

GRADE

Grants to Replace Aging Diesel Engines

July 2018

Rebates Available for Clean Diesel Vehicle and Equipment Purchases

Description

GRADE (Grants to Replace Aging Diesel Engines), is a grant opportunity for non-road diesel equipment and heavy-duty diesel on-road vehicle owners to assist them with the purchase of newer, cleaner, less polluting vehicles or equipment. The goal of GRADE is to reduce nitrogen oxide (NOx) pollution from diesel vehicles operating within the Charlotte region. Reducing NOx will lead to reductions in ozone pollution throughout the region.

Vehicle and equipment owners are invited to apply for funding to help pay for replacing aging vehicles and equipment. This project specifically targets nitrogen oxides (NOx) that contribute to the ozone problem in the Charlotte region. Any company that operates on-road heavy duty diesel trucks or non-road diesel equipment used in highway construction in the 8-county-North Carolina-Metrolina region is eligible to apply for funding. Funding is provided by Congestion Mitigation and Air Quality funding through the North Carolina Department of Transportation and the Federal Highway Administration.

Applications

To apply for an award through GRADE, fill out the appropriate application form for your project type and mail, fax or email to:

Mecklenburg County Air Quality c/o GRADE
2145 Suttle Ave.
Charlotte, NC 28208
Fax: (704) 336-4391
Email: Jennifer.Fickler@MecklenburgCountyNC.gov

Applications are available at www.GRADEplus.net

Applications must be received on or before August 31, 2018.

Benefits to GRADE Award Recipients

Benefits to vehicle and equipment owners who choose to apply for GRADE funding and receive an award include the following.

- reduced vehicle/equipment maintenance costs
- newer vehicles/equipment
- ability to list clean vehicles/equipment in proposals and bids
- positive public image for making good air quality choices
- health benefit to the community and to equipment operators

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Eligibility

Projects eligible for funding under GRADE include replacement of diesel on-road heavy-duty vehicles and non-road equipment where the non-road equipment is used in the construction of highways in the Charlotte region.

- **Eligible Location:** The equipment must operate within the 8-county Charlotte Maintenance region at least 75% of the time for the next 5 years.
 - Region: Cabarrus, Gaston, Iredell, Lincoln, Mecklenburg, Rowan, Union, & York (SC)

- **Eligible Vehicles and Equipment:**
 - On-road Vehicles:
 - Heavy-duty diesel highway vehicle (GVWR greater than 8,500lbs)
 - Nonroad Equipment:
 - Nonroad diesel equipment (at least 25hp)
 - Must be used for the construction of highways in the eligible counties

The award recipient will have to verify that the vehicle or equipment being replaced:

- is currently in proper working order,
- has worked within the 8-county Charlotte region for at least the past year; and
- would otherwise continue to operate in the region at least 75% of the time.

Additionally, replacement vehicle or equipment must:

- be used for the same or similar purpose as the retired piece;
- the horsepower of the new piece must be similar to the horsepower of the replaced piece; and
- be certified as “final assembly in America.”

If you have any questions about whether your vehicle or equipment is eligible for GRADE funding, please contact MCAQ at 704-336-5430.

Funding Guidelines

GRADE 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 stating the terms and conditions of the reimbursement.

Type	Maximum Funding
On-Road Heavy-Duty Diesel Vehicle	Up to 25% of cost of new vehicle
Non-road Diesel Equipment	Up to 25% of cost of new equipment

An equipment replacement involves permanently removing an old vehicle from service by destroying the entire unit and replacing it with a new model. Because diesel equipment tends to have a long life span, and in the past decade the federal government has implemented

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increasingly stringent emission standards for diesel engines, upgrading to new or newer vehicles has a significant air quality benefit. After a project is selected, but before receiving reimbursement, the award recipient will have to provide documentation certifying that the old vehicle has been permanently destroyed so that it cannot be sold or used.

Expenses that are eligible for reimbursement for replacement under this project 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.

Expenses that are not eligible for reimbursement for replacements under this project include:

- Expenses for in-house labor and travel.
- Expenses not directly related to the purchase of the new vehicle.
- 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.

This GRADE funded is provided by the Federal Highway Administration (FHWA) through Congestion Mitigation and Air Quality (CMAQ) funding. The FHWA requires that CMAQ funding only be used to purchase steel and aluminum materials or equipment that are made in America. However, the GRADE program has received a Buy America waiver which reduces this requirement from made in America to final assembly in America. Final assembly should be completed in America for new equipment or engines purchased through this GRADE cycle.

Project Selection Criteria

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

- Cost per pound of nitrogen oxide pollution reduced. (Calculated by MCAQ)
- Amount of nitrogen oxide pollution reduced. (Calculated by MCAQ)
- Amount of time spent in eligible region.

An effort will be made to distribute the awards throughout the eligible counties and to fund at least one of each project type. Mecklenburg County reserves the right to reject all applications and make no awards under this announcement or make fewer awards than anticipated. If funding is awarded but conditions of the funding agreement are not met Mecklenburg County can require a return of a pro rata share of the reimbursement grant funds.

Applications must be submitted on or before August 31, 2018. Submittal of the application form does not guarantee acceptance. Due to limited funding, all eligible projects may not receive funding.

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