



COLORADO
Department of Local Affairs

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Alternative Fuels Program (AFP) Policies

Introduction/Background

Partnership

The Colorado Department of Local Affairs (DOLA) has partnered with the Colorado Department of Transportation, the Colorado Energy Office (CEO) and the Regional Air Quality Council (RAQC) to support use of alternative fuel vehicles throughout the state by assisting with purchase of vehicles (AFVs) and fueling station infrastructure. The roles of the partner agencies may be found at www.dola.colorado.gov/afp.

There is a cost premium for alternative fuel vehicles that is a barrier for local governments switching their fleets to alternative fuel vehicles. DOLA will partner with local governments to offset the higher vehicle purchase cost of alternative fuel vehicles (AFVs), thereby accelerating local government adoption of AFVs, delivering fuel cost savings, reducing carbon emissions and building market demand for domestic energy sources that can be used for transportation. AFVs may include compressed natural gas (CNG), CNG bi-fuel, propane and plug-in electric vehicles.

DOLA will also support the development of fueling stations and other infrastructure necessary to the adoption of AFVs.

Application Coordination & Review

Applicants to the DOLA AFP are required to consult with our agency partners (CEO regarding fueling stations statewide, RAQC regarding AFVs within the state's nonattainment and maintenance areas) for 2 reasons:

1. to take advantage of their technological expertise
2. to assure coordination of funding, where appropriate, among agencies

For applications for vehicles in the ozone nonattainment/CO maintenance areas, applicants must consult with RAQC to determine eligibility for funding under that program. Once potential funding from RAQC has been determined, DOLA funding can be considered for incremental costs not covered by RAQC.

For applications for fueling stations, applicants must consult with CEO for technical support and coordination with projects under consideration by CEO.

DOLA will not review applications for stations or vehicles until CEO or RAQC, respectively, have been consulted and have provided comments.

Fund allocation

DOLA has earmarked \$20 million for its Alternative Fuels Program. This will be allocated equally between vehicles and fueling stations. This allocation can be transferred between vehicles and fueling stations, depending upon demand.

Vehicles

Light, medium and heavy CNG, CNG bi-fuel, propane and electric vehicles are eligible for this program. It is anticipated that applicants will seek grant funds to support purchase of AFVs when vehicles are routinely scheduled for replacement.

It is important to note that DOLA funding is available for the initial vehicle purchase only, and the local government is expected to build the increased cost of vehicle replacement into its fleet management program.

Applicants are encouraged to consult with RAQC or ReFuel Colorado energy coaches in determining appropriate vehicle replacement strategies.

Only purchase of Original Equipment Manufacturer (OEM) vehicles will be supported. Retrofitting of existing vehicles to alternative fuel use will not be supported. While we recognize that some local governments may typically purchase used fleet vehicles as a cost-saving practice, retrofitting such vehicles provides neither the functional assurance nor efficiency savings of a new AFV. With DOLA paying for the incremental cost of a new vehicle, local governments can realize immediate fuel savings to recoup the cost of that vehicle.

Applicants must demonstrate the ability to build replacement of AFVs into fleet management programs.

DOLA grants will support the incremental cost associated with an upgrade to an AFV, while the grantee's match will be considered to be the cost of a standard replacement vehicle.

In areas of the state that are not considered "nonattainment areas," (ozone nonattainment/CO maintenance) grants will support up to 100% of the incremental cost

In nonattainment areas (ozone nonattainment/CO maintenance), applicants must apply to RAQC for vehicle funding to determine potential assistance with incremental costs. For competitive applications in nonattainment areas, grants funds may be used to cover incremental costs not covered by RAQC funding.

Fueling Stations

Grant funds are available to support development of fueling stations. As with other capital construction projects, applicants are required to match grant funds on a dollar-for-dollar basis. In cases where the applicant's financial condition does not permit a 50/50 match, a minimum match of 25% is required.

DOLA funds can only be used to support development of publicly-owned fueling stations that can be used to fuel publicly-owned fleets. These fleets are often fueled by "slow fill" pumps that work best with vehicles that are parked for long periods such as overnight. CEO funds can be used to fund stations that are accessible to both publicly-owned and private fleets. Furthermore, stations funded by CEO must be accessible to the driving public, typically with "fast fill" pumps.

ALT Fuels partners are eager to explore funding partnerships. DOLA and CEO will prioritize opportunities for co-located slow-fill and fast-fill stations, accessible to not only public and private fleets but also citizens with AFVs. Furthermore, DOLA and CEO will prioritize jointly funding stations where funds are used in a complementary fashion to support such efforts.

Consultation with CEO in the development of applications for fueling stations will allow for maximizing complementary uses of funds and resolution of ownership issues that may arise.

Fleet Maintenance and Storage Facilities

In situations where adoption of AFVs requires special fleet maintenance or storage facilities, the AFP will consider grants to support acquisition of new or retrofit of existing facilities. As with other capital construction projects, applicants are required to match grant funds on a dollar-for-dollar basis. In cases where the applicant's financial condition does not permit a 50/50 match, a minimum match of 25% is required.

School Districts

Applications from school districts are generally not considered competitive in the EIAF program, unless funds are used to support facilities of benefit to the broader community. However, DOLA will consider applications from school districts for AFVs in an effort to increase demand for fueling stations, thus providing a broader community benefit.

Other

Biogas

The AFP will consider support for local government projects in which biogas generated at wastewater treatment facilities is transported to fueling stations for use in AFVs.

Utility Extensions

The AFP will consider applications to support utility extensions where this is necessary for fueling station development.

As with other capital construction projects, applicants are required to match grant funds on a dollar-for-dollar basis. In cases where the applicant's financial condition does not permit a 50/50 match, a minimum match of 25% is required.

Partner Agency Contacts:

Colorado Energy Office

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Regional Air Quality Council

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Colorado Alternative Fuels Funding Programs 2014-2017

	DOLA Alternative Fuels Initiative		Alt Fuels Colorado*	
	Vehicles	Fueling Stations	Vehicles	Fueling Stations
Program Website	dola.colorado.gov/afp	dola.colorado.gov/afp	www.cleanairfleets.org	www.colorado.gov/energy
Total Available Funding	\$10 million	\$10 million	\$15 million	\$15 million
Total Funding Per Applicant	Project specific	Project specific for CNG, co-located propane and EV fast chargers	Up to 80% of incremental vehicles cost(s)	Up to \$500,000 (or 80%) for CNG fueling equipment; up to \$50,000 for co-located propane and EV fast chargers
Eligible Applicants	Public Only: Municipalities, Counties, Special Districts and School Districts	Public Only: Municipalities, Counties, and Special Districts	Public and Private Fleets	Operators of Publicly Accessible Stations
Match	Vehicle standard purchase price; grant pays for AFV incremental costs	25% minimum local match	20% min. match (non-federal) of incremental vehicle cost up to caps based on weight classification	20% min. match (non-federal) for station equipment
Responsible Agency	DOLA	DOLA	RAQC	CEO
Point of Contact	DOLA Regional Managers	DOLA Regional Managers	Steve McCannon smccannon@raqc.org	Wes Maurer wes.maurer@state.co.us
Funding Zones: Vehicles	Both Attainment and Non-Attainment Areas	N/A	Counties containing air quality non-attainment/ maintenance areas	N/A
Funding Zones: Stations	N/A	Statewide	N/A	Publicly accessible, fast-fill stations in major transportation corridors
Application Cycle	April 1, August 1, December 1	April 1, August 1, December 1	3 rounds per year	Anticipated 2 rounds per year
AFV Fuel Options	CNG, CNG bi-fuel, propane, electric as appropriate after consultation with CEO (Refuel CO)	CNG with co-located electric and propane	CNG, CNG bi-fuel, propane, plug-in electric	CNG with co-located electric and propane

Partnership Opportunities: DOLA is looking to partner with CEO and RAQC on joint funding opportunities where appropriate. There may be opportunities to jointly fund fueling stations with both private and public bays.

* = Anticipated staggered funding - 2014: \$10 million; 2015: \$7 million; 2016: \$7 million; 2017: \$6 million. Early emphasis on station installation; later emphasis on fleet vehicle purchases.