

**Solicitation No. 2010SEPALTFUEL1**  
**“Alternative Fuel and Advance Vehicle Technology**  
**Funding Opportunity”**  
**Questions and Answers**  
**July 21, 2010**

**1. Question:**

We are trying to put in an ethanol transloading facility to increase the flow of ethanol into Charlotte. U.S. Environmental Protection Agency and Department of Energy officials have indicated that the transloading point—where the fuel leaves the rail cars and is trucked to the terminals, is the choke point that may prevent alternative fuel standard requirements from being met. We are shovel ready—our site is perfectly located and we have the designs, etc., but finding financing is very tough—so this is an ideal use of federal Recovery Act funding. Would this type of facility be eligible for funding under this announcement? I read that projects open to the public are preferred---we would be happy to install a pump available to public at the facility.

**Answer:** Assuming that National Environmental Protection Act requirements are not an issue, this project is within the eligibility requirements for this solicitation.

**2. Question:**

I would be interested in applying for the minimum amount for the conversion of commercial lawn mowers to propane. Each commercial unit converted will have its emissions reduced by 70-80% and can be operated going forward for 30-40% less than on gasoline. The average conversion cost is \$1,200.00; these funds could be administered thru the N.C. Propane Gas Association. Is this the type of effort these funds are available for?

**Answer:** No. The vehicles must be light, medium or heavy duty on-road vehicles. Two- and three-wheeled vehicles are not eligible. Please refer to page 11 of the Funding Opportunity.

**3. Question:**

In speaking with another State Energy Program employee I was given the impression that if a municipality has already received federal Recovery Act Energy Efficiency and Conservation Block Grant funds, then this municipality could not apply to the N.C. Energy Office for projects that are funded through the same program? Is this true? Is No.

2010SEPALTFUEL1 one of the programs that excludes municipalities that already have federal Recovery Act Energy Efficiency and Conservation Block Grant funds?

**Answer:** Municipalities who have received Energy Efficiency and Conservation Block Grant funds are generally eligible for State Energy

Program funds from the N.C. Energy Office, including No. 2010SEPALTFUEL1, though you should see the specific eligibility requirements for details.

**4. Question:**

We are interested in submitting a proposal for a “CFAT” style proposal whereby the agency would initiate a call for projects process and administer a sub-award project following the N.C. Energy Office funding guidelines. Is this eligible or is there a requirement/preference for projects to be pre-identified in the application?

**Answer:** Responses to this Funding Opportunity will be judged on a variety of factors, including: 1) a clear indication that the project will be complete (i.e., funds must be actually spent) on or before Dec. 30, 2011, and 2) a specific listing of petroleum displaced and emissions reduced. An application proposing to do a sub-award RFP process would be at a disadvantage to other submittals that supplied this information and that could ensure that funds were actually spent before the deadline.

**5. Question:**

Can you please clarify what vehicle conversions are eligible for 100% of costs? Does this mean 100% of the total vehicle cost or 100% of the incremental cost of the conversion? I am assuming that this is based on 100% of the incremental cost and that this means that a vehicle that is converted, for example, by Altech Eco from gasoline to CNG will have 100% of the incremental costs covered.

**Answer:** This Funding Opportunity will cover 100% of the incremental cost of the conversion (i.e., 100% of the cost to convert a vehicle to alternative fuels or advanced technologies. This will not pay for the cost of the vehicle.

**6. Question:**

Would a dedicated Honda Civic GX also be eligible for 100% of the incremental costs?

**Answer:** No. This Funding Opportunity would cover up to 50% of the incremental cost to purchase a Honda Civic GX instead of a conventional vehicle.

**7. Question:**

Does the conversion of existing storage tanks to ethanol and biodiesel at 100% of the cost include an existing service station that may need to purchase/install a new storage tank or dispenser to comply with NC UST of Fire Marshall Standards.

**Answer:** Yes

**8. Question:**

Are education and outreach tasks eligible for support under this solicitation?

**Answer:** No

**9. Question:**

Are letters of support allowed? What part of the application do they belong in?

**Answer:** The only page limitation we place is ten pages for narrative in the Project Description. Place these documents in the “Firm or Organization Background and Experience” section.

**10. Question:**

Are Natural Gas Vehicles eligible for 100% of the incremental cost if they are purchased with a Natural Gas engine installed?

**Answer:** No. These vehicles are reimbursed at 50% of the incremental cost.

**11. Question:**

How should the incremental cost of a NEV be calculated?

**Answer:** Under this Funding Opportunity, SEO requirements will allow the funding of Neighborhood Electric Vehicles (NEVs) up to \$2,000 per vehicle, not to exceed the actual vehicle cost. NEV’s will be funded ONLY if they are replacing full sized on-road vehicles.

**12. Question:**

On page 14 the solicitation references providing a projected annual amount of energy saved in BTUs of kWh and energy dollars saved. For transportation related projects most benefits are typically calculated in petroleum displaced or criteria pollutant emissions reduced. Can you provide guidance or an example of BTUs or kWh saved, or a way to project this annual amount?

**Answer:** Conversions of gallons to BTU can be located at the US Energy Information Administration web page:  
<http://www.eia.doe.gov/neic/infosheets/apples.html>

**13. Question:**

I am writing to get clarification about whether or not a project would qualify and, if so, how much of the cost would be covered under the Alternative Fuel and Advanced Vehicle Technologies Funding Opportunity. We are trying to develop a pilot project to explore the use of biodiesel in our transit buses. As such, we would be looking to fund: The infrastructure necessary to support a 2,000 gallon, above-ground, double-walled tank. This may include the cost of getting power to the tank and bollards to protect it. We would hope to cover the incremental fuel cost for two years. We would hope to cover the additional fuel filters which may be used to transition to biodiesel. Can you tell me whether or not the project qualifies and, if so, which of the components (1-3) would qualify and at what percentage?

**Answer:** Answers are as follows: Up to 50% of the cost. This grant will not pay for fuel. However, the incremental cost of the fuel can be counted as leveraged funds, as explained on page 10. Additional Filters are not covered.

**14. Question:**

We are interested in using the grant to purchase Segway electric vehicles and police bicycles for use in our Community Policing Programs. Would the purchase of these types of vehicles be considered as an acceptable use of this grant funding? (i.e. are electric vehicles and bicycles considered as “advanced vehicle technologies”) It is our understanding that the minimum award amount that can be requested for a project is \$100,000. Is this correct? It is our understanding that we could only request 50 percent of the costs of these vehicles. Does that mean that our total project costs would need to be \$200,000?

**Answer: No two and three wheeled vehicles are eligible for funding. Please see Funding Objectives on page 11.**

**15. Question:**

The grant stipulates a minimum scope of \$100,000. Please explain what is included in the "scope"? For example, if my project is for four passenger vehicles at \$25,000 each, but to purchase a comparable ATV it would be \$35,000 each, is my scope \$100,000 or \$40,000?

**Answer: To answer this question specifically, the scope would be \$40,000. If you are interested in applying for funding, the application must be an aggregate value of at least \$100,000 to be considered.**

**16. Question:**

Will this grant cover the purchase and installation of a Urea tank?

**Answer: No**

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