

**Climate Pollution Reduction Grants – Implementation Grants**  
**Utah Department of Environmental Quality**  
**Appendix 2: Budget Narrative**

**Section 7: Budget Narrative**

- a. **Budget Detail:** Budget Spreadsheet included as attachment (*Budgetcalcs\_Utah Department of Environmental Quality*).
- b. **Expenditure of Awarded Funds:**
  1. Light-Duty Zero-Emission Vehicle LIDAC Incentives
    - a. Approach: The Utah Division of Air Quality (UDAQ) will subaward to the five local health departments (LHD) who oversee the emissions inspection and maintenance (I/M) programs for administering the Electric Vehicle Replacement Assistance Program (EVRAP).
    - b. Procedure: The LHDs will oversee the day-to-day operations of the EVRAP and provide quarterly updates to UDAQ. Each LHD will enter into agreements with eligible auto dealers that outline the terms and conditions of the program. The LHDs will train the auto dealer partners on the program requirements and procedures. The LHDs will determine the eligibility of the motorists and issue payments to the respective auto dealer upon demonstration that the program requirements have been met. The auto dealer partner will provide documentation, such as: a sales contract; a copy of the used voucher; a picture of the vehicle emissions information sticker; a receipt documenting that the old vehicle was scrapped; and a request for reimbursement to the appropriate LHD. The LHD will reimburse the participating EVRAP auto dealer after the documents have been received.
    - c. Controls: LHDs will be required to certify through contractual obligation with UDAQ their understanding of and commitment to the program requirements. UDAQ will complete a risk assessment that will include a review of the LHDs' prior experience with the same or similar subawards, assessment of risk level, and follow-up to ensure that the LHDs take timely and appropriate action on all deficiencies identified through quarterly desk reviews and audits. In addition, UDAQ will work with the LHDs to ensure that reimbursements are only made when all of the requirements of the program are met. Payments to the LHDs will only be made after an internal review process has determined that all of the program requirements have been met.
  2. Light-, Medium-, and-Heavy-Duty Zero-Emission Vehicle Fleet Incentives, Mode-Shifting/Reducing Vehicle Miles Traveled, Zero-Emission Nonroad Incentives, Promote Renewable Energy for Homes and Businesses, and, Oil/Gas Methane Emission Reductions programs will be administered similarly, resulting in the same approach, procedures and controls, described as follows:
    - a. Approach: UDAQ will approach the proposed projects as Participant Support Costs and provide incentives for participants as rebates at the point of sale or as reimbursements.
    - b. Procedures: UDAQ will host an ongoing open application process, review submitted projects, determine eligibility, and make awards based on eligibility on a first-come, first-served basis. UDAQ will also identify qualifying vendors and enter into contractual agreements with them to outline their roles and responsibilities in implementing

program details. Reimbursements will be paid to participating vendors based on the rebates they issued for a given period.

- c. Controls: UDAQ will oversee the eligibility process to ensure that only intended targeted fleets participate in the programs. Upon award, UDAQ will require that successful participants certify to comply with the program requirements. UDAQ will also develop an ongoing open application process for any vendors to apply for selection as a qualified vendor. This will allow any interested vendor to have an opportunity to participate, ensuring competition for vehicle/equipment purchases. Selected vendors will be required to certify through contractual obligations that they will adhere to the program requirements. Reimbursement for issued rebates by vendors will only be made after an internal review process has determined that all of the program requirements have been met, including proof of payment for the full purchase price of the vehicle(s).
3. Zero-Emission Vehicle Charging/Refueling Incentives
- a. Approach: DAQ will approach the proposed projects as Participant Support Costs and provide incentives to qualifying participants.
  - b. Procedure: UDAQ will host an ongoing open application process, review submitted projects, determine eligibility, and make awards based on eligibility on a first-come, first-served basis. At the time of application, at least two bids will be required that detail the number and type of electric vehicle charging units for purchase. Participants will be required to provide proof of purchase and demonstration that program requirements are met. Reimbursement will only be made to participating applicants.
  - c. Controls: The UDAQ will review applications to ensure eligible participants and projects are selected for the program. Successful applicants will be required to contractually agree to comply with the program requirements. To ensure competitive procurement processes, two bids will be required and reimbursements will be based on the lowest bid to ensure a cost-effective use of funds. Reimbursement will only be made to participating applicants after an internal review process has determined that all of the program requirements have been met.
4. Facility Energy Efficiency
- a. Approach: UDAQ will subaward to the University of Utah (U of U) for administration of their Intermountain Industrial Assessment Center (IIAC) StepWise Program.
  - b. Procedure: The U of U will oversee the day-to-day operations of the IIAC StepWise Program and report progress to UDAQ throughout the project period. In coordination with the U of U, UDAQ will determine specific milestones and outputs and outcomes that will be required to be met periodically.
  - c. Controls: The U of U will be required to certify through contractual obligation with UDAQ their understanding of and commitment to the program requirements. UDAQ will complete a risk assessment that will include a review of the U of U's prior experience with similar subawards, assessment of risk level, and follow-up to ensure that the U of U takes timely and appropriate action on all deficiencies identified through quarterly desk reviews and audits. In addition, UDAQ will work with the U of U to ensure that reimbursements are made when certain milestones and outputs and outcomes are met. Payments to U of U will only be made after an internal review process has determined that program requirements have been met.
5. Outreach, Education, and Workforce Training Related to Emission Reduction Efforts

- a. Approach: UDAQ will subaward to Weber State University (WSU) for administration of their Demonstration and Assistance Program which includes energy coaching.
- b. Procedure: WSU will oversee the day-to-day operations of the energy coaching program and report progress to UDAQ throughout the project period. In coordination with WSU, UDAQ will determine specific milestones and outputs and outcomes that will be required to be met periodically.
- c. Controls: WSU will be required to certify through contractual obligation with UDAQ their understanding of and commitment to the program requirements. UDAQ will complete a risk assessment that will include a review of WSU's prior experience with similar subawards, assessment of risk level, and follow-up to ensure that WSU takes timely and appropriate action on all deficiencies identified through quarterly desk reviews and audits. In addition, UDAQ will work with WSU to ensure that reimbursements are made when certain milestones and outputs and outcomes are met. Payments to WSU will only be made after an internal review process has determined that program requirements have been met.

c. **Reasonableness of Costs:**

**Administrative Support Costs (personnel, fringe benefits, travel, other, and indirect costs):** UDAQ has included administrative support costs within each measure's budget. Administrative costs range from 5-15% of the total program incentive over the five performance years and include personnel, fringe benefits, in-state travel costs for implementing measures in rural areas of the state, basic necessities for emission reduction program staff support such as utilities, phone, rent, insurance, computer- and database-support, and indirect costs.

- **Personnel:** Each measure has different staffing needs, and these details are explicitly detailed in the budget spreadsheet. State of Utah Personnel costs are based on current salaries with a 3% cost-of-living adjustment (COLA) that takes effect July 1, 2024. The Personnel costs increase by 3% in subsequent years to account for an estimated 3% COLA increase each year. When a specific employee is not yet decided for managing a measure, an average salary is used. The following table describes UDAQ staff positions that are included for implementing each measure:

**Table 1.** UDAQ Emission Reduction Implementation Staff Details

Personnel	Relation to project narrative and GHG reduction activity
Environmental Program Manager	Grants/Incentive Section Manager to oversee emission reduction program management activities, issue approvals, review work products, and provide technical expertise.
Environmental Planning Consultants	Program Managers who oversee the implementation of the emission reduction programs, report progress, ensure program milestones, outputs, and outcomes are met and appropriate procedures and controls are in place.
Administrative Services Manager	A management position that oversees Contract/Grant Analyst positions, approves and tracks emissions reduction program contracts, budgets and reimbursements, provides financial reports and finance-related expertise.
Contract/Grant Analyst II	A contract management position that oversees emissions reduction program contracts with sub awardees and participants.
Environmental	UDAQ's Climate Pollution Reduction Grant Program Manager responsible for

Scientist IV / CPRG Coordinator	developing the Priority and Comprehensive Climate Action Plans, emission reduction calculations, project prioritization, and climate-related policy expertise.
Environmental Scientist III	Environmental Scientists are instrumental for calculating emission reductions and providing technical and industry expertise.

- **Fringe Benefits:** State of Utah employee fringe benefits are calculated at 50% of their annual salary and include health and dental Insurance, retirement, 401k, Social Security, Medicare, workman’s compensation, unemployment insurance, long-term disability, and termination additive.
- **Travel:** Oil/Gas Methane Emission Reductions and Promote Renewable Energy for Homes and Businesses measures include in-state travel costs that include hotel and per diem for visits that require overnight accommodations, and vehicle mileage reimbursement.
- **Other:** Included in the “Other” category are expenses for database support. The database will be used to implement all applicable grant/incentive programs, host participant applications and file submissions, and track, report, and share measure-related information. The database has ongoing support costs for usage and maintenance. The “Other” category also includes basic necessities for supporting emission reduction implementation staff, such as costs associated with building operations like rent and utilities. Phones and computer-support charges are examples of other staff support expenses that are included in this budget category.
  - Subaward Costs:
    - Light-Duty Zero-Emission Vehicle LIDAC Incentives
      - Electric Vehicle Replacement Assistance Program (EVRAP): \$9,590,000. These costs will provide incentives for 1,370 light-duty income-qualified vehicle replacements over five performance years.
      - Administrative costs to implement the measure:
        - Bear River Health Department Administrative Costs: \$115,080.
        - Davis County Health Department: \$187,005.
        - Salt Lake County Health Department: \$647,325.
        - Utah County Health Department: \$330,855.
        - Weber-Morgan Health Department: \$158,235.
    - Facility Energy Efficiency (see *Subaward Costs: Additional Budget Details*)
      - Subaward to the University of Utah for administration of the Intermountain Industrial Assessment Center StepWise Program: Provides \$3,749,647 to continue the voluntary Intermountain Industrial Assessment Center (IIAC) StepWise Program for five years.
    - Outreach, Education, and Workforce Training Related to Emission Reduction Efforts (see *Subaward Costs: Additional Budget Details*)
      - Subaward to Weber State University for a Demonstration and Assistance Program (One-Stop Shop): \$2,494,528 for staffing resources hired for a five-year deployment of a Demonstration and Assistance Program.
  - Participant Support Costs: Represent estimated project costs for each measure with consideration of potential price increases between the development of this proposal and

when projects are implemented. Costs reflected in the budget are averages based on recent pricing for certain technology types and rounded up.

- Light-, Medium-, and-Heavy-Duty Zero-Emission Vehicle Fleet Incentives
  - Electric Transit Bus: \$9,100,000. 7 electric transit buses deployed.
  - Electric Light Duty Fleet Vehicles: \$2,000,000. 400 commercial or government electric light-duty fleet vehicles deployed.
  - Electric Delivery Vehicles: \$2,000,000. 40 electric Class 5 delivery vehicles deployed.
  - Electric Refuse Haulers: \$5,000,000. 20 electric Class 8 refuse haulers deployed.
  - Electric School Bus Program including School Bus Ready: \$12,150,000. 30 electric school buses deployed and 30 units of gap funding provided for school districts.
- Zero-Emission Vehicle Charging/Refueling Incentives:
  - Electric Fleet Chargers: \$2,800,000. 400 government and commercial fleet chargers deployed.
  - Charging Alternatives (Workplace and Multi-Family Dwelling EV Chargers): \$4,900,000. 700 multi-family dwelling and workplace chargers deployed.
- Mode-Shifting/Reducing Vehicle Miles Traveled
  - E-Bike Incentive: \$1,200,000. 2,000 e-bikes deployed.
- Zero-Emission Nonroad Incentives
  - Electric Yard Equipment: \$3,000,000. 15,000 units of electric yard equipment deployed.
- Oil/Gas Methane Emission Reductions:
  - Thief Hatch Program - Oil Facility: \$2,448,000. 600 thief hatches replaced at oil facilities.
  - Thief Hatch Program - Gas Facility: \$480,000. 200 thief hatches replaced at gas facilities.
- Promote Renewable Energy for Homes and Businesses
  - Rooftop Solar Residential Incentive Program: \$5,000,000. 5,000 residential solar incentives deployed.
- **Indirect Costs:** UDAQ's indirect cost rate is negotiated at 12.63% through the Office of Management and Budget Circular Cognizant Agency Negotiation Agreement, dated June 13, 2023, ending June 30, 2024. The indirect percentage is based on personnel and benefits.

#### **Subaward Costs: Additional Budget Details**

a. **Budget Description for UofU Intermountain Industrial Assessment Center (IIAC) StepWise Program**

The subaward to the U of U is for administrative costs to implement a program that provides a no-cost energy assessment to commercial and industrial customers for identifying measures to reduce energy usage and emissions. The administrative costs are broken down below.

#### **Personnel: \$1,830,177**

Each of these positions below will be funded for the full five-year project period. A 2% cost of living adjustment was factored into each position's yearly salary starting in Year 2 of the grant.

- Faculty 1: \$99,000
- Faculty 2: \$81,461
- Faculty 3: 67,696
- Engineer: \$500,000
- Business Manager: \$262,500
- Post Doc: \$180,000
- PhD Students (2): \$170,000 each
- Undergraduate Student Engineers (4) \$74,880 each

**Fringe Benefits: \$748,527**

These benefits are to cover items such as health insurance, workers' compensation, retirement, etc. Personnel listed above have the following fringe benefit rate budgeted within the grant.

- Faculty: 37% (\$91,818)
- Staff: 62% (\$582,952)
- Students: 9% (\$73,757)

**Travel: \$80,000**

Travel includes costs to transport assessment teams to sites undergoing an energy/emissions assessment. The team will conduct 30 of these per year. These costs often include vehicle rentals, reimbursement for food, mileage reimbursement, and hotel stays when the sites are far from campus. Travel may also include out-of-state travel for employee training and professional development. Examples include training for Certified Energy Manager or Certified Energy Auditor courses.

**Equipment: \$20,000**

Conducting energy assessments requires the use of measurement equipment such as thermal cameras, current transducers, remote data loggers, compressed air leak detection equipment, light sensors, temperature sensors, pressure transducers, flue gas analyzers, etc.

**Supplies: \$25,000**

Supplies include basic office necessities such as stationary, printers, ink, markers, clipboards, computer software, etc.

**Contractual: \$0**

**Other: \$100,000**

- Tuition: The program will be partially staffed by graduate students who work at 0.5 FTE, but also have coursework obligations. These courses are generally relevant to program execution as this is where students learn energy, environment, economic, and engineering calculation and analysis methodologies. The students work at 0.5 FTE (\$34,000 annually at the current rates), but require tuition as part of their overall financial support.

**Total Direct Costs: \$2,803,704**

**Total Indirect Costs: \$946,296**

- The U of U has a federally negotiated indirect cost rate of 35% of the total salaries, wages, and benefits of any grant or subaward. When the 35% rate is applied to the above Personnel and Fringe Benefit total, the total indirect costs throughout the grant is \$946,296.

**Total Requests: \$3,750,000**

**b. Budget Description for WSU Energy Coaching Program Implementation**

**Personnel: \$905,698**

Each of these positions below will be funded for the full five-year project period. A 2% cost of living adjustment was factored into each position's yearly salary starting in Year 2 of the grant.

- **Energy Concierge: \$260,202**  
The Energy Concierge will be responsible for making 300 or more one-to-one appointments available each year to those seeking energy upgrades. They will serve 40 households, and/or small businesses, and host 10 community presentations or more annually. They will research energy finance incentive information and keep this information current. Additionally, they will manage and train students to perform tours of the net-zero demonstration home.
- **Traveling Energy Coach: \$243,549**  
The Traveling Energy Coach is responsible for developing outreach materials, managing the program website, and reaching out and visiting communities across the state to take the demonstration home to them. They will focus efforts on LIDACs when possible, participating in or hosting 25 events annually, the majority of which will be outside the Wasatch Front. They will collaborate with the Home Manager to develop, manage, and host community programming.
- **Home Manager: \$301,834**  
The Manager position is responsible for managing the Energy Coaches, the Campus Climate Action Corps (CCAC) members, and one student as they conduct local and rural outreach. They will assist with scheduling and coordinating home tours, onsite workshops, and CCAC home visits to LIDAC member homes, as well as ensure proper operation of the home and facilities. Additionally, they will coordinate with the Traveling Energy Coach to develop, manage, and host community programming.
- **Student Hourly Interns (3): \$100,113**  
WSU will be hiring three (3) student interns at a starting rate of \$15/hour to help with this grant program's goals, including: hosting home tours, developing outreach materials, and assisting with carbon emissions reduction outreach in the local area, and other logistical tasks. 37% of the student wages & benefits (\$5.50/hour) will be paid using WSU's 50-50 Work Study Program.

**Fringe Benefits: \$411,302**

Each of the new hire positions listed above (except the student interns) has a budgeted fringe benefits rate of 50% of their budgeted salaries on the grant. These benefits are to cover items such as health insurance, workers' compensation, retirement, etc. for newly hired employees. Students hired on WSU's campus and grant projects are hired at a benefit rate of 8.5% to cover insurance and taxes.

**Travel: \$112,240**

These funds are for hotel, per diem, and vehicle rental. The vehicle will be used to travel statewide, as well as travel to local homes receiving low-cost energy efficiency upgrades. Below is a breakdown of the total costs for each. Hotel costs have been figured at \$250/night for 20 nights per year (only 10 nights in Year 1) for 2 people. Vehicle rental prices have been quoted at \$750/month for Year 1, \$850/month for

Year 2, and a \$50 per year increase starting in Year 3 of the grant. Per diem is calculated using GSA.gov rates for Utah areas for 2 people.

- Hotel - \$45,000
- Vehicle Rental - \$53,400
- Per Diem - \$13,840 (\$2,768/year)

**Materials & Supplies: \$246,840**

A total of \$246,840 is budgeted for one-time and ongoing supplies for the project. Supply items include desks, chairs, and computers/IT items for the new hires on the grant, energy detection and conservation kits, funds to buy down the cost of clean energy equipment such as LEDs, smart thermostats, and e-bikes for community members, and office/marketing supplies for the grant program.

**Contractual: \$326,247**

These funds are budgeted for the design and installation of a vehicle wrap to advertise the program as well as paying AmeriCorps and Campus Climate Action Corps (CCAC) members to help with grant labor. The CCAC members will be engaged in the direct installation of low-cost energy efficiency upgrades in 40 or more LIDAC member homes per year, with a focus on Northern Utah, as well as traveling with the Traveling Energy Coach. WSU has an established relationship with AmeriCorps and CCAC and will contract with them to pay stipends – fringe benefits for these members are paid by the aforementioned organizations.

**Other: \$31,250**

A total of \$31,250 is budgeted for annual training for Bonnie Christiansen and the newly hired staff listed above on the grant. These trainings include management training, energy certifications, and community engagement. Training funds will help solidify the team's ability to function and provide sustainability education and support to the local and outlying community.

**Total Direct Costs: \$2,033,578**

**Indirect Costs: \$460,950**

Weber State University has a federally negotiated indirect cost rate of 35% of the total salaries, wages, and benefits of any grant or subaward. When the 35% rate is applied to the above Personnel and Fringe Benefit total base of \$1,294,133, the total indirect costs throughout the grant is \$452,946.

**Total Request: \$2,494,528**