Alternative Fuels Incentive Grant (AFIG) Program

The Alternative Fuels Incentive Grant (AFIG) Program provides financial assistance and information on alternative fuels, alternative fuel vehicles, hybrid vehicles, anti-idling technologies that use alternatives to diesel fuel for heavy duty trucks, and advanced vehicle technology research, development, and demonstration.

What is it?

The Alternative Fuels Incentive Grant (AFIG) Fund was created in 1992 by Act 166. Act 178 was passed in 2004, resulting in improvement and expansion of the program.

What are the goals of the program?

- reduce PA's dependence on imported oil,
- improve PA's environmental quality, and
- foster economic development by encouraging the transfer and commercialization of innovative energy technologies and the use of fuels indigenous to the Commonwealth.

Where does the money come from?

The fund receives about $3.4 to $4 million annually from the General Fund. The amount received is equal to 0.25 mills of the utilities gross receipts tax collected during each fiscal year.

What projects are eligible for funding?

- The expenses relative to converting gasoline powered vehicles to operate on an alternative fuel.
- The incremental cost to purchase bi-fuel, dual-fuel, hybrid or dedicated vehicles.
- The cost to purchase and install the necessary fleet fueling or home-refueling equipment.
- The cost to perform research, development, training, and demonstration of new applications or next phase technology related to alternative fuel vehicles or projects that incorporate a "new application" or "next phase technology" in the production of biofuels such as biodiesel and ethanol for use as a motor vehicle fuel.
- The expenses associated with the purchase and installation of equipment used by heavy duty trucks as an alternative to diesel fuel during engine idling.
- The incremental cost to purchase biofuels, including, but not limited to, biodiesel and ethanol.

Who and what is eligible for funding?

Eligible alternative motor fuels and fuel systems are compressed natural gas (CNG), liquefied natural gas (LNG), liquid propane gas (LPG), ethanol (E85), methanol (M85), hydrogen, hythane, electricity, coal-derived liquid fuels, fuels derived from biological materials and fuels determined
by the Secretary of the U.S. Department of Energy as meeting the requirements of Section 301 of the Energy Policy Act of 1992 (42 U.S.C.A. §13211(2)).

Eligible applicants for incentive grants are schools and vocational school districts, municipal authorities, counties, cities, boroughs, incorporated towns, townships, county institution districts, corporations, partnerships, and nonprofit entities incorporated or registered in the Commonwealth of Pennsylvania.

Pennsylvania companies and research organizations that perform research, development, training and demonstration of new applications or next phase technology related to alternative and advanced vehicle technologies and improved storage and dispensing of alternative fuels are eligible for an Incentive Grant. Research projects related to alternative fuel projects must be able to demonstrate commercial applicability and the potential to initiate Pennsylvania-based product development and manufacturing. Projects that result in product commercialization and the expansion of Pennsylvania companies will be favored in the selection process.

Eligible applicants for an Incentive Grant for the incremental cost to purchase biofuels, such as, but not limited to, biodiesel and ethanol include Pennsylvania's local government agencies, counties, municipal authorities including transit authorities, school districts, state colleges and universities and non-profit entities.

Eligible applicants for rebates are Commonwealth residents.

**NOTE: To be eligible for funding, costs cannot be incurred prior to submitting an application during an open window of opportunity!**

Where do I get more information? How do I apply? Download the application, instructions, and guidelines for the AFIG Program. Be sure to read the Guidelines and General Information for program requirements.

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<tr>
<th>AFIG Program booklet</th>
<th>(PDF)</th>
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<tr>
<td>AFIG Application</td>
<td>(Word) This is a “Smart Form” which you can fill-out online, print, and mail in.</td>
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The AFIG program will be announced annually in the **Pennsylvania Bulletin** and the **Weekly DEP Newsletter**. Contact the AFIG Grant Officer:

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Brochures and Reports

- Fueling Pennsylvania's Future - A brochure on Pennsylvania's Alternative Fuels Program  
(PDF)

Alternative Fuel Grant News

- DEP Awards $168,678 in Alternative Fuels Incentive Grants (1/16/04)  
- More Than $17 Million Available in Alternative Fuels Grants (8/8/03)