

Questions and Answers: Clean Diesel Funding Assistance Program

FY 2016 (RFP# EPA-OAR-OTAQ-16-02)

Wednesday, April 20, 2016

The following Questions and Answers have been compiled for the benefit of organizations considering applying for a grant under the above Request for Proposals (RFP).

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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

A.1: *Can individuals or private companies apply for funding under this competition?*

Answer: No. Only eligible entities as defined in the RFP are eligible to apply for EPA funding.

Date Posted: 2/23/2016

A.2: *Can a privately owned fleet receive funding?*

Answer: Only eligible entities as defined in the RFP are eligible to apply directly to EPA for funding under this RFP. However, both public and private fleets may benefit from program activities and EPA encourages private fleet owners to partner with eligible entities for the implementation of diesel emission reduction projects. There are several ways that an eligible entity can provide funding/benefits to fleet owners, including subgrants, rebates, or partnerships.

Date Posted: 2/23/2016

A.3: *Are there specific entities that private companies are required to partner with?*

Answer: Private companies can partner with any eligible entity defined in the RFP. 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.

Date Posted: 2/23/2016

A.4: *Is the manufacturer of an emissions reduction device eligible for this grant?*

Answer: Manufacturers who would like to have their retrofit products eligible for purchase by recipients of this grant program must be listed on EPA or CARB's verified retrofit technology list. An overview of the Verification Process is available at: www.epa.gov/otaq/diesel/verification/index.htm. Funding under this program is not available for product testing/verification.

Date Posted: 2/23/2016

A.5: *We currently operate a privately owned fleet and provide transportation to contracted school districts. Are we eligible to apply for this grant?*

Answer: For-profit organizations and individuals are not eligible to apply directly for funding under this opportunity. However, both public and private fleets may benefit from program activities and EPA encourages private fleet owners to partner with eligible entities for the implementation of diesel emission reduction projects. 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. School districts are generally eligible entities, as defined above. There are several ways that an eligible entity can provide funding/benefits to private fleet owners and project partners, including subgrants and rebates.

Date Posted: 3/11/2016

A.6: *We are currently on the wait list for the EPA Clean Diesel School Bus Rebate Program. Are we eligible to apply for this grant? Can this grant be used to replace 4 of our old and not fuel efficient buses?*

Answer: Yes, if your organization is an eligible entity as defined in the RFP, you may apply for funding under this opportunity even if you are currently on the wait list for the EPA Clean Diesel School Bus Rebate Program. This funding opportunity is for grants, and is separate from the School Bus Replacement Rebate Program. However, in the event your organization were selected for funding under both the Rebate and the Grant programs, you would need to ensure that the same exact vehicles would not be funded/targeted under both programs, and/or withdraw one of the applications for funding. Please see the RFP for the list of eligible equipment, eligible activities, and funding levels.

Date Posted: 3/11/2016

A.7: *Are we eligible to apply if our proposed project would not take place in a priority area?*

Answer: Yes, applicants are eligible to apply even if the primary area where the affected vehicles/engines operate, or the primary area where the emissions benefits of the project will be realized is not listed as a priority area under the RFP.

Date Posted: 3/11/2016

A.8: *Are contractors supporting state or Federal government projects eligible?*

Answer: Contractors are not eligible to apply for funding directly from EPA. An eligible entity, such as a state air agency, may apply for the funding and if selected, would be the recipient of the EPA grant. A grant recipient may use grant funds to hire contractors to assist in the implementation of the project. Federal agencies are also not eligible for funding under this RFP.

Date Posted: 3/18/2016

A.9: *Is a marine vessel eligible if it operates in the United States, but is not flagged in the United States?*

Answer: Foreign or international organizations are generally eligible to receive subawards, or be beneficiaries of a project, even if they are not eligible to receive assistance agreements from EPA directly. The subaward must be consistent with applicable EPA regulations, EPA policies, EPA guidance, and OMB Circulars and the applicant must demonstrate that the target vehicles/engines operate, and will continue to operate, in the United States.

Date Posted: 3/18/2016

A.10: *Are there any exemptions that would allow a for-profit, privately owned, contracted public school bus company to be an eligible entity? We provide service to multiple districts in a large portion of a county in a priority area.*

Answer: No. For-profit organizations and individuals are not eligible to apply directly for funding from EPA under this opportunity. However, private school bus contractors may be eligible to apply for rebates under EPA's Clean School Bus Rebate Program; please visit www.epa.gov/cleandiesel/clean-diesel-rebates#2015sb for more information on that program.

Date Posted: 3/24/2016

A.11: *Is funding available nationwide?*

Answer: Yes, eligible project locations included the 50 United States, District of Columbia, Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands.

Date Posted: 3/24/2016

A.12: *Is a public power district (i.e. a municipality) eligible to apply?*

Answer: Yes, regional, state, or local municipalities that have jurisdiction over transportation or air quality are eligible applicants.

Date Posted: 4/1/2016

B. Project Eligibility

i. Exhaust Controls

B.i.1: *Are technologies that are CARB verified, but not EPA verified, eligible?*

Answer: Yes, funding may be used for EPA and/or CARB verified exhaust control retrofit technologies.

Date Posted: 2/23/2016

B.i.2: *Is funding available to replace existing DPFs on school buses?*

Answer: No. No funds awarded under this RFP shall be used for the purchase of exhaust controls if similar technologies have previously been installed on the truck or trailer.

Date Posted: 3/11/2016

B.i.3: *Why aren't technologies on EPA's De-listed Emerging Technologies List eligible?*

Answer: After two years on the Emerging Technologies List, retrofit technologies are classified as Verified (or Conditionally Verified), Certified, or Not Pursuing Verification. If the technology has been successfully verified as a retrofit, it will appear on the Verified Technologies List at www.epa.gov/otaq/diesel/verification/verif-list.htm. Technologies on the Verified Technologies List are eligible.

Date Posted: 3/11/2016

B.i.4: *Are exhaust control technologies required to have EPA/CARB verification prior to proposal submission?*

Answer: The type of exhaust control technology (e.g., DOC, DPF, SCR, upgrade kit, etc.) proposed for funding must be verified by either EPA or CARB for use on the specific vehicle/engine specified in the proposal at the time of proposal submission to EPA. If selected for funding, the actual exhaust control technology used by the grant recipient must be specifically named on EPA or CARB's Verified Exhaust Control Technologies lists at the time of acquisition, and used only for the specific vehicle/engine for which it is verified.

Date Posted: 3/11/2016

B.i.5: *Is emissions testing eligible in conjunction with the installation of an emissions reduction retrofit device?*

Answer: In order to be listed as an EPA or CARB "verified" emission control device, the device has already undergone extensive testing to quantify the expected emission reductions from the device. EPA grant funds may not be used for post-installation emissions testing.

Date Posted: 4/15/2016

New B.i.6: *Is use of exhaust control devices and alternative fuel for a diesel generator eligible?*

Answer: Yes. Verified exhaust control technologies and cleaner fuel use projects are allowed for eligible vehicles, engines and equipment, including diesel generators. The exhaust control technology used by the grant recipient must be specifically named on EPA or CARB's Verified Exhaust Control Technologies lists at the time of acquisition, and used only for the specific vehicle/engine for which it is verified. In addition, cleaner fuel use is only eligible when used in combination, and on the same engine, with a new eligible verified exhaust control.

Date Posted: 4/20/2016

ii. Engine Upgrades

No questions at this time.

iii. Cleaner Fuels Use

B.iii.1: *Are alternative fuel conversion systems eligible for funding?*

Answer: No, alternative fuel conversion systems are not eligible for funding under this funding opportunity.

Date Posted: 2/23/2016

B.iii.2: *Are projects for fueling infrastructure for the production and distribution of fuel (compressed natural gas, biodiesel, etc.) eligible?*

Answer: No. Funding will not be awarded to fueling infrastructure projects for the production and distribution of fuels.

Date Posted: 3/11/2016

B.iii.3: *Which fuels are considered cleaner fuels?*

Answer: Cleaner fuels include, but are not limited to, biodiesel, diesel emulsions, or additives verified by EPA or CARB, compressed natural gas, propane and other certified alternative fuels. While stand-alone cleaner fuel projects are not eligible for funding under this RFP, funding can cover the cost differential between the cleaner fuel and conventional diesel fuel if the cleaner fuel is used in combination with an eligible verified exhaust control, eligible engine upgrade, eligible certified engine repower, or an eligible certified vehicle/equipment replacement funded under this RFP.

Date Posted: 3/11/2016

B.iii.4: *Is an EPA-compliant alternative fuel (e.g. biodiesel) conversion system eligible for funding?*

Answer: Alternative Fuel Conversion Systems are not eligible for funding under the current DERA Request for Proposals. The Statutory Authority for DERA requires that funded technologies be EPA or CARB verified retrofit technologies, or EPA or CARB certified engine configurations. While there are many EPA-compliant conversion systems, those systems have not been EPA certified to achieve specific emission levels. The current RFP limits eligibility for retrofit/repower/replacement of on-highway engines to engine model years 1994-2006. There is currently only one EPA certified conversion system that is certified for the OEM engine model years that are eligible for funding under the current RFP. Therefore, the decision was made to not include alternative fuel conversions in this round of funding.

Date Posted: 3/18/2016

B.iii.5: *Biodiesel is listed on EPA's Verified Technology List; could you clarify whether biodiesel use qualifies as an exhaust control or a cleaner fuel under this RFP?*

Answer: Biodiesel use is considered cleaner fuels use for purposes of this RFP.

Date Posted: 3/24/2016

B.iii.6: *For cleaner fuels, would the reimbursement of the cost differential apply to all of the clean fuel purchased by the applicant or just the fuel used in the equipment purchased with the grant funds?*

Answer: Cleaner fuel will be funded only for new and/or expanded use of clean fuels. Funding can cover the cost differential between the cleaner fuel and conventional diesel fuel only if that cleaner fuel is used in combination, and on the same vehicle, with a new eligible retrofit or engine or vehicle funded under this RFP, as described in Section I.B.2. EPA will not fund stand-alone cleaner fuel use.

Date Posted: 3/24/2016

iv. Idle Reduction

B.iv.1: *Are idle reduction technologies eligible for funding under this RFP?*

Answer: Yes. Idle reduction projects may be eligible for funding if an eligible, verified idle reduction technology is combined with a new, eligible verified exhaust control on the same vehicle. A list of eligible, EPA verified idle reduction technologies is available at: www.epa.gov/smartway/forpartners/technology.htm#tabs-4. EPA will fund stand-alone idle reduction projects using eligible idle reduction technologies only for locomotives, marine shore power connection, truck stop electrification, and school buses with engine model year 2006 or older that have been previously retrofitted with a verified emission control device.

Date Posted: 2/23/2016

B.iv.2: *Is the replacement of diesel transport refrigeration units (TRU) with electric transport refrigeration units (eTRU) eligible for funding assistance under this RFP?*

Answer: Yes. Replacement of an existing diesel TRU consists of replacing the entire existing TRU, including the diesel engine and the compressor/cooling unit, with a newer, cleaner TRU. Nonroad engine eligibility is defined in Section I.B.1.e., Table 5.

Date Posted: 2/23/2016

B.iv.3: *Regarding locomotive shore connection systems, is funding available for both the technology onboard the locomotive as well as the land-side infrastructure?*

Answer: Yes, funding can cover up to 40% of the cost (labor and equipment) shore connection systems for locomotives, including both onboard and land-side costs.

Date Posted: 3/18/2016

B.iv.4: *Are idle reduction technologies which allow a truck to connect its diesel reefer trailer (TRU) to electricity while loading/unloading eligible?*

Answer: Eligible idle reduction projects include electrified parking spaces (EPS) which provide off-board electrical power to operate a plug-in refrigeration system that would otherwise be powered by a diesel engine. Funding can cover up to 25% of the cost (labor and equipment) of eligible electrified parking space technologies, including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the equipment functional. Please see Section I.B.2.d.2 of the RFP for more information. Verified idle reduction technologies are listed here:

<https://www.epa.gov/smartway/forpartners/technology.htm#tabs-4>.

Date Posted: 3/24/2016

B.iv.5: *Is the construction/installation of the equipment for Verified Shore Connection Systems and Truck Stop Electrification technologies an eligible expense?*

Answer: Yes. EPA will fund up to 25% of the cost (labor and equipment) of eligible shore connection systems and truck stop electrification technologies, including the construction and installation costs necessary to make the equipment functional.

Date Posted: 3/24/2016

B.iv.6: *May we apply for funding to add truck stop electrification and electric charging stations to a new truck stop?*

Answer: EPA will fund up to 25% of the cost (labor and equipment) to add eligible truck stop electrification technologies.

Date Posted: 4/8/2016

B.iv.7: *What is the funding level for a SmartWay verified idle reduction technology?*

Answer:

- Verified Idle Reduction Technologies on School Buses: EPA will fund to 100% of the cost (labor and equipment) of verified idle reduction technologies on school buses with model year 2006 or older engines that have been previously retrofitted with a verified emission control device.
- Verified Locomotive Idle Reduction Technologies: EPA will fund up to 40% of the cost (labor and equipment) of eligible idle reduction technologies on locomotives.
- Verified Shore Connection Systems and Truck Stop Electrification Technologies: EPA will fund up to 25% of the cost (labor and equipment) of eligible shore connection systems and truck stop electrification technologies.
- EPA will fund up to 100% of the cost (labor and equipment) of all other eligible, verified idle reduction technologies if that technology is combined on the same vehicle with a new eligible verified exhaust control funded under this RFP.

A list of eligible, EPA verified idle reduction technologies is available at:

www.epa.gov/smartway/forpartners/technology.htm#tabs-4.

Date Posted: 4/8/2016

New B.iv.8: *Can this grant be used to apply a SmartWay verified idle reduction technology to an ambulance?*

Answer: No, EPA verifies idle reduction technologies for specific vehicle types and applications. Currently, EPA has verified idle-reduction technologies for: long-haul, Class 8 trucks; locomotives; school buses; electrified parking spaces/truck stop electrification; marine shore power connection systems; and locomotive shore power connection systems.

Date Posted: 4/20/2016

New B.iv.9: *Is an idle reduction project for locomotives using grid power -- in a manner similar to the description provided for eligible marine shore power connection systems -- eligible?*

Answer: To be eligible, locomotive shore connection systems must be named on EPA's SmartWay Verified Technologies list at the time of acquisition, and used only for the vehicle/ engine applications specified on the list. You can find shore connection systems for locomotives on the second page of the SmartWay verified list at www.epa.gov/verified-diesel-tech/smartway-verified-list-idling-reduction-technologies-irts-locomotives. Additional manufactures of locomotive shore connection systems are encouraged to submit their technologies for EPA SmartWay verification, as described here: www.epa.gov/verified-diesel-tech/overview-smartway-verification-process-idling-reduction-technologies-irts.

Date Posted: 4/20/2016

v. Aerodynamics and Tires

No questions at this time.

vi. Engine Repowers

B.vi.1: *Is equipment that must be replaced or repowered due to a State or Local regulation eligible for grant funding?*

Answer: Yes. While replacements that would have occurred through normal attrition are considered to be the result of normal fleet turnover and are not eligible for funding, normal attrition does not include replacements that must occur due to a State or Local mandate.

Date Posted: 3/11/2016

B.vi.2: *Are locomotives proposed for repowering required to operate exclusively in a particular location such as a city, county, or air quality region?*

Answer: Vehicles/equipment do not have to operate in a specific location to be eligible for funding. However, the DERA program places a priority on projects that are located in areas of poor air quality and that have the highest emissions from diesel engines. 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. If a single proposal includes vehicles operating in more than one county the workplan should indicate where each vehicle operates and the amount (%) of time spent in each county. A list of priority counties that will receive points under Section V, Criterion #2.B and C of this RFP can be found at: www.epa.gov/sites/production/files/2016-01/documents/fy16-county-area-list.pdf. Vehicles or equipment proposed for funding under this RFP must be operated a majority of the time in one of the priority counties listed in order to receive points under Section V, Criterion #2.B and C of this RFP. It is expected that funded vehicles will continue to operate in the project location during and after the project period.

Date Posted: 3/11/2016

B.vi.3: *Do marine engine repower projects that increase horsepower by over 25% require approval prior to submitting a proposal?*

Answer: No, approval is not needed prior to submitting a proposal. For application purposes, applicants should assume EPA will cover the applicable EPA cost-share of the new equipment, as defined in the RFP. In the project/budget narrative, applicants should include a justification for why a more than 25% increase in HP is needed, and should also discuss the difference in emissions benefit (if any) between the existing engine and a new engine of comparable size (within 25% HP of the existing engine) and between the existing engine and a new engine of higher HP (greater than 25% HP of the existing engine). Further, applicants should identify the cost of a comparable new engine (within 25% HP of the existing engine), and compare the difference in cost between a comparable new engine and the proposed larger new engine. If selected for funding, EPA will negotiate the final budget and eligible costs with the applicant, and the applicant may be required to pay the additional costs associated with the higher horsepower equipment.

Date Posted: 3/11/2016

B.vi.4: *Are engine conversions for heavy-duty diesel engines to compressed natural gas eligible?*

Answer: No, alternative fuel conversion systems are not eligible for funding under this funding opportunity. However, engine repower (replacing an existing engine with a new engine certified for use with diesel or a clean alternative fuel) is an eligible activity. Additionally, some locomotives and marine engines are able to be upgraded through the application of a certified remanufacture system (which may or may not include alternative fuels).

Date Posted: 3/11/2016

B.vi.5: *If we're required to pay the additional costs associated with higher horsepower equipment in a marine repower project, how are costs calculated?*

Answer: For application purposes, applicants should assume EPA will cover the applicable EPA cost-share of the new equipment, as defined in the RFP. In the project/budget narrative, applicants should include a justification for why a more than 25% increase in HP is needed, and should also discuss the difference in emissions benefit (if any) between the existing engine and a new engine of comparable size (within 25% HP of the existing engine) and between the existing engine and a new engine of higher HP (greater than 25% HP of the existing engine). Further, applicants should identify the cost of a comparable new engine (within 25% HP of the existing engine), and compare the difference in cost between a comparable new engine and the proposed larger new engine. If selected for funding, EPA will negotiate the final budget and eligible costs with the applicant, and the applicant may be required to pay the additional costs associated with the higher horsepower equipment.

Date Posted: 3/11/2016

B.vi.6: *Is an all-electric repower of a diesel powered dredge (which sits on a floating barge) eligible for funding? I ask this because Table 3: Marine Engine Eligibility on page 6 does not include an "All-Electric" column like the nonroad and locomotive tables do.*

Answer: The diesel engine powering the dredge is likely a nonroad engine, not a marine engine. In this case you should follow the nonroad engine eligibility criteria. If the existing engine is a Tier 2 or lower certified marine engine, replacing the engine with an electric power source is an eligible repower project even though it is not listed in Table 3.

Date Posted: 3/24/2016

B.vi.7: *We would like to repower terminal tractors with electric engines. To extend the life of the equipment, may we purchase a new chassis/frame of the same type and repower the chassis with the electric engine?*

Answer: A project which uses grant funds to replace an existing diesel engine with a new, 2015 engine or electric motor is eligible as an engine repower (i.e. the existing chassis will be used with the new engine). A project which uses grant funds to replace both the existing engine and the existing chassis with new a new, 2015 engine or electric motor and a new chassis (including all other vehicle components) is eligible as a full vehicle replacement.

Date Posted: 4/1/2016

vii. Vehicle/Equipment Replacements

B.vii.1: *Does the applicant have to fund a certain percentage of the replacement cost?*

Answer: Yes. Funding can cover up to 25% of the cost of a replacement vehicle or piece of equipment powered by a 2015 model year or newer engine certified to EPA emission standards. Funding can cover up to 35% of the cost of a replacement vehicle powered by a 2015 model year or newer engine certified to meet CARB's Optional Low-NOx Standard. Funding can cover up to 45% of the cost of a new, all-electric vehicle or

piece of equipment. Funding can cover up to 50% of the cost of a replacement drayage truck powered by a 2011 model year or newer certified engine. Applicants are responsible for cost-sharing the remainder of the replacement vehicle or equipment costs.

Date Posted: 2/23/2016

B.vii.2: *Can highway diesel vehicles be replaced with vehicles fueled by CNG, LNG, or other alternative fuels?*

Answer: Yes, as long as the replacement vehicle is powered by a 2015 model year or newer certified engine (2011 or newer for drayage trucks).

Date Posted: 2/23/2016

B.vii.3: *What types of replacement projects are eligible?*

Answer: Replacement projects can include the replacement of diesel vehicles/equipment with newer, cleaner diesel, electric (battery or fuel cell), hybrid or alternative fuel vehicles/equipment.

Date Posted: 2/23/2016

B.vii.4: *What will EPA fund for eligible drayage truck replacements?*

Answer: Funding can cover up to 50% of the cost of a replacement drayage truck powered by a 2011 model year or newer certified engine. Any maintenance costs that are required during the project period for the new drayage truck to maintain its warranty for diesel particulate filters (such as filter regeneration and cleaning) may be included in the project budget.

Date Posted: 3/11/2016

B.vii.5: *If replacing a nonroad engine with a Tier 4 engine, must the replacement engine meet Tier 4 final standards?*

Answer: Yes. The new engine must be a 2015 certified engine. The Tier 4 interim standards were phased out after model year 2014.

Date Posted: 3/11/2016

B.vii.6: *Does the replacement vehicle have to be used in the same location as the scrapped vehicle?*

Answer: Generally, yes. 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. To receive priority area points, the existing truck must operate in a priority area (therefore the emission benefits will be realized in that priority area). If the new, replacement truck will operate in a different area than the original truck, the applicant should provide justification.

Date Posted: 3/11/2016

B.vii.7: *Is the charging apparatus required for an all-electric vehicle replacement an eligible expense?*

Answer: Yes, the infrastructure necessary to make the all-electric vehicle functional is an eligible expense.

Date Posted: 3/11/2016

B.vii.8: *Can funds be used to replace diesel pumps with natural gas pumps?*

Answer: Yes. Eligible equipment includes stationary generators and pumps. The new engine or pump may be diesel, CNG, propane, electric, or other eligible alternate fuel as long as the new engine is a model year 2015 or newer engine certified to Tier 4 or better standards. Nonroad engine eligibility is defined in Section I.B.1.e., Table 5.

Date Posted: 3/11/2016

B.vii.9: *May we postpone scrapping our equipment after replacement? Much of our existing fleet is in a leveraged lease and we need to keep the vehicles "available for revenue service" for several years, even though they will not be used.*

Answer: Possibly. EPA will consider alternative scrappage methods/schedules on a case by case basis. The applicant should provide sufficient detail and justification in the proposal. EPA cannot close a grant until proof of scrappage has been provided, therefore the project period would need to be extended until scrappage can occur. If selected for funding, EPA will negotiate final terms and conditions with the applicant.

Date Posted: 3/11/2016

B.vii.10: *Is replacement of a 1987 truck eligible for funding? Is the whole truck eligible for replacement or only the engine?*

Answer: Entire vehicle replacement is an eligible activity, and engine repower (removing the engine and replacing it with a new engine) is also an eligible activity. However, heavy-duty highway vehicles with engine model year 1993 or older are not eligible for replacement or repower.

Date Posted: 3/11/2016

B.vii.11: *Is inductive charging infrastructure for electric vehicles (including electric trucks) eligible for funding?*

Answer: Charging infrastructure is not eligible as a stand-alone project. However, if the project includes repower/replacement of diesel powered vehicles with battery electric vehicles, then the purchase and installation of electrical infrastructure or equipment to enable the use of power by those vehicles is an eligible cost. However, if inductive charging infrastructure significantly increases the cost over traditional charging equipment, the cost differential may not be eligible for funding under the grant. Justification and comparison should be provided by the applicant in the proposal, and EPA will make this determination on a case-by-case basis.

Date Posted: 3/11/2016

Updated B.vii.12: *Are EPA and/or CARB certified Tier 4 switcher locomotives available? If a Tier 4 locomotive is awaiting certification at the time of application, will the locomotive be eligible if certification is completed at time of project implementation?*

Answer: Tier 4 switcher locomotives are available, and the locomotive must be EPA or CARB certified at the time of acquisition.

Date Posted: 3/24/2016

B.vii.13: *May applicants apply for funding for the replacement of a single truck?*

Answer: There is no minimum number of vehicles required for a project. However, each EPA Region has designated a preferred funding range as listed in Section II.A of the RFP. Proposals requesting federal funds below the preferred funding range are eligible and will be reviewed. Proposals requesting federal funds above the upper limit of the funding ranges are not eligible.

Date Posted: 3/24/2016

B.vii.14: *Is the replacement of diesel generators used for irrigation and well pumps with solar/electric/diesel generator hybrid power systems eligible for funding?*

Answer: Yes. The replacement generator must be powered by a model year 2015 or newer engine certified to Tier 4, or all-electric.

Date Posted: 3/24/2016

B.vii.15: *Is a new Class 8 truck with an aftermarket CNG conversion eligible as a replacement vehicle? I would like clarification how replacement vehicles can be fueled by alternative fuels if conversions are not eligible for funding.*

Answer: No, EPA will not fund the purchase of a new, diesel powered vehicle and then pay to have that vehicle converted to an alternative fuel (alternative fuel conversions are not eligible). An applicant may propose to:

- replace an old diesel vehicle with a new, 2015 diesel vehicle, or
- replace an old diesel vehicle with a new vehicle powered by 2015 model year engine that is certified by EPA or CARB to operate on an alternative fuel, or
- repower an old diesel vehicle with a new, 2015 model year engine that has been certified by EPA or CARB to operate on an alternative fuel.

All 2015 and 2016 EPA certified engines may be found here:

www.epa.gov/otaq/certdata.htm#oh. The fuel type is listed in the tables.

Date Posted: 3/24/2016

B.vii.16: *If an electric charging station or natural gas fueling station is required to fuel the proposed replacement vehicles in the proposal, is the fueling infrastructure 100% funded?*

Answer: No. For an all-electric replacement vehicle, funding can cover up to 45% of the cost of the project. The eligible cost of a replacement includes the cost of the vehicle itself, and modifications, attachments, accessories, or auxiliary apparatus necessary to make the equipment functional. For battery electric replacements, examples of eligible replacement costs include the purchase and installation of equipment to enable the use of power. A natural gas fueling station is not an eligible expense.

Date Posted: 4/8/2016

B.vii.17: *May we lease the vehicle/equipment replacement?*

Answer: In general, lease-purchases are eligible to the extent that the EPA funds and the mandatory cost-share funds can be expended during the grant project period. Typically project periods are 2 years; if replacement vehicles are leased to own, the grant project period must remain open through the lease period until such time as it can be demonstrated that the cost-share has been met. Otherwise the grantee cannot file the mandatory Final Financial Report and close the grant in compliance with the terms and conditions.

The applicant must demonstrate how leasing the vehicle is the more cost effective option. The applicant must also provide information on the sustainability of the project beyond the assistance agreement period, including a discussion of whom or what organization(s) will retain ownership of any vehicles, engines and/or equipment purchased with funding from this project.

Date Posted: 4/8/2016

B.vii.18: *Can funds be used to replace a building's backup diesel generator with a fuel cell?*

Answer: Under the FY 2016 Clean Diesel Funding Assistance Program, fuel cell technology is eligible only for drayage trucks, forklifts, and urban transit buses.

Date Posted: 4/15/2016

viii. Miscellaneous

B.viii.1: *Can funds be used for a project that has already been started or will be started before the expected award date?*

Answer: No. Any funding awarded under this announcement must be used for activities that will 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. Expenses incurred prior to the project period set forth in any assistance agreement resulting from this RFP are not eligible as a cost-share for proposed projects.

Date Posted: 2/23/2016

New B.viii.2: *Are vehicles with hydraulic hybrid transmissions eligible?*

Answer: A vehicle with a hydraulic hybrid transmission may be eligible as a replacement vehicle as long as the vehicle is powered by a 2015 model year or newer engine that is certified to EPA emission standards. Hydraulic hybrid transmissions are not eligible as a retrofit technology. Please note, however, that this funding cannot be used to expand a fleet, nor can it be used for activities taking place prior to the project period.

Date Posted: 4/20/2016

C. Vehicle, Equipment, and Engine Eligibility

C.1: *Are vehicles eligible for replacement under this grant if they are scheduled to be retired and scrapped by or before the end of the project period?*

Answer: No. Repowers or 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 defined as a replacement or repower that is scheduled to take place within 3 years of the project start date. Normal attrition is typically defined by the vehicle or fleet owner's budget plan, operating plan, standard procedures, or retirement schedule.

Date Posted: 2/23/2016

C.2: *Are commercial vehicles eligible?*

Answer: Yes, commercial vehicles are eligible under this RFP as long as the applicant meets the definition of an eligible entity.

Date Posted: 2/23/2016

C.3: *Please describe eligible diesel trucks.*

Answer: For the purposes of this RFP, eligible heavy-duty highway vehicles are defined as Class 5 through Class 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). Class 1 - Class 4 vehicles (i.e., 16,000 lbs or less GVWR) are not eligible. Highway vehicle eligibility is defined in Section I.B.1.b., Table 2.

Date Posted: 2/23/2016

C.4: *Would antique diesel locomotives be eligible for this grant opportunity?*

Answer: There is no age limit on eligible locomotives, however locomotives must operate more than 1,000 hours per year.

Date Posted: 3/11/2016

C.5: *Is there a time requirement for a company to have owned vehicles or equipment before they can be included in a project?*

Answer: No, there is no minimum time required.

Date Posted: 3/11/2016

C.6: *Are natural gas powered heavy-duty vehicles which utilize a Power Take Off (PTO) system to produce electricity to power the Transport Refrigeration Unit (TRU) eligible?*

Answer: Replacement of an eligible diesel powered vehicle with a natural gas powered vehicle is an eligible project. Replacement of an eligible diesel powered TRU with a new TRU is an eligible project. Replacement of a diesel powered truck/TRU combination with a natural gas powered truck/TRU combination is an eligible project (including PTO systems).

Date Posted: 3/11/2016

C.7: *Are Class 3 highway trucks eligible?*

Answer: No. Eligible highway diesel vehicles only include Classes 5-8 (except for school buses, as defined in the RFP).

Date Posted: 3/11/2016

C.8: *Are school buses model years 1982 to 1986 eligible for replacement?*

Answer: No, school buses must be model year 1993 or newer to be eligible for replacement.

Date Posted: 3/11/2016

C.9: *Are diesel-powered stationary cranes located on barges eligible?*

Answer: Yes. 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) are eligible.

Date Posted: 3/11/2016

C.10: *Where can I find an updated table for nonroad engine eligibility?*

Answer: Nonroad engine eligibility is defined in Section I.B.1.e., Table 5.

Date Posted: 3/11/2016

C.11: *Can two locomotives that operate more than 1000 hours per year when combined be replaced with one new locomotive that will perform the same duties of both locomotives it is replacing?*

Answer: Yes, however the applicant must provide sufficient details regarding the current location, operation and use of the two existing locomotives as well as how the new locomotive will be able to perform the work previously done by two locomotives.

Date Posted: 3/18/2016

C.12: *Do switcher and line-haul locomotives have to meet EPA definitions in order to be eligible for funding?*

Answer: To be classified as a locomotive under the RFP, the existing equipment must meet the EPA regulatory definition of a locomotive, as given below. Equipment not meeting the definition of a locomotive may be eligible under the RFP as nonroad engines/equipment. Further, existing switcher locomotives may be replaced with railcar movers as long as the railcar mover is powered by a 2015 or newer certified Tier 4 engine or is all-electric.

Locomotive means a self-propelled piece of on-track equipment designed for moving or propelling cars that are designed to carry freight, passengers or other equipment, but which

itself is not designed or intended to carry freight, passengers (other than those operating the locomotive) or other equipment. The following other equipment are not locomotives: Equipment designed for operation both on highways and rails is not a locomotive. Specialized railroad equipment for maintenance, construction, post-accident recovery of equipment, and repairs; and other similar equipment, are not locomotives. Vehicles propelled by engines with total rated power of less than 750 kW (1006 hp) are not locomotives, unless the owner (which may be a manufacturer) chooses to have the equipment certified to meet the requirements of 40 CFR Part 1033. For locomotives propelled by two or more engines, the total rated power is the sum of the rated power of each engine.

Date Posted: 3/18/2016

C.13: *Our diesel buses are used for transporting students, but do not meet the National Highway Transportation Safety Administration's definition outlined in the RFP. Are the buses still eligible?*

Answer: If your vehicle does not meet the school bus definition, the vehicles may be eligible as a Class 5 – Class 8 heavy-duty highway vehicle.

Date Posted: 3/18/2016

C.14: *Are there any exceptions to the 500-hour annual runtime eligibility requirement for nonroad vehicles?*

Answer: No, funds awarded under this RFP cannot be used to retrofit, repower, replace or upgrade nonroad engines and equipment that operate less than 500 hours per year.

Date Posted: 3/24/2016

C.15: *Is a rebuilt 1981 marine engine eligible for repower?*

Answer: Yes. Marine engines that are currently certified to Tier 2 or lower standards are eligible for repower. Marine engines built after model year 1972 may be subject to EPA's Marine Remanufacture Program, however, certain engines are exempt from the rule. If the engine is subject to the rule requirements, the applicant may be able to demonstrate that the proposed emission reductions funded with EPA funds:

- will be implemented prior to the effective date of any applicable requirements under the rule, and/or
- will not be used to satisfy any applicable requirements under the rule, but are in excess of (above and beyond) those required by the applicable mandate.

All proposals which include marine engines must include a clear and concise justification in Section 1 of the Project Narrative for why/how the proposed emission reduction is not subject to the Restriction for Mandated Measures under this RFP.

Date Posted: 3/24/2016

C.16: *Are existing locomotives that are higher than Tier 2+ eligible for funding?*

Answer: No, existing locomotives currently certified to higher than Tier 2+ are not eligible.

Date Posted: 4/1/2016

C.17: *For switcher locomotives, does time spent idling count toward the minimum 1,000 hours per year the locomotive must be in use?*

Answer: Yes.

Date Posted: 4/8/2016

New **C.18:** *Is nonroad equipment or vehicles used to move airport passengers eligible? Or must the equipment move only cargo?*

Answer: Nonroad equipment and vehicles for moving passengers are eligible.

Date Posted: 4/20/2016

D. Application Process

D.1: *Can you provide a list of past applicants or recipients?*

Answer: While EPA cannot release specific information on grant proposals, it does provide information on previously funded projects. Information on all previously funded projects may be found at www.epa.gov/cleandiesel/clean-diesel-national-grants#rfp.

Date Posted: 2/23/2016

D.2: *Where is the application for the grant program?*

Answer: The Request for Proposals (RFP) contains all project eligibility and application submission information. The RFP, as well as a Project Narrative sample template and an Applicant Fleet Description template, may be found at www.epa.gov/cleandiesel/clean-diesel-national-grants#rfp. Applicants can download an application package, which contains standard forms (SF) 424 and SF 424A from www.grants.gov under Funding Opportunity Number EPA-OAR-OTAQ-16-02. The Project Narrative and any supporting documents should be attached to the application package, and the full package submitted to EPA through www.grants.gov. Please refer to the Proposal Submission Checklist in Appendix E of the RFP to ensure that all required information is included in your package.

Date Posted: 2/23/2016

D.3: *Please explain the new "project sustainability" criterion.*

Answer: In the project narrative, applicants should include a discussion on how they will promote and continue efforts to reduce emissions after EPA funding for the project has ended. Please see Appendix B, Section 6 for additional information.

Date Posted: 2/23/2016

D.4: *Is funding priority only given to projects in counties that meet all four criteria outlined in Section I.B.3.a.1?*

Answer: No, the applicant will receive priority points if the project location meets any of the listed criteria.

Date Posted: 3/11/2016

D.5: *May the designated Authorized Organization Representative (AOR) for grants.gov be from a different organization than the applicant?*

Answer: Please contact Grants.gov support at support@grants.gov or 1-800-518-4726.

Date Posted: 3/11/2016

D.6: *With regards to the restriction for mandated measures, how will EPA award points for emission reductions above and beyond the Federal mandate for heavy-duty highway engines?*

Answer: Federal emissions standards/limits apply to all new engines at the time of manufacture. The DERA grant proposal should quantify all emission benefits gained by the new technology/engine/vehicle over the existing engine. The restriction for mandated measures applies to specific upgrade/rebuild/remanufacture requirements which apply to owners of marine engines, locomotives, and stationary engines. For those

applicable projects, applicants must demonstrate that emission reductions funded under the grant go above and beyond those required by the applicable mandate.

Date Posted: 3/11/2016

D.7: *What should a target fleet description include?*

Answer: Applicants must describe, to the extent possible, the fleet(s) targeted for the proposed project, including: target fleet type (e.g., school bus, ports and airports, construction, delivery truck, transit bus, locomotive, refuse hauler, utility vehicle, long haul truck, agriculture, mining, marine, stationary, city/county vehicle, emergency vehicle, other), number of vehicles, vehicle class or equipment type, serial/VIN# of engine/vehicle, engine make, engine model, engine model year, engine family name, horsepower, displacement, current tier level or emission standards, fuel type, amount of fuel used, annual miles travelled or annual usage rate, and annual idling hours. Applicants must describe, to the extent possible, the diesel emission reduction solution(s) applied to each targeted vehicle/engine, including (where applicable): year of retrofit action, new technology type, new technology make, new technology model, new engine family name, new engine model year, new horsepower, new displacement, new tier level or emission standards, new fuel type, annual idling hours reduced, and technology unit and installation costs. This information may be presented in a table format. Proposals for repowers should include the pre- and post- project standard emission levels of the engines to be repowered, in order to ensure that the repower will result in a net emissions reduction. A sample format for the Applicant Fleet Description may be downloaded at: www.epa.gov/file/2016-applicant-fleet-description-sample.

Date Posted: 3/11/2016

D.8: *Where is the list of verified shore connection systems for locomotives?*

Answer: You can find verified idle reduction technologies at www.epa.gov/smartway/forpartners/technology.htm#tabs-4; look under “Shore Connection Systems for Locomotives (SCS)”. An SCS system allows locomotives to shut down the main engine and utilize an electrical power source to maintain coolant temperatures and other critical functions while at the rail yard. SmartWay has verified SCS technologies from the product lines of the listed companies. Please note that the reference to Power Drives, Inc. model DWS-120 as a fuel operated heater is incorrect; the DWS-120 is an electric powered pump which circulates heated water or coolant.

Date Posted: 3/18/2016

D.9: *How is the priority county and area list updated each year?*

Answer: Priority areas for the 2016 RFP include counties and areas designated as PM 2.5 or 8-hr Ozone Nonattainment or Maintenance areas in EPA's Green Book of Nonattainment Areas for Criteria Pollutants (www.epa.gov/airquality/greenbk) or counties and areas where all or part of the population is exposed to more than 2.0 µg/m³ of diesel particulate matter emissions in the 2011 National Scale Air Toxics Assessment (NATA) (www.epa.gov/national-air-toxics-assessment/2011-national-air-toxics-assessment). Changes from last year's priority area list reflect the re-designation of attainment/nonattainment areas at the time of the RFP, and the 2015 release of the EPA's 2011 NATA data (previous NATA data was from 2005).

Date Posted: 3/24/2016

D.10: *Can multiple state agencies apply under one project application?*

Answer: Only one eligible entity may be listed as the applicant on the application. If selected for funding, the applicant organization is the sole recipient of the EPA funds and the recipient is responsible for overall project management, all required reporting, and is

accountable to EPA for the proper expenditure of funds. However, applicants/recipients can form partnerships with other entities for the purposes of the grant. There are several ways that an applicant/recipient can then provide funding/benefits to the other project partners/fleet owners (including subgrants, rebates, or other partnership agreements) in accordance with the applicable EPA grant regulations and the terms and conditions of the original award. The proposal should clearly explain the roles and responsibilities of all subgrantees/project partners.

Date Posted: 4/1/2016

D.11: *May we propose multiple emission reduction solutions for the same vehicle in a single proposal and decide which option to use if awarded funding?*

Answer: Yes, however the proposal must address the following:

- A discussion of how the applicant has weighed the available/eligible technology options for the target fleet and has arrived at the chosen diesel emission reduction solution(s);
- A description of all verified and/or certified technologies to be used or funded by the applicant; and
- Environmental outputs and outcomes.

These factors (and others as described the RFP) must be addressed for all proposed technologies. In other words, the applicant should calculate and compare the emission benefits that can be achieved with each of the proposed technologies.

Date Posted: 4/8/2016

D.12: *Is a Notice of Intent to Participate required to apply to the National Clean Diesel Funding Assistance Program?*

Answer: No.

Date Posted: 4/15/2016

D.13: *We have maps we would like to include as part of our application. Does that count towards the 11-page limit?*

Answer: Yes. The only required and/or optional attachments that do not count towards the page limit are the Applicant Fleet Description, Cost-Share Commitment Letters, Letters of Support/Partnership, Mandated Measures Justification Supporting Information, and resumes of key staff.

Date Posted: 4/15/2016

New **D.14:** *Where and how do I submit my application?*

Answer: Your application package must be submitted electronically to Grants.gov. If your organization is not currently registered with Grants.gov, please begin the registration process as soon as possible. Please note that the registration process also requires that your organization have a DUNS number and a current registration with the System for Award Management (SAM). Please refer to Appendix A for submission instructions.

Date Posted: 4/20/2016

New **D.15:** *How can we find out if we have DUNS number and if we are registered with the System for Award Management (SAM)?*

Answer: You may use the tool at iupdate.dnb.com/iUpdate/viewiUpdateHome.htm to lookup your company's DUNS number. Please visit www.sam.gov to check the status of your organization's SAM registration.

Date Posted: 4/20/2016

New D.16: *To whom should we address letters of support?*

Answer: Letters of support need not be addressed to anyone in particular. Letters of support should be included in your application package, but do not count toward the 11-page project narrative limit.

Date Posted: 4/20/2016

E. Project Administration

i. Competitive Procurement Requirements

E.i.1: *If a project is co-funded using an incentive program that requires an equipment supplier to be determined prior to application, will competitive procurement standards still apply?*

Answer: Yes, all 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 2 CFR Part 200, as appropriate. However, an existing contact may be utilized if the grantee or subgrantees can demonstrate that the vendor was selected through a competitive process that meets the requirements.

Date Posted: 3/18/2016

ii. General

E.ii.1: *Is a state match required?*

Answer: Not all project types require a cost-share; a mandatory cost-share is required for those projects involving engine upgrades, certain idle reduction technologies, shore connection systems, truck stop electrification technologies, certified engine repowers, or certified vehicle/equipment replacements. Please see Section III.B.1 for additional information about mandatory cost-share requirements.

Date Posted: 3/11/2016

E.ii.2: *What is the project period for this funding opportunity?*

Answer: The project period for awards resulting from this solicitation is expected to begin on October 1, 2016, with an expected project completion date no later than December 31, 2018. Applicants are expected to include a detailed timeline for the project including milestones for specific tasks, such as bidding, procurement, installation and reports.

Date Posted: 3/11/2016

E.ii.3: *Can DERA funds be leveraged with other funding sources? For example, could an applicant use DERA funds to meet the cost-share from another grant program?*

Answer: No funds awarded under this RFP shall be used for matching funds for other federal grants. There is no prohibition on using DERA funds as a cost-share on another, non-federal grant, however the rules and regulations governing the other, non-federal grant program will determine whether federal funds may be used as a cost-share under that program.

Date Posted: 3/18/2016

E.ii.4: *Could an applicant use funds from another grant program to meet the cost-share under a DERA grant?*

Answer: In general, state, tribal, local and private funds may be used as a cost-share on a DERA grant. Other federal grants may not be used as cost-share under DERA unless the statute authorizing the other federal funding provides that the federal funds may be used to meet a cost-share requirement on a federal grant. Further, the Budget

Narrative of the DERA proposal must include a detailed description of how and when the applicant will obtain the cost-share and how cost-share funding will be used. In the event that the DERA proposal is selected for funding and the other grant funding does not materialize, the grantee is legally obligated by the DERA award agreement to meet their cost-share commitment for any EPA DERA funds that are expended.

Date Posted: 3/18/2016

E.ii.5: *Is grant proposal writing/preparation services an allowable expense?*

Answer: No, proposal preparation cannot be reimbursed under this RFP. Only eligible costs incurred during the project period may be reimbursed.

Date Posted: 3/24/2016

E.ii.6: *Once an application is received and is awarded a certain amount of money, is the applicant obligated to continue or can they withdraw if other funding fails to come through?*

Answer: After an award is made, the recipient may terminate the award for convenience and return the funding at any time.

Date Posted: 4/1/2016

E.ii.7: *Does the grant award cover any costs for administering the grant to fleets?*

Answer: Yes, administrative costs are generally allowable. Applicants must provide a detailed Budget Narrative and Budget Table to account for how funds will be administered. See RFP, Appendix B, Section 9, for more information on cost categories.

Date Posted: 4/1/2016

New E.ii.8: *How will funds be distributed to successful grant recipients?*

Answer: Grant funds are typically distributed as reimbursements. Successful grant recipients can elect to use the Automated Standard Application for Payments (ASAP) system. ASAP is an automated drawdown system sponsored by the US Department of the Treasury. Via ASAP, the recipient initiates an electronic payment request which is approved or rejected based on the amount of available funds authorized by EPA in the recipient's account. Approved funds are credited to the recipient organization at the financial institution identified on the recipient's ASAP enrollment application. These funds can be used by the recipient to pay for valid invoices and other valid grant expenses.

Date Posted: 4/20/2016

New E.ii.9: *Are digital photos of the engine tag required in the application package?*

Answer: No. If selected, applicants are expected to submit digital photos of the engine tag in the final assistance agreement report submitted to EPA as part of their evidence of proper vehicle disposal.

Date Posted: 4/20/2016

New E.ii.10: *What is the cost-share required for the replacement of a diesel generator with a hybrid solar/battery system?*

Answer: For a nonroad replacement project, applicants are responsible for cost-sharing at least 75% of the cost of eligible equipment. If the eligible replacement equipment is all-electric, applicants are responsible for cost-sharing at least 55% of the cost.

Date Posted: 4/20/2016