

National Clean Diesel Funding Assistance

FY 2014 Request for Proposals Information Session

We will begin the webinar shortly.

For audio, please dial 1-866-299-3188,
code#: 343-9147 (do not dial 202 area code)

All lines will be muted. Please type your questions into the question box at any time and we will address as many as possible after the presentation.

If we are unable to answer your question at this time, we will list all questions and answers in the FAQ document available at www.epa.gov/cleandiesel/prgnational.htm.

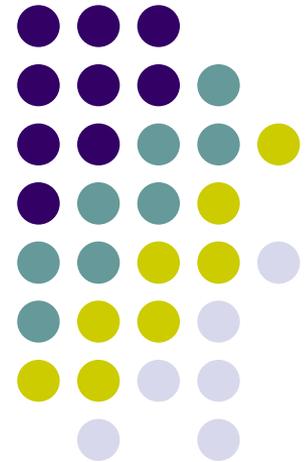
Handouts for this presentation are available at www.epa.gov/cleandiesel/prgnational.htm.

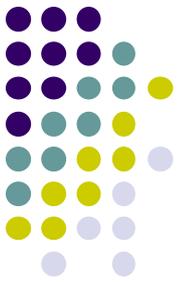
National Clean Diesel Funding Assistance

FY 2014 Request for Proposals
Information Session



National Clean Diesel Campaign





Why Clean Diesel?

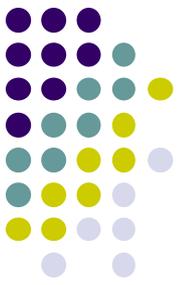
- Diesel engines are the workhorses of the nation; millions of diesel engines already in use continue to emit large amounts of nitrogen oxides, particulate matter and air toxics
- These emissions are linked to premature deaths, asthma attacks, lost work days, and other health impacts every year

Diesel Emissions Reduction Act



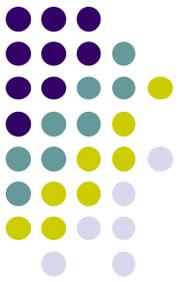
- DERA originally authorized under the Energy Policy Act of 2005
- Amended by the Diesel Emissions Reduction Act of 2010 (Public Law 111-364)
- Enables EPA to offer funding assistance
 - Goal to reduce diesel emissions
 - Competitive process for eligible entities
 - Authorized through 2016

Basic Information



- National Funding Assistance Program
 - Estimated Fiscal Year 2014 funding - **\$9 million**
 - RFP available at www.epa.gov/cleandiesel/prgnational.htm
- Due Tuesday, June 17, 2014
 - Specific times/instructions specified (Section IV)
- Two submittal options (choose only ONE):
 - Electronically via www.grants.gov
 - Hardcopy via Overnight/Express (Fed Ex, etc. – no U.S. Postal Service)

Eligible Entities (Section III.A)



- Regional, state, local, tribal or port agency with jurisdiction over transportation or air quality; and
- Nonprofit organization or institution which
 - Represents or provides pollution reduction or educational services to persons or organizations that operate diesel fleets; or
 - Has, as its principle purpose, the promotion of transportation or air quality
- For-profits and individuals can benefit through partnerships with eligible entities



Proposal Submission Limit

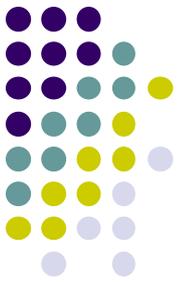
- There is a limit on the number of proposals an applicant may submit
 - Applicants may submit no more than TWO proposals nationally
 - Maximum of one proposal per Region
- Applicants submitting more proposals than the limit will be requested to withdraw the extra proposals



Eligible Grant Amount

- Each Regional Office specifies their own funding ranges (Section II.A)
- Each proposal must be for a requested amount within that specified range
- This amount could dictate the size and type of your project (e.g., how many vehicles, what type of technology, etc.)

Eligible Vehicles, Engines & Equipment (Section I.B.1)



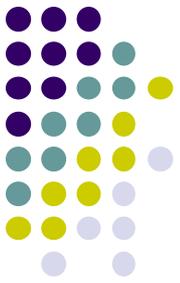
- May include, but are not limited to
 - Buses;
 - Medium-duty or heavy-duty trucks;
 - Marine engines;
 - Locomotives; and
 - Non-road engines, equipment or vehicles used in:
 - Construction; Handling of cargo (including at a port or airport); Agriculture; Mining; or Energy production (including stationary generators and pumps)

Eligible Projects (Section I.B.2)



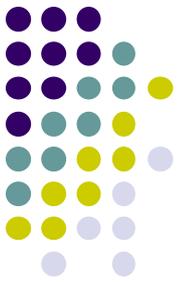
- Verified Exhaust Control Technologies
- Verified/Certified Engine Upgrades
- Verified/Certified Cleaner Fuel Use
- Verified Idle Reduction Technologies
 - Auxiliary Power Units, Fuel Operated Heaters, etc.
 - Also includes shore connection systems and electrified parking spaces
- Verified Aerodynamic Technologies & Low Rolling Resistance Tires
 - Trailer side skirts, trailer gap reducers, tires, etc.
- Certified Engine Repowers
- Vehicle and Equipment Replacements
- Clean Alternative Fuel Conversions

Project Funding Percentage (Section I.B.2)



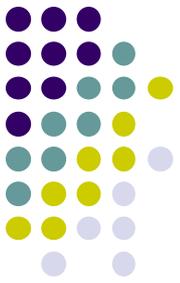
- Exhaust Controls - up to 100% of the cost
 - Diesel Oxidation Catalysts, Diesel Particulate Filters, etc.
- Engine Upgrades - up to 40% of the cost
- Cleaner Fuels - cost differential between conventional fuel and cleaner fuel
 - EPA will NOT fund stand alone cleaner fuel use

Project Funding Percentage (Section I.B.2)



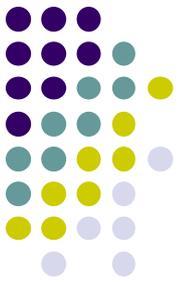
- Verified Idle Reduction Technologies
 - EPA will NOT fund stand alone idle reduction technologies EXCEPT:
 - Locomotive idle reduction up to 40% of the cost
 - Shore connection systems (locomotive and marine) up to 25% of the cost
 - Electrified parking spaces (truck stop electrification) up to 25% of the cost
 - Other idle reduction projects - 100% when combined on the same vehicle with new eligible verified exhaust control funded under this RFP
 - Example: Auxiliary Power Unit AND Diesel Particulate Filter on a truck

Project Funding Percentage (Section I.B.2)



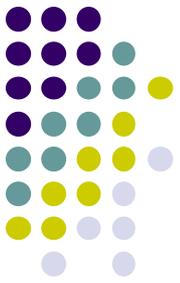
- Verified Aerodynamic Technologies (Aero) and Low Rolling Resistance Tires (Tires)
 - EPA will NOT fund stand-alone Aero and/or Tires projects
 - If Aero and/or Tires are combined on the same vehicle with a verified exhaust control technology funded under this RFP, EPA will fund up to 100% of the cost of all technologies
 - Example: Low Rolling Resistance Tires AND Diesel Particulate Filter on a truck

Project Funding Percentage (Section I.B.2)



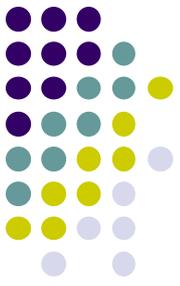
- Certified Engine Repowers
 - EPA will fund up to 40% of the cost
 - Repowers must be certified to a more stringent set of engine emission standards than the old engine
 - Repower costs may include associated hardware
 - The engine being replaced must be:
 - Scrapped, or
 - Rendered permanently disabled, or
 - Returned to the original engine manufacturer for remanufacturing
 - Nonroad engines to the cleanest certified emission standard possible
 - On-highway engines to MY 2007 or newer certified emission standards

Project Funding Percentage (Section I.B.2)



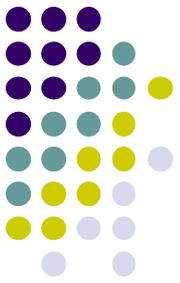
- Vehicle and Equipment Replacements
 - Drayage Vehicles - up to 50% of the cost
 - New drayage vehicles must be powered by a 2010 or newer model year certified engine
 - Must meet applicant's operational guidelines and definition of drayage truck, as stated in RFP
 - All other vehicles - up to 25% of the cost
 - New vehicles/equipment must be powered by a 2013 or newer model year certified engine
 - The vehicle/equipment being replaced must be:
 - Scrapped, or
 - Rendered permanently disabled, or
 - Returned to the original engine manufacturer for remanufacturing

Funding Restrictions (Section III.D)



- Funding restrictions for vehicles and equipment (Section III.D)
 - On-highway vehicles with a model year 1990 or older are NOT eligible
 - Nonroad equipment that operate less than 500 hours/year or with less than 7 years remaining useful life are NOT eligible
 - EPA has prepared a document to assist applicants in determining the remaining useful life
 - epa.gov/cleandiesel/documents/fy14-nonroad-remaining-useful-life.pdf
 - Locomotives and Marine engines that operate less than 1000 hours/year are NOT eligible.
 - Minimum usage requirements for marine and locomotive shore connection systems

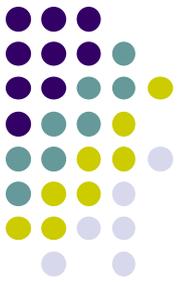
Funding Restrictions Cont'd (Section III.D)



- Marine and Nonroad repower/ replacement projects are eligible based on the original tier level and the new tier level
 - Not all projects are eligible

		Repowered or Replaced New Certified Engine					
		Tier 0/ Unregulated	Tier 1	Tier 2	Tier 3	Tier 4	
Current Engine Tier	Tier 0/ Unregulated	Marine	NO	YES	YES	YES	YES
		Other nonroad	NO	NO	YES	YES	YES
	Tier 1	Marine	NO	NO	YES	YES	YES
		Other nonroad	NO	NO	YES	YES	YES
	Tier 2	Marine	NO	NO	NO	YES	YES
		Other nonroad	NO	NO	NO	NO	YES
	Tier 3	Marine	NO	NO	NO	NO	NO
		Other nonroad	NO	NO	NO	NO	YES

Funding Restrictions Cont'd (Section III.D)



- Locomotive repower/ replacement projects are eligible based on the original tier level and the new tier level
 - Not all projects are eligible

		New Locomotive Tier					
		Tier 0+	Tier 1+	Tier 2+	Tier 3	Tier 4	
Current Locomotive Tier	Tier 0/ Unregulated	Locomotive	Yes	YES	YES	YES	Yes
	Tier 0+/1	Locomotive	NO	YES	YES	YES	YES
	Tier 1+	Locomotive	NO	NO	YES	YES	YES
	Tier 2	Locomotive	NO	NO	YES	YES	YES*
	Tier 2+	Locomotive	NO	NO	NO	YES*	YES*

* Applies to switcher locomotives only

Funding Restrictions Cont'd

(Section III.D)



- **Restriction for Mandated Measures:** No funds awarded under this RFP shall be used to fund the costs of emission reductions that are mandated under federal law.
- Specifically, locomotives and marine engines that are subject to the requirements of EPA's locomotive and marine rule, "Control of Emissions of Air Pollution from Locomotives and Marine Compression-Ignition Engines Less than 30 liters per Cylinder," will not be considered for funding under this RFP if the emission reductions proposed for funding are required by regulation.

Restriction for Mandated Measures Locomotive and Marine Engines Con't

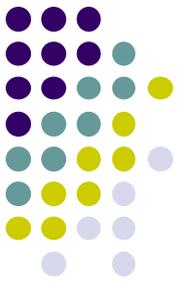


- Proposals which include locomotives and/or marine engines must include a clear and concise justification for why/how the proposed emission reduction are not subject to the Restriction for Mandated Measures under this RFP. The justification must clearly demonstrate that:
 - the target locomotives and/or marine engines are exempt from the requirements of EPA's locomotive and marine rule; or
 - emission reductions funded with EPA funds will be implemented prior to the effective date of any applicable requirements under the rule; and/or
 - emission reductions funded with EPA funds will not be used to satisfy any applicable requirements under the rule, but instead are in excess of (above and beyond) those required by the applicable mandate.

Restriction for Mandated Measures Locomotive and Marine Engines Con't

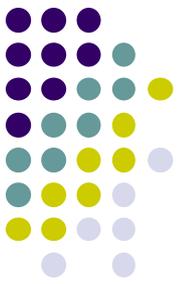


- Applicants must provide sufficient information to support the justification, including maintenance records, if applicable. The justification must also include a signed letter (Substantiation Letter) from the owner/operator of the subject locomotive(s) and/or marine engine(s) attesting to the accuracy of the information.
- This information should be included as an attachment to the proposal, and does not count towards the 10-page limit. Please see Appendix G of the RFP for additional information.



Reminder!

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Proposal Submission

- Submit proposals:
 - Electronically via www.grants.gov; or
 - Hardcopy via Regional Contact (Section IV.B)
- If not currently registered with Grants.gov, designate an Authorized Organization Representative (AOR) and begin the registration process as soon as possible.
- The registration process requires that your organization have a DUNS number and a current registration with the System for Award Management (SAM) and the process of obtaining both could take a month or more.

Proposal Submission



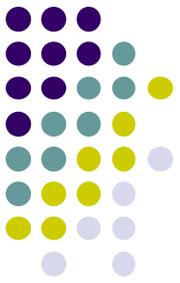
- Applicants must submit their proposal to the EPA regional office which covers the geographic project location.
- The term “project location” as used in this RFP refers to the primary area where the affected vehicles operate, or the primary area where the emissions benefits of the project will be realized.
- For long-distance fleets, the applicant should decide which Region the proposal should be submitted to and provide justification as to why that Region was selected - whether it is the Region where the fleet is based, or operates the majority of the time, or other factors that would justify award in that Region.



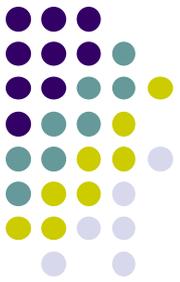
Proposal Evaluation Process

- Step 1: Threshold Criteria Review (Section III.C)
 - Must meet ALL 6 threshold criteria to move on to Step 2
- Step 2: Evaluation Criteria (Section V.A)
 - Eleven evaluation criteria – points assigned to each
 - 100 points possible

Proposal Selection Process



- Given numerical score and rank-ordered (following Steps 1 and 2, discussed previously)
- Funding Recommendation provided to EPA Approving Official
- EPA Approving Official considers rank and may consider Other Factors (Section V.C), then selects proposals to fund

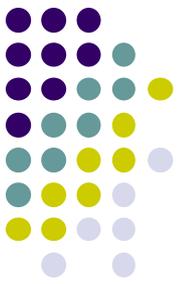


Evaluation Criteria (Section V.A)

Criteria	Points
Project Summary & Overall Approach	8
Results - Outcomes and Outputs	10
Programmatic Priority - Location	16
Programmatic Priority - Diesel Reduction Effectiveness	20
Other Programmatic Priorities	12
Regional Significance	10
Past Performance	8
Staff Expertise/Qualifications	4
Budget/Resources	4
Expenditure of Awarded Grant Funds	3
Applicant Fleet Description	5

Evaluation Criteria (Section V.A.3)

Programmatic Priority- Location



- Proposals will be evaluated based on the location of the project
 - (8 pts) projects located in a priority county or area (Appendix D)
 - Designated as PM 2.5 or 8-Hr Ozone Nonattainment Areas or 8-Hr Ozone Maintenance Areas
 - Where all or part of the population is exposed to more than $2.0 \mu\text{g}/\text{m}^3$ of diesel particulate matter emissions
 - That are designated as Federal Class I Areas
 - That have been accepted to participate in EPA's Ozone or PM Advance Programs by the close of this RFP, June 17, 2014
 - www.epa.gov/cleandiesel/documents/fy14-county-area-list.pdf
 - (8 pts) projects located in areas of highly concentrated diesel pollution - ports, rail yards, terminals, construction sites, school bus depots/yards or distribution centers
- If a proposal includes vehicles operating in more than one county or area:
 - Each vehicle will receive a score under this criterion
 - Individual vehicle scores will be averaged to create one score for the criterion

Evaluation Criteria (Section V.A.4)

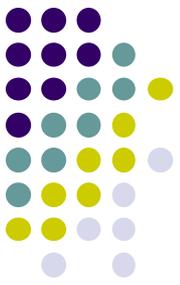
Programmatic Priority - Diesel Reduction Effectiveness



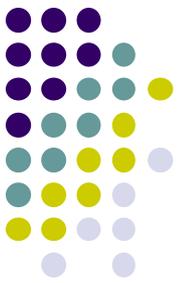
- (20 pts) Applicants will be evaluated on the extent to which the project effectively reduces diesel emissions, by maximizing the useful life and annual operating hours of any certified engine configuration or verified technology
 - Scores are based on the age and annual operating hours of the vehicle, and the effectiveness and cost of the control strategy.
 - See Appendix E for scoring information
- If a proposal includes more than one vehicle/ technology combination,
 - Each vehicle will receive a score under this criterion
 - Individual scores will be averaged to create one score for the criterion

Evaluation Criteria (Section V.A.5)

Other Programmatic Priorities



- Applicants will be evaluated on the extent and quality to which the project addresses the following:
 - (8 pts) Maximizes Public Health (Appendix F)
 - (2 pts) Uses a community-based multi-stakeholder collaborative process to reduce toxic emissions
 - Identify the community representatives and include contact info
 - (2 pts) Conserves diesel fuel



Regional Significance Factor –

- Under this criterion, proposals for projects in Regions 1, 2, 3, 4, 6, 7 and 8 will be evaluated based on the extent and quality to which the project advances one or more of the goals and priorities of the respective region, as identified in Section I.B.4 of the RFP.
- Under this criterion, proposals for projects in Regions 5, 9 and 10 will be evaluated based on the extent and quality to which the project advances all of the goals and priorities of the respective region (see Section I.B.4 of the RFP).



Cost-Share (Section III.B)

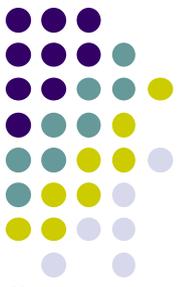
- Types of Cost-Share:
 - Mandatory and Voluntary (overmatch)
- Must be included on SF-424 & SF 424A forms and in the proposal budget
- The proposal must describe how and when the applicant will obtain the cost-share and how the cost-share funding will be used
- If the proposed cost-share is to be provided by a project partner, a letter of commitment is required

Consultant, Contractor & Vendor Participation



- Grantees must compete contracts for services and products.
- Applicants are not required to identify contractors, consultants, or vendors in their proposal.
- Naming a specific contractor, consultant or vendor in the proposal does not relieve the applicant of its obligations to comply with competitive procurement requirements.
- Applicants may not award sole source contracts to consultants, contractors or vendors assisting applicants with the proposal solely based on the firm's role in preparing the proposal.

Potential Pitfalls



- Project changes mid-stream are not likely to be allowed
 - Potential competition issues – scores are based on vehicles/technologies/locations
 - Applicants need to think through the project and anticipate technology challenges
- Vehicle & technology options & limitations
 - Not all technology combinations are appropriate for all vehicles
 - i.e. DPFs must meet exhaust temperature thresholds
 - Do as much homework ahead of time as possible to avoid complications

Potential Pitfalls



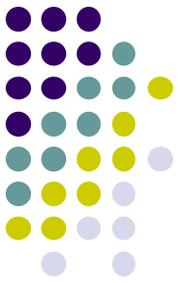
- Thoroughly plan and document engine upgrades & repowers
 - Upgrades & repowers must achieve reductions based on verified levels or to more stringent standards
 - Many older vehicles cannot accept current technology engines
 - Complete, new emission control systems must be included
 - Make sure to check model years and tiers of proposed engines to make sure they're eligible for funding

Potential Pitfalls



- Technology must be verified for *specific type* of vehicle and model year – check the EPA and CARB verified technologies lists!
 - Review verification letters, attachments & criteria
 - Thoroughly evaluate candidate vehicles
 - Obtain detailed documentation from vendors
 - Retain complete records for each installation
- Reporting, Reporting, Reporting
 - Expect more transparency and monitoring
 - Quarterly reports, detailed fleet info, nat'l databases, verifiable results & records

Tools and Resources



- Applicant Fleet Description
 - Required part of the proposal – describes fleet in detail
 - Sample available at www.epa.gov/cleandiesel/documents/fy14-afd-sample.xls
- Project Narrative Sample Format
 - www.epa.gov/cleandiesel/documents/fy14-narrative-sample.doc
- Priority County and Area List
 - www.epa.gov/cleandiesel/documents/fy14-county-area-list.pdf
- Model Years for Eligible Nonroad Engines and Equipment
 - www.epa.gov/cleandiesel/documents/fy14-nonroad-remaining-useful-life.pdf
- Diesel Emissions Quantifier (DEQ)
 - Can be used to show expected project results, cost-effectiveness, and public health benefits
 - www.epa.gov/otaq/diesel/resources.htm
- Technology Tips Guide
 - Helpful info about each type of project, technical issues to look out for, etc.
 - www.epa.gov/cleandiesel/documents/420p11001.pdf

Additional Support



- Frequently Asked Questions
 - Posted weekly, on webpage
 - List will include questions from today's webinar
 - Deadline for submitting questions is Wednesday, June 6, 2014
 - Submit questions via email to cleandiesel@epa.gov or 1-877-NCDC-FACTS (1-877-623-2322)
 - Type "RFP Question" in the subject line of email

<http://www.epa.gov/cleandiesel/prgnational.htm>

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