

GRADE

Grants to Replace Aging Diesel Engines

GRADE Funding Guidelines

October 2021

Overview of GRADE

GRADE (Grants to Replace Aging Diesel Engines), is a grant opportunity for diesel equipment owners to assist them with the purchase of newer, cleaner, less polluting equipment and/or engines. The goal of GRADE is to reduce nitrogen oxide (NOx) pollution from diesel equipment operating in our region. Reducing NOx will lead to reductions in ozone pollution throughout the region.

Heavy-duty diesel equipment and vehicles owners are invited to apply for funding to pay for replacing aging equipment or repowering old equipment with a new engine. Any company or individual that owns and operates nonroad heavy-duty diesel equipment (25 hp or greater), on-road heavy-duty diesel vehicles (Class 5-8; 16,001 lbs. or greater) in the 8-county North & South Carolina Charlotte region is eligible to apply for funding to upgrade that equipment.

Funding is provided by the U.S. Environmental Protection Agency through the National Clean Diesel Funding Assistance Program as well as the Federal Highway Administration through the Congestion Mitigation and Air Quality program. The grant program is administered by Mecklenburg County Air Quality with the aim to achieve voluntary NOx emissions reduction.

Examples of Past GRADE projects

Airport GSE	Box trucks	Bulldozers	Compactors
Dump trucks	Excavators	Forklifts	Grinders
Pavers	Roll-off trucks	Rollers	School buses
Scrapers	Semi-trucks	Tractors	Terminal tractors
Transit buses	Wheel loaders		

GRADE can assist with the purchase of new, less polluting fuel technology such as electric, diesel, alternative fuel (LPG, CNG, LNG) and hybrid electric.

Benefits to GRADE Award Recipients

Benefits to owners that receive a GRADE funding grant award include the following:

- reduced equipment/vehicle maintenance costs
- newer, more efficient equipment/vehicle
- 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

Learn more about GRADE at [Mecklenburg County GRADE Story Map \(arcgis.com\)](https://arcgis.com).

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GRADE Application

To apply for a GRADE 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 - PREFERRED

Application on or before December 31, 2021.

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) evaluates and ranks applications based on the following:

- Eligibility criteria
- Amount of NOx pollution reduced (Calculated by MCAQ)
- Cost per pound of NOx pollution reduced (Calculated by MCAQ)

Final award decisions are made by an independent selection committee, which may consider other factors such as:

- Location (priority will be given to projects in environmental justice areas)
- MWSBE certification
- Past grant performance (if applicable)

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

Eligible Projects

GRADE will fund various project types. An equipment replacement involves permanently removing an old equipment from service by destroying the entire unit and replacing it with a new model equipment. 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 equipment or engine has been permanently destroyed so that it cannot be sold or used.

Any project required by law or any other agreement is ineligible for GRADE funding.

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Equipment or engine must also meet the following usage and age eligibility requirements, based on project type:

Project Type	Current Engine Age (Model Year or Tier)	Current Minimum Usage
Nonroad Equipment	Unregulated – Tier 3	500 hours/year
On-Road Vehicles	2017 ¹ or older	N/A

¹ 2010-2017 engines are not eligible for diesel-to-diesel projects.

To be eligible for funding for an equipment/vehicles replacement or repower, the award recipient will have to verify that the equipment, vehicle, or engine to be retired is currently in proper working order and would otherwise continue to operate in the eligible region for the next 3 years. Additionally, the replacement or repowered equipment must be used for the same or similar purpose as the retired equipment or engine.

Eligibility Locations

Equipment and vehicles must currently be operated within the following 8-county region at least 75% of the time and must continue to meet this requirement for the next 5 to 10 years.

Cabarrus County, NC Gaston County, NC Iredell County, NC Lincoln County, NC
Mecklenburg County, NC Rowan County, NC Union County, NC York County, SC

Eligible Expenses

GRADE is a reimbursement grant, which means the award recipients will be reimbursed for approved expenses after the project has been completed (new equipment/vehicle/engine purchased, and old equipment/vehicle/engine 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. If funding is awarded but conditions of the funding agreement are not met by the award recipient, Mecklenburg County can require a return of a pro rata share of the grant award funds.

Equipment or Vehicle Replacement Projects	Maximum Funding
Diesel to Diesel, Alt. Fuel, Hybrid	Up to 25% of cost of new equipment
Diesel to CARB ² Optional Low NOx Standard	Up to 35% of cost of new equipment
Diesel to Zero Emissions Vehicle (ZEV), i.e. Electric	Up to 45% of cost of new equipment
Drayage ³ Diesel to Diesel	Up to 50% of cost of new equipment

² California Air Resource Board

³ Drayage Trucks: A “drayage truck” means any Class 8 (≥33,000 lbs) highway vehicle operating on or transgressing through port or intermodal rail yard property for the purpose of loading, unloading or transporting cargo, such as containerized, bulk or break-bulk goods. Additional documentation required.

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Engine Repower Projects	Maximum Funding
Diesel to Diesel, Alt. Fuel, Hybrid	Up to 40% of cost of new engine
Diesel to CARB ¹ Optional Low NOx Standard	Up to 50% of cost of new engine
Diesel to Zero Emissions Vehicle (ZEV), i.e. Electric	Up to 60% of cost of new engine

Replacement

Expenses that are eligible for reimbursement under this program include:

- Invoice cost of new equipment including sales tax and delivery charges
- Costs to remove and dispose of the old equipment
- Cost to install Zero Emissions Vehicle Charging infrastructure, a “charging station”
 - *Including the cost of the charging infrastructure in a project scope can negatively impact the cost-effectiveness of a project.*
- 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:

- Expenses for in-house labor and travel
- Expenses not directly related to the purchase of the new equipment/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 equipment minus any scrappage value for the old equipment will constitute the total cost of the equipment replacement. If an exact scrappage value is not provided, a value of \$1,000 will be assumed by default.