

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

### **Fuel Transformation Program - Volkswagen Settlement Funds**

#### **Frequently Asked Questions – Updated June 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.

**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 no restrictions apply that would prohibit their use. It is the applicant's responsibility to determine the eligibility of projects that combine grant funds.

**3. What kind of vehicles and equipment qualify for replacement under Part 1 of the FTP Request for Proposals (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 2 in the RFP for details.

**4. What kind of new vehicles can be purchased in Part 1 Round 2 of the RFP?**

Answer: All electric vehicles, diesel-electric hybrid, and hydrogen fuel cell vehicles are eligible in this round.

**5. 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 diesel 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.

**6. 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, those that contain an Urbanized Area and those in

High Asthma Burden Areas) will receive a higher score for that criterion when evaluating a project.

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

Answer: Charging equipment for all-electric vehicles is eligible for grant funds when eligible diesel vehicles are disabled, and the all-electric vehicles use the new charging equipment. Installation, operation, and maintenance costs associated with electric vehicle charging equipment are not eligible.

**8. 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.

**9. 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.

**10. Question: Is there a date by which you must take delivery of the replacement vehicles and complete the project?**

Answer: There is not a requirement that specifies when you must take delivery of the new vehicle after the grant agreement has been signed or how long you have to complete the project. Common timelines are between one and three years and may be extended if warranted. EGLE is aware of longer delivery times for all-electric vehicles. For projects involving all-electric vehicles EGLE will consider longer project timeline to facilitate the deployment of all-electric vehicles. Please use your best judgement to determine a reasonable timeline for the project.

**11. Question: Is a copy of a full audit completed by a Certified Public Accountant required for all applicants?**

Answer: There is no audit requirement for projects that request less than \$500,000 in grant funds. In cases where the grant request is \$500,000 or greater, a copy of a full successful audit is required with the application.

**12. Question: Must the replacement vehicle and new vehicle be titled and registered in Michigan?**

Answer: Yes.

**13. Question: Can vehicles travel outside of Michigan?**

Answer: Yes. Vehicles can travel outside of Michigan. Applicants must provide how many annual miles the vehicle travels annually and how many of those miles are in Michigan.

**14. Question: Can a new vehicle be financed?**

Answer: Yes. The new vehicle may be financed; however, grant funds cannot be used to pay for any interest fees.