

Wood Smoke Reduction Incentive Program Requirements, Terms, and Conditions

Updated on 10/21/2019

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 encourage Bay Area homeowners to replace qualifying wood-burning devices with cleaner options. Since August 2016, the Program has funded the replacement of more than 1050 wood & pellet stoves and fireplaces.

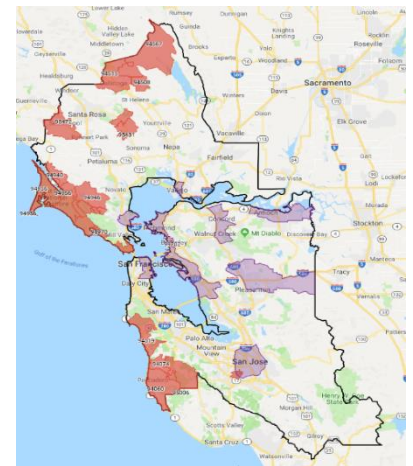
As of October 2019, approximately \$400,000 is available for award to eligible applicants and qualifying projects.

Program Information:

Basic Eligibility:

- Applicants must be the legal owner of the home and must agree to and comply with the *Program Requirements, Terms, and Conditions*.
- The applicant's home must have a unique Assessor Parcel Number (APN). If a home is part of a multi-family dwelling unit, **only one home per APN is eligible**. Also, any home or APN that previously received Wood Smoke Reduction funding is not eligible.
- Only homes located in one of the shaded areas shown in Figure 1. are eligible. These areas include designated High Wood Smoke Areas and Impacted Communities, as identified by the Air District's [CARE](#) program. *To check whether your home is eligible, use the map tool located under the "Current Resources" section at www.baaqmd.gov/woodsmokegrant.*

Figure 1



Key Requirements:

- This Program does not provide funding on a retroactive basis and applicants must receive approval from the Air District in the form of a Notice to Proceed before starting any work. **Applicants who have started any work related to a project prior to receiving a Notice to Proceed** – including but not limited to placing a deposit for equipment, placing a work order, purchasing or ordering equipment, or beginning any physical work **are not eligible**.
- For safety, all installation and decommissioning work **must be performed by a California Licensed Contractor**. Any costs incurred for work that is performed by a non-licensed contractor or the homeowner are not eligible for reimbursement.
- Payments will only be made to Program Participants who submit a completed W-9 form with their reimbursement request. **The grant funding paid will be reported to the Franchise Tax Board as taxable income of the homeowner for the calendar year in which the project is completed.**
- The fireplace or stove being replaced or permanently removed (decommissioned) must be indoors, operational, and burn wood for heating purposes. *Stoves for cooking or other purposes and outdoor wood-burning devices do not qualify for replacement or decommissioning.*
- The Air District is a government agency and any documents and information submitted by applicants and grant awardees may be subject to Public Records Requests.
- Residents of cities that prohibit the installation of new natural gas devices are **not eligible to apply for natural gas options**, but can apply for a grant to decommission their existing wood-burning device or to replace it with an electric heat pump.
- Given the limited amount of funding available, Air District employees are not eligible.

To apply, complete the online application at: www.baaqmd.gov/WoodSmokeGrant.

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

Projects and Funding Overview:

Funding is offered on a first-come, first-served basis until Program funding has been exhausted. Only completed and submitted applications will be evaluated for funding. The Air District will review all completed applications and those that meet all eligibility requirements will be issued a Notice to Proceed that will include the estimated award amount and additional requirements that are specific to the project option that was selected. **The Notice to Proceed 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 in accordance with the Program Requirements and Terms and Conditions. **This Program does not provide funding on a retroactive basis and applicants must receive approval from the Air District in the form of a Notice to Proceed before starting any work.** A list of eligible and ineligible costs for reimbursement are shown in Table 1.

The maximum amount of funding that will be awarded for a project is the Base Funding, which is discussed in Table 2. Some applicants may be eligible to receive additional funding if they meet **one or more of the Highly Impacted Residents (HIR)** qualifications, which are discussed in Table 3. For applicants that are eligible for any HIR funding, the incentive amount is calculated by adding together the **Base Funding and any applicable HIR funding amounts.** The actual amount of funding that will be paid is limited to the total actual eligible costs of the project and a maximum of \$12,000. If the actual cost of project is less than the amount that was shown in the Notice to Proceed, the Air District will reduce its award and pay up to the amount of actual eligible costs incurred.

Table 1: Eligible and Ineligible Costs

Eligible Costs	Ineligible Costs
<p>Only the following costs may be claimed for reimbursement:</p> <ul style="list-style-type: none"> • Capital cost of the approved replacement heating device, including shipping costs and sales tax; • Expenses directly related to the installation of the approved replacement device, including parts, materials, and labor; • Costs directly related to the decommissioning 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. 	<p>Any items that are not included in the Eligible Costs list on the left are not eligible for reimbursement, including but not limited to the following:</p> <ul style="list-style-type: none"> • Costs that are not directly related to the project, including but not limited to labor, equipment, and permit fees that are beyond what is required to complete the project, such as for remodeling work etc. • Expenses related to the purchase or installation of non-eligible replacement devices; • Costs for any work done directly by the homeowner or not performed by a California Licensed Contractor; • Expenses that lack appropriate supporting documentation.

Note: all costs must be essential and direct and be supported by appropriate documentation that is discussed in the Reimbursement Process section.

Project Options and Funding:

The amount of grant funding that is available to each applicant varies by project option and is discussed in Table 2, see “Base Funding” column.

Table 2: Project Options and Funding

Project Option	Eligible Existing Device	Base Funding	Project-Specific 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), and electric fireplace inserts are not eligible. <i>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 must be obtained.</i>
Install a Natural Gas or Propane-fueled Stove	Freestanding Wood or Pellet Stove	\$1,000	The natural gas/propane-fueled stove must be permanently installed. Dual fuel stoves that can burn gas and solid fuels (e.g., pellets or wood), gas furnaces, air conditioners, and other electric (resistance) heating devices are not eligible. The wood/pellet stove must be disposed of at a recycling facility and a receipt showing proof of disposal must be obtained.
Install an Electric Heat Pump	Fireplace (can be open-hearth, or with a wood-burning insert) OR Freestanding Wood/Pellet Stove	\$3,500	The electric heat pump must be a packaged or 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> <i>In addition, if the existing device is a...</i> <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 must be obtained. • <i>Freestanding stove</i>, the stove must be disposed of at a recycling facility and a receipt showing proof of disposal must be 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	This option is available only to homes that have another form of heat that does not burn wood or other solid fuels. <i>If the existing device is a...</i> <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 must be obtained. • <i>Freestanding stove</i>, the stove must be disposed of at a recycling facility and a receipt showing proof of disposal must be obtained.

To apply, complete the online application at: www.baaqmd.gov/WoodSmokeGrant.

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Additional Funding for Qualifying Highly Impacted Residents (HIR):

In addition to the **Base Funding**, some applicants may qualify for HIR status and be eligible to receive additional funding. HIR covers homeowners: i) whose sole-source of heating is a wood-burning device, ii) whose home is located in a Designated High Wood Smoke Area, and/or iii) who participate in a qualifying low-income assistance program. See Table 3 for a description of each HIR category.

Table 3: Highly Impacted Residents Funding and Conditions

HIR Funding Amount	Category Description
+ \$1,500	Sole Source of Heat
For homeowners whose home has a wood-burning device as their only form of heat. To verify if you qualify for additional Sole Source of Heat funding visit: https://baaqmdgov.wufoo.com/forms/wpx12qy016axya/	

+ \$1,500	Designated High Wood Smoke Area (HWSA)
For homeowners 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	Qualifying low-income assistance program participants
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For homeowners who participate in one of the low-income assistance programs listed below. Applicants must submit proof of enrollment at the time the application is submitted.

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

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

Program Process:

Applicants must complete each of the three phases discussed below to receive grant funding.

Application Submission

Project Implementation

Reimbursement Request

Application Submission:

Homeowners must submit a complete application to the Air District with all supporting documentation BEFORE any work has been started. Applications will be reviewed in the order they are received on a first-come, first-served basis.

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

- Photos of the existing fireplace or wood/pellet stove. Acceptable photos must have the fireplace doors open and include the floor, ceiling, and any other distinguishing features of the area such as a window or door. If needed, submit multiple photos. 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 “Current Resources” section at www.baaqmd.gov/WoodSmokeGrant.*
- A copy of the deed or current tax bill to verify property ownership.
- Quotes, estimates, or bids for the project work. **Note: Applicants who have started any work or incurred any costs related to a project prior to receiving a Notice to Proceed – including but not limited to placing a deposit for equipment, placing a work order, purchasing or ordering equipment, or beginning any physical work are not eligible.**
- A description of the scope of the work.
- If applying for Low-Income HIR funding, proof that the homeowner is currently enrolled in a qualifying low-income assistance program. The documentation must clearly show the name of the homeowner and the date that the assistance program expires/needs to be renewed.

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

The Air District will review each application and will notify applicants whether the application is approved, rejected, or incomplete. The Air District will endeavor to complete the review process within 30 days. 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** (including but not limited to placing a deposit for equipment, placing a work order, purchasing or ordering equipment, or beginning any physical work) **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

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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 (i.e., has identifying/distinguishing qualities visible, for both the device and the surrounding area, such as window or door, so that it can be verified that it’s the same property). Include your handwritten project number on a piece of paper in the “after photo”. **For Heat-Pump Installation** include photos showing the decommission of the existing wood-burning device and installation of the new device, both interior and exterior units.
 - Copies of fully paid, itemized invoice(s) for equipment, labor, and permit fees. Final invoices must show a zero-balance due. Alternatively, proof of payment (e.g., receipts and copies of checks, electronic payment record, bank statement, credit card statement, finance statement) of invoices can be submitted along with reimbursement requests. If invoices are paid in cash the contractor must provide the Air District with written confirmation of the payment.
 - 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 eligible 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 eligible 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 work on the project can begin. *Applicants who have had any work related to their project performed (including but not limited to placing a deposit for equipment, purchasing or ordering equipment, placing a work order, or beginning any physical work) 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. If a permit is necessary, then *work performed without obtaining the 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: Payments will only be made to Program Participants who provide a completed W-9 form with their reimbursement request. The District will report the grant amount to the Franchise Tax Board as taxable income for the homeowner for the calendar year that the project is completed.

Compliance with State, Federal, Local, and Air District Rules and Regulations: Applicants must be and remain in compliance with the Air District's Wood Smoke Rule (Regulation 6, Rule 3) and projects must be conducted and maintained in compliance with all applicable State, Federal, and local rules and regulations. 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 no 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; a valid government issued photo ID; Wood Smoke Reduction Incentive Reimbursement Request Cover Sheet; Contractor Certification Form; copies of invoices and proof of payment; photos of original and replacement devices; and, if applicable, copies of permits and/or proof of enrollment in a qualifying low-income assistance program. The Air District may request additional information to verify the project and applicant's eligibility.

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.