

## WORKPLAN NARRATIVE

### 1. OVERALL PROJECT SUMMARY AND APPROACH

The Arkansas Department of Energy and Environment's (E&E) Division of Environmental Quality (AR DEQ) and the Oklahoma Department of Environmental Quality (OK DEQ) (hereinafter referred to collectively as "the Coalition") propose to undertake the greenhouse gas (GHG) reduction efforts described in this workplan if awarded funding under the CPRG implementation grants general competition. A brief overview of this project is also outlined in Arkansas's Energy and Environment Innovation Plan and Oklahoma's Priority Action Plan. Roles and responsibilities of each Coalition member are described in Table 1.

*Table 1 Coalition Roles and Responsibilities*

Entity	Roles and Responsibilities
AR DEQ	<ul style="list-style-type: none"><li>● Issuing subawards in accordance with <a href="#">EPA's Subaward Policy</a></li><li>● Coordinating with OK DEQ on the scope of work/selection for a third-party administrator to design and manage competitions for project selection</li><li>● Coordinating with OK DEQ on infrastructure and fleet competition proposal selection</li><li>● Overseeing subrecipients, and/or contractors and vendors</li><li>● Tracking and reporting on project progress on expenditures and purchases</li><li>● Tracking, measuring, and reporting accomplishments on proposed timelines and milestones</li><li>● Submitting semi-annual progress reports on grant implementation and planned activities to EPA</li><li>● Submitting detailed final report to EPA within 120 calendar days of the completion of the period of performance</li><li>● Community and stakeholder outreach and education within Arkansas</li></ul>
OK DEQ	<ul style="list-style-type: none"><li>● Complying with subrecipient requirements under <a href="#">EPA's Subaward Policy</a></li><li>● Assisting AR DEQ with scope of work development and the selection process for a program administrator</li><li>● Coordinating with AR DEQ on project selection</li><li>● Tracking and reporting to AR DEQ on project progress on expenditures and purchases by OK DEQ</li><li>● Tracking, measuring, and reporting to AR DEQ on OK DEQ accomplishments and proposed timelines and milestones</li><li>● Community and stakeholder outreach and education within Oklahoma</li></ul>

#### a. Description of GHG Reduction Measure

The Arkansas Department of Energy and Environment's Division of Environmental Quality and the Oklahoma Department of Environmental Quality propose to incentivize installation and operation of hydrogen fueling and electric vehicle charging infrastructure for heavy-duty vehicles on US Highway 412 and Interstate 40. The agencies further propose to incentivize the replacement of heavy-duty diesel trucks with fuel-cell and battery-electric equivalents and to build state capacity to study and further support the deployment of hydrogen fueling and electric vehicle charging options across the states. The Coalition proposes to select project sponsors to receive incentives by implementing two competitive application

processes. To develop the necessary labor force to ensure this and future projects can be successful and with a deliberate intention of creating quality jobs, a significant workforce development program will be crafted. This measure was submitted as part of Arkansas’s Energy and Environment Innovation Plan and Oklahoma’s Priority Action Plan.

The first competition will solicit applications from businesses in Arkansas and Oklahoma to construct and operate hydrogen refueling and direct current fast-charging (DCFC) infrastructure for medium- and heavy-duty trucks traveling on US Highway 412 and Interstate 40. The Coalition anticipates providing funding for the deployment of such infrastructure at three sites: one located within a mile of US Highway 412 near the intersection of US Highway 412 with Interstate 49 in Springdale, Arkansas, one located within one mile of US Highway 412 near the intersection of US Highway 412 with Interstate 44 in Tulsa, Oklahoma, and one located within one mile of Interstate 40 in Central Arkansas.

The second competition will solicit applications to replace class 8 heavy-duty diesel trucks with hydrogen fuel-cell or battery-electric equivalents. Removing replaced diesel trucks from corporate use will be a condition of receiving funding under this competition. This competition will incentivize fleet transition in Arkansas and Oklahoma for early adopters of zero-emissions heavy-duty vehicles in each state.

To maximize federally awarded funds, the Coalition proposes to leverage existing federal and state tax incentives for this project. The expected federal tax incentives will help offset the cost of the Hydrogen refueling units, fast charging electric vehicle supply equipment (ESVE), and vehicle replacement. The state tax incentives will decrease costs for the participants for hydrogen refueling units, fast charging ESVEs, and replacing diesel truck with fuel cell EV Trucks. A detailed breakdown of expected tax incentives can be found in the Program Costs tab of the GHG Emissions Reductions Calculation attachment. The Coalition also expects there to be future private investment to help expand hydrogen and electric vehicle transportation solutions in Arkansas and Oklahoma.

For this project to be successful there are several important tasks that need to be accomplished. Table 2 details these tasks and associated milestones for implementation of this proposal. All the items in Table 2 will occur within the prescribed period of performance, October 2024 – October 2029.

*Table 2 Tasks and Milestones*

Task #	Task Description	Anticipated Milestone Dates
1	Selection of a third-party administrator for incentive competitions	Approximately 90 days after grant award
2	Preparation of a program guide, application, and promotional and community engagement materials	January 2025
3	Educate stakeholders and communities about program guide and solicit applications for projects	January 2025
4	Refine the workforce development strategy and generate an actionable plan	February 2025
5	Review applications, select projects, and enter into agreements with project sponsors	April 2025
6	Provide technical assistance to project sponsors for the duration of the project	June 2025 until all projects are complete, est. June 2027
7	Continued community engagement during and following project implementation	June 2025 until all projects are complete, est. June 2027

7	Disburse funds to project sponsors	Funds disbursed upon project completion and satisfaction of all agreement terms, est. June 2027
8	Continued community outreach; needs assessment and capital fundraising for additional medium- and heavy-duty zero-tailpipe-emission infrastructure and fleet transition projects	Ongoing; October 2024 – October 2029

Before and during the execution of the above tasks, it is crucial to identify, assess, and mitigate risk. To successfully implement the program, initial risks have been identified and mitigation measures have been developed for each risk to limit the impact on the program and the proposed measure. Table 3 details anticipated risks associated with measure implementation and the associated mitigation strategies.

*Table 3 Risks and Mitigation Strategies*

Risk	Effect on GHG emission reductions	Mitigation Strategy
Delays in program administrator selection process	Delay in overall timeline yielding less cumulative GHG emission reductions in the near-term (2025 – 2030)	Utilize an existing statewide contract or develop request for proposals documentation between announcements of awardees and receipt of assistance agreement to allow for additional time
Project delays or cost overruns	Delays may reduce cumulative GHG emission reductions in the near-term (2025 – 2030)	Ensuring a robust and well-thought-out business plan, budget and timeline will be a significant component of the application evaluation criteria
Actual costs for infrastructure lower than proposal estimates	Increased cumulative GHG emission reductions in the medium and long-term	High-end cost estimates from truck stop operators with recent experience deploying hydrogen fueling and electric vehicle charging for heavy-duty applications were used to develop the budget and incentive levels for this proposal. The incentive competitions will be structured such that any unallocated funds after initial projects are selected will be used to fund additional zero-tailpipe emissions heavy-duty vehicle charging and fueling sites and/or additional heavy-duty vehicle replacement projects.

One-time competitions not fully subscribed	A delay in obligations due to lack of participation may reduce cumulative GHG emission reductions in the near-term (2025 – 2030)	This proposal assumes two one-time competitions: one for infrastructure and one for vehicles. However, the Coalition will reopen competitions to select and fund additional projects.
Skilled-labor shortage	Insufficient workforce to construct, maintain, and operate the refueling stations and vehicles which will delay GHG reduction efforts	Develop a workforce strategy that creates a workforce with the capacity and capability to accomplish this and future projects

As an additional risk mitigation, the Coalition will promote the project to maximize its effectiveness. Both states are committed to supporting investments that diversify energy, reduce pollution, create high-quality jobs, spur economic growth, enhance quality of life, and improve overall health outcomes for their residents. This proposal represents an opportunity to promote zero-tailpipe emissions for heavy-duty transportation, to improve economic viability of zero-emission technology, and establish experience and trust with these new technologies. Table 4 demonstrates how this proposed measure relates to GHG reduction measures in Coalition member PCAPs.

*Table 4 Alignment with Coalition Member PCAPs*

Measure	PCAP Title(s) and Page Numbers
Reducing emissions of air pollution and increasing transportation fuel choice through the deployment of clean transportation infrastructure and vehicles	Arkansas Energy and Environment Innovation Plan Priority Action Plan, page 17, and Appendix C page 42 – 43; Oklahoma’s Priority Action Plan, pages 11 – 14

The Coalition’s proposed clean transportation corridor will advance several EPA goals and achieve the CPRG program objectives. The implementation of this project will allow for:

1. Significant and sustained reductions in GHGs as detailed in the impact of the GHG Reduction Measures section of this proposal;
2. Substantial community benefits (such as reduction of criteria air pollutants (CAPs) and hazardous air pollutants (HAPs)), particularly in low-income and rural communities as detailed in the Environmental Results and Low-Income and Rural Communities sections;
3. Complement other funding sources to maximize these GHG reductions and community benefits as described in the demonstration of funding need; and
4. Establishing a replicable program that can be scaled across multiple jurisdictions.

b. Demonstration of Funding Need

With current infrastructure and energy funding available to states to reduce emissions from electricity and hydrogen production, the timing is right for EPA to invest in the proposed project to complement the federal government’s other investments. While other federal programs offer funding of similar projects, the magnitude of the investments to offset the costs and risks of novel zero-tailpipe transportation technologies is great and requires additional support. Further, grant funding will be used to improve

capacity at the state level to pursue other federal opportunities to expand upon this proposal and fully implement Arkansas and Oklahoma's shared clean transportation vision.

The requested funding from the CPRG program is absolutely necessary to initiate the diversification of fuel sources in both Arkansas and Oklahoma. The funding is imperative to the success of this project, which is unlikely to occur without the fiscal support of the EPA. If awarded, the funding is expected to be the catalyst to diversify the region's energy portfolio that will inevitably have to be funded through private investment.

A list of federal and non-federal funding sources that Coalition members have explored or applied for related to the proposed measures is provided below.

- Clean Heavy-Duty Vehicles Program, EPA
  - This program will distribute \$1 billion in funding for clean-heavy duty vehicles and will include funding for zero-emission vehicle infrastructure, workforce development and training, and planning and technical activities.
  - The Coalition agencies are awaiting the notice of funding opportunity, anticipated spring 2024.
  - If awarded to Arkansas or Oklahoma, this funding could complement this proposal and result in further additional zero-emission vehicle adoption and deployment. By combining this proposal and the additional funding under the Clean Heavy-Duty Vehicles program, the Coalition will be able to maximize the vehicle incentive portion of this proposal which will result in further emission reductions and stimulate private investment.
- Charging and Fueling Infrastructure Grants, United States Department of Transportation (US DOT)
  - This program will competitively distribute \$2.5 billion in funding to deploy electric vehicle charging infrastructure and other fueling infrastructure in urban and rural communities and along designated alternative fuel corridors. Neither Arkansas nor Oklahoma received funding under the first tranche.
  - If awarded, this funding opportunity is expected to complement this proposal. A portion of this proposal's budget is dedicated to increasing state capacity to evaluate the need for and develop competitive grant applications for additional funding opportunities related to medium- and heavy-duty zero-tailpipe emissions transportation infrastructure and fleet transitions.
- Commercial Electric Vehicle and Fuel Cell Electric Vehicle Tax Credit, Internal Revenue Service (IRS)
  - This incentive offers a tax credit amount equal to the lesser of 30% of the vehicle purchase price for electric vehicles and fuel cell electric vehicles and the incremental cost of the vehicle compared to an equivalent internal combustion engine. The incentive is capped at \$40,000 per vehicle, which is much lower than 30% of the vehicle purchase price or the incremental cost of the vehicle compared to an equivalent internal combustion engine for class 8 heavy-duty trucks. Cost estimates in Argonne National Laboratory's Alternative Fuel Life-Cycle Environmental and Economic Tool (AFLEET) indicate that the cost differential between a battery-electric class 8 combination long-haul truck and a diesel equivalent is \$700,000 and the differential between a fuel-cell electric class 8 combination long haul truck and a diesel equivalent is \$250,000. This tax credit is not sufficient to offset

the cost differential between novel zero-tailpipe emission heavy-duty vehicles and traditional diesels.

- This proposal assumes that selected projects will take advantage of this tax credit and is intended to make up the difference in this and other available tax credits towards offsetting the differential cost from traditional diesel equivalents for fuel-cell heavy-duty vehicles and further offset the differential for battery electric-heavy-duty vehicles.
- Alternative Fuel Infrastructure Tax Credit (IRS)
  - This incentive offers a tax credit for alternative fuel vehicle refueling property in qualified locations in an amount up to \$100,000 per item. Compared to the estimated cost of \$2.5 – \$3.5 million for heavy-duty battery electric vehicle charging and \$10 - \$14 million for heavy-duty fuel cell electric vehicle refueling infrastructure, \$100,000 per item is not nearly enough to offset the high cost and risk associated with deploying these technologies. To become economically viable, these infrastructure assets require significant incentives to until enough of the heavy-duty fleet transitions to battery-electric and fuel cell technologies. Without the reliability of fueling and charging availability from these infrastructure assets deployed across the country, long-haul truck fleet operators are unlikely to make these transitions.
  - This proposal assumes that selected projects will take advantage of this tax credit and is intended to make up the difference in upfront cost for deploying this infrastructure.
- Oklahoma Tax Credits
  - The State of Oklahoma provides a tax credit of up to \$100,000 for class 8 fuel cell trucks (See Oklahoma Statutes 68-2357.22). The maximum tax credit amount is insufficient to mitigate the cost differential between heavy-duty fuel cell trucks and diesel equivalents. This tax credit is not available for class 8 battery electric trucks.
  - The State of Oklahoma provides a tax credit for 45% of the cost of installing commercial alternative fueling infrastructure (See Oklahoma Statutes 68-2357.22). The amount available for all tax credits claimed is \$10 million per year.
  - This proposal assumes that selected projects will take advantage of this tax credit and is intended to make up the difference in upfront cost for deploying this infrastructure and transitioning fleets.
- National Electric Vehicle Infrastructure (NEVI) program, US DOT
  - This program provides \$5 billion in formula funding to states to plan and build out electric vehicle charging infrastructure along major highways. States are primarily leveraging this funding to build out charging infrastructure suitable for light-duty battery electric vehicles which helps with overall energy transition but does not directly impact this proposal.
  - Volkswagen Environmental Mitigation Trust Both Arkansas and Oklahoma have offered grants and rebates for public electric vehicle charging stations through the Volkswagen Environmental Mitigation Trust. These offerings targeted light-duty vehicle electric charging infrastructure, not heavy-duty infrastructure. These funding opportunities are now closed with projects complete or nearing completion.
  - Both Arkansas and Oklahoma offered grants for alternative-fuel heavy-duty truck replacement projects. These funding opportunities are now closed with projects complete or nearing completion.

- Diesel Emission Reduction Act Programs (DERA)
  - Arkansas and Oklahoma implement grant programs under EPA's State Clean Diesel Grant Program and EPA directly implements a national DERA competition.
  - Recent allocations to the Arkansas and Oklahoma programs are \$513,944 and \$516,695, respectively. These amounts would only cover the differential cost of two fuel cell class 8 truck replacement projects in each state and would not cover the differential cost for a single battery-electric class 8 vehicle. In addition, these funds may also be used for several different on-road and non-road diesel emissions reduction project types.
  - This proposal complements DERA and other initiatives allowing a larger and swifter transition to zero-tailpipe emissions heavy-duty vehicles.

#### c. Transformative Impact

In recent years, hydrogen has emerged as an important element for energy diversification necessary to secure an independent U.S. energy future. Its versatility, high energy density, and ability to be produced by a wide range of sources makes it an attractive option for sectors interested in reducing their carbon footprint such as transportation, power generation, and industrial processes. It is a vital aspect of Arkansas's and Oklahoma's shared long-term vision to advance energy innovation in a way that enhances our energy security and reduces emissions.

Electric vehicles, both battery electric and hydrogen fuel cell, are burgeoning technologies that face challenges to adoption in the heavy-duty transportation sector, such as high costs to switch technologies, minimal supporting infrastructure, availability of vehicles and parts. The Coalition proposes to reduce these barriers in regions of our states ripe for early adoption of these technologies. In these areas there is a growing support for alternative fuel fleet upgrades. Northwest Arkansas is home to several Fortune 500 companies that are global leaders in logistics and high-tech manufacturing, serve as incubators for startup businesses in their respective industries, and support new transportation technologies. Several of these companies have already invested in heavy-duty hydrogen-fueled vehicles. The Coalition plans to designate US Highway 412 and Interstate 40 as Clean Transportation Corridors and to implement incentives to enable fleets to transition to zero-emissions technology. The CPRG incentives will drive the transition from current economics to a marketplace where zero tailpipe emission vehicles can be offered at a competitive cost to fleet operators. This represents a major step towards making hydrogen and battery electric vehicles a viable solution for reducing transportation emissions in the region.

The proposed project alone is very beneficial for the region. However, its impacts and area of influence can increase exponentially. With other states such as Arizona and New Mexico pursuing similar projects along a main artery for the logistics network of the nation (the I-40), these increased benefits can be realized. This proposal would complement other concurrent projects by compounding the benefits and the likelihood of swift fleet turnover to zero-tailpipe emission vehicles if several projects were implemented within a short timeframe. With the current infrastructure and energy funding that is available to states through federal sources, the timing is right for a project of this magnitude. Kickstarting clean transportation options for heavy-duty trucks will pay dividends far beyond the initial investment as the technologies become mature, costs reach parity with traditional fuel sources, and emissions are reduced across the federal interstate system.

## 2. IMPACT OF GHG REDUCTION MEASURES

### a. Magnitude of GHG Reductions from 2025 – 2030 and 2025 – 2050

Implementation of this measure is anticipated to reduce carbon dioxide (equivalent) by 5,934 mtCO<sub>2</sub>e in 2026 and 11,867 mtCO<sub>2</sub>e each year thereafter. Using these figures, the following GHG reductions were calculated for the specified time periods:

**2025 – 2030** cumulative GHG reductions are estimated to be 41,536 mtCO<sub>2</sub>e

**2025 – 2050** cumulative GHG reductions are estimated to be 278,884 mtCO<sub>2</sub>e

These annual and cumulative GHG emission reduction values represent emission reductions achieved attributable to CPRG implementation dollars consistent with the following formula:

$$\text{Quantified GHG reductions from CPRG funding} = [(\text{Requested CPRG funding}) / (\text{Total funding to implement measure})] \times (\text{Total estimated GHG reductions of measure})$$

Further details on quantification methods, relevant assumptions, annual emission reduction estimates, and any uncertainties associated with the estimates are provided in the Technical Appendix to this application.

Implementation of the proposal will result in durable GHG emission reductions. The anticipated equipment life for zero-tailpipe emissions infrastructure and heavy-duty vehicles incentivized by this proposal is 28 years.

### b. Cost Effectiveness of GHG Reduction

Implementation of the proposal is highly cost-effective. The near-term cost-effectiveness of the proposal, (cost per mt CO<sub>2</sub>e for 2025 – 2030 cumulative reductions) is \$1,966.52/mtCO<sub>2</sub>e reduced. Because of the long-term nature of this infrastructure, additional emission reductions achieved over the 2025 – 2050 CPRG planning horizon make this proposal even more cost-effective at \$292.89/ mtCO<sub>2</sub>e reduced. Costs associated with this proposal are detailed in the Budget Table spreadsheet accompanying this application.

### c. Documentation of GHG Reduction Assumptions

Please reference the technical appendix for assumptions.

## 3. ENVIRONMENTAL RESULTS – OUTPUTS, OUTCOMES, AND PERFORMANCE MEASURES

This proposal supports EPA’s Strategic Plan Goal 1, “Tackle the Climate Crisis” and its primary objectives by achieving significant and sustained reductions in GHG emissions and creating a foothold in the mid-south for further private investment in zero-tailpipe emissions heavy-duty freight technologies.

### a. Expected Outputs and Outcomes

Outputs from this proposal include:

- Replacement of fifty (50) class 8 long-haul trucks with zero-tailpipe emission equivalents;



- Installation and operation of three heavy-duty zero-tailpipe emissions charging and fueling sites with a minimum of two hydrogen refueling lanes and four 350 kW direct current fast charging EVSEs per site;
- Community meetings and other meaningful engagement in project development in infrastructure and fleet host communities;
- Creation of approximately 540 jobs with many being trained through the workforce development program this project will implement
- Additional state capacity to further evaluate, support, and pursue funding for further zero-emissions heavy-duty fleet transitions and infrastructure deployment;
- Extensive benefits to the community including production of quality jobs and economic benefits to the community;
- Semi-annual progress reports<sup>1</sup>; and
- Detailed final report.

Outcomes from this proposal include:

- Reduction in cumulative metric tons of GHG emissions:
  - **Estimated cumulative GHG reductions for 2025-2030:** 41,536 metric tons CO<sub>2</sub>e
  - **Estimated cumulative GHG reductions for 2025-2050:** 278,884 metric tons CO<sub>2</sub>e
- Reduction in annual criteria pollutant (CAP) and hazardous air pollutant (HAP) emissions in 2030

Pollutant	Tons Reduced
Carbon monoxide	34
Nitrogen oxides	42
Coarse particulate matter (PM10)	0
Fine particulate (PM2.5)	0
Volatile organic compounds (VOC)	1

- Stronger, trusted relationships between infrastructure and fleet host communities with the states, fleet operators, and zero-tailpipe emissions infrastructure operators
- Complementary additional zero-tailpipe emissions infrastructure and vehicle investments in the states

#### b. Performance Measures and Plan

The Coalition has established the following performance measures to track progress concerning successful processes and output/outcome strategies:

- Semi-annual tracking and reporting of project progress on expenditures and purchases related to this project in each state;
- Semi-annual tracking, measuring, and reporting accomplishments on proposed timelines and milestones in each state;

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<sup>1</sup> Beginning with the second semi-annual report, reporting will include detailed quantified benefits to low-income and disadvantaged communities, including changes in co-pollutant emissions, and provide updates on ongoing and planned community engagement.

- Number of public relations, community engagement, and education events and their locations in each state;
- Number of jobs created directly by this project;
- Number of individuals that receive training as part of the workforce development component of this proposal;
- Actual GHG emission reductions and associated CAP/HAP changes;
- Number of companies transitioning heavy-duty trucks to battery electric and fuel cell electric vehicles and the number of such vehicle replacements per company; and
- Number of additional heavy-duty zero-tailpipe emissions charging and fueling infrastructure deployments supported by each state.

Coalition partners will track progress for each performance measure within their state and report such progress to AR DEQ. AR DEQ will provide a status update with respect to each performance measure to EPA in the semi-annual reports and final report using such forms as EPA may require.

#### c. Authorities, Implementation Timeline, and Milestones

AR DEQ and OK DEQ have the authority to receive federal funds and carry out zero-tailpipe emissions infrastructure and vehicle incentive programs. The overarching roles and responsibilities of each Coalition member are detailed in Table 1 of Section 1 of this proposal. A detailed implementation timeline—including tasks, key milestones, and key actions needed to meet measure goals and objectives by the end of the grant period—for each measure is provided in Table 2 and Section 1.a of this proposal.

## 4. LOW-INCOME AND RURAL COMMUNITIES

### a. Community Benefits

AR DEQ's and OK DEQ's investment along the US Highway 412 transportation corridor between Tulsa, Oklahoma, and Springdale, Arkansas along with Interstate 40 in Central Arkansas will produce significant and targeted benefits for the region. Benefits will accrue to low-income and rural communities (identified by census tracts; further described in Section 4.b) and can be parsed into two types: direct benefits and indirect benefits. This project proposal does not anticipate disbenefits accruing to the low-income and rural communities identified below. Additionally, while net-impacts to these communities will be positive, the Arkansas and Oklahoma Clean Transportation Connection project is not without risks. AR DEQ and OK DEQ have carefully developed mitigation strategies for each subsequently identified risk.

Expected benefits apply directly to census tracts containing hydrogen fueling and electric charging stations and indirectly to census tracts in the surrounding areas. For example, a hydrogen charging station might directly contribute to GHG reductions in a given census tract while fostering hydrogen powered vehicle adoption, air quality improvement, and develop local jobs in the surrounding tracts due to fueling station or logistics center proximity. The below table describes direct benefits in further detail. **Benefits apply to a low income and rural community (LIRC) population of ~1.27 million people** in the following regions: Little Rock, Arkansas; Springdale, Arkansas; Northwest Arkansas (Rogers, Arkansas); and Tulsa, Oklahoma.

Expected Benefit Type	Benefit Description	Benefit Impact
Increased resilience to climate change; GHG reduction and climate adaptation benefits	Air quality benefits resulting from heavy-, medium-, and light duty vehicles using hydrogen along this corridor would be widespread and would positively affect many LIRC communities in OK and AR.	<b>Quantitative:</b> 41,536 mtCO <sub>2</sub> e reduced through 2030
Improved access to services and amenities	Establishment of three fueling stations along major interstates and thoroughfares in AR and OK improves access for commercial travelers	<b>Qualitative:</b> Hydrogen powered vehicles offer a viable alternative that can help improve mobility and access for essential services like healthcare and education.
Decreased energy costs and improved energy security from energy efficiency improvements and more resilient energy source	While the current price of hydrogen is higher than gasoline, fuel cells are approximately 2.5 times more efficient than gasoline engines. Combined new vehicle purchase incentives encourage buyers to adopt this more efficient fuel source.	<b>Quantitative:</b> 250% efficiency increase compared to gasoline powered engine <sup>2</sup>
Reduced noise pollution	Much like electric cars, hydrogen powered vehicles are much quieter than those that use conventional internal combustion engines.	<b>Quantitative:</b> Anticipated 50% decrease in noise pollution compared to diesel truck counterparts <sup>3</sup>
Direct job creation	The construction and operation of hydrogen fueling stations offers immediate and sustainable employment opportunities for local residents.	<b>Quantitative:</b> Approximately 540 local laborers employed for site preparation and construction, as well as for ongoing opportunities (station maintenance and administrative staff)

<sup>2</sup> [California Air Resource Board – Hydrogen Fuel Incentives](#)

<sup>3</sup> [Keyou Trucks – Low-noise logistics mobility study](#)

Skilled-labor development	Through the workforce development component of this proposal, individuals will receive industry specific training.	<b>Qualitative:</b> Maximize the number of individuals trained by leveraging partnerships and the requested federal funding
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The direct benefits will allow the community to see a direct impact to their everyday lives; a tangible way that the proposed measures will positively impact the community. As a byproduct of these direct benefits, the community will also experience many indirect benefits as well.

#### Indirect Benefits:

- **Economic Benefit:** As the charging and refueling infrastructure is built upon/near major roads and highways in the area(s), communities will also receive more travelers stopping in the area to utilize the new infrastructure. As a result of these travelers stopping, the local businesses will receive more customers than previous years and will see an indirect economic benefit as a result. This also can lead to an increase in jobs beyond those jobs created directly from the construction and operations of the fueling station.
- **Health Benefits:** An indirect benefit of the proposed GHG reduction measure will be a personal benefit to the residents in the community. The project will give residents a cleaner community to live in, therefore creating a healthier environment for their families and everyday lives. Studies have shown that higher emissions lead to various health risks such as heart and lung disease. By reducing emissions, the Coalition will be able to indirectly provide health benefits to the residents within the community.

The proposed GHG reduction measure will bring numerous benefits to the community through quantifiable benefits and more indirect, qualitative benefits. The communities' residents will continue to benefit from the measure through economic and health benefits as a result of the emissions reduction. The Coalition believes that this measure will be a beacon of positive change to the proposed areas of Arkansas and Oklahoma through the direct benefits resulting from the measure and the indirect benefits that occur following the implementation of the project.

Although there are many benefits, building three hydrogen fueling stations along highway corridors in Arkansas and Oklahoma presents potential risks for low-income communities residing along these routes. Risk of accidents or leaks during the storage, transportation, or dispensing of hydrogen, could result in explosions or fires. Low-income communities, often lacking adequate emergency response infrastructure, might face heightened danger and limited access to prompt assistance. To mitigate this risk, rigorous safety protocols, regular inspections, and community education programs on emergency response procedures will be implemented. Additionally, the construction of fueling stations requires land acquisition or development, potentially displacing residents or disrupting communities, particularly those with limited resources to advocate for their rights. Ensuring transparent and inclusive decision-making processes, along with providing adequate compensation and relocation assistance, if necessary, can help mitigate the adverse impacts on low-income communities. Overall, while the deployment of hydrogen infrastructure holds promise for reducing carbon emissions and fostering sustainable transportation, careful consideration of its potential risks and equitable mitigation strategies is essential to ensure that the benefits are shared inclusively across communities.

As a part of the Coalition, AR DEQ and OK DEQ are committed to continued community benefits through the proposed GHG reduction measure. An effective plan to positively impact the community must include the planned assessments of the community through various stakeholder engagement efforts to monitor the impact of the proposed GHG reduction measure on the community.

The Coalition plans to conduct multiple stakeholder engagement sessions for a targeted and direct outreach to residents in the community. The stakeholder engagement sessions will likely consist of an overview of the proposed measure, potential emissions reduction, and an opportunity for community residents to voice their opinions on the impact to the community. Additionally, the Coalition plans to conduct a survey to reach residents in the proposed area of the measure. This survey will include quantifiable metrics to understand the impact to the community and how the Coalition can implement additional benefits to further the positive change that the measure has in the lives of the residents. By surveying the residents on certain metrics and providing information such as the possible number of local businesses used for construction of refueling infrastructure, the Coalition will begin to assess, quantify, and report on the community benefits as a part of the proposed measure. Through the analysis of impact metrics, the Coalition can understand the impacts to the community and inform future understanding on how to positively benefit the residents around the proposed measure.

In an effort to build the labor force to support this and future projects, a workforce development strategy needs to be created. In crafting a workforce development strategy, one of the first things that needs to occur is understanding the current state of the workforce. This is accomplished by assessing the workforce and identifying gaps. Stakeholder involvement is key to developing this understanding. Input from engaging with the community coupled with the Coalition's wealth of experience will be the foundation on which this strategy is built. Using this input, the types of jobs we need will be determined along with the required training/education. State workforce centers will be a key resource that will be leveraged for this project along with the recently published *Arkansas Workforce Strategy* which outlines a general approach for successful workforce programs and will be helpful in identifying and reducing barriers to entry. It is anticipated that several of the sub-awardees will have existing and established connections with local training providers and workforce centers. These relationships will be used to help build out and implement the strategy. Along with these relationships, there are numerous programs that are currently being implemented at local, state and national levels that can serve as a guide to designing a workforce plan and determine best practices (e.g. the Goodwill Clean Tech Infrastructure Accelerator program in North Georgia).

For this project, the Coalition will emphasize the use of local labor, and it is anticipated that many individuals will be coming from the training/education regime that is implemented. This not only helps ensure a labor force with the capacity and capability to achieve this project but can also prepare a workforce for future projects that will be catalyzed by the Coalition's efforts. Without this project, it may be more challenging to continue driving progress due to a smaller regional pool of skilled workers, with implications for the pace of adoption and transition to new transportation technologies. The investment of federal funds into this project will have long-lasting benefits for communities in both states, including residents who will be able to develop fruitful, quality careers. The Coalition will also search for additional funding streams, both public and private, to help booster the workforce development and its impacts.

To further engage community members and stakeholders, a component of the overall communications and outreach strategy will be developed to provide accessible progress updates on a regular cadence, while also offering a channel for feedback.

Additionally, the logistics hub in the Northwest region of Arkansas will be able to attract new and retain current talent. By offering the use of these new heavy-duty alternative fuel vehicles coupled with the charging/refueling infrastructure that will be generated, companies will have innovative technology and the means to effectively utilize it in the region. This not only helps the company with operations but attracts diverse talent with to perform the specialized maintenance for these types of vehicles and possibly the production of these vehicles. Furthermore, by boosting the availability of these vehicles in the area, the vehicle manufacturers and logistics companies will be incentivized to create additional infrastructure for these vehicle manufacturing, positively leveraging federal funds for additional private investment that will impact the low-income and rural communities that are within or only a short commute to the area. As a result of the proposed project, the Coalition will positively generate temporary and permanent quality jobs and become a catalyst for the workforce development in regions throughout Arkansas and Oklahoma.

#### b. Community Engagement

Both AR DEQ and OK DEQ have a rich history of supporting the U.S. energy sector and powering homes and businesses, while also investing in transportation, growing local economies, and improving livelihoods. The Coalition's investment will continue to drive those efforts, particularly for low-income and rural communities who are overburdened and underserved by the effects of pollution.

The attached LIRC Area Worksheet lists a total of 334 Census Tracts identified as LIRCs by EPA's Climate and Economic Justice Screening Tool (CEJST). To determine this regional approximation, areas of significant impact were identified with a 30-mile radius from the following:

1. Located in Rogers, Arkansas within **Northwest Arkansas**, which serves as a manufacturing and logistics hub supporting the increased number of H2-fueled heavy-duty fleet vehicles and alternative fuel fleet upgrades (*impacted 30-mile radius extends into southern Missouri, as represented in the attached Worksheet*);
2. Located within a mile of US Highway 412 near the intersection of US Highway 412 and Interstate 49 within **Springdale, Arkansas**, which will operate one hydrogen fueling and electric vehicle (EV) charging station;
3. Located within one mile of US Highway 412 near the intersection of US Highway 412 with Interstate 44 within **Tulsa, Oklahoma**, which will operate a second hydrogen fueling and EV charging station; and
4. Located within one mile of Interstate 40 in **Central Arkansas**, which will operate a third hydrogen fueling and EV charging station.

The implementation of the project is anticipated to provide significant benefits to LIRCs. The above analysis estimates that 1,290,120 people in LIRCs across 19 counties and 3 states are identified as being positively impacted.

These sites were chosen due to their rapidly growing populations, LIRC outreach and coordination, and high amounts of heavy-duty vehicle emissions, which threatens Oklahoma and Arkansas's air quality with pollutants, such as carbon monoxide, ground-level ozone, nitrogen dioxide, dust, and other particulates. When surveyed, LIRC respondents most supported projects aimed at tackling the impacts of pollution, with emphasis in combating poor air quality, extreme heat and weather, and investing in the transportation and energy sectors. Concerns centered around delivering cleaner air by reducing harmful

air pollution in places where people live, work, play, and go to school, which aligns with EPA's objectives. Priority was given to areas that are experiencing high levels of negative impacts, including Tulsa, Oklahoma and Central Arkansas.

The Coalition's GHG reduction measure and subsequent community benefits align closely with EPA's goals, including reduction of criteria air pollutants (CAPs) and hazardous air pollutants (HAPs), advancing environmental justice, and delivering healthier and cleaner air. Moreover, this project will allow the Coalition to build each state's capacity to develop and promote opportunities to expand hydrogen and electric vehicle transportation solutions. This is likely to lead to further private investment from several of the large companies in the region.

The Coalition conducted extensive coordination and outreach in the development of this project to ensure comprehensive stakeholder representation and overcome obstacles to engagement, regardless of linguistic, cultural, institutional, geographic, and/or other barriers. Stakeholders were identified as entities, groups, and/or individuals who might be impacted by the implementation of this project, such as: trade schools, colleges, and universities around Arkansas and Oklahoma; metropolitan planning organizations; economic development organizations; environmental advocates; industrial associations; energy associations; automotive associations; utility companies; agricultural associations; waste management organizations; industrial organizations; consumer advocates; local elected officials; community-based organizations; chambers of commerce; residents of Arkansas and Oklahoma; other interested organizations; and other state agencies. Input was gathered from over 5,000 community members, 240 tribal members, and 20 LIRC focus groups; findings concluded that growth of the hydrogen economy and the significant cumulative GHG reduction potential cannot be ignored.

To ensure meaningful engagement within LIRCs, the Coalition regularly engaged with public stakeholders virtually (email, phone calls, and videoconferencing) and with focus groups in-person to ascertain the most important GHG measures to LIRCs. Partners additionally led community outreach and feedback meetings, information sharing sessions, and training webinars with local entities. After conducting these public engagement efforts, the Coalition identified that this project would not only best deliver benefits to LIRCs experiencing GHG emissions-related hardship but would also allow for meaningful engagement going forward by investing in technologies and practices that reduce pollutant emissions, create high-quality jobs, and spur economic growth throughout the LIRCs.

Additionally, some surveys concluded that rural communities have limited capacity to take advantage of existing programs due to linguistic, cultural, institutional, geographic, and other barriers and fear this pattern will continue. LIRC representatives stated that Tribal Nations in rural LIRC communities are often the most important resources for technical expertise, social services, physical, and monetary resources to respond to climate impacts and other needs. The Coalition is committed to evaluating every step of the project to ensure strategies to overcome linguistic, cultural, and other barriers within the region. Coalition members also intend to continue meaningful engagement with LIRCs during implementation, including seeking input from LIRCs during the development of promotional materials, guidance, and other materials related to this program.

## **5. JOB QUALITY**

This project's workforce development strategy aligns with the State of Arkansas's goal of actively pursuing funding and initiatives that increase educational, economic, and workforce opportunities

across the State along which will create quality jobs for its residents. This includes an intentional focus in growing the State's infrastructure workforce through infrastructure-focused job training programs, education grant awards, and other workforce development activities. Arkansas is already considering establishing an energy innovation center and there is a standing partnership with a university in South Arkansas for an alternative energy focus area. Not only does this project align with these goals, it builds upon and would complement federal programs that focus directly on workforce development such as the Electric Vehicle Infrastructure Training Program. The necessity for workforce development, especially in the infrastructure industry is a known need that multiple federal entities are focused on. This project helps to address that need.

With a total project budget of approximately \$82M, we anticipate that this project will directly support 540 jobs and several more from secondary impacts such as maintenance and operations. There will be an emphasis on working with the communities where these projects are taking place and develop local training offerings to train individuals with proximity to the locations where the project will take place. To ensure this is taking place and that the workforce development strategy is effective, the Coalition plans on creating and tracking key performance indicators specifically for workforce development throughout the duration of the project.

## 6. PROGRAMMATIC CAPABILITY AND PAST PERFORMANCE

### a. Past Performance

AR DEQ and OK DEQ have successfully implemented other federal grants within their jurisdictions. These previous implementations have included successful program management, reporting, submission of final deliverables, and adherence to the Code of Federal Regulations. This previous experience increases the likelihood of AR DEQ and OK DEQ's ability to successfully implement this proposal and follow applicable program guidelines and federal requirements. Federally funded assistance agreements that AR DEQ is performing or has performed within the last three years include:

- Volkswagen Environmental Mitigation Trust - Arkansas Energy Office Electric Vehicle Charging Initiatives
  - Assistance Agreement Number: VW Case No. MDL 2672 CRB (JSC)
  - Funding Agency: Wilmington Trust
  - Assistance Listing Number (e.g., CFDA number): N/A
  - Description: **Level 2 Electric Vehicle Supply Equipment (EVSE) Rebate Program** - provides rebates for the installation of Level 2 electric vehicle charging stations and is open to government, private, and non-profit entities across the state on a "first-come, first-serve" basis. **Arkansas DC Fast Charge Funding Assistance Program** - promotes the adoption of electric vehicle (EV) technology in Arkansas by incentivizing the buildout of a strategic network of DC Fast Charge EVSE locations.
  - Funding Agency Contact: Jason Wiley, 501-682-0962, jason.wiley@adeq.state.ar.us
  - Status: The Level 2 EVSE program has disbursed most of the allocated funding and is closed to new applications. The DC Fast Charger program has made three conditional awards and Office of Energy is currently working with one awardee to finalize their award paperwork for disbursement. The other awardees are in the procurement and construction phase at this time, with stations expected to be online by the end of 2024. The agency worked with industry stakeholders, interested site hosts, and state and federal agencies to develop policies and procedures to develop each program. Through



outreach with Arkansas Clean Cities and others, the programs were able to attract interest from across the state. These programs supported EV infrastructure installations which were often the first public charging stations installed in these communities. To date, 211 Level 2 stations have been installed in Arkansas as a result of this incentive. Two of the DC Fast Charger projects awarded will bring the first public, 150kW, fast chargers to those communities.

- Reporting History: AR DEQ submitted semi-annual/annual reports to Wilmington Trust about progress toward achieving the expected outputs and outcomes, challenges to meeting expected outputs and outcomes during each reporting period, and strategies to address such challenges.

#### Weatherization Assistance Program – Arkansas Energy Office

- Assistance Agreement Number: DE-EE0009889
- Funding Agency: U.S. Department of Energy (DOE)
- Assistance Listing Number, CFDA number: 81.042
- Description: the Weatherization Assistance Program (WAP) provides eligible low-income households with a complete assessment of the house (energy audit) which is entered in DOE approved software that calculates cost effectiveness of energy efficiency measures for approval to be installed in the house. In addition, the house is assessed for needed health and safety measures and repairs required to get the house ready for the weatherization process, all being completed with 100% federal funds.
- Funding Agency Contact: Julie McAlpin, DOE Project Officer, 303-579-5476, [julie.mcalpin@ee.doe.gov](mailto:julie.mcalpin@ee.doe.gov)
- Status: WAP is an annual formula grant that has been administered in Arkansas by the Arkansas Energy Office (AEO) since 2013. Current year funding is the second year of a typical 3-year grant cycle. AEO subgrants with five (5) community-based organizations to provide weatherization in all 75 counties in Arkansas. The subgrantees procure contractors to complete energy efficiency measures, health and safety measures, and readiness repairs on houses in each subgrantee service area and report weatherization results to AEO. AEO monitors each subgrantee annually and inspects a minimum required percentage of houses using a certified Quality Control Inspector.
- Reporting History: AEO submits a quarterly performance report to DOE in a website for state and community energy programs called PAGE (Performance and Accountability for Grants in Energy) about progress weatherizing the estimated number of homes to be completed; expending funds by AEO and subgrantees; and the resulting ACPU (average cost per unit/house) during the 3-month reporting period. In addition, AEO submits an Annual Historic Preservation report in PAGE which shows how houses aged 50 years and older were assessed for required submission to the Arkansas State Historic Preservation Office for approval of proposed weatherization work.

#### Go RED! – OK DEQ, Office of Air Quality

- Assistance Agreement Number: DS-02F48801-0
- Funding Agency: U.S. Environmental Protection Agency (U.S. EPA)
- Assistance Listing Number (e.g., CFDA number): 66.040 - Diesel Emissions Reduction Act (DERA) State Grants
- Description: DEQ's Go RED! Program is a competitive funding opportunity for projects that reduce diesel emissions from heavy-duty highway trucks, buses, marine engines, locomotives, and nonroad engines.

- Funding Agency Contact: Katrina Jones, (501) 683-6267, [katrina.jones@adeq.state.ar.us](mailto:katrina.jones@adeq.state.ar.us) (alt. Mikayla Shaddon, (501) 682-0808, [Mikayla.shaddon@adeq.state.ar.us](mailto:Mikayla.shaddon@adeq.state.ar.us))
- Status: The DERA-funded Go RED! program has been managed by DEQ annually since 2008. Since opening Go RED!, over 100 projects have received funding allocations to enable emission reductions through vehicle and equipment replacement or upgrades. Of those projects, 93 have received reimbursement for project completion. DEQ recently made \$830,000 available through Go RED! in Winter 2023 and was fully subscribed by January 2024.
- Reporting History: DEQ submits quarterly reports to the assigned EPA grant contact via email about progress toward achieving the expected outputs and outcomes, challenges to meeting expected outputs and outcomes during the reporting period, and strategies to address such challenges.

AR DEQ has implemented a grant program to reduce diesel emissions in Arkansas since 2008 and implemented additional medium- and heavy-duty vehicle replacement programs that incentivized the replacement of diesel with alternatively fueled vehicles.

OK DEQ is an agency of the state of Oklahoma with expertise in managing alternative fuel infrastructure and vehicle incentive programs. One example of this is the ChargeOK program which focuses on developing EV charging infrastructure throughout the State. The OK DEQ has shown success in the implementation of federal grant programs and will be able to utilize this previous experience to implement this proposal.

#### b. Reporting Requirements

As grant recipients, AR DEQ and OK DEQ have complied with annual audit and programmatic reporting requirements for funding received, as well as any subrecipients involved with these programs. Additionally, AR DEQ and OK DEQ complied with the following financial reporting requirements:

- 2 CFR 180 – Office of Management and Budget (OMB) Guidelines to Agencies on Government wide Debarment and Suspension
- 2 CFR 200.328 – Financial Reporting
- SF – 425 – Federal Financial Report
- SF – 271 – Outlay Report and Request for Reimbursement for Construction Program
- SF – 270 – Request for Advance or Reimbursement
- Build America, Buy America
- Davis-Bacon Act

AR DEQ and OK DEQ staff have decades of experience with federal and non-federal programs pertaining to reporting. AR DEQ and OK DEQ continue to evaluate their current reporting process to confirm required reporting documentation is both accurate and accountable for all entities involved in distribution, reception, and disbursement of all federal funding.

#### c. Staff Expertise

AR DEQ and OK DEQ consist of industry experts that have a broad understanding of their organization responsibilities and strategic goals and provide a high impact for their stakeholders. The team includes staff with professional qualifications, construction management, project management, environmental

stewardship, and financial management experience. Please see the attached biographical sketches for detailed information for key personnel.

## BUDGET NARRATIVE

This budget narrative uses the following budget categories to break out costs associated with implementation of the proposed measures:

- **Personnel:** Direct costs for salaries and wages.
- **Fringe Benefits:** Allowances and services provided by the employer to personnel in addition to regular salaries and wages. These may include the cost of leave, employee insurance, pensions and unemployment, cell phone allowances, holiday bonuses, and similar benefits.
- **Travel:** Costs for transportation services, lodging, per diem, and similar personal expenses allowed under applicable travel policies for trips necessary to implement the proposal.
- **Equipment:** Costs for tangible, non-expendable, personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit used by personnel implementing the proposal. Equipment purchased by project participants is classified in the "Other" budget category as Participant Support Costs.
- **Supplies:** Costs for tangible personal property other than equipment with a per item acquisition cost of less than \$5,000 that are necessary to implement the proposal.
- **Contractual:** Costs associated with contracts to acquire property (including intellectual property) and services needed to carry out the proposal.
- **Other:** Direct costs that do not fit in any of the other budget categories, including participant support costs and subawards.
- **Indirect:** Costs incurred for a common or joint purpose that benefit more than the proposed project that is not readily divisible among cost objectives without efforts disproportionate to the results achieved. Examples include space costs, utilities, accounting services, human resources, etc.

An explanation of costs associated with each measure and a budget are presented below.

### 1. Budget Detail

The table on the next two pages details itemized costs associated with implementing this proposal. A spreadsheet version of this table has been included with this application.

BUDGET BY YEAR							
COST-TYPE	CATEGORY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
Direct Costs	Personnel						
	0.01 FTE SE-05 at \$167,095 (Executive approval and project selection)	\$1,671	\$1,721	\$1,773	\$1,826	\$1,881	\$8,871
	0.15 FTE GS-12 at \$82,760 (Direction and coordination of staff and consultant(s))	\$12,414	\$12,786	\$13,170	\$13,565	\$13,972	\$65,908
	0.2 FTE GS-10 at \$68,000 (Project staff management)	\$13,600	\$14,008	\$14,428	\$14,861	\$15,307	\$72,204
	0.3 FTE GS-09 at \$60,000 (Outreach and analysis staff)	\$18,000	\$18,540	\$19,096	\$19,669	\$20,259	\$95,564
	0.3 FTE GS-07 at \$56,000 (Grants management staff)	\$16,800	\$17,304	\$17,823	\$18,358	\$18,909	\$89,193
	TOTAL PERSONNEL	\$62,485	\$64,359	\$66,290	\$68,279	\$70,327	\$331,741
	Fringe Benefits						
	salary*36.27%	\$606	\$624	\$643	\$662	\$682	\$3,218
	salary*36.27%	\$4,503	\$4,638	\$4,777	\$4,920	\$5,068	\$23,905

## DRAFT WORKING DOCUMENT

<i>salary*36.27%</i>	\$4,933	\$5,081	\$5,233	\$5,390	\$5,552	\$26,188
<i>salary*36.27%</i>	\$6,529	\$6,724	\$6,926	\$7,134	\$7,348	\$34,661
<i>salary*36.27%</i>	\$6,093	\$6,276	\$6,464	\$6,658	\$6,858	\$32,350
<b>TOTAL FRINGE BENEFITS</b>	\$10,041	\$10,343	\$10,653	\$10,972	\$11,302	\$120,322
<b>Travel</b>						
<i>Local Mileage: 100 mi * 4 times per year at \$0.54</i>	216	216	216	216	216	\$1,080
<i>Per Diem: 3 staff at \$60/day * 4 times per year</i>	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$7,200
<i>Hotel: 3 staff at \$120/night * 4 times per year</i>	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$7,200
<b>TOTAL TRAVEL</b>	\$3,096	\$3,096	\$3,096	\$3,096	\$3,096	\$15,480
<b>Equipment</b>						
<i>one laptop at \$2500 each</i>	\$2,500					\$2,500
<b>TOTAL EQUIPMENT</b>	\$2,500	\$0	\$0	\$0	\$0	\$2,500
<b>Supplies</b>						
<i>Office and related supplies</i>	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$7,500
<b>TOTAL SUPPLIES</b>	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$7,500
<b>Contractual</b>						
<i>Consulting associated with providing technical assistance, infrastructure and fleet needs</i>	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$2,000,000

## DRAFT WORKING DOCUMENT

	<i>evaluations, and grant writing assistance</i>						
	<i>Third-party administrator contract(s) for zero-tailpipe emissions infrastructure and diesel truck replacement competitions</i>	\$3,669,118	\$3,669,118	\$3,669,118	\$0	\$0	\$11,007,353
	<i>Workforce development contractor</i>	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$5,000,000
	<b>TOTAL CONTRACTUAL</b>	\$5,069,118	\$5,069,118	\$5,069,118	\$1,400,000	\$1,400,000	\$18,007,353
	<b>OTHER</b>						
	<i>Subaward to OK DEQ</i>	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000	\$650,000
	<i>Printing and publication fees</i>	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$20,000
	<i>Participant Support Costs</i>		\$62,375,000				\$62,375
	<b>TOTAL OTHER</b>	\$134,000	\$62,509,000	\$134,000	\$134,000	\$134,000	\$63,045,000
	<b>TOTAL DIRECT</b>	\$5,282,740	\$67,657,416	\$5,284,657	\$1,617,847	\$1,620,225	\$81,462,885

<b>Indirect Costs</b>	<b>Indirect Costs</b>						
	<i>salary * 65.8%</i>	\$41,115.10	\$42,348.55	\$43,619.01	\$44,927.58	\$46,275.40	\$218,286
							\$0
	<b>TOTAL INDIRECT</b>	\$41,115	\$42,349	\$43,619	\$44,928	\$46,275	\$218,286

<b>TOTAL FUNDING</b>		<b>\$5,323,855</b>	<b>\$67,699,764</b>	<b>\$5,328,276</b>	<b>\$1,662,775</b>	<b>\$1,666,500</b>	<b>\$81,681,170 0</b>
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## 2. Expenditure of Awarded Funds

E&E, as the lead agency, will expend and account for awarded funds in accordance with state laws and procedures for expending and accounting for the state's own funds. The financial management system for E&E complies with the requirements of 2 CFR 200.302(b). To ensure funds are expended in a timely manner and are within the period of performance, E&E will immediately enter into a subaward agreement with OK DEQ to facilitate disbursement of subaward funds in both states. Selected project sponsors will enter into a memorandum of agreement with E&E or OK DEQ. Disbursement of participant support costs will be contingent upon satisfying the terms of that agreement. These agreements will include controls by adhering to all applicable pass-through requirements for subrecipients in accordance with [EPA's Subaward Policy](#) and [EPA's General Term and Condition for Subawards](#). E&E will also track actual versus anticipated expenditures over the project lifecycle and implement a correction strategy early to alleviate fiscal problems that can become significant issues if not tended to in a timely manner. The semi-annual reports and final report will include a breakdown of expenditures associated with the implementation of this proposal.

## 3. Reasonableness of Cost

The narrative below details how each budget item/cost relates to the project narrative and specific emission reduction activities.

### d. E&E Personnel and Fringe

Personnel	Role
Shane Khoury, Cabinet Secretary	Executive approval of all decisions made by E&E in implementing this grant and participation on the executive selection committee for projects funded under the infrastructure and class 8 truck replacement competitions
Andrea Hopkins, Associate Energy Administrator	Direction and coordination of staff and consultants involved with this proposal
Project Staff Manager	Managing day-to-day activities of project staff
Outreach and Analysis Staff	Public outreach, public meetings, LIRC engagement, technical assistance, and other support activities
Grants Management Staff	Management of grant budget, expenditures, and reporting

The fringe rate for E&E is 36.27% of salary.

### e. E&E Travel



E&E anticipates up to four intrastate trips for community meetings, outreach, and technical assistance associated with this proposal.

f. E&E Equipment

E&E does not anticipate any direct expenditure by the agency on equipment from the implementation of this proposal.

g. E&E Supplies

E&E anticipates that minor office supply expenses will be incurred for staff use in implementing this proposal. Examples may include paper, ink and toner, pens, notebooks, boards and easels, folders, binders, tape, staples, and other general small and consumable items.

h. E&E Contractual

E&E will select a third-party administrator to perform the day-to-day implementation of the Clean Transportation Connection competitions E&E will enlist consulting services for additional support associated with providing technical assistance, zero-tailpipe emissions infrastructure and fleet needs evaluations, workforce development, and grant writing. Funds directed for disbursement for specific projects by the third-party administrator are listed as participant support costs in the “Other” budget category.

i. E&E Other

Participant support costs include incentives paid to sponsors of selected projects as outlined below:

- Clean Transportation Connection Infrastructure (Total Participant Support Costs: \$43,125,000)
  - Tulsa Area Clean Transportation Charging and Refueling Site: The Coalition will pay up to \$9,125,000 to defray the cost after state and federal tax credits of design, construction, equipment, and installation associated with installing two hydrogen refueling lanes and four 350 kW direct current fast chargers at a site within 1 mile of Highway 412 in the Tulsa area. If the Coalition chooses to allow the hydrogen and charging infrastructure to be deployed at separate sites, the incentive breakdown is as follows:
    - \$7,600,000 for hydrogen refueling and
    - \$1,525,000 for fast charging
  - Springdale Area Clean Transportation Charging and Refueling Site: The Coalition will pay up to \$17,000,000 to defray the cost after federal tax credits of design, construction, equipment, and installation associated with installing two hydrogen refueling lanes and four 350 kW direct current fast chargers at a site within 1 mile of Highway 412 in the Springdale area. If the Coalition chooses to allow the hydrogen and charging infrastructure to be deployed at separate sites, the incentive breakdown is as follows:
    - Up to \$13,900,000 for hydrogen refueling and

- Up to \$3,100,000 for fast charging
  - Central Arkansas Area Clean Transportation Charging and Refueling Site: The Coalition will pay up to \$17,000,000 to defray the cost after federal tax credits of design, construction, equipment, and installation associated with installing two hydrogen refueling lanes and four 350 kW direct current fast chargers at a site within 1 mile of Interstate 40 in Central Arkansas. If the Coalition chooses to allow the hydrogen and charging infrastructure to be deployed at separate sites, the incentive breakdown is as follows:
    - Up to \$13,900,000 for hydrogen refueling and
    - Up to \$3,100,000 for fast charging
  - These incentives cannot be used to meet cost-share requirements for other state or federal grants.
- Clean Transportation Connection Diesel Replacements (Total Participant Support Costs: \$10,500,000)
  - Up to \$385,000 per vehicle for replacing class 8 heavy-duty diesel trucks with a zero-tailpipe emissions equivalent.
  - Replaced diesels must be scrapped after receipt of the zero-tailpipe emissions equivalent as a condition of funding.
  - The incentive cannot be used to meet cost-share requirements for other state or federal grants.

A sub-award of \$650,000 to OK DEQ will support the following activities:

- Staffing and contractual costs necessary to fulfill the Coalition members roles and responsibilities under this proposal;
- Planning and implementation meetings, workshops, and convenings necessary to perform community and stakeholder outreach and education within Oklahoma;
- Modeling and analytical costs, including purchase or licensing of software, data, or tools;
- Studies, assessments, data collection, etc. needed to track, measure, and report actual accomplishments related to this measure;
- Evaluation and metrics-tracking activities;
- Training and staff capacity-building costs;
- Supplies (e.g., office supplies, software, printing, etc.);
- Incidental costs related to the above activities, including without limitation: travel, membership fees, and indirect costs; and
- Other allowable activities as necessary to fulfill the Coalition members' roles and responsibilities under this proposal.

j. E&E Indirect Costs

The indirect cost rate for E&E is 65.8% of salary.