

# Zero-Emission Fleet Grant and Funding Guidance

Supplemental addendum to Environmental Defense Fund's [Fleet Electrification Solutions Center](#) — a comprehensive guide for medium- and heavy-duty vehicle electrification — that provides fleets with information to assist successful adoption of electric Class 2b-8 vehicles.

## Section 1: Key Learnings

Successful grant applications often require a mix of contradictory practices- being expedient while also thorough. Preparing a fleet transition plan can allow your fleet to stay at the ready when opportunities arise, allowing your fleet to meet tight application deadlines. Using the best practices outlined below can support your fleet building a thorough, competitive application.

This guide has three tabs, beginning with summary recommendations. Read through the additional sections outlined below for detailed “how-to” information on the best practices. The best practices outlined in this guide will help your fleet prepare a competitive application and find funding opportunities.

### Stay ready to apply for opportunities

This guide provides tips that will allow your fleet to pursue funding when an opportunity opens. This step will ensure that your fleet is prepared to meet short application deadlines or take advantage of new funding opportunities as they arise. Below is a short list of materials to develop and keep on hand for upcoming grant application openings.

- [Maintain an updated project narrative](#) summary including the number of vehicles, a description of the charging or fueling equipment, and any fueling location power upgrade requirements.
- Create and store template letters of commitment and/or letters of support including project details as well as a list of potential supporters and their contact details.
- Keep project personnel resumes and bios up to date.
- Stay in contact with partners to advance your project where you can while anticipating grant funding.
- Keep a high-level timeline inclusive of critical milestones and update it regularly. Make progress where you can with what funding you have.
- Be responsive and able to adapt your project. Not all funding opportunities will be the same, make sure you have options to scale your project up and down for different opportunities.

### Best practices to prepare a competitive application

Preparing the following steps ahead of time will ensure that your fleet is ready and prepared to submit a competitive application when funding opportunities arise.

#### Section 2: Foundations of a competitive application

1. [Fleet Planning: Identify fleet vehicle goals and needs](#)
2. [Project Narrative: Describe project basics and purpose](#)
3. [Partnerships and Project Players: Know who is involved](#)
4. [Budget and Grant Preparation: Analyze and document project costs](#)

#### Section 3: Finding Funding Opportunities

5. [New and existing funding opportunities](#)
6. [Evaluate if an opportunity is a good fit](#)

## Section 2: Foundations of a Competitive Application

Before applying for a grant, follow the action steps below to ensure your team has a solid understanding of your ZEV project. This will result in stronger applications and your fleet will be better prepared to apply for prospective funding opportunities as they arise. Foundational concepts of an EV fleet project include:

### 1. Fleet Planning: Identify fleet vehicle goals and needs

A zero-emission fleet transition plan will be required by some grants but not all. Regardless, steps to conduct zero-emission vehicle feasibility studies and create a transition plan will mean your fleet already has these materials prepared when funding opportunities open. For additional information on feasibility studies, [see Phase 2, Steps 3 & 4](#). Key actions for your fleet:

- Maintain a database of all vehicles in the fleet to plan which vehicle can be retired and replaced by ZEVs when funding opportunities open. To do this, you will conduct a feasibility analysis on your fleet, outlined in [Phase 2, Step 3](#). Use the results of this analysis to plan for upcoming procurements, identify vehicles ready for retirement, and plan longer-term procurements for a full zero-emission fleet transition, detailed in [Phase 2, Step 5](#).
- Identify vehicles and associated infrastructure to include in the funding application. Staying up to date on the ZEV market allows your fleet to quickly identify commercially available ZEV options that meet fleet operational requirements. See [Phase 2, Step 5](#) for details.
- Use the steps outlined in [Working with Your Utility](#) and [Phase 2, Step 4](#) to identify location(s) for the project you are seeking funding for and the associated fueling infrastructure requirements.

### 2. Project Narrative: Describe project basics and purpose

Descriptions and evidence of project benefits and outcomes, environmental justice impacts, and workforce development will be important sections of most grant opportunities. Maintaining a high-level project narrative document that details these outcomes will allow your team to more quickly apply for grant opportunities when they open. These documents will also be useful when establishing goals, gathering buy-in, and aligning timelines with internal and external collaborators.

- Quantify project benefits and outcomes using public tools. Free, publicly accessible tools like [AFLEET](#) or [DRVE](#) can help you compare the total cost of ownership across different fuel types. The [GREET](#) model can help analyze emissions avoidances for greenhouse gases and criteria pollutants which is useful to calculate associated health and climate benefits. Resources like EDF's [Climate Vulnerability Index](#) can help your fleet identify community impacts and support stakeholder participation and engagements.
- Conduct a Workforce Development analysis with your training and staffing department. Understand how to integrate new trainings for vehicle and fueling infrastructure maintenance and operation into existing training structures. Survey the attitudes and experience of your existing operational staff towards zero-emission technology and create a change management plan. Think through new roles necessary to support the ZE fleet or projects and track hiring potential. Include partnerships with educational institutions, OEMs, and peer fleets where possible.
- Understand Environmental Justice conceptually and the project objectives and potential impacts within this context. Describe any environmental burden alleviation this project can offer. Having familiarity with federal tools will prepare you for this application component but be sure to use the specific tool specified by the grant opportunity for your application. A few examples of tools to measure environmental justice impact include:
  - Council on Environmental Quality's [Climate and Economic Justice Screening Tool](#)
  - US EPA [EJScreen](#)
  - US EPA [Greenbook of Nonattainment Areas for Criteria Pollutants](#)
  - Department of Transportation [Persistent Poverty & Historically Disadvantaged Communities](#)
  - EDF [Climate Vulnerability Index](#)

### 3. Partnerships and Project Players: Know who is involved

Enhance your readiness to apply and distribute the application workload by assembling your project team, which will include internal and external players, and leveraging their strengths. See [Phase 1, Step 2](#) for guidance. Remember these important steps when planning and seeking funding for your project:

- Include leadership in discussions at appropriate approval intervals.
- Leverage consultants when financially possible or seek planning grants to support this.
- Meet with industry partners like vehicle OEMs, fueling infrastructure OEMs, and fuel suppliers to stay informed of technology product offerings.
- Engage community groups and the public at regular intervals through various platforms like press releases, council meetings, town halls, and stakeholder workshops.

Maintain a brief description of these activities in your [project narrative](#) when developing your application.

#### **4. Budget and Grant Preparation: Analyze and document project costs**

Maintain a baseline project budget to identify funding gaps that the grant will address.

- Keep an up-to-date budget spreadsheet with a scalable feature. A full project budget along with smaller deployment or pilot project budgets will allow your team to take advantage of funding opportunities, both large and small.
- Regularly update these project budgeting documents to reflect the changing costs of equipment, construction and labor.
  - [Work with your utility](#) to track upgrade costs, timeline, and behind the meter responsibility.
  - Work with your equipment and vehicle manufacturers to align delivery timelines and ensure budget projections are up to date.
  - Track variables including timeline and inflation. Your budget should also evaluate potential cost shares, matching funds, and stacked funding sources.

### **Section 3: Finding Funding Opportunities**

#### **5. New and existing funding opportunities**

##### **Finding New Funding Opportunities**

Sources of funding for zero-emission vehicles can come from a variety of grantors including the federal government, state governments, private foundations, public-private partnerships, and in the form of tax incentives. Other federal and state agencies relevant to your fleet type or region may offer programs as well. Your team needs to stay tuned in to various departments and organizations to identify these funding opportunities. Below are a few grantor categories to research. EDF also offers a resource library with several resources related to funding [linked here](#).

##### **Federal Grantors**

- Environmental Protection Agency
- Federal Transit Administration
- Department of Transportation
- Department of Energy
- Formula Funds from various agencies

##### **State, Local & Other Funding Sources**

- Local Air Quality Districts
- State Level Environmental Protection Agency equivalents
- Voucher and Incentive Programs
- Legal Settlements like VW Mitigation Funds
- Local Transportation Funding Programs

- Utility Programs
- Carbon Markets Revenue
- Foundations & Public-Private Partnerships

## Maintaining Awareness of Existing Opportunities

If your company or organization has dedicated funding and grant managers, leverage this team's historical knowledge to support your fleet electrification efforts. If your fleet does not have access to a specialized team, ensure that you designate a team or hire external support to keep informed and track funding cycles. This team will:

- Monitor gaps in the annual capital budget and locate funding opportunities to close funding gaps.
- Research opportunities and track funding cycles and recurrent annual funding programs.
- Record when relevant opportunities are typically published and set reminders.
- Designate a point of contact from the fleet to join opportunity mailing lists. EDF and other organizations offer outreach lists that include emails detailing the release of relevant funding opportunities. Join by [contacting EDF's Fleet Electrification team](#).

## 6. Evaluate if an opportunity is a good fit

Review the eligibility and compliance criteria in a funding notice to prioritize opportunities before you allocate resources to an application effort, because not every funding opportunity will work for your fleet or ZEV project. Contact the grant administrator early if there are questions.

- **Determine eligibility.** Ensure your fleet is an eligible applicant and that the line items you are looking to fund are eligible costs. Grants can fund capital expenses and activities.
  - To determine **applicant eligibility**: Read through the applicant eligibility sections of solicitations to confirm if a description of your fleet is included.
  - To evaluate **eligibility of project costs**: Certain components or types of projects are eligible dependent on the program (cost eligibility), and often there are funding restrictions.
    - Cost eligibility: Ensure that your project is an eligible project type. Examples include planning project, deployment, and pilot program. Also ensure the vehicle fuel type you are looking to fund is listed as eligible.
    - Funding restrictions: Thoroughly read funding notices to understand what costs a grant will and *will not* cover, and if there are any cost-share requirements.
    - Understand what the funding notices explicitly state the grant will and will not pay for. Prepare a budget that includes costs covered by the grant and also plan for additional funding sources that will cover ineligible costs as well as your plan for meeting cost sharing requirements. Doing so will help your team evaluate if a particular grant is a good fit, inform the amount of the funding request, and ensure the financial feasibility of completing the project.
- **Ability to meet compliance obligations.** Compliance is an applicant's ability to meet all grant requirements.
  - If available, this section of the solicitation is best reviewed by your fleet's legal team who is more familiar with the laws your fleet is subject to and its governing body. The legal team can determine if any local or state rules or modes of operating that govern your fleet could be at odds with any grant requirements.
  - The vehicles and project equipment may also be subject to regulation. Bring in procurement personnel to review compliance sections who can ensure the team is able to meet competitive procurement and trade rules, if stipulated.
  - Review reporting requirements, expenditure deadlines, and data requirements to inform the timeline and labor needs to comply with the grant.