant must commit to using the vehicle in the eligible counties and to monitor and report to NCTCOG for a minimum of five up to a maximum of seven years. The purchase of the new engine may not have been completed prior to 12 months preceding the second Friday deadline of the month the application is received.

**Usage:** More than 25 percent in eligible counties and at least 75 percent of the annual usage of the vehicle projected for the Activity Life must be projected to take place in one or more of the eligible counties or designated highways. For most on-road vehicles, annual usage is to be measured using miles of operation. For refuse vehicles, street sweepers, and other vehicles with substantial power-take-off operations, fuel consumption should be used as the usage factor. NCTCOG may consider using either miles of operation or fuel consumption for particular applications on a case-by-case basis.

**Certification:** The engine must be certified to emit 25 percent less NO\(_x\) than the engine being replaced, based on the federal standard for that engine. “Certified” means approval by the U.S. EPA, the CARB, or acceptance on other grounds by NCTCOG.

**Retrofit or Add-On of Emissions-Reduction Technology**

This category is for the retrofit of an existing engine on an on-road heavy-duty vehicle, or adding on devices to the vehicle. Retrofits and add-on activities resulting in any alteration from an original configuration of a vehicle or engine must ensure that altered vehicles and engines continue to meet required emissions standards. Importantly, aftermarket systems for converting a vehicle and engines to alternative fuel operation must comply with EPA certification requirements.

**Activity Life:** The applicant must commit to using the vehicle in the eligible counties and to monitor and report to NCTCOG for a minimum of seven five years up to a maximum of 10 years. The purchase of the new technology may not have been completed prior to 12 months preceding the second Friday deadline of the month the application is received.

**Usage:** More than 25 percent in eligible counties and at least 75 percent of the annual usage of the vehicle projected for the Activity Life must be projected to take place in one or more of the eligible counties or designated highways or roadways. For most on-road vehicles, annual usage is to be measured using miles of operation. For refuse vehicles, street sweepers, and other vehicles with substantial power-take-off operations, fuel consumption should be used as the usage factor. NCTCOG may consider using either miles of operation or fuel consumption for particular applications on a case-by-case basis.

**Verification:** Emissions standards for retrofit and add-on activities are based on the model year of the engine being retrofitted. To be eligible for funding, the retrofit or add-on systems must be verified to emit at least 25 percent less NO\(_x\) than the engine prior to the retrofit or add-on. “Verified” means approval by the U.S. EPA, CARB, or acceptance on other grounds by NCTCOG.
Detailed information on verified idle reduction systems is available through the resources outlined in the table below. Applicants are encouraged to consult these lists for information on different companies and products.

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**Non-Road Heavy-Duty Equipment**

Non-road equipment powered by an engine rated at 25 horsepower or greater is eligible for grant funding under this program. For replacement and repower projects, this requirement refers to the horsepower of the engine being replaced and does not apply to the replacement engine or technology. For most non-road equipment, annual usage is to be measured using hours of operation. For equipment without an hour meter installed and no viable mechanism for measuring the hours of operation, fuel consumption maybe used as the usage factor, if accepted by the NCTCOG.

**Purchase or Lease**

This category is for the purchase or lease of new non-road equipment.

**Activity Life:** The applicant must commit to using the equipment in the eligible counties and to monitor and report to NCTCOG for a **minimum of five years**. The purchase of the new piece of equipment may not have been completed prior to 12 months preceding the second Friday deadline of the month the application is received.

**Usage:** More than 75 percent of the annual use of the equipment projected for the Activity Life must be projected to take place in one or more of the eligible counties. Leases must be for the length of the Activity Life. Annual use will be measured by either hours of operation or fuel consumption.

**Certification:** To be eligible for funding, the engine on the new piece of equipment must be certified to emit at least 25 percent less NO\textsubscript{x} than required under the current year federal standard for a non-road engine of that horsepower. “Certified” means approval by the U.S. EPA, CARB, or acceptance on other grounds by NCTCOG.

**Replacement**

This category is for the replacement of non-road equipment with a new or newer piece of non-road equipment. For this category, the applicant must be replacing a piece of equipment with a minimum of five years of remaining useful life.

**Activity Life:** The applicant must commit to using the piece of equipment in the eligible counties and to monitor and report to NCTCOG for minimum of five years up to a maximum of seven years. The purchase of the replacement equipment may not have been made prior to the open date of this call for projects.
Usage: The engine on the replacement equipment must be certified to emit at least 25 percent less NO\textsubscript{x} compared with the engine being replaced. “Certification” means approval by the U.S. EPA, CARB, or acceptance on other grounds by NCTCOG. Annual usage is to be measured by either hours of operation or fuel consumption.

Type: The replacement equipment must be of the same type, and should be intended for use in the same application (e.g., excavator, compactor, grader) as the equipment being replaced.

Ownership: The applicant must have owned the equipment for a minimum of two years immediately preceding the grant application, and, unless otherwise approved by NCTCOG, the equipment must have been located and used in Texas over the preceding two years and must be operational. The use of the equipment being replaced must not have changed. NCTCOG may require additional documentation that the equipment would have been used within the eligible counties.

Certification: The replacement equipment must be certified to emit at least 25 percent less NO\textsubscript{x} than the equipment being replaced. The baseline for comparison of emissions is the difference between the emissions of the equipment being replaced and the emissions of the equipment being purchased. “Certified” means approval by the U.S. EPA, the CARB, or acceptance on other grounds by NCTCOG.

Repower
This category is for the replacement of an existing engine on a non-road piece of equipment with a new, rebuilt, or remanufactured engine. Eligible rebuilt or remanufactured engines must use OEM components only and be purchased from the OEM or its authorized dealers and distributors. NCTCOG may accept engines from suppliers not connected with the OEM, subject to a case-by-case determination.

Activity Life: The applicant must commit to using the piece of equipment in the eligible counties and to monitor and report to NCTCOG for a minimum of five years up to a maximum of seven years. The repowered equipment may not have been completed prior to 12 months preceding the second Friday deadline of the month the application is received.

Usage: More than 75 percent of the annual usage of the equipment projected for the Activity Life must be projected to take place in one or more of the eligible counties. Annual usage is to be measured by either hours of operation or fuel consumption.

Certification: The engine must be certified to emit at least 25 percent less NO\textsubscript{x} as compared with the engine being replaced. “Certified” means approval by the U.S. EPA, CARB, or acceptance on other grounds by NCTCOG.

Retrofit or Add-On of Emissions-Reduction Technology
This category is for the retrofit of an existing engine on non-road piece of equipment, or adding devices onto the equipment.

Activity Life: The applicant must commit to using the piece of equipment in the eligible counties and to monitor and report to NCTCOG for a minimum of five years up to a maximum of ten years. The purchase of the new technology may not have been
completed prior to 12 months preceding the second Friday deadline of the month the application is received.

Usage: More than 75 percent of the annual usage of the equipment projected for the Activity Life must be projected to take place in one or more of the eligible counties. Annual usage will be measured by either hours of operation or fuel consumption.

Verification: To be eligible for funding, the retrofit or add-on systems must be verified to emit at least 25 percent less NO\textsubscript{x} as compared with the engine prior to the retrofit or add-on. “Verified” means approval by the U.S. EPA, CARB, or acceptance on other grounds by NCTCOG.

Detailed information on verified idle reduction systems is available through the resources outlined in the table below. Applicants are encouraged to consult these lists for information on different companies and products.

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**Locomotives**

**Purchase or Lease**

This category is for the purchase or lease of new locomotives.

Activity Life: The applicant must commit to using the locomotive in the eligible counties and to monitor and report to NCTCOG for a minimum of seven years up to a maximum of twenty years. The purchase of the new locomotive may not have been completed prior to 12 months preceding the second Friday deadline of the month the application is received.

Usage: More than 75 percent of the annual use of the locomotive projected for the Activity Life must be projected to take place in one or more of the eligible counties. Leases must be for the length of the Activity Life. Annual use will be measured by fuel consumption.

Certification: To be eligible for funding, the engine on the new locomotive must be certified to emit at least 25 percent less NO\textsubscript{x} than required under the current year federal standard for that engine.

**Replacement**

This category is for the replacement of a locomotive with a new or newer locomotive. For this category, the applicant must be replacing a locomotive with a minimum of five years of remaining useful life.

Activity Life: The applicant must commit to using the locomotive in the eligible counties and to monitor and report to NCTCOG for minimum of seven years up to
a maximum of 10 years. The purchase of the replacement locomotive may not have been made prior to the open date of this call for projects.

Usage: More than 75 percent of the annual use projected for the Activity Life must take place in one or more of the eligible counties. Annual use will be measured by fuel consumption.

Type: The replacement locomotive must be of the same type and should be intended for use in the same application (e.g., switcher) as the locomotive being replaced.

Ownership: The applicant must have owned the locomotive for a minimum of two years immediately preceding the grant application, and, unless otherwise approved by NCTCOG, the locomotive must have been located and used in Texas over the preceding two years and must be operational. The use of the locomotive being replaced must not have changed. NCTCOG may require additional documentation that the locomotive would have been used within the eligible counties.

Certification: The engine on the replacement locomotive must be certified to emit at least 25 percent less NO\textsubscript{x} compared with the engine being replaced. “Certified” means approval by the U.S. EPA, the CARB, or acceptance on other grounds by the NCTCOG.

Repower
This category is for the replacement of an existing engine on a locomotive with a new, rebuilt, or remanufactured engine. Eligible rebuilt or remanufactured engines must use OEM components only and be purchased from the OEM or its authorized dealers and distributors. NCTCOG may accept engines from suppliers not connected with the OEM, subject to a case-by-case determination.

Activity Life: The applicant must commit to using the locomotive in the eligible counties and to monitor and report to NCTCOG for a minimum of seven five years up to a maximum of twenty years. The purchase of the new locomotive may not have been completed prior to 12 months preceding the second Friday deadline of the month the application is received.

Usage: More than 75 percent of the annual usage of the locomotive projected for the Activity Life must be projected to take place in one or more of the eligible counties. Annual use must be measured by fuel consumption.

Certification: The engine must be certified to emit at least 25 percent less NO\textsubscript{x} than the engine being replaced, based on the federal standard for that engine. “Certification” means approval by the U.S. EPA, CARB, or acceptance on other grounds by the NCTCOG.

Retrofit or Add-On of Emissions-Reduction Technology
This category is for the retrofit of an existing engine on a locomotive, or for adding an emission control device onto the locomotive.

Activity Life: The applicant must commit to using the locomotive in the eligible counties and to monitor and report to NCTCOG for a minimum of seven five years up to a maximum of seven years. The purchase of the new locomotive may not have
been completed prior to 12 months preceding the second Friday deadline of the month the application is received.

Usage: More than 75 percent of the annual use of the locomotive projected for the Activity Life must be projected to take place in one or more of the eligible counties. Annual use normally should be measured using fuel consumption.

Verification: To be eligible for funding, the retrofit or add-on systems must be verified to reduce the NO\textsubscript{x} produced by the engine by 25 percent or more, compared with the engine prior to the retrofit or add-on. “Verified” means approval by the U.S. EPA, CARB, or acceptance on other grounds by NCTCOG.

Detailed information on verified idle reduction systems is available through the resources outlined in the table below. Applicants are encouraged to consult these lists for information on different companies and products.

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</table>

**Stationary Equipment**

For most equipment, annual use normally is measured using hours of operation. However, for equipment without an hour meter installed, and no viable mechanism for measuring the hours of operation, fuel consumption may be used as the usage factor.

**Purchase or Lease**

This category is for the purchase or lease of new stationary equipment.

**Activity Life:** The applicant must commit to using the equipment in the eligible counties and to monitor and report to NCTCOG for a minimum of seven five years and a maximum of ten years. The purchase of the new piece of equipment may not have been completed prior to 12 months preceding the second Friday deadline of the month the application is received.

**Usage:** More than 75 percent of the annual use of the equipment projected for the Activity Life must be projected to take place in one or more of the eligible counties. Leases must be for the length of the Activity Life. Annual use will be measured by either hours of operation or fuel consumption.

**Certification:** To be eligible for funding, the engine on the new piece of equipment must be certified to emit at least 25 percent less NO\textsubscript{x} than required under the current year standard for an engine of that horsepower. “Certified” means approval by the U.S. EPA, CARB, or acceptance on other grounds by NCTCOG.
**Replacement**
This category is for the replacement of stationary equipment with a new or newer piece of equipment. For this category, the applicant must be replacing a piece of equipment with a minimum of five years of remaining useful life.

**Activity Life:** The applicant must commit to using the piece of equipment in the eligible counties and to monitor and report to NCTCOG for a minimum of five years up to a maximum of seven years. The purchase of the replacement equipment may not have been made prior to the open date of this call for projects.

**Usage:** More than 75 percent of the annual use projected for the Activity Life must be projected to take place in one or more of the eligible counties. Annual use will be measured by either hours of operation or fuel consumption.

**Type:** The replacement equipment must be of the same type and should be intended for use in the same application (e.g., well pump or generator) as the equipment being replaced.

**Ownership:** The applicant must have owned the equipment for a minimum of two years immediately preceding the grant application, and, unless otherwise approved by NCTCOG, the equipment must have been located and used in Texas over the preceding two years, and must be operational. The use of the equipment being replaced must not have changed. NCTCOG may require additional documentation that the equipment would have been used within the eligible counties.

**Certification:** The engine on the replacement equipment must be certified to emit at least 25 percent less NOx compared with the equipment being replaced. “Certified” means approval by the U.S. EPA, CARB, or acceptance on other grounds by NCTCOG.

**Repower of Stationary Equipment**
This category is for the replacement of an existing engine on a piece of stationary equipment with a new, rebuilt, or remanufactured engine. Eligible rebuilt or remanufactured engines must use OEM components only and be purchased from the OEM or its authorized dealers and distributors. NCTCOG may accept engines from suppliers not connected with the OEM, subject to a case-by-case determination.

**Activity Life:** The applicant must commit to using the piece of equipment in the eligible counties and to monitor and report to NCTCOG for a minimum of five years up to a maximum of seven years. The repower may not have been completed prior to 12 months preceding the second Friday deadline of the month the application is received.

**Usage:** More than 75 percent of the annual use of the equipment projected for the Activity Life must be projected to take place in one or more of the eligible counties. Annual use will be measured by either hours of operation or fuel consumption.

**Certification:** The engine must be certified to emit at least 25 percent less NOx compared with the engine being replaced, based on the federal standard for that engine. “Certified” means approval by the U.S. EPA, the CARB, or acceptance on other grounds by NCTCOG.
Retrofit or Add-On of Emissions-Reduction Technology

This category is for the retrofit of an existing engine on a stationary piece of equipment.

Activity Life: The applicant must commit to using the piece of equipment in the eligible counties and to monitor and report to NCTCOG for a minimum of seven five years up to a maximum of ten years. The purchase of the new piece of equipment may not have been completed prior to 12 months preceding the second Friday deadline of the month the application is received.

Usage: More than 75 percent of the annual usage of the equipment projected for the Activity Life must be projected to take place in one or more of the eligible counties. Annual usage is to be measured by either hours of operation or fuel consumption.

Verification: To be eligible for funding, the retrofit or add-on systems must be verified to emit at least 25 percent less NOx compared with the engine prior to the retrofit or add-on. “Verified” means approval by the U.S. EPA, CARB, or acceptance on other grounds by NCTCOG.

Detailed information on verified idle reduction systems is available through the resources outlined in the table below. Applicants are encouraged to consult these lists for information on different companies and products.

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On-Site Electrification and Idle-Reduction Infrastructure

An eligible activity includes the purchase and installation of on-site infrastructure including auxiliary power units designed to dispense electricity to on-road heavy-duty vehicles (greater than 8,500 pounds GVWR) or locomotives. Subject to approval of NCTCOG, the on-site infrastructure may also include other services, such as air conditioning and heating, phone and cable TV access, and other hospitality services directly related to reducing vehicle idling. Projects are not eligible if the electricity is being used to recharge the battery of a vehicle/piece of equipment which operates solely on electricity rather than an internal combustion engine.

Activity Life: The applicant must commit to using the vehicle/equipment with the infrastructure in the eligible counties and to monitor and report to NCTCOG for a minimum of seven years. The purchase of the infrastructure may not have been completed prior to the open of this application period.

Project Location: Applications must have identified the location of the proposed installation. In some areas, idling operation of on-road vehicles may be limited by locally enforced idling restrictions (Texas Administrative Code, Title 30, §114.512). Therefore, potential applicants should contact NCTCOG staff regarding the eligibility of a proposed idle-reduction infrastructure installation. Information on such restrictions, including a map and list of adopting jurisdictions, is available at [www.EngineOffNorthTexas.org](http://www.EngineOffNorthTexas.org).
Ownership: If the applicant is not the property owner, applications must provide supporting documentation of agreements with the property owner regarding the proposed project. All grant-funded infrastructures are required to be purchased, not leased.

Usage: Annual use will normally be measured using hours of operation of the vehicles or equipment being provided the electricity from the infrastructure. Therefore, a grant recipient must have a viable mechanism for tracking and reporting on the use of vehicles or equipment receiving electricity from the infrastructure.

Verification: Proposed activities must utilize technologies which have been verified by the U.S. EPA and/or the CARB as resulting in quantifiable emission reductions. Detailed information on verified idle reduction systems is available through the resources outlined in the table below. Applicants are encouraged to consult these lists for information on different companies and products.

<table>
<thead>
<tr>
<th>Source</th>
<th>Web-site</th>
<th>Information Provided</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPA National Clean Diesel Campaign</td>
<td><a href="http://www.epa.gov/cleandiesel/idle-ncdc.htm">www.epa.gov/cleandiesel/idle-ncdc.htm</a></td>
<td>technology descriptions, list of manufacturers</td>
</tr>
<tr>
<td>EPA SmartWay Transport Program</td>
<td><a href="http://www.epa.gov/smartway/transport/what-smartway/idling-reduction-tech.htm">www.epa.gov/smartway/transport/what-smartway/idling-reduction-tech.htm</a></td>
<td>technology descriptions, cost estimates</td>
</tr>
<tr>
<td>CARB</td>
<td><a href="http://www.arb.ca.gov/meprog/cabcomfort/cabcomfort.htm">www.arb.ca.gov/meprog/cabcomfort/cabcomfort.htm</a></td>
<td>technology descriptions</td>
</tr>
</tbody>
</table>

On-Board Electrification and Idle-Reduction Technology
An eligible activity can include the purchase and installation of equipment that enables on-road heavy-duty vehicles (greater than 8,500 pounds GVWR) or locomotives to operate systems normally supplied power by the propulsion engine through the use of electric power or a secondary on-board engine which produces fewer emissions than the main engine. Eligible equipment may include the following:
- devices added on to enable acceptance of electricity from an external power source
- an auxiliary power unit (APU) purchased and installed on the vehicle to generate electricity
- idle-limiting devices (i.e. automatic shut-down systems) - for locomotives only

Activity Life: The applicant must commit to using the vehicle/equipment with the technology in the eligible counties and to monitor and report to NCTCOG for a minimum of five years up to a maximum of seven years. The purchase of the technology may not have been completed prior to the open of this application period.

Usage: More than 75 percent of the annual use of the electricity dispensed from the technology, or the idling operation reduced, projected for the Activity Life, must be projected to take place in one or more of the eligible counties. Annual use will normally be measured using hours of idling operation by the vehicles or equipment being replaced by the electricity from the technology.

Project Location: In some areas, idling operation of on-road vehicles may be limited by locally enforced idling restrictions (Texas Administrative Code, Title 30, §114.512). Accordingly, the project emissions reductions used to determine the cost-effectiveness for on-board idle
reduction activities in an area with such a requirement may not include the replacement of idling hours of operation for on-road vehicles. This restriction does not apply to projects impacting locomotives, or to on-road vehicles that have a gross vehicle weight rating less than 14,000 lbs.

Ownership: Projects may include installation of an idle reduction device on a locomotive or on-road vehicle which is either owned or leased. An applicant who wishes to install an on-board idle reduction device on a leased vehicle must meet the following criteria:
- the lease term must exceed the minimum required Activity Life
- the application must include a statement from the owner of the vehicle (that is, the lessor) which indicates that the lessor is aware of and does not object to the installation of the idle reduction device

Verification: Detailed information on verified idle reduction systems is available through the resources outlined in the table below. Applicants are encouraged to consult these lists for information on different companies and products.

<table>
<thead>
<tr>
<th>Source</th>
<th>Web site</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPA Verified Diesel Retrofit Technologies</td>
<td><a href="http://www.epa.gov/oms/retrofit/verif-list.htm">www.epa.gov/oms/retrofit/verif-list.htm</a></td>
</tr>
<tr>
<td>CARB Verified Diesel Retrofit Technologies</td>
<td><a href="http://www.arb.ca.gov/diesel/verdev/vt/cvt.htm">www.arb.ca.gov/diesel/verdev/vt/cvt.htm</a></td>
</tr>
</tbody>
</table>

Eligible Technology Types: Proposed activities must utilize technologies which have been verified by the U.S. EPA and/or CARB as resulting in quantifiable emission reductions. The table below outlines various categories of technologies that have been verified by these agencies.

<table>
<thead>
<tr>
<th>Technology Type</th>
<th>Description</th>
<th>Applicability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auxiliary Power Units (APU)/Generator Sets</td>
<td>Generator powered by a small engine (often diesel fueled), a compressor, an alternator, and an inverter/charger. Unit is fully integrated into heating, ventilation, and cooling system and the inverter/charger provides electricity to power accessories. Uses a small volume of fuel as compared to the truck diesel engine. APU engine must be certified by EPA.</td>
<td>On-Road Vehicles (Generally for Class 8 Heavy-Duty Trucks of Model Year 2006 or Older); Locomotives</td>
</tr>
<tr>
<td>Battery Air Conditioning Systems</td>
<td>Provides air conditioning/cooling systems for sleeper cabin. May be paired with a heating technology for more complete climate control.</td>
<td>On-Road Vehicles (Generally for Class 8 Heavy-Duty Trucks)</td>
</tr>
<tr>
<td>Battery Electric Auxiliary Power Systems</td>
<td>Uses advanced battery packs which are charged during regular vehicle operation and then provide power needs after the primary engine is turned off.</td>
<td>On-Road Vehicles</td>
</tr>
<tr>
<td>Electrified Parking Space Infrastructure</td>
<td>Electrical hardware and an electrical power system installed on the vehicle, enabling it to be &quot;plugged in&quot; to an outfitted parking location (see &quot;Electrified Parking Spaces&quot; below) which provides required power.</td>
<td>On-Road Vehicles</td>
</tr>
</tbody>
</table>
### Technology Type

<table>
<thead>
<tr>
<th>Technology Type</th>
<th>Description</th>
<th>Applicability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel Operated Heaters</td>
<td>Provides heat only to cab and/or engine; may be paired with cooling technology to provide more complete climate control. Uses a small volume of fuel as compared to the truck diesel engine.</td>
<td>On-Road Vehicles (Generally for Class 8 Heavy-Duty Trucks)</td>
</tr>
<tr>
<td>Thermal Storage Systems</td>
<td>Stores cooling energy as the vehicle operates and provides air conditioning after the engine has been turned off. May be paired with a heating technology for more complete climate control.</td>
<td>On-Road Vehicles (Generally for Class 8 Heavy-Duty Trucks)</td>
</tr>
<tr>
<td>Automatic Engine Stop-Start Controls</td>
<td>Controls sense cab and/or engine temperature or battery charge and automatically turns engine on or off to maintain appropriate conditions.</td>
<td>On-Road, Locomotives</td>
</tr>
</tbody>
</table>

### ELIGIBLE COSTS

**Reimbursement Costs:** Included below are the costs eligible for reimbursement for each type of activity.

**For On-Road, Non-Road, Locomotive, and Stationary Activities:**

*Purchase or Lease:* NCTCOG may reimburse the incremental cost of the purchase of a new vehicle/equipment/locomotive. NCTCOG may also reimburse the incremental costs of the lease which includes costs above those that would otherwise have been incurred for the lease of a baseline vehicle/equipment/locomotive. The incremental cost is the difference between the documented dealer price of a baseline cost, or other appropriate baseline cost established by NCTCOG, and the actual cost of the cleaner vehicle/equipment/locomotive.

*Replacements:* The grant recipient may be eligible for reimbursement of up to 80 percent of the eligible incremental cost for the purchase or lease of the replacement vehicle/equipment/locomotive/engine, not to exceed an incentive amount that results in a cost per ton of $10,000 per ton of NOx reduced for on-road, non-road, and stationary activities; $5,000 per ton of NOx reduced for locomotive activities. Costs may include invoice price, including taxes and delivery charges, or the cash basis for the lease charges. Delivery charges from a third-party, not included in the invoice price from the vehicle or equipment vendor, may be included, subject to approval by NCTCOG.

*Repowers:* NCTCOG may reimburse the incremental cost of the replacement engine. The total incentive amount must not exceed the cost of the replacement engine. Expenses for salaries, travel, and overhead, including indirect costs, are not covered. Costs that may be reimbursed, subject to approval by NCTCOG, include:
- invoice cost of the new engine, including sales tax and delivery charges,
- invoice cost of additional equipment that must be installed with the new engine,
- associated supplies directly related to the installation of the engine,
- costs to remove and dispose of the old engine,
- installation costs,
- reengineering costs, if the vehicle or equipment must be modified for the new engine to fit, and
• other costs directly related to the project

*Retrofit and Add-on Technologies*: NCTCOG may reimburse the incremental cost of the purchase and installation of retrofit or add-on technology. Expenses for salaries, travel, and overhead, including indirect costs, will not be covered. Costs that may be reimbursed, subject to approval by NCTCOG, include:

• invoice cost of retrofit kit or add-on devices, including sales tax and delivery charges,
• associated supplies directly related to installation of the devices,
• installation costs,
• reengineering costs, if vehicle or equipment must be modified for retrofit or add-on devices to be installed and used, and
• other costs directly related to the project.

*For On-Site Electrification and Idle Reduction Infrastructure*: The grant recipient may be eligible for reimbursement up to 50 percent of the total eligible costs for the purchase and installation of electrification and idle reduction infrastructure. Costs that may be reimbursed by NCTCOG, subject to its approval, include:

• invoice cost of infrastructure equipment, including sales tax and delivery charges;
• cost of associated supplies directly related to installation of infrastructure;
• installation costs;
• costs of design and engineering work directly necessary for installation of infrastructure;
• reengineering and construction costs, if the existing site must be modified to allow for installation of infrastructure; and
• other costs directly related to the project.

*For On-Board Electrification and Idle Reduction Infrastructure:*

*Locomotive projects*: The grant recipient may be eligible for reimbursement up to $5,000 per ton based upon cost per ton NOx reduced.

*On-road vehicle projects*: The grant recipient may be eligible for reimbursement up to $10,000 per ton of NOx.

Expenses for salaries, travel, land purchases, and overhead, including indirect costs, will not be covered. Costs that may be reimbursed by NCTCOG, subject to its approval, include:

• invoice cost of infrastructure equipment, including sales tax and delivery charges;
• cost of associated supplies directly related to installation of infrastructure;
• installation costs;
• reengineering costs, if the vehicle or equipment must be modified to allow for installation of the infrastructure; and
• other costs directly related to the project.

*Eligible expenses*: This includes purchase and installation costs only; costs related to operation and maintenance, travel, personnel, consultant fees, and administrative or other indirect expenses are not eligible for grant funding. NCTCOG reserves the right to partially fund a project and may award less money than is requested.
Incremental Cost: The capital cost of the proposed activity must be reduced by the value of any existing financial incentive, not including a grant through the HDVEGP, that directly reduces the cost of the proposed activity, including tax credits or deductions, default scrap value, other grants, or any other public financial assistance.

Project Cost-Per-Ton: The cost-per-ton of a project must not exceed $10,000 per ton of NOx emissions reduced in the eligible counties for which the project is proposed for on-road, non-road, and stationary activities; $5,000 per ton of NOx reduced in the eligible counties for locomotive activities. Individual activities included under a single project application may exceed that amount, but the combined project must meet the cost-effectiveness standard. Infrastructure activities including infrastructure costs that are part of a broader repower, retrofit, replacement or add on project are excluded from the cost-effectiveness limit of $10,000 per ton.

INELIGIBLE COSTS

Internal Costs: Administrative costs and other internal costs of the grant recipient—including but not limited to personnel expenses, internal salaries, indirect costs, and travel—are not eligible. This restriction also applies to situations where the grant recipient acts as a transporter for delivery of the grant-funded vehicle or equipment before or after its acceptance.

Financing Fees: Fees associated with Buy Boards and/or financing are not eligible.

Consultant Fees: Consultant fees for the preparation of a grant application, either directly or as an addition of the cost basis of the grant-funded vehicle, equipment, or engine, are not eligible for reimbursement by NCTCOG.

Third-Party Fees: Fees for a third-party consultant hired by the grant recipient to manage and administer the grant-funded activities, including coordination of the work and submission of reports and paperwork to NCTCOG for the grant recipient, are not eligible. This restriction is not intended to limit the ability of the vehicle or equipment supplier or installer to include reasonable and necessary costs for managing the work to be performed in the price of the vehicle, equipment, or installation services. The costs for professional services, including engineering and technical work, required for completion of the activity may be included, subject to the restrictions pertaining to that type of project. Per the Uniform Grant Management Standards (UGMS), the cost plus a percentage of cost method of contracting for professional services shall not be used.

PROGRAMMATIC CONDITIONS

Project Type: Project(s) need to be a heavy-duty project type described in section “Eligible Activities” above. All project types are required to achieve a reduction of NOx emissions.

Bids/Quotes Included: The bid/quote should include purchase price, taxes, and any applicable installation costs.

EPA/CARB Certification Documentation: Applicant must document EPA/CARB approval of requested engine repowers/vehicle conversions; those proposing repower/overhaul projects must submit EPA/CARB engine certification. Retrofit projects must be EPA/CARB verified and must also include a copy of EPA or CARB certification. Idle reduction technology units must be
on the EPA verified technology list, which can be found at http://www.epa.gov/smartwaylogistics/transport/what-smartway/verified-technologies.htm#idle.

Clean Fleet Vehicle Policy Adoption: All public sector entities must have adopted the Clean Fleet Vehicle Policy prior to application submittal and be in compliance with annual reporting requirements. Entities that have adopted the policy must be in compliance with all policy requirements, including annual reporting, in order to be eligible for funding. For more information on the Clean Fleet Vehicle Policy, or to check your organization’s status, please visit www.nctcog.org/fleetpolicy. Private entities are encouraged to adopt a similar policy, as it may be used as an evaluation criterion.

Usage Reporting: Applicant must commit to complete semi-annual usage reporting on project use for the full Activity Life of the project. The Activity Life for each project type is outlined in the Eligible Activities section.

Operation: Equipment must operate within the 9-county NCTCOG service area and must continue to operate within the stated counties of operation for the entire approved Activity Life of the grant.

Project Dates: Projects must be implemented by July 31, June 30, 2011.

Multiple Activities: One or more eligible activities of the same emissions source (i.e., on-road, non-road, locomotive, etc.) and project type (i.e., replacement, repower, retrofit, etc.) that will occur in the same primary area may be included under one project application.

Different Engine/Equipment/Vehicle Model Years: The model year of the engine, not vehicle or equipment model year, must be used to determine the baseline emissions standard for emissions-reduction calculations.

Combined Technologies: Where two technologies (e.g., repower plus retrofit) are combined on the same vehicle, equipment, and/or engine, NCTCOG may consider combined reductions from the two technologies in meeting the 25 percent requirements. This decision will be solely at the discretion of NCTCOG, and will be based on its determination that the combination of the two technologies will permanently reduce emissions by at least 25 percent.

TxLED: Effective October 1, 2005, diesel fuel produced for use in compression-ignition engines in certain counties in Texas became subject to Texas Low Emission Diesel (TxLED) rules as adopted by TCEQ (30 TAC §114.312 - §114.319). The counties affected by TxLED requirements currently include all of the areas eligible for HDVEGP funding, as listed previously in this document. For vehicles/equipment operating in these areas, the baseline and reduced emissions rate calculations for diesel-engine usage must be adjusted using a correction factor in addition to any other calculation adjustments.

Voluntary Reductions: An activity must be voluntary in nature and not required by any State or federal law, rule, regulation, memorandum of agreement, or other legally binding document.

State Implementation Plan (SIP) Credits: An activity involving a new emissions reduction measure that would otherwise generate marketable credits under State or federal emissions-reduction credit averaging, banking, or trading programs is not eligible for funding under this program unless:
• the activity includes the transfer of the reductions that would otherwise be marketable credits to the State Implementation Plan or the owner or operator, as provided under Texas Health and Safety Code 386.056; and
• the reductions are permanently retired.
In addition, infrastructure projects must result in new, surplus emissions reductions that will then be available to NCTCOG for use in the SIP.

Financial Disclosure: Applicant must notify NCTCOG of the value of any existing financial incentive that directly reduces the cost of the proposed activity, including tax credits or deductions, other grants, anticipated scrap value, or any other public financial assistance, to allow for accurate calculation of incremental cost.

Program Income: Any funds received for scrapped equipment/engines will be treated as program income, which may include deducting scrap value from the total project cost for the purposes of calculating total eligible grant amount, or using scrap value as part of the applicant’s required cost share. Applicants may be required to report scrap value when requesting reimbursement for implemented activities, or to retain scrapped equipment for internal use.

Notification: Applicants must agree to notify NCTCOG of any changes in the following during the Activity Life: termination of use, change in use, sale, transfer, or accidental or intentional destruction of grant-funded vehicles, equipment, or infrastructure.

Written Certification of Disposition: At the end of the Activity Life, the applicant must provide to NCTCOG a written certification of the disposition of grant-funded vehicles/equipment. The certification shall describe the continued use and condition of the vehicles/equipment, fair market value, remaining useful life, and any actual or anticipated improvements that may increase the value of the vehicles/equipment.

CALCULATING NOₓ EMISSIONS REDUCTIONS AND COST PER TON

The emissions standards and emissions factors applicable to this program are provided in the HDVEGP calculators, which are available at www.nctcog.org/trans/air/programs/terp/hdvegp. These may be used by applicants to estimate the cost per ton of proposed activities. Grant awards and project evaluation will be based upon emissions reductions and cost per ton as quantified by NCTCOG staff. The specific baseline NOₓ emissions standards for each activity type are described below.

On-Road and Non-Road: The baseline NOₓ emissions standards for this program will be the federal standards applicable to the type of engine and model year.

Locomotive: Federal standards apply to locomotives manufactured in 1973 and later. See Federal Registry Title 40 Part 92- Control of Air Pollution from locomotives and locomotive engines. Electric locomotives, historic steam-powered locomotives, and locomotives originally manufactured before 1973 are not regulated. If locomotive project is a replacement/repower of a regulated engine, emission reductions are calculated assuming the locomotive is already at federal standards.
Stationary: The baseline NO\textsubscript{x} emissions standards for this program normally should be the federal standards applicable to the type of engine involved. For most agricultural irrigation-pump activities, the standards applicable to non-road engines will apply.

Refueling Infrastructure: The baseline NO\textsubscript{x} emissions standards for this program normally should be the federal standards applicable to the engines being provided the fuel from the infrastructure.

On-Site Electrification and Idle Reduction Infrastructure: The baseline NO\textsubscript{x} emissions standards for this program normally should be the federal standards applicable to the engines receiving electricity from the infrastructure.

On-Board Electrification and Idle-Reduction Technology: The baseline NO\textsubscript{x} emissions standards for this program normally should be the federal standards applicable to the engines being provided the electricity from the infrastructure.

**VEHICLE/EQUIPMENT AND ENGINE DISPOSITION**

Vehicles/equipment and engines being replaced must be rendered permanently inoperable and disposed of in an environmentally responsible manner in accordance with local disposal laws. This includes drilling a three-inch hole in the engine block, cutting the frame of the chassis in a wedge 75 percent of the way through, and recycling salvageable materials. Other permanent destruction methods may also be allowable upon approval by NCTCOG. An engine may be retired either by the drilling method previously mentioned, or by sending it to a remanufacturing facility. The facility must be operated or authorized by the original engine manufacturer to remanufacture the engine. The process includes removing all parts and using the old block to build a remanufactured engine with a new serial number. Documentation of disposition, including before and after photographs, will be required for reimbursement. NCTCOG staff will be available, upon request, to witness vehicle and/or engine destruction if so desired.

**APPLICATION PROCESS**

To apply for funding, applicants must submit a completed grant application, with original signatures and all required attachments, to NCTCOG staff at the address indicated below. Supporting documentation regarding adopted policies should be included as appropriate. Applicants should refer to the application checklist to ensure a complete submittal. Application forms and other materials for the HDVEGP may be downloaded from the program Web site at [www.nctcog.org/trans/air/programs/terp/hdvegp](http://www.nctcog.org/trans/air/programs/terp/hdvegp) or a hard copy may be obtained by contacting NCTCOG staff as indicated above in the Contact Information section of this document.

Price quotes submitted with a grant application should follow the instructions outlined below. No price comparison is required if the applicant is a government entity and will use competitive purchasing procedures or purchase from a cooperative purchasing program. Price information from a cooperative purchasing list or a written price quote must still be provided to show the expected cost. When requesting a price, applicants should provide these guidelines to the dealer to ensure that price quotes are prepared in accordance with the instructions. Failure to provide price quotes meeting these requirements may result in denial of the application.
NCTCOG may exclude portions of the costs from consideration based on a determination that those costs are not reasonable or necessary.

- Price quotes must be original and must have the applicant's name on the quote.
- The dealer should sign and date the quote and provide contact information. In general, the price quote should be dated no more than three months prior to the application date.
- The price quote should include specifications and prices for the standard vehicle or equipment options and additional equipment and options, to include, as applicable:
  - Specifications of the vehicle or equipment
  - Base price for standard feature vehicle or equipment
  - Itemized list and prices for factory-installed optional features
  - Itemized list of and price for add-on equipment to be sold and installed by the dealer (i.e., dump bed, wet kit, etc.). Extra equipment sold and installed by a third party should not be included in the incremental cost. Also, non-permanent optional attachments, not directly required for the primary function of the vehicle or equipment, should not be included in the incremental cost. For example, a bucket may be included in the cost of an excavator, but an optional backhoe attachment for an agricultural tractor should not be included.
  - Additional fees and charges
  - Taxes

Applications must be received “in-hand” by 5:00 pm Central Time on the second Friday, April 8, 2011, of the month, beginning March 11, 2011, in order to be considered with that month’s applications. Applications which have been postmarked but are not received by the Friday deadline, and/or for which NCTCOG staff must request supplemental information, will be considered with applications received in a subsequent week upon receipt of the complete application packet in-hand. As applications are evaluated and awarded on a modified first-come-first-served basis, applicants are encouraged to submit projects as early as possible to maximize the availability of grant funds at the time of application evaluation. Faxed copies of the application packet will not be accepted.

Submit one (1) hard copy, with original signatures, of the completed application to:

North Central Texas Council of Governments
Transportation Department
Attn: Amanda Brimmer
616 Six Flags Drive
Centerpoint Two
Arlington, Texas 76011

CONSULTANTS

Private consultants may be available to assist in completing and submitting an application. These consultants do not represent NCTCOG, and NCTCOG neither encourages nor discourages the use of a consultant to assist with the application process. NCTCOG has no agreement with any consultant and applications submitted by a particular consultant will not receive any more favorable treatment than other applications. Any fees charged by a consultant are the responsibility of the applicant and may not be charged to the grant, either directly or as an addition to the cost basis of the grant-funded equipment. Also, all purchase decisions must be based on sound business practices and arm’s length bargaining. It is generally considered acceptable for an applicant to allow assistance from a dealer or an agent of a dealer in
preparing an application, as long as any decision by the applicant to purchase the grant-funded vehicles or equipment from that dealer is made independently and meets the other reasonableness provisions in the grant contract.

**SELECTION CRITERIA**

Properly completed applications will be evaluated and ranked by NCTCOG staff based on the following criteria:

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Description</th>
<th>Maximum Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>NOx Cost per Ton</td>
<td>Cost per ton of NOx reduced in the DFW nine-county ozone nonattainment area</td>
<td>80 Points</td>
</tr>
</tbody>
</table>
| Feasibility | • Timely Implementation Schedule (all projects must be complete by **July 31, June 30, 2011**)  
• Clearly Identified Project Costs, Implementation Procedures, Source of Match  
• Previous Participation in Regional Transportation Council Funding Programs  
  o Applicants with no previous participation will receive neutral consideration for this element | |
| Partnership | • Adoption of Regional Transportation Council recommended policies  
  o Required: Clean Fleet Vehicle Policy  
  o Encouraged: Locally Enforced Idling Restrictions  
• Additional applicant match offered (i.e. less than 50% of total cost requested) | 20 Points |
| Regional Transportation Council Strategic Goals | • Environmental Justice  
  o Located in a community of concern (defined as an area having a high density of the following protected populations: minority, age 65 or older, disabled, female head of household, below poverty line)  
  o Applicant qualifies as a disadvantaged business enterprise (includes minority-owned and woman-owned businesses)  
• Regionally innovative projects  
  o Encourages wider adoption and use of advanced technologies in the region | |

NCTCOG is not obligated to fund a proposal from an applicant that has demonstrated marginal or unsatisfactory performance on previous grants or contracts with NCTCOG and/or other State agencies. NCTCOG is not obligated to fund a proposal from an applicant based on a determination of the risks associated with the applicant, including the financial condition of the applicant and other risk factors as may be determined by NCTCOG.

Regardless of the scores and ranking assigned, NCTCOG may base funding decisions on other factors associated with best achieving the goals of the program, and NCTCOG is not obligated to select a project for funding. Additionally, NCTCOG may select parts of a proposal for funding and may offer to fund less than the dollar amount requested in a proposal.

**GRANT ADMINISTRATION AND REIMBURSEMENT OF EXPENSES**
Successful applicants will be notified by phone or other means of their selection and the amount of grants funding that may be awarded. Entities selected to receive grant funding will be required to execute a contract with NCTCOG. All services or work carried out under a contract awarded as a result of this call for projects must be completed within the scope, time frames, and funding limitations specified by the contract. Upon signature and execution of the contract by NCTCOG, a copy of the executed contract will be returned to the applicant, at which time the grant will be considered awarded.

Grant funds will be paid out on a reimbursement basis for eligible expenses incurred and paid by the grant recipient. A cost may not be considered incurred until the grant-funded technology has been received and accepted by the grant recipient. Requests for reimbursement shall include documentation to show that the equipment has been received and installed, and that the expenses have been incurred and paid by the grant recipient. Recipients will also have the option to assign their grant payments directly to a dealer or service provider. NCTCOG will supply reimbursement request and reporting forms for use by the recipient. Under no circumstance will reimbursement payments be issued for expenses incurred prior to the open date of this application period.

Upon completion of all grant-funded purchases, the grant recipient will need to submit a final request for reimbursement of all remaining unreimbursed expenses. The final request must include a completed and signed release of claims.

The grant recipient must also agree to place a label or sticker on the grant-funded vehicles and equipment, upon request by NCTCOG.

Applicants that are successfully awarded funding through this CFP are obligated to fulfill the requirements of the contract, including surrendering all eligible SIP credits to NCTCOG for the full Activity Life of the project. The recipient is responsible for achieving the annual and total NOx emissions reductions within the eligible areas as defined in the contract. Recipients will be required to return all or a pro rata share of the grant funds to NCTCOG if the emissions reductions are not achieved.

Grant recipients are responsible for complying with all U.S. Internal Revenue Service (IRS) laws and rules regarding the taxable status of grants. The grant payments are Form 1099 reportable.

**LOCAL MATCH REQUIREMENT**

Applicants will need to identify sources of local match prior to submitting the application. Also, matching funds must not already be tied to emission reduction commitments. Applicants must surrender emissions reductions to NCTCOG to meet air quality requirements and goals.

**REPORTING REQUIREMENTS**

Award recipients must commit to submitting semi-annual reports on the use of funded technologies for the duration of the project Activity Life. Reporting may include information such as hours of operation, mileage, and/or fuel use, in addition to operation location(s).
DEFINITIONS

Terms as they are defined in Texas Health and Safety Code, Chapter 386, and the TCEQ rules (30 TAC 114.620) apply to this program, except as such terms are further defined and have the meanings as explained below.

1. **activity**: Each individual purchase or lease, replacement, repower, retrofit of an on-road vehicle, non-road piece of equipment, locomotive, or stationary equipment. An activity also includes each purchase of on-vehicle infrastructure, on-site infrastructure, or qualifying fuel as may be specifically grouped as an activity by NCTCOG in the application forms and approved under a grant contract.

2. **activity life**: The period used to determine the emissions reductions and cost-effectiveness of the activity. A grant recipient must commit to using the grant-funded vehicles and equipment within the eligible counties and for the percentage of annual use and total amount of annual use for the Activity Life. For replacement/repower projects, the Activity Life is also the number of years the applicant would have continued to operate the old piece of equipment had grant funds not been available. NCTCOG requires a third-party mechanic to verify equipment remaining useful life.

3. **cost per ton**: The total dollar amount expended divided by the total number of tons of reduced NOx emissions over the Activity Life attributable to that expenditure.

4. **incremental cost**: The cost of an applicant’s project, less a baseline cost that would otherwise be incurred by an applicant in the normal course of business. It may include added lease or fuel costs as well as additional capital costs.

5. **motor vehicle**: A self-propelled device designed for transporting persons or property on a public highway that is required to be registered under Texas Transportation Code Chapter 502.

6. **non-road equipment**: A piece of equipment, excluding a motor vehicle or on-road heavy-duty vehicle, that is powered by a non-road engine, including non-road and non-recreational equipment and vehicles; construction equipment; industrial equipment; mining equipment; locomotives; marine vessels; and other high-emitting engine categories.

7. **non-road engine**: An internal combustion engine that is in or on a piece of equipment that is self-propelled or that propels itself and performs another function, excluding a vehicle that is used solely for competition, a piece of equipment that is intended to be propelled while performing its function, or a piece of equipment designed to be capable of being carried or moved from one location or another. In general, an engine that will stay at a single site for at least a full year will be considered a stationary engine, rather than a non-road engine. NCTCOG will make the final determination of the type of engine.

8. **on-road heavy-duty vehicle**: An on-road motor vehicle that has a gross vehicle weight rating of 8,500 pounds or more.
9. **person**: An individual, corporation, organization, government or governmental subdivision or agency, business trust, partnership, association, or any other legal entity. This may include a corporation headquartered outside Texas that operates equipment or vehicles primarily in an eligible county in Texas.

10. **project**: One or more activities approved by NCTCOG under one grant contract.

11. **repower**: To replace an old engine with a new engine, a used engine, a remanufactured engine, or one or more electric motors, drives, or fuel cells.

12. **retrofit**: To equip an engine, a fuel system, or both with new emissions-reducing parts or technology after the manufacture of the original engine or fuel system.

13. **stationary engine**: An internal combustion engine used either in a fixed application or in a portable (i.e., transportable) application in which the engine will stay at a single site for at least a full year (12 consecutive months). NCTCOG will make the final determination of the type of engine.

14. **Uniform Grant Management Standards (UGMS)**: Standards issued by the Office of the Governor for use by State agencies in issuing and administering grants under the authority provided in the Uniform Grant and Contract Management Act, Texas Government Code, Section 783.001 et seq., and the Uniform Grant and Contract Management Standards for State Agencies, 1 Texas Administrative Code, Section 5.141 et seq.