ENVIRONMENTAL PROTECTION AGENCY

NOTICE OF ADOPTED AMENDMENTS

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SUBTITLE B: AIR POLLUTION
CHAPTER II: ENVIRONMENTAL PROTECTION AGENCY

PART 275
ELECTRIC VEHICLE REBATEALTERNATE FUELS PROGRAM

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AUTHORITY: Implementing and authorized by Sections 15 and 27 of the Electric Vehicle Rebate Act [415 ILCS 120/15 and 27].


SUBPART A: GENERAL PROVISIONS

Section 275.100 Purpose and Introduction

a)  This Part establishes procedures for applying for electric vehicle rebates alternate fuel vehicle rebates and electric vehicle car sharing grants as authorized by the Electric Vehicle Rebate Alternate Fuels Act [415 ILCS 120]. Alternate fuel vehicle rebates include an original equipment manufacturer (OEM) differential cost rebate, conversion cost rebate, or fuel cost differential rebate.

b)  This Part is divided into Subparts that are grouped as follows:

1)  Subpart A: General Provisions;

2)  Subpart B: Alternate Fuel Vehicle Rebates; and

3)  Subpart C: Electric Vehicle Car Sharing Grants.

(Source: Amended at 46 Ill. Reg.____________________, effective___________________)

Section 275.120 Definitions
"Act" means the Electric Vehicle Rebate Act Alternate Fuels Act [415 ILCS 120].

"Agency" means the Illinois Environmental Protection Agency.

"Alternate fuel" means liquefied petroleum gas (propane), natural gas, E85 blend fuel, hydrogen fuel, electricity when used as the primary external fuel source to power the vehicle excluding on-board electric generation, fuel composed of a minimum 80% ethanol or 80% bio-based methanol, or fuels that are at least 80% derived from biomass.

"Alternate fuel vehicle" means any motor vehicle or engine that is capable of using an alternate fuel and is operated in the State of Illinois.

"Base retail price" means the manufacturer's suggested retail price (MSRP) excluding options, upgrades, and applicable taxes, title, license, document fee, destination charge, and other add-ons or dealer-related charges.

"Biodiesel fuel" means a renewable fuel conforming to the industry standard ASTM D6751, incorporated by reference in Section 275.140 of this Subpart.

"Car sharing organization" means an organization whose primary business is a membership-based service that allows members to drive cars by the hour in order to extend the public transit system, reduce personal car ownership, save consumers money, increase the use of alternative transportation, and improve environmental sustainability. [415 ILCS 120/10]

"Conventional", when used to modify the word "vehicle", "engine", or "fuel", means gasoline or diesel or any reformulations of those fuels. [415 ILCS 120/10]

"Conversion Cost Rebate" means a rebate issued to offset, in part, the cost of converting a conventional vehicle to alternate fuel capability.

"Covered area" means the counties of Cook, DuPage, Kane, Lake, McHenry, and Will, and those portions of Grundy County and Kendall County that are included in the following zip code areas, as designated by the U.S. Postal Service on August 7, 1998: 60416, 60444, 60447, 60450, 60481, 60538, and 60543.

"Domestic renewable fuel" means a fuel, produced in the United States or its territories, composed of a minimum 80% ethanol or 80% bio-based methanol,
minimum 20% biodiesel fuel, or other fuels derived from at least 80% biomass.

"E85 blend fuel" means fuel that contains 85% ethanol and 15% gasoline or any wintertime blend of at least 70% ethanol.

"Electric vehicle" means a vehicle that is exclusively powered by and refueled by electricity, must be plugged in to charge, and is licensed to drive on public roadways. "Electric vehicle" does not include electric mopeds, electric off-highway vehicles, or hybrid electric vehicles and extended-range electric vehicles that are also equipped with conventional fueled propulsion or auxiliary engines.

"Electric vehicle" means a vehicle that is licensed to drive on public roadways, is predominantly powered by, and primarily fueled with, electricity, and does not have restrictions confining it to operate on only certain types of streets or roads.

"Fuel cost differential rebate" means a rebate issued to offset, in part, the increased cost of using an alternate fuel or domestic renewable fuel compared to conventional fuel.

"Gross Vehicle Weight Rating" or "GVWR" means the total vehicle weight, including the maximum load, as designated by the original equipment manufacturer.

"Heavy-duty vehicle" or "HDV" means a motor vehicle whose GVWR is more than 8,500 lbs.

"Location" means:

a parcel of real property; or

multiple, contiguous parcels of real property that are separated by private roadways, public roadways, or private or public rights-of-way and are owned, operated, leased, or under common control of one party.
"Low income" means persons and families whose income does not exceed 80% of
the State median income for the current State fiscal year, as established by the
United States Department of Health and Human Services. [415 ILCS 120/10]

"Motor vehicle" means a car, truck, van, bus, motorcycle, or other similar on-road
vehicle that can be legally driven on all public roadways and all highways in
Illinois for the purpose of transporting passengers or cargo. Types of vehicles that
are designed to be used primarily as off road vehicles or equipment, including,
but not limited to, vehicles and equipment used for agriculture, construction,
recreation or landscaping, and golf carts that are designed and manufactured for
operation on a golf course or similar vehicles that resemble golf carts, are not
motor vehicles for the purposes of this Part.

"OEM differential cost rebate" means a rebate issued to offset, in part, the
increased cost of purchasing an OEM alternate fuel vehicle.

"Owner" means any person individual who has legal or equitable title to a motor
vehicle.

"Person" means any individual, business, corporation, organization, partnership,
firm, association, trust, estate, public or private institution, group, municipality,
political subdivision of a state, any agency, department, or instrumentality of the
United States, and any officer, agent or employee of any of the above. A car
dealer, car dealership or lessee of a motor vehicle is not a person for the purposes
of this Part.

"Private fueling operation" means any activity in which alternate fuel or domestic
renewable fuel is transferred from a stationary or mobile source to a fuel storage
system used to provide fuel to the engine or motor of that vehicle where the fuel is
not available to the public.

"Project expenditures" means the purchase costs of electric vehicles and costs of
supporting infrastructure for an electric vehicle car sharing grant.

"Proof of purchase payment" means a copy of a canceled check, an
invoice or bill showing that the applicable amount has been paid or that no
remaining balance exists, or other appropriate proof, acceptable to the Agency,
that payment has been made for the related purchase.
"Public fueling operation" means any site where alternate fuel or domestic renewable fuel is transferred from a stationary source to a fuel storage system used to provide fuel to the engine or motor of that vehicle, and is a retail operation.

"Purchase costs" means the base MSRP of an electric vehicle.

“Purchaser” means an individual who purchases an electric vehicle.

"Retail" means to sell directly to the ultimate consumer in small quantities (e.g., gallons) and deliver fuel to a fuel storage system used to provide fuel to the engine or motor of a vehicle.

"Small fleet owner" means a person who owns or operates no more than 30 motor vehicles and employs 100 or fewer employees.

"Supporting infrastructure" means equipment and installation of equipment for the recharging of electric vehicles purchased under a grant project.

(Source: Amended at 46 Ill. Reg.__________________, effective__________________)

Section 275.130 Abbreviations and Acronyms

Agency Illinois Environmental Protection Agency
ASTM ASTM International
CARB California Air Resources Board
FEIN Federal Employer Identification Number
GVWR gross vehicle weight rating
HDV heavy duty vehicle
MSRP Manufacturer’s suggested retail-price
OEM original equipment manufacturer
USEPA United States Environmental Protection Agency
VIN vehicle identification number

(Source: Amended at 46 Ill. Reg.__________________, effective__________________)

Section 275.140 Incorporations by Reference (Repealed)

The following materials are incorporated by reference and do not contain any subsequent
additions or amendments:


b) Control of Emissions from New and In-Use Highway Vehicles and Engines, 40 CFR 86, as amended on November 25, 2009 (74 Fed. Reg. 61537).

c) ASTM D 6751, ASTM International, 100 Barr Harbor Drive, PO Box C700, West Conshohocken PA 19428-2959 (2009).

(Source: Repealed at 46 Ill. Reg.__________________, effective__________________)

SUBPART B: ELECTRIC VEHICLE REBATE

Section 275.200 General Applicant and Vehicle Eligibility

a) On and after July 1, 2022, each individual who purchases an electric vehicle and satisfies the criteria set forth in this Section is eligible to receive a rebate under this Part. To be eligible to receive a rebate, a purchaser must:

1) Reside in Illinois, both at the time the vehicle was purchased and at the time the rebate is issued. [415 ILCS 120/27(b)(1)]

2) Not have received a rebate under the Act in the 10 years prior to the date an application is received by the Agency. A rebate may only be applied for and awarded once per purchaser in any 10-year period. [415 ILCS 120/27(f)]

3) Purchase a new or used electric vehicle in Illinois on or after July 1, 2022, from a dealership licensed by the Illinois Secretary of State and be the owner of the vehicle at the time the rebate is issued. Rented or leased vehicles, vehicles purchased from an out-of-state dealership, and vehicles delivered to or received by the purchaser out-of-state are not eligible for a rebate under the Act. [415 ILCS 120/27(b)(2)]

4) Purchase an electric vehicle that has never been the subject of a rebate issued under the Act. A rebate administered under this Act may only be applied for and awarded one time per vehicle identification number. [415 ILCS 120/27(f)] The Agency will provide on its website a searchable list
of vehicle identification numbers for vehicles that have received a rebate under the Act.

5) **Apply for the rebate within 90 days after the vehicle purchase date** by providing all of the information specified in Section 275.230 to the Agency. [415 ILCS 120/27(b)(3)] The application must be postmarked within 90 days after the vehicle purchase date.

b) **The purchaser must retain ownership of the vehicle for a minimum of 12 consecutive months immediately after the vehicle purchase date. The purchaser must register the vehicle in Illinois during that time frame. Rebate recipients who fail to satisfy any of the above criteria will be required to reimburse the Agency all of the original rebate amount and shall notify the Agency within 60 days of failing to satisfy the criteria.** [415 ILCS 120/27(d)]

a) Owners of alternate fuel vehicles may apply for a rebate under this Part if the vehicle meets the eligibility requirements of subsection (a)(1), (a)(2) or (a)(3) of this Section and by submitting the information required by Section 275.230 this Subpart to the Agency:

1) Converting a conventional vehicle to an alternate fuel vehicle in accordance with the requirements of Section 275.210 of this Subpart;

2) Purchasing an OEM alternate fuel vehicle or engine in accordance with the requirements of Section 275.215 of this Subpart; or

3) Purchasing an electric vehicle alternate fuel or domestic renewable fuel in accordance with the requirements of Section 275.220 of this Subpart.

b) **Notwithstanding subsection (a) of this Section, vehicles owned by the federal government or vehicles registered or primarily operated in a state outside of Illinois are not eligible for rebates offered under this Part.**

c) Rebates will be issued in accordance with Section 275.240 of this Subpart. The total amount of all rebates issued in the Electric Vehicle Rebate Alternate Fuel Program for a given calendar year will be limited to an amount not exceeding the funds available in the Electric Vehicle Rebate Alternate Fuel Fund for that calendar year.
d) A vehicle is eligible for only one type of rebate. Once a vehicle receives a rebate, it is no longer eligible to receive a rebate during its lifetime, except pursuant to Section 275.220(b). A subsequent owner of a vehicle is not eligible to receive a rebate if the vehicle has previously received a rebate in accordance with this Part.

e) An owner of alternate fuel vehicles or vehicles using domestic renewable fuel may receive rebates for no more than 150 vehicles per location and no more than 300 vehicles total for all locations.

(Source: Amended at 46 Ill. Reg.__________________, effective__________________)

Section 275.210 Conversion Cost Rebate Eligibility (Repealed)

The owner of a motor vehicle is eligible to apply for a conversion cost rebate if the requirements of this Section and Section 275.200 are met.

a) The conventional motor vehicle was not certified to a federal emission standard—by the manufacturer as an alternate fuel vehicle, but is subsequently converted in—accordance with the requirements of subsections (b), (c), and (d) of this Section—

b) The conversion to alternate fuel capability took place in Illinois;

c) The conversion system installed on the vehicle is the latest model in current production for that particular vehicle make, model, model year and engine at the time of conversion, and, unless not required by federal law, is tested and certified by either USEPA or CARB; and

d) The conversion system installed on the vehicle has a valid "Certificate of Conformity" issued by USEPA or a valid "Retrofit System Certification" issued by CARB, unless not required by federal law.

(Source: Repealed at 46 Ill. Reg.__________________, effective__________________)

Section 275.215 OEM Differential Cost Rebate Eligibility (Repealed)

The owner of a motor vehicle or engine is eligible to apply for an OEM differential cost rebate if the requirements of this Section and Section 275.200 are met.
a) A new OEM vehicle or engine must be purchased in Illinois and must either be an alternate fuel vehicle or used in an alternate fuel vehicle. [415 ILCS 120/30(b)] For an HDV only, if the same or comparable OEM alternate fuel vehicle or engine is not available for purchase in Illinois, then it may be purchased from a dealership or similar vendor outside of Illinois;

b) The OEM alternate fuel vehicle or engine has the capability to use alternate fuels;

c) The OEM alternate fuel vehicle or engine is certified by USEPA to meet the appropriate emission standards in effect at the time of manufacture.

(Source: Repealed at 46 Ill. Reg.__________________, effective__________________)

Section 275.220 Fuel Cost Differential Rebate Eligibility (Repealed)

a) An owner may apply for a fuel cost differential rebate, if the owner:

1) Owns an alternate fuel vehicle that meets the requirements in Section 275.210 or 275.215 of this Subpart or owns a motor vehicle that operates on biodiesel fuel, and the vehicle is registered and operated in the State of Illinois;

2) Has purchased an alternate fuel or domestic renewable fuel to fuel the vehicle that is more expensive to use, factoring in the reduction in energy content, as compared to using conventional fuel;

3) Has purchased an alternate fuel or domestic renewable fuel that was used in the vehicle for at least 50% of the miles driven annually and at least 50% of fill-ups averaged throughout a calendar year. A "fill-up" means refueling a vehicle by at least one-third of its fuel tank capacity; and

4) Uses at least 250 gallons of alternate fuel or domestic renewable fuel in the vehicle in the calendar year for which a rebate is submitted.

b) An owner of a vehicle approved for a rebate pursuant to Section 275.240 of this Subpart is eligible to receive the rebate for up to two more consecutive years after the year of the initial approved application, for a total of three consecutive years.
To receive the rebate in each of the three consecutive years, the eligibility requirements of subsection (a) of this Section must be met, and the owner must:

1) Submit the documentation required pursuant to Section 275.230(a) and (d) of this Subpart for each qualifying year. This documentation must be submitted in accordance with Section 275.230(e) of this Subpart;

2) Continue to own the vehicle. If the vehicle ceases to be registered to the original applicant owner, a prorated installment shall be paid to the owner or the owner's designee and the remainder of the rebate shall be canceled [415 ILCS 120/30(c)]; and

3) Maintain records of alternate fuel or domestic renewable fuel purchases for the applicable years. Records must include:

A) Receipts or invoices of bulk fuel purchases indicating the type of alternate fuel or domestic renewable fuel and the number of gallons or equivalent gallons purchased;

B) Receipts of fuel purchases from a retail fuel operation indicating the type of alternate fuel or domestic renewable fuel and the number of gallons or equivalent gallons purchased, or other documentation acceptable to the Agency; or

C) Bills for fuels provided through metered service that itemize the cost of the fuel for the vehicle (e.g., electricity, natural gas).

(Source: Repealed at 46 Ill. Reg. ____________________, effective ____________________)

Section 275.230 Applications

a) To apply for a rebate, a purchaser owners of alternate fuel vehicles or motor vehicles that operate on biodiesel fuel must provide the Agency with the following, on a form prescribed by the Agency; information listed in subsection (a) of this Section and the information from subsection (b), (c) or (d) of this Section.

a) Applications for a conversion cost, OEM differential cost, or fuel cost differential rebate must include the following information for each vehicle:
1) The make, model and model year of original manufacture of the electric vehicle that was purchased;

2) The date of vehicle purchase, the name, address, and telephone number of the dealership from which the vehicle was purchased, the dealership’s license number issued by the Illinois Secretary of State, and a certification from the dealership that all information is true and correct or conversion;

3) The vehicle identification number (VIN);

4) A copy of the purchaser’s Illinois vehicle registration license plate number and the state of registration;

5) The type of alternate fuel or domestic renewable fuel used in the vehicle;

6) Whether the vehicle will be primarily fueled at a public or a private fueling operation;

7) Proof of purchase payment as set forth in subsection (b), (c), or (d) of this Section;

8) The purchaser’s name, mailing address, phone number, and, if available, email address of the owner;

9) Proof of vehicle ownership and that the vehicle was purchased in Illinois, including a copy of a purchase agreement noting an Illinois seller [415 ILCS 120/27(b)(3)];

10) For purchasers with a social security number, a completed IRS W-9 that includes the purchaser’s name, mailing address, and social security number. For all other purchasers, an IRS W-8 that includes the purchaser’s name, mailing address, and taxpayer identification number;

11) For an individual, social security number;

12) If the applicant is not an individual:
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A) The name of the entity, mailing address and location of records if they are different from the information reported in subsection (a)(8) of this Section;

-B) The name of the primary contact person, mailing address, phone number, and, if available, email address;

-C) The number of employees; and

-D) The Federal Employer Identification Number (FEIN);

11) The number of vehicles owned by the applicant;

12) The primary locations of the vehicles;

13) The name, address, and social security number of the payee for the rebate; and

9)14) The signature of the purchaser attesting that all information is true and correct, owner, printed name, and date signed.

b) In addition to the information and documentation set forth in subsection (a), purchasers who believe they qualify as low-income shall provide the Agency with a statement certifying that the total combined gross income of all persons over the age of 18 living at the purchaser’s residence and related to the purchaser by blood, marriage, or adoption does not exceed 80% of the State median income.

c) The purchaser must notify the Agency of any changes in residency or ownership of the vehicle that occur between application for a rebate and issuance of a rebate. [415 ILCS 120/27(b)(3)].

b) Applicants for an OEM differential cost rebate, in addition to the information required by subsection (a) of this Section, must provide the following:

1) A copy of the sales invoice or sales contract;

2) Documentation, such as the window sticker, from the retailer clearly showing the incremental cost or upcharge of the vehicle for having an alternate fuel engine and being capable of operating on an alternate fuel as
compared to the same make, model, and year of its conventional counterpart. For OEM alternate fuel vehicles that do not have a conventional counterpart, the applicant must provide documentation, such as the window sticker, from the retailer indicating the base retail price of the OEM alternate fuel vehicle;

3) Proof of payment; and

4) In accordance with Section 275.215(a), for HDVs purchased outside of Illinois, the GVWR.

c) Applicants for a conversion cost rebate, in addition to the information required by subsection (a) of this Section, must provide:

1) The name and address of the persons performing the conversion;

2) A statement that the motor vehicle was converted in accordance with the applicable requirements of Section 275.210 of this Subpart and the following, as applicable:

A) Whether USEPA or CARB certified the conversion system for that particular make, model, model year and engine; and

B) If the conversion system is certified by:

   i) USEPA, a copy of the USEPA "Certificate of Conformity" specific for the conversion system installed on that particular make, model, model year and engine; or

   ii) CARB, a copy of the "Retrofit System Certification" specific for the conversion system installed on that particular make, model, model year and engine;

3) A copy of the conversion invoices or receipts showing the cost of the conversion of the vehicle to alternate fuel capability;

4) Proof of payment; and

5) The name of the conversion system manufacturer, if applicable.
d) Applicants for a fuel cost differential rebate, in addition to the information required in subsection (a) of this Section, must provide in each qualifying rebate application year:

1) The number of gallons or equivalent gallons of alternate fuel or domestic renewable fuel purchased during the calendar year;

2) The number of miles the vehicle was driven during the calendar year;

3) Proof of payment, including:

   A) Receipts or invoices of bulk fuel purchases indicating the type of alternate fuel or domestic renewable fuel and the number of gallons or equivalent gallons purchased;

   B) Receipts of fuel purchases from a retail fuel operation indicating the type of alternate fuel or domestic renewable fuel and the number of gallons or equivalent gallons purchased, or other documentation acceptable to the Agency; or

   C) Bills for fuels provided through metered service that itemize the cost of the fuel for the vehicle (e.g., electricity, natural gas);

4) When applying for a domestic renewable fuel or alternate fuel rebate, except E85 blend fuel, minimum 80% ethanol fuel, or minimum 80% bio-based methanol fuel, the applicant must provide the average incremental cost of the domestic renewable fuel or alternate fuel per gallon above the cost of the conventional fuel during the calendar year; and

5) The type of vehicle.

e) Applications for conversion or OEM differential costs that meet the requirements of this Section and either Section 275.210 or 275.215 of this Subpart, as applicable, must be submitted within 12 months after the month in which the vehicle conversion or vehicle purchase took place, as applicable. Applications for alternate fuel or domestic renewable fuel costs incurred during a calendar year that meet the requirements of this Section and Section 275.220 of this Subpart must be submitted by January 31 of the following year.
Section 275.240 Rebate Priorities and Rebate Amounts

a) Rebates shall be in the amounts specified below, but in no event shall a rebate amount exceed the purchase price of the vehicle:

1) Beginning July 1, 2022, $4,000 for an electric vehicle that is not an electric motorcycle;

2) Beginning July 1, 2026, $2,000 for an electric vehicle that is not an electric motorcycle;

3) Beginning July 1, 2028, $1,500 for an electric vehicle that is not an electric motorcycle;

4) Beginning July 1, 2022, $1,500 for an electric motorcycle. [415 ILCS 120/27(a)]

b) The Agency shall review and approve applications that meet the requirements of Section 275.230 of this Subpart, consistent with fund availability and prioritization as set forth in subsections (b) and (c) and (d) of this Section.

c) The Agency shall prioritize the review of qualified applications from low-income purchasers and award rebates to qualified purchasers accordingly. [415 ILCS 120/27(c)] It may establish priority classes for rebate applications in the following order:

1) Vehicles of small fleet owners located in the covered area that refuel at a public fueling operation;

2) Vehicles of small fleet owners located outside of the covered area that refuel at a public fueling operation;

3) Other vehicles located in the covered area that refuel at a public fueling operation;

4) Other vehicles located outside of the covered area that refuel at a public fueling operation;
fueling operation;

5) Vehicles of small fleet owners located in the covered area that refuel at a private fueling operation;

6) Vehicles of small fleet owners located outside of the covered area that refuel at a private fueling operation;

7) Other vehicles located in the covered area that refuel at a private fueling operation;

8) Other vehicles located outside of the covered area that refuel at a private fueling operation and all other vehicles.

d) In addition to the priority priorities in subsection (c) (b) of this Section, the Agency may further prioritize applications within a priority class as determined by subsection (c) (b) of this Section by giving applications priority in the order in which the application was received. The Agency shall prioritize applications outside the priority class as determined by subsection (c) by giving such applications priority in the order in which the application was received.

e) Pursuant to subsections (c) and (d), qualified applications received during each rebate application cycle will be divided into those from low-income applicants and those from applicants who are not low-income. Within each group, applications will be ranked in order of date received. The Agency will review applications and issue rebates in the order of date received to qualified low-income applicants first. If funding remains, the Agency will review applications and issue rebates in the order of date received to qualified applicants who are not low-income.

d) Rebate amounts shall be calculated as follows:

1) The amount of the OEM differential cost rebate shall be determined as follows; however, the rebate amount is limited to a maximum of $4,000 per vehicle:

   A) The rebate amount shall be 80% of the incremental cost of the engine and fuel system in the alternate fuel vehicle as compared to the cost of the conventional counterpart engine and fuel system in the same make, model, and model year vehicle.
B) For alternate fuel vehicles other than those covered by subsection (d)(1)(A) of this Section, the amount of the rebate shall be 10% of the base retail price of the alternate fuel vehicle.

2) The amount of the conversion cost rebate shall be 80% of the cost of converting a conventional vehicle to an alternate fuel vehicle, excluding applicable taxes and miscellaneous charges such as shipping and handling. The rebate amount is limited to a maximum of $4,000 per vehicle.

3) The amount of the fuel cost differential rebate shall be determined as follows:

A) For vehicles using E85 blend fuel or minimum 80% ethanol, the rebate amount shall be:

   i) If the vehicle travels more than 17,500 miles in the calendar year, $450; or

   ii) If the vehicle travels 17,500 miles or less in the calendar year, $340.

B) For vehicles using minimum 80% bio-based methanol fuel, the rebate amount shall be:

   i) If the vehicle travels more than 17,500 miles in the calendar year, $525; or

   ii) If the vehicle travels 17,500 miles or less in the calendar year, $390.

C) For vehicles using alternate fuels or domestic renewable fuels other than those listed in subsection (d)(3)(A) or (d)(3)(B) of this Section, the rebate amount shall be calculated using the following equation (factoring in the average incremental cost per gallon (or per-gallon equivalent) of using the fuel versus a conventional fuel, the number of gallons used in the eligible vehicle during the calendar year, and the reduction in energy content for the fuel):
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\[
\left( \frac{\text{mi/yr} \times f_1 / \text{gal}}{\text{mi/gal}_1} \times \frac{\text{mi/yr} \times f_2 / \text{gal}}{\text{mi/gal}_2} \right) \times 0.80
\]

where:

- \( f_1 / \text{gal} \): price per gallon in dollars of the domestic renewable fuel or alternate fuel
- \( f_2 / \text{gal} \): price per gallon in dollars of the conventional fuel
- \( \text{mi/gal}_1 \): number of miles to the gallon on the domestic renewable fuel or alternate fuel
- \( \text{mi/gal}_2 \): number of miles to the gallon on the conventional fuel
- \( \text{mi/yr} \): number of miles driven in the applicable calendar year

D) Alternate fuel and domestic renewable fuel rebate amounts are limited to a maximum of $4,000 over a consecutive three-year period.

e) Rebates in any period will be limited to the funds available in the Alternate Fuel Fund for the applicable period.

f) The Agency's denial of an application shall not prohibit an individual from re-applying, provided the individual continues to meet the eligibility requirements found in Section 275.200. The Agency shall notify owners if their application for a rebate has been held over to the next rebate issuance period due to insufficient funds in the Alternate Fuel Fund. Applications held over retain their priority as determined by subsections (b) and (c) of this Section.

g) The Agency will establish the duration of each rebate application cycle based on factors including available funding amounts, the ramifications of particular rebate cycle lengths, efficiency of rebate issuance, the likelihood of oversubscription, and the prioritization of the review of applications from low-income purchasers pursuant to subsection (c). However, in no case will an application cycle be less than 90 calendar days. The length of a rebate cycle will be noted on the Agency's website at the beginning of each cycle.

(Source: Amended at 46 Ill. Reg.__________________, effective__________________)

Section 275.250  Appeal of Agency Decision
a) An applicant whose application for a rebate has been denied by the Agency, or who is contesting the determination of the amount of the rebate, may appeal the denial or rebate amount by filing a notice of appeal with the Director of the Agency.

b) The notice of appeal must:

1) Be made in writing;

2) Be clearly marked "APPEAL OF ELECTRIC VEHICLE ALTERNATE FUEL REBATE ";

3) Include a copy of the original application and a copy of the denial letter or rebate check received by the applicant; and

4) Identify which provisions of this Part the Agency did not properly apply and provide an explanation how the Agency allegedly misapplied the provisions of this Part.

c) The notice of appeal must be postmarked within 30 days after the date of mailing of the denial letter or issuance of the rebate check, as applicable.

d) The Director shall reverse the denial or rebate amount determination if the procedures in this Part were incorrectly applied, resulting in a denial or a rebate determination that is less than the amount for which the applicant is entitled, and if funds were available for the payment of a valid rebate at the time of the initial decision.

e) If the Director reverses the denial of the rebate, the applicant will be paid the rebate amount during the next payment cycle.

f) If the Director modifies the amount of the rebate, the applicant will be paid the difference between the amount of the rebate check and the modified amount during the next payment cycle.

g) If the Director affirms the Agency's denial or rebate amount determination, the applicant may file suit for injunctive or declaratory relief in the Circuit Court for Sangamon County or in the Illinois county in which the applicant resides.
SUBPART C: ELECTRIC VEHICLE CAR SHARING GRANTS

Section 275.300 Availability and Limitations of Grants (Repealed)

a) Once in each of fiscal years 2012 and 2013, in accordance with the Act and this Subpart, a car sharing organization may submit a grant proposal to the Agency for the purchase of new electric vehicles from an Illinois car dealership.

b) Grant funds may only be used for purchasing electric vehicles [415 ILCS 120/30(c)(4)]. Grant funding may not exceed 25 percent of the actual project expenditures.

c) The availability of grants in any fiscal year is limited to the Agency’s estimate of the amount of the annual appropriation and funding remaining after all alternate fuel rebates, as authorized by the Act and Subpart B of this Part, for the applicable fiscal year, have been accounted for.

d) Grants shall be awarded on a competitive basis.

e) The Agency may elect to partially fund a grant project.

f) Grant projects must be performed within one year after the date of the grant award.

g) An electric vehicle purchased using grant funding is not eligible for any rebate authorized by the Act and Subpart B of this Part.

h) A grant recipient, if determined to be in noncompliance with this Subpart or the grant agreement, may not be eligible to receive an additional grant until compliance has been achieved and the grant recipient provides sufficient assurances to the Agency that it has addressed or will timely address the previous noncompliance.

Section 275.310 Grant Application Requirements (Repealed)

a) To be considered for a grant under this Subpart, eligible grant applicants must
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submit to the Agency a grant proposal that includes complete application forms and any other required information. Grant applicants must use application forms furnished by the Agency.

b) Grant proposals must include the following:

1) Name, principal address, chief officers, and locations of the car sharing organization and its operations within Illinois;

2) Description of the car sharing organization, including the number and types of vehicles currently in the fleet and how the vehicles are strategically located to maximize their usage, along with a summary of the demographic populations being served [415 ILCS 120/30(c)(1)(B)];

3) Summary of average miles per year driven by the vehicles currently in the fleet [415 ILCS 120/30(c)(1)(C)];

4) Narrative description of the project, including the overall plans of the organization in acquiring electric vehicles, the makes and models and the number of electric vehicles that will be acquired by the funding, estimated purchase costs for each vehicle, how the vehicles will be refueled, and whether the refueling locations are available to the public or other entities, are private facilities solely used by the organization, or a combination of both [415 ILCS 120/30(c)(1)(D)]; and

5) Detailed project budget, including purchase costs of the electric vehicles and costs of the supporting infrastructure.

e) Grant proposals must be submitted by hard copy and postmarked by May 1 of the applicable fiscal year, unless otherwise specified by the Agency.

(Source: Repealed at 46 Ill. Reg.__________________, effective__________________)

Section 275.320 Agency Action on Grant Applications (Repealed)

a) Subject to the availability and limitations of grants as specified in Section 275.300, the Agency may award grants and set initial and final grant funding amounts.
b) In awarding a grant, the Agency shall consider the overall level of environmental benefits to be realized by the proposed grant project and, in doing so, shall evaluate grant applications taking into consideration the degree to which the grant proposal meets the following factors, ranked in order of importance:

1) Whether the car sharing organization's current and proposed vehicles are or will be located in an ozone nonattainment area;

2) The extent of the geographic distribution of the car sharing organization's current and proposed vehicles and the variety of demographic populations being served;

3) The availability of refueling locations to the public and other entities;

4) The period of time it takes to refuel vehicles and the environmental efficiency of the power supply for electric vehicle recharging equipment;

5) The average miles driven per year by the car sharing organization's current vehicles;

6) The number of proposed vehicles, including the make and model; and

7) The extent to which a greater portion of the estimated total project expenditures will fund the purchase of new electric vehicles.

c) Grant Funding Amounts

1) Initial and final grant funding amounts shall be based only on the base MSRP of the electric vehicle and its electric motor and drivetrain system as depicted on the window sticker or similar documents and not on add-on options such as cabin-related product or component upgrades and extended warranties.

2) Initial grant funding amounts shall not exceed 25 percent of the estimated project expenditures. Final grant funding amounts shall not exceed 25 percent of the actual project expenditures. In the event there is a difference between initial and final grant funding amounts such that initial grant funding exceeds 25 percent of the actual project expenditures, the grant recipient shall reimburse the State of Illinois that excess portion of
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the initial grant funding amount in accordance with Section 275.410(a).

d) The Agency may request that the grant applicant revise its grant proposal.

e) Grant applicants are not eligible to obtain grant funding by default due to failure by the Agency to act upon a grant proposal.

(Source: Repealed at 46 Ill. Reg.__________________, effective__________________)

Section 275.330 Grant Agreement and Amendments (Repealed)

a) If selected for a grant, the Agency shall send the grant applicant a grant agreement. The grant applicant shall sign and return the grant agreement within the time period specified by the Agency. If the grant applicant fails to submit the signed grant agreement to the Agency within the time period specified, the grant award may be considered null and void.

b) The grant agreement, any grant amendments, and this Subpart shall govern the grant.

c) Following acceptance of the grant agreement by the State of Illinois, the Agency shall award the grant by issuing a grant project confirmation letter, including a signed copy of the grant agreement, to the grant recipient that authorizes the grant recipient to begin the grant project.

d) The grant recipient may propose changes to the grant project, and the Agency and grant recipient may mutually agree to amend the grant. Any changes to the grant project must be made in writing, signed by the Agency and grant recipient, as an amendment.

(Source: Repealed at 46 Ill. Reg.__________________, effective__________________)

Section 275.340 Access (Repealed)

a) Any entity with grant oversight authority, and any representative of that entity, shall have access, during normal business hours and at any other time during which the grant project is being performed, to the premises where any grant project is being performed or where any electric vehicles are located. After completion of the grant project, any entity with grant oversight authority, and any
representative of that entity, shall have access to the resulting grant project, including electric vehicles, for five years, during normal business hours. During any access under this subsection, interviews of persons may be conducted.

b) Failure by the grant recipient to provide access as required by this Section after 3 business days written notice from the Agency may result in the Agency taking any of the actions specified by Section 275.380(a)(1)-(a)(4) (Noncompliance).

(Source: Repealed at 46 Ill. Reg.__________________, effective__________________)

Section 275.350 Audit and Records (Repealed)

a) The grant recipient shall maintain books, records, documents, reports, papers, agreements, and other evidentiary material and accounting procedures and practices ("records") as required by the grant agreement and any applicable law or regulation, and consistent with generally accepted accounting standards.

b) For purposes of this Section, "records" shall include, but not be limited to, the following:

1) Documentation of the receipt and disposition by the grant recipient of all grant funds received for the grant project; and

2) Documentation of the project expenditures for the grant project, including all direct and indirect costs of whatever nature incurred for the performance of the grant project.

c) The grant recipient's facilities, or any facilities engaged in the performance of the grant project, and the grant recipient's records shall be subject to inspection and audit by any entity with grant oversight authority, and any representative of that entity, at the times specified in Section 275.340 (Access).

d) The grant recipient shall preserve and make its records available to any entity with grant oversight authority, and any representative of that entity, for the following record retention periods:

1) Five years after submission of the final report;
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2) If the grant is completely or partially terminated, the records relating to the terminated work shall be preserved and made available for 5 years after any resulting final termination settlement; or

3) If any dispute, litigation, claim, negotiation, audit or other action involving the records has been started before expiration of the record retention period specified in subsection (d)(1), until completion of the action and resolution of all issues that arise from it.

e) Failure of the grant recipient to make records available as required by this Section after 3 business days written notice from the Agency may result in the Agency taking any of the actions specified by Section 275.380(a)(1) through (a)(4) (Noncompliance).

f) The rights of access under this Section are not limited to the applicable record retention period, but shall last as long as the records are retained.

g) The grant recipient shall comply with any investigations and interviews relating to the grant project and related records.

(Source: Repealed at 46 Ill. Reg. ____________________, effective__________________)

Section 275.360  Grant Reporting Requirements (Repealed)

a) Within one year after the date of the grant award, the grant recipient shall submit a final report to the Agency. Final reports shall be submitted by hard copy and postmarked within one year after the date of the grant award.

b) Final reports shall include, at a minimum, the following information:

1) The make, model and model year of each electric vehicle purchased;

2) The purchase date of each electric vehicle;

3) The VIN of each electric vehicle purchased;

4) The license plate number and the state of registration of each electric vehicle purchased;
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5) A copy of the window sticker or similar document showing the base MSRP and all options for each electric vehicle purchased;

6) A copy of the purchase invoice for each electric vehicle, showing proof of payment and identifying the Illinois car dealership where the vehicle was purchased; and

7) A complete accounting of any and all costs attributable to the supporting infrastructure.

e) For grants in excess of $25,000, the grant recipient shall submit quarterly reports to the Agency. Quarterly reports shall describe the progress of the grant project and expenditure of grant funds. Quarterly reports shall be submitted to the Agency by hard copy within 30 days after October 1, January 1, April 1, and July 1, as applicable.

d) Failure by the grant recipient to submit any report when due, as required by this Section, may result in the Agency taking any of the actions specified by Section 275.380(a)(1)-(a)(4) (Noncompliance).

(Source: Repealed at 46 Ill. Reg.__________________, effective__________________)

Section 275.370 Final Inspection (Repealed)

The Agency shall conduct a final inspection of the grant project within 60 calendar days after receipt of the final report required by Section 275.360 of this Subpart or within 60 days after the grant award expires, whichever comes first. If the Agency concludes at final inspection that performance of the grant project is deficient, the Agency shall notify the grant recipient in writing within 30 calendar days after final inspection. Within 30 calendar days after receipt of the Agency's written notice of deficiency, the grant recipient shall satisfy the deficiency and notify the Agency in writing of completion. The Agency shall schedule a follow-up inspection, or other appropriate review, within 30 calendar days after receipt of the notice.

(Source: Repealed at 46 Ill. Reg.__________________, effective__________________)

Section 275.380 Noncompliance (Repealed)

a) In the event of noncompliance with any provision of the grant agreement or this Part, the Director may take any necessary action as provided by law or by the
grant agreement against the grant recipient, including, but not limited to, one or more of the following actions:

1) Commence legal action in a court of competent jurisdiction;

2) Declare all grant funds revoked immediately and recover all grant funds;

3) Terminate the grant pursuant to Section 275.400 (Grant Termination by the Agency);

4) Suspend all or part of the grant project pursuant to Section 275.390 (Project Suspension); or

5) Reduce the amount of the grant by the amount of misused funds.

b) In determining whether to take action, the Agency shall, at a minimum, consider mitigating or aggravating factors, including, but not limited to, the severity and number of the violations, whether the violation is a continuing one, whether the grant recipient can remedy or has remedied the violation, and whether the grant recipient remains capable of performing the grant project.

(Source: Repealed at 46 Ill. Reg.__________________, effective__________________)

Section 275.390 Project Suspension (Repealed)

a) In the event of any violation of this Subpart or noncompliance with any provision of the grant agreement, the Agency may, by written notice and order, require the grant recipient to suspend all or any part of the grant project for a period of not more than 30 calendar days after the date of the order, and for any further period to which the parties may agree. Any such order shall include a list of the grant project activities to which it applies. Upon receipt of a project suspension order, the grant recipient shall immediately comply with its terms and shall minimize the incurrence of costs allocable to the grant project activities covered by the order during the period of suspension. Within 30 days after the date of the project suspension order, or within the period of any extension to which the parties have agreed, the Agency may:

1) Cancel the project suspension order upon resolution of the violation or cause leading to that project suspension order; or
2) Terminate the work covered by the project suspension order, as provided in Section 275.400 (Grant Termination by the Agency).

b) If a project suspension order is cancelled or the period of the order or any extension of the order expires, the grant recipient shall resume the grant project activities. An adjustment may be made in the grant period, the grant funding, or any combination of these, and the grant may be amended accordingly, if the grant recipient submits a written claim for an adjustment to the Agency within 30 calendar days after the end of the project suspension. Any such adjustment is at the discretion of the Agency.

c) All costs that are incurred by the grant recipient after the receipt of a project suspension order, or during any extension of the project suspension order period to which the Agency and the grant recipient have agreed, shall be deemed unallowable costs unless otherwise authorized by the Agency in writing.

(Source: Repealed at 46 Ill. Reg. _____________, effective ______________)

Section 275.400 Grant Termination by the Agency (Repealed)

The Agency may terminate the grant for any of the following reasons:

a) Availability of Appropriation. The Agency, by written notice to the grant recipient, may immediately terminate a grant, in whole or in part, without penalty or further payment being required, if the Illinois General Assembly fails to make an appropriation sufficient to pay the grant obligation, or if funds needed are insufficient for any reason.

b) Cause. The Agency, by written notice to the grant recipient, may immediately terminate a grant, in whole or in part, if it is determined that the actions, or failure to act, of the grant recipient, its agents, employees or contractors have caused, or reasonably could cause, jeopardy to health, safety or property. If the grant recipient fails to perform to the Agency's satisfaction any material requirement of a grant or is in violation of a material provision of a grant or this Subpart, the Agency shall provide written notice to the grant recipient requesting that the breach or noncompliance be remedied within the period of time specified in the Agency's written notice. If the breach or noncompliance is not remedied by that date, the Agency may either immediately terminate the grant without additional
written notice or enforce the terms and conditions of the grant, and, in either event, may seek any available legal or equitable remedies and damages.

e) Convenience. Following 30 days written notice, the Agency may terminate a grant in whole or in part without the payment of any penalty or incurring any further obligation to the grant recipient. Following any termination for convenience, the grant recipient shall be entitled to compensation upon submission of invoices and proof of claim for grant project work performed under the grant agreement up to and including the date of termination.

(Source: Repealed at 46 Ill. Reg.__________________, effective__________________)

Section 275.410 Agency Recovery and Reimbursement of Grant Funds (Repealed)

a) If there are grant funds remaining at the time of submitting the final report, the remaining grant funds shall be returned to the State of Illinois within 45 days after submitting the final report.

b) The State of Illinois shall be reimbursed for any grant funds that have not been spent in accordance with this Part or the grant agreement.

c) If the Agency determines that any grant funds are being misspent or improperly held by the grant recipient, the Agency or the Attorney General shall have the authority to recover those funds and take any action authorized by the Illinois Grant Funds Recovery Act [30 ILCS 705].

d) Electric vehicles purchased with grant funds must remain registered and in service with the grant recipient in Illinois for a minimum of 5 years after purchase. If an electric vehicle is sold or otherwise taken out of service in Illinois earlier than that time, the grant recipient shall refund to the State of Illinois a prorated amount of the grant funds used to purchase that vehicle based on MSRP within 45 days after being sold or taken out of service, except if the vehicle is replaced with a comparable vehicle or can no longer be safely operated due to an accident or other damage.

(Source: Repealed at 46 Ill. Reg.__________________, effective__________________)

Section 275.420 Indemnification (Repealed)
The grant recipient agrees to defend, indemnify and hold harmless the State of Illinois, its agencies, officers, employees, agents and volunteers from any and all costs, demands, expenses, losses, claims, suits, causes of action, fines, damages, liabilities, settlements and judgments, including in-house and contracted attorneys' fees and expenses, relating to bodily injuries to persons, including death, and for loss of, damage to, or destruction of real or tangible personal property, including property of the State of Illinois, resulting from the negligence or misconduct of the grant recipient, its employees, agents or contractors in the performance of the grant project or related to performances of the grant project. The grant recipient shall require any contractor engaged by the grant recipient to agree in writing to look solely to the grant recipient for performance of its sub-agreement with the grant recipient and for satisfaction of any and all claims arising under the sub-agreement.

(Source: Repealed at 46 Ill. Reg.__________________, effective__________________)

Section 275.430 Disputes (Repealed)

a) Any dispute arising under a grant that is not disposed of by agreement shall be decided by the Director, or his or her authorized representative, who shall render a decision in writing. This decision shall be furnished to the grant recipient by mail, electronic mail, facsimile, personal service or similar means. The decision of the Director shall be in accordance with this Subpart and shall be final and conclusive.

b) Subsection (a) shall not preclude the Director from considering questions of law or equity in any decision.

(Source: Repealed at 46 Ill. Reg.__________________, effective__________________)