

# Freight Transportation Fuel Efficiency Program (FTFEP)

## Program Guidelines

Department of Municipal Affairs and Environment  
Climate Change Branch



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## 1.0 Introduction

The transportation sector is the second largest source of greenhouse gas (GHG) emissions in Newfoundland and Labrador, contributing over one-third of the Province's total GHG emissions. More specifically, over ten (10) per cent of the Province's GHG emissions, on average per year, are attributable to diesel use in heavy trucks and the road-based movement of goods and freight.

The Province has identified an opportunity to reduce GHG emissions from the freight trucking sector through the provision of rebates to the trucking industry to install cost-effective fuel saving devices on their vehicles and trailers.

The Freight Transportation Fuel Efficiency Program (FTFEP) is an application-based grant program designed to support fuel saving retrofits to existing heavy-duty vehicles, as defined below, that result in material GHG reductions in Newfoundland and Labrador. The Program will be implemented until March 31, 2022.

The FTFEP is jointly funded by the Government of Newfoundland and Labrador and the Government of Canada with support from the Low Carbon Economy Leadership Fund (LCELF), and is delivered by the Department of Municipal Affairs and Environment ("the Department").

## 2.0 How to Apply

To apply for funding, applicants must:

1. Be eligible to apply.
2. Fill out an Application Form.
3. Provide all required supporting documentation (guidance included in the Application Form).
4. Submit a signed and completed Application Form with supporting documentation:

**By Email:** [climatechange@gov.nl.ca](mailto:climatechange@gov.nl.ca)

**Or**

**By Mail:** Department of Municipal Affairs and Environment  
Climate Change Branch  
West Block, Confederation Building  
P.O. Box 8700  
St. John's, NL A1B 4J6

## 3.0 Eligibility Criteria

### 3.1 Eligible Applicants

Applicants must meet the following requirements:

- be a private sector, for-profit organization, including carriers and owner-operators, a municipal government established by or under provincial statute or a municipal organization, a not-for-profit organization, an Indigenous government or organization, or a public sector body or board established under provincial legislation;
- be the registered owner or lessee of the eligible vehicle or trailer for which upgrades are sought, and the registration must be valid at the time of application. The applicant must have the legal authority to modify the vehicle or trailer for which the fuel saving device(s) is to be installed (proof of ownership or permission of the lessor will be required);
- have a satisfactory audited or satisfactory unaudited carrier safety rating;
- consent to an audit of the vehicle or trailer for which upgrades are sought; and
- consent to provide data to the Department relating to fuel consumption, vehicle/trailer operational profile (e.g., kilometers driven) and GHG emissions for a one-year period after the fuel saving device(s) has been installed.

### 3.2 Eligibility Criteria for Vehicles and Trailers

Vehicles and/or trailers must meet the following criteria:

- Be an existing vehicle (i.e. in operation for one year or more at the time of program launch) that has a Gross Vehicle Weight Rating of 4,500 kilograms or more (i.e. Class 3-8);
- Be registered and plated in Newfoundland and Labrador (a copy of the registration document, including the vehicle or trailer identification number, will be required); and
- The vehicle/trailer must have a Commercial Motor Vehicle Inspection Certificate (CMVIC) performed within the last twelve (12) months (a copy of the CMVIC will be required).

## 4.0 Eligible Fuel Saving Devices and Rebate Criteria

Applicants are eligible to receive rebates consistent with table below. It is the responsibility of the applicant to select the manufacturer and type of equipment to be installed. The Department does not endorse any particular manufacturer or model.

Fuel Saving Device	Description	Rebate Amount (Purchase and Installation Costs, including HST)
<b>Vehicles</b>		
<b>Auxiliary Power Unit (Conventional)</b>	Provides electricity and heating, ventilation and air conditioning from smaller diesel engine, instead of main engine, which burns less fuel to provide the same services	<b>30%</b> up to a cap of <b>\$4,000</b> per device
<b>Auxiliary Power Unit (Electric)</b>	Provides electricity and in some cases HVAC without burning any fuel during operation	<b>50%</b> up to a cap of <b>\$6,000</b> per device
<b>Cabin Heaters/Coolers</b>	Cab heaters and coolers providing either heating or cooling, reducing the need for idling the primary engine to power on-board systems	<b>30%</b> up to a cap of <b>\$3,000</b> per device
<b>Trailers</b>		
<b>Side Skirt<sup>1</sup> Class 8 only</b>	Devices that attach to the underside of a van trailer on either side helping to prevent air from flowing down under the trailer and running into the axles and wheels	<b>30%</b> up to a cap of <b>\$3,000</b> per device <sup>1</sup>
<b>Boat Tail<sup>1</sup> Class 8 only</b>	Devices that mount to the rear of a van trailer to provide a tapered form that reduces the drag force caused by the otherwise flat back of the trailer	<b>30%</b> up to a cap of <b>\$3,000</b> per device <sup>1</sup>
<b>Diesel-Electric Refrigeration Unit</b>	Hybrid refrigeration unit that reduces demand from main diesel engine to cool contents of trailer	<b>30%</b> up to a cap of <b>\$5,000</b> per device
<b>Electric Refrigeration Unit</b>	Electric refrigeration unit that eliminates demand from main diesel engine to cool contents of trailer	<b>30%</b> up to a cap of <b>\$7,500</b> per device

1. Including side skirt/boat tail combinations.

A single applicant can request a rebate for multiple devices on a single vehicle and/or trailer, as well as multiple devices for multiple vehicles and/or trailers owned or operated by the same applicant.

There is no maximum funding request per vehicle/trailer or per applicant; however, the Department reserves the right to limit the amount of funding provided in support of any one vehicle/trailer in the case of a single vehicle/trailer, or to any one applicant in the case of multiple vehicles or trailers owned/operated by the same applicant.

## 4.1 Specific Fuel Saving Devices Requirements

All fuel saving devices must:

- be on the List of Eligible Fuel Saving Technologies ([https://www.exec.gov.nl.ca/exec/occ/low\\_carbon\\_economy\\_programs/freighttransportation.html](https://www.exec.gov.nl.ca/exec/occ/low_carbon_economy_programs/freighttransportation.html)).
- be purchased new and have a valid manufacturer's warranty;
- be purchased, and installed on, an eligible vehicle or trailer after March 8, 2019;
- with respect to the aerodynamic devices listed in **Section 4.0**, be installed on, or in the case of a trailer be attached to, a commercial vehicle with a GVWR of 14,970 kilograms and higher (i.e. Class 8).

## 4.2 Specific Rebate Requirements

Rebates for an eligible fuel saving device purchased and installed on an eligible vehicle or trailer will be provided in accordance with the following criteria:

- rebates will be offered on a first-come, first-served basis, and applicants are required to receive pre-approval (see **Section 5.0**) in order to be eligible to receive a rebate;
- rebates will be distributed in accordance with the pre-approved amount only. The Department will not be responsible for covering incremental costs if the actual costs incurred by the applicant are higher than the pre-approved amount;
- rebates will not be provided retroactively for the purchase and/or installation of fuel saving devices prior to March 15, 2019;
- rebates will not be provided for factory installed fuel saving devices or for the purchase of new vehicles;
- rebates will not be provided for multiple anti-idling devices (i.e. auxiliary power units and cabin heaters/coolers) on the same vehicle; and
- rebates cannot be used in combination with other sources of federal or provincial funds provided for the purchase and/or installation of the fuel saving devices.

## 4.3 Eligible Expenditures

The following are eligible expenditures:

- material and supplies costs (i.e. the cost of acquiring the fuel saving device(s));
- labour costs to install the fuel saving device(s). If self-installation occurs by the applicant, labour costs will not be rebated; and
- any Goods and Services Tax (GST)/Harmonized Sales Tax (HST) that is not reimbursable by Canada Revenue Agency and any Provincial Sales Tax (PST) not reimbursable by the Province.

Eligible expenditures must be incurred after the applicant has received an Approved Application Letter from the Department. Expenditures incurred prior to the receipt of this letter will not be reimbursed, regardless of whether they are otherwise eligible.

Applicants may contact the Department for clarification as to whether a proposed expenditure for a project is eligible. Contact details are listed in **Section 9.0** below.

#### 4.4 Ineligible Expenditures

Ineligible expenditures include the following:

- costs incurred for rejected, withdrawn or cancelled projects;
- operating and/or maintenance expenses related to the fuel saving devices after the device is installed;
- financing charges, legal fees, and loan interest payments;
- labour costs required to prepare and submit an application;
- costs associated with data collection and outcomes reporting; and
- provincial sales tax and GST/HST, for which the applicant is eligible for a rebate and any other costs eligible for rebates.

### 5.0 Application & Approval Process

#### 5.1 Application Timelines

Applications will be accepted on an ongoing basis, unless the program budget is exhausted in a given fiscal year. In the event the program budget is exhausted in a fiscal year, the applicant will be placed on a waitlist until the next fiscal year; however, this does not guarantee funding, and applicants will still be required to obtain an Approved Application Letter before installing fuel saving devices in these cases.

If a decision is taken to restrict applications until the next fiscal year, a notification will appear at [https://www.exec.gov.nl.ca/exec/occ/low\\_carbon\\_economy\\_fund.html](https://www.exec.gov.nl.ca/exec/occ/low_carbon_economy_fund.html).

If you require further information, please contact [climatechange@gov.nl.ca](mailto:climatechange@gov.nl.ca).

#### 5.2 Application Requirements & Information

Applicants are required to submit a signed Application Form outlining the following information:

- applicant's legal name (including Canada Revenue Agency business number);
- contact person;
- contact information (phone numbers, email);
- company information (including size of fleet, if applicable);
- vehicle model and year (for each tractor/vehicle and trailer to be retrofitted);
- Newfoundland and Labrador licence plate and Vehicle Identification Number for vehicles (for each vehicle to be retrofitted)
- Newfoundland and Labrador licence plate and serial number for trailers (for each trailer to be retrofitted);
- gross Vehicle Weight Rating (e.g., Class 8) for each vehicle to be retrofitted;

- type and cost of fuel savings devices to be installed, including manufacturer and model, for each vehicle or trailer to be retrofitted; and
- baseline information, including annual kilometers driven, fuel consumed and an estimate of idling time.

Applicants are also required to provide their consent for the Department, or a representative of the Province, to audit the trucks or trailers to verify installation of technologies rebate, and to provide data consistent with **Section 6.0** below, if approved for a rebate.

A copy of the Application Form is available at:

[https://www.exec.gov.nl.ca/exec/occ/low\\_carbon\\_economy\\_programs/freighttransportation.html](https://www.exec.gov.nl.ca/exec/occ/low_carbon_economy_programs/freighttransportation.html)

As part of the application package, applicants are also required to submit the following:

- purchase and/or installation quote(s) from a dealer or vendor for the fuel saving devices for which a rebate is sought, including manufacturer and model number of fuel saving devices. The applicant's name must be the same on both the application form and the quote provided.
- copy of valid vehicle registration (for each tractor/vehicle and trailer to be retrofitted);
- proof of tractor/vehicle or trailer ownership or, in the case of a lessee, proof that the applicant has authority to modify the tractor/vehicle or trailer by the lessor for each tractor/vehicle and trailer to be retrofitted;
- copy of valid Commercial Motor Vehicle Inspection Certificates (for each vehicle or trailer to be retrofitted); and
- copy of the companies' short carrier profile, if applicable.

The timeframe required to assess applications may vary depending on the completeness of the application. In the event an application is deemed incomplete by the Department, the application assessment will not be completed until the required information is provided to the Department.

### 5.3 Application Process & Payments

1. Applicant reviews Program Guidelines, including the List of Eligible Fuel Savings Technologies for eligibility.
2. Applicant completes Application Form and provides signed application form and all required supporting documentation to the Department.
3. The Department reviews the application package and supporting material for eligibility and completeness. If more information is required, the Department will notify the applicant prior to the commencement of an application assessment.
4. Approved funding recipients will receive an Approved Application Letter from the Department outlining the pre-approved rebate amount and funding conditions. Rejected applicants will also be notified by letter.

5. Successful applicants will have **six (6)** months from the date of the funding Approved Application Letter to purchase and install the fuel savings devices.
6. After an applicant purchases and installs the fuel saving devices, the applicant will be required to submit a Request for Payment Form to the Department. ([https://www.exec.gov.nl.ca/exec/occ/low\\_carbon\\_economy\\_programs/freighttransportation.html](https://www.exec.gov.nl.ca/exec/occ/low_carbon_economy_programs/freighttransportation.html)). As part of the request for payment process, applicants will also be required to submit the following:
  - a) declaration of fuel saving installation signed by the applicant and installer, including information on the location where the devices were installed;
  - b) copy of purchase and installation invoices (including manufacturer and model of fuel saving devices) with zero remaining balance; and
  - c) photographs of the fuel saving device(s) on the truck and/or trailer.
7. The Department reviews the Request for Payment Form and supporting documentation and, if deemed satisfactory by the Department, releases eighty-five (**85**) per cent of the rebate to which the applicant is entitled.
8. Applicant collects required data (see **Section 6.0**) and provides initial Outcomes Reporting Form to the Department in the template provided.
9. The remaining fifteen (**15**) per cent of the rebate for which the recipient is eligible will be released upon the satisfactory submission of their initial Outcomes Reporting Form to the Department.

## 6.0 Data Collection and Reporting

Applicants will be required to submit information, including baseline kilometers driven, fuel consumption, and an estimate of idling time, as part of their application.

Funding recipients will be required to provide the Department with a report on project outcomes, such as kilometers driven, fuel consumption and an estimate of idling time, on a quarterly basis, for **one (1) year** after the fuel saving device(s) have been installed. The report should also include any additional operational information concerning the vehicle and/or trailers upgraded throughout the program that the applicant deems necessary to report. A template Outcomes Reporting Form is available at:

[https://www.exec.gov.nl.ca/exec/occ/low\\_carbon\\_economy\\_programs/freighttransportation.html](https://www.exec.gov.nl.ca/exec/occ/low_carbon_economy_programs/freighttransportation.html)

The Department will hold back **15** per cent of the rebate amount for which the funding recipient is entitled until the funding recipient submits their first quarterly Outcomes Reporting Form after the fuel saving device(s) have been installed and that report is deemed satisfactory by the Department.

## 7.0 Additional Terms and Conditions

### 7.1 Auditing

Recipients may be subject to a random compliance audit by the Government of Newfoundland and Labrador and/or the Government of Canada or their representatives, and must consent to allowing access to a vehicle or trailer as a condition of funding.

Additionally, funding recipients will be required to maintain project records for at least six (6) years following the installation of the fuel saving devices.

### 7.2 Disposal of Assets

A funding recipient may be required to reimburse Newfoundland and Labrador any funds received if at any time within five (5) years from the end date of the contribution agreement the recipient sells, leases, or otherwise disposes of, directly or indirectly, any device purchased, in whole or in part, as a result of or in connection with the program, other than to Newfoundland and Labrador, a local government, or with Newfoundland and Labrador's consent.

## 8.0 Privacy & Confidentiality

The Department will only use the information collected for purposes directly related to the operation of the program and for program-related outcomes reports, which may be shared with the Government of Canada.

Information applicants provide to the Department in confidence, both personal and business-related, will be kept confidential unless:

- the applicant approves of its release, or
- The Department is required or authorized by laws such as the *Access to Information and Protection of Privacy Act, 2015* to release the information.

The funding recipients' legal name, the approved and expended amount of funding, and a brief description of the project may be released as public information.

## 9.0 Contact

For questions relating to these Program Guidelines or the application process, please contact the Department of Municipal Affairs and Environment at:

**Email:** [climatechange@gov.nl.ca](mailto:climatechange@gov.nl.ca)

**Phone:** (709) 729-1394

**Mail:** Department of Municipal Affairs and Environment  
Climate Change Branch  
West Block, Confederation Building  
P.O. Box 8700  
St. John's, NL A1B 4J6