



AeroGRADE-Pilot Funding Guidelines

August 2019

Overview of AeroGRADE-Pilot

AeroGRADE-Pilot are two grant-funded opportunities for owners of diesel-powered on-road Class 8 semis or nonroad diesel-power terminal tractors. AeroGRADE-Pilot will assist with the purchase of a new, less polluting, electric vehicle and the repower of an existing engine to a hybrid-electric engine, with the primary goal of reducing nitrogen oxide (NOx) emissions from diesel engines. Reducing NOx emissions will lead to a reduction in ozone pollution throughout the Charlotte region.

The AeroGRADE-Pilot grants are funded by the Environmental Protection Agency (EPA) through the National Clean Diesel Funding Assistance Program. The grant program is administered by Mecklenburg County Air Quality and is modeled after other successful incentive-based programs aimed at achieving voluntary NOx emissions by companies that own and operate diesel engine equipment.

Benefits to AeroGRADE-Pilot Award Recipients

Benefits to owners that receive an AeroGRADE-Pilot funding grant award include the following:

- reduced equipment maintenance costs
- newer, more efficient equipment
- ability to list clean construction equipment in proposals and bids
- positive public image for making good air quality choices
- health benefits to the community and to equipment operators

AeroGRADE-Pilot Application

To apply for an AeroGRADE-Pilot grant, please go to www.GRADEplus.net and complete the applicable form for your project. Applications can be emailed (preferred), mailed, or faxed to the following:

Mecklenburg County Air Quality
Attn: Sheldon Turner
2145 Suttle Avenue
Charlotte, NC 28208-5237
Fax: (704)-336-4391
Email: Sheldon.Turner@MeckNC.gov

Application due by September 30, 2019.



Submittal of the application form does not guarantee acceptance. Due to limited funding, all eligible projects may not receive funding.

Project Selection Criteria

Mecklenburg County Air Quality (MCAQ) will evaluate applications based on the following criteria:

- Feasibility
- Location (priority will be given to projects in Mecklenburg County, specifically those with an impact to environmental justice areas).
- Amount of NOx pollution reduced (Calculated by MCAQ)
- Cost per pound of NOx pollution reduced (Calculated by MCAQ)

Mecklenburg County reserves the right to reject all applications and make no/fewer awards than disclosed under this call for projects.

Eligible Projects

AeroGRADE-Pilot will fund two pilot projects:

- One repower of a diesel-powered Class 8 semi-truck with an electric-hybrid diesel engine and;
- One replacement of a nonroad diesel terminal tractor with a fully electric terminal tractor.

Both projects will result in a reduction of NOx pollution. Eligible diesel emission reduction solutions include certified engine replacements, and/or certified vehicle or equipment replacement.

Project Type	Description	Maximum Funding
Non-Road Terminal Tractor	Replace diesel powered vehicle with new electric vehicle	Up to 100% of cost of new vehicle
On-Road Semi-Truck	Repower diesel vehicle with a hybrid-electric engine system	Up to 100% of cost of repowered engine system

An equipment replacement involves permanently removing an old vehicle from service by destroying the entire unit and replacing it with a new model vehicle. An equipment repower involves permanently removing an old engine from service by destroying the entire unit and replacing it with a new model engine. Before receiving reimbursement, the award recipient will have to provide documentation certifying that the old vehicle or engine has been permanently destroyed so that it cannot be sold or used.

In order to be eligible for funding for an equipment replacement or repower, the award recipient will have to verify that the equipment to be replaced is currently in proper working order and would otherwise continue to operate in the eligible region at least 75% of the time for the next 3 years. Additionally, the replacement or repowered equipment must be used for the same or similar purpose as the retired equipment and will operate in the eligible region at least 75% of



the time over the next 10 years. Equipment must also meet this following age and replacement requirements:

Project Type	Current Engine Model Year
On-Road Semi-Truck	1996 - 2009

Project Type	Current equipment horsepower	Current Engine Model Year
Non-Road Terminal Tractor	25-50	2006 or newer
	51-300	1996 or newer
	301+	1986 or newer

Eligible Expenses

AeroGRADE-Pilot is a reimbursement grant, which means the award recipients will be reimbursed for approved expenses after the project has been completed (new equipment purchased, and old equipment destroyed). No expenses incurred prior to notice of award will be reimbursed. Award recipients will be required to enter into a funding agreement with Mecklenburg County, which outlines the terms and conditions of the reimbursement.

Replacement

Expenses that **are** eligible for reimbursement under this program include:

- Invoice cost of new vehicle including sales tax and delivery charges
- Costs to remove and dispose of the old vehicle
- Other costs directly related to the project, subject to approval

Repower

Expenses that **are** eligible for reimbursement under this program include:

- Invoice cost of new engine including sales tax and delivery charges
- Invoice cost of additional equipment that must be installed with the new engine
- Associated supplies directly associated with 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
- Other costs directly related to the project, subject to approval

Replacement & Repower

Expenses that **are not** eligible for reimbursement under this program include:

- Zero Emissions Vehicle Charging infrastructure cost (charging stations)
- Expenses for in-house labor and travel
- Expenses not directly related to the purchase of the new vehicle/engine
- Ancillary repair costs
- Long-term operational, maintenance, or repair costs
- Interest or loan fees, application costs, and/or consulting fees



The cost of the new vehicle minus any scrappage value for the old vehicle will constitute the total cost of the vehicle replacement. If an exact scrappage value is not provided, a value of \$1,000 will be assumed by default.

If funding is awarded but conditions of the funding agreement are not met by the recipient, Mecklenburg County can require a return of a pro rata share of the grant award funds.