

Questions & Answers: FY 2009/2010 Request for Proposals (RFP)

Wednesday, December 2, 2009

National Clean Diesel Funding Assistance Program, FY 2009/2010 Request for Proposals (RFP) (Funding Opportunity EPA-OAR-OTAQ-09-10)

Clean Diesel Emerging Technologies Funding Assistance Program, FY2009/2010 Request for Proposals (RFP) (Funding Opportunity EPA-OAR-OTAQ-09-12)

SmartWay Clean Diesel Finance Program FY 2009/2010 Request for Proposals (RFP) (Funding Opportunity EPA-OAR-OTAQ-09-13)

The following Questions and Answers are compiled for the benefit of organizations considering applying for a grant under the above Request for Proposals.

- A. Applicant Eligibility
- B. Project Eligibility
 - i. Exhaust Controls
 - ii. Engine Upgrades
 - iii. Cleaner Fuels Use
 - iv. Idle-Reduction
 - v. Aerodynamics and Tires
 - vi. Repowers and Replacements
 - vii. Emerging Technologies
 - viii. SmartWay Finance
 - ix. Miscellaneous
- C. Vehicle, Equipment, and Engine Eligibility
- D. Application Process
- E. Project Administration
 - i. Competitive Procurement Requirements
 - ii. General
- F. Tribal

Please note that many questions are variations of each other so your exact question may not be listed; please look for similar questions.

A. Applicant Eligibility

Question A.1: *Can an individual apply for funding under this competition?*

Answer: No. Only the eligible entities listed in Section III of the RFP can apply for funding under this RFP.

Date Posted: 10/15/2009 Program: N, E, S

Question A.2: *Our school district currently contracts with a local bus company for the use of school buses. Would we be eligible to apply for funds under this RFP to retrofit the privately owned school buses?*

Answer: Yes. The school district would have to be the applicant and would be the recipient of the EPA grant. As the grant recipient, the school district would have to maintain and be accountable to EPA for the grant funds, would procure the retrofit technology and ensure that all retrofit technologies are properly installed, and would set up any necessary contracts or agreements with the bus company.

Date Posted: 10/15/2009 Program: N, S

Question A.3: *Is a college or university that owns buses eligible to apply for this grant?*

Answer: Only if the college or university falls into one of the eligible entity categories in Section III (A) of the RFP.

Date Posted: 10/15/2009 Program: N, E, S

Question A.4: *Can a private company (i.e. school bus, transit bus, engine manufacturer, retrofit technology manufacturer, etc) apply for funding under this RFP?*

Answer: No. Only eligible entities as identified in Section III (A) of the RFP may apply. A private company may partner with an eligible entity but cannot apply on its own. EPA's competitive procurement requirements must be followed for any procurement of commercial goods and services or contracts, as explained in Section IV (G) of the RFP.

Date Posted: 10/15/2009 Program: N, E, S

Question A.5: *How does EPA define "jurisdiction over air quality" for a municipality?*

Answer: Municipalities are eligible entities.

Date Posted: 10/15/2009 Program: N, E, S

Question A.6: *Are state energy offices eligible for funding?*

Answer: Yes.

Date Posted: 10/15/2009 Program: N, E, S

Question A.7: *Can small school districts join together with other school districts to apply for funding to reach the grant minimum?*

Answer: Yes. But one entity must be the applicant and is responsible for project activities and expenditures. The others are partners or subgrantees in the project.

Date Posted: 10/15/2009 Program: N, E, S

Question A.8: *If a "regional, state, local or tribal agency" applies, does it have to be one of those entities that has jurisdiction over transportation or air quality? Or can it be a local government, such as a municipality?*

Answer: Yes, with both "jurisdiction" and "Agency" used informally. A local government, such as a municipality, would be eligible.

Date Posted: 10/15/2009 Program: N, E, S

Question A.9: *The language in the RFP indicates that city or county agencies are eligible. Does this preclude a city or county government from applying?*

Answer: No. For this RFP, the term "agencies" is a general term that applies to all levels of government and does not exclude a city or county government.

Date Posted: 10/15/2009 Program: N, E, S

Question A.10: *I would be interested to know if non-profit 501c3 organization would be eligible for funding to reduce diesel emissions by retrofitting or replacing trucks used for delivery of food to food pantries, soup kitchens, youth activity sites etc.*

Answer: Eligible organizations are U.S. regional, State, local or tribal agencies or port authorities with jurisdiction over transportation or air quality, or nonprofit organizations or institutions that: 1) represent or provide pollution reduction or educational services to persons or organizations that own or operate diesel fleets; or 2) have, as their principal purpose, the promotion of transportation or air quality. While we cannot fully determine the mission of your organization from your question, it appears that your organization does not fit the definition needed for non-profit eligibility. As a result, in order for your organization to participate in this program, you'll have to partner with an eligible entity as described above.

Date Posted: 10/15/2009 Program: N

Question A.11: *My fleet is not large enough for a project that falls within the award ranges in Section II. Can I include vehicles or equipment from other fleets in my proposal?*

Answer: Yes, but you must identify the other fleet(s) that you wish to include, and describe your relationship with such entity. In addition, you must also provide a description of vehicles/equipment belonging to the other entity that will be involved in the project. The recipient of any assistance agreement funds may then contract directly with the vendor/installer of the technologies to apply those technologies for all of the vehicles/equipment described under the proposal, provided that the conditions for procurement as described in Section IV (G) are followed.

Date Posted: 10/15/2009 Program: N, E, S

Question A.12: *Are school districts who own their own school buses eligible to apply?*

Answer: Yes.

Date Posted: 10/15/2009

Program: N, E, S

Question A.13: *Should entities in rural areas apply, or is the competition focused on urban areas?*

Answer: The competition is open to all eligible entities -- as defined in Section III (A) of the RFP -- and EPA encourages all types of eligible entities to apply. Please refer to the selection criteria in Section V of the RFP for additional information on how the proposals will be evaluated and scored.

Date Posted: 10/15/2009

Program: N, E, S

Question A.14: *Would a privately held gas utility be considered to be a public service?*

Answer: It's possible that a privately held gas utility's fleet would be considered a public fleet. However, a privately held utility is not an eligible entity and thus cannot directly apply for funds. To be eligible for funding, the utility must partner with an eligible entity as defined in Section III (A) of the RFP.

Date Posted: 10/22/2009

Program: N, E

Question A.15: *Are National Clean Diesel Funding programs available to both corporate and public service fleets?*

Answer: Both public and private fleets may benefit from program activities, however only eligible entities may apply to EPA for funds. Eligible entities under the National Clean Diesel Emission Reduction Program's competitive funding opportunities include U.S. regional, State, local or tribal agencies or port authorities with jurisdiction over transportation or air quality, or nonprofit organizations or institutions that: 1) represent or provide pollution reduction or educational services to persons or organizations that own or operate diesel fleets; or 2) have, as their principal purpose, the promotion of transportation or air quality. EPA encourages private fleet owners to partner with eligible entities for the implementation of diesel emission reduction projects.

Date Posted: 10/22/2009

Program: N, E, S

Question A.16: *Do cooperative agreements mean you must form some collaboration with other local government to receive funding? Under the Smart Way Finance RFP, only 1-6 proposals will be funded?*

Answer: The funding for selected projects will be in the form of a cooperative agreement. Cooperative agreements permit substantial involvement between EPA and the selected applicants in the performance of the work supported. Although EPA will negotiate precise terms and conditions relating to substantial involvement as part of the award process, the anticipated substantial Federal involvement for this project will be in the form of technical assistance, development of outputs, and oversight. Specifically, substantial federal involvement will take the form of monitoring the project by EPA during the project period; participation and collaboration between EPA and the recipient in program content; review of project progress, and quantification and reporting of results. EPA anticipates

awarding approximately 1-6 cooperative agreement(s) under the SmartWay Finance RFP, subject to availability of funds and the quality of proposals received received.

Date Posted: 10/22/2009

Program: S

Question A.17: *Would a small municipality be able to apply? Also, are there any capacity requirements for this grant? We have a number of diesel vehicles that contribute to air quality issues in the immediate area, but any changes made here will certainly not have an impact on a statewide or national scale.*

Answer: A local government, such as a municipality, is an eligible entity. There are no capacity requirements from an air quality perspective, however Section III of the RFP lists the eligible funding ranges for the various EPA regions.

Date Posted: 10/28/2009

Program: N, E, S

Question A.18: *Our university has a Center for Advanced Transportation Systems Simulation; are we eligible? If we are eligible, then we cannot submit more than three proposals to one EPA office, correct?*

Answer: Universities are eligible to the extent they fall into one of the eligible entity categories in Section III (A) of the RFP.

The term "project location" as used in this RFP refers to the primary area where the affected vehicles/engines operate, or the primary area where the emissions benefits of the project will be realized. Non-tribal applicants must submit their proposals to the EPA regional office which covers the geographic project location. Non-tribal applicants are allowed to submit proposals to more than one EPA regional office. Non-tribal applicants may submit up to three (3) proposals to the same EPA regional office as long as each proposal is for a separate and distinct project and each proposal is submitted separately. If an applicant submits more than three (3) proposals to any one EPA regional office, the applicant will be contacted prior to EPA review of any of the proposals to determine which proposals the applicant will withdraw from the competition.

Date Posted: 10/28/2009

Program: N, E, S

Question A.19: *Can a non-profit that is not a 501(c)(3) apply?*

Answer: In most cases, yes. Non-profit organizations, as defined by OMB Circular A-133, means any corporation, trust, association, cooperative, or other organization which is operated primarily for scientific, educational, service, charitable, or similar purposes in the public interest, is not organized primarily for profit, and uses its net proceeds to maintain, improve, and/or expand its operations. For this purpose, the term "non-profit organization" includes non-profit institutions of higher education and hospitals. Non-profit organizations described in Section 501(c)(4) of the Internal Revenue Code that engage in lobbying activities as defined in Section 3 of the Lobbying Disclosure Act of 1995 are not eligible to apply. See Section III.A. of the RFP for all details regarding eligible entities.

Date Posted: 10/28/2009

Program: N, E, S

Question A.20: *Is eligibility restricted to state and local governments or can a not-for profit sewer company apply?*

Answer: If the mission of your organization does not fit the definition needed for non-profit eligibility, you will have to partner with an eligible entity. Eligible organizations are U.S. regional, State, local or tribal agencies or port authorities with jurisdiction over transportation or air quality, or nonprofit organizations or institutions that: 1) represent or provide pollution reduction or educational services to persons or organizations that own or operate diesel fleets; or 2) have, as their principal purpose, the promotion of transportation or air quality.

Date Posted: 10/28/2009 Program: N, E, S

Question A.21: *Does a company have to be located in California or associated with CARB in order to apply for funding under the National Clean Diesel Funding Assistance Program?*

Answer: An eligible entity does not have to be located in California or associated with CARB to receive funding from the National Clean Diesel Campaign. Eligible entities include regional, State, local or tribal agencies (or intertribal consortia) or port authorities with jurisdiction over transportation or air quality, and nonprofit organizations or institutions that a) represent or provide pollution reduction or educational services to persons or organizations that own or operate diesel fleets; or b) have, as their principal purpose, the promotion of transportation or air quality. Please also note that under the National Clean Diesel Funding Assistance Program, funding may be used only for EPA and/or CARB verified engine configurations and technologies as defined in Section I.D of the RFP, Eligible Diesel Emissions Reduction Solutions.

Date Posted: 10/28/2009 Program: N

Question A.22: *What is the definition of a Tribe? What about Intertribal Consortia?*

Answer: Federally recognized Indian tribal governments are defined as any Indian tribe, band, nation, or other organized group or community (including Native villages) certified by the Secretary of the Interior as eligible for the special programs and services provided by him through the Bureau of Indian Affairs as well as any organization or intertribal consortium that represents federally recognized tribes.

An intertribal consortium is defined as a partnership between two or more tribes that is authorized by the governing bodies of those tribes to apply for and receive assistance under this program. Intertribal consortia are eligible to receive assistance under this program only if the consortium demonstrates that all members of the consortium meet the eligibility requirements for the program and authorize the consortium to apply for and receive assistance by submitting to EPA documentation of (1) the existence of the partnership between Indian tribal governments, and (2) authorization of the consortium by all its members to apply for and receive the assistance.

Date Posted: 10/28/2009 Program: N

Question A.23: *My organization is not a tribe or intertribal consortium but we work with tribes. Where do I apply?*

Answer: Non-tribal applicants must submit their proposals to the EPA regional office which covers the geographic project location. The term "project location" as used in this RFP refers to the primary area where the affected vehicles/engines operate, or the primary area where the emissions benefits of the project will be realized.

Date Posted: 10/28/2009 Program: N

Question A.24: *Are federal agencies considered eligible to receive funding under this RFP?*

Answer: No, federal agencies are not eligible entities.

Date Posted: 11/4/2009 Program: N, E, S

Question A.25: *How can we tell if our area is designated by Administrator as a poor air quality area?*

Answer: Poor air quality areas include areas designated nonattainment or maintenance of national ambient air quality standards for a criteria pollutants; Federal Class I areas; or areas with toxic air pollutant concerns. EPA's areas of nonattainment for criteria air pollutants can be found at: www.epa.gov/air/oaqps/greenbk.

Date Posted: 11/4/2009 Program: N, E

Question A.26: *Is this RFP different from the April 2009 grants issued as part of the ARRA? Are entities who applied and were denied awards earlier this year allowed to apply under this RFP?*

Answer: Yes. This is a separate Request for Proposals funded by EPA's Fiscal Year (FY) 2009 Appropriations. Applying under the Spring 2009 RFA does not preclude an entity from applying under this RFP, but please be sure to review the current evaluation criteria.

Date Posted: 11/4/2009 Program: N, E, S

Question A.27: *Are port authorities eligible?*

Answer: Yes, port authorities with jurisdiction over transportation or air quality are eligible entities.

Date Posted: 11/4/2009 Program: N, E, S

Question A.28: *Is a nonprofit who owns and operates a diesel fleet for the pick up/transfer of waste and sewage eligible to apply?*

Answer: Nonprofits are eligible to the extent they can demonstrate that they fall into one of the eligible entity categories in Section III of the RFP. Eligible entities include nonprofit organizations or institutions that represent or provide pollution reduction or educational services to persons or organizations that own or operate diesel fleets; or have, as their principal purpose, the promotion of transportation or air quality

Date Posted: 11/4/2009 Program: N, E, S

Question A.29: *As a Joint Power Authority that is made up of six public agencies (5 cities and 1 county), are we eligible to apply for this funding?*

Answer: Yes, a Joint Power Authority is an eligible entity, as defined in Section III of the RFP.

Date Posted: 11/4/2009 Program: N, E, S

Question A.30: *Would a municipal fleet be eligible for a grant to buy low rolling resistance tires for a general fleet on road diesels?*

Answer: Yes, the municipal fleet could purchase low rolling resistance tires, however the low rolling resistance tires are currently verified only for long haul Class 8 truck applications.

Date Posted: 11/4/2009 Program: N, S

Question A.31: *Can I assume that the term "agency" in the RFP is broad enough to include a regional transit agency?*

Answer: Yes.

Date Posted: 11/10/2009 Program: N, E, S

Question A.32: *Who can private entities partner with to be eligible for funding?*

Answer: A private company may partner with an eligible entity (as identified in Section III (A) of the RFP) but cannot apply on its own. Examples of eligible entities include state, city, local and regional government agencies and clean cities organizations. You can search for an existing NCDC grant recipient at www.epa.gov/otaq/diesel/projects.htm, or seek out another eligible entity to apply for grants. EPA's competitive procurement requirements must be followed for any procurement of commercial goods and services or contracts. as explained in Section IV of the RFP.

Date Posted: 11/18/2009 Program: N, E

Question A.33: *Can I combine state clean diesel funding with the National RFP grants and be eligible?*

Answer: It depends on what you mean by "combine funding." Federal funds and any associated cost-share/match from one Federal grant cannot be used to match or cost-share another Federal grant. It may be allowable to expand a program funded under one grant with another grant. For example, if a state is using their State Clean Diesel Program grant funds to retrofit 200 school buses, it may apply for a National Clean Diesel Funding Assistance Program grant to retrofit an additional 100 buses. However, each grant would be awarded and managed separately.

Date Posted: 11/18/2009 Program: N, E, S

Question A.34: *Does the eligible entity have to be located in the same Region as the project location?*

Answer: No. Non-tribal applicants must submit their proposal to the EPA regional office which covers the geographic project location, regardless of where the applicant is located.

Date Posted: 11/18/2009 Program: N, S

Question A.35: *I represent a national trade association for a national industry. I understand that a non-profit trade association like ours is eligible to apply for grant money on behalf of a member company. 1) I would be interested in knowing what exactly that application process would entail, and also whether we could conceivably apply for a grant for all our members, operating in multiple states across the country, or if we would need to limit our applications to one company at a time (or a handful of companies operating primarily in the same state). 2) Additionally, if we should chose not to act as a DERA application "sponsor" for individual members, would these companies be able to work with state agencies to procure grant money for emissions projects?*

Answer: 1) Section IV of the RFP details the proposal preparation and submission process. A single proposal may target multiple fleets, fleet types and/or diesel emission reduction solutions. The term "project location" as used in this RFP refers to the primary area where the affected vehicles/engines operate, or the primary area where the emissions benefits of the project will be realized. Non-tribal applicants must submit their proposal to the EPA regional office which covers the geographic project location and as identified below. EPA Regions 1, 2, 3, 4, 5, 8, 9, and 10 will only accept non-tribal proposals for projects located solely within that EPA Region and EPA Regions 6 and 7 will only accept non-tribal proposals for projects located solely within EPA Regions 6 and/or 7. Non-tribal applicants are allowed to submit proposals to more than one EPA regional office. Non-tribal applicants may submit up to three (3) proposals to the same EPA regional office as long as each proposal is for a separate and distinct project and each proposal is submitted separately.

2) Yes, a private company may partner with an eligible entity, such as a state agency, but it cannot apply on its own.

Date Posted: 11/23/2009

Program: N, S

Question A.36: *1. Can a utility company submit a grant? What are the conditions under which they may do so?*

2. Could you clarify the difference between retrofit and rebuild, specifically in regards to turbo chargers on stationary engines used for power regeneration?

Answer: 1. A privately held utility is not an eligible entity and thus cannot directly apply for funds. To be eligible for funding, the utility must partner with an eligible entity as defined in Section III (A) of the RFP.

2. "Retrofit" project is defined broadly to include any technology, device, fuel or system that when applied to an existing diesel engine achieves emission reductions beyond what is currently required by EPA regulations at the time of the engine's certification. "Rebuild" is a term used in the context of making an engine upgrade, which is a type of retrofit. See Section I.D.2 of the RFP.

Date Posted: 11/23/2009

Program: N, S

B. Project Eligibility

i. Exhaust Controls

Question Bi.1: *Will level II emissions devices still be funded now that level III's are available and better protect public health?*

Answer: Yes. All EPA and CARB verified technologies are eligible.

Date Posted: 10/15/2009 Program: N, E, S

Question Bi.2: *Are DPF filter cleaning machines eligible for funding?*

Answer: Applicants may propose to include Diesel Particulate Filter regeneration equipment necessary for the proper maintenance of the verified retrofit equipment.

Date Posted: 11/18/2009 Program: N, S

New

Question Bi.3: *We would like to install diesel oxidation catalysts (DOCs) on non-road construction equipment. The applicability for the DOCs on EPA's Verified Technologies List does not explicitly mention non-road engines. Would using these retrofit devices still be an eligible activity?*

Answer: Devices must be used on the engines for which they were specifically verified by EPA or ARB. The EPA Verified Nonroad Engine Technologies List is available at <http://www.epa.gov/otaq/retrofit/nonroad-list.htm>.

Date Posted: 12/2/2009 Program: N, E, S

New

Question Bi.4: *Both the EPA and CARB Verified Technology Lists include emission control retrofits for DOCs + CCVs, but not CCVs by themselves. If a vehicle already has a DOC installed on it, either factory installed or after market, would it be allowable to install just a CCV through this grant? If so, would the CCV have to come from the same manufacturer that manufactured the DOC, or would all EPA or CARB verified DOC + CCV manufacturers be eligible to bid on the contract?*

Answer: Projects must include one or more diesel emissions reduction solutions that utilize a certified engine configuration and/or a EPA or CARB verified technology. Closed crankcase ventilation (CCV) systems and diesel oxidation catalysts (DOCs) have been verified as a combined system. Thus, applicants may install CCVs if a DOC is already installed, however they must purchase the same manufacturer's verified devices in order to qualify as an eligible retrofit.

Date Posted: 12/2/2009 Program: N, S

ii. Engine Upgrades

Question Bii.1: *Are engine upgrade kits available for nonroad engines?*

Answer: Yes.

Date Posted: 11/18/2009 Program: N, S

Question Bii.2: *What are engine upgrade kits?*

Answer: An engine upgrade kit consists of parts (turbo charger, fuel injector, pistons, etc.) that are used to rebuild the engine to an engine configuration which is certified to meet more stringent federal emission standards. For example, a tier 0 nonroad engine could be upgraded to a certified tier 1 nonroad configuration.

Date Posted: 11/18/2009 Program: N, S

iii. Cleaner Fuels Use

Question Biii.1: *Is the purchase of new equipment that runs on vegetable oil eligible for funding under this RFP?*

Answer: No. Straight vegetable oil (SVO) is not an EPA-registered fuel. Vegetable oil conversion, vegetable oil fuel purchases, and unverified equipment that runs on vegetable oil are not eligible for funding.

Date Posted: 10/28/2009 Program: N

Question Biii.2: *Which regions are accepting grant proposals for the cost differential between diesel and biodiesel?*

Answer: Verified/certified cleaner fuel use is an eligible activity in all regions.

Date Posted: 11/4/2009 Program: N, S

Question Biii.3: *What blend of biodiesel qualifies for funding as retrofit technology?*

Answer: Any blend of biodiesel may qualify.

Date Posted: 11/18/2009 Program: N, S

Question Biii.4: *A proposed project wants to use biodiesel B20 and there is a state/local mandate that requires using biodiesel B2. If we change to biodiesel B20 instead of B2, will that additional 18percent over the mandate be eligible for funding?*

Answer: Yes, the incremental cost of the cleaner fuel above and beyond the mandate is eligible.

Date Posted: 11/18/2009 Program: N, S

Question Biii.5: *Has EPA funded fuel switch projects in the past?*

Answer: Yes. EPA has funded the incremental cost of cleaner fuels.

Date Posted: 11/18/2009 Program: N, S

Question Biii.6: *What is the acceptable method to determine price differential for a proposed fuel switch (e.g., from diesel to biodiesel) project?*

Answer: Contact a fuel distributor to obtain current fuel price information as close to the proposal submission date as possible. Compare that cost to the cost of standard diesel fuel during a similar period.

Date Posted: 11/18/2009 Program: N, S

Question Biii.7: *Are mixing equipment and emulsion stabilizers for the purpose of creating diesel emulsion fuel considered infrastructure?*

Answer: Mixing equipment and emulsion stabilizers would be considered fueling infrastructure, which is not eligible for funding.

Date Posted: 11/18/2009 Program: N, S

Question Biii.8: *1. Will NCDC funding pay for retrofitting of pumps, cleaning tanks, additional filters and fuel economy lost as a result of using B-20 fuel, or just the price differential of this fuel?*

2. With the project begin date of April 1, 2010 and a completion date of March 31, 2012, would NCDC be paying the higher cost of this fuel during the Spring and Summer of both 2010 and 2011?

Answer: 1. This funding can cover only the cost differential between the cleaner fuel and conventional diesel fuel.

2. Funding will cover the incremental cost of the cleaner fuel in each instance at which the fuel is purchased, as long as the purchase date falls within the specified project period. The applicant/recipient must demonstrate and document the market price of the fuels at the time of purchase to claim incremental costs.

Date Posted: 11/23/2009 Program: N, S

iv. Idle-Reduction

Question Biv.1: *Do the automatic shut off switches for idling control have to be in locomotives, or can it be the software package on class 8 trucks or buses?*

Answer: Only automatic shut-down systems to reduce idling for locomotives are currently on EPA's SmartWay verified list at this time. Equipment purchased with funds from National Clean Diesel Emission Reduction Program (DERA) grants must be on the SmartWay verified list (www.epa.gov/smartway/transport/what-smartway/verified-technologies.htm) or verified diesel retrofit technologies list (www.epa.gov/otaq/retrofit/verified-list.htm) at the time of the acquisition to be eligible. These lists are regularly updated as new products are verified.

Date Posted: 10/22/2009 Program: N, S

Question Biv.2: *Why do CARB approved idle reduction technologies not get higher preference than EPA verified units in grant criteria?*

Answer: Technologies and engines must be verified and/or certified by the USEPA or CARB, please visit: www.epa.gov/cleandiesel.

Date Posted: 11/4/2009 Program: N, S

Question Biv.3: *What if the most cost effective idle reduction technology, based on acquisition price, is not the most cost effective item for the fleet relative to installation, maintenance and/or operational costs?*

Answer: Project cost-effectiveness for idle-reduction technologies is based on the lifetime emissions reductions of the proposed project and the total project amount requested from EPA. One of the Evaluation Criterion in Section V of the RFP is the extent and quality to which the proposed project is cost-effective. Each applicant should weigh the available/eligible technology options for the target fleet and choose the best strategy for the target fleet. This funding can cover up to 100% of the cost (labor and equipment) for an eligible, verified idle reduction technology. The eligible acquisition cost of equipment means the net invoice price of the equipment, including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the property usable for the purpose for which it was acquired. Other charges, such as the cost of installation, transportation, taxes, duty or protective in-transit insurance, shall be included or excluded from the unit acquisition cost in accordance with the recipient's regular accounting practices.

Date Posted: 11/4/2009

Program: N, S

Question Biv.4: *What if the most cost effective idle reduction technology, based on acquisition price, is not the most cost effective item for the fleet relative to installation, maintenance and/or operational costs?*

Answer: Project cost-effectiveness for idle-reduction technologies is based on the lifetime emissions reductions of the proposed project and the total project amount requested from EPA. One of the Evaluation Criterion in Section V of the RFP is the extent and quality to which the proposed project is cost-effective. Each applicant should weigh the available/eligible technology options for the target fleet and choose the best strategy for the target fleet. This funding can cover up to 100% of the cost (labor and equipment) for an eligible, verified idle reduction technology. The eligible acquisition cost of equipment means the net invoice price of the equipment, including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the property usable for the purpose for which it was acquired. Other charges, such as the cost of installation, transportation, taxes, duty or protective in-transit insurance, shall be included or excluded from the unit acquisition cost in accordance with the recipient's regular accounting practices.

Date Posted: 11/10/2009

Program: N, S

Question Biv.5: *The RFP lists trailer fairings as verified aerodynamic technology. Are only fairings eligible for funding or are all technologies listed on the SmartWay site eligible?*

Answer: A list of EPA verified idle reduction technologies, aerodynamic technologies, and low rolling resistance tire technologies is available at www.epa.gov/smartway/transport/what-smartway/verified-technologies.htm. A list of eligible, EPA verified retrofit technologies is available at www.epa.gov/otaq/retrofit/verif-list.htm; a list of eligible, CARB verified retrofit technologies is available at www.arb.ca.gov/diesel/verdev/vt/cvt.htm.

Date Posted: 11/18/2009

Program: N, S

Question Biv.6: *Where can I find the list of verified idle reduction technologies?*

Answer: A list of EPA verified idle reduction technologies is available at www.epa.gov/smartway/transport/what-smartway/verified-technologies.htm.

Date Posted: 11/18/2009 Program: N, S

Question Biv.7: *If a state implements new idling regulations, can EPA fund idling reduction projects under this grant, while the state regulation is in effect?*

Answer: It depends. For example, if a state regulation requires engines be turned off after a certain period of idling, but does not mandate a technology, then the purchase of an APU would be eligible. However, funding under this RFP cannot go toward any project for which there is an existing federal, state or local requirement.

Date Posted: 11/18/2009 Program: N, S

Question Biv.8: *The SmartWay Web site only lists locomotive applications for verified auto shut down/start up systems. Can this technology be used for medium- to heavy-duty trucks and be eligible for funding?*

Answer: There are manufacturers who provide auto shut down/start up technology for trucks; however, they are currently not listed on EPA's verified idle-reduction technology list. If these technologies become verified then these products will be eligible for funding.

Date Posted: 11/18/2009 Program: N, S

Question Biv.9: *I have a pre-heat unit that uses a nominal amount of diesel fuel, with the engine running, and heats the coolant and the inside of the vehicle and also is CARB approved. Will this be eligible under idle-reduction technologies?*

Answer: A list of EPA verified idle reduction technologies is available at www.epa.gov/smartway/transport/what-smartway/verified-technologies.htm.

Date Posted: 11/18/2009 Program: N, S

Question Biv.10: *Will NCDC funding cover installation of a larger fuel operated heater that would be able to pre-warm the cabin heaters in a bus that already has smaller fuel operated coolant heater installed?*

Answer: No, installation of a fuel operated heater in a vehicle that already has a fuel operated heater installed would not be an eligible activity.

Date Posted: 11/23/2009 Program: N, S

New Question Biv.11: *In my project, I would like to use fuel operated heaters (FOH) to achieve fuel and emission reductions in school buses. When do I have to select a specific vendor or device, in other words the particular manufacturer or model of the FOH I plan to use? On the EPA SmartWay Verified Technologies web page, it says that FOHs provide a similar idle reduction benefit for school buses as they do for long haul, Class 8 trucks but it's not clear which of the devices might be used for school buses. Are any of these EPA verified FOHs also verified for school buses?*

Answer: Idle reduction devices purchased with DERA funds must be on the SmartWay verified technologies list (www.epa.gov/smartway/transport/what-smartway/verified-technologies.htm), but the decision as to which specific type, vendor or manufacturer of the device to use in the project is made at the time of acquisition not during the application process. There are also EPA competition requirements that must be followed when there is more than one manufacturer or vendor of a technology.

EPA is currently working with manufacturers of the verified FOHs for long haul, Class 8 trucks to determine which FOHs provide a similar benefit and service for school buses and will list verified FOHs for school buses as they are verified. EPA anticipates that this process will be completed in early 2010 to assist grantees in meeting their DERA technology determinations at time of acquisition.

Date Posted: 12/2/2009 Program: N, S

v. Aerodynamics and Tires

Question Bv.1: *Can the Low Rolling Resistance tires be used in school bus projects, or just Class 8 truck projects?*

Answer: The procurement of low rolling resistance tires is only eligible for funding for Class 8 trucks at this time

Date Posted: 10/22/2009 Program: N, S

Question Bv.2: *Is there a list of projects/contacts that are using low rolling resistance tires in their Clean Diesel grants? Is there a reference available that states this is a verified technology?*

Answer: Verified low rolling resistance tires is an eligible use of funds. A list of EPA verified low rolling resistance tires is available at www.epa.gov/smartway/transport/what-smartway/verified-technologies.htm. A list of funded projects from previous competitions is available at www.epa.gov/otaq/diesel/projects.htm.

Date Posted: 10/28/2009 Program: N

Question Bv.3: *The RFP includes language that indicates, "Low rolling resistance tires are not eligible for funding if installed on trucks that have NOx exhaust controls, such as Selective Catalytic Reduction (SCR)." Could you clarify other types of "NOx exhaust controls" that would prohibit funding for low rolling resistance tires?*

Answer: Installation of any NOx exhaust control would eliminate low rolling resistance tires from eligibility for funding. Currently, verified NOx exhaust controls for on-highway vehicles include Low NOx Calibration, Lean NOx Catalysts, and SCR. A list of EPA verified retrofit technologies is available at www.epa.gov/otaq/retrofit/verif-list.htm; a list of CARB verified retrofit technologies is available at www.arb.ca.gov/diesel/verdev/vt/cvt.htm,

Date Posted: 11/4/2009 Program: N, S

Question Bv.4: *Why are aluminum wheels ineligible for funding? They very clearly do achieve fuel savings.*

Answer: All technologies need to be verified by EPA or CARB to be eligible for funding. Aluminum wheels or other lighter weight wheels are not a SmartWay-verified technology and thus are not eligible for funding under the RFP. There is one specific situation, however, in which wheels can be funded, not as a SmartWay-verified technology, but as equipment necessary to enable the usability of SmartWay-verified tire retrofits. This situation occurs only when a fleet is retrofitting from standard dual tires to SmartWay-verified single-wide low rolling resistance tires. In this instance, the fleet cannot use single wide tires without the additional equipment of single wide wheels. So single wide wheels can be covered by the funding, as equipment necessary to use the SmartWay-verified technology. This need does not exist if a fleet is retrofitting from standard dual tires to SmartWay-verified dual low rolling resistance tires, because no additional wheel equipment is needed to use the SmartWay-verified dual tires, when retrofitting from a dual tire to a dual tire. If fleets do procure single wide wheels as necessary equipment for the use of SmartWay-verified single wide low rolling resistance tire retrofits, there is neither a requirement for, nor a prohibition against, purchasing aluminum single wide wheels; aluminum single wide wheels would be acceptable as additional equipment, as would steel or light weight steel single wide wheels. As stated in the RFP, EPA encourages fleets to consider the benefits of lighter weighting in making equipment decisions.

Date Posted: 11/4/2009 Program: N, S

Question Bv.5: *Why are SmartWay tires and aerodynamics ineligible for funding on trucks with NOx controls?*

Answer: SmartWay tires and aerodynamics are ineligible for funding on trucks with NOx controls because the NOx reductions from these devices are minimized when used on trucks with NOx controls.

Date Posted: 11/4/2009 Program: N, S

Question Bv.6: *Are retrofit devices that are used to improve the aerodynamics of trailers eligible for funding under this RFP?*

Answer: Long haul Class 8 trucks can be retrofitted with aerodynamic trailer fairings or the fairings can be provided as new equipment options. This funding can cover up to 100% of the cost (labor and equipment) for aerodynamic trailer fairings - either individually or in combination with one another (e.g., skirt & either gap reducer or rear fairings). A list of EPA verified aerodynamic technologies is available at <http://www.epa.gov/smartway/transport/what-smartway/verified-technologies.htm>.

Date Posted: 11/18/2009 Program: N, S

New **Question Bv.7:** *Given that funding for mandated measures is not eligible, please clarify the following questions related to the California Heavy-Duty Vehicle Greenhouse Gas Emission Reduction Regulation that mandates certain aerodynamic measures by January 1, 2013 for model year 2010 or older). The regulation*

also specifies an optional (i.e. voluntary) compliance schedule at annual increments until 2013.

1. Our understanding is that a fleet based in California could apply for funding as long as the product is installed before the January 1, 2013 effective date, but the proposal could only calculate emissions savings for the time period from the install date to the January 1, 2013 effective date. Is this correct?

2. How does the optional compliance schedule influence an application's eligibility?

3. How does the California regulation influence the applications of organizations based outside of California and who do not operate in California?

4. How does the California regulation influence the applications of organizations based outside of California that do operate in California to some extent? How would this differ if the organization were based in California?

Answer: 1. Yes, your understanding of the early compliance requirement and emission benefit calculation is correct.
2. The optional compliance schedule would not influence eligibility.
3. The California regulation does not apply to fleets based outside of California that do not operate in California.
4. An applicant must clearly define the project location. If the project location is outside of California, the regulation would not influence its eligibility or calculation of emission reductions. However, if the project is located within California, the timing and scope of the mandated measures would limit the project's eligibility. Project location, not applicant location, is the determining factor in a project's eligibility in light of mandated measures. The term "project location" as used in this RFP refers to the primary area where the affected vehicles/engines operate, or the primary area where the emissions benefits of the project will be realized.

Date Posted: 12/2/2009

Program: N, S

vi. Repowers and Replacements

Question Bvi.1: *Does a conversion of a diesel baggage tractor to an electric baggage tractor or a diesel conveyer belt loader to electric qualify under the 2009/2010 Clean Diesel Funding Assistance Program RFP as a "repower" project as identified in section II D (page 13) of the RFP?*

Answer: Yes. Repower refers to the removal of an existing engine and replacing it with a newer, cleaner engine that is certified to a more stringent set of engine emissions standards. Conventional original equipment manufacturer (OEM) vehicles altered to operate on propane, natural gas, methane gas, ethanol, or electricity are classified as aftermarket alternative fuel vehicle (AFV) conversions. In the United States, all vehicle conversions (except pure battery electric vehicles) must meet current applicable U.S. Environmental Protection Agency (EPA) standards. Technologies for the electrification of engines/vehicles/equipment other than those specifically listed in the RFP as

idle-reduction technologies may be eligible as a Repower (removal of a diesel engine and its replacement with an electric power source.)

Date Posted: 10/28/2009

Program: N, S

Question Bvi.2: *Would removing an engine from a shuttle bus, and putting a new 100% electric engine in the shuttle bus be eligible for funding through DERA?*

Answer: Yes. Repower refers to the removal of an existing diesel engine and replacing it with a newer, cleaner engine that is certified to a more stringent set of engine emissions standards. Conventional original equipment manufacturer (OEM) vehicles altered to operate on propane, natural gas, methane gas, ethanol, or electricity are classified as aftermarket alternative fuel vehicle (AFV) conversions. In the United States, all vehicle conversions (except pure battery electric vehicles) must meet current applicable U.S. Environmental Protection Agency (EPA) standards.

Date Posted: 10/28/2009

Program: N, S

Question Bvi.3: *Can the National Clean Diesel Funding Assistance Program be used to replace a diesel school bus or other light/heavy duty vehicle with a CNG or propane bus or vehicle?*

Answer: Replacements of light-duty vehicles is not an eligible activity. Non-road diesel equipment and medium and heavy-duty highway diesel vehicles can be replaced earlier than normal attrition under this program with newer, cleaner vehicles and equipment that operate on diesel or alternative fuels and use engines certified by EPA and, if applicable, CARB to meet a more stringent set of engine emissions standards. Replacement projects can include the early replacement of diesel vehicles/equipment with newer, cleaner diesel or hybrid or alternative fuel vehicles/equipment.

Vehicle replacements that would have occurred through normal attrition are considered to be the result of normal fleet turnover and are not eligible for funding under this program. Normal attrition is generally defined as a replacement or repower that is scheduled to take place between now and the end of the project period. Normal attrition is typically defined by the vehicle or fleet owner's budget plan, operating plan, standard procedures, or retirement schedule.

Date Posted: 10/28/2009

Program: N

Question Bvi.4: *How much funding is available? With regard to 50% funding of replacement school buses, is it acceptable to apply for the 50% funding level if a school bus manufacturer is using emissions credits to meet the 2010 emissions*

Answer: The total estimated funding for the National Clean Diesel Funding Assistance Program is approximately \$64 million, including all non-tribal and tribal awards. EPA will fund up to 50% of the cost of a replacement school bus with an engine manufactured in model year 2008-2012 that:

(a) is particulate filter equipped (or catalyst equipped in the case of a CNG engine); and

(b) meets regulatory requirements for school bus engines manufactured in that

model year; and
(c) must not exceed the following emission levels: particulate matter (PM) at 0.01 grams per brake horsepower hour (g/bhp-hr), nonmethane hydrocarbons (NMHC) at 0.14 g/bhp-hr, and oxides of nitrogen (NOx) at 0.2 g/bhp-hr. (Note: Family Emission Limits (FELs), indicated on the EPA engine emission control label for a specific engine family, must not exceed these specified emission levels.)

Date Posted: 10/28/2009

Program: N

Question Bvi.5: *Please help me in finding out what I need to do to apply for funding for newer school buses. Also, how many can we apply for?*

Answer: Please refer to the RFP, found at <http://www.epa.gov/otaq/diesel/prgnational.htm>, for full proposal preparation and submission instructions. Please refer to Section II of the RFP for eligible funding ranges. For replacement school buses that meet EPA's 2010 emissions levels for heavy-duty highway vehicles, EPA will fund the incremental cost of a newer, cleaner school bus, up to 50% of the cost of an eligible replacement school bus (i.e. applicants are responsible for cost-sharing at least 50% of the cost of an eligible replacement school bus.). For replacement school buses that meet EPA's 2007 emissions levels for heavy-duty highway vehicles, EPA will fund the incremental cost of a newer, cleaner school bus, up to 25% of the cost of an eligible replacement school bus (i.e. applicants are responsible for cost-sharing at least 75% of the cost of an eligible replacement school bus.)

Date Posted: 10/28/2009

Program: N

Question Bvi.6: *We will be replacing 35 diesel fueled refuse trucks with LNG fueled refuse trucks during the next two years. Is this eligible? The refuse trucks are currently equipped with diesel emission reduction devices, so the reductions would be smaller than if they were not already retrofit.*

Answer: Medium and heavy-duty highway diesel vehicles can be replaced earlier than normal attrition under this program with newer, cleaner vehicles and equipment that operate on diesel or alternative fuels and use engines certified by EPA and, if applicable, CARB to meet a more stringent set of engine emissions standards. Replacement projects can include the replacement of diesel vehicles with newer, cleaner diesel or hybrid or alternative fuel vehicles.

Replacements that would have occurred through normal attrition are considered to be the result of normal fleet turnover and are not eligible for funding under this program. Normal attrition is generally defined as a replacement or repower that is scheduled to take place between now and the end of the project period. Normal attrition is typically defined by the vehicle or fleet owner's budget plan, operating plan, standard procedures, or retirement schedule. For example, if a school bus fleet typically retires vehicles after 20 years, a bus that is currently in its 18th or 19th year of service is not eligible for replacement. A bus that is currently in its 17th year of service and has 3 years of useful life remaining (as defined by the fleet's retirement schedule) is eligible for replacement.

EPA will fund the incremental cost of a newer, cleaner vehicle or piece of equipment, up to 25% of the cost of an eligible replacement vehicle or piece of equipment (i.e. applicants are responsible for cost-sharing at least 75% of the cost of an eligible replacement vehicle or piece of equipment).

The fact that the trucks to be replaced are already retrofit will be taken into account when calculating the emissions reductions for the proposed project

Date Posted: 10/28/2009 Program: N

Question Bvi.7: *Would the purchase of new vehicles be eligible for funding under this program? The purchased vehicles would not necessarily be replacement vehicles.*

Answer: No, the purchase of new vehicles or equipment to expand a fleet is not covered by this program.

Date Posted: 10/28/2009 Program: N, S

Question Bvi.8: *Are diesel/electric hybrid Transportation Refrigeration Units (TRUs) eligible for funding under this RFP? The current refrigerated trailers, which run exclusively on diesel, would be replaced with hybrid units. These units, when at the terminal will be connected to electric shore power and while on the road will use diesel.*

Answer: Yes. Technologies for the electrification of engines/vehicles/equipment other than those specifically listed in the RFP as idle-reduction technologies may be eligible as a Repower (removal of a diesel engine and its replacement with an electric power source) or a Replacement (replacement of a diesel powered vehicle/equipment with an eligible electric vehicle/equipment).

Date Posted: 10/28/2009 Program: N, S

Question Bvi.9: *By incentivizing new and cleaner vehicles, will this not lead to less vehicles being retrofitted (specifically those which are prime candidates for retrofitting)? How will this be circumvented?*

Answer: Each applicant will need to decide on the most cost-effective mix of new vehicle replacement and retrofitting of old vehicles. Since the purchase of new vehicles must include the scrappage of an old vehicle, we expect many participants to prefer retrofitting an older vehicle.

Date Posted: 11/4/2009 Program: N, S

Question Bvi.10: *I represent a City Transit Agency preparing to replace 1/3 of our fleet of buses. While we have the funds to replace diesel for diesel, we would prefer to replace diesel buses with Hybrid Electric. Would our city and our replacement bus purchase be eligible for these funds and how competitive would our application be?*

Answer: Yes, a city is an eligible entity, as listed in Section III of the RFP. Heavy-duty highway diesel vehicles can be replaced earlier than normal attrition under this program with newer, cleaner vehicles and equipment that operate on diesel or alternative fuels and use engines certified by EPA and/or CARB to meet a more

stringent set of engine emissions standards. EPA will fund the incremental cost of a newer, cleaner vehicle or piece of equipment, up to 25% of the cost of an eligible replacement vehicle or piece of equipment. Please refer to the RFP for repower and replacement criteria, restrictions, and cost-share requirements.

The strength of your application will depend on how well it addresses the evaluation criteria laid out in Section V of the RFP.

By law, award funds cannot be used to meet federal, state, or local emissions reduction mandates.

Date Posted: 11/4/2009

Program: N, S

Question Bvi.11: *Please clarify engine repowers and replacements. If we have a piece of heavy equipment from 1985, EPA will cover a portion of a replacement engine, not the whole engine let alone the whole piece of equipment. Is this correct?*

Answer: A repower is defined as the removal of an existing diesel engine from a vehicle/equipment and its replacement with a newer, cleaner engine that is certified to a more stringent set of emission standards. Under the National Clean Diesel Funding Assistance Program, EPA will fund up to 75% of the cost (labor and equipment) of an eligible engine repower. A replacement is the replacement of a diesel powered vehicle/equipment with newer, cleaner vehicle/equipment that operates on diesel or alternative fuels and uses engines certified by EPA or CARB to meet a more stringent set of emission standards. EPA will fund the incremental cost of a newer, cleaner vehicle or piece of equipment, up to 25% of the cost of an eligible replacement vehicle or piece of equipment. Replacements that would have occurred through normal attrition are considered to be the result of normal fleet turnover and are not eligible for funding under this program. Please refer to the RFP for repower and replacement criteria, restrictions, and cost-share requirements. For the SmartWay Clean Diesel Finance Program, please note that grants funds can be used to finance up to 100% of the cost of an eligible replacement vehicle/equipment or eligible engine repower.

Date Posted: 11/10/2009

Program: N, S

Question Bvi.12: *1. Is our understanding correct that 2 to 5 grant awards would be available in our region (Region 10) and we must apply for a minimum grant of \$250,000?*

2. If grant funding is used to replace an existing diesel engine, is it true that we cannot surplus/sell the replaced engine but instead we must dispose the used engine?

Answer: 1. Yes.

2. Yes. The engine being replaced will be scrapped or rendered permanently disabled or returned to the original engine manufacturer for remanufacturing to a certified cleaner emission standard. Drilling a hole in the engine block and manifold while retaining possession of engine is an acceptable scrapping method. Other methods may be considered and will require prior EPA approval.

If scrapped engines are to be sold, program income requirements apply. Evidence of appropriate disposal, including the engine serial number, is required in a final assistance agreement report submitted to EPA.

Date Posted: 11/10/2009

Program: N

Question Bvi.13: *(1) We are looking to replace 13 small passenger buses with 8 buses that are significantly larger and heavier, but more fuel efficient and cleaner. The RFP requirements state that replacement vehicles must be similar in size and weight. Does the size discrepancy make our project ineligible?*

(2) The buses we are looking to replace still have approximately 3 to 4 years of remaining useful life. Can you please clarify the vehicle age requirements?

Answer: (1) In general, the replacement vehicle/equipment must be of the same type and similar gross vehicle weight rating or horsepower as the vehicle/equipment being replaced. The purchase of new vehicles or equipment to expand a fleet is not covered by this program. However, if the applicant can demonstrate that the new buses will carry the same amount of passengers and serve the same function as the original buses (i.e. is not fleet expansion), and at the same time demonstrate that there will be a net emissions benefit as a result of the replacement, the project may be considered for funding.

(2) Replacements that would have occurred through normal attrition are considered to be the result of normal fleet turnover and are not eligible for funding under this program. Normal attrition is generally defined as a replacement that is scheduled to take place between now and the end of the project period. Normal attrition is typically defined by the vehicle or fleet owner's budget plan, operating plan, standard procedures, or retirement schedule. For example, if a school bus fleet typically retires vehicles after 20 years, a bus that is currently in its 18th or 19th year of service is not eligible for replacement. A bus that is currently in its 17th year of service and has 3 years of useful life remaining (as defined by the fleet's retirement schedule) is eligible for replacement.

Date Posted: 11/10/2009

Program: N, S

Question Bvi.14: *1. Can we propose a couple of different eligible activities, such as retrofit some equipment and purchase newer, cleaner equipment, to meet the \$30,000 funding floor [for Tribal Proposals]?*

2. With regard to vehicle/equipment replacement, is the 25% ceiling applied toward the total cost of the equipment or applied toward the total cost less trade-in value?

Answer: 1. Yes. A single proposal may target multiple fleets, fleet types and/or diesel emission reduction solutions. Projects may also combine technologies in order to further reduce emissions. For example, a project may combine verified idle reduction, aerodynamic, or tire technologies with verified retrofit technologies or combine engine repower with verified retrofit technologies.

2. Funding for vehicle or equipment replacement covers the incremental cost of the purchase price of a newer, cleaner vehicle or piece of equipment. The incremental cost is capped at 25% of the total cost of the eligible replacement vehicle/equipment. If planning to trade-in equipment, please remember that to be eligible for funding the vehicle/equipment being replaced must be scrapped or rendered permanently disabled or returned to the original engine manufacturer for remanufacturing to a certified cleaner emission standard. For more information about this provision, please see Section I.D (2) (f) of the RFP.

Date Posted: 11/18/2009 Program: N, S

Question Bvi.15: *We are seeking clarification on financing for school bus replacement. Currently the way our school district purchases new school buses is with a down payment made in the first year and financing for the remaining four years. Is this an acceptable 50% match for the National Clean Diesel Funding Assistance Program?*

Answer: If at the time the bus is purchased 50% of the cost is paid by the EPA grant and 50% of the cost is paid by the recipient, the cost-share is met. If the recipient were to secure their 50% cost-share through a loan from a third-party lender this is an acceptable cost-share. EPA would not be involved in any third-party agreements between the recipient and a private lender.

Date Posted: 11/18/2009 Program: N

Question Bvi.16: *1. We would like to repower certain vehicles/equipment (gantry crane) and replace the diesel engine with an electric engine. Is this an eligible use of funds under the RFP? If so, which category of funding would be appropriate and what are the allowable costs under the category?*

2. We would like to replace a diesel vehicle/piece of equipment (gantry crane) with a equivalent piece of equipment that runs off electricity. Is this an eligible use of funds under the RFP? If so, which category of funding would be appropriate and what are the allowable costs under the category?

Answer: 1. Yes. EPA will fund up to 75% of the cost (labor and equipment) of an eligible engine repower.

2. Yes. EPA will fund the incremental cost of a newer, cleaner vehicle or piece of equipment, up to 25% of the cost of an eligible replacement vehicle or piece of equipment. Please note that the replacement vehicle/equipment must perform the same function as the vehicle/equipment that is being replaced.

Please see additional restrictions regarding repowers and replacements in Section I.D of the RFP.

Date Posted: 11/18/2009 Program: N, S

Question Bvi.17: *To run shore power/electrical to reduce idling, we need to replace the refrigeration units and then run electrical to the docks. Can you confirm*

replacing refrigeration units is a 75% cost share and running electrical is a 100% covered cost?

Answer: Technologies for the electrification of engines/vehicles/equipment other than those specifically listed as verified idle-reduction technologies (currently only locomotive and marine shorepower and electrified parking spaces for Class 8 trucks) may be eligible as a repower or a replacement. EPA will fund up to 75% of the cost (labor and equipment) of an eligible engine repower. EPA will fund the incremental cost of a newer, cleaner vehicle or piece of equipment, up to 25% of the cost of an eligible replacement vehicle or piece of equipment.

If you are removing the diesel engine from the TRU and replacing the TRU engine with an electrical power source the project is an engine repower eligible for up to 75% of the cost of labor and equipment. If you are replacing the entire TRU with a new TRU that is powered electrically the project is an equipment replacement eligible for up to 25% of the cost of labor and equipment. For either repower or replacement the eligible acquisition cost of equipment means the net invoice price of the equipment, including the cost of modifications, attachments, accessories, or auxiliary apparatus (i.e. running of electrical equipment) necessary to make the property usable for the purpose for which it was acquired. Other charges, such as the cost of installation, transportation, taxes, duty or protective in-transit insurance, shall be included or excluded from the unit acquisition cost in accordance with the recipient's regular accounting practices.

Date Posted: 11/23/2009

Program: N, S

Question Bvi.18: *Under Engine Repower and Equipment Replacement, are battery technology repowers a certified technology for funding and can battery technology as replacement for engine be considered?*

Answer: Yes. Repower refers to the removal of an existing diesel engine and replacing it with a newer, cleaner engine that is certified to a more stringent set of engine emissions standards. Conventional original equipment manufacturer (OEM) vehicles altered to operate on propane, natural gas, methane gas, ethanol, or electricity are classified as aftermarket alternative fuel vehicle (AFV) conversions. In the United States, all vehicle conversions (except pure battery electric vehicles) must meet current applicable U.S. Environmental Protection Agency (EPA) standards.

Date Posted: 11/23/2009

Program: N, S

New Question Bvi.19: *1) Would the modification of a gantry crane that will simply be readied to be powered by electricity be an eligible activity? The crane already has electric motors that run the various crane movements, which will now be 'plugged in'. The costs associated with this project would be labor and materials to prepare the site and crane for electricity. The diesel engine will be removed and disabled. Please clarify if this qualifies as a repower and what costs are allowable, considering there is no cost associated with a replacement engine.*

2) *We are clear that we could purchase a cleaner crane to replace a diesel crane. What is not clear, is after the diesel engine of the crane to be replaced is removed and disabled, can we use the crane to run on electricity? We are still looking for clarification on this question because as a result of the proposed project, there would be one original manufactured electric gantry crane purchased and one gantry crane electrified (diesel engine removed). The funding request would be the replacement of the crane but that crane would go back into operation later as an electric crane. Not sure if this is considered 'adding' to the fleet, which is not allowable under this funding opportunity.*

Answer: 1. Yes, this would be considered a repower because a diesel engine is being removed and replaced with electric power. This funding can cover up to 75% of the cost (labor and equipment) of an eligible engine repower. The eligible acquisition cost of equipment means the net invoice price of the equipment, including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the property usable for the purpose for which it was acquired. Other charges, such as the cost of installation, transportation, taxes, duty or protective in-transit insurance, shall be included or excluded from the unit acquisition cost in accordance with the recipient's regular accounting practices.

2. If you are starting with two cranes, what you are describing is a repower (diesel engine removed and electricity now the power source) and a replacement (a new crane purchased and an old crane scrapped). For a replacement, the purchase of new equipment must include scrappage of the old equipment. If you are starting with one crane, then this is not allowable because it is adding to the fleet.

Date Posted: 12/2/2009 Program: N

New Question Bvi.20: *Do school buses have to have a gross vehicle weight rating of more than 16,000 lbs to eligible for retrofit projects through this grant?*

Answer: No, school buses do not have to have a GVWR greater than 16,000 lbs to be eligible.

Date Posted: 12/2/2009 Program: N

New Question Bvi.21: *Is replacement of a diesel-powered auxiliary power unit (APU) with an electric APU be eligible for 100% funding as a Idle Reduction Technology?*

Answer: No. Technologies for the electrification of engines/vehicles/equipment other than those specifically listed at www.epa.gov/smartway/transport/what-smartway/verified-technologies.htm cannot be considered verified idle reduction technologies, but may be eligible as a Repower (removal of a diesel engine and its replacement with an electric power source) or a Replacement (replacement of a diesel powered engine/vehicle/equipment with an eligible electric engine/vehicle/equipment).

Date Posted: 12/2/2009 Program: N, S

New Question Bvi.22: *Could you please clarify what engines are eligible as a certified engine repower? There is not a link to eligible technologies. Also, do engines have to be hybrid-electric?*

Answer: There is not a specific eligible technology list for repowers. Repower refers to the removal of an existing engine and replacing it with a newer, cleaner engine that is certified to a more stringent set of engine emissions standards. Engine Certification data and information can be found at <http://www.epa.gov/otaq/certdata.htm>. You must compare the current engine to the one with which will replace it. Replacement engines do not need to be hybrid-electric.

Date Posted: 12/2/2009 Program: N, S

New Question Bvi.23: *1. Can rented equipment that is currently part of our fleet inventory be replaced using the funding to purchase a similar Tier 2 Loader?*

2. We'd like to replace the engines on refuse transfer trucks a Cat loader. Would the suspension, transmission, body/cab, pins, hydraulics, electrical, etc. be eligible equipment costs?

Answer: 1. Yes.

2. The activity you describe would be an engine repower. This funding can cover up to 75% of the cost (labor and equipment) of an eligible engine repower. The eligible acquisition cost of equipment means the net invoice price of the equipment, including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the property usable for the purpose for which it was acquired. Other charges, such as the cost of installation, transportation, taxes, duty or protective in-transit insurance, shall be included or excluded from the unit acquisition cost in accordance with the recipient's regular accounting practices.

Date Posted: 12/2/2009 Program: N, S

New Question Bvi.24: *It is not clear what would represent "incremental cost" for replacing a diesel truck with a newer, cleaner, more fuel efficient diesel truck.*

Answer: Incremental cost is determined by the difference in price between the vehicle being replaced and the newer, cleaner vehicle, up to 25% of the cost of an eligible replacement vehicle or piece of equipment.

Date Posted: 12/2/2009 Program: N, S

New Question Bvi.25: *Would fire trucks be eligible for replacement under the reducing diesel emissions grant? If so, would the chassis only be eligible or the entire unit with all apparatus?*

Answer: Fully operational fire trucks are eligible to the extent they meet the definition of eligible vehicles in Section I (D) of the RFP.

Date Posted: 12/2/2009 Program: N, S

vii. Emerging Technologies

Question Bvii.1: *Where is the Emerging Technology List? Where can I find an application to place my technology on the Emerging Technology List?*

Answer: The Emerging Technologies List and the application process is available at <http://www.epa.gov/otaq/diesel/prgemerg.htm>.

Date Posted: 10/15/2009 Program: E

Question Bvii.2: *Is there time to get technologies placed on the Emerging Technology List? How long does it take?*

Answer: It depends on the type of technology and if EPA is already familiar with the technology. EPA's verification team needs to have a clear understanding of the technology -- how it works, how it reduces emissions, if there any safety and health concerns, if the technology requires registration etc. If it is a brand new technology, it will take some time for the verification team to gain an understanding of how the technology works and for the manufacturer to complete the process. Also, it depends on how quick the manufacturer responds to EPA's queries regarding the technology, and how detailed the manufacturer's responses are. EPA can not provide a timeline for the process without knowing all the required details and information on the technology. There is no guarantee that the technology will be added to the Emerging Technology List before the close of the RFP on December 8, 2009.

Date Posted: 10/22/2009 Program: E

Question Bvii.3: *Are new hybrid electric diesel engines eligible as emerging technologies?*

Answer: No. A hybrid electric diesel engine is not eligible as an emerging technology as this type of vehicle has been previously certified.

Date Posted: 10/22/2009 Program: E

Question Bvii.4: *I have built an ozone injection system for determining the efficacy of injection ozone into the intakes of small diesel and gasoline engines to determine the reduction of pollution that might accrue from this. In a test ~20 years ago it was shown that with the injection of ozone into the intake manifold of a 1979 Cadillac which would not pass the Arizona pollution tests, with the addition of an ozone generating lamp in the intake manifold of that Cadillac, then it easily passed the emission test. Is there a possibility of funding for a project like this?*

Answer: Eligible entities, in consultation with the technology manufacturer, can propose to conduct testing that will further support the development and document the in-use operation of technologies listed on the Emerging Technologies List. However, eligible entities may only use technologies from the Emerging Technologies list. the manufacturer of a technology, not on the Emerging Technologies List, should contact EPA for further information regarding the potential placement of their technology on the Emerging Technologies List.

Date Posted: 10/22/2009 Program: N

Question Bvii.5: *How far advanced does the technology have to be for consideration as an emerging technology?*

Answer: It varies based on the technology. EPA is expecting technologies to be at the commercially available stage.

Date Posted: 10/22/2009 Program: E

Question Bvii.6: *My technology system uses three individual technologies in combination. All three technologies are already on the Emerging Technologies List*

individually. Will this help the process for getting on the Emerging Technologies List or does the process need to be started from scratch?

Answer: While it is possible this would speed up the process, there is no guarantee that the technology will be added to the Emerging Technology List before the close of the RFP on December 8, 2009.

Date Posted: 10/22/2009 Program: E

Question Bvii.7: *What are some examples of technologies that are too close to commercially available to be considered emerging technologies?*

Answer: Commercial availability does not disqualify a technology from being listed as an emerging technology. Actually, to be listed, an emerging technology should be close to being, if not already, commercially available. A technology may not qualify as an emerging technology if it is essentially the same as one that has already been verified or used in certification. Similarly, if a technology is currently listed for use in one type of engine category as an emerging technology and a similar technology/design can address needs in another engine category (e.g., on-highway engine category to marine engine category), then the technology may qualify as an emerging technology.

Date Posted: 10/22/2009 Program: E

Question Bvii.8: *Does the National RFP include grant funding assistance for the manufacture of emerging technologies?*

Answer: Under the National Clean Diesel Funding Assistance Program, funding may be used only for EPA and/or CARB verified engine configurations and technologies as defined in Section I.D of the RFP, Eligible Diesel Emissions Reduction Solutions.

Under Clean Diesel Emerging Technologies Program, EPA provides funding assistance to eligible entities for the deployment of diesel emission reduction technologies which have not yet been verified or certified by EPA or the California Air Resources Board (CARB). To qualify as an emerging technology, the manufacturer of the technology must be in the initial stages of the verification process with EPA or CARB and listed on EPA's Emerging Technology List.

Date Posted: 10/22/2009 Program: N, E

Question Bvii.9: *Can a hydrogen generation system qualify as an Emerging Technology?*

Answer: Yes, however, based on EPA's experience with testing hydrogen vehicles, there are numerous safety precautions that must be taken. In addition, oxygen

and hydrogen gas may pose significant safety risks. Therefore, prior to proceeding further in the Verification/Emerging Technology process, EPA requests an independent safety analysis from a qualified expert. The laboratory should be a Nationally Recognized Testing Facility (NRTL) and be certified to follow appropriate standards set by Federal Regulatory Agencies such as OSHA, NIOSH, NFPA. This analysis should include, but is not limited to: analysis for potential for ignition and/or combustion, the dissipation rate of the hydrogen oxygen mixture, analysis of any leakage potential including any seepage of hydrogen through any materials used to construct the system (i.e. tubing), the maximum volume of hydrogen and oxygen that may be present throughout the system, the maximum pressure of gases at any given time included the possibility of gas build-up due to system failure evaluation of potential safety hazards. Additionally, the manufacturer of the system should work with NHTSA to determine that the design of this system is not in violation of safety requirements for motor vehicles and details on any applicable DOT regulations.

Date Posted: 10/28/2009 Program: E

Question Bvii.10: *Would a lithium ion based, 12 volt dc idle reduction/climate control system be eligible for "emerging tech" funding?*

Answer: Battery Air conditioning systems are a verified technology and thus would not qualify as an Emerging Technology. However, if the technology addresses unique issues, not addressed by other battery systems, the manufacturer may present the case for placement on the Emerging Technology List.

Date Posted: 11/4/2009 Program: N, E, S

Question Bvii.11: *We have a fleet in the Northeast that is interested in installing emerging technologies on parts of their fleet. Would a proposal be disqualified because of sub-ambient temperatures in that area that may freeze the "diesel exhaust fluid"?*

Answer: Eligible entities should review the acceptance letter for the required operating criteria of the technology, available online at <http://epa.gov/cleandiesel/prgemerglist.htm> to ensure all operating criteria are able to be met prior to submitting an application. Also, applicants must consult with the manufacturer of the emerging technology prior to submitting an application.

Date Posted: 11/18/2009 Program: E

Question Bvii.12: *We are an eligible entity interested in applying under the Emerging Technology RFP, but our fleet runs on a B20 biofuel blend with ULSD. Would the operation of the fleet equipment on B20 blend disqualify our proposal for Selective Catalytic Reducer (SCR) retrofits?*

Answer: No. The use of a biodiesel blend with ULSD would not cause an eligible diesel retrofit project to become ineligible, however the cost of existing biodiesel use may not be included in the application. Also, specific technologies may or may not be verified to run on biodiesel. You should look closely at the operating

criteria of the verified technology and also consult with the technology manufacturer.

Date Posted: 11/18/2009

Program: E

New Question Bvii.13: *Do ambulances qualify to apply for idle reduction technologies under the Emerging Technologies Program?*

Answer: Under Clean Diesel Emerging Technologies Program, EPA provides funding assistance to eligible entities for the deployment of diesel emission reduction technologies which have not yet been verified or certified by EPA or the California Air Resources Board (CARB). Idle reduction technologies have been verified and therefore, are not eligible under the Emerging Technologies Program.

Idle reduction is an eligible activity under the National Clean Diesel Funding Assistance Program, but no idle reduction technologies for ambulances are on EPA's SmartWay verified list at this time. Idle reduction technologies must be on the SmartWay verified list (www.epa.gov/smartway/transport/what-smartway/verified-technologies.htm) at the time of acquisition to be eligible.

Date Posted: 12/2/2009

Program: N, E, S

viii. SmartWay Finance

Question Bviii.1: *Can program fund growth/gains through repaid loans (including payments with interest) be recycled for more loans indefinitely?*

Answer: Yes, the program funds can be recycled for more loans as long as the program has the funds to administer the program.

Date Posted: 11/4/2009

Program: S

Question Bviii.2: *In the past, only finance programs covering more than one EPA region (let alone state, or locality) were eligible for funding. Those wanting to set up region-, state-, or locality-specific programs were asked to apply to the "National" program instead. Just to verify: proposals benefitting certain localities and states are now welcome to compete for this nationwide SmartWay Finance funding program?*

Answer: Yes, the FY2009/2010 Finance competition is open to the development of national, state, tribal, regional, or local finance programs.

Date Posted: 11/4/2009

Program: S

Question Bviii.3: *If funds are used to finance used vehicles, pre-2007 engine model year, they must have a verified (by EPA or CARB) emissions control technology installed. Full level 3 DPFs for these vehicles do not seem very cost-effective. For heavy diesel trucks with engine model years 2003-2006, are you aware of any lower cost/ lower level exhaust retrofit technology available that is verified for these trucks? Is there any other method you could suggest that would enable applicants to offer 2003 to 2006 trucks financed through this program?*

Answer: Under this RFP, project cost-effectiveness is based on the lifetime emissions reductions of the proposed project and the total project amount requested from EPA. One of the Evaluation Criterion in Section V of the RFP is the extent and quality to which the proposed project is cost-effective. Each applicant should weigh the available/eligible technology options for the target fleet and choose the best strategy for the target fleet.

Under appropriate applications, DPFs are a very cost effective diesel emission reduction strategy. Please see Question D.35 for more information on cost effectiveness.

EPA and CARB have verified a number of diesel particulate filters that can be installed on 2003-2006 trucks. It is very important that the appropriate data-logging be conducted on these trucks to insure that the engine temperature is sufficient for the proper operation of the diesel particulate filter. Trucks that operate at lower speeds and/or with extended idling, consistent with port drayage operations, may need active regeneration in order to insure proper operation of the diesel particulate filter. In addition, several diesel oxidation catalysts have been verified for use on 2003-2006 trucks. Financed vehicles could be packaged to also include other verified technologies such as verified low rolling resistance tires, advanced aerodynamics, or idle reduction technologies.

Date Posted: 11/10/2009

Program: N, S

ix. Miscellaneous

Question Bix.1: *Can applications still be submitted for demonstration projects?*

Answer: No. Demonstration projects are not eligible under this RFP.

Date Posted: 10/15/2009

Program: N, E, S

Question Bix.2: *Can funds be used for a project that is already started or will be started before the expected award date?*

Answer: No. Any funding awarded under this announcement must be used for activities that take place within the approved project period and may not be used for unauthorized pre-award costs. However, funding could be used for a new component of an on-going project. For example, if the applicant has a fleet of 500 school buses and has already retrofitted 200, the applicant can apply for funds to retrofit the remaining 300 buses.

Date Posted: 10/15/2009

Program: N, E, S

Question Bix.3: *We are going to seek funding under the vehicle replacement category and would like to have a GPS gadget installed on each new vehicle that would do "remote smog checks." Please let me know if we can include this cost as part of the cost of the new vehicle in our grant proposal.*

Answer: This RFP does not fund Global Positioning Systems (GPS) or Automatic Vehicle Locators (AVL).

Date Posted: 10/28/2009

Program: N, E, S

Question Bix.4: *We have identified a project that lies just outside parameters that are qualified criteria for eligibility. We would appreciate your input on how we might circumvent the problem.*

Answer: Projects must be for eligible usage of funds as defined in Section I of the RFP to be considered. Eligible diesel emission reduction solutions include verified emission control technologies such as retrofit devices, cleaner fuels, and engine upgrades, verified idle reduction technologies, verified aerodynamic technologies and low rolling resistance tires, certified engine repowers, and/or vehicle or equipment replacement. Eligible diesel vehicles, engines and equipment may include buses, medium-duty or heavy-duty trucks, marine engines, locomotives and non-road engines, equipment or vehicles used in construction, handling of cargo (including at a port or airport), agriculture, mining or energy production (including stationary generators and pumps).

Date Posted: 10/28/2009 Program: N, S

Question Bix.5: *What is the site for the approved retrofit list - is this the same as the verified technology list?*

Answer: The verified retrofit technology list is found at <http://www.epa.gov/otaq/retrofit/verif-list.htm> and the SmartWay verified technology list for idle-reduction, aerodynamics, and tires is found at <http://www.epa.gov/smartway/transport/what-smartway/verified-technologies.htm>

Date Posted: 11/4/2009 Program: N, S

Question Bix.6: *Can you fund innovative mobility projects such as fleet pooling, i.e. reducing fleet size via IT technology?*

Answer: No, fleet software is not currently verified by EPA. Projects must include one or more diesel emissions reduction solutions that utilize a certified engine configuration and/or verified technology and must be verified or certified by the EPA or CARB.

Date Posted: 11/4/2009 Program: N, S

Question Bix.7: *Does this program only cover "Clean Diesel"? Are there other programs that cover clean biogas or bioelectricity (produced via fuel-cell technology)?*

Answer: This program offers funding for diesel emissions reductions only, as defined in the RFP. Please check grants.gov for other available federal grant opportunities.

Date Posted: 11/4/2009 Program: N, S

Question Bix.8: *Can funds be used for the building of infrastructure of a regeneration station for the plug-in of the PM filter?*

Answer: The eligible acquisition cost of equipment means the net invoice price of the equipment, including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the property usable for the purpose for which it was acquired. Other charges, such as the cost of installation, transportation, taxes, duty or protective in-transit insurance, shall be included or excluded from the unit acquisition cost in accordance with the recipient's

regular accounting practices. Applicants may propose to include Diesel Particulate Filter regeneration equipment necessary for the proper maintenance of the verified retrofit equipment. The electrical supply portion is eligible for funding.

Date Posted: 11/4/2009

Program: N, S

Question Bix.9: *Can I combine two different technologies within the same category? For e.g., if I combined truck stop electrification and auxiliary power units (APU) as idle-reduction technology, do I need to submit separate proposals for each (1 for truck stop electrification and 1 for APU) or can I submit a combined proposal for both the technologies?*

Answer: A single proposal may target multiple fleets, fleet types and/or diesel emission reduction solutions.

Date Posted: 11/18/2009

Program: N, E, S

Question Bix.10: *According to the RFP, non-tribal proposals located in Region 4 must demonstrate how they address relevant sector-specific priorities, comprising the Green Corridors, Clean Construction, and Clean Ports programs. For inland ports and rail yards, will Region 4 evaluate locomotive retrofits as meeting the intent of the Clean Ports program?*

Answer: Yes, the applicant must demonstrate how the project will address the priorities. The Clean Ports USA program does include inland ports. Locomotive engines that are located at a port a significant portion of the time (e.g., switcher engines) would be considered a port project.

Date Posted: 11/18/2009

Program: N

Question Bix.11: *Our company's crank case filter passed its final CARB tests at the beginning of this month, and is now awaiting the Executive Order number from CARB. If we don't receive our E.O. number from CARB by the December 8, 2009 deadline is it still possible to propose using this technology?*

Answer: Recipients of EPA grant funds must compete contracts for services and products and conduct cost and price analyses to the extent required by the procurement provisions of the regulations at 40 CFR Parts 30 or 31, as appropriate. Applicants are not required to identify specific vendors and/or contractors in their proposal. Applicants need only to list the proposed types and number of technologies to be purchased if the project is selected for funding. If a proposed project is selected for funding, the recipient then puts out a competitive solicitation for vendors of verified technologies that can meet the needs of the recipient. All retrofit technologies purchased with grant funds under this program must be verified by EPA or CARB at the time of procurement.

Date Posted: 11/23/2009

Program: N, S

New Question Bix.12: *Would rail yards that have significant switching operations but that may not qualify as "ports" under the Clean Ports program could still qualify as a priority in Region IV? I believe that we should qualify since a rail yard contains the same characteristics as a port and switching locomotives at a*

rail yard can obviously pollute the air as much or more than switching locomotives at a port.

Answer: No, a rail yard outside of a port would not meet the Regional Priority for Clean Ports for Region IV.

Date Posted: 12/2/2009 Program: N

C. Vehicle, Equipment, and Engine Eligibility

Question C.1: *The RFP states that award funds cannot be used to meet federal, state, or local emissions reduction mandates. What if a mandate has been passed or approved but has not yet gone into effect? Also, does an "anti-idling" mandate preclude the use of award funds for anti-idling technologies?*

Answer: Mandated emissions reductions are defined by the date the mandate goes into effect, not the date the mandate is passed or approved. For proposals that include activities covered by a mandate, those activities must be completed before the mandate goes into effect, regardless of the length of the grant project period. An "anti-idling" requirement that does not require that a specific type (or types) of technology be installed or used is not considered a mandate and does not preclude use of award funds for anti-idling technologies.

Date Posted: 10/15/2009 Program: N, E, S

Question C.2: *Will this RFP fund diesel emission reductions that are required by law?*

Answer: No funds awarded under this RFP can be used to fund the costs of emissions reductions that are mandated under Federal, State or local law. Refer to See Section III.D.1: Restriction for Mandated Measures.

Date Posted: 10/15/2009 Program: N, E, S

Question C.3: *Can a grant be used to rent a facility for biodiesel or to rent a transport vehicle for biodiesel?*

Answer: Renting of biodiesel storage or transportation services is considered fueling infrastructure under this solicitation and is ineligible.

Date Posted: 10/15/2009 Program: N, E, S

Question C.4: *Can funds from the grant be used to pay for biodiesel infrastructure such as pumps or storage tanks?*

Answer: No. This funding cannot be used for fueling infrastructure, such as that used for the production and/or distribution of fuel such as biodiesel, or compressed natural gas fueling stations.

Date Posted: 10/15/2009 Program: N, E, S

Question C.5: *Is fuel tank cleaning an eligible expense?*

Answer: No.

Date Posted: 10/15/2009 Program: N, E, S

Question C.6: *1. Are there funding opportunities to assist with the conversion of diesel trucks to CNG? 2. Is there any infrastructure funding to help distribution centers set up for CNG stations?*

Answer: Under the National Clean Diesel Funding Assistance Program, funding may be used only for EPA and/or CARB verified engine configurations and technologies as defined in Section I.D of the RFP, Eligible Diesel Emissions Reduction Solutions. Eligible solutions include engine repower and vehicle replacement. Repower refers to the removal of an existing engine and replacing it with a newer, cleaner engine that is certified to a more stringent set of engine emissions standards. Repower includes diesel engine replacement with an engine certified for use with a cleaner fuel such as CNG.

EPA will fund up to 75% of the cost (labor and equipment) of an eligible engine repower. Replacement projects can include the replacement of diesel vehicles/equipment with newer, cleaner diesel or hybrid or alternative fuel vehicles/equipment. EPA will fund the incremental cost of a newer, cleaner vehicle or piece of equipment, up to 25% of the cost of an eligible replacement vehicle or piece of equipment. Please refer to the RFP for repower and replacement criteria, restrictions, and cost-share requirements.

No funds awarded under this RFP shall be used for fueling infrastructure, such as that used for the production and/or distribution of biodiesel, compressed natural gas, liquefied natural gas, and or other cleaner fuels.

Date Posted: 10/22/2009 Program: N

Question C.7: *Are diesel-fueled landscape and maintenance vehicles eligible since their emissions are EPA regulated?*

Answer: Nonroad diesel engines, equipment, or vehicles used in agriculture are eligible. For highway vehicles, only medium heavy-duty and heavy heavy-duty vehicles are eligible (Classes 5-8): Class 5 (16,001 - 19,500 lbs GVWR); Class 6 (19,501 - 26,000 lbs GVWR); Class 7 (26,001 - 33,000 lbs GVWR); Class 8a (33,001 - 60,000 lbs GVWR); Class 8b (60,001 lbs GVWR and over).

Date Posted: 10/28/2009 Program: N

Question C.8: *Our city is needs to replace a senior bus that we use to transport seniors to activities around the metro area. Are we eligible for funding through this grants process?*

Answer: For highway vehicles, only medium heavy-duty and heavy heavy-duty vehicles are eligible (Classes 5-8): Class 5 (16,001 - 19,500 lbs GVWR); Class 6 (19,501 - 26,000 lbs GVWR); Class 7 (26,001 - 33,000 lbs GVWR); Class 8a (33,001 - 60,000 lbs GVWR); Class 8b (60,001 lbs GVWR and over). Vehicle replacements that would have occurred through normal attrition are considered to be the result of normal fleet turnover and are not eligible for funding under this program. Normal attrition is generally defined as a replacement or repower that is scheduled to take place between now and the end of the project period. Normal attrition is typically defined by the vehicle or fleet owner's budget plan, operating plan, standard procedures, or retirement schedule. For example, if a school bus fleet typically retires vehicles after 20 years, a bus that is currently

in its 18th or 19th year of service is not eligible for replacement. A bus that is currently in its 17th year of service and has 3 years of useful life remaining (as defined by the fleet's retirement schedule) is eligible for replacement.

Date Posted: 10/28/2009

Program: N

Question C.9: *What is the minimum size engine covered under the Diesel Emissions Reduction Act? Where can I find that information?*

Answer: For highway vehicles, only medium heavy-duty and heavy heavy-duty vehicles are eligible (Classes 5-8): Class 5 (16,001 - 19,500 lbs GVWR); Class 6 (19,501 - 26,000 lbs GVWR); Class 7 (26,001 - 33,000 lbs GVWR); Class 8a (33,001 - 60,000 lbs GVWR); Class 8b (60,001 lbs GVWR and over). For a further definition of vehicles and weight classes, please see the Diesel Emissions Quantifier Default Values document available at <http://epa.gov/otaq/diesel/documents/deq-default-values.pdf>.

There is no size restriction for diesel non-road engines, equipment or vehicles used in construction; handling of cargo (including at a port or airport); agriculture; mining; or energy production (including stationary generators and pumps).

Date Posted: 10/28/2009

Program: N, E

Question C.10: *Is retrofitting boiler engines that prisons use to heat and generate energy at their institutions to run off of biodiesel an eligible activity?*

Answer: Projects may include, but are not limited to, eligible diesel emission reduction solutions from heavy duty diesel non-road engines and equipment used in energy production (including stationary generators and pumps). Projects must include one or more of the diesel emissions reduction solutions listed in Section I of the RFP that utilize a certified engine configuration and/or a verified technology. Biodiesel is a verified technology.

Date Posted: 10/28/2009

Program: N

Question C.11: *I am working on a project for Fuel Cell Buses and Hydrogen Fueling Stations. Would the project qualify for funding from this announcement?*

Answer: No. Eligible projects must utilize a certified engine configuration and/or a verified technology. The funding cannot be used for fueling infrastructure, such as that used for the production and/or distribution of fuel.

Date Posted: 10/28/2009

Program: N

Question C.12: *What funding is available to clean up marine engines?*

Answer: Applicants can propose to reduce diesel emissions from marine engines under any of the three Requests for Proposals.

For the National Clean Diesel Funding Assistance and SmartWay Clean Diesel Financing RFPs, projects may include, but are not limited to, diesel emission reduction solutions for marine engines that include a certified engine configuration or verified technologies (e.g., shore side power). Eligible diesel

emission reduction solutions are those that utilize a certified engine configuration and/or a verified technology, as defined in Section I of the RFP. The SmartWay Clean Diesel Financing RFP project would focus on innovative financing of these technologies.

For the Emerging Technology program, projects must include technologies from EPA's emerging technology list, that includes marine technologies

Date Posted: 10/28/2009

Program: N, E, S

Question C.13: *I work for a private industrial firm in West Virginia. We operate non-road vehicles that operate underground 90% of their time [mining]. Are these vehicles eligible for certified engine repowers or replacement to reduce emissions under this RFP?*

Answer: Non-road vehicle repowers or replacements with certified engines or vehicles are eligible activities under this RFP. Please refer to the RFP for Repower and Replacement requirements, restrictions, and criteria. Only eligible entities as identified in Section III.A of the RFP may apply for funding. A private company may partner with an eligible entity but cannot apply on its own.

Date Posted: 10/28/2009

Program: N

Question C.14:

1. *What is the EPA definition of "medium duty truck"? Does it use the standard American Trucking Assn. classification, by GVWR, etc.?*
2. *Does the grant include any "up-front" cash or is it all reimbursable?*
3. *What age of engine qualifies for retrofits? (or what emission tier engines are eligible?)*
4. *Are off-road equipment eligible, and if so, what are the horsepower requirements for eligibility?*
5. *Does the grant include training (e.g. for anti-idling or energy conservation driver training) funding?*
6. *How is alternative fuel incremental cost determined? What is acceptable proof of those incremental costs?*

Answer: 1. For highway vehicles, only medium heavy-duty and heavy heavy-duty vehicles are eligible (Classes 5-8): Class 5 (16,001 - 19,500 lbs GVWR); Class 6 (19,501 - 26,000 lbs GVWR); Class 7 (26,001 - 33,000 lbs GVWR); Class 8a (33,001 - 60,000 lbs GVWR); Class 8b (60,001 lbs GVWR and over). For a further definition of vehicles and weight classes, please see the Diesel Emissions Quantifier Default Values document available at <http://epa.gov/otaq/diesel/documents/deq-default-values.pdf>.

2. Once the recipient is awarded the grant, the recipient organization commences work. As the work is completed and/or as the recipient needs funds, the recipient presents invoices to EPA and funds are transferred to the recipient within three business days. So in a way, yes there is a reimbursement procedure, but it has a very short turnover rate. For most grant recipients this standard reimbursement procedure, with a very short turnover rate, suffices. There may be other options in special circumstances.

3. A "retrofit" project is defined broadly to include any technology, device, fuel or system that when applied to an existing diesel engine achieves emission reductions beyond what is currently required by EPA regulations at the time of the engine's certification. Technologies are verified for use on engines of a specific type, size, and model year. A list of eligible, EPA verified retrofit technologies is available at www.epa.gov/otaq/retrofit/verif-list.htm; a list of eligible, CARB verified retrofit technologies is available at www.arb.ca.gov/diesel/verdev/vt/cvt.htm. So, the age of the engine determines what, if any, retrofit technology may be applied.

4. Projects may include, but are not limited to, diesel emission reduction solutions from diesel Non-road engines, equipment or vehicles used in: Construction; Handling of cargo (including at a port or airport); Agriculture;. Mining; or Energy production (including stationary generators and pumps). There are no horsepower requirements.

5. No

6. For new or expanded use of a cleaner fuel, this funding can cover the cost differential between the cleaner fuel and conventional diesel fuel. Incremental cost is determined by the difference in price between the alternative fuel and conventional diesel fuel. The applicant/recipient must demonstrate and document the market price of the fuels to claim incremental costs.

Date Posted: 10/28/2009

Program: N, E, S

Question C.15: *Do Ford Super Duty vehicles qualify for retrofits, replacements, and repowers under this grant if Ford F350, F450, or F550 engines are used in shuttle buses or delivery trucks?*

Answer: No. Only medium heavy-duty and heavy-heavy duty highway vehicles (Classes 5-8) are eligible.

Date Posted: 10/28/2009

Program: N, E, S

Question C.16: *Does a small trucking company with older trucks qualify for any funding to retro fit the trucks to run in California and enter the ports next year?*

Answer: Only eligible entities can apply for funding, however private companies, such as small trucking companies, can partner with eligible entities to develop a project.

Date Posted: 11/4/2009

Program: N, S

Question C.17: *Where can I find the definition of a bus and does it include hotel/airport shuttles?*

Answer: For highway vehicles, only medium heavy-duty and heavy heavy-duty vehicles are eligible (Classes 5-8). For a further definition of vehicles and weight classes, please see the Diesel Emissions Quantifier Default Values document available at <http://epa.gov/otaq/diesel/documents/deq-default-values.pdf>

Date Posted: 11/4/2009

Program: N, E, S

Question C.18: *Can airlines apply for this program to replace diesel powered ground support equipment with zero emission electric powered equipment?*

Answer: Airlines may not directly apply for funding, but may partner with eligible entities to develop a project. Projects must include one or more diesel emissions reduction solutions that utilize a certified engine configuration and/or verified technology and must be verified or certified by the EPA or CARB.

Date Posted: 11/4/2009 Program: N, S

Question C.19: *Will replacing school buses with ones that have 2010 Cummins engines qualify for the 50% funding in a non-attainment zone?*

Answer: EPA will fund up to 50% of the cost of a replacement school bus with an engine manufactured in model year 2008 - 2012 that:

- (a) is particulate filter equipped (or catalyst equipped in the case of a CNG engine); and
- (b) meets regulatory requirements for school bus engines manufactured in that model year; and
- (c) must not exceed the following emission levels: particulate matter (PM) at 0.01 grams per brake horsepower hour (g/bhp-hr), nonmethane hydrocarbons (NMHC) at 0.14 g/bhp-hr, and oxides of nitrogen (NOx) at 0.2 g/bhp-hr. (Note: Family Emission Limits (FELs), indicated on the EPA engine emission control label for a specific engine family, must not exceed these specified emission levels.) If the replacement engine does not meet the emission levels stated above, even if it is a 2010 model, then it would only qualify for up to 25% funding. Please refer to the RFP for additional replacement criteria, restrictions, and cost-share requirements.

Date Posted: 11/4/2009 Program: N, S

Question C.20: *Is there a required life expectancy of grant funded engine retrofits?*

Answer: There is no stated requirement for the life expectancy of retrofit devices. As part of the requirement to address the National Programmatic Priorities, projects should maximize the useful life of any certified engine configuration or verified technology used or funded by the eligible entity. Applicants should include information on the age and expected lifetime of the vehicles, engines and/or equipment targeted for emissions reductions. These criteria are evaluated as part of the review and selection process.

Date Posted: 11/10/2009 Program: N, S

Question C.21: *Where can I find the definition of different classes of vehicles? Are they DOT classes? Is there any specifications for classes specifically related to DERA?*

Answer: For highway vehicles, only medium heavy-duty and heavy heavy-duty vehicles are eligible (Classes 5-8): Class 5 (16,001 - 19,500 lbs GVWR); Class 6 (19,501 - 26,000 lbs GVWR); Class 7 (26,001 - 33,000 lbs GVWR); Class 8a (33,001 - 60,000 lbs GVWR); Class 8b (60,001 lbs GVWR and over). For a further definition of vehicles and weight classes, please see the Diesel Emissions Quantifier Default Values document available at <http://epa.gov/otaq/diesel/documents/deq-default-values.pdf>.

Date Posted: 11/10/2009 Program: N, E, S

Question C.22: *(1) Is there a list of manufacturers that sell school buses that meet the 2010 requirements without using emission credits?*

(2) What are the definitions for vehicle classes?

Answer: (1) EPA certifies heavy-duty diesel engines to meet various standards; please see <http://epa.gov/otaq/certdata.htm#largeng>. EPA does not maintain specific list of manufacturers selling school buses that would meet the requirements; however, we do provide information about selecting buses with the most up-to-date environmental controls <http://www.epa.gov/otaq/schoolbus/selecting.htm>. Bidding specifications for new bus purchases should include requesting that engine manufacturers which are bidding provide information about the emission levels of the new bus engines that have been certified and specify if any additional technologies are available to further reduce those levels. Please consult with school bus vendors. For example, the Natural Gas Vehicles for America provides information about alternative fuel vehicles. <http://www.ngvamerica.org/pdfs/marketplace/MP.Analyses.NGVs-a.pdf>

2) For highway vehicles, only medium heavy-duty and heavy heavy-duty vehicles are eligible (Classes 5-8). Class 5 (16,001 - 19,500 lbs GVWR); Class 6 (19,501 - 26,000 lbs GVWR); Class 7 (26,001 - 33,000 lbs GVWR); Class 8a (33,001 - 60,000 lbs GVWR); Class 8b (60,001 lbs GVWR and over). For a further definition of vehicles and weight classes, please see the Diesel Emissions Quantifier Default Values document available at <http://epa.gov/otaq/diesel/documents/deq-default-values.pdf>.

Date Posted: 11/10/2009

Program: N, S

Question C.23: *If 52% of a long haul truck company's mileage is in New York and New Jersey, may they apply to EPA Region 2 through an eligible entity?*

Answer: Yes, the term "project location" as used in this RFP refers to the primary area where the affected engines operate, or the primary area where the emissions benefits of the project will be realized. Non-tribal applicants must submit their proposal to the EPA regional office which covers the geographic project location. For long-distance fleets, the applicant needs to make a judgment call as to where the application should be submitted and provide justification as to why that Region was selected - whether it is the Region where the truck fleet is based, or the Region where the truck fleet operates the majority of the time, or other factors that would justify why a particular Region would want to fund a particular project.

Date Posted: 11/10/2009

Program: N

Question C.24: *Does EPA have a listing of specific EPA engine family numbers that are verified to work with a verified product or system?*

Answer: No, applicants should refer to EPA or CARB's verified technology lists for specific engine model/application information for each verified technology. Engine certification data including engine family numbers is available at <http://www.epa.gov/otaq/certdata.htm#largeng>.

Date Posted: 11/10/2009

Program: N, S

Question C.25: *Can projects retrofit locomotives in switch yards?*

Answer: Yes. In general, switcher locomotive projects are eligible.

However, no funds awarded under this RFP shall be used to fund the costs of emissions reductions that are mandated under Federal, State, Tribal or local law. If the project includes affected engines the Applicant must clearly demonstrate that emission reductions funded with EPA funds are in excess of (above and beyond) those required by the applicable mandate.

Unlike most other nonroad sectors, locomotives are subject to EPA requirements to incorporate emission controls when the engines are remanufactured and/or upgraded. These requirements apply very broadly to almost all locomotives, excluding only those originally manufactured before 1973 and those that are owned by very small railroads. Only projects that go beyond any applicable requirements would qualify. For example, since the regulations require that at the time of upgrade for all class 1 and 2 railroads and for some of the larger class 3s, that upgraded locomotives be equipped with automatic shut down systems (AESS) to reduce idling, AESS retrofits would not qualify unless they were occurring prior to the first upgrade under the current regulation. However, for class 3 railroads that fall below the threshold for inclusion under regulation, AESS are not required and could and therefore would qualify for funding.

Date Posted: 11/10/2009

Program: N, S

Question C.26: *What level of emission reductions is EPA looking for in locomotive projects?*

Answer: A "retrofit" project is defined broadly to include any technology, device, fuel or system that when applied to an existing diesel engine achieves emission reductions beyond what is currently required by EPA regulations at the time of the engine's certification. Repower refers to the removal of an existing engine and replacing it with a newer, cleaner engine that is certified to a more stringent set of engine emissions standards. In the case of an engine upgrade with a "kit" applied at the time of rebuild, the upgrade must result in an emissions benefit by meeting a more stringent emission standard. Therefore a Tier 0 engine would have to be repowered to at least Tier 1 to be eligible and a Tier 1 engine would have to be repowered to at least Tier 2 to be eligible.

Date Posted: 11/10/2009

Program: N, S

Question C.27: *1. Are charter buses contracted by schools and colleges to transport students to and from school and/or special events be eligible for 50 percent funding for early replacements? If so, would the 2010 standards differ?*

2. Are fuel operated heaters verified for concrete mixers or trash trucks?

Answer: 1. Charter buses would only be available for 25 percent funding for early replacements.

2. Fuel operated heaters are not currently verified for concrete mixers or trash trucks.

Date Posted: 11/18/2009

Program: N

Question C.28: *Can you help us with the definition of certified versus compliant? We believe "compliant" to mean meeting the .2g/bhp-hr using emission credits. We believe "certified" to mean meeting the .2g/bhp-hr without credits. In order to qualify for the 50% funding level does the engine have to be fully certified without using engine credits? And if so do we have any written documents from the bus manufacturers stating that they will be certified as of January 1, 2010 with out using the engine credits?*

Answer: Yes. In order to qualify for the 50% funding level the engine has to be fully certified to not exceed the following emission levels, without using engine credits: particulate matter (PM) at 0.01 grams per brake horsepower hour (g/bhp-hr), nonmethane hydrocarbons (NMHC) at 0.14 g/bhp-hr, and oxides of nitrogen (NOx) at 0.2 g/bhp-hr. (Note: Family Emission Limits (FELs), indicated on the EPA engine emission control label for a specific engine family, must not exceed these specified emission levels). Written documentation from bus manufacturers is not necessary for proposal submission. The proposal would only have to state the intended use of funds (ex. To replace old school buses with 2010 certified buses.) If selected for funding, the certification demonstration would have to be made at the time the buses are purchased.

EPA will fund up to 25% of the cost of a replacement school bus with an engine manufactured in model year 2007 - 2012 that meets regulatory requirements for school bus engines manufactured in that model year. This would include 2010 buses that are certified using engine credits.

Date Posted: 11/18/2009 Program: N, S

Question C.29: *Would replacing a conventional diesel engine with a gasoline-electric hybrid engine or a diesel-electric hybrid engine with a gasoline-electric hybrid engine be eligible for funding as a Certified Engine Repower?*

Answer: Repower refers to the removal of an existing engine and replacing it with a newer, cleaner engine that is certified to a more stringent set of engine emissions standards. Repower includes, but is not limited to, diesel engine replacement with an engine certified for use with a cleaner fuel and/or the replacement of a non-road engine with a highway engine. In order for a repower to be eligible, the repowered vehicle, engine or equipment must continue to perform the same function as before the repower. The proposed project would be eligible if the applicant can demonstrate that the new engine is certified to be cleaner than the replaced engine.

Date Posted: 11/18/2009 Program: N, S

Question C.30: *If a verified retrofit technology has not been verified for a specific stationary generator model year, can an applicant still propose its use in an application?*

Answer: No, a retrofit technology may only be used in the specific application(s) for which it is verified.

Date Posted: 11/23/2009 Program: N, S

Question C.31: *May the applicant replace a heavy duty diesel vehicle with a gasoline vehicle? What would the standards need to meet on the gasoline engine in order to be eligible?*

Answer: No. Non-road and highway diesel vehicles and equipment can be replaced under this program with newer, cleaner vehicles and equipment that operate on diesel or alternative fuels and use engines certified by EPA and, if applicable, CARB to meet a more stringent set of engine emissions standards.

Date Posted: 11/23/2009 Program: N, S

Question C.32: *We would like to propose retrofitting a water truck and loader and replacing a back hoe. Is this project eligible?*

Answer: Yes, retrofitting and early replacement of equipment or vehicles used in construction are eligible activities. Please refer to the RFP for replacement criteria, restrictions, and cost-share requirements.

Date Posted: 11/23/2009 Program: N, S

New Question C.33: *Would rental costs for an interim vehicle used during the time an engine repower is underway be considered an allowable cost?*

Answer: Yes. Leased and rented equipment may be itemized in the "Other" budget category.

Date Posted: 12/2/2009 Program: N

New Question C.34: *Since school bus manufacturers are unable to say when they will produce buses with engines that meet the 2010 emission levels without the use of credits, may we request buses at the 50% funding level and defer delivery until 2011 if the buses won't be available until then?*

Answer: Proposed projects must be scheduled to be completed by the end of the project period, March 31, 2012.

Date Posted: 12/2/2009 Program: N, S

New Question C.35: *1. Are street sweepers an eligible vehicle if they have the appropriate verified technologies?*

2. My city has a opportunity to acquire vehicles through a 3 year lease/purchase agreement. Are these types of agreements eligible?

Answer: 1. Yes, provided they are either medium-duty or heavy-duty vehicles.

2. Yes, but they should be included in the "other" category in the budget detail.

Date Posted: 12/2/2009 Program: N, S

D. Application Process

Question D.1: *On Page 42 of the RFP under Section 7. Budget Detail it states "Mandatory cost-share funds must be in the form of cash contributions to the Equipment Object Class."*

EPA states that it will fund up to 75% of the cost for an eligible engine repower (labor and equipment). If the labor for the repower is done in-kind by an internal mechanic, would that not be allowed to be put toward the

required cost share, because the statement on page 42 states that the cost share must be in the form of cash contributions?

Answer: Yes, applicant costs towards the labor and equipment of the repower are considered cash contributions to the Equipment Object Class. Conversely, applicant costs for project administration (Personnel Object Class) are not considered cash contributions to the Equipment Object Class.

Date Posted: 10/28/2009 Program: N

Question D.2: *Is the list of successful Emerging Technologies projects from the American Recovery and Reinvestment Act (ARRA) of 2009 funding available?*

Answer: EPA expects to release the awards list from ARRA funding in November, 2009.

Date Posted: 10/22/2009 Program: E

Question D.3: *Are there any workshops being offered from this program in Region 2? Who is the Region 2 contact person?*

Answer: During the entire open competition period, EPA will only accept questions about the Requests for Proposals in writing to EPA's Clean Diesel mailbox at <cleandiesel@epa.gov>. In addition, EPA will host Question and Answer sessions regarding this Request for Proposals via teleconference. EPA will attempt to answer any appropriate questions in this public forum. Dates, times, and participant information for Question and Answer sessions will be posted at www.epa.gov/otaq/diesel/prgnational.htm as it becomes available.

Please visit the Northeast Diesel Collaborative website for Region 2 contact information: <http://www.northeastdiesel.org/contactus.htm>.

Date Posted: 10/28/2009 Program: N, E, S

Question D.4: *Could you please provide more detail about the Indirect Charges portion of the budget table? We are not really sure what this is for. [since personal, benefits and travel is already covered in the budget] What are the Indirect Costs specifically supposed to cover? Is this portion mandatory? The RFP notes that the applicant must have a federal or state negotiated indirect cost rate where does one obtain this?*

Answer: Indirect costs are not mandatory. Indirect costs are those costs of an institution or organization that are not readily identifiable with a particular project or activity but are necessary to the general operation of the organization and the conduct of its grant activities.

Allowable indirect costs may include:

- Depreciation use allowance;
- Facilities operations and maintenance;
- General administration and general expense;

- Departmental administration; and
- Sponsored project administration

These costs are documented and assigned to the indirect pool from which they are distributed to all activities of an organization on the basis of a rate. The rate is a ratio of the indirect costs to a direct cost base.

An indirect cost rate is simply a device for determining fairly and expeditiously the proportion of general (non-direct) expenses that each project will bear. It is the ratio between the total indirect costs of an applicant and some equitable direct cost base.

If your application contains INDIRECT COSTS, Section F of the SF424a MUST be completed. Please identify the type of indirect cost rate (provisional, predetermined, final or fixed) in the REMARKS column. Also identify the rate which will be in effect during the budget period, the base to which the rate is to be applied, and the Federal Agency with whom your rate is negotiated.

IMPORTANT: To have Indirect Costs included in an assistance agreement one of the following must be included with your application:

1. A current Negotiated Indirect Cost Rate approved by a Federal agency
2. Proof of a submitted indirect cost rate proposal to the cognizant Federal agency
3. Nonprofit organizations have 90 days from the date their agreement was awarded to submit an indirect cost rate proposal

If your organization does not have a negotiated rate and EPA is the cognizant Federal agency, your indirect cost proposal must be sent to the appropriate address below. For additional information on how to prepare an indirect cost rate proposal please refer to the Sample Indirect Cost Proposal page <http://www.epa.gov/ogd/recipient/sample1.htm>.

NON-PROFIT GROUPS, HOSPITALS AND UNIVERSITIES:

Grants Administration Division
Office of Grants and Debarment
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW, MC 3903R
Washington, DC 20460
Attn: Indirect Cost Rate Proposal Control Desk

INDIAN TRIBAL GOVERNMENTS

National Business Center
Indirect Cost Services
U.S. Department of the Interior
2180 Harvard Street, Suite 430
Sacramento, CA 95815-3317

STATE AGENCIES

Financial Analysis and Rate Negotiation Service Center

Office of Acquisition Management
U.S. Environmental Protection Agency

Date Posted: 10/28/2009

Program: N, E, S

Question D.5: *Is EPA again providing/encouraging the use of their applicant fleet description spreadsheet? EPA's spreadsheet is not referred to in the RFP; nor is a link provided. Can the applicant still use EPA's spreadsheet or should we construct our own table?*

Answer: Applicants are required to provide an Applicant Fleet Description in their proposal. The purpose of the Applicant Fleet Description is to describe in detail the specific vehicles and engines targeted for emissions reductions under the proposed project. Applicants must describe the fleet(s) targeted for the proposed project, including: target fleet type (e.g., school bus, port, construction, delivery truck, transit bus, locomotive, refuse hauler, utility vehicle, long haul truck, agriculture, mining, marine, other), number of vehicles, vehicle class, model year, retrofit year, chosen technology, current fuel type, amount of fuel used, etc. This information may be presented in a table format. Gathering and organizing your fleet information is an important step in any diesel retrofit project. EPA has developed a sample format that you may use to describe and store your fleet information. It is available under the "Tools and Resources" link found at <http://www.epa.gov/otaq/diesel/prgnational.htm>.

Date Posted: 10/22/2009

Program: N

Question D.6: *Are you required to request at least \$500,000? If an application is approved and it is for school bus replacement what percentage does the program pay?*

Answer: The minimum funding threshold varies by project location. The amount of federal funding requested must fall within the eligible funding range specified in Section III of the RFP. In Region 9 only non-tribal proposals requesting EPA funding between \$300,000 and \$3,000,000 will be accepted.

For replacement buses that meet EPA's 2010 emissions levels for heavy-duty highway vehicles, EPA will fund the incremental cost of a newer, cleaner school bus, up to 50% of the cost of an eligible replacement school bus. For replacement buses that meet EPA's 2007 emissions levels for heavy-duty highway vehicles, EPA will fund the incremental cost of a newer, cleaner school bus up to 25% of the cost of an eligible replacement school bus.

Date Posted: 10/28/2009

Program: N

Question D.7: *1) Will \$32 million for each of fiscal year 2009 and 2010 be available at the time of the award decision?*

2) Will all awarded projects be funded starting in the same calendar year?

3) What is the breakdown of funds by EPA region for the competitive round of DERA funding?"

Answer: 1) \$32 million is available for fiscal year 2009. EPA anticipates additional funding

may be available for fiscal year 2010 at the time of award decision, or soon after. EPA reserves the right to make additional awards under this announcement, consistent with Agency policy and other applicable considerations, if additional funding becomes available after the original selections. Any additional selections for awards will be made no later than 6 months from the date of the original selection.

2) The estimated project period for awards resulting from this solicitation will begin on April 1, 2010, with an expected project completion date no later than March 31, 2012.

3) Section III.A lists the eligible funding ranges for the various EPA regions.

Date Posted: 10/28/2009 Program: N

Question D.8: *How much longer in the future does EPA expect to have funding available for the National Clean Diesel Campaign?*

Answer: DERA is currently authorized for funding through 2011 under the Energy Policy Act of 2005. However, there is no guarantee of future funding.

Date Posted: 10/28/2009 Program: N, E, S

Question D.9: *How many applications do you typically receive? How many do you fund? What is the minimum review score required for an applicant to receive funding? Will offering more than the required amount of matching funds help an applicant in the review process?*

Answer: EPA anticipates awarding a total of approximately \$64 million under this announcement, subject to the availability of funds and the quality of proposals received. The number of awards are subject to availability of funds and the quality of proposals received. Approximately 60 assistance agreements totaling over \$28 million were awarded nationwide through EPA's FY08 National Clean Diesel Funding Assistance Program's regional competitions.

Only those proposals that meet the threshold criteria (see Section III of the RFP) will be evaluated according to the criteria set forth (see Section V). Applicants should directly and explicitly address these criteria as part of their proposal submittal. Each proposal will be rated under a points system.

While it is not required that an applicant provide a voluntary cost-share beyond EPA's funding and/or any mandatory cost-share requirements, applicants may provide a voluntary cost-share to enhance, expand, and improve the cost-effectiveness of the project.

Date Posted: 10/28/2009 Program: N

Question D.10: *Please let me know where I could locate the following information for completing SF 424, and if it is applicable:*

*Applicant Identifier
Federal Entity Identifier
Organizational DUNS*

*Catalogue of Federal Domestic Assistance Number/Title
Areas Affected by the Project: How much detail is needed here
Authorized Representative:*

Lastly, I have had problems with getting the cursor to stay at certain locations on the form – particularly in the address section. Please let me know what steps to take in order to rectify this situation.

Answer: On the SF 424 document:

- The application identifier is the entity identifier assigned by the Federal agency, if any, or applicant's control number, if applicable.
- The Federal entity identifier is the number assigned to your organization by the Federal Agency, if any.
- All applicants are required to provide a Dun and Bradstreet (D&B) Data Universal Numbering System (DUNS) number when applying for a Federal grant or cooperative agreement. Applicants can receive a DUNS number, at no cost, by calling the dedicated toll-free DUNS Number request line at 1-866-705-5711, or visiting the D&B website at: <http://www.dnb.com/us/>.
- The catalogue of Federal Domestic Assistance number (CFDA)/title is the number and title of the program under which assistance is requested, as found in the RFP.
- Areas affected by the project includes listing the areas or entities affected by the project using the categories specified in agency instructions (e.g., cities, counties, states, etc.). Use the continuation sheet to enter additional areas, if needed.
- The document needs to be signed and dated by the authorized representative of the applicant organization. Enter the name (First and last name required) title (Required), telephone number (Required), fax number, and email address (Required) of the person authorized to sign for the applicant. A copy of the governing body's authorization for you to sign this application as the official representative must be on file in the applicant's office.
- The SF424 may be obtained at www.epa.gov/ogd/forms/forms.htm. To enter information in the various fields, try clicking your cursor further to the right of the field heading (5 to 10 spaces to the right of the colon).

Date Posted: 10/28/2009 Program: N

Question D.11: *Past Performance: 1) Do grants from states qualify as "federal grants" if the funds originated from a federal source? 2) If an applicant does not have 3 years of past performance on federal grants, should we submit past performance on recent state grants?*

Answer: 1) Grants from state entities do not qualify as federal grants, even if the funds originated from a federal source. 2) If your agency does not have any experience successfully completing and managing federally funded assistance agreements, please indicate this in the appropriate section of the Work Plan and you will receive a neutral score for these factors under Section V of this RFP.

Date Posted: 10/28/2009 Program: N, E, S

Question D.12: *Our company will be applying for funds as a non-profit organization to replace vehicles. To increase our chances of winning, the company is*

interested in offering two vehicles for replacement for every one truck requested in the application. Is this strategy allowed?

Answer: It is not clear from your question if you are asking about scrappage requirements or voluntary cost-share. If you are proposing a voluntary cost-share, an organization is free to include additional replacement in addition to the EPA funded vehicles. For example, let's say a new replacement truck costs \$100,000. EPA will fund up to 25% of a replacement vehicle so EPA would fund up to \$25,000 of the replacement truck and the applicant must provide a mandatory cost-share for at least 75% of the replacement truck. You are proposing that for each truck requested from EPA (\$25K in EPA funds) the applicant would provide an additional \$100K for an additional replacement truck in addition to the \$75k mandatory cost-share for the initial replacement truck. The additional \$100K for the additional truck would be a voluntary cost-share and would increase the cost-effectiveness of the project.

Date Posted: 10/28/2009 Program: N

Question D.13: *We are an eligible entity submitting an application for an eligible project. For recordkeeping throughout the activity period, our application will include a subscription-based, web-based vehicle tracking service. Is this use of funds permissible under the RFP? If so, how should it be classified under the Section 7. Budget Detail of the application?*

Answer: Yes, this activity is permissible as part of a broader emissions reduction project. The inclusion of a non-tangible service should be placed under the "Other" category of the Budget Detail.

Date Posted: 10/28/2009 Program: N

Question D.14: *When EPA says it will fund 25% of the cost of a Certified Vehicle/Equipment Replacement activity, will EPA also fund administrative costs related to the replacement?*

Answer: Under the Equipment Budget Object Class, EPA will fund up to 25% of the parts and labor costs of a Certified Vehicle/Equipment Replacement. Additional funds may be requested for project administration costs under other budget object class categories such as Personnel.

Date Posted: 10/28/2009 Program: N

Question D.15: *How will tribal proposals be evaluated?*

Answer: Tribal applicants must submit their proposals to the EPA Office of Transportation and Air Quality (OTAQ) contact identified in Section IV.B.3.a of this RFP, regardless of geographic location of the project. Tribal proposals will be reviewed by an OTAQ review panel. Proposals will first be evaluated against the threshold factors listed in Section III.C of this RFP. Only those tribal proposals which meet all of the threshold factors will be evaluated against other tribal proposals using the evaluation criteria listed above. Each proposal will be given a numerical score and will be rank-ordered according to the numerical score against the other tribal proposals evaluated by the review panel.

Preliminary funding recommendations will be provided to the OTAQ Approving Official based on this ranking.

Date Posted: 10/28/2009 Program: N

Question D.16: *How many tribal awards are expected to be made?*

Answer: It is anticipated that approximately 5-10 tribal assistance agreements will be made from this announcement.

Date Posted: 10/28/2009 Program: N

Question D.17: *What is the minimum amount of funding that can be requested in a tribal proposal?*

Answer: Only proposals from eligible tribal agencies or intertribal consortia requesting EPA funding of \$30,000 or more will be considered.

Date Posted: 10/28/2009 Program: N

Question D.18: *Where do tribal applicants submit their proposals?*

Answer: Tribal applicants must submit their proposals to the EPA Office of Transportation and Air Quality (OTAQ) contact identified in Section IV.B.3.a of this RFP, regardless of geographic project location. Tribal proposals will be evaluated and selected by OTAQ. Tribal applicants may submit multiple proposals as long as each proposal is for a separate and distinct project and each proposal is submitted separately.

Note that tribes may not apply to the EPA Regions but must apply to the contact identified in Section IV.B.3 of this RFP.

Date Posted: 10/28/2009 Program: N

Question D.19: *What is the Funding Opportunity Number for the National Clean Diesel Funding Assistance Program, FY 2009/2010 - CFDA 66.039?*

Answer: The Funding Opportunity Number for the National Clean Diesel Funding Assistance Program, FY 2009/2010 is EPA-OAR-OTAQ-09-10.

Date Posted: 11/4/2009 Program: N

Question D.20: *Is it permitted to use other calculation methods such as California Air Resources Board factors?*

Answer: You may utilize the following alternative methods for calculating emission reductions:

- National Mobile Inventory Model (NMIM) - www.epa.gov/otaq/nmim.htm
- Mobile Model (on-road vehicles) - www.epa.gov/otaq/mobile.htm
- Nonroad Model (nonroad engines, equipment, and vehicles) - www.epa.gov/otaq/nonrdmdl.htm 43
- SmartWay FLEET Model - www.epa.gov/smartway/transport/partner-resources/resources-complete.htm#tools

If an alternative method is used you must thoroughly describe and document your methods within Section Environmental Results, of your Work Plan

Date Posted: 11/4/2009 Program: N, S

Question D.21: *If you currently get SmartWay e-mails, will you get an e-mail when new FAQs are posted?*

Answer: No. A frequently asked questions (FAQ) document will be posted each Wednesday during the RFP open period, and a recording of the SmartWay Finance webinar is posted, at: www.epa.gov/otaq/diesel/prgfinance.htm.

Date Posted: 11/4/2009 Program: S

Question D.22: *How quickly can technologies be verified to get on US EPA's verification list?*

Answer: It depends on the type of technologies. If the device is associated with one of the verified technology categories, it may be verified relatively quickly. Please see the verification process for further information at www.epa.gov/otaq/retrofit/verif-list.htm or www.epa.gov/otaq/smartway/transport/what-smartway/verified-technologies.htm. However, a manufacturer should still allow 4-6 months for the process in most cases.

Date Posted: 11/4/2009 Program: N, S

Question D.23: *Will the funding extend beyond Dec. 8 deadline? Will there be another opportunity?*

Answer: Proposal submissions for this Request for Proposals must be received by the appropriate EPA contact by Tuesday, December 8, 2009, 4:00 p.m. local time. Proposals received after the closing date and time will not be considered for funding. DERA is currently authorized for funding through 2011 under the Energy Policy Act of 2005. However, there is no guarantee of future funding.

Date Posted: 11/4/2009 Program: N, E, S

Question D.24: *Will there be any training classes held for someone who has never applied for a grant?*

Answer: EPA will not hold training classes, but can suggest resources that you may find helpful. The Diesel Technology Forum hosted an informational webinar available at www.dieselforum.org/webinars. EPA Regional Offices offer resources including conference calls, Webinars, and workshops: www.epa.gov/otaq/diesel/prgnational.htm. NCDC offers Tools & Resources for a successful diesel retrofit project at www.epa.gov/otaq/diesel/resources.htm. EPA also offers a National Clean Diesel Campaign Helpline for project or technical support where questions can be asked via email to CleanDiesel@epa.gov or phone 1-877-NCDC- FACTS (1-877-623-2322)

Date Posted: 11/4/2009 Program: N, E, S

Question D.25: *I will be replacing older buses through a school bond issue. Does that exempt me from applying for funds to buy buses?*

Answer: If the project budget includes any cost-share, mandatory or voluntary, the Budget Detail portion of the Work Plan must include a detailed description of how the applicant will obtain the cost-share and how the cost-share funding will be used. Other federal funds may not be used for cost-share.

Date Posted: 11/4/2009 Program: N, E, S

Question D.26: *How many applications did the SmartWay Finance Program have in 2008 and 2009 respectively?*

Answer: EPA's SmartWay Finance Program received four applications in 2008 and awarded three competitive grants. EPA received 17 applications in 2009 (for Recovery Act funds) and awarded five competitive grants. Information on all funded projects can be found at www.epa.gov/diesel/projects.htm and specific details on these projects can be found at: www.epa.gov/smartway/transport/what-smartway/financing-clean-diesel-info.htm.

Date Posted: 11/4/2009 Program: S

Question D.27: *How come only 1-6 grants will be awarded under the SmartWay Finance Program? Why not more smaller projects?*

Answer: The SmartWay Finance Program offers a platform to evaluate innovative finance programs. EPA believes that the smaller number of awards creates more effective and efficient finance programs. It also assists EPA in stretching its administrative resources to monitor and evaluate the finance programs.

Date Posted: 11/4/2009 Program: S

Question D.28: *Are there any proposals out there we can use as a model?*

Answer: On EPA's website is a Project Narrative Sample Format <http://www.epa.gov/otaq/diesel/prgnational.htm>
<http://www.epa.gov/otaq/diesel/resources.htm>. A sample was prepared for a previous RFP; however, it's important to note that the RFP for FY09 has been changed.
<http://www.epa.gov/otaq/diesel/dera2008/2008-prgnational.htm#sample>

Date Posted: 11/4/2009 Program: N, E, S

Question D.29: *If an organization has never applied for Federal funding under this type of RFP is past performance not applicable? Is applicant fleet description not applicable if applying for truck stop electrification devices?*

Answer: If you do not have any relevant or available past performance or reporting information, please indicate this in Section 5 of your Work Plan and you will receive a neutral score for these factors under Section V of this RFP. A neutral score is half of the total points available. If you do not provide any response for this item, you may receive a score of zero (0) for these factors. The Applicant Fleet Description (AFD) is applicable if applying for TSE. The applicant should provide information on the estimated number and types of vehicles that will

achieve idle-reduction as a result of the TSE project. The information in the AFD is necessary to calculate the emissions reductions for the proposed project. Please see <http://www.epa.gov/otaq/diesel/publications.htm> for additional information about applicant fleet descriptions.

Date Posted: 11/10/2009 Program: N

Question D.30: *What is the shortest time from application submission it has taken to get any of the technologies now on the Emerging Technologies on the Approved List?*

Answer: The shortest time a specific manufacturer has been placed on the Emerging Technologies List, from submitting a completed application to being included on the List, is approximately 2-3 months. It is important to note that this manufacturer was very familiar with the application process and familiar with developing verification test plans. It is important to note that this is not a standard time frame and that there is no standard time frame for placement on the Emerging Technologies List. The duration of time to be included on the Emerging Technologies List is dependant on a number of factors such as, type of technology, prior knowledge and familiarity of the technology by EPA, responsiveness by the manufacturer to any and all EPA questions, thoroughness of response to EPA.

Date Posted: 11/10/2009 Program: E

Question D.31: *Does the amount of funding that must be requested include the cost share?*

Answer: The amount of federal funding requested must fall within the eligible funding range. This does not include cost share.

Date Posted: 11/10/2009 Program: N

Question D.32: *Is a cost of \$220,000 for a replacement project too low to be eligible?*

Answer: The amount of federal funding requested must fall within the range specified in Section III (A) of the RFP.

Date Posted: 11/10/2009 Program: N

Question D.33: *Where can I find forms SF 424 and 424A?*

Answer: Applicants can download the grant application forms from EPA's Office of Grants and Debarment website at: www.epa.gov/ogd/forms/forms.htm.

Date Posted: 11/10/2009 Program: N, E, S

Question D.34: *1. Does an applicant's existing level of fuel purchases, before the grant funds covering the incremental cost between diesel and biodiesel qualify as a voluntary cost-share? For example, if a gallon of diesel costs \$2.00 and B20 biodiesel is \$2.20, is the \$2.00 the applicant is already spending on diesel counted as a cost-share?*
2. Regarding the National Programmatic Priorities (RFP Section I, C, 1., f.; Page 7) "Conserve diesel fuel" is listed as a priority. Is replacing diesel with biodiesel considered conservation of diesel fuel?
3. Up to three proposals are allowed for non-tribal applicants, as long as

each proposal is separate and distinct. Is a proposal considered "distinct" merely by asking for a different level of funding? For example, one proposal could propose funding at a \$1 million level, and a second proposal could propose \$2 million in funding.

Answer: 1. No.
2. Yes.
3. No. A proposal is considered distinct if it is a separate project idea. For example, one proposal targets marine vessels, one proposal targets construction equipment, and one proposal targets long-haul trucks.

Date Posted: 11/10/2009 Program: N, S

Question D.35: *Can EPA provide the range of "dollars/ton pollutant removed" approved in past funding rounds or similar information on cost targets/benchmarks that we could consider as an element in our decision making process to pursue an application?*

Answer: EPA has published various technical documents outlining the cost-effectiveness of diesel emission reduction strategies. Please visit <http://www.epa.gov/otaq/diesel/publications.htm>.

In the National Clean Diesel Campaign's Report to Congress, EPA analyzes the overall cost-effectiveness of various diesel emission reduction strategies. For the FY08 funded projects, the Federal dollars per lifetime tons for the projects ranged from \$9,000 to \$27,700 per lifetime ton PM2.5; \$400 - \$2,000 per lifetime ton NOx; \$6,600 to \$15,300 per lifetime ton HC. These calculations do not include cost-share or matching funds and extend over the expected life of the technology. The full report may be found at <http://www.epa.gov/otaq/diesel/documents/420r09006.pdf>.

Date Posted: 11/10/2009 Program: N, E, S

Question D.36: *How would emissions quantification and cost-benefit analysis be applied to the use of TSE?*

Answer: Applicants should complete the Applicant Fleet Description information using their best judgment in estimating the types and numbers of trucks that will utilize the TSE facility, and the total number of idling hours avoided. The Applicant Fleet Description information is then used with the DEQ to quantify emissions reductions and cost-effectiveness of the TSE project. Please see Appendix B and C of the National RFP for guidance in estimating your activity's environmental outcomes.

Date Posted: 11/18/2009 Program: N, S

Question D.37: *On staff expertise and qualifications, would these come from our department, or from the contractors/vendors sought by the applicant?*

Answer: Your work plan must include information on your organizational experience for timely and successfully achieving the objectives of the proposed project, staff expertise/qualification, staff knowledge, and resources or the ability to obtain them, to successfully achieve the goals of the proposed project. EPA will not

consider the qualifications, experience, and expertise of named subawardees/subgrantees and/or named contractor(s) unless certain conditions/requirements are met. Per Sec IV of the RFP, "During this evaluation, except for those criteria that relate to the applicant's own qualifications, past performance, and reporting history, the review panel will consider, as appropriate and relevant, the qualifications, expertise, and experience of an applicant's named contractor(s), including consultants, identified in the proposal if the applicant demonstrates in its proposal that the contractor(s) was selected in compliance with the competitive Procurement Standards in 40 CFR Part 30 or 40 CFR 31.36 as appropriate. For example, an applicant must demonstrate that it selected the contractor(s) competitively or that a proper non-competitive sole-source award consistent with the regulations will be made to the contractor(s), that efforts were made to provide small and disadvantaged businesses with opportunities to compete, and that some form of cost or price analysis was conducted. EPA may not accept sole source justifications for contracts for services or products that are otherwise readily available in the commercial marketplace. EPA will not consider the qualifications, experience, and expertise of named contractor(s) during the proposal evaluation process unless he applicant complies with these requirements."

Date Posted: 11/18/2009

Program: N, E, S

Question D.38: *Is Form 424A (SF-424A), Budget Information, really necessary if this information is contained within the body of the project narrative?*

Answer: Yes, this form is required.

Date Posted: 11/18/2009

Program: N, E, S

Question D.39: *On past performance/programming capability and reporting on results, does this relate to all Federal grants, or only those that come from US EPA, or, those pertaining to air quality matters?*

Answer: Assistance agreements include all Federal grants and cooperative agreements but not Federal contracts, similar in size, scope, and relevance to the proposed project performed within the last 3 years.

Date Posted: 11/18/2009

Program: N, E, S

Question D.40: *If a project crosses regional jurisdiction (for e.g., a project is proposed to be carried out within EPA Regions 1 and 2). Whom should I submit the proposal to? Will my chances be improved if I submit 1 single proposal to both the regions?*

Answer: The term "project location" as used in this RFP refers to the primary area where the affected vehicles/engines operate, or the primary area where the emissions benefits of the project will be realized. Non-tribal applicants must submit their proposals to the EPA regional office which covers the geographic project location. If the proposed project can be split into two separate, distinct project locations, then the project/proposal has to be divided and submitted separately for work done within the respective EPA region. For long-distance fleets, the applicant decides as to where the application should be submitted and provide justification as to why that Region was selected - whether it is the Region

where the truck fleet is based, or the Region where the truck fleet operates the majority of the time, or other factors that would justify award in that region.

Date Posted: 11/18/2009

Program: N, E

Question D.41: *Does EPA plan to refer to previously funded projects to derive a benchmark for cost-effectiveness?*

Answer: EPA has prepared technical reports outlining the cost-effectiveness of various retrofit technologies (see <http://www.epa.gov/otaq/diesel/publications.htm>).
- Technical Report: Diesel Retrofit Technology: An Analysis of the Cost Effectiveness of Reducing Particulate Matter and Nitrogen Oxides Emissions from Heavy-Duty Nonroad Diesel Engines Through Retrofits (PDF) (22 pp, 411K, EPA420-R-07-005, May 2007)
- Report: The Cost-Effectiveness of Heavy-Duty Diesel Retrofits and Other Mobile Source Emission Reduction Projects and Programs (PDF) (17 pp, 956K, EPA-420-B-07-006, May 2007)

Date Posted: 11/18/2009

Program: N, E

Question D.42: *Should results of individual DEQ runs be included in the attachments?*

Answer: Specific outputs and outcomes should be included. In addition, applicants must describe what measurements will be used to track and measure progress towards achieving the expected outputs and outcomes and how the results of the project will be evaluated. It is suggested that the applicant fill out and include the table, or something similar, found in Appendix A, Part B, Section 2. It is not necessary to include the individual DEQ runs for various vehicles/technologies used to arrive at the total outputs/outcomes, however the Applicant Fleet Description should contain sufficient information necessary to recreate the individual DEQ runs.

Date Posted: 11/18/2009

Program: N

Question D.43: *In filling out form SF-424:*

1. Item 4. Applicant Identifier--is this a number that we should have or receive from EPA? Item 5a: Federal Entity Identifier--same question. Does EPA assign these?

2. Item 13: Competition Identification Number/Title--is this applicable to this opportunity?

3. Item 19: How do we determine if we need to take our application through this review process?

Answer: 1. If these numbers are not available, leave blank.

2. This is the Funding Opportunity Number, or RFP number: EPA-OAR-OTAQ-09-10.

3. Executive Order 12372, Intergovernmental Review of Federal Programs is

applicable to awards resulting from this announcement. Applicants selected for funding will be required to provide a copy of their application to their State Point of Contact (SPOC) for review, pursuant to Executive Order 12372, Intergovernmental Review of Federal Programs. Federally-recognized Tribal governments are not required to comply with this procedure. For the purpose of responding to this RFP, applicants may choose to not respond to question #19 on the SF 424 form; EPA will provide additional guidance on the intergovernmental review process to those applicants selected for funding.

Date Posted: 11/23/2009 Program: N, S

Question D.44: *Are idling hours included in non-road usage rate or are they just ignored?*

Answer: Please include idling hours in the engine's usage rate.

Date Posted: 11/23/2009 Program: N, S

Question D.45: *Several municipalities in our region are considering submitting a consolidated proposal for cost differential between the cleaner fuel and conventional diesel fuel. How would we submit such a proposal? What types of clean fuels might qualify for consideration and what level of blends?*

Answer: Several municipalities may join together, but one entity must be the applicant and be responsible for project activities and expenditures. The others are partners or subgrantees in the project. Cleaner fuels include, but are not limited to ULSD, biodiesel (all blends), diesel emulsions or additives verified by EPA or CARB, CNG, propane and other alternative fuels.

Date Posted: 11/23/2009 Program: N, S

Question D.46: *Are cost-share commitment letters necessary for both voluntary and mandatory cost-shares?*

Answer: Yes, project partners that are providing in-kind or monetary assistance must demonstrate their specific commitment to meet the proposed cost-share. If the applicant is providing the cost-share a letter of commitment is not necessary.

Date Posted: 11/23/2009 Program: N, S

Question D.47: *Page 39 of the RFP for the National Clean Diesel Funding Assistance Program makes reference to Section I.C.4 in the third bullet. But this section does not exist. Please clarify.*

Answer: This should refer to Section I.D.1, which reads: "Eligible Diesel Vehicles, Engines and Equipment: Projects may include, but are not limited to, diesel emission reduction solutions from the following heavy duty diesel emission source types: a. Buses; b. Medium-duty or heavy-duty trucks; c. Marine Engines; d. Locomotives; and e. Non-road engines, equipment or vehicles used in: i. Construction; ii. Handling of cargo (including at a port or airport); iii. Agriculture; iv. Mining; or v. Energy production (including stationary generators and pumps)."

Date Posted: 11/23/2009 Program: N

Question D.48: *On the SF-424 Application for Federal Assistance form, item #19 asks if this application is subject to Review Under the Executive Order 12372 Process (E.O. 12372). How do we determine if the application is subject to this review?*

Answer: Executive Order 12372, Intergovernmental Review of Federal Programs is applicable to awards resulting from this announcement. Applicants selected for funding will be required to provide a copy of their application to their State Point of Contact (SPOC) for review, pursuant to Executive Order 12372, Intergovernmental Review of Federal Programs. Federally-recognized Tribal governments are not required to comply with this procedure.

For the purpose of responding to this RFP, applicants may choose to not respond to question #19 on the SF 424 form; EPA will provide additional guidance on the intergovernmental review process to those applicants selected for funding

Date Posted: 11/23/2009 Program: N, E, S

Question D.49: *If we are submitting separate projects for region 6 and region 7, may we submit 3 in region 6 and 3 in region 7, or are we limited to 3 applications in the two regions combined?*

Answer: Regions 6 and 7 will jointly evaluate and select non-tribal proposals for projects located within Regions 6 and/or 7 (i.e. the evaluation will result in one ranking list of the Region 6 and 7 non-tribal proposals) so applicants are limited to three (3) proposals in these Regions.

Date Posted: 11/23/2009 Program: N, S

New **Question D.50:** *Where do I find guidance for addressing the requirements for developing criteria for applicant selection and how to ensure that borrower eligibility determinations are made in accordance with the provisions of EPAAct2005 for the SmartWay Finance RFP?*

Answer: To the extent possible, the criteria for selecting borrowers should address the National Programmatic Priorities found in Section I.C.1. Under EPAAct 2005, priority for funding under this RFP will go to projects that address these provisions.

Date Posted: 12/2/2009 Program: S

New **Question D.51:** *Can cost share resources be reported on the SF 424 in the form of work performed and paid by a third party? The third party would provide the EPA Grant applicant progress reports, delivery sign-off and copies of invoices/payments. Upon the entire project being completed then the EPA Grant applicant would conduct its acceptance inspection and pay its cost using Grant funds. The third party work would be described in the SF 424 and proposal, and the third party work would not be initiated until the Grant was awarded.*

Answer: Mandatory cost-share funds for replacement and repower projects must be in the form of cash contributions to the Equipment Object Class. Applicant costs

towards the labor and equipment of the repower or replacement are considered cash contributions to the Equipment Object Class. In-kind services may be used as a voluntary cost-share for any Budget Object Class category. If the project budget includes any cost-share, mandatory or voluntary, the Budget Detail portion of the Work Plan must include a detailed description of how the applicant will obtain the cost-share and how the cost-share funding will be used. If the proposed cost-share is to be provided by a third-party, a letter of commitment is required. Any form of costshare included in the Budget Detail must also be included on the SF 424 and SF 424A.

Date Posted: 12/2/2009

Program: N, E, S

New Question D.52: *Can supporting materials other than resumes, letters of supports, and fleet description be included as optional attachments?*

Answer: No, pages in excess of the page limitation will not be reviewed. All information contributing to the strength of the project must be contained within the Project Narrative. The Applicant Fleet Description (required), Cost-Share Commitment Letters (if applicable), Resumes (optional), and Letters of Support (optional) do not contribute to the page limit.

Date Posted: 12/2/2009

Program: N, S

New Question D.53: *1. When is the deadline for the clean diesel funding? For Form 424 -
2. Question 12: What is the Funding Opportunity Title?
3. Question 14: Should I list all the separate cities we are currently working on or just Texas?
4. Questions 15, 16b, & 17: it asks for a descriptive title of the applicants project and the congressional district of that project. Should I just pick one job we will be working on in the near future or one we have already started or should I list all the jobs we have scheduled for the next 3 months?
5. Question 18. How do we determine what part of the funding is Federal, State, Local, etc.?*

Answer: 1. The deadline is December 8, 2009. Please see the RFP for submission instructions and other deadline information.
2. The funding title for the national program is National Clean Diesel Funding Assistance Program, FY 2009/2010 Request for Proposals (RFP) (Funding Opportunity EPA-OAR-OTAP-09-10).
3/4. Please include only the project(s) you are proposing for this funding. If all congressional districts in a state are affected by the proposed project, enter "all" for the district number, e.g., MD-all for all congressional districts in Maryland.
5. This RFP is for federal funding. Enter the amount requested in Federal. The value of any in-kind/cost-share contributions should be included on the other appropriate lines, as applicable.

Date Posted: 12/2/2009

Program: N, E, S

New **Question D.54:** *We are a metropolitan planning organization that will be applying as an eligible applicant on behalf of a private railway firm conducting an engine repower. As the only other party involved in the proposal, are they considered our project partner? If so, is the eligible entity required to submit a letter of commitment? Is there any outline as to what should be included in the letter of commitment?*

Answer: If the applicant intends to carry out the procurement and installation of the repower directly, then the private railway firm would be a project partner and should provide a Letter of Support indicating how they will assist in the project (e.g. that they agree to make their vehicles available for testing and installation, they will provide necessary fleet information to the applicant as requested, and that they will appropriately operate and maintain the equipment.) If the applicant intends to subgrant funds to the private railway firm and the railway will procure and install the repower themselves, then the private railway firm is a subgrantee and should provide a Letter of Support indicating their roles and responsibilities in implementing the project (e.g. that they agree to comply with all terms and conditions of the subgrant, including competitive procurement and reporting requirements, and a summary of their plan for successfully completing the subgrant). In either case, if the private railway firm is providing a cost-share then the railway should provide a Letter of Commitment demonstrating their specific commitment to meet the proposed cost-share.

Date Posted: 12/2/2009

Program: N

E. Project Administration

i. Competitive Procurement Requirements

Question Ei.1: *Is there a way that an eligible entity can preselect an equipment supplier for a retrofit program?*

Answer: If the eligible entity chooses to select an equipment supplier through a competitive process that meets the requirement of 40 CFR Parts 30 or 31, as applicable, prior to submitting its application then the entity would not have to recompetete the work if its project was selected. For example, a school system wants to retrofit all of its school buses with diesel particulate filters but is unsure of the details needed to develop a winning proposal. They could select a supplier through a competitive process and then coordinate with the selected supplier to develop a proposal. Please see Section IV (G) of the RFP for more information.

Date Posted: 10/15/2009

Program: N, S

Question Ei.2: *What are the competitive bid requirements when an eligible entity is applying on behalf of other organizations or companies?*

Answer: EPA awards funds to one eligible entity as the recipient even if other organizations or companies are named as partners or co-applicants or members of a coalition or consortium. The recipient is accountable to EPA for the proper expenditure of funds. Funding may be used to provide subgrants or subawards of financial assistance provided the recipient complies with applicable requirements for subawards or subgrants including those contained in 40 CFR Parts 30 or 31, as appropriate. All procurements, whether conducted by the

recipient or a subgrantee, are subject to the competitive procurement requirements of 40 CFR Parts 30 and 31, as applicable. Please see Section IV of the RFP for more information.

Date Posted: 11/4/2009

Program: N, S

Question Eii.3: *Can a private school bus company partner with a school district that is the lead agency? Is there a disadvantage to having only one bus company and one school district in the partnership? Which parties are subject to EPA procurement requirements? The school district, the private bus company, or the manufacturer?*

Answer: A private school bus company can partner with any eligible entity. There is no disadvantage to having only one bus company and one school district in the partnership. EPA awards funds to the eligible entity as the recipient. The recipient is accountable to EPA for the proper expenditure of funds. Funding may be used to provide subgrants or subawards of financial assistance provided the recipient complies with applicable requirements for subawards or subgrants including those contained in 40 CFR Parts 30 or 31, as appropriate. All procurements, whether conducted by the recipient or a subgrantee, are subject to the competitive procurement requirements of 40 CFR Parts 30 and 31, as applicable. Please see Section IV of the RFP for more information.

Date Posted: 11/10/2009

Program: N

ii. General

Question Eii.1: *Does this round of funding impose a "Buy American" requirement on replacement vehicles?*

Answer: No.

Date Posted: 10/28/2009

Program: N, E, S

Question Eii.2: *Is the following approach allowed? A bus dealer has hired a grant writer and is putting together a consortium of school districts to apply for the available money. They are going to pay all fees associated with the grant writer and hope to reap the benefits and profits of their group if successful.*

Answer: While there are no specific rules barring this approach, there are several factors to be aware of. One eligible entity would have to be the applicant and would be the recipient of the EPA grant if awarded. As the grant recipient, the eligible entity would have to maintain records for the project and be accountable to EPA for the use of grant funds. For-profit businesses, including manufacturers, distributors, and retailers, are allowed to assist an eligible entity's application process. Applicants are not required to identify subawardees/subgrantees and/or contractors (including consultants) in their proposal. However, if they do, the fact that an applicant selected for award has named a specific subawardee/subgrantee, contractor, or consultant in the proposal EPA selects for funding does not relieve the applicant of its obligations to comply with subaward/subgrant and/or competitive procurement requirements as appropriate. Please note that applicants may not award sole source contracts to consulting, engineering or other firms assisting applicants with the proposal solely based on the firm's role in preparing the proposal.

Recipients must compete contracts for services and products, including consultant contracts, and conduct cost and price analyses, to the extent required by the procurement provisions of the regulations at 40 CFR Parts 30 or 31, as appropriate. Please refer to Section IV of the RFP for more information on Contracts, Subawards, and Partnerships.

Any costs incurred by the eligible entity for use of a grant writer or any other assistance outside of the project period and project description shall not be covered by award funds.

Date Posted: 10/28/2009

Program: N, E, S

Question Eii.3: *Is there is a "favorable" amount of time or a requirement (e.g., at least half the project period length) that the retrofitted/repowered engine should remain in the region.*

Answer: Non-tribal applicants must submit their proposal to the EPA regional office which covers the geographic project location. The term "project location" as used in this RFP refers to the primary area where the affected engines operate, or the primary area where the emissions benefits of the project will be realized. Engines should remain in the project location during the project period. After the project period ends it is preferred that affected engines remain in the project location for the remainder of their useful life, however there is no specific time requirement beyond the project period. As a condition of award, the Recipient agrees that at the end of the project period the equipment acquired under this assistance agreement will be subject to the property disposition regulations at 40 CFR 30.34 or 40 CFR 31.32, as applicable. Specifically, the Recipient is instructed to continue to use the equipment purchased under this assistance agreement in the project or program for which it was acquired for the remainder of its useful life, whether or not the project or program continues to be supported by federal funds and shall not encumber the equipment without approval of EPA.

Please be advised that these disposition instructions are applicable to assistance agreement recipients and any other third-party recipients acquiring equipment under this award. State agencies may use, manage and dispose of equipment acquired under assistance agreements in accordance with State laws and procedures.

Date Posted: 10/28/2009

Program: N

Question Eii.4: *How long is the period of time that quarterly reporting is required if an award is made? Do applicants have to wait to purchase equipment or make upgrades/begin work until after the project period begins date of April 1, 2010? Is equipment/work performed after the open date but prior to the project date, still eligible for award? after the open date but prior to the project date, still eligible for award?*

Answer: Quarterly reports summarizing technical progress, planned activities for the next quarter and a summary of expenditures are required during the project period for the life of the grant. A final report shall be submitted to EPA within 90 calendar days of the completion of the grant. The schedule for submission of

quarterly reports will be established by EPA, after the award. Award recipients may be provided with additional information and guidance on reporting performance measures and project progress after award.

Any funding awarded under this RFP must be used for activities that take place within the approved project period and may not be used for unauthorized pre-award costs. Work performed after the RFP open date but prior to project start date is not eligible for award or reimbursement.

Date Posted: 10/28/2009

Program: N, E, S

Question Eii.5: *1) If a grant is funded to install retrofit technology on a front line school bus and after a period of time (the warranty on the device has expired) the bus is moved from front line to spare, what are the obligations of the school district to maintain the device on the bus? For example: the spare bus now requires a muffler due to damage and the school district does not want to spend the high dollars on a tailpipe device for a bus that spends most of the time parked. 2) Is there any obligation at all to replace grant funded retrofit technology if a replacement is needed?*

Answer: As a condition of award, the Recipient agrees that at the end of the project period the equipment acquired under this assistance agreement will be subject to the property disposition regulations at 40 CFR 30.34 or 40 CFR 31.32, as applicable. Specifically, the Recipient is instructed to continue to use the equipment purchased under this assistance agreement in the project or program for which it was acquired for the remainder of its useful life, whether or not the project or program continues to be supported by federal funds and shall not encumber the equipment without approval of EPA. Please be advised that these disposition instructions are applicable to assistance agreement recipients and any other third-party recipients acquiring equipment under this award. State agencies may use, manage and dispose of equipment acquired under assistance agreements in accordance with State laws and procedures.

There is no obligation to install a new retrofit device on the bus once the grant funded device reaches the end of its useful life.

Date Posted: 10/28/2009

Program: N, S

Question Eii.6: *Can funds be used to enhance existing Federal or State loan programs (e.g. SBA loans)?*

Answer: SmartWay funds can be used to enhance existing Federal or State loan programs provided that the SmartWay funds are used in accordance with the terms and conditions of the SmartWay grant agreement. SmartWay funds may not be used to enhance existing Federal or State loan programs where the policies and procedures of the existing Federal or State loan programs would preclude the grantee from using the SmartWay funds in accordance with the terms and conditions of the SmartWay grant.

Date Posted: 11/4/2009

Program: S

Question Eii.7: *Considering the nature of revolving loans, will awarded funds have no expiration date?*

Answer: EPA award funds must be disbursed by the program before the end of the grant project period (estimated April 2010 to March 2014), and EPA will evaluate the performance of the finance grant program for that time period. After the finance grant performance period ends, the program can continue to use recycled funds to generate more loans as long as the program has the funds to administer the program.

Date Posted: 11/4/2009 Program: S

Question Eii.8: *Will DBE, MBWB, reporting / data needs be required to be collected by participating banks?*

Answer: This questions refers to Minority, Women and Disadvantaged Business Enterprises. In general, pursuant to 40, CFR, Part 33, all eligible entities who are awarded federal funds under this solicitation will be required to comply with all applicable federal and EPA Small, Minority and Women's Business Enterprises requirements including those related to procurements, Fair Share Objectives, Good Faith Efforts and Reporting.

Date Posted: 11/4/2009 Program: N, S

Question Eii.9: *Can the funding cover labor?*

Answer: Yes, the funding can cover associated labor costs.

Date Posted: 11/4/2009 Program: N, S

Question Eii.10: *Is Escrow account = Trustee bank? What is US EPA's definition / requirements behind the "escrow" account?*

Answer: In general, a grantee may "disburse" funds for grant purposes by placing the funds in an escrow account, but whether a transfer of funds to a bank or other entity constitutes a disbursement for grant purposes is a fact-specific inquiry. The transfer of grant funds to a Trustee Bank or to an escrow account may have the characteristics of a disbursement where: (1) the grantee does not retain possession of the grant funds; (2) the grantee cannot get the funds back upon demand; (3) the Bank or entity is an independent stakeholder and is not an agent of the grantee; and (4) the grantee receives something in exchange for the transfer of funds.

Date Posted: 11/4/2009 Program: S

Question Eii.11: *Is interest earned on EPA award funds considered program income?*

Answer: Interest earned on grant funds that have been legitimately disbursed for grant purposes is program income. However interest earned on advances of funds is not program income. Interest earned on advances (except for funds exempt under the Intergovernmental Cooperation Act and the Indian Self-Determination Act) must be remitted to EPA. Grantees that are paid in advance may draw down funding and disburse the funding for grant purposes.

Date Posted: 11/4/2009 Program: S

- Question Eii.12:** *1. Will SmartWay Finance grant money be awarded in a lump sum?
2. Is interest earned (after program expenses) through the loan program considered program income, and if so, what needs to happen with that earned money?
3. What happens after the 4-year project term with money that has not been used to award loans?
4. Can only SmartWay partners apply for SmartWay loans that have been established from grant awards?*

Answer: 1. Grant funds are usually disbursed as the grantee draws down funding for program expenditures (i.e., loans, administrative costs). However grant funds may be disbursed in a lump sum depending on the type of finance program proposed (e.g. loan guarantee). Please also see response to Question A.16.
2. Please see response to Question Eii.11.
3. If the grantee is unable to draw down the original grant award funds by the end of the grant project period, the grantee would close the grant and any unspent funds would return to EPA. We expect that any funds remaining at the end of the grant due to leveraged funds, interest earned, or other program income will continue to be used for the original purpose of the grant until the funds are expended.
4. Finance programs established by grant funds do not need to be restricted to only SmartWay Transport Partners. In developing finance programs, eligible entities can determine the appropriate audience for their proposed finance programs.

Date Posted: 11/10/2009 Program: S

- Question Eii.13:** *In the instance that we request \$15,000 for the cost of a \$20,000 repower and submit a cost share of \$5,000, if the actual cost of the repower turns out to be \$18,402, would our cost share obligation still be \$5,000, or would it be pro-rated to match the actual cost of the repowering?*

Answer: EPA will fund up to 75% of the cost (labor and equipment) of an eligible engine repower (i.e. applicants are responsible for cost-sharing at least 25% of the cost of an eligible engine repower.) If the actual cost of the repower was \$18,402, your mandatory match would be a minimum of \$4,600.

Date Posted: 11/18/2009 Program: N, S

- Question Eii.14:** *1. In relation to program income, can you clarify what the specific requirements are for usage of earned income during the period of performance? Will concessions income resulting from truck stop electrification (TSE) be required for submittal to EPA therefore reducing the total grant award or shall they be added to the award and reinvested into TSE? If they are added, what is a proper use of the funds if all project costs have been accurately forecasted/budgeted for in the awarded grant amount?

2. How will applicants be scored if their business operations do not relate to sector-specific Regional Priorities?*

Answer: 1. Program income does not have to be accounted for in the budget at the time of application. If program income is generated during the course of the project,

program income requirements apply. Program income means gross income received by the grantee or subgrantee directly generated by a grant supported activity, or earned only as a result of the grant agreement during the grant period. "During the grant period" is the time between the effective date of the award and the ending date of the award reflected in the final financial report. Program income earned during the project period shall be retained by the recipient and, in accordance with 40 CFR Parts 31.25 and 30.24 and the terms and conditions of the award, shall be used in one or more of the following ways:

(1) Added to funds committed to the project by EPA and recipient and used to further eligible project or program objectives. The program income shall be used for the purposes and under the conditions of the grant agreement.

(2) Used to finance the non-Federal share of the project or program, including any mandatory or voluntary cost-share. The amount of the Federal grant award remains the same.

(3) Deducted from the total project or program allowable cost in determining the net allowable costs on which the Federal share of costs is based. This means that the recipient shall spend program income on project activities before spending/requesting federal funds for project activities. This may result in unspent federal funds at the end of the project period.

2. Under the Regional Significance evaluation criterion, applicants will be evaluated based on the extent and quality to which the project advances the goals and priorities of the EPA regional office which covers the project location. If the proposal does not address a specific Regional Priority, the applicant will not receive points for that specific portion of the Regional Significance evaluation criterion.

Date Posted: 11/18/2009

Program: N

Question Eii.15: *To clarify the project implementation period 4/1/2010 - 3/31/2012, could you please advise what dates we should use with regard to the purchasing process? For example: vehicle to be replaced RFP is completed by 4/1/2009, bid awarded by the Board 10/1/2009, Purchase Order issued 12/1/2009, vehicle delivered 5/1/2010 - would this project qualify? Would it still qualify if the purchase order were issued during the project period, but the vehicle is delivered after 3/31/2010? What is the qualifying event?*

Answer: Any funding awarded under this RFP must be used for activities that take place within the approved project period (project start date 4/1/2010 - project end date 3/31/2012) and may not be used for unauthorized pre-award costs. Work performed after the RFP open date but prior to project start date is not eligible for award or reimbursement. All project activities (bidding, selection, ordering, procurement) must take place during the project period. Proposals should include a schedule and milestones for completing the project within the project period.

Date Posted: 11/18/2009

Program: N, E, S

Question Eii.16: *Is there a percent administrative cost that states can take on clean diesel grants?*

Answer: Under the National Clean Diesel Funding Assistance Program and the Clean Diesel Emerging Technologies Program, there is no limit on administrative costs. Under the SmartWay Clean Diesel Finance Program, administrative costs are limited to 15 percent of the project budget.

Date Posted: 11/18/2009 Program: N

Question Eii.17: *Do equipment bids have to be let prior to proposals being submitted?*

Answer: No. The project summary of the work plan must contain a detailed project description, including a detailed timeline for the project including milestones for specific tasks, such as bidding, procurement, installation and reports.

Date Posted: 11/23/2009 Program: N, S

Question Eii.18: *Please define net invoice price of the equipment. Does net invoice price include a credit for trade-in value?*

Answer: The "net invoice price" of a product is the final price you pay for the equipment, after all trade-ins or other credits are accounted for.

Please note that replacement projects are eligible for funding on the condition that the vehicle/equipment being replaced will be scrapped or rendered permanently disabled or returned to the original engine manufacturer for remanufacturing to a certified cleaner emission standard. Drilling a hole in the engine block and manifold and disabling the chassis while retaining possession of the vehicle/equipment is an acceptable scrapping method. Other methods may be considered and will require prior EPA approval. Equipment and vehicle components that are not part of the engine or chassis may be salvaged from the unit being replaced (e.g. plow blades, shovels, seats, tires, etc.) If scrapped or salvaged vehicles/parts are to be sold, program income requirements apply.

Date Posted: 11/23/2009 Program: N, S

New Question Eii.19: *As part of the project evaluation, are we expected to pay to test emissions of our vehicles? Are there alternative ways to evaluate project results?*

Answer: No, grantees are not required to pay for emissions testing as a requirement of receiving grant funds. Because the projects will involve certified engine configurations and verified technologies, reliable testing has already been conducted by the manufacturers and reviewed by EPA or CARB for the technologies. One way to evaluate project results is to enter your real world data (number of engines, types of technologies, etc) after you have implemented the program activity into the Diesel Emission Quantifier which is at <http://cfpub.epa.gov/quantifier/view/index.cfm>.

Date Posted: 12/2/2009 Program: N, S

F. Tribal

Question F.1: *Does EPA need anything other than 424 forms, project narrative, fleet description, cost share letters and additional attachment?*

Answer: At this time EPA does not need additional documents. If the proposal is selected for award, EPA will ask for any required additional documents or revised forms during the project negotiation stage.

Date Posted: 11/18/2009 Program: N

Question F.2: *On page 28 of the RFP, EPA asks for grant forms, standard forms, 424, and 424a. Does form 424 have to be signed by the tribal chairman?*

Answer: The SF 424 needs to be signed and dated by the authorized representative of the applicant organization. A copy of the governing body's authorization for the authorized representative to sign the application as the official representative must be on file in the applicant's office.

Date Posted: 11/18/2009 Program: N

Question F.3: *What is the tribal email address? Where in the RFP is the tribal email address specified?*

Answer: tribal_clean_diesel@epa.gov. It is listed in Section IV, on page 26.

Date Posted: 11/18/2009 Program: N

Question F.4: *We belong to an Alaska village electric co-operative. Can tribes apply for funding to assist new projects such as power plants and bulk fuel tank farms or for upgrades to existing power plants and fuel tank farms to meet the new low diesel sulfur requirement to be implemented in 2010 in Alaska?*

Answer: No funds awarded under this RFP shall be used for fueling infrastructure, such as that used for the production and/or distribution of biodiesel, compressed natural gas, liquefied natural gas, and or other cleaner fuels. No funds awarded under this RFP shall be used to fund the costs of emissions reductions that are mandated under Federal, State, Tribal or local law. The restriction applies when the mandate takes effect (the effective date) for any affected vehicles, engines or equipment. However, you can cover the incremental cost of the purchase of ULSD until such time as the new mandate comes into effect. It will be dependent on the compliance/phase-in schedule for the new mandate.

Date Posted: 11/18/2009 Program: N

Question F.5: *If there is a tremendous response for tribal funding, will EPA seek out additional funds to fund the tribal applicants? Will the left over money from the tribal fund be re-allocated to a common pool or to a tribal pool? If EPA does not receive as many applications from tribal entities as expected, will EPA change allocation of funds to reflect the number of applications received?*

Answer: There is no specific amount set aside for a "tribal fund" under this RFP. The total estimated funding for this competitive opportunity is approximately \$64 million, including all non-tribal and tribal awards. EPA anticipates awarding approximately 5-10 tribal assistance agreements, however the number and size of tribal assistance agreements awarded will depend on the quantity and quality of tribal proposals received and funding considerations. The minimum eligible funding request for tribal proposals is \$30,000. This is the first time the National Clean Diesel Funding Assistance Program is piloting a separate funding threshold and evaluation process for tribal applicants. Whether or not a separate tribal process will be available in the future will depend largely on the success of the pilot.

Date Posted: 11/18/2009 Program: N

Question F.6: *Is it true there will be a number of tribal grants awarded?*

Answer: It is expected that there will be a number of tribal grants awarded. It will be largely dependent on the number and quality of applications received.

Date Posted: 11/18/2009 Program: N

Question F.7: *If a tribal project in a particular region is selected for funding, who will administer the grant?*

Answer: The EPA Regional Office will administer the tribal grants awarded within the region.

Date Posted: 11/18/2009 Program: N

Question F.8: *Is there a maximum request for funding in the tribal applications?*

Answer: No. There is no maximum request amount for funding for tribal proposals.

Date Posted: 11/18/2009 Program: N

Question F.9: *Do tribes have to apply directly as stand-alone projects or can they apply jointly with utilities?*

Answer: Tribal applicants must submit their proposals to the EPA Office of Transportation and Air Quality (OTAQ) contact identified in Section IV.B.3.a of the RFP, regardless of geographic project location. A tribe can apply individually or can partner with other tribes or other entities, but a single tribe must be identified as the primary applicant. Non-tribal applicants must submit their proposals to the EPA regional office which covers the geographic project location. A non-tribal eligible entity can apply individually or can partner with a tribe or tribes and/or other entities, but a single non-tribal eligible entity must be identified as the primary applicant.

Date Posted: 11/18/2009 Program: N

New

Question F.10: *A tribe is interested in retrofitting equipment located within the reservation boundaries and at a tribally owned facility located outside the Community. Is the equipment located outside the Community eligible for this funding?*

Answer: Yes. Tribal applicants must submit their proposals to the EPA Office of Transportation and Air Quality (OTAQ) contact identified in Section IV.B.3.a of the RFP, regardless of geographic project location. In other words, the equipment may or may not be owned by the tribe or tribal members, and the equipment may or may not be located on the Reservation.

Date Posted: 12/2/2009

Program: N