

GRANT FUNDS AVAILABLE
FOR PROJECTS TO ACHIEVE FUEL OR AIR EMISSIONS BENEFITS
FOR CALIFORNIA CONSUMERS
DEADLINE: 5:00 PM, Monday, May 3, 2010

The Reformulated Gasoline Settlement Fund is soliciting applications from 501(c)(3) nonprofit organizations for grants to fund projects designed to achieve fuel or air emission benefits for consumers in California. Partnerships with public agencies and others are encouraged. Grants are expected to range in size from \$500,000 to \$1,000,000. The deadline for submitting Grant Applications is 5:00 PM, Monday, May 3, 2010. The *Notice of Grants Availability and Request for Proposals* and the *Application for Funding* are available at <http://cypresfunds.net/reformulatedgas.html>.

The Reformulated Gasoline Settlement Fund is the result of the settlement of fourteen class action lawsuits against Union Oil Company of California and Unocal Corporation (Unocal). In these lawsuits, Plaintiffs claimed that Unocal affected the price for CARB-compliant summertime reformulated gasoline in California by urging the California Air Resources Board (CARB) to adopt its proprietary formula for summertime reformulated gasoline. Unocal denied any wrongdoing or that gas prices increased as a result of its actions. Before trial, the parties agreed to settle the class actions. As part of the settlement, the parties agreed to distribute approximately \$7 million through a competitive Open Grants Program to fund projects that will deliver benefits related to reductions in emissions and/or fuel use in California.

**NOTICE OF GRANTS AVAILABILITY
AND
REQUEST FOR PROPOSALS
FOR GRANTS TO FUND PROJECTS DESIGNED TO
ACHIEVE FUEL OR AIR EMISSIONS BENEFITS FOR CALIFORNIA CONSUMERS**

Deadline for Grant Applications: 5:00 PM (Pacific Time), Monday, May 3, 2010.

The Reformulated Gasoline Settlement Fund is now soliciting applications from nonprofit organizations for grants to fund projects designed to achieve fuel or air emissions benefits for consumers in California. The grants will be made as part of the settlement of *In Re: Reformulated Gasoline Antitrust and Patent Litigation* (MDL, Case No. 05-1671 CAS (VBKx) C.D. Calif.

The Reformulated Gasoline Settlement Fund

The Reformulated Gasoline Settlement Fund is the result of the settlement of fourteen class action lawsuits against Union Oil Company of California and Unocal Corporation (Unocal). In these lawsuits, Plaintiffs claimed that Unocal affected the price for CARB-compliant summertime reformulated gasoline in California by urging the California Air Resources Board (CARB) to adopt its proprietary formula for summertime reformulated gasoline. Unocal denied any wrongdoing or that gas prices increased as a result of its actions.

Before trial, the parties agreed to settle the class actions. After preliminary court approval of the settlement, Unocal deposited \$48 million into the Reformulated Gasoline (RFG) Settlement Fund. The court agreed that it was impractical to attempt to disseminate the settlement fund to individual consumers and instead ruled that the fund should be used to benefit California consumers in the next best possible way (“*cy pres*”).

The Purpose and Magnitude of the Settlement Fund

The Settlement Agreement provides that after deduction for court-authorized attorneys’ fees and costs, including the costs of notice, administration and tax expenses,

“The Settlement Fund shall be distributed in the form of a *cy pres* payment to one or more qualified recipients to be agreed upon by the parties (such agreement not to be unreasonably withheld) and by the Court. The *cy*

pres distribution shall be designed to achieve a fuel or air emissions benefit to the Class.” (Settlement Agreement, paragraph 14.)

Under the Settlement, the parties agreed to distribute 25% of the net proceeds (approximately \$7 million) through an open competitive Grants Program; funds would be directed to nonprofit organizations for projects to achieve vehicle emissions or fuel efficiency benefits for California consumers. Grants would be awarded following an application, due diligence and court approval process.¹

Oversight of the Settlement Fund and Open Grants Program

Plaintiffs selected Harry M. Snyder and Carl K. Oshiro as Cy Pres Fund Administrators to (a) conduct the application and due diligence process, (b) assist the parties in requesting court approval of grants, (c) negotiate, draft and execute Grant Agreements following court approval, (d) monitor the progress of grants and expenditure of grant funds, (e) authorize grant payments under the Grant Agreements, and (f) periodically report to Plaintiffs and the court. After notice and hearing, the court appointed Harry M. Snyder and Carl K. Oshiro to serve as Cy Pres Grants Administrators for the Open Grants Program.

Example Project Categories Suitable for Funding

The goal of the Open Grants Program is to fund projects that will deliver benefits related to reductions in vehicle emissions and/or fuel use through a broad range of strategies. Since the Settlement Fund was created as a result of legal action related to motor vehicle fuels, most, if not all, of the projects funded via the Open Grants Program will involve reducing vehicle-related emissions or fuel use. The program seeks to fund exceptional projects yielding real-world results. The following examples illustrate potential categories of projects that might be funded. ***The list is not exhaustive and the program encourages innovative proposals on appropriate topics even if they are not listed below.***

Examples include projects that:

- Reduce diesel emissions (e.g., projects to retrofit existing or provide purchase incentives for new school busses; to reduce port-related emissions; to modernize outdated truck fleets; to reduce emissions from locomotives; to reduce transit emissions);

¹ The parties intend to use the remaining 75% of the net proceeds (approximately \$21 million) to fund a separate Scrap and Repair Program that will scrap and repair high emitting vehicles in California.

- Increase the use of alternative-fuel vehicles (e.g., projects to convert taxicab fleets to hybrid/electric vehicles; to upgrade car-sharing fleets to hybrid/electric vehicles; to provide infrastructure to support alternative-fueled vehicle refueling or charging; to convert hybrid/electric fleet vehicles to plug-in hybrids)
- Increase transit use and shared vehicle use (e.g., projects to expand the use of existing transit subsidy programs by the public; to expand school bus use; to increase car share and bike share rates of use)
- Educate targeted groups (e.g., projects to train fleet operators and drivers to reduce/minimize diesel bus and/or truck idling; to promote eco-driving as part of driver education and other programs targeting young drivers; to train and assist local officials in designing and implementing effective local strategies to improve air quality and/or fuel efficiency, particularly regarding vehicle use)
- Reduce the pool of high-emitting vehicles (e.g., projects to optimize or improve the identification, repair, or replacement of high-emitting vehicles – particularly those emphasizing replacement, rather than repair, of high-emitters)

The overall program goal is to reduce emissions and fuel consumption, which includes reducing exposure to vehicle-related pollutants, particularly for susceptible population subgroups such as school-aged children, the elderly, and individuals with pre-existing respiratory or heart conditions. Therefore, an additional category of potential projects includes those designed to reduce exposure to near-source or near-road emissions (e.g., projects to reduce exposure for children in schools near freeways; or to reduce exposure for elderly individuals or those with pre-existing respiratory or heart conditions with high exposure to vehicle emissions).

Expected Duration and Size Range for Grants

Grants will likely range in size from \$500,000 to \$1,000,000. Because of the nature of the settlement funds, grants will be made on a one-time basis for specific projects. The duration of the projects should not exceed 36 months. For proposal preparation purposes, applicants should assume that awards will enable projects to begin October 1, 2010; the actual start date of projects will be a function of the proposal review and contract award negotiation processes.

Project Selection Criteria

Proposals will be evaluated on the following criteria:

- The degree to which the project will advance the purpose of the RFG Settlement and the RFG Settlement Fund (i.e., the degree to which the project will achieve fuel or air emissions benefits for consumers in California).

- The degree to which the proposed budget is appropriate, reasonable and cost effective in carrying out the proposed activities;
- The qualifications of the applicant, key personnel and partners and degree to which they have demonstrated the capacity to successfully implement the project.²

Where appropriate to maximize the clean air and fuel efficiency benefits to California consumers, applicants are strongly encouraged to partner with local air districts, other public agencies, and/or other organizations such as foundations or industrial organizations. These partnerships may take many forms, such as assisting with project implementation, publicity, public outreach and education, and funding. Although it is not a prerequisite, proposals are strongly encouraged that include matching or supplemental funding commitments from other public or private sources.

The Open Grants Program encourages, to the extent possible, projects that will result in sustained, longer-term reductions in emissions or fuel consumption, as opposed to one-time or short-duration program outcomes. Also, where possible, applicants are encouraged to design projects to take advantage of publicity and public education opportunities (e.g., by planning to place clean-air/clean-fuel signage or decals on alternative-fueled or low-emitting vehicles supported via the Settlement Fund).

We encourage the submission of effective emission reduction or fuel consumption reduction project ideas even if they are unable to incorporate all of the desired elements (matching funds, longer-term benefits, public education, and so on). We recognize that it may be difficult for a single project to address each of the desired elements mentioned above.

Grants will only be made to fund activities that have not been previously funded or that, but for the receipt of the grant, would not be fully funded. Grant funds must not be used to supplant or replace any existing or budgeted funds for any program, purchase or activity. Other sources of funding may not be reduced because of a grant award from the RFG Settlement Fund.

Funding is not available for conducting scientific, medical, clinical or academic research or for general operating support.

² The RFG Settlement Fund may make no awards if no satisfactory applications are submitted.

All grants are subject to approval by counsel for Plaintiffs and Defendants and court approval. Successful applicants will also be required to execute a Grant Agreement setting forth the terms and conditions of the grant, including payment and use of grant funds, reporting on the progress of the project and on the expenditures of grant funds and recordkeeping requirements. Grants are not final until a Grant Agreement satisfactory to the applicant and the Cy Pres Fund Administrators has been fully executed.

Eligible Applicants

Applicants must be nonprofit organizations under section 501(c)(3) of the Internal Revenue Code. In addition, nonprofit organizations must be registered (if required by law) and in good standing with the California Attorney General's Charitable Trust Registry.

TO APPLY FOR FUNDS

To apply for funds, complete the "Reformulated Gasoline Settlement Fund Application for Funding"³ and submit four hardcopies and one electronic copy (PDF format on CD ROM) to:

Harry M. Snyder
Carl K. Oshiro
Cy Pres Fund Administrators
RFG Settlement Fund
The Presidio
1008 General Kennedy Drive, Suite B
San Francisco, CA 94129
[415] 561-6747

All Grant Applications must be received by 5:00 PM (Pacific Time), Monday, May 3, 2010.

³ A downloadable copy of the Application for Funding in Microsoft Word format can be found at www.cypresfunds.net under Reformulated Gasoline Settlement Fund.

**REFORMULATED GASOLINE SETTLEMENT FUND
APPLICATION FOR FUNDING**

Deadline: All proposals must be received by 5:00 PM (Pacific Time), Monday, May 3, 2010.

Part I: Application Cover Sheet

Date _____

Project Title _____

Amt. Requested \$ _____

Applicant _____

Address _____

Phone No. _____ Fax No. _____

Taxpayer ID Number: _____

Director _____

Contact Person/Title _____

Email address for contact _____

Briefly summarize your grant request and how it will achieve fuel or air emissions benefits for consumers in California.

Part II: Narrative (maximum of fifteen (15) pages, not including items listed in Part III below).

A. Introduction and Background of Organization (incorporating the following points):

1. Briefly describe your organization's history and accomplishments.
2. Describe your current programs and activities.
3. Describe your organization's prior experience conducting projects similar to the proposed project.
4. Briefly describe the individuals that your organization serves or benefits.
5. Applicants must be a nonprofit organization under 501(c)(3) and registered (if required by law) and in good standing with the California Attorney General's Charitable Trust Registry.

B. Describe Your Request (incorporating the following points):

1. Problem statement: What problems, needs, or issues does your proposal address?
2. Describe the project for which you seek funding, why you decided to pursue this project, and whether it is a new or ongoing part of your organization's work.
3. What are the goals, objectives and activities involved in the request? Provide a task-by-task breakdown of the steps required to implement the proposed project demonstrating your understanding of the work needed to successfully complete the project and a logical approach to each task.
4. What are the specific fuel or air emissions benefits that will result from your project? If possible, please quantify the benefits, providing the calculation(s) and explaining the methodology, inputs and assumptions for your calculation(s).
5. Describe the individuals who would be served or benefited by your proposal.
6. Are you planning to partner with local air districts and/or other public agencies? If so, please (a) identify the specific agencies, (b) describe

the roles they will play, (c) provide the name and title of a contact person and his or her contact information for each agency, (d) describe the extent to which the entities have collaborated on projects in the past and results of such projects. Please include a letter of support from each partner agency, prepared on the agency's letterhead.¹

7. Are you planning to partner with other nonprofit organizations or private entities? If so, please (a) identify the organizations and entities, (b) describe the role they will play, (c) provide the name and title of a contact person and contact information for each organization and entity, and (d) describe the extent to which the entities have collaborated on projects in the past and results of such projects. Please include a letter of support from each partner organization and entity, prepared on the organization's letterhead.²
8. If possible, provide a calculation of the cost-effectiveness of the proposed project, explaining the methodology, inputs and assumptions used for the calculation.
9. Please list other potential sources of funding for your project (or parts of your project), including governmental and philanthropic sources of funding. For each, indicate whether you have sought funding from the source. If you have requested funding from other source(s), please indicate the date and result. If you have not requested funding from other potential sources, explain why.
10. Project Management and Reporting. Please describe how you will manage the project and track the progress of the project and what type of information and data will be included in project progress reports to the Cy Pres Grants Administrators. For most grants, during the project, grantees will be required to submit written progress and expenditure reports every six months covering the progress made relative to the goals, objectives, activities and timeline for the project, whether any problems were encountered and how they were resolved, expenses paid relative to the project budget, and any proposed changes to the project schedule or budget. Depending on the nature

¹ See footnote 2 below.

² For projects that involve multiple entities, the application should describe the entity that will be responsible for the overall project (in most cases, this will be the applicant), describe the management structure for the project, and identify the mechanisms (contracts, MOUs, etc.) to be employed to assure accountability in the timely completion project activities and deliverables.

of specific projects, the reporting period may be more frequent. At the completion of the project, grantees will be required to submit a Grantee Final Report summarizing the project, successes and challenges, inventorying and documenting the completion of all project deliverables, and discussing the results of the project and broader implications thereof.

11. Project Evaluation. Please describe your evaluation plan for the project. What specific information and data will you collect to measure the results of the project relative to the fuel or air emissions benefits identified in # 4 above? When specifically will you be collecting this information and data, analyzing this information and data and reporting the results? When will interim results be available and how will these results be used to ensure that the project meets its objectives? Who designed the evaluation plan? Who will be implementing the plan?

Part III: Attachments. (Please provide the following.)

A. 501(c)(3) Status, Organizational Structure/Administration

1. Your organization's IRS 501(c)(3) determination letter and two most recent Form 990s.
2. Your current organizational structure. If you are a membership organization, please specify the criteria for membership (material not to exceed two pages).
3. Who will be involved in carrying out the plans outlined in the request. Please include a resume or profile summarizing the qualifications of the key individuals involved (resumes not to exceed two pages per individual).
4. Please describe the prior experience of your organization, and of key individuals, in conducting the type of project that you are proposing (material not to exceed four pages).
5. Provide a list of your board of directors and their relevant experience (material not to exceed three pages).
6. Please submit a document showing that your proposal has the approval of the Board of Directors (for example, a letter signed by the Board Chair).

B. Financial Information

1. Please provide your organization's two most recent, completed, full year financial statements (expenses, revenue and balance sheet), audited if available. (For example, 2008 and 2009.)
2. Please also provide your current annual operating budget.
3. Describe your organization's experience managing the funds for a project of this size, including procedures that are in place to document expenses and costs and to provide checks and balances on the funds spent.
4. State the total amount requested.
 - a. Grants will be made only to fund activities that have not been previously funded or that, but for the receipt of the grant would not be fully funded. Grant funds must not be used to replace any existing or budgeted funding for any program, purchase or activity. Other sources of funding may not be reduced because of a grant from the RFG Settlement Fund.
5. Include a Line-Item Budget for your proposed project.
 - a. Expenses should be directly budgeted to individual line items to the maximum extent possible. Indirect costs in excess of 6% of the requested amount will not be funded.
 - b. If your proposal involves distinct phases or strategies, please prepare a separate line-item budget for each phase or strategy.
 - c. If there are other funding sources for the proposed project, identify the sources and include amounts and whether received, committed, or projected/pending.
 - d. Please attach a budget narrative briefly describing any line item that is not self-explanatory. If necessary, explain how you arrived at the budgeted amount.

C. Project Timeline

Please provide a timeline (by quarter) indicating the sequence and duration of the activities to be conducted, as well as the expected timing of benefits to result, and key benchmarks/milestones/deadlines for the project.

D. Other Materials

1. Provide your most recent annual report (if available).
2. Provide additional materials that may be pertinent to the request (such as evaluations of similar projects, reports, newsletters, brochures, news articles, publications, etc.). Please be selective.

Part IV: How to Submit Your Proposal.

Please mail or hand-deliver four (4) hardcopies of your proposal (Coversheet, Narrative and Attachments) and one (1) electronic copy (PDF format on CD ROM) to For delivery by U.S. Mail:

Harry M. Snyder
Carl K. Oshiro
Cy Pres Fund Administrators
RFG Settlement Fund
The Presidio
P.O. Box 29289
San Francisco, CA 94129

For delivery by Federal Express or Hand Delivery:

Harry M. Snyder
Carl K. Oshiro
Cy Pres Fund Administrators
RFG Settlement Fund
1008 General Kennedy Drive, Suite B
San Francisco, CA 94129

All proposals must be received by 5:00 PM (Pacific Time), Monday, May 3, 2010. Faxed or emailed proposals will not be accepted. If you do not receive an acknowledgement of receipt within five business days of submitting your Grant Application, please contact Tanecia Echols (email: tanecia.ecxols@sbcglobal.net or voice: [415] 561-6747).

Part V: Evaluation Criteria

Proposals will be evaluated based on criteria described in the “Notice of Grants Availability and Request for Proposals for Grants to Fund Projects Designed to Achieve Fuel or Emission Benefits for California Consumers.”³

The RFG Settlement Fund may make no awards if no satisfactory applications are submitted. All grants are subject to approval by Plaintiffs’ and Defendants’ counsel and court approval. Prior to distributing any funds, successful applicants will be required to execute a Grant Agreement setting forth the terms and conditions of the grant, including payment and use of grant funds, reporting on the progress of the project and on the expenditures of grant funds, and recordkeeping requirements. Grants are not final until a Grant Agreement has been fully executed by the grantee and the Cy Pres Fund Administrators.

Contact Information

For questions about the Application Form and instructions, you may contact:

Tanecia Echols
RFG Settlement Fund
The Presidio
1008 General Kennedy Drive, Suite B
San Francisco, CA 94129
tanecia.echols@sbcglobal.net
[415] 561-6747

Calls and emails to pre-evaluate proposed projects are discouraged.

³ A copy of this document can be downloaded from www.cypresfunds.net under Reformulated Gasoline Settlement Fund.