

Wood Smoke Reduction Incentive Program Requirements, Terms, and Conditions

Last Updated on 12/29/2017, Applications will be accepted beginning on January 16, 2018.

On cold winter nights, wood smoke from residential wood burning is the largest contributor of harmful particulate matter pollution in the Bay Area.

The Bay Area Air Quality Management District (Air District) developed the Wood Smoke Reduction Incentive Program (Program) to reduce wintertime [particulate matter pollution](#) and improve local air quality by offering financial incentives to help encourage Bay Area homeowners to permanently remove and replace their wood-burning heating devices with cleaner options. Since August 2016, the Program has funded the changeout of more than 800 wood/pellet stoves and fireplaces in the Bay Area.

As of January 2018, approximately \$800,000 is available for award to qualifying applicants for projects that meet the Program requirements, as specified in the *Program Requirements, Terms, and Conditions*.

Program Requirements

Basic Eligibility

- **Projects that have already begun work are not eligible.** *This Program does not provide funding on a retroactive basis, so projects that were started prior to the issuance of a Notice to Proceed are not eligible.*
- The home must be a residential single-family home or a multi-family dwelling unit with a unique Assessor Parcel Number (APN).
- The home must be located in one of the eligible areas shown as shaded areas in Fig 1., which include designated High Wood Smoke Areas and Impacted Communities, as identified by the Air District's [CARE](#) program.
To check whether your home is in one of the eligible areas, use the map tool located under the "2017/2018 Resources" section at www.baaqmd.gov/woodsmokegrant
- The home must contain an operational fireplace or stove that burns wood or pellets for heating purposes. *Stoves that burn wood for cooking or other purposes and outdoor wood-burning devices are not eligible for funding.*
- Applicants must be the legal owner of the home and must agree to and comply with the Program Requirements and Terms & Conditions.
- Each home (i.e., unique APN) may be awarded a maximum of one incentive. Homes that previously received Program funding are not eligible.
- All installation and decommissioning work must be performed by a California Licensed Contractor.
- Funding from this Program may be required to be reported as income. Payments will only be made to Program Participants who provide a completed W-9 form with their reimbursement request.
- Documents and Information submitted to participate in this program may be subject to Public Records Requests.
- Air District employees are not eligible.

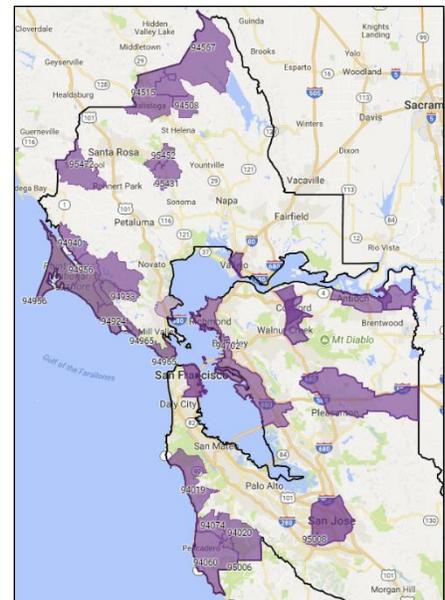


Fig 1. Only homes located in shaded areas are eligible for Program funding. Shaded areas include Air District designated High Wood Smoke Areas and CARE Program Impacted Communities

Projects and Funding

Applications will be reviewed in the order they are received. Eligible applications will be issued an award and a Notice to Proceed. The award will expire 120 days from the date it was issued.

Project funding is paid to homeowners on a reimbursement basis after approved projects have been completed. **Funding is NOT available on a retroactive basis for projects that were started prior to the issuance of a Notice to Proceed.**

The incentive amount for each home is calculated by adding together the **Base Funding Award**, plus all applicable plus up, or **Additional Funding for Qualifying Highly Impacted Residents (HIR)** as shown in Table 2. Each incentive is limited to a maximum of \$12,000 and may not exceed the total actual eligible cost of the project. Eligible costs are listed below:

Eligible Costs

Only the following costs may be claimed for reimbursement:

- Capital cost of the approved replacement heating device, including shipping costs and sales tax;
- Costs directly related to the installation of the approved replacement device, including parts, materials, and labor;
- Costs directly related to the decommission of the existing wood-burning fireplace or free-standing stove, including parts, materials and labor; and
- Costs to obtain required permits for the approved project.

Note, all costs must be essential and direct, and be supported by appropriate documentation as specified later in the Reimbursement Process section.

Ineligible Costs

Costs that are not included in the Eligible Costs list on the left are not eligible for reimbursement, including but not limited to the following:

- Any costs that are not directly related to the project, including any labor, equipment, and permit fees, including those costs that cover remodeling work that is beyond what is required to complete the approved project;
- Any costs related to the purchase or installation of non-eligible replacement devices;
- Costs for any work that is not performed by a California Licensed Contractor;
- Any costs that are incurred outside of the Project Implementation Phase (i.e., cost is incurred before the Air District issues a Notice to Proceed, or after an approved deadline); and
- Costs that lack appropriate supporting documentation.

Project Options and Base Funding Award

The following is a list of eligible projects, base incentive funding, and special conditions for each project option. Applicants may choose one of the project options.

Table 1: Eligible Project Options, Base Funding, and Special Requirements

Project Option	Eligible Existing Device	Base Funding Award	Special Requirements
Install a Natural Gas or Propane-fueled Insert	Fireplace (can be open-hearth, or with a wood-burning insert)	\$1,000	The natural gas/propane-fueled insert must be a sealed system. Gas logs that are not a part of a sealed insert, inserts and stoves that can burn solid fuel (e.g., pellets or wood), electric fireplace inserts are not eligible. In addition, if the fireplace has a wood-burning insert, that insert must be disposed of at a recycling facility, and a receipt showing proof of disposal obtained.

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Questions? Contact us at woodsmokegrants@baaqmd.gov (subject "RE: Wood Smoke Reduction Grant") or at (415) 749-5195.

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Project Option	Eligible Existing Device	Base Funding Award	Special Requirements
Install a Natural Gas or Propane-fueled Stove	Freestanding Wood or Pellet Stove	\$1,000	<p>The natural gas/propane-fueled stove must be permanently installed. Gas stoves that can burn solid fuel (e.g., pellets or wood), gas furnaces, air conditioners, and other electric (resistance) heating devices are not eligible.</p> <p>The wood/pellet stove must be disposed of at a recycling facility and a receipt showing proof of disposal obtained.</p>
Install an Electric Heat Pump	Fireplace (can be open-hearth, or with a wood-burning insert) OR Freestanding Wood/Pellet Stove	\$3,500	<p>The electric heat pump must be a packaged or a split system that is permanently installed. Electric fireplaces, air conditioners, portable devices, and other electric (resistance) heating devices are not eligible. <i>For more information about heat pumps, please visit www.energy.gov/energysaver/heat-pump-systems</i></p> <p><i>In addition, if the existing device is a...</i></p> <ul style="list-style-type: none"> • <i>Fireplace</i>, it must be rendered permanently incapable of burning wood. • <i>Fireplace with a wood-burning insert</i>, the fireplace must be rendered permanently incapable of burning wood AND the insert must be disposed of at a recycling facility and a receipt showing proof of disposal obtained. • <i>Freestanding stove</i>, the stove must be disposed of at a recycling facility and a receipt showing proof of disposal obtained
Decommission a Fireplace or Freestanding Wood/Pellet Stove	Fireplace (can be open-hearth, or with a wood-burning insert) OR Freestanding Wood/Pellet Stove	\$750	<p>This option is available only to homes that have another form of heat that does not burn wood or other solid fuels.</p> <p><i>If the existing device is a...</i></p> <ul style="list-style-type: none"> • <i>Fireplace</i>, it must be rendered permanently incapable of burning wood. • <i>Fireplace with a wood-burning insert</i>, the fireplace must be rendered permanently incapable of burning wood AND the insert must be disposed of at a recycling facility and a receipt showing proof of disposal obtained. • <i>Freestanding stove</i>, the stove must be disposed of at a recycling facility and a receipt showing proof of disposal obtained.

Additional Funding for Qualifying Highly Impacted Residents (HIR)

In addition to the **Base Funding Award** discussed above, some applicants may be eligible to receive additional funding if they or their home meet one or more of the following HIR Conditions:

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Table 2: Highly Impacted Residents Funding and Conditions

+ \$1,500 for applicants who have a Sole Source of Heat Exemption (SSHE)

Applicants are eligible if their home has been granted exemption status by the Air District and their wood-burning device is either a fireplace or an uncertified woodstove. For more information about the SSHE requirements visit: <http://www.baaqmd.gov/permits/register-equipment>

+ \$1,500 for homes located in a Designated High Wood Smoke Area (HWSA)

Additional funding is available to applicants whose home is located within an Air District designated HWSA. Note that in some cases, only a portion of a city is located within a designated HWSA. Also, the ZIP codes shown below are for physical addresses, which may be different than PO Box ZIP codes.

HWSA	Eligible Property ZIP Codes	Map of designated HWSAs
Angwin	94508	
Berkeley	94702	
Calistoga	94515, 94567	
Campbell	95008	
Half Moon Bay	94019	
Sausalito	94965	
San Geronimo Valley	94973, 94933, 94938, 94963	
Sebastopol	95472	
SW San Mateo County	94060, 94020, 94021, 94074	
West Marin County	94956, 94924, 94937, 94940, 94946, 94950, 94970	

+ \$8,500 for applicants enrolled in a qualifying low-income assistance program

Applicants are eligible if they submit proof of enrollment in one of the qualifying programs listed below at the time the application is submitted:

- Bureau of Indian Affairs General Assistance
- CalFresh/SNAP (Food Stamps)
- CalWORKs (TANF) or Tribal TANF
- Free or Reduced National School Lunch Program (NSLP)
- Head Start Income Eligible (Tribal Only)
- Low Income Home Energy Assistance Program (LIHEAP)
- Supplemental Security Income (SSI)
- Women, Infants, and Children (WIC)

Note, this funding is only available to the homeowner, and may not be transferred to other members of the household who are not the legal property owner. Also, this funding is only available for an applicant's primary home.

Program Process

Applicants must complete a three-phase process to receive reimbursement from the Program:

Application Submission

Project Implementation

Reimbursement Request

Application Submission:

To be considered for funding, an applicant must submit a complete application to the Air District with all supporting documentation. Applications will be reviewed in the order they are received, and funding is awarded to eligible applicants on a first-come, first-served basis.

Applications are accepted online at www.baaqmd.gov/WoodSmokeGrant and must include the following supporting documentation:

- Two acceptable photos of the existing fireplace or wood/pellet stove. The first photo should be a close-up that shows the inside of the fireplace or wood/pellet stove. The second photo should be zoomed out and show the entirety of the fireplace or wood/pellet stove (with pipe) in relation to the room. These photos will be compared with the “after photo” to confirm that the project was successfully completed. *Examples of acceptable photos can be found under the “2017/2018 Resources” section at www.baaqmd.gov/WoodSmokeGrant.*
- If applying for Low-Income HIR funding, proof that the homeowner/applicant is currently enrolled in one of the qualifying low-income assistance programs. The documentation must clearly show the name of the homeowner and the date that the assistance program expires/needs to be renewed.
- A copy of the deed or tax bill will be requested if the Air District is unable to verify property ownership through the Assessor’s Parcel Number (APN).
- A description of the scope of the work.

Applicants who do not have access to the internet may request an application to be mailed to them by writing: ATTN: SID/Wood Smoke Reduction Grant, 375 Beale Street, Suite 600; San Francisco, CA 94105.

The Air District will review each application within 60 days from the date it is submitted and will notify applicants whether the application is approved, rejected, or incomplete. Applications that are approved will be issued a Notice to Proceed from the Air District. Project work may only start after a Notice to Proceed for that project is issued by the Air District. Any project work that is started before the Air District has issued a Notice to Proceed will render that project ineligible and the Air District will cancel its proposed award.

Project Implementation

Applicants have up to 120 days to complete all project related work. This includes: hiring a licensed contractor; obtaining any necessary permits; purchasing and installing approved equipment; and completing all other approved work. *Projects that are not completed within the 120-day deadline will be canceled and the funds will be reallocated to other applicants.*

Projects must meet the following requirements during the Project Implementation phase:

- All work directly related to the decommissioning of fireplaces or wood/pellet stoves or to the installation of replacement heating devices must be performed by a licensed contractor. Applicants must obtain a completed Air District’s Contractor Form for each licensed contractor that works on their project. The form explains what work each contractor performed on the project, date work was completed, and a certification that any replacement devices are incapable of burning wood or solid fuel.

- Applicants are responsible for obtaining all applicable/required County and City permits and approvals.

Reimbursement Request:

Reimbursement requests may only be submitted after all project work has been completed and the applicant has collected all required supporting documents described in this section.

The following two steps are required for a reimbursement request to be complete:

- **Step 1: Log-into the online application system and upload these materials to your project account:**
 - After photos showing the area where the project was completed. These photos will be compared with the original photos submitted with the application to confirm the project was successfully completed in the same location.
 - Copies of fully paid, itemized invoice(s) for equipment, labor, and permit fees. Final invoices must show a zero-balance due. In addition, Proof of payment (e.g., receipts, copies of checks) of invoices must be submitted along with reimbursement requests;
 - Copies of a completed and signed Contractor Certification Form for each licensed contractor.
 - If applicable, copies of all required permits and approvals (only final permits/approvals are required).
 - For applicants who disposed a wood-burning fireplace insert or free-standing stove, a copy of the proof of destruction (e.g., receipt from the recycling facility).
- **Step 2: Write your project number on each of the items listed below and submit them by mail to: Bay Area Air Quality Management District, ATTN: SID/Wood Smoke Reduction Grant, 375 Beale Street, Suite 600; San Francisco, CA 94105**
 - A signed copy of the Reimbursement Request Cover Letter.
 - Government issued photo ID of the applicant, and
 - Completed W-9 form.

Once the online and hard copy materials have been received, the Air District will review the materials and verify whether the project and reimbursement request were completed in accordance with the Program Requirements and Terms and Conditions.

Applicants will be notified if additional information is required for the Air District to complete the project and payment verification process.

Once the Air District has completed its review, an email notification will be sent to the applicant confirming that the reimbursement request has been approved and a check will be mailed within 30 days from that date.

Program Terms & Conditions

Basic Eligibility: Applicants must be the legal owner of an existing residential property that is listed on their application. Properties must be located within the Air District's jurisdiction. Employees of the Air District are not eligible.

Maximum Award: Awards are limited to a maximum of \$12,000 per property, not to exceed the actual total project cost. Award amounts are determined by adding the base award (based on the project option selected by the applicant) and Highly Impacted Resident funding, if the applicant demonstrates that they qualify for one or more of these conditions. Awards may be reduced if the Air District is unable to verify any of the information provided or if the actual total project cost is lower than the original award amount shown in the Notice to Proceed.

Approval of Award and Notice to Proceed: Submission of an application does not guarantee an award of Program funding. Applicants must first have received approval from the Air District ("Notice to Proceed") before any

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work on the project can begin. *Applicants who have had any work related to their project performed (e.g., purchasing or installing new equipment) before the Air District issues a Notice to Proceed are not eligible.*

California Licensed Contractor: All work directly related to the decommissioning of wood-burning fireplaces or wood-burning stoves or the installation of replacement heating devices must be done by a contractor licensed in the State of California who will be required to fill out and sign a certification form provided by the Air District. Applicants receiving Program funding ("Program Participants") must include this document with their reimbursement request. To check whether the person you are hiring has a valid license number, visit the [Contractors State License Board](#) website. *Work performed directly by the homeowner, or anyone who is not a licensed CA contractor, is not eligible for reimbursement.*

Permits: Program participants must obtain any necessary permits for any work performed with funding from this Program. Program Participants must include a copy of the permit(s) with their reimbursement request. *Work performed without proof of required permits is not eligible for reimbursement.*

Scrappage Receipt: Program Participants who are decommissioning a fireplace insert or a wood-burning stove, or replacing one of these with a qualifying device, must have their old device rendered inoperable at a recycling facility and provide the Air District with proof of destruction (i.e., a scrappage receipt from the recycling facility). Photos are not acceptable in place of a scrappage receipt. *Program Participants who fail to submit a receipt showing proof of destruction will not be reimbursed.*

Eligible Costs and Reimbursement Process: Only work described in the Notice to Proceed is eligible for reimbursement. Program participants may not use Program funding to pay for any costs associated with remodeling work that is not directly related to their project. Program Participants may request reimbursement only after they have completed their project. Reimbursement checks will be issued within 30 days *after* the Air District has verified that the Program Participant's reimbursement request is complete.

IRS and Tax Compliance: Funding from this Program may be required to be reported as income. Payments will only be made to Program Participants who provide a completed W-9 form with their reimbursement request.

Compliance with Air District Rules: Properties must be and remain in compliance with the Air District's Wood Smoke Rule (Regulation 6, Rule 3). In addition, Program funding may not be used to purchase or install equipment for the purpose of complying with any federal, state, or local regulation; judicial order; agreement; memorandum of understanding; contract; mitigation requirement; or other binding obligation *already* in place.

Inspection: Program Participants must agree to allow the Air District or its agents access to their property to inspect the completed project for compliance with program requirements, if requested. The Air District will provide not less than five business days' notice prior to an inspection.

Project Documentation and Verification Process: Participation in this program requires submission of the following information/documentation: completed W-9 form; Contractor Certification Form; copies of invoices and proof of payment; photos of original and replacement devices; and a valid government issued photo ID. If applicable, copies of permits and/or proof of enrollment in a qualifying low-income assistance program are also required. The Air District will attempt to verify the project and applicant's eligibility using the information provided, however additional information may be requested to verify the information in an application or a request for reimbursement.

Project in Place for 5 Years: Program Participants must agree to keep and maintain their new equipment for at least five years and continue to adhere to all rules and requirements related to the Air District's [Wood-Burning Devices Rule](#). This rule includes no wood burning on Spare the Air days.

Indemnification and Assumption of Risk: Program Participants agree to indemnify and defend the Air District and its Directors, employees, and agents against any and all claims, loss, damage, or liability that arises out of, or is in any way connected with, the installation or use of the device purchased with Air District funds. In addition, Program Participants agree to assume all risk of damage to property or injury to persons that may occur from equipment purchased or work conducted that was paid for with Air District funds.

Public Records Requests: Program Participants understand and accept that any information provided to the Air District may be subject to public disclosure.

Failure to provide true information or to adhere to any of the Program Requirements, Terms & Conditions will result in forfeiture of the award. The Air District reserves the right to modify the terms of this Program at its discretion.

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