

Green Commercial Vehicle Program

2018-19 Program Guide

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Ontario Ministry of Transportation
Transportation Policy Branch
Policy and Planning Division

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INTRODUCTION

The purpose of this Green Commercial Vehicle Program (GCVP) 2018-19 Program Guide (Guide) is to provide information about the program and the application process.

The Guide contains essential information such as eligibility requirements and provides instructions for the submission of applications. The Guide will be available online and the application form will be accessed through the Grants Ontario portal [[link](#)].

CONTEXT

The movement of goods is vital to a strong economy in Ontario, but the commercial transportation sector is the second largest source of transportation greenhouse gas (GHG) emissions in the province. There are opportunities to reduce GHG emissions from this essential sector by focusing on improved efficiency and switching to lower-carbon fuels.

From 2008 to 2010, the Ministry of Transportation (Ministry) offered a Green Commercial Vehicle Program, which provided incentives for the installation of anti-idling devices on commercial motor vehicles and the purchase of low-carbon commercial motor vehicles. At that time, the range of available vehicles and fuel saving devices was not as comprehensive as it is today.

Ontario's Climate Change Action Plan was released on June 8, 2016 and includes a commitment for a modernized GCVP, which would provide incentives to eligible applicants for the acquisition of low-carbon alternative fuel commercial motor vehicles and fuel saving devices to reduce GHG emissions, including electric and natural-gas-powered commercial motor vehicles, aerodynamic and anti-idling devices, and electric refrigeration units.

The program has been developed using lessons learned from the 2008-2010 pilot, preliminary modelling, detailed cross-jurisdictional scans, targeted research on fuels and devices as well as stakeholder consultation. With a broad scope of eligible alternative fuel commercial motor vehicles and fuel saving devices, the program can drive further adoption and corresponding reductions in GHG emissions.

A. PROGRAM OVERVIEW

1. Overview of the Green Commercial Vehicle Program

The Ministry's new Green Commercial Vehicle Program is an initiative under the Climate Change Action Plan that will support Ontario's GHG reduction goals.

In 2015, the transportation sector accounted for 37%¹ of Ontario's GHG emissions. In that same year, 26%² of Ontario's total transportation sector GHG emissions came from the road-based movement of freight.

The objective of the program is to reduce GHG emissions from the movement of freight and non-passenger-related services by encouraging a shift towards low-carbon fuels and fuel saving devices that reduce fuel consumption and/or improve fuel efficiency. Through the program, the Ministry is supporting and encouraging the adoption of alternative fuel commercial motor vehicles and fuel saving devices that reduce GHG emissions from the commercial transportation sector.

This is an incentive-based program for the commercial transportation sector, where incentives are provided upon proof of purchase. As further described in Part B of this Guide, the program provides incentives for the purchase (and installation where applicable) of:

- Electric commercial motor vehicles;
- Natural gas commercial motor vehicles, including new, converted and retrofitted dual fuel commercial motor vehicles;
- Aerodynamic devices, including boat tails and side skirts;
- Anti-idling devices, including auxiliary power units (APUs), cab heaters and coolers; and
- Electric refrigeration units.

2. Principles of Program Design

The design of the program recognizes that the commercial transportation sector is a significant contributor to Ontario's GHG emission profile. Widespread adoption of alternative fuel commercial motor vehicles and fuel saving devices has the potential for meaningful reductions in transportation GHG emissions. The program has been structured around achieving the desired outcomes of a reduction in GHG emissions and an increased and accelerated adoption of alternative fuel commercial motor vehicles and fuel saving devices.

¹ Canada National Inventory Report 1990-2015 Part 3, pg 59

² Canada National Inventory Report 1990-2015 Part 3, pg 59

B. OVERVIEW OF ALTERNATIVE FUEL COMMERCIAL MOTOR VEHICLES AND FUEL SAVING DEVICES

ALTERNATIVE FUEL COMMERCIAL MOTOR VEHICLES

1. Electric Vehicles

Electric vehicles have zero tailpipe GHG emissions and operate completely on a rechargeable battery. They are often used on short-haul city and inter-urban delivery routes that involve multiple drop-off and pick-up operations. As they offer the greatest GHG reductions when compared to diesel vehicles, they have been assigned the greatest potential incentive amounts.

2. Natural Gas Vehicles

Natural gas vehicles and engines are powered completely by natural gas. This includes compressed natural gas (CNG), liquefied natural gas (LNG) and renewable natural gas (RNG). They are used in a variety of applications, including long-haul vehicles, waste collection vehicles and vocational vehicles. As they offer slightly less potential for GHG reductions compared to electric vehicles, incentive amounts are lower than for electric vehicles.

New and Converted Vehicles

Incentives are available for any new class 6-8 vehicle (gross vehicle weight rating [GVWR] of 8,846 kg or greater) with an engine that operates solely on natural gas, or any model year 2010 or later class 6-8 vehicle (GVWR of 8,846 kg or greater) that has been converted to use an engine and fueling system that operates solely on natural gas.

Dual Fuel Retrofits

Dual fuel vehicles are conventional fuel commercial motor vehicles that have been retrofitted to operate on both natural gas and diesel fuels. They are often used in heavy-duty vehicles operating on long-distance and inter-urban routes, or long-haul trucking applications. As dual fuel retrofits are currently the only viable alternative fuel option for long combination vehicles, they will receive incentives comparable to fully natural gas vehicles. For all other applications, as these retrofits offer slightly less potential for GHG emission reductions compared to fully natural gas vehicles, incentive amounts available are slightly less. Incentives are available for any class 8 vehicles (GVWR of 14,970 kg or greater) converted to a dual fuel system that are able to operate on both diesel and natural gas.

FUEL SAVING DEVICES

A full list of approved fuel-saving devices can be found on the Ministry's webpage [\[link\]](#):

3. Aerodynamic Devices

Aerodynamic devices attach to a commercial motor vehicle or trailer and provide a more streamlined shape, reduce drag, increase fuel efficiency and lower fuel consumption and GHG emissions. Such devices are most commonly used on commercial motor vehicles pulling trailers that operate at high speeds (80 – 100 km/h or higher) on highways.

Incentives are available for new or add-on/retrofit aerodynamic devices for trailers. Only aerodynamic devices that have been tested and verified to achieve at least 3% fuel savings when used as intended are eligible for incentives under this program. The Ministry considers certification by the EPA – SmartWay Technology Program or similar programs when evaluating which devices are eligible for funding.

Side Skirts

Side skirts are used on trailers being pulled by commercial motor vehicles that operate on highways at high speeds. They are installed on the underside of a trailer and minimize the airflow under a trailer and around the back axle.

Boat Tails

Boat tails are used on trailers being pulled by commercial motor vehicles that operate on highways at high speeds. As extension panels, these rear devices decelerate the air passing over the roof and/or the sides of the trailer and reduce the drag from the low pressure wake and losses behind the trailer.

4. Anti-Idling Devices

Incentives are available to help offset the purchase and installation costs for new anti-idling devices for commercial motor vehicles. Only anti-idling devices that reduce long-duration idling of the main propulsion engine or eliminate the use of the main drive engine when the vehicle is idling are eligible for incentives under the program.

Auxiliary Power Units (APUs)

APUs reduce the need for idling the primary engine to provide power for cabin heating and cooling as well as for powering appliances. APUs help to maintain a comfortable environment for the driver with minimal fuel consumption; e.g., overnight for sleeper cabs or at ports, border crossings, rail yards, warehouses, loading docks, etc.

If an incentive is received under the program for an APU for a particular commercial motor vehicle, additional incentives would not be provided for other anti-idling devices on that same vehicle.

Cab Heaters and Coolers

Cab heaters and coolers on commercial motor vehicles provide either heating or cooling, reducing the need for idling the primary engine to power on-board systems.

5. Electric Refrigeration Units

Incentives will be provided for electric and diesel-electric refrigeration units attached to a trailer to provide refrigeration of the contents.

C. INCENTIVE AMOUNTS

1. Incentive Amounts by Type of Vehicle and Device

For the purchase of an eligible alternative fuel commercial motor vehicle (i.e., electric or natural gas), incentive amounts range from 15%-50% of the incremental purchase cost of the vehicle. The incremental cost is considered the difference in the pre-tax purchase price between an equivalent conventional fuel vehicle and the alternative fuel vehicle incentivized through the program.

For the purchase of fuel saving devices, the incentive amounts range from 30%-50% of the pre-tax cost of purchase and installation of the device.

Although there is no limit on the number of alternative fuel commercial motor vehicles or fuel saving devices that an applicant may apply for, the Ministry makes no guarantee that incentives will be provided for all or any of the applications. Payment of incentives will be subject, at the Ministry's sole discretion, to the availability of funds and GCVP policy objectives, which may change over time, and other considerations.

2. Incentive Amount Tables

The tables below summarize the incentive amounts provided for eligible alternative fuel commercial motor vehicles (Table 1), aerodynamic devices (Table 2), anti-idling devices (Table 3) and electric refrigeration units (Table 4).

ALTERNATIVE FUEL COMMERCIAL MOTOR VEHICLES

Table 1: Eligible alternative fuel commercial motor vehicle incentives

Alternative Fuel Commercial Motor Vehicle	Incentive (As of March 31, 2018)
New Electric	50% of the incremental purchase cost compared to an equivalent diesel vehicle, up to a cap of \$75,000 per vehicle

Alternative Fuel Commercial Motor Vehicle	Incentive (As of March 31, 2018)
New Natural Gas (Class 6-8 only)	30% of the incremental purchase cost compared to an equivalent diesel vehicle, up to a cap of \$30,000 per vehicle
Conversions (from conventional fuel to natural gas, Class 6-8 only)	30% of the conversion cost, up to a cap of \$30,000 per vehicle
Dual fuel retrofits (natural gas and diesel, Class 8 only)	15% of the retrofit cost (30% for LCVs), up to a cap of \$7,500 per vehicle (\$15,000 per vehicle for LCVs)

FUEL SAVING DEVICES

Table 2: Eligible aerodynamic device incentives

Eligible Aerodynamic Device	Incentive (As of March 31, 2018)
Side Skirts	30% of the cost of the device and its installation, up to a cap of \$2,000 per device
Boat Tails	30% of the cost of the device and its installation, up to a cap of \$2,000 per device

Table 3: Eligible anti-idling device incentives

Eligible Anti-Idling Device	Incentive (As of March 31, 2018)
APUs (Conventional)	30% of the cost of the device and its installation, up to a cap of \$4,000 per device
APUs (Electric)	50% of the cost of the device and its installation, up to a cap of \$6,000 per device
Cab Heaters, Coolers	30% of the cost of the device and its installation, up to a cap of \$2,000 per device

Table 4: Eligible electric refrigeration unit incentives

Incentive (As of March 31, 2018)
30% of the incremental cost of purchasing and installing the device compared to an equivalent diesel unit, and the charging infrastructure up to a cap of \$5,000 for diesel-electric units or \$7,500 for fully electric units

3. Application Processing

The Ministry will monitor intake, approved applications and funding availability on an ongoing basis. Should annual funding be depleted, the Ministry will notify applicants that their application cannot be fulfilled at this time and that they will be placed on a wait list. If additional funding becomes available, the Ministry will continue to process applications in the order received. A notice will be posted on the program's website alerting potential applicants to the status of available funding.

D. APPLICANT, VEHICLE, AND DEVICE ELIGIBILITY CRITERIA

The eligibility criteria for applicants, alternative fuel commercial motor vehicles and fuel saving devices as further described below must be met for an application to be considered for an incentive under the program. Despite the above and regardless of whether the eligibility criteria are met, the Ministry may, at its sole discretion, based on available funding and policy and other considerations, reject such an application.

1. Eligibility Criteria for All Applicants

To be eligible for funding, applicants must meet the following requirements:

- Be a business,³ a municipality, a municipal organization, a not-for-profit corporation, an Aboriginal business, a First Nation, a Métis or an Inuit community, or an Indigenous organization recognized by the province;
- Be a legal entity;
- Be located and operating in Ontario;
- Have a valid Canada Revenue Agency (CRA) business number;⁴
- Have a “Satisfactory Unaudited” or higher Commercial Vehicle Operators’ Registration (CVOR) fleet safety rating;
- Be the registered vehicle owner or lessee of the alternative fuel commercial motor vehicle for which a GCVP incentive is sought, or the registered vehicle owner or lessee of the trailer on which the fuel saving device(s) for which a GCVP incentive is sought is to be attached;
- Commit to own/lease the vehicle for 36 months after the date the Ministry has provided funds; and,
- Agree to participate in data collection for 12 months at any point during the above-noted 36-month period.

Ineligible applicants include:

- Individuals;
- The provincial or federal government, and their respective agencies and entities;
- Vehicle manufacturers; and
- Any other entities, at the Ministry’s sole discretion, not mentioned in the above list of eligible applicants.

³ A corporation (federal or provincial), sole proprietorship, or partnership (general or limited)

⁴ If the applicant does not have a CRA business number, please contact the Ministry for an exemption. The Ministry may consider exemptions on a case-by-case basis.

2. Eligibility Criteria for Alternative Fuel Commercial Motor Vehicles

The general eligibility criteria listed below apply to all eligible alternative fuel commercial motor vehicles, regardless of the fuel type. Criteria specific to certain types of alternative fuel commercial motor vehicle types are described subsequently. Where a specific eligibility criterion differs from a general eligibility criterion, the specific criterion prevails.

To be eligible for a GCVP incentive, an alternative fuel commercial motor vehicle must be:

- A commercial motor vehicle with a gross vehicle weight rating (GVWR) of 4,536 kg or higher (class 3-8);
- Registered, plated and operating primarily in Ontario;
- Insured and roadworthy for on-road commercial use in Ontario, excluding passenger transportation; and
- Purchased, converted or retrofitted on or after September 1, 2017.

Ineligible commercial motor vehicles include, without limitation and at the Ministry's sole discretion:

- Vehicles used for passenger transportation services;
- Light-duty vehicles;
- Vehicles not certified, insured, roadworthy or plated for on-road commercial use;
- Electric vehicle retrofits and conversions;
- Glider kits;
- Any other commercial motor vehicle, at the Ministry's sole discretion, not mentioned in the above list of eligible commercial motor vehicles; and
- Vehicles that are the subject of application(s) for incentive(s) or for which applicants are in receipt of funds from other Canadian federal or provincial, or U.S. federal or state governments/organizations.

The applicant will be required to provide general vehicle information in the application. The Ministry will verify this information (confirmation of Ontario registration and validity of license plate information, for example) upon review of the application. Once an application has been approved, the applicant will be required to submit all required documentation within six (6) months and prior to the Ministry providing any funds to the applicant. If, for new vehicle purchases, the Vehicle Identification Number (VIN) and registration data cannot be provided at the application stage, the applicant must provide this information upon taking delivery of the vehicle. This documentation must be submitted along with the final bill of sale or lease prior to the Ministry providing the incentive.

Specific Eligibility Criteria for New Natural Gas Commercial Motor Vehicles

- A gross vehicle weight rating (GVWR) of at least 8,846 kg or higher (class 6-8); and
- New vehicle purchase.

Specific Eligibility Criteria for Diesel to Natural Gas Conversions

- A gross vehicle weight rating (GVWR) of 8,846 kg and higher (class 6-8);
- Model year 2010 or newer conventional fuel commercial motor vehicle;
- New natural gas engine and all associated components required for the conversion; and
- Installed by a Technical Standards and Safety Authority (TSSA) certified installation shop and by a mechanic with a valid 310T certification and TSSA Internal Combustion for Alternate Fuel Technician (ICE, ICE-NG) license.

Specific Eligibility Criteria for Diesel/Natural Gas Dual Fuel Retrofits

- A gross vehicle weight rating (GVWR) of 14,970 kg and higher (class 8);
- Model year 2010 or newer conventional fuel commercial motor vehicle;
- New dual fuel kit which adheres to CSA B109 standards; and
- Installed by a TSSA-certified installation shop and by a mechanic with a valid 310T certification and TSSA Internal Combustion for Alternate Fuel Technician (ICE, ICE-NG) license.

3. Eligibility Criteria for Fuel Saving Devices

The general eligibility criteria listed below apply to all eligible fuel saving devices.

- On the list of approved devices [\[link\]](#);
- New device with a valid warranty;
- Installed at an authorized dealer, vendor, or installer or by a mechanic with a valid 310T certification; and
- Not the subject of any application for incentive(s) or any applicant's receipt of funds from other Canadian federal or provincial, or U.S. federal or state government/organization.

Specific Eligibility Criteria for Aerodynamic Devices

- Installed on a trailer attached to a commercial motor vehicle with a gross vehicle weight rating (GVWR) of 14,970 kg and higher (class 8);

E. APPLICATION DOCUMENTATION AND PROCESS

1. Required Application Documentation

An applicant must submit one application for each eligible alternative fuel commercial motor vehicle. An applicant wishing to purchase multiple vehicles must fill out one application form for each vehicle.

An applicant wishing to purchase multiple fuel saving devices for a single vehicle or trailer may fill out one application form for all of the devices for that vehicle or trailer. An applicant wishing to purchase fuel saving devices for multiple vehicles or trailers must fill out one application form for each vehicle or trailer.

The Ministry will review each application, and if approved, will notify the applicant of the maximum incentive amount for which the applicant is eligible.

Applications may be submitted by an applicant directly or by a dealer on an applicant's behalf. For a dealer to submit an application on behalf of an applicant, the applicant must indicate in the application form that the incentive is to be assigned to the dealer.

Alternative Fuel Commercial Motor Vehicle Applications

The following documentation must be submitted with each application:

- Dealer quote; and,
- Completed application form.

Once the Ministry has approved an application, the applicant will be required to submit the following information within six (6) months and prior to the Ministry providing any funds to the applicant:

- Copy of the vehicle registration; and,
- Final purchase/lease invoice (including installation information and price for conversions and retrofits).

Fuel Saving Device Applications

The following documentation must be submitted with each application:

- Dealer quote; and,
- Completed application form.

Once the Ministry has approved an application, the applicant will be required to submit the following information within six (6) months and prior to the Ministry providing any funds to the applicant:

- Copy of the vehicle registration;
- Proof of installation by an authorized dealer, vendor, or installer; and,
- Final purchase receipt.

2. Application Process

For Alternative Fuel Commercial Motor Vehicles

- The dealer completes a purchase/lease quote which both the applicant and dealer sign.
- The applicant (or dealer if the applicant has assigned its incentive to the dealer) completes the application. The applicant's name on the application form and the quote must be the same.
- The applicant and dealer sign the application.
- The application is submitted with the purchase/lease quote through the Grants Ontario online portal. [\[link\]](#)
- The Ministry reviews the application and provides a response that indicates whether the application is approved and if so, the approved maximum incentive amount.
- Upon delivery of the vehicle, the applicant must ensure that the vehicle is registered, plated and insured.
- The applicant (or dealer if the applicant has assigned its incentive to the dealer) will report back and submit any outstanding required documentation, along with a final invoice to request the release of funds.
- Upon receipt and review of the required documentation and final invoice, if completed and acceptable to the Ministry, at its sole discretion, the Ministry will provide the applicant with an amount up to the approved maximum funding amount to either the applicant or, if the applicant has assigned the incentive to a dealer, the dealer.
- Funds will be provided through an electronic funds transfer.

For Fuel Saving Devices

- The applicant consults the list of eligible devices to ensure that the device is listed on the approved list.
- The dealer completes a purchase/lease quote which both the applicant and dealer sign.

- The applicant (or dealer if the applicant has assigned its incentive to the dealer) completes the application. The applicant's name on the application form and the quote must be the same.
- The applicant and dealer sign the application.
- The application is submitted with the purchase/lease quote through the Grants Ontario online portal. [\[link\]](#)
- The Ministry reviews the application and provides a response that indicates whether the application is approved and if so, the approved maximum incentive value.
- The applicant pays for the device and installation by an approved installer.
- The applicant (or dealer if the applicant has assigned its incentive to the dealer) will report back and submit any outstanding required documentation, along with a final invoice and proof of installation to request the release of funds.
- Upon receipt and review of the required documentation and final invoice, if completed and acceptable to the Ministry, at its sole discretion, the Ministry will provide the applicant with an amount up to the approved maximum funding amount to either the applicant or, if the applicant has assigned the incentive to a dealer, the dealer.
- Funds will be provided through an electronic funds transfer.

3. Timelines for Applications and Completion of Purchases

The period of time required to review an application may vary depending on the completeness of the application. If additional information is required, processing will be suspended until it is provided.

The final purchase, registration, plating and insurance requirements must be fulfilled and all required documentation submitted via the Grants Ontario online portal [\[link\]](#) within six (6) months of the date of the confirmation letter from the Ministry.

If the above requirements are not fulfilled and the required documentation not submitted within six (6) months of the date of the confirmation letter from the Ministry, the Ministry may rescind its approval. If the Ministry rescinds its approval, the applicant could resubmit a new application for the Ministry's consideration.

F. DATA COLLECTION AND REPORTING

1. Types of Data Collected from Recipients

The applicant will be required to provide the Ministry with data about the applicant and allow for the collection and provision to the Ministry of operational data about each vehicle or fuel saving device for which an incentive was provided. This will provide the Ministry with essential information for determining levels of GHG reductions and will support the ongoing evaluation and improvement of the program.

Applicant Data

Applicant and vehicle-specific data will be provided to the Ministry at the time of the application. The answers to the questions in the application form will provide information about the applicant types, organizational use of vehicles or devices, vehicle/device specifications and dealer information.

Operational Data

Also, as a condition of the program, an incentive recipient will be required to provide ongoing operational data.

Telematics devices will be used to collect operational data from a selection of vehicles for which incentives are provided. The Ministry will notify recipients if they are selected to submit data. If a recipient does not have its own telematics device, the installation of the telematics device will be carried out by a Ministry-retained service provider. The telematics devices will record real-time information that can be compiled in a report format and provided to the Ministry.

The Ministry will not use the data collected to identify a recipient. To that effect, the Ministry's third-party service provider will remove all personal or identifying information from the data.

The Ministry's service provider will contact each recipient selected to provide operational data and inform them of the requirements for the data collection process. Selected recipients will have to participate and work with the Ministry's service provider for a period of 12 months, within the 36-month period after receipt of the incentive.

2. Data Collection Requirements of Incentive Recipients

Recipients will work directly with the Ministry's service provider for the collection of operational data.

This will include working with the service provider to have a telematics device installed on any alternative fuel commercial motor vehicle for which an incentive has been provided if a recipient does not have its own telematics device, to have it maintained as needed, and to have data collected on a regular basis. The recipient will also work with the service provider to have the telematics device removed after the 12-month collection period.

If a recipient already has a telematics device on the selected alternative fuel commercial motor vehicle, the recipient may be able to work directly with the service provider for the collection of operational data from that device for the 12-month collection period.

If a recipient has a conventional fuel commercial motor vehicle (without any anti-idling or aerodynamic device installed) from which telematics data is currently being collected, the Ministry may request a sample of this data for internal use in establishing or validating baseline GHG emissions profiles.

Should a recipient not comply with the data collection requirements and 12-month collection period, the Ministry may invoke any of its remedies under the contract with the recipient including, without limitation, demanding from the recipient the payment of an amount equal to any funds the Ministry provided to the recipient.

3. Ministry Reporting on Program Outcomes

In order to monitor the success of the program and assess ways to improve it, the Ministry will use the data collected from applicants/recipients to report on program measures. Program measures are linked to the overall program goals/outcomes, such as GHG emission reductions, industry shifts to greener commercial motor vehicle fleets and fuels, and research and innovation.

G. GENERAL

Contract

GCVP incentives will be provided to recipients pursuant to contracts.

Where a GCVP incentive is provided to a recipient under the Program, the GCVP incentive will be provided to the recipient in accordance with the terms and conditions set out in the contract between the recipient and the Ministry. The contract will consist of:

- (a) the application form submitted by the recipient, or a dealer on behalf of the recipient, for the GCVP incentive;
- (b) the Guide; and
- (c) the confirmation letter from the Ministry to the recipient confirming the provision of any GCVP incentive.

The above documents will constitute the entire agreement between the Ministry and the recipient with respect to the subject matter contained in the contract.

A contract will be effective as of the date of the confirmation letter for the GCVP incentive provided pursuant to the contract and, subject to any provisions surviving its expiration, will expire 36 months after the contract effective date.

In the event of a conflict or inconsistency between any of: (a) the confirmation letter and any of the requirements of the Guide, the confirmation letter will prevail; and (b) the Guide and any of the information provided by a recipient in an application form, the Guide will prevail.

The invalidity or unenforceability of any provision of a contract pursuant to the Program will not affect the validity or enforceability of any other provision of the contract. Any invalid or unenforceable provision will be deemed to be severed.

Any provisions which by their nature are intended to survive the termination or expiration of a contract under the Program including, without limitation, those related to, accountability, records, audit, inspection, liability, indemnity, and remedies will survive its termination or expiration and continue in full force and effect for a period of seven (7) years from the date of expiry or termination of the contract.

Non-compliance with the Terms and Conditions of a Contract

Under a contract, the following events will constitute an event of default:

- (a) in the opinion of the Ministry, the recipient of a GCVP incentive breaches any representation, warranty, covenant or other material term of the contract, including, without limitation, failing to do any of the following in accordance with the terms and conditions of the contract:
 - (i) the recipient fails to comply with any of the terms and conditions set out in the guide or application form for the incentive;
 - (ii) the alternative fuel commercial motor vehicle or fuel saving device for which the Ministry provided funds no longer meets one or more of the eligibility requirements of the program;
 - (iii) the recipient fails to own or lease the commercial motor vehicle or fuel saving device for which the Ministry provided funds for 36 months after the date the Ministry has provided the funds; and
 - (iv) the recipient fails to comply with the data requirements set out in the guide;
- (b) the recipient makes an assignment, proposal, compromise, or arrangement for the benefit of creditors, or a creditor makes an application for an order adjudging the recipient bankrupt, or applies for the appointment of a receiver; or
- (c) the recipient ceases to operate.

If an event of default occurs, the Ministry may, at any time, take one or more of the following actions:

- (a) provide the recipient with an opportunity to remedy the event of default upon terms and conditions set by the Ministry at its sole discretion;
- (b) reduce the amount of the incentive(s);
- (c) demand from the recipient the payment of an amount equal to any funds the Ministry provided to the recipient; or
- (d) terminate the contract at any time, including immediately, without liability, penalty or costs to the Ministry upon giving notice to the recipient. Termination will take effect as provided for in the notice.

For greater certainty, the rights and remedies of the Ministry under a contract are cumulative and are in addition to, and not in substitution for, any of its rights and remedies provided by law or in equity.

Liabilities and Indemnities

A recipient of a GCVP incentive is responsible for anything that may arise, directly or indirectly, in connection with the GCVP incentive. The Ministry's involvement under the Program is for the sole purpose of, and is limited to, the provision of GCVP incentives.

Furthermore, a recipient of a GCVP incentive must indemnify and hold harmless the indemnified parties from and against any and all liability, loss, costs, damages and expenses (including legal, expert and consultant fees), causes of action, actions, claims, demands, lawsuits or other proceedings, by whomever made, sustained, incurred, brought or prosecuted, in any way arising out of or in connection with the GCVP incentive or otherwise in connection with a contract with the Ministry pursuant to the Program, unless solely caused by the negligence or willful misconduct of the indemnified parties.

A recipient of a GCVP incentive is also responsible for its own insurance and must carry, at its own costs and expense, the necessary and appropriate insurance that a prudent recipient in similar circumstances would maintain in order to protect itself and the Ministry and support the indemnification, as set out above, provided to the Ministry. For greater certainty, the recipient will not be covered by the Province of Ontario's insurance program and no protection will be afforded to the recipient by the Government of Ontario for any losses or proceedings that may arise out of the Program.

Compliance with the Law and Governing Law

An applicant or recipient of any GCVP incentive must comply with all federal and provincial laws and regulations, all municipal by-laws, and any other orders, rules and by-laws applicable to the GCVP incentive and any alternative fuel commercial motor vehicle or fuel saving devices for which funds are provided.

The contract and the rights, obligations and relations of the Ministry and any applicant or recipient will be governed by and construed in accordance with the laws of the Province of Ontario and the applicable federal laws of Canada. Any actions or proceedings arising in connection with the contract will be conducted in the courts of Ontario, which will have exclusive jurisdiction over such proceedings.

APPENDICES

Appendix A – Definition of Terms

Term	Definition
Aerodynamic device	Externally-mounted passive device used to minimize drag. Mounted to either the tractor or trailer.
Alternative fuel commercial motor vehicle	Any vehicle with a gross weight of 4,536 kg or more which operates on electricity or natural gas (including diesel and natural gas dual fuel configurations).
Anti-idling device	Devices used to reduce the amount a vehicle idles with the engine on. Includes auxiliary power units (APUs), cab heaters and cab coolers.
Applicant	An applicant that submits an application form to the Ministry for a GCVP incentive under the Program.
Boat tail	A rear device that reduces the drag from the low pressure wake behind the trailer.
Carrier	The business responsible for the operation of a commercial motor vehicle, including the carriage of goods or passengers.
Climate Change Action Plan (CCAP)	Ontario's five year plan to fight climate change, reduce greenhouse gas pollution and transition to a low-carbon economy.
Commercial motor vehicle (vehicle)	Any vehicle with a gross weight of 4,536 kg or more. For the purposes of the GCVP this excludes vehicles used for passenger transportation. Includes both conventional fuel and alternative fuel commercial motor vehicles.
Components	Individual parts which make up a complete system.
Confirmation letter	A letter sent by the Ministry to an applicant confirming the provision of any GCVP incentive to the applicant pursuant to the Program.
Conflict of Interest	Includes any circumstances where (a) the applicant; or (b) any person who has the capacity to influence the applicant's decisions, has outside commitments, relationships, or financial interests that could, or could be seen to, interfere with the applicant's objective, unbiased, and impartial judgment relating to the use of the GCVP incentive.
Contract	Refers to a contract described in Part G (General).
Conventional fuel commercial motor vehicle	Any vehicle with a gross weight of 4,536 kg or more with a fuel system operating on gasoline or diesel.
CRA Business Number (BN)	A nine-digit number that gives each registered business its own unique identifier.
CVOR – Commercial Vehicle Operator's Registration	The CVOR system in Ontario monitors commercial carrier safety to improve road safety. A CVOR certificate is required for each commercial motor vehicle operator in Ontario. Refer to <i>Highway Traffic Act</i> and Ministry website for details.
Dealer	Any business which offers for sale alternative fuel commercial motor vehicles and/or fuel saving devices.
Electric refrigeration units	Electric or diesel-electric devices attached to a trailer to provide refrigeration of the contents.
Fleet	Five or more vehicles that are under common ownership or management and that are used for business, commercial or public purposes.
Freight	Materials or goods being transported.
Fuel saving device (device)	A device which reduces the fuel consumption of the motor vehicle or trailer to which it is attached. Includes aerodynamic devices, anti-idling devices, and electric refrigeration units.
Glider kit	An assemblage of parts (kit) that would constitute a truck minus the power train; i.e., engine, transmission and drive axle(s).
Good standing	An applicant is in "good standing" if the applicant has not (a) failed to comply with any term, condition or obligation under any agreement with Her Majesty the Queen in right of Ontario or one of Her agencies (a "Failure"); (b) has been provided with notice of such Failure in accordance with the

Term	Definition
	requirements of such other agreement; (c) has, if applicable, failed to rectify such Failure in accordance with the requirements of such other agreement; and (d) such failure is continuing.
Greenhouse gas (GHG)	A gas that contributes to the greenhouse effect by absorbing infrared radiation, e.g., carbon dioxide, commonly emitted by vehicles using internal combustion engines. For the purpose of the GCVP, this includes carbon dioxide, methane, and nitrous oxide.
Guide	Refers to this Green Commercial Vehicle Program 2018-19 Program Guide.
GCVP incentive	Incentive provided under the Program for either an alternative fuel commercial motor vehicle or a fuel saving device.
Indemnified parties	Her Majesty the Queen in right of Ontario, Her ministers, agents, appointees, and employees.
Light duty vehicle	Any vehicle with a gross weight of less than 4,536 kg
Long Combination Vehicle (LCV)	A tractor pulling two full-length semi-trailers up to 40 meters overall length.
Off-road vehicle	Off-road vehicle refers to vehicles which are not licensed to operate on road.
Ministry	Her Majesty the Queen in right of Ontario as represented by the Minister of Transportation for the Province of Ontario.
Passenger transportation	Movement of multiple passengers using road networks. Includes public transportation and private coach buses.
Professional installer	A certified and regulated facility which specializes in vehicle modification and installation of devices.
Program	The Green Commercial Vehicle Program (GCVP) 2018-19
Recipient	An applicant who has received a confirmation letter for an incentive from the Ministry.
Retrofit	To alter or add something to a vehicle which did not have it at the time of manufacture.
Side skirt	A device installed on the underside of a trailer to reduce air flow and turbulence in front of the rear wheels.
SmartWay	A program developed by the EPA in the United States and adopted by NRCan in Canada, SmartWay helps companies advance supply chain sustainability by measuring, benchmarking, and improving freight transportation efficiency.
Telematics device	A device capable of monitoring the location, movement, status and other operational characteristics of a vehicle.
Trailer	A vehicle drawn, propelled or moved by a commercial motor vehicle.

Appendix B – Vehicle Classes by Weight

Class	Weight	Eligible in Program?
1	0-2,722 kg	No
2	2,722-4,535 kg	No
3	4,536-6,350 kg	Yes
4	6,351-7,257 kg	Yes
5	7,258–8,845 kg	Yes
6	8,846–11,793 kg	Yes
7	11,794–14,969 kg	Yes
8	14,969+ kg	Yes