



Guidelines for Natural Gas Refilling Station Grant Program

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NATURAL GAS REFILLING STATION GRANT PROGRAM GUIDELINES

I. BACKGROUND

The Role of Natural Gas Vehicles in a Sustainable Transportation Sector

The State of Maryland's transportation infrastructure plays a vital role in the movement of people and goods throughout the region, not only for Maryland residents but also for the larger network of U.S. highways and distribution channels along the East Coast. Maryland's highways and mass transportation systems serve State, regional and national transportation and freight movement interests, and also function as a key element of transportation to and around the Nation's capital.

Volatility in oil supplies worldwide, which affects energy prices throughout the U.S., impacts the security and stability of Maryland's transportation system now and in the years ahead. The mission of this program is to address these critical issues facing Maryland transportation systems to ensure mobility for all State residents, making Maryland an attractive place to live, work, and visit.

The transportation sector is responsible for 32 percent of Maryland's greenhouse gas emissions according to the Maryland Climate Change Commission, and contributes significantly to our ozone air pollution problem. Reducing emissions from this sector is critical to achieving a reduction in greenhouse gas emissions, and meeting state air quality goals. Existing technologies available in the near term will allow us to meet our transportation needs with fewer carbon dioxide emissions, reduced tailpipe emissions, and reduced reliance on petroleum imports.

Natural gas vehicles are one tool which will enable the State to move away from traditional petroleum. Use of natural gas as a primary transportation fuel will accomplish the goal of lessening national dependence on foreign oil supplies as well as contribute to increased air quality due to the reduced tailpipe emissions for these sources of propulsion. Strategic application of these technologies and fuel sources to the transportation sector constitutes good energy policy. That is the reason MEA opened the Maryland Natural Gas Refilling Station Grant Program.

PROGRAM OVERVIEW

Establishing adequate natural gas refilling infrastructure is necessary to address "range anxiety", one of the prime concerns associated with consumer purchasing behavior and the use of natural gas vehicles (NGVs). Range anxiety refers to the hesitancy of a

consumer to buy a NGV due to concern about being stranded without access to refilling infrastructure or being unable to complete a trip given the constraints of the vehicle. This is a particular concern with alternative transportation fuels requiring a discrete refueling infrastructure. While electric vehicles can theoretically recharge through any standard electrical outlet, NGVs need dedicated pumping stations. Increasing natural gas refilling infrastructure is needed to facilitate travel to and through the State, enabling the flow of people and goods throughout the region.

II. PROGRAM DESCRIPTION

This program will provide grants for the installation of privately run, publicly accessible natural gas refueling stations utilizing fast fill dispensers.

III. TYPE OF GRANT PROGRAM

Grant funds will be awarded on a competitive basis. This is a fixed price, reimbursable grant program. Reimbursement will be provided to selected grantee(s) after work is completed and all necessary supporting documentation has been submitted to the Maryland Energy Administration (MEA).

IV. ELIGIBILITY

Only businesses are eligible to apply for the Natural Gas Refilling Station Grant Program. Each business must be in good standing with the Maryland State Department of Assessments and Taxation.

Regulated utilities, local governments, and state government agencies are not eligible for funding under this program.

Eligible projects must be sited within Maryland and must be open to the public twenty-four hours a day, seven days a week.

Projects must utilize commercially available technologies. Grants will not be awarded to fund research or demonstration projects.

Projects must comply with the requirements outlined in Section X. Technical Specifications.

V. EVALUATION CRITERIA

The Maryland Natural Gas Refilling Station Grant Program Review Team will evaluate applications based on the following criteria:

1. **Estimated gallons of petroleum displaced**
2. **Letters of Support from anchor fleets including volume commitments**
3. **Applicant Cost Share (THE MINIMUM COST SHARE IS 50%. A LARGER COST SHARE WILL BE EVALUATED MORE FAVORABLY.)**
4. **Geographic distribution of stations.**
5. **Ability to complete project during specified timeframe**
6. **Innovative technology, concepts and partnerships**
7. **Thoroughness of signage plan and the operations & maintenance (O&M) plan**
8. **Company's financials, including bonding and insurance**
9. **Experience installing, operating and maintaining natural gas refilling stations**

Applicants should address each of the scoring and award criteria in their grant applications.

MEA reserves the right to select applications that allow for geographic diversity as well as to limit the number of awards given to any applicant submitting multiple applications.

VI. PROGRAM BUDGET

The total amount of funding currently available for this grant program in FY15 is up to \$2.0 million.

VII. NUMBER OF AWARDS AND AWARD SIZE

MEA will issue grants to one or more eligible applicants who desire to plan, install, operate and maintain natural gas refilling station infrastructure in Maryland.

- **The minimum grant award per project location under this program is \$100,000.**
- **The maximum grant award per project location under this program is \$500,000.**

VIII. COST SHARE

Applicant cost share is required to be **at least 50%**. A larger applicant cost share will be evaluated more favorably.

Where applicable, expenses associated with any private access only component of a project are ineligible for grant funding and shall not be included in the cost share calculation for this program.

XIV. APPLICATION PROCESS

Each interested party must complete an application and send or deliver* it along with all required documentation to:

Mr. Chris Rice
Program Manager
Maryland Energy Administration
60 West Street, Suite 300
Annapolis, MD 21401
chris.rice@maryland.gov

*If sending hard copies of the application, the original and four photocopies should be supplied.

All applications must contain the name, mailing address, and email address of a representative able to receive electronic communications related to this program.

Applications can be obtained at:

<http://energy.maryland.gov/Transportation/natgasgrant.html>

Completed applications must be received at MEA no later than January 12, 2015 at 5:00 PM.

X. TECHNICAL SPECIFICATIONS

Please read these guidelines carefully before applying to the Natural Gas Refilling Station Grant Program.

These guidelines describe eligibility, funding limitations, grant submittal and approval process, and specific information needed in the grant application.

MEA anticipates issuing grants to applicants for installation of natural gas refilling stations (Compressed Natural Gas (CNG), Liquefied Natural Gas (LNG) or combo CNG/LNG) in Maryland that meet the specifications described in this section.

1. Station Type

Successful applicants must install publicly accessible fueling stations with fast fill dispensers. Fast fill dispensers refuel vehicles in minutes rather than time fill dispensers which refuel vehicles overnight. Stations must dispense fuel at a minimum rate of 8 gasoline gallon equivalent (GGE) per minute.

2. Station Requirements

All stations and equipment must comply with all applicable local and State building, environmental and fire codes. Additionally, stations must sell natural gas at a pressure of at least 3,600 psi.

Stations shall be equipped with a permanent or portable emergency generator capable of powering the station, as well as a transfer switch and the necessary electrical modifications to ensure full, safe operation in times of power outages.

Applicants applying to the Natural Gas Refilling Station Grant Program may not apply to the Maryland Resiliency Grant Program for the purpose on installing back up power.

3. Siting

To further address range anxiety, the State wishes to facilitate the deployment of natural gas refilling stations that will enable travel and the movement of goods to and through the State from the surrounding region as well as within the State. To that end, proposed locations must meet the following criteria:

- Successful applicants must propose a location that is of strategic importance to extending the range and reach of NGV's along transportation corridors, such as major highways, shipping routes and population centers. The strategic importance of the location shall be clearly outlined in the submitted application.
- Applicants must be able to secure property rights, easements, right of way and access to property as necessary and supply accompanying documentation (e.g. a letter of commitment) with the completed grant application.
- Stations shall be operable and accessible to the public on a 24/7 basis and contain adequate lighting for all weather conditions.
- Stations shall be located such that they remain operable and accessible year round as well as maintained to be free of both manmade and natural obstructions.

4. Payment Accessibility

To enable NGV drivers to refuel vehicles at any public station, successful applicants must install payment infrastructure that allows for commonly accepted credit card vendors (e.g. Visa, Master Card). Access may not be limited to the use of fuel network cards.

5. Compliance with Americans with Disabilities Act/Accessibility Standards

Stations installed under this grant are public accommodations and must be accessible to all drivers. Successful applicants must demonstrate that their installations will meet the accessibility standards outlined in the Americans with Disabilities Act.

6. Commitment to Operations and Maintenance

In order to ensure that the installed equipment remains in good working order, successful applicants must submit an operations and maintenance plan/schedule as part of the application. The original owner, as well as any successors, will be responsible for complying with the operations and maintenance plan throughout the duration of the equipment's use at the site as described in subsection 8. Program Timeframe below.

7. Signage

While federal highway signs have been developed for natural gas refueling, wayfinding and site-specific signs are at the discretion of the jurisdiction or property owner. In order to enable NGV drivers to locate and identify refueling sites, wayfinding and site signage is required for each natural gas fueling station location funded through this program. Applications must include a plan for installing signage approved by the Maryland Department of Transportation (MDOT) and its modal agencies (e.g. State Highway Administration (SHA) and Maryland Transportation Authority (MTA), as appropriate). Additional information on the governance of signage on Maryland roads can be found in the 2011 Manual on Uniform Traffic Control Devices (MUTCD) with the Maryland Supplement. This document can be found at:

<http://www.roads.maryland.gov/Index.aspx?PageId=835>

8. Program Timeframe

In order to be eligible for consideration, successful applicants must demonstrate that their project will start and be completed within the timeframe provided in subsection 9. Program Time Line below. Stations, including the surrounding site, must be maintained in good operating condition and remain operable for at least five years from completion of grant agreement.

9. PROGRAM TIME LINE

Please pay close attention to the dates set forth below. It is important to note that if awarded a grant, the project must be finished and all invoices must be submitted to MEA by October 1, 2016.

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|-------------------------|--|
| August 2014 | -Grant Program announced and posted to MEA website. |
| January 12, 2015 | -Applications must be received at MEA by 5:00 PM.
-Email confirmation will be sent to each applicant verifying receipt of application. |
| January 2015 | -Evaluation of grant applications. |
| February 2015 | -Notification of grant award or denial is made to all applicants via email. |
| February 2015 | -Grant agreements sent to grantees that received award notifications.
-Project initiation can begin following execution of grant agreement by both parties. |
| April 2015 | -First monthly report is due from grantees. Reporting will continue quarterly through the end of the 5-year grant period. |
| Ongoing | -Quarterly reporting through October 2021 |
| October 1, 2016 | -Project construction period ends. All invoices must be submitted to MEA for reimbursement. |
| October 1, 2021 | - Final report due to MEA. |

10. ELIGIBLE COSTS

Eligible costs under this grant program include those costs directly attributable to the site design, equipment installation, labor, site preparation, upgrade for utility connections, signage and equipment necessary to implement and operate the proposed natural gas publically accessible refilling station.

Ineligible costs include mobile refueling equipment, the purchase of natural gas to stock the fueling station, and any ongoing equipment and site maintenance costs.

Where applicable, expenses associated with any private access only component of a project shall not be included in the cost share calculation for this program. Only items delineated above as eligible costs may be used in calculating cost share for this program.

For example, assume the eligible costs associated with a project total \$2,000,000 and an applicant requests a grant of \$100,000. The applicant cost share equation would be calculated as follows: $((\$2,000,000 - \$100,000) / \$2,000,000) * 100 = 95\%$

11. CONTENT OF APPLICATION

Applicants must complete the Natural Gas Refilling Station Grant Program application form found on the program webpage. **Applications, including all attachments, may not exceed 25 pages.** All applications must include the following:

- Information demonstrating that the application meets the requirement of subsections 1 through 8 described in Section X: Technical Specifications above.
- General project narrative, including any innovative technology integration, concepts or partnerships. Project narratives should include any partnerships with fleets, businesses or governments.
- Description of the geographic location, including the specific street address of the proposed station. Applicants should also provide an aerial map (i.e. Google Maps – Satellite view) of the station location. Documentation regarding ownership of potential properties must be provided. For locations not owned by the applicant, letters of commitment must be submitted by property owners.
- Total estimated project cost and the specific grant amount the applicant is seeking to complete the project. Applicants must demonstrate the required 50% cost share.
- Draft budget with a breakdown of utility infrastructure (i.e., upgrade for utility connections), dryer, filter, storage, gas compressor, dispenser, engineering, permitting and labor costs.
- Implementation timeline.
- Documentation of financial commitments from banks or investors.
- Operations and maintenance plan/schedule.
- Signage plan.
- Narrative describing any experience installing, operating or maintaining a natural gas refilling station network.

- Biographies of key project personnel.

12. EVALUATION OF APPLICATIONS

A Maryland Natural Gas Refilling Station Grant Program Review Team will be assembled to make grant award recommendations. This team will consist of members from the MEA, Maryland Department of the Environment (MDE), and the Maryland Clean Cities Coalition.

If necessary, the MEA Program Manager may request supplemental information from an applicant to enable application evaluation.

13. GRANT SELECTION

If an application is selected for grant award, a grant agreement between MEA and the applicant will be prepared that establishes the terms and conditions of the grant. Award notification is expected to be made during February 2015. Once the grant agreement is fully executed by both MEA and the applicant, the grantee may begin project work and invoice MEA for grant funds after the project is completed. A grant agreement is considered to be fully executed when the agreement has been signed by both MEA and the applicant as well as date stamped by MEA.

Only costs incurred after program announcement are eligible for funding. Project construction cannot begin prior to program announcement. Costs incurred after announcement and prior to execution of the grant agreement (contract) are made at the applicant's risk. Funding is only assured after final execution of the grant agreement.

In addition, please note that this is a fixed price reimbursable grant program and as such, cost overruns **will not** be reimbursed.

14. TERMS AND CONDITIONS

i. General Terms

Grants are only available for projects that further the goals of this Natural Gas Refilling Station Grant program and meet eligibility criteria set forth herein and the terms and conditions of the grant agreement. Matching funds are required for this grant program. MEA reserves the right to fund all or none (\$0) of the money allotted depending on the quality and eligibility of applications. Invoices cannot be submitted until there is an executed grant agreement between the applicant and MEA and the project is completely installed. All invoices must be **submitted by October 1, 2016**. All grants from MEA are on a reimbursement basis only. Advance payments are not available under this grant program.

MEA will reimburse grant funds in arrears only after all necessary invoice and report documentation has been submitted. MEA shall have sole discretion to determine whether complete invoice and report documentation has been submitted. Under no circumstances

will MEA fund grant monies for work that has yet to be performed or for costs that have yet to be incurred.

Funds may be used in conjunction with other financing programs; however, the Grant funds may only be used for eligible costs as outlined in the **ELIGIBLE COSTS** section above.

ii. Reporting Requirements

Grantees shall be responsible for submitting a report to MEA at the end of each quarter and a final report at the end of the funding period. Based on the Program Time Line provided above, the first quarterly report will be due on April 1, 2015 and the final report will be due by October 1, 2016. In addition, quarterly calendar year operational reporting will commence once the station has been put into service and will continue until the end of the 5-year grant period which ends on October 1, 2021. Quarterly reports will indicate the status of each station, the percentage of time the station was operational, natural gas consumed, number of gallons of gasoline equivalent displaced, number of vehicles utilizing equipment, quantified environmental benefits, and a narrative on the project's progress. Quarterly reports should be submitted on the form provided by MEA.

iii. Communication with MEA

The grantee shall notify MEA of any problems, operational changes or ownership changes from the original project proposal. The notifications made in compliance with this condition can be made to the MEA Program Manager either by written letter or electronic email and should be provided within 10 days of the problem or change.

Any time extension requests shall also be submitted to the MEA Program Manager in writing via letter or electronic email.

iv. Site Visits

Grantee shall allow MEA, or an MEA authorized representative, to conduct project site visits during normal business hours. It is MEA's intent to give reasonable notice to the grantee of any proposed site visit. Such notice shall be provided at least 24 hours in advance of the visit. To the extent provided by State law, neither MEA nor its agents, representatives, or employees, shall be liable for any property, product liability, personal injury, or any other types of claims, including claims based on the negligence of MEA, its agents, representatives, or employees, arising out of or related in any way to the activities of MEA, its agents, representatives, or employees at the project site.

v. Permits

Grantee is responsible for identifying and obtaining all local, State and federal permits and licenses necessary for the implementation and operation/execution of projects.

vi. Historic Review

All undertakings assisted by MEA are subject to review and consultation under Section 106 of the National Historic Preservation Act and/or the Maryland Historical Trust Act of 1985. The purpose of this review is to consider the effects of projects on historic

properties. Project areas that do not contain buildings, structures or significant landscape features more than 45 years old and are not recorded in the Maryland Inventory of Historic Properties may be exempted from this review process. Grant applicants should provide MEA with street addresses and an aerial map (i.e. Google Maps – Satellite view) showing the project location in order to conduct the required historic preservation review.

vii. Additional Grantee Responsibilities

The grantee will be responsible for the additional responsibilities listed below:

- day-to-day customer service actions such as managing driver access and providing driver support and station uptime monitoring,
- prompt maintenance and repair,
- marketing, and
- demonstrating the ability to obtain financials, bonding, insurance and any other information required for execution of the grant agreement.

viii. CONFIDENTIALITY OF INFORMATION

MEA shall treat any information clearly and reasonably identified as confidential commercial information or as a trade secret by the Applicant in accordance with Maryland's Public Information Act (PIA) as set forth in Sections 10-611 *et seq.* of the State Government Article of the Annotated Code of Maryland.

xiv. Tax Impact

The Maryland Office of the Comptroller has determined that, based on IRS rules, a State grant is considered to be taxable income. A Form 1099-G will be issued for grants received through this grant program.

FOR MORE INFORMATION

Any questions regarding these guidelines and applications should be directed to:

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