



Uinta Basin Oil and Gas Engine Exchange

A Targeted Air Shed Grant Program Grant Application

Company Name:			
Contact Person:	Title:		
Phone Number:	Office:	Cell:	
Address:	Street:		
	City:	State:	Zip Code:
Email:			
Requested Grant Amount:	\$		
Date Submitted:			

INTRODUCTION

The Utah Division of Air Quality (DAQ), a division within the Utah Department of Environmental Quality (DEQ), is soliciting proposals from oil and gas producers for non-road, stationary, natural gas engines in an effort to reduce NOx and VOCs, precursors to ozone formation, in the Uinta Basin nonattainment area.¹

HOW TO APPLY

Applicants must complete all required information outlined below and submit them via email to ubenginegrant@utah.gov:

- 1) Uinta Basin Oil and Gas Engine Exchange grant application with authorized signature
- 2) A clear, legible photo of the full engine on site for each engine replacement
- 3) A clear, legible photo engine plates capturing engine make, model, year, and serial number
- 4) A clear, legible photo citing location information for each engine
- 5) Fleet Description Form completely filled out for each engine
- 6) Budget Form completely filled out for each engine

Incomplete applications and/or applications without required attachments may not be considered.

¹ Nonattainment designation is determined by the EPA when an area or areas within a state persistently exceed the National Ambient Air Quality Standards. The nonattainment areas in the State of Utah for wintertime ozone are Uintah and Duchesne counties

ELIGIBILITY

Entities:

- Oil and gas producers in the Uinta Basin nonattainment area for wintertime ozone

Eligible Equipment:

- A natural gas engine that supports oil and gas production in the Uinta Basin
- Engine model years 2008 and older
- Engines within 25 to 100 horsepower range
- Old engine must be permanently disabled after the new engine is placed into service
- Be replaced with an engine that operates in the same function and area as the engine being replaced

Eligible Funding:

- Up to 40% off the cost to replace a qualifying natural gas engine

Existing Engines:

- Engines must be operable and operate a minimum of 500 hours in the Uinta Basin
- Funding must be used to retire engines sooner than they are regularly scheduled
- Engines must have a minimum of three years remaining in their useful life
- Engines being replaced must be scrapped or permanently disabled within 90 days of being replaced by drilling a three-inch-by-three-inch hole in the engine block

Replacement Engines:

- New engines must utilize the same fuel source and perform the same function and operation as the engine being replaced
- New engines must be Subpart JJJJ compliant
- New engines must remain in Uinta or Duchesne counties for a minimum of 5 years

ADDITIONAL INFORMATION

- The DAQ may elect to partially fund projects
- Successful applicants must agree to the terms of a separately executed grant agreement
- Successful applicants will have 2 years or until September 2024 (whichever comes first) from the time the application is approved to complete the project

CRITERIA

Projects will be awarded on a first-come, first-served basis, upon verification of eligibility, until funding runs out.

DAQ will quantify the project's cost-per-ton of emissions reduced, using engine specifications provided by the applicant in the Engine Fleet Description Form and Budget Form provided in the application.

Priority may be given to projects which achieve higher emissions reductions and lower cost-per-ton emissions reduced.

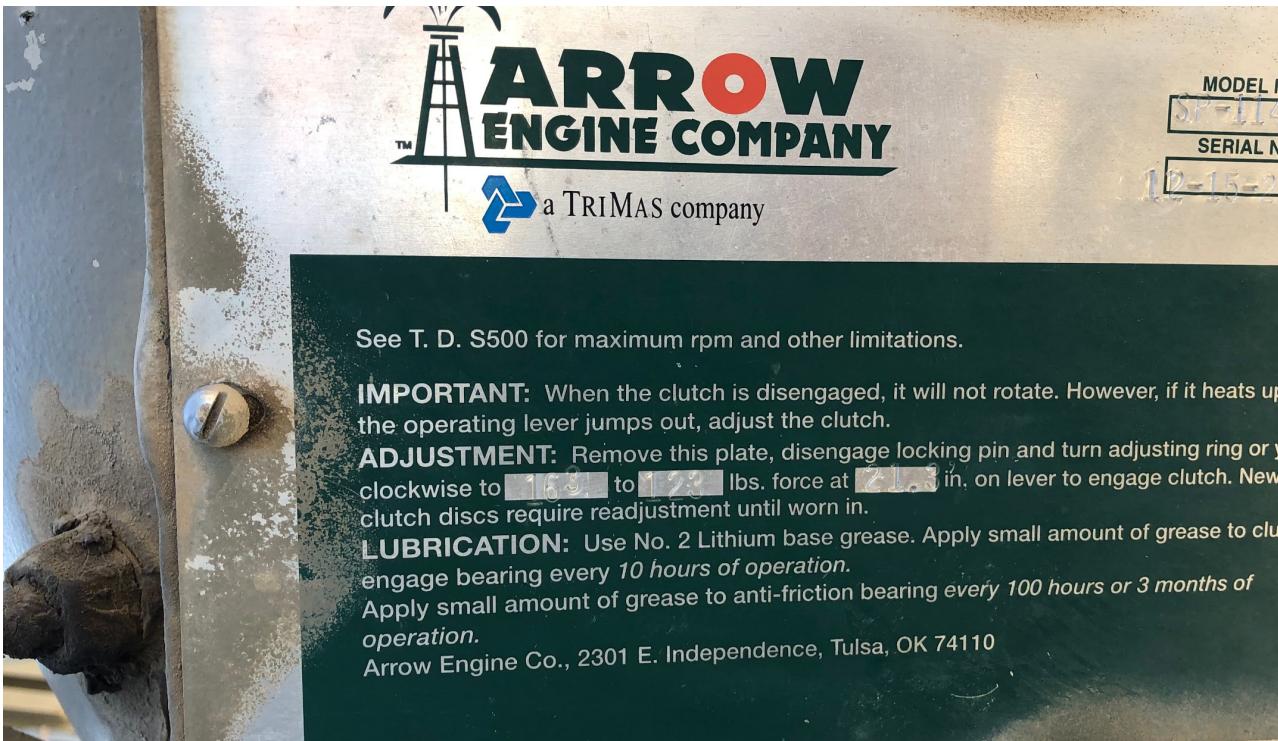
ENGINE PHOTO SUBMISSIONS

In addition to the Fleet Description Form, 1) photos of the engine, 2) the engine's labels, and 3) the location information are required as attachments to the application submittal. The photo(s) must be clear, legible, and capture the full label. This may require two to three photos of the left, center, and right sides of the label.

File attachments of the photos must be named as ***the last 4 digits of the serial number along with description of the photo (e.g. "7684 engine," or "7684 engine location"). Applications that include multiple engines must compress files into a zipped folder and attach in the application submittal email.***

Examples of photos:





In addition to providing responses to the following questions, please fill out the Fleet Description Form, which is downloadable from ubenginegrant.utah.gov.

1) Provide a brief summary of your project.

2) Please describe your engine fleet's normal attrition cycle and demonstrate that the proposed engine replacement projects would be going through an early retirement due to the availability of the UBOGEE grant funds. Explain how the replacement activities would not have occurred otherwise. On average, what is the remaining useful life of the engine(s) included in this application?

Note: Engine(s) must have a minimum of 3 years remaining in their useful life at the time of replacement.

Example: Whoville City typically retires natural gas engines every 50 years, depending on hours, condition, and operating expenses. The engine(s) in this application are currently operational and have, on average, four years remaining in their useful life. Without the UBOGEE grant funds, Whoville City would normally operate the engine(s) in their regular capacity until 2027.

3) Successful applicants will be reimbursed after the project has been completed. This includes the disabling of the engine(s) by drilling a three-inch-by-three-inch hole in the engine block (the part of the engine containing the cylinders) and submitting sufficient evidence to the Utah Division of Air Quality.

Note: Considering that DAQ will review applications quarterly (October 1, January 1, April 1, and July 1), and it may take two to three months to execute grant agreements/contracts, provide a time-line of milestones for specific activities, such as obtaining bids, placing orders for new equipment, engine installations, placing new engines into service, scrapping old engines, etc. **Include the month(s) and year(s) that you estimate these activities to occur.** **Successful projects may take up to two years to complete.**

4) Describe the daily/weekly/seasonal operation schedule for each engine.

Example: The five 75 horsepower natural gas engines operate in Whoville County, for 10 hours per day, 7 days per week, 52 weeks per year.

5) Provide the coordinates where each engine(s) is/are based. Include street address, city, and zip code when possible.

6) Describe the process by which your organization will purchase new engine(s) replacements to ensure low-cost purchases are made. a minimum of two bids is required for the purchase of the new engines. Please name the vendors you will get bids from and name the vendor you intend to make the purchase through.

7) Using the budget table on the following page, please provide a detailed budget for your proposed project. Include engine costs, quantity, components necessary for the new engine to operate in the same capacity as the original engine.² For engine replacement projects, provide estimated costs for labor. Each section should include a breakout of total costs for each funding source.

Eligible Projects and Funding Limits:

- Engine Replacements
 - Up to 40% for replacing natural gas engines with new natural gas engines certified to the most stringent Environmental Protection Agency (EPA) Emissions Standards

² Eligible expenses include necessary components for the replacement engine(s) to operate in the same function, operation, and capacity as the engine(s) being replaced

Uinta Basin Oil and Gas Engine Exchange Program Budget Form				Funding Sources		
Engine	Cost/Unit	QTY	Total	UBOGEE Requested Funding \$ Amount:	Applicant's Cost-Share \$ Amount:	Other Sources Funding \$ Amount:
Engine			\$ 0		Divide total "Engine" costs into appropriate funding source	
			\$ 0			
			\$ 0			
			\$ 0			
			\$ 0			
			\$ 0			
			\$ 0			
			\$ 0			
			\$ 0			
			\$ 0			
Total Engine Costs:		\$ 0		\$ 0	\$ 0	\$ 0
Other (If applicable, itemize necessary components for the replacement engine(s) to operate in the same function, operation, and capacity as the engine(s) being replaced)					Divide total "Other" costs into appropriate funding source	
			\$ 0			
			\$ 0			
			\$ 0			
			\$ 0			
			\$ 0			
			\$ 0			
			\$ 0			
			\$ 0			
			\$ 0			
Total Other Costs:		\$ 0		\$ 0	\$ 0	\$ 0
					Divide total "Labor" costs into appropriate funding source	
			\$ 0			
			\$ 0			
			\$ 0			
			\$ 0			
			\$ 0			
			\$ 0			
			\$ 0			
			\$ 0			
			\$ 0			
TOTAL LABOR \$ AMOUNT:		\$ 0		\$ 0	\$ 0	\$ 0
TOTALS (Equipment Costs + Labor Costs):				\$ 0	\$ 0	\$ 0
				0%	0%	0%
TOTAL PROJECT COST:		\$ 0		% of Total Cost For Each Category		

NOTE:
TOTALS
 (Equipment
 Costs + Labor
 Costs) and
TOTAL PROJECT
COST should
 equal each
 other.

8) Applicants must include the following required documents for their project to be considered for funding. If any required documents are not included, please identify the reason why below.

Required Application Documents

A clear, legible image file of the full engine for every engine replacement³

A clear, legible image file of the full engine label every engine replacement

Rename the aforementioned image files “XXXX (Engine Serial Number) Engine”

and “XXXX Engine Label” Complete, sign, and attach the application form

Complete and attach the Fleet Description Form

Complete and attach the Engine Projects Budget Form

Comments:

9) Certification:

I certify as if I signed my name that under penalty of perjury:

- i. I am duly authorized to request Uinta Basin Oil and Gas Engine Exchange funding, as described in this application, on behalf of the named entity and to submit all necessary information and documentation requested;
- ii. that the information I provided in this application and accompanying documents is true and correct, to the best of my knowledge;
- iii. I acknowledge, on behalf of the named entity, the requirements and conditions specified in this application;
- iv. I acknowledge on behalf of the named entity that approved projects must meet all eligibility requirements listed in a separately executed Grant Agreement;
- v. I acknowledge, on behalf of the named entity, that in order for the requested engine replacement to be funded, the named entity must provide all required information about each proposed new engine, each proposed engine must meet all eligibility requirements and pre-approved projects are not guaranteed reimbursement unless the entity complies with all terms specified in a separately executed Grant Agreement, including timely reporting and that prior to reimbursement, any replaced engine must be taken out of service and permanently disabled by cutting a 3 inch by 3 inch hole in the engine block.
- vi. I acknowledge on behalf of the named entity that any and all costs to complete this application and to meet the terms of a separately executed Grant Agreement are the responsibility of the named entity;

³ If multiple engine(s) are included in the application, please compress image files into a zipped folder and submit as attachments to the application submission email.

- vii. I acknowledge on behalf of the named entity that upon notification of award, an individual authorized to execute a Grant Agreement must sign and return the agreement within thirty (30) calendar days upon notification of an award and if the Agreement is not signed and timely returned, the DEQ may terminate the award; and
- viii. that approved projects must be completed within four years after executing the Grant Agreement in order to be reimbursed.

Applicant Name (print)

Applicant Signature

Date

Applicant Title

Questions about application submittals should

be directed to: Uinta Basin Oil and Gas Engine

Exchange ubenginegrant@utah.gov

Courtney Ehrlich 385-232-5157 or Sheila Vance 801-536-4001