# Heavy Duty Alternative Fuel Rebate Program: Description and Guidance

## Purpose

The purpose of the heavy-duty fuel rebate program is to assist in offsetting the initial costs of purchasing an alternative fuel heavy duty class 7 or 8 truck (GVW >26,000 pounds). This program has committed an initial total sum of $400,000 for the purchasing of a Natural Gas heavy duty class truck. This rebate is for vehicles with dedicated compressed natural gas engines only; applications for bi-fuelled vehicles will not be accepted. Each rebate will be for up to $20,000 per vehicle purchased. For a list of vehicles available please visit DOE Heavy Duty Vehicle Search tool. (Please note that vehicles listed in this search are various classes of vehicles. It will be the responsibility of the applicant to ensure that the vehicle purchased meets the requirements of the rebate program.)

Delaware based fleets and businesses that operate class 7 and 8 vehicles are eligible and encouraged to apply. Propane or electric buses are not eligible for this program. Fleets must work through the dealer or dealer's representative to be eligible for this program. Please see the overview (here) for additional details.

The heavy duty truck rebate program is different from the light and mid-duty vehicle programs since applicants for this program will be required to submit proof of ordering the class 7 or 8 vehicle, as well as proof of payment. Only when the heavy duty truck is under the ownership of the motor carrier will the rebate will be released from the State of Delaware. Please give attention to the forms that are required for this rebate; any errors or illegible forms will be returned to the point of contact. For more information, please visit http://www.de.gov/cleantransportation

## Program

This program will accept applications for rebates from July 16th, 2015 through December 31st, 2016, or until funds have been exhausted, on a first come first serve basis. Funding for this program is limited, and a maximum of $20,000 will be given towards the purchase of a compressed natural gas class 7 or 8 vehicle. An official receipt of an application will be approved in writing by the Delaware Division of Energy and Climate. The Delaware Division of Energy and Climate reserves the right to close the program if funding runs out or extend the program based on availability of funding. Rebate awardees must continue to operate the applied for vehicle in the State of Delaware for a period of no less than 3 years and submit quarterly vehicle mileage to the Division of Energy and Climate for a period of 3 years.

A general overview of the heavy duty truck rebate program is seen below in Figure 1. For a more in depth explanation of definitions and the process for this rebate program, please click here

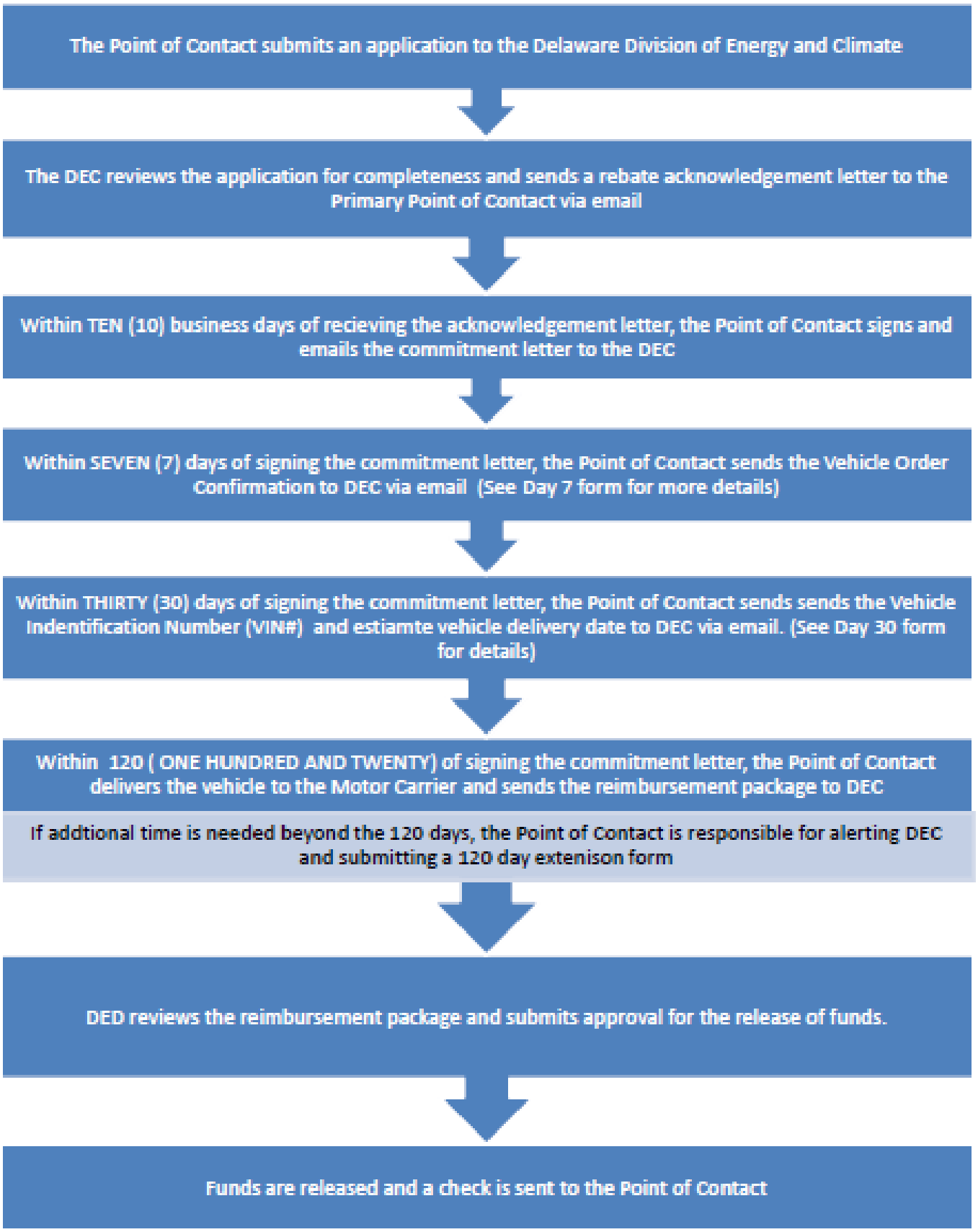


**Figure 1: Flowchart explaining the process for the Heavy Duty Vehicle Rebate Program**

## Applicant Eligibility

This program is open to Delaware commercial entities, non-profits, individuals or businesses located in or that have in-state affiliates in the State of Delaware. Applicants/Primary Points of Contact are responsible for ensuring that all paperwork is filled out correctly. Incomplete applications will be returned.

Motor Carriers (fleets) are limited to 5 awards under this rebate program. Heavy duty trucks that have been previously registered (in any state) or paid for by the Motor Carrier (other than a vehicle down payment in order to receive the rebate) are ineligible. Pre-owned electric trucks are not eligible for this grant program. Passenger-carrying (public transit, etc.) vehicles are not eligible.

## Vehicle Eligibility

The heavy duty natural gas vehicle rebate program is intended to assist in offsetting the initial costs of purchasing a heavy duty class 7 or 8 Freightliner M2/M11 heavy duty vehicle. The following criteria must be met in order to qualify for a rebate under this program.

- The vehicle must be propelled by a dedicated compressed natural gas engine.
- The vehicle must be a commercial, non-profit agency or public fleet vehicle.
- The vehicle must have a maximum speed capability of at least 55 miles per hour.
- The vehicle must be designed and intended primarily for use on public highways, streets, and roads.
- The vehicle must be capable of passing the Delaware Department of Motor Vehicles Inspection.
- The vehicle must be titled and registered in Delaware.
- The vehicle must be for the use of the applicant, and not for resale purposes.
- Leased vehicles ARE eligible for rebates. Lease agreements must be three or more years with a vehicle leasing agency. A copy of the lease agreement must be provided to the Division of Energy and Climate at the time of the rebate.
- Vehicles must have a gross vehicle weight rating of greater than (>) 26,000lbs.
- Exceptions may be granted on a case by case basis at the sole discretion of the Division of Energy and Climate.

### Ineligible Vehicles

- Vehicles purchased prior to the opening to this program are not eligible.
- CNG vehicles that have been previously registered (in any state) or paid for by the Motor Carrier (other than a vehicle or retrofit down payment in order to receive a rebate) are ineligible.
- Bi-fuel vehicles.
- Electric buses

## Tax Status of Vehicle Rebates

The Delaware Controller General's Office has determined that, based on IRS rules, a State Rebate is considered taxable income related to the Motor Carrier or Manufacturer (as it relates to leased vehicles). Therefore, a Form 1099-G will be issued for rebates received through the Delaware Heavy Duty Alternative Fueled Vehicle Rebate Program. Applicants are encouraged to consult a tax professional.
All rebate applicants **MUST** submit a W-9 form ONLINE. The link to the State of Delaware W-9 online page is https://w9.accounting.delaware.gov/W9form.aspx . Applications will not be processed without this documentation.

## Apply for a Rebate

To apply for A please download an application and submit the completed application via email to DNREC.Transportation@state.de.us or via mail to The Delaware Division of Energy and Climate, 100 W. Water Street, Suite 5A, Dover, Delaware, 19904. Applications must be signed by the applicant and all supporting documents must be submitted. Applications may be scanned and emailed to DNREC.Transportation@state.de.us or mail to the mailing address above.

**We encourage you to fill out the rebate application forms electronically. The applications are available in a fillable PDF form.** The Division of Energy and Climate strongly recommends utilizing these enhancements by filling out the forms electronically before printing and signing them. This will help ensure that all of the information is processed and sorted correctly.

**Any application package that is incomplete or is missing supporting documentation will be returned to the Primary Point of Contact (PPC) without being processed.**

### Application Material

- Rebate Application Form
- 7 Day Form
- 30 Day Form
- 120 Day Extension Form
- W-9 Link

### Rebate Reimbursement Package

After the Division of Energy and Climate sends the Commitment Letter to the PPC, and the project has been completed, the PPC must submit the Reimbursement Package. **As with the Application Package, the Rebate Reimbursement Forms are designed to be filled out electronically, if possible.** DEC strongly recommends utilizing these enhancements by filling out the forms electronically before printing and signing them.

Reimbursement forms contain a checklist of the documents that need to be submitted as part of the completion package. A link to the reimbursement form can be found here.

**Any completion package that is incomplete or is missing supporting documentation will be returned to the Primary Point of Contact without being processed.**

## Provisions

Awardees agree to use rebate funds only for the purposes and subject to the conditions and agreements stated in the Program Guidelines. DEC has the exclusive authority to determine whether funds will be or were expended in compliance with the purposes, conditions and agreements set forth under the Program Guidelines. Upon determination and notice by DEC that awarded funds will not be or were not expended in accordance with the Program Guidelines, DEC shall have no obligation to deliver any funds to Awardees pursuant to any agreement, and Awardees shall promptly return to DEC any awarded funds that may have already been delivered to Awardees.

## Frequently Asked Questions

Please click here to see a list of Frequently Asked Questions. If you have additional questions please email DNREC.Transportation@state.de.us