

Michigan Department of Environment, Great Lakes, and Energy (EGLE)

Fuel Transformation Program - Volkswagen Settlement Funds

Frequently Asked Questions – Updated February 2021

1. Question: Who is eligible to apply for grants under the Fuel Transformation Program (FTP)?

Answer: Both governmental/public and non-governmental/private entities are eligible to apply for a grant. Projects that involve a public and private partnership are also eligible. The applicant(s) must have passed a financial audit completed by a Certified Public Accountant within the past two years and provide proof of the successful audit with their application.

2. Question: Can grant funds from the FTP be combined with funds from other grants for a project?

Answer: FTP funds are private dollars. FTP grant dollars cannot be combined with funds from the Michigan Clean Diesel Program (MCDP) for a project. An applicant may apply for a project under both programs (FTP and MCDP) but cannot receive funds for the same project under both programs. Grant funds from the FTP may be combined with other grant funds if there are no restrictions that would prohibit their use. It is the applicant's responsibility to determine the eligibility of projects that combine grant funds.

3. Question: The Request for Proposals (RFP) has three parts, and three application rounds within each part. When will applications be accepted for Part 1?

Answer: Part 1 of the RFP is for replacement of eligible Class 4-8 Local Freight Trucks, Port Drayage Trucks, Shuttle and Transit Buses. Applications will be accepted in rounds until all of the funds for Part 1 have been awarded. In the event that all funds are awarded in Round 1 or Round 2, there will not be an additional Round. The application schedule is as follows:

Part 1, Round 1: February 23, 2021 to April 22, 2021.

Part 1, Round 2: June 22, 2021 to August 20, 2021.

Part 1, Round 3: October 19, 2021 to December 17, 2021.

4. Question: Can I apply now for project types listed in Part 2 or Part 3?

Answer: No. The application schedule listed in the RFP provides target dates for Part 2 and Part 3. Applications for projects that qualify under these Parts will not be accepted until the day Round 1 opens for each Part.

5. What kind of vehicles and equipment qualify for replacement under Part 1 of the RFP?

Answer: Existing Class 4-8 local freight trucks, port drayage trucks, shuttle and transit buses must be diesel. Local freight and port drayage trucks must have an engine model year of 1992 to 2009 to qualify for replacement. Shuttle and transit buses must have an engine model year of 2009 or older to qualify for replacement. There are additional requirements for vehicles to qualify for replacement. See Table 1 in the RFP for details.

6. Question: Must old vehicles be decommissioned/scrapped to receive grant funds for new vehicles?

Answer: Yes. Funds cannot be used to expand a fleet, and therefore, an old eligible vehicle must be permanently decommissioned by cutting a three-inch hole in the engine block and cutting the frame rails in half. Other scrapping methods may be accepted if pre-approved by EGLE.

7. Question: Why are there different funding levels for various fuel types?

Answer: EGLE is incentivizing technologies that have the greatest lifetime emission reductions to encourage the adoption of zero emission and alternate fuel vehicles and equipment. Applicants can choose which fuel type they believe is best for their project.

8. Question: Will applications from throughout the state be accepted and considered for funding or only those that are in priority areas?

Answer: Project applications from across the state will be accepted and considered for funding. Projects located in counties that are identified as priority areas (counties that are designated as non-attainment for the 2015 ozone standard or those that contain an Urbanized Area) will receive a higher score for that criterion; however, that will be one factor out of several when evaluating a project.

9. Question: Can grant funds in Part 1 be used to pay for fueling infrastructure?

Answer: Fuel infrastructure costs associated with diesel and alternate fuel (propane, compressed natural gas, biodiesel etc.) vehicles are not eligible for grant funds. Charging equipment for all-electric vehicle projects are eligible for grant funds. However, installation, operation, and maintenance costs associated with electric vehicle charging equipment are not eligible.

10. Question: Can I apply for a grant to pay for vehicles that have already been purchased?

Answer: No. Once an application is selected for funding, EGLE will work with the applicant to complete a formal Grant Agreement. New vehicles must be purchased and paid for after the Grant Agreement has been signed and before the Grant Agreement closes.

11. Question: What if there are production delays and new vehicles cannot be delivered as originally scheduled?

Answer: The EGLE Grant Administrator will work with the grantee to extend the grant end date through a formal grant amendment process given sufficient time to process the request. EGLE generally requires one month to complete an amendment. If a request to extend a grant agreement is made with less than 30 days prior to the grant end date, the amendment may not be processed.

12. Question: Do school buses qualify under this RFP?

Answer: No. School buses were funded under the first FTP RFP. However, school buses do qualify for funding under the annual Michigan Clean Diesel Program.