

GRANT REQUEST FORM (GRF)

CEC-270 (Revised 10/2015)

CALIFORNIA ENERGY COMMISSION

New Agreement ARV-17-041 (To be completed by CGL Office)

600 Fuels and Transportation Division	Sarah Williams	27	916-651-9866
---------------------------------------	----------------	----	--------------

San Joaquin Valley Unified Air Pollution Control District	77-0262563
---	------------

CNG Truck Voucher Project

5 / 9 / 2018	6 / 15 / 2020	\$ 8,000,000
--------------	---------------	--------------

☐ ARFVTP agreements \$75K and under delegated to Executive Director.

Proposed Business Meeting Date	5 / 9 / 2018	<input type="checkbox"/> Consent	<input checked="" type="checkbox"/> Discussion
--------------------------------	--------------	----------------------------------	--

Business Meeting Presenter	Sarah Williams	Time Needed:	5 minutes
----------------------------	----------------	--------------	-----------

Please select one list serve. Altfuels (AB118- ARFVTP)

Agenda Item Subject and Description

SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT. Proposed resolution approving Agreement ARV-17-041 with San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD) for an \$8,000,000 grant to incentivize the purchase of 80 low NOx trucks reducing pollution in disadvantaged communities within the SJVUAPCD service territory.

1. Is Agreement considered a "Project" under CEQA?

☐ Yes (skip to question 2)☐ No (complete the following (PRC 21065 and 14 CCR 15378)):

Explain why Agreement is not considered a "Project":

Agreement will not cause direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment because .

2. If Agreement is considered a "Project" under CEQA:

☐ a) Agreement **IS** exempt. (Attach draft NOE)
☐ Statutory Exemption. List PRC and/or CCR section number:

☐ Categorical Exemption. List CCR section number:
☒ Common Sense Exemption. 14 CCR 15061 (b) (3)

Explain reason why Agreement is exempt under the above section:

The proposed project will provide funding incentives to replace older, high polluting trucks with commercially available new, ultra-clean, near-zero emission trucks thus reducing emissions and improving air quality. As a part of this project, nothing will be built or constructed and SJVUAPCD must ensure that the old vehicle is scrapped. It can be seen with certainty there is no possibility that the project will have a significant effect on the environment, therefore, the common sense exemption applies and the project is not subject to CEQA.

☐ b) Agreement **IS NOT** exempt. (Consult with the legal office to determine next steps.)

Check all that apply

☐ Initial Study☐ Negative Declaration☐ Mitigated Negative Declaration☐ Environmental Impact Report☐ Statement of Overriding Considerations

Legal Company Name:

Budget

\$ 0

\$ 0

\$ 0

Legal Company Name:

GRANT REQUEST FORM (GRF)

CEC-270 (Revised 10/2015)

CALIFORNIA ENERGY COMMISSION



Budget Information							
Funding Source		Funding Year of Appropriation		Budget List No.		Amount	
ARFVTP		16-17		601.118I		\$8,000,000	
Funding Source						\$	
Funding Source						\$	
Funding Source						\$	
Funding Source						\$	
R&D Program Area:		Select Program Area				\$8,000,000	
Explanation for "Other" selection							
Reimbursement Contract #:				Federal Agreement #:			

Name:		Todd DeYoung		Name:		Samir Sheikh	
Address:		San Joaquin Valley APCD 1990 E. Gettysburg Avenue		Address:		San Joaquin Valley APCD 1990 E. Gettysburg Avenue	
City, State, Zip:		Fresno, CA 93726		City, State, Zip:		Fresno, CA 93726	
Phone:	559-230-5800	Fax:	559-230-6112	Phone:	559-230-6000	Fax:	559-230-6061
E-Mail:		Todd.DeYoung@valleyair.org		E-Mail:		Samir.Sheikh@valleyair.org	

<input checked="" type="checkbox"/> Competitive Solicitation <input type="checkbox"/> First Come First Served Solicitation		Solicitation #:	- -
---	--	-----------------	-----

1. Exhibit A, Scope of Work	<input checked="" type="checkbox"/> Attached
2. Exhibit B, Budget Detail	<input checked="" type="checkbox"/> Attached
3. CEC 105, Questionnaire for Identifying Conflicts	<input checked="" type="checkbox"/> Attached
4. Recipient Resolution	<input checked="" type="checkbox"/> N/A <input type="checkbox"/> Attached
5. CEQA Documentation	<input checked="" type="checkbox"/> N/A <input type="checkbox"/> Attached

Agreement Manager

Date

Office Manager

Date

Deputy Director

Date

EXHIBIT A

SCOPE OF WORK

TECHNICAL TASK LIST

Task #	CPR	Task Name
1		Administration
2		Developing Funding List
3		Provide Funding for CNG Vehicle Requests
4		Data Collection and Analysis

KEY NAME LIST

Task #	Key Personnel	Key Subcontractor(s)	Key Partner
1-4	Todd DeYoung, Samir Sheikh		

GLOSSARY

Specific terms and acronyms used throughout this scope of work are defined as follows:

Term/ Acronym	Definition
ARFVTP	Alternative and Renewable Fuel and Vehicle Technology Program
CAM	Commission Agreement Manager
CPR	Critical Project Review
FTD	Fuels and Transportation Division
Recipient	San Joaquin Valley Unified Air Pollution Control District

BACKGROUND

Assembly Bill (AB) 118 (Núñez, Chapter 750, Statutes of 2007), created the Alternative and Renewable Fuel and Vehicle Technology Program (ARFVTP). The statute authorizes the California Energy Commission (Energy Commission) to develop and deploy alternative and renewable fuels and advanced transportation technologies to help attain the state's climate change policies. AB 8 (Perea, Chapter 401, Statutes of 2013) re-authorizes the ARFVTP through January 1, 2024, and specifies that the Energy Commission allocate up to \$20 million per year (or up to 20 percent of each fiscal year's funds) in funding for hydrogen station development until at least 100 stations are operational. The ARFVTP has an annual budget of approximately \$100 million and provides financial support for projects that:

- Reduce California's use and dependence on petroleum transportation fuels and increase the use of alternative and renewable fuels and advanced vehicle technologies.
- Produce sustainable alternative and renewable low-carbon fuels in California.
- Expand alternative fueling infrastructure and fueling stations.
- Improve the efficiency, performance and market viability of alternative light-, medium-, and heavy-duty vehicle technologies.
- Retrofit medium- and heavy-duty on-road and non-road vehicle fleets to alternative technologies or fuel use.
- Expand the alternative fueling infrastructure available to existing fleets, public transit, and transportation corridors.
- Establish workforce training programs and conduct public outreach on the benefits of alternative transportation fuels and vehicle technologies.

The Energy Commission issued GFO-17-605 entitled "California Air District Natural Gas Vehicles Solicitation" under the ARFVT Program on January 26, 2018. This competitive grant solicitation was an offer to fund existing or planned incentive programs for compressed natural gas (CNG) vehicles with California Air Districts. To be eligible for funding under GFO-17-605, the projects must also be consistent with the Energy Commission's ARFVTP Investment Plan updated annually. In response to GFO-17-605, the Recipient submitted application #1 which was proposed for funding in the Energy Commission's Notice of Proposed Awards on April 5, 2018. Solicitation GFO-17-605 is hereby incorporated by reference into this Agreement in its entirety.

In the event of any conflict or inconsistency between the terms of the Solicitation and the terms of the Recipient's Application, the Solicitation shall control. In the event of any conflict or inconsistency between the Recipient's Application and the terms of Energy Commission's Award, the Energy Commission's Award shall control. Similarly, in the event of any conflict or inconsistency between the terms of this Agreement and the Recipient's Application, the terms of this Agreement shall control.

Goals of the Agreement:

The goal of this Agreement is to replace heavy-duty diesel vehicles currently in use, by incentivizing the purchase of compressed natural gas (CNG) heavy-duty vehicles. Incentives will take the form of reducing the purchase price of new on road heavy-duty CNG vehicles.

Objectives of the Agreement:

The objectives of this Agreement are to incentivize the purchase of at least 80 Low NOx compressed natural gas (CNG) on road heavy-duty vehicles to replace heavy-duty diesel vehicles currently in use.

TASK 1 ADMINISTRATION

Task 1.1 Attend Kick-off Meeting

The goal of this task is to establish the lines of communication and procedures for implementing this Agreement. The Commission Agreement Manager (CAM) shall designate the date and location of this meeting and provide an agenda to the Recipient prior to the meeting.

The Recipient shall:

- Attend a “Kick-Off” meeting with the CAM, the Commission Agreement Officer (CAO), and a representative of the Energy Commission Accounting Office. The Recipient shall bring their Project Manager, Agreement Administrator, Accounting Officer, and any others determined necessary by the Recipient or specifically requested by the CAM to this meeting.
- Discuss the following administrative and technical aspects of this Agreement:
 - Agreement Terms and Conditions
 - Critical Project Review (Task 1.2)
 - The CAM’s expectations for accomplishing tasks described in the Scope of Work
 - An updated Schedule of Products and Due Dates
 - Quarterly Progress Reports (Task 1.4)
 - Final Report (Task 1.5)

Recipient Products:

- Updated Schedule of Products

Commission Agreement Manager Product:

- Kick-Off Meeting Agenda

Task 1.2 Critical Project Review (CPR) Meetings

CPRs provide the opportunity for frank discussions between the Energy Commission and the Recipient. The goal of this task is to determine if the project should continue to receive Energy Commission funding to complete this Agreement and to identify any needed modifications to the tasks, products, schedule or budget.

The CAM may schedule CPR meetings as necessary, and meeting costs will be borne by the Recipient.

Meeting participants include the CAM and the Recipient and may include the Commission Agreement Officer, the Fuels and Transportation Division (FTD) program lead, other Energy Commission staff and Management as well as other individuals selected by the CAM to provide support to the Energy Commission.

The CAM shall:

- Determine the location, date, and time of each CPR meeting with the Recipient. These meetings generally take place at the Energy Commission, but they may take place at another location.

- Send the Recipient the agenda and a list of expected participants in advance of each CPR. If applicable, the agenda shall include a discussion on both match funding and permits.
- Conduct and make a record of each CPR meeting. Prepare a schedule for providing the written determination described below.
- Determine whether to continue the project, and if continuing, whether or not modifications are needed to the tasks, schedule, products, and/or budget for the remainder of the Agreement. Modifications to the Agreement may require a formal amendment (please see section 8 of the Terms and Conditions). If the CAM concludes that satisfactory progress is not being made, this conclusion will be referred to the Lead Commissioner for Transportation for his or her concurrence.
- Provide the Recipient with a written determination in accordance with the schedule. The written response may include a requirement for the Recipient to revise one or more product(s) that were included in the CPR.

The Recipient shall:

- Prepare a CPR Report for each CPR that discusses the progress of the Agreement toward achieving its goals and objectives. This report shall include recommendations and conclusions regarding continued work of the projects. This report shall be submitted along with any other products identified in this scope of work. The Recipient shall submit these documents to the CAM and any other designated reviewers at least 15 working days in advance of each CPR meeting.
- Present the required information at each CPR meeting and participate in a discussion about the Agreement.

CAM Products:

- Agenda and a list of expected participants
- Schedule for written determination
- Written determination

Recipient Product:

- CPR Report(s)

Task 1.3 Final Meeting

The goal of this task is to closeout this Agreement.

The Recipient shall:

- Meet with Energy Commission staff to present the findings, conclusions, and recommendations. The final meeting must be completed during the closeout of this Agreement.

This meeting will be attended by, at a minimum, the Recipient, the Commission Grants Office Officer, and the CAM. The technical and administrative aspects of Agreement closeout will be discussed at the meeting, which may be two separate meetings at the discretion of the CAM.

The technical portion of the meeting shall present an assessment of the degree to which project and task goals and objectives were achieved, findings, conclusions, recommended next steps (if any) for the Agreement, and recommendations for improvements. The CAM will determine the appropriate meeting participants.

The administrative portion of the meeting shall be a discussion with the CAM and the Grants Officer about the following Agreement closeout items:

- What to do with any equipment purchased with Energy Commission funds (Options)
- Energy Commission's request for specific "generated" data (not already provided in Agreement products)
- Need to document Recipient's disclosure of "subject inventions" developed under the Agreement
- "Surviving" Agreement provisions
- Final invoicing and release of retention
- Prepare a schedule for completing the closeout activities for this Agreement.

Products:

- Written documentation of meeting agreements
- Schedule for completing closeout activities

Task 1.4 Quarterly Progress Reports

The goal of this task is to periodically verify that satisfactory and continued progress is being made towards achieving the objectives of this Agreement on time and within budget.

The objectives of this task are to summarize activities performed during the reporting period, to identify activities planned for the next reporting period, to identify issues that may affect performance and expenditures, and to form the basis for determining whether invoices are consistent with work performed.

The Recipient shall:

- Prepare a Quarterly Progress Report which summarizes all Agreement activities conducted by the Recipient for the reporting period, including an assessment of the ability to complete the Agreement within the current budget and any anticipated cost overruns. Each progress report is due to the Commission Agreement Manager within 10 days of the end of the reporting period. The recommended specifications for each progress report are contained in Section 6 of the Terms and Conditions of this Agreement.

Product:

- Quarterly Progress Reports

Task 1.5 Final Report

The goal of the Final Report is to assess the project's success in achieving the Agreement's goals and objectives, advancing science and technology, and providing energy-related and other benefits to California.

The objectives of the Final Report are to clearly and completely describe the project's purpose, approach, activities performed, results, and advancements in science and technology; to present a public assessment of the success of the project as measured by the degree to which goals and objectives were achieved; to make insightful observations based on results obtained; to draw conclusions; and to make recommendations for further projects and improvements to the FTD project management processes.

The Final Report shall be a public document. If the Recipient has obtained confidential status from the Energy Commission and will be preparing a confidential version of the Final Report as well, the Recipient shall perform the following activities for both the public and confidential versions of the Final Report.

The Recipient shall:

- Prepare an Outline of the Final Report, if requested by the CAM.
- Prepare a Final Report following the latest version of the Final Report guidelines which will be provided by the CAM. The CAM shall provide written comments on the Draft Final Report within fifteen (15) working days of receipt. The Final Report must be completed at least 60 days before the end of the Agreement Term.
- Submit one bound copy of the Final Report with the final invoice.

Products:

- Outline of the Final Report, if requested
- Draft Final Report
- Final Report

TECHNICAL TASKS

TASK 2 INCENTIVE APPLICATION SOLICITATION AND SELECTION

The goal of this task is to update Recipient's existing voucher program, obtain Energy Commission approval of the updated voucher program, solicit and receive incentive applications, and evaluate applications for eligibility.

The Recipient shall:

- Develop and submit an updated version of the existing Recipient Heavy-Duty Truck Voucher Program, including the San Joaquin Valley Air Pollution Control District Heavy-Duty Truck Voucher Program Truck Replacement Eligibility Criteria and Application Guidelines updated as of August 18, 2016, for review and approval by the CAM. The updated voucher program shall be based on the existing voucher program Recipient submitted to the Energy Commission as part of its application under GFO-17-605 with updates to the voucher program to meet GFO-17-605 and Energy Commission ARFVTP requirements. The program shall require the incentivized vehicles to replace heavy-duty diesel vehicles currently in use. **Recipient must obtain CAM approval of the updated voucher program, including the abovementioned guidelines, prior to approving applications using Energy Commission funding. However, the Recipient is able to solicit and approve applications under an updated voucher program before CAM approval if those applications are funded**

from other non-Energy Commission funding sources. CAM review of the updated program will be conducted to ensure that the updated program generally follows the same program scheme as the existing program and otherwise meets Energy Commission's solicitation and ARFVTP program requirements. The CAM will provide comments on the updated voucher program within 20 days of receipt of the proposed draft updated program.

- Publicly release the updated voucher program to solicit applications. If the CAM requires changes to the updated voucher program in order to provide Energy Commission approval, Recipient will release the updated voucher program again to solicit applications for Energy Commission funding.
- Review applications for Energy Commission funding pursuant to the CAM-approved updated voucher program, screen out ineligible applications, and create a list of approved eligible applications for Energy Commission funding.
- Report on the approved eligible applications in the Quarterly Report as described in Task 3 below.

Recipient Products:

- Updated Version of the Existing Truck Voucher Program (draft and final)

CAM Products:

- Comments on the updated voucher program

TASK 3 PROVIDE FUNDING FOR APPROVED APPLICATIONS

The goal of this task is to provide incentives for approved applications using Energy Commission funding for the replacement of heavy-duty diesel vehicles currently in use with the purchase of CNG on road heavy-duty vehicles pursuant to the CAM-approved updated voucher program, and report on that activity.

The Recipient shall:

- Provide funds to incentivize the purchase of CNG on road heavy-duty vehicles to replace heavy-duty diesel vehicles currently in use, pursuant to approved applications under Task 2 above.
- Verify purchase of the CNG on road heavy-duty vehicles, at or before incentive funds disbursement, pursuant to the CAM-approved updated voucher program.
- Verify that the purchased CNG on road heavy-duty vehicles will replace a heavy-duty diesel vehicle currently in use, pursuant to the CAM-approved updated voucher program (scrappage or other approved method).
- Submit a Quarterly Report to the CAM, which shall include, but not be limited to the following information for each Energy Commission funded application:
 - Applicant name
 - Amount of incentive funds in dollars
 - CNG on road heavy-duty vehicle(s) purchased including the following:
 - Type of truck – make model year of chassis and engine and Gross Vehicle Weight Rating (GVWR) purchased

- VIN # and Engine Serial Number proof of purchase, including photographs if applicable.
- All other eligibility criteria from the updated CAM-approved voucher program
- Other information as required by the CAM.

Products:

- Quarterly Report

TASK 4 PROGRAM ANALYSIS

The goal of this task is to review Recipient's updated CNG on road heavy-duty vehicle voucher program, analyze its results, including economic and environmental impacts, and to include the data and analysis in the Final Report.

The Recipient shall:

- Report total CNG vehicles purchased using Energy Commission funded incentives including proof of purchase and replacement (scrappage of the replaced diesel heavy duty vehicles or other approved method).
- Report emissions that will result from the incentivized purchases and the emission reductions projected to be achieved.
- Report on program effectiveness:
 - Average time from claim to incentive funding
 - Remaining demand for incentives (i.e. applications which were not funded, if any)
 - Ideas to make the program more effective in the future, including effectiveness for number of vehicles incentivized for purchase and emissions and petroleum reductions.

Products:

- This program analysis will be included in the Final Report.

STATE OF CALIFORNIA

STATE ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION

RESOLUTION - RE: SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT

RESOLVED, that the State Energy Resources Conservation and Development Commission (Energy Commission) adopts the staff CEQA findings contained in the Agreement or Amendment Request Form (as applicable); and

RESOLVED, that the Energy Commission approves Agreement ARV-17-041 with San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD) for an \$8,000,000 grant to incentivize the purchase of 80 low NOx trucks reducing pollution in disadvantaged communities within the SJVUAPCD service territory; and

FURTHER BE IT RESOLVED, that the Executive Director or his/her designee shall execute the same on behalf of the Energy Commission.

CERTIFICATION

The undersigned Secretariat to the Commission does hereby certify that the foregoing is a full, true, and correct copy of a Resolution duly and regularly adopted at a meeting of the California Energy Commission held on May 9, 2018.

AYE: [List of Commissioners]

NAY: [List of Commissioners]

ABSENT: [List of Commissioners]

ABSTAIN: [List of Commissioners]

Cody Goldthrite,
Secretariat