

Questions and Answers: Clean Diesel Funding Assistance Program FY 2017 (RFP# EPA-OAR-OTAQ-17-04)

Thursday, June 29, 2017

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: 4/27/2017

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: 4/27/2017

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: 4/27/2017

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

Answer: Manufacturers are not eligible to apply directly to EPA for funding. 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 EPA's Verification Process is available at: www.epa.gov/verified-diesel-tech/learn-about-verified-technologies-clean-diesel. Funding under this program is not available for product testing/verification.

Date Posted: 4/27/2017

A.5: *Are we eligible to apply if our proposed project would not take place in a priority location?*

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: 4/27/2017

A.6: *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. However, applicants must request funding from the EPA regional office which covers their 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. The geographic boundaries for each EPA regional office are defined in Section IV.A of the RFP. Each proposal should have the EPA Region from which they are requesting funding clearly listed on the Cover Page of the Project Narrative. Each proposal may only request funding from one EPA regional office.

Applicants can submit a total of three (3) proposals overall under this solicitation. More than one (1) proposal may be submitted to the same EPA Region, or applicants may submit proposals to multiple EPA Regions. However, each proposal must be for a different project and must be submitted separately. An applicant cannot submit two proposals that both request funding for the same project (i.e., the same target fleet or group of fleets).

Date Posted: 4/27/2017

A.7: Are school districts eligible for this funding opportunity?

Answer: Public school districts are generally eligible entities. 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. The term "jurisdiction" in this context is generally defined as the ability to make decisions which impact transportation or air quality. For example, a school district would be eligible because it is a state or local agency which owns and/or operates diesel fleets and it is responsible for decisions regarding transportation of students.

Date Posted: 4/27/2017

A.8: Are school bus contractors eligible?

Answer: No, private school bus contractors are not eligible to apply for funding directly from EPA. 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 private fleet owners, including subgrants, rebates, or other types of partnerships. Please see Section III.A of the RFP for more information.

Date Posted: 4/27/2017

A.9: Is a nonprofit recycling center which operates a waste hauler eligible to apply?

Answer: In general, no. To be eligible, nonprofit entities must be able to demonstrate that they either: 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: 4/27/2017

A.10: Can federal agencies apply for funding under this competition?

Answer: No, federal agencies are not eligible.

Date Posted: 5/4/2017

A.11: Can small fleets apply for this funding opportunity?

Answer: Yes, both small and large fleets are eligible to participate as long as all other eligibility criteria are met.

Date Posted: 5/11/2017

A.12: Does applying for the national grant prevent tribes from also applying to the tribal grant?

Answer: No. Applying to the National Clean Diesel Funding Assistance Program does not prevent tribes from applying to the Tribal Clean Diesel Funding Assistance Program as well. Note: If

a tribe is awarded funds under the National RFP, that tribe would not be eligible to receive funding under the Tribal RFP for the same exact projects.

Date Posted: 5/11/2017

A.13: *Are there resources for private companies interested in forming partnerships with eligible entities for this funding opportunity?*

Answer: Yes. Private companies interested in partnering with eligible entities may participate in EPA's Regional Diesel Collaboratives (www.epa.gov/cleandiesel/epa-regions-clean-diesel-collaboratives) to find networking opportunities. Eligible entities include regional, state, or local agencies, tribal governments (or intertribal consortia) and native villages, or port authorities, which have 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: 5/11/2017

A.14: *Are non-profit state universities eligible applicants?*

Answer: It depends if the university is officially classified as a state agency or a non-profit. State governments and agencies which have jurisdiction over transportation or air quality are eligible to apply. For example, a state university would be eligible if it owns and/or operates diesel fleets and is responsible for decisions regarding transportation of students. Non-profit organizations or institutions are only eligible if they can demonstrate that their mission/purpose is to: 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: 5/19/2017

A.15: *Do nonprofit applicants have to own the vehicles and engines targeted for emission reductions or can they partner with an entity that owns a fleet?*

Answer: No, applicants do not need to own the fleets targeted for emission reductions to be eligible to apply for funding. EPA encourages eligible entities to partner with fleet owners 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: 5/19/2017

A.16: *Are U.S. military installations eligible to receive funding under this competition?*

Answer: No, federal agencies are not eligible to receive DERA grant funds.

Date Posted: 5/19/2017

A.17: *Are we eligible to apply if we were awarded a rebate under the School Bus Rebate program but were unable to accept the funding?*

Answer: Yes, you may apply for funding under this funding opportunity. The National Grant program is separate from the School Bus Replacement Rebate Program. Participation in one program does not preclude you from participating in the other; however, an applicant may not accept funding from both programs for the same vehicle.

Date Posted: 6/8/2017

A.18: *Is a 501(c)(3) research organization that works on U.S.-Mexico and U.S.-Canada trade, including transportation, an eligible entity?*

Answer: To be eligible, nonprofit entities must be able to demonstrate that they either: 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: 6/21/2017

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: 4/27/2017

B.i.2: *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. 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: 4/27/2017

B.i.3: *Is the purchase of diesel particulate filter cleaning equipment eligible as a stand-alone project?*

Answer: No, the purchase of a DPF cleaner is not eligible as a stand-alone project under this funding opportunity. However, grant funds may be used to purchase DPF cleaning equipment as part of a larger project which includes the purchase and installation of DPFs on vehicles.

Date Posted: 5/4/2017

ii. Engine Upgrades and Remanufacture Systems

No questions at this time.

iii. Cleaner Fuels Use

B.iii.1: *Are projects for fueling infrastructure for the production and distribution of fuel (compressed natural gas, biodiesel, etc.) eligible?*

Answer: No. 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 fuels.

Date Posted: 4/27/2017

B.iii.2: *Which fuels are considered cleaner fuels?*

Answer: Cleaner fuels include, but are not limited to, biodiesel 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 replacement, or an eligible certified vehicle/equipment replacement funded under this RFP.

Date Posted: 4/27/2017

B.iii.3: *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: 4/27/2017

B.iii.4: *Is an alternative fuel conversion eligible?*

Answer: Yes. Funding can cover up to 40% of the cost (labor and equipment) of an eligible certified or compliant clean alternative fuel conversion. Eligible conversions are limited to those systems that have been certified by EPA and/or CARB, and those systems that have been approved by EPA for Intermediate-Age engines. EPA's lists of "Certified Conversion Systems for New Vehicles and Engines" and "Conversion Systems for Intermediate-Age Vehicles and Engines" are available at www.epa.gov/vehicle-and-engine-certification/lists-epa-compliant-alternative-fuel-conversion-systems; CARB's list of "Approved Alternate Fuel Retrofit Systems" are available at: www.arb.ca.gov/msprog/aftermkt/altfuel/altfuel.htm. To be eligible for funding, conversion systems for engine model years 1995-2006 must achieve at least a 30% NOx reduction and a 10% PM reduction from the applicable certified emission standard of the original engine. To be eligible for funding, conversion systems for engine model years 2007-2009 must achieve at least a 20% NOx reduction with no increase in PM from the applicable certified emission standard of the original engine.

Date Posted: 6/1/2017

B.iii.5: *Can you please provide examples of eligible cleaner fuel use projects?*

Answer: If an applicant is proposing engine or vehicle replacements to switch the fleet to operate on CNG, the grant can fund the cost differential between conventional diesel fuel and CNG for those vehicles. The quantity would be limited to the amount of fuel used by those vehicles during the grant period (approximately two years). The total cost would be limited to the maximum funding limit of the grant. This assumes that the CNG is more expensive than the diesel. If the CNG is cheaper there is no cost differential, and no fuel costs could be billed to the grant.

Another example would be a fleet that is converting to biodiesel. If a fleet of school buses requested grant funds to install diesel particulate filters on 50 buses, they could also request grant funds to pay the cost differential of fueling those buses with biodiesel (as compared to conventional diesel) during the grant period. The intent is to help them successfully transition to the cleaner fuel. Once the grant ends the fleet would be on its own to continue to pay for the biodiesel.

Date Posted: 5/4/2017

B.iii.6: *Can funding be used to convert used kitchen oil to biodiesel for use in municipal vehicles?*

Answer: No, producing biodiesel is not an eligible use of funding.

Date Posted: 5/4/2017

B.iii.7: *Is the use of a cetane enhancer fuel additive eligible? Is the associated retrofit of the fleet vehicles with an on-board dosing system to use cetane enhancers eligible?*

Answer: Cetane enhancers are verified for use with highway, 4-cycle, non-EGR equipped engines. For the project to be eligible, the additive must increase the cetane value of the fuel over the initial cetane value of the fuel. Use EPA's cetane enhancement NOx reduction calculation tool at www.epa.gov/sites/production/files/2016-03/cet_enh_calc.xls to determine the reductions that would be realized. On-board dosing systems are not a verified retrofit technology and are not eligible for funding. Cetane enhancers are typically added to bulk fuel deliveries or at the point of vehicle fill up. Please note, verified cetane enhancers fall under "Cleaner Fuel Use" for project eligibility and EPA will not fund stand-alone cleaner fuel use.

Date Posted: 6/1/2017

iv. Idle-Reduction

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

Answer: Yes. Idle reduction projects are eligible for funding. Lists of eligible, EPA verified idle reduction technologies are available at: www.epa.gov/verified-diesel-tech/smartway-technology.

Date Posted: 4/27/2017

B.iv.2: *May we apply for funding to add electrified parking spaces to a truck stop?*

Answer: EPA will fund up to 30% of the cost (labor and equipment) of eligible electrified parking space technologies.

Date Posted: 4/27/2017

B.iv.3: *Are Electrified Parking Space (EPS) idle reduction technologies that provide power to both hybrid and electric-only TRUs eligible?*

Answer: In general, yes. However, to be eligible the project must be able to demonstrate a reduction in diesel emissions. Depending on the configuration of the TRU, plugging into EPS technology while the TRU is stationary may or may not achieve a reduction in diesel emissions.

Date Posted: 4/27/2017

B.iv.4: *Is the replacement of a diesel transport refrigeration unit (TRU) eligible for funding assistance under this RFP? What about TRU trailers that are stationary?*

Answer: Yes. Replacement of diesel TRUs with new, clean diesel TRUs, hybrid TRUs, or eTRUs is covered under this RFP as long as the existing TRU nonroad engine meets the eligibility criteria outlined in Section III.D.15.b, Table 3. Eligible TRUs may be mobile or stationary.

Date Posted: 4/27/2017

B.iv.5: *Is the cost of construction to add electrified parking spots or truck stop electrification an eligible expense?*

Answer: Funding can cover up to 30% 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. This includes the installation (i.e., construction) of electrical infrastructure to support the EPS technology.

Date Posted: 5/4/2017

B.iv.6: *Are shore power projects limited to serving ocean-going vessels or can they power vessels with smaller engines?*

Answer: There are no engine size restrictions or criteria related to marine shorepower projects. However, applicants are required to demonstrate that the proposed system has the capacity, demand, and commitment to be utilized for more than 1,000 MW-hours per year. Smaller projects will be considered if the applicant can demonstrate cost/benefits.

Date Posted: 5/19/2017

B.iv.7: *Are refrigerated container rack systems used at ports eligible? If so, must it be a new installation or can it be a replacement system?*

Answer: Yes, a refrigerated container rack system which provides off-board electrical power to operate plug-in refrigeration systems that would otherwise be powered by diesel engines would fall under "Electrified Parking Space" eligibility. The project must achieve an emissions benefit. For example, if past and current port operations include refrigerated containers sitting on-site while powered by old diesel engines, then a project to install EPS technology which allows those diesel engines to be shut off would reduce emissions from the reefers and would therefore be eligible. If the port is expanding operations to allow more refrigerated trailers on-site than previous operations, or is replacing an existing container rack system, no emissions benefit is achieved and therefore the project would not be eligible.

Date Posted: 5/19/2017

B.vi.8: *We currently use auxiliary diesel engines (head-end power units) mounted on locomotives to provide climate control and other electrical needs to commuter rail cars while the train is off-duty. Is a project in which shore power will be supplied to maintain these functions an engine replacement or idle reduction project?*

Answer: This would be considered a locomotive idle reduction project. Locomotive shorepower allows locomotives to use an electrical power source instead of using the diesel main or diesel auxiliary engines while stationary to maintain heating, cooling, and other electrical services. It is not engine replacement because the auxiliary engines are not being removed from the train; the auxiliary engines are still needed when the train is in-service.

Date Posted: 5/19/2017

B.iv.9: *What percentage of locomotive idle reduction technologies will EPA fund?*

Answer: EPA will fund up to 40 percent of the cost of labor and equipment of eligible verified idle reduction technologies for locomotives.

Date Posted: 6/1/2017

B.iv.10: *Under idle reduction/electrified parking spaces, the RFP states EPA will fund up to 30% of the cost of eligible shore connection systems. Is truck stop electrification (TSE) eligible under this category?*

Answer: Yes. Section I.B.2.d.2 states, "Electrified Parking Spaces: Electrified Parking Spaces (EPS), also known as Truck Stop Electrification (TSE), operates independent of the truck's engine and allows the truck engine to be turned off as the EPS system supplies heating, cooling, and/or electrical power. The EPS system provides off-board electrical power to operate an independent heating, cooling, and electrical power system; a truck-integrated heating and cooling system; or, a plug-in refrigeration system that would otherwise be powered by an engine. Funding can cover up to 30% 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." A list of eligible, EPA verified idling reduction technologies,

including TSE, is available at: www.epa.gov/verified-diesel-tech/smartway-verified-list-idling-reduction-technologies-irts-trucks-and-school.

Date Posted: 6/8/2017

v. Aerodynamics and Tires

No questions at this time.

vi. Engine Replacements

B.vi.1: *Can DERA funds be applied to solar panel installations on long-haul trucks and trailers to charge electric refrigeration units?*

Answer: Solar panels may be eligible as part of an all-electric engine replacement configuration. For example, if a diesel powered truck refrigeration unit is replaced with a battery electric truck refrigeration unit (eTRU), solar panels to charge the eTRU may be included in the equipment costs (subject to the applicable cost-share).

Date Posted: 5/11/2017

B.vi.2: *Does the 25% maximum change in horsepower restriction for nonroad engines apply to marine engine replacements?*

Answer: Yes. Please note that exceeding the 25% limit does not make projects ineligible. However, applicants must provide sufficient justification as to why this limit is being exceeded for the project. For projects that exceed the 25% limit, the EPA cost-share might be limited based on the size of a comparable engine or an engine within the 25% threshold.

Date Posted: 6/15/2017

B.vi.3: *For engine replacements, do eligible costs include items required in addition to the new engine (such as gears, controls, and shipyard costs)?*

Answer: Yes. Charges for equipment and parts on engine replacement projects are eligible for funding if they are included in the certified engine configuration and/or are required to ensure the effective installation and functioning of the new technology, but are not part of typical vehicle or equipment maintenance or repair. The eligible cost of engine replacement includes the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the equipment functional, including related labor expenses. Examples of ineligible engine replacement costs include, but are not limited to: tires, cabs, axles, paint, brakes, and mufflers. Shipyard costs are also eligible and should be included in the "other" cost category in proposals.

Date Posted: 6/15/2017

B.vi.4: *Is a project to replace a marine engine with a hybrid electric engine which uses hydrogen fuel cells as the power source eligible?*

Answer: No. Hydrogen fuel cells are only eligible as engine replacements for eligible urban transit buses and drayage trucks as defined in this RFP.

Date Posted: 6/15/2017

New B.vi.5: *May we replace a marine diesel propulsion engine plus auxiliary engine with a diesel-electric genset and if so, at what funding level?*

Answer: Yes, a project that involves the replacement of an existing diesel propulsion engine with an auxiliary diesel-powered electric generator (genset) is considered an engine replacement. The new electric motors and the newer, cleaner engines comprising the genset are both eligible costs, with EPA funding up to 40% of the cost. Please note the engine replacement restrictions under Section III.D.9.b of the RFP.

Date Posted: 6/29/2017

vii. Vehicle/Equipment Replacements

B.vii.1: *Can highway diesel vehicles be replaced with vehicles fueled by CNG, LNG, propane, or other alternative fuels?*

Answer: Yes, as long as the replacement vehicle is powered by a 2017 model year or newer certified engine (2012 or newer for drayage trucks).

Date Posted: 4/27/2017

B.vii.2: *What types of replacement projects are eligible?*

Answer: Replacement projects can include the replacement of diesel vehicles/equipment with diesel, electric (battery or fuel cell), hybrid or alternative fuel vehicles/equipment such as CNG, LNG or propane.

Date Posted: 4/27/2017

B.vii.3: *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 vehicle must operate in a priority area (therefore the emission benefits will be realized in that priority area). If the new, replacement vehicle will operate in a different area than the original vehicle, the applicant should provide justification.

Date Posted: 4/27/2017

B.vii.4: *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: 4/27/2017

B.vii.5: *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 is the more cost effective option than buying. 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: 4/27/2017

B.vii.6: *Is a Tier 3 MY2017 engine acceptable as a marine engine replacement under this RFP per 40 CFR 1042.615 (Replacement Engine Exemption)?*

Answer: To be eligible for funding under this RFP, the replacement engine must be model year 2017 or newer, AND meet Tier 3 or Tier 4 emission standards. However, previous engine model year engines may be used if the engine is certified to the same emission standards applicable to engine model year 2017.

Whether an engine must meet tier 3 or Tier 4 in model year 2017 depends on the rated power and displacement of the engine. A manufacturer may not produce a new engine that meets a prior year regulatory emission standard unless the exemption provisions of 40 CFR 1042.615 are met. So, if the desired new engine is required to be Tier 4 in model year 2017, but the manufacture determines that no Tier 4 engines available have the appropriate physical or performance characteristics to replace the existing engine, and the manufacturer can demonstrate compliance with 40 CFR 1042.615, the manufacturer may produce a model year 2017 engine that meets Tier 3 standards. However, Tier 2 and lower engines are not eligible for funding under this RFP even if an exemption is granted under 40 CFR 1042.615.

Date Posted: 4/27/2017

B.vii.7: *Are State and Local mandated measures included under the restriction for mandated measures?*

Answer: No. The restriction for mandated measures only applies to federally mandated measures. DERA funding can be used for state and local mandates.

Date Posted: 5/11/2017

B.vii.8: *Is slightly used nonroad equipment with a Tier 4 engine model year 2016 acceptable for replacement equipment?*

Answer: Yes, if the Tier 4 replacement engine is certified to the same emission standards applicable to engine model year 2017. Please see the footnote to Table 3 in Section III.D of the RFP.

Date Posted: 5/11/2017

B.vii.9: *What engine model years are eligible for replacement?*

Answer: Eligibility varies by engine type. Please see Section III. D of the RFP for specifics: for onroad, see Table 2; for nonroad, see Table 3; for marine, see Table 4; for locomotive, see Table 5.

Date Posted: 5/11/2017

B.vii.10: *Is the replacement of diesel-powered generators with lithium battery-powered generators eligible for funding?*

Answer: Yes, eligible diesel-powered generators can be replaced with all-electric equipment using DERA funding. Please see Table 3 in Section III.D of the RFP for nonroad engine funding restrictions.

Date Posted: 5/11/2017

B.vii.11: *Does EPA require replacement public transit buses funded through the Clean Diesel Grant to be on the Transit Vehicle Manufacturer list?*

Answer: No. However, the transit bus must meet the eligibility criteria outlined in the RFP.

Date Posted: 5/11/2017

B.vii.12: *If I want to replace a Class 5 delivery box truck with a Class 6 truck because it will greatly decrease the number of delivery trips, VMT and fuel usage, is there any chance of obtaining a waiver?*

Answer: The funding restrictions in the RFP state that the replacement vehicle, engine, or equipment will continue to perform the same function and operation as the vehicle, engine, or equipment that is being replaced and that the replacement vehicle, engine, or equipment will be of the same type and similar gross vehicle weight rating or horsepower as the vehicle, engine, or equipment being replaced. An applicant may include a justification for increasing the weight class of the replacement vehicle and approval may be granted for vocational purposes.

If the proposal is selected for funding, and EPA does not think the increase in size is justified and/or reduces the cost effectiveness of the project, the applicant may be required to pay the additional (incremental) costs associated with the larger vehicle. There is no formal process for requesting or issuing waivers under the competitive grant program.

Date Posted: 5/19/2017

B.vii.13: *Are marine vessel replacement projects eligible for funding?*

Answer: No, full marine vessel replacement projects are not eligible. Marine engines are eligible for engine replacement and engine upgrades.

Date Posted: 5/19/2017

B.vii.14: *Under Section III.D.9.c.1, do current engine model year criteria apply to Tier 2 units being scrapped under a Tier 3 "replace and retain" project?*

Answer: No, in a Tier 3 scrappage "swap" situation as described in Section III.D.9.c.1, the Tier 2 or below engine or vehicle being scrapped does not need to meet the "Current Engine Model Year and Tier" requirements shown in Section III.D,15, Table 2. However, the scrapped unit must currently be in service, operate more than 500 hours per year, and have a similar usage profile as the replaced unit.

Date Posted: 5/19/2017

B.vii.15: *What are the funding amounts and mandatory cost-share requirements for vehicle replacements?*

Answer: EPA will fund up to 25% of the cost of an eligible highway diesel vehicle powered by an engine certified to EPA emission standards (i.e., applicants are responsible for cost-sharing at least 75% of the cost). EPA will fund up to 35% of an eligible vehicle powered by an engine certified to meet CARB's Optional Low-NOx Standards (i.e., applicants are responsible for cost-sharing at least 65% of the cost). EPA will fund up to 45% of the cost of an eligible all-electric vehicle (i.e., applicants are responsible for cost-sharing at least 55% of the cost).

Date Posted: 6/8/2017

B.vii.16: *We are going to replace a diesel school bus with a gasoline powered school bus. Is this an eligible project?*

Answer: A gasoline engine/vehicle may be eligible as a replacement if the applicant can demonstrate the certified emission limits of the new engine, the corresponding emission reductions achieved by the project, and that the new engine meets all other eligibility requirements. However, 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 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: 6/8/2017

B.vii.17: *Is replacing a diesel-powered generator with a solar and battery-powered system eligible?*

Answer: Yes. Replacing nonroad diesel equipment with all-electric (including solar-powered battery electric) is eligible.

Date Posted: 6/8/2017

B.vii.18: *May we replace a Tier 0 or Tier 1 switcher locomotive engine with a new Tier 3 engine under this RFP?*

Answer: No. Funding cannot be used to replace a locomotive engine with a Tier 3 or lower locomotive engine. Please see Table 5 in Section III.D of the RFP for locomotive engine funding restrictions.

Date Posted: 6/15/2017

B.vii.19: *We would like to convert some gasoline buses in our fleet to propane, and then scrap our older diesel buses. Is this an eligible project?*

Answer: No. The conversion of gasoline engines to run on alternative fuels is not an eligible use of funds under this RFP.

Date Posted: 6/15/2017

B.vii.20: *What are the requirements for replacement of fork lifts with hydrogen fuel cell fork lifts? Is there an accommodation for a hydrogen fueling station?*

Answer: The requirements are the same as they would be for a diesel or alternative fuel replacement project; the existing forklift must meet the model year requirements listed in the RFP. Additionally, fueling infrastructure projects are not eligible for funding.

Date Posted: 6/15/2017

B.vii.21: *May we replace our trucks with model year 2018 trucks powered with 2017 model year EPA certified engines?*

Answer: Yes, funding can cover up to 25% of the cost of medium heavy-duty and heavy heavy-duty replacement vehicles powered by a 2017 model year or newer engine certified to EPA emission standards. Please see the RFP Section III.D.13 and Table 2 for funding restrictions on highway vehicles.

Date Posted: 6/15/2017

B.vii.22: *Is the replacement of a locomotive train used for visitor tours/transportation eligible for funding under this RFP?*

Answer: To be eligible as a locomotive replacement, the existing engine must be a certified locomotive engine. If the engine is not actually a locomotive engine, it may be eligible as a nonroad engine replacement. Whether a locomotive engine replacement or a nonroad engine replacement, the engine/equipment must meet all applicable eligibility criteria (e.g., age, size, usage, etc.) as defined in the RFP.

Date Posted: 6/15/2017

B.vii.23: *We would like to replace highway vehicles with nonroad vehicles. Is this eligible?*

Answer: The program criteria states that: 1) The replacement vehicle, engine, or equipment will continue to perform the same function and operation as the vehicle, engine, or equipment that is being replaced; and 2) The replacement vehicle, engine, or equipment will be of the same type and similar gross vehicle weight rating or horsepower as the vehicle, engine, or equipment being replaced. That said, replacing a highway vehicle with a nonroad vehicle may be eligible as long as #1 above is met and the applicant can demonstrate the emissions reductions achieved by the project. On highway engines are typically cleaner than nonroad engine, therefore emission benefits are going to be dependent on the emissions of the old engines versus the emissions of the new engines. In addition to demonstrating that new nonroad engines can provide comparable benefits to new on-highway engines, the applicant must provide technical/performance justification for switching to nonroad engines.

Date Posted: 6/21/2017

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: 4/27/2017

B.viii.2: *What type of projects are eligible to make use of alternative fuels?*

Answer: Eligible projects to use alternative fuels include: removing a diesel engine and replacing it with a new, certified alternative fuel engine (engine replacement); replacing an entire vehicle with a new, alternative fuel powered vehicle (vehicle replacement); or adding the use of cleaner fuel such as biodiesel to a retrofit project (cleaner fuel use).

Date Posted: 5/4/2017

B.viii.3: *Are technologies that are adopted and currently in use by original equipment manufacturers (OEM) considered certified or verified? If not, does their adoption by OEMs shorten the process?*

Answer: No, technology adoption by an OEM is not sufficient for certification or verification. Please note that there is a difference between EPA certification and EPA verification.

Certification refers to new engine configurations which are certified to achieve an emission standard. It includes the engine as well and any emission control devices that are part of the engine configuration in order to achieve the standard. Individual components are not certified as stand-alone devices when removed from the configuration.

Exhaust control technologies must be verified by EPA and/or CARB, and idle reduction technologies must be EPA verified, in order to be eligible under EPA's DERA grant programs. An overview of EPA's Verification Process is available at: www.epa.gov/verified-diesel-tech/overview-verification-process-clean-diesel-technology. Please contact Tech_Center@epa.gov with questions related to EPA verification of retrofit and idle reduction technologies.

Date Posted: 5/4/2017

B.viii.4: *Is there a maximum number of vehicles allowed in a fleet?*

Answer: No, there is no restriction on the number of vehicles you can include in your fleet. However, the total funding requested by an applicant must not exceed the amount specified for each Region. See Section II, A for more information about funding limits.

Date Posted: 5/11/2017

B.viii.5: *Are electric charging stations eligible for funding?*

Answer: They are not eligible as a standalone project but may be eligible as part of an all-electric engine or vehicle replacement project.

Date Posted: 5/11/2017

B.viii.6: *Is a project eligible if the vehicle operates in more than one county or state?*

Answer: Yes. If a single proposal includes vehicles operating in more than one location, the Project Narrative should indicate where each vehicle operates and the percent of time spent in each area. Priority area points will be prorated based upon the percent of time spent in the priority area.

Date Posted: 5/11/2017

B.viii.7: *If a vehicle or equipment is leased, can the leasee apply (through an eligible entity) for a grant to upgrade or replace the leased vehicle?*

Answer: Yes, if the owner/lessor agrees to having the work done on their vehicle and equipment. Applicants must include information on the ownership and operation of the vehicles, and demonstrate in their proposal that agreements are in place to keep the vehicle operating in the project location.

Date Posted: 5/19/2017

B.viii.8: *Are applicants allowed to apply for funding to support an incentive program to reduce vehicle miles traveled (VMT)?*

Answer: No, VMT reduction incentive programs are not an eligible project under this funding opportunity.

Date Posted: 5/24/2017

B.viii.9: *Are hybrid hydraulic and hybrid electric conversions eligible?*

Answer: Hybrids are eligible as full vehicle replacement or as a full engine replacement (i.e the purchase of an OEM certified engine configuration), or as the installation of a verified retrofit technology (currently only available for certain tugboats and rubber tire gantry

cranes). Further, certified and compliant alternative fuel conversions are eligible, however there are no hybrid systems currently on the lists of certified/compliant conversion systems.

Date Posted: 6/15/2017

B.viii.10: *Is the purchase of a battery-operated truck eligible for funding under this RFP?*

Answer: Funding under this RFP cannot be used for the purchase of vehicles to expand a fleet. However, replacing an existing diesel vehicle with a battery electric vehicle is eligible.

Date Posted: 6/15/2017

B.viii.11: *CARB has approved the use of "bonnet" type technologies to capture and control emissions from OGVs to comply with CARB's At-Berth Regulations. Are these types of technologies eligible for funding under DERA?*

Answer: No. Bonnet technologies are not currently verified as exhaust control retrofit technologies by EPA or CARB and therefore are not eligible.

Date Posted: 6/15/2017

B.viii.12: *Are telematic systems eligible for funding under this RFP?*

Answer: No, telematic systems are not eligible for funding.

Date Posted: 6/15/2017

B.viii.13: *Are fire truck exhaust removal technologies eligible under this funding opportunity?*

Answer: No. Fire truck exhaust removal technologies are not currently verified as exhaust control retrofit technologies by EPA or CARB and therefore are not eligible.

Date Posted: 6/21/2017

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. 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: 4/27/2017

C.2: *Is equipment that must be replaced due to a State or Local regulation eligible for 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: 4/27/2017

C.3: *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: 4/27/2017

C.4: *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.

Date Posted: 4/27/2017

C.5: *Are class 8 transit busses eligible? If so, what are the engine model year restrictions?*

Answer: Yes, transit buses are eligible. Please see Section III.D.13, Table 2: Medium and Heavy-Duty Trucks, Transit Buses, and School Buses Funding Restrictions for information about funding restrictions for the current engine model year and project type.

Date Posted: 4/27/2017

C.6: *Are trucks currently powered by natural gas eligible for replacement?*

Answer: No, funds cannot be used to upgrade vehicles that are not diesel powered.

Date Posted: 4/27/2017

C.7: *Are commercial fishing vessels eligible for these grants?*

Answer: Yes, commercial fishing vehicles are eligible under this RFP as long as the applicant meets the definition of an eligible entity. Please refer to Section III.D and Appendix D for information on marine engine eligibility, restrictions, and requirements.

Date Posted: 4/27/2017

C.8: *If a fleet's normal attrition schedule is affected by budget constraints, can we apply to replace vehicles that are being kept beyond their scheduled replacement because of lack of funding?*

Answer: Yes. Applicants must include a detailed explanation of the fleet's normal attrition schedule and demonstrate that the vehicle(s) included in the proposal would not have been replaced through normal attrition/fleet turnover for three years after the start of the project. Normal attrition is typically defined by the fleet owner's budget plan, operating plan, standard procedures, or retirement schedule.

Date Posted: 5/11/2017

C.9: *Is there a time requirement for a company to have owned vehicles or equipment before they can be included in a project? Is any background information, blue card, or former usage verification required for newly acquired vehicles?*

Answer: No, there are no specific ownership or acquisition requirements, however there are minimum usage requirements for existing nonroad, marine, and locomotive engines. Applicants must provide annual hours/miles and fuel use in order to calculate an emissions benefit of the upgrades. The estimates should be based on the current/future ownership, location and usage of the vehicles; where and how the vehicles were used by a previous owner is likely irrelevant.

Date Posted: 5/11/2017

C.10: *Is a sweeper with an eligible highway engine and a non-eligible auxiliary engine eligible for replacement? May we just consider the emission reductions from the highway engine only?*

Answer: Yes, the equipment would be eligible for vehicle replacement under the highway vehicle criteria.

Date Posted: 5/19/2017

C.11: *Is a vehicle with a 2008 model year engine eligible for replacement?*

Answer: A vehicle powered by a model year 2007-2009 diesel engine is eligible for replacement only with an all-electric (zero emission) vehicle. For a full list of model year restrictions for medium and heavy-duty trucks, transit buses, and school buses, please see section III.D.13, table 2, of the RFP.

Date Posted: 5/19/2017

C.12: *Are auxiliary engines eligible if they must be replaced due to state or local regulations?*

Answer: Yes, auxiliary engines are eligible provided they meet the relevant nonroad engine eligibility criteria outlined in the RFP.

Date Posted: 5/19/2017

C.13: *Is a heavy-rescue fire truck with a 1996 model year engine eligible for replacement?*

Answer: Any medium or heavy heavy-duty diesel vehicle, as defined in the RFP, is eligible for replacement provided it meets the eligibility criteria outlined in the RFP, such as size, age, and usage restrictions. See Sections I.B.2.g. and III.D. of the RFP for more information on replacement projects and funding restrictions.

Date Posted: 5/24/2017

C.14: *Are railcar movers or shuttle wagons considered freight switcher locomotives?*

Answer: If an existing diesel powered switcher locomotive is to be replaced with a railcar mover or shuttle wagon, the project is considered a locomotive replacement. If an existing railcar mover or shuttle wagon is to be replaced with a new railcar mover/shuttle wagon, to define the project we would need to look at what type of engine powers the existing equipment: is it a certified locomotive engine or a certified nonroad engine? If the new, replacement equipment is powered by a certified locomotive engine, then the new equipment must meet the locomotive engine funding restrictions in Sections III.D.19. If the new, replacement equipment is powered by a certified nonroad engine, then the new equipment must meet the nonroad engine funding restrictions in Section III.D.15. In either case, the new engine must be a 2017 model year Tier 4 engine (or all-electric).

Date Posted: 6/1/2017

C.15: *Are vehicles that have reached the end of their useful life eligible for replacement?*

Answer: "Useful life", as defined in EPA engine regulations, is not used to determine eligibility under this RFP. To be eligible for replacement, engines must meet the applicable model year requirements listed in Section III.D of the RFP. In addition, 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 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. In the Applicant Fleet Description, applicants need to define the "Remaining Life" (the total number of years of engine life remaining at the time of upgrade), and the "Normal Attrition Year" (year in which the vehicle would normally be retired/sold by the fleet owner if not for the grant). Some fleets may typically retire their vehicles when the vehicles have no remaining life, while other fleets may typically sell their vehicles to another owner when the vehicles still have remaining life left.

Date Posted: 6/1/2017

C.16: *How many hours does nonroad equipment need to operate annually to be eligible for funding?*

Answer: Nonroad engines must operate at least 500 hours per year to be eligible. Locomotive and marine engines must operate at least 1,000 hours per year to be eligible.

Date Posted: 6/8/2017

C.17: *What is meant by a "certified" engine?*

Answer: When referring to engines, certified means EPA or CARB certified. This means that the engines have been tested and received a certificate of conformity from the agency indicating that the engine meets EPA and/or CARB standards. For more information about EPA certified engines, please see www.epa.gov/compliance-and-fuel-economy-data.

Date Posted: 6/15/2017

C.18: *If we do not have a formal retirement schedule for our vehicles, does this mean they are ineligible for replacement?*

Answer: For fleets that do not have a set schedule for replacement, applicants must provide their best estimate for the normal attrition of their vehicle(s) based on current condition, usage, past attrition rates, and budget constraints.

Date Posted: 6/15/2017

C.19: *Do all-electric (i.e., zero emission) engines require EPA or CARB certification?*

Answer: No. Neither EPA nor CARB certification is required for all-electric systems.

Date Posted: 6/15/2017

C.20: *Are gasoline shuttle buses eligible for funding?*

Answer: No. The existing engine must run on diesel to be eligible.

Date Posted: 6/15/2017

C.21: *Does EPA look at CARB regulations when making sure that engines are replaced prior to any state required replacement date?*

Answer: DERA funding can be used to fulfill state and local mandates. If a vehicle is out of compliance with a state mandate it does not affect the eligibility of that vehicle, however, it may affect the strength of the proposal.

Date Posted: 6/15/2017

C.22: *Is a marine vessel with a Tier 3 engine eligible to be replaced or upgraded?*

Answer: No. Tier 3 marine engines are not eligible to be replaced or upgraded under this RFP.

Date Posted: 6/21/2017

C.23: *Is a stationary power generator with a 2006 model year engine eligible for replacement, provided it operates more than 500 hours per year?*

Answer: Eligibility for stationary diesel-powered generators depends on the current engine's horsepower, model year, and Tier. The engine manufacturer may be able to assist you in identifying this information if you are unable to find it on the engine tag. Please see Table 3 in Section III.D of the RFP for nonroad engine funding restrictions.

Date Posted: 6/21/2017

C.24: *Are nonroad trucks which haul bulk material being unloaded from barges to/from pier-side stockpiles considered drayage trucks?*

Answer: No. A "Drayage Truck" means any Class 8 (GVWR greater than 33,000) highway vehicle operating on or transgressing through port or intermodal rail yard property for the purpose of loading, unloading or transporting cargo, such as containerized, bulk or break-bulk goods.

Date Posted: 6/21/2017

New C.25: *Is a class 8 highway vehicle with an auxiliary diesel engine that's used to clean sewers a highway or nonroad vehicle under this funding opportunity? It is classified as nonroad by CARB due to its auxiliary engine but operates on the highway.*

Answer: If the existing main propulsion engine of the vehicle is a certified highway engine, then the project would be considered a highway vehicle replacement and must meet the eligibility criteria in Section III.D.13, Table 2 (even if the vehicle also contains nonroad auxiliary engines to operate pumps, sweepers, etc.). If the existing main propulsion engine of the vehicle is a certified nonroad engine, then the project would be considered a nonroad vehicle replacement and must meet the eligibility criteria in Section III.D.15, Table 3. If the project is only targeting the nonroad auxiliary engines, then the project would be considered a nonroad engine replacement.

Date Posted: 6/29/2017

New C.26: *Are garbage trucks eligible for replacement under this RFP?*

Answer: Yes. A garbage truck is eligible for replacement as long as the engine meets all applicable eligibility criteria, including the model year requirements listed in Table 2 of Section III.D of the RFP.

Date Posted: 6/29/2017

New C.27: *Are school buses with 1988 or 2010 model year engines eligible?*

Answer: No. Funding under this RFP is not available for highway vehicles with engine model years 1994 or older nor 2010 or newer.

Date Posted: 6/29/2017

New C.28: *Which replacement school bus engines are eligible for funding?*

Answer: Any EPA certified model year 2017 or newer engine is eligible for funding for vehicle/engine replacements. Please note the vehicle/engine replacement restrictions under Section III.D.9.b of the RFP.

Date Posted: 6/29/2017

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-awarded-2012-2016.

Date Posted: 4/27/2017

D.2: *How do I submit my proposal?*

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 must download an application package, which contains standard forms (SF) 424 and SF 424A from www.grants.gov under Funding Opportunity Number EPA-OAR-OTAQ-17-04. 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. You will find instructions to submit your proposal via grants.gov in Appendix A. Please refer to the Proposal Submission Checklist in Appendix E of the RFP to ensure that all required information is included in your package.

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). 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: 4/27/2017

D.3: *What should the applicant 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., Long Haul Combination, Long Haul Single Unit, Refuse Hauler, School bus, Short Haul Combination, Short Haul Single Unit, Transit Bus, Agriculture, Construction, Ports and Airports, Railyard, Stationary, Locomotive, Marine, Other),
- number of vehicles,
- vehicle class or equipment type,
- serial/VIN of current engine/vehicle, engine make, engine model, engine model year, engine family name, horsepower, displacement, tier level,
- fuel type, amount of fuel used, annual miles travelled or annual hours used, annual idling hours and annual hoteling hours (if applicable),
- remaining life at time of upgrade, and year in which the vehicle would normally be retired or sold by the fleet own if not for the grant activities (normal attrition year).

Applicants must describe, to the extent possible, the diesel emission reduction solution(s) applied to each targeted vehicle/engine, including (where applicable): year of upgrade action, new upgrade technology type, new upgrade make, new upgrade 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 and hoteling hours reduced, annual diesel gallons reduced, and upgrade unit and installation costs. A sample format for the Applicant Fleet Description may be downloaded at www.epa.gov/cleandiesel/clean-diesel-national-grants#documents.

Date Posted: 4/27/2017

D.4: *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: 4/27/2017

D.5: *Is there a minimum amount of funding that can be requested in a proposal?*

Answer: No, there is no minimum amount of funding you must request.

Date Posted: 4/27/2017

D.6: *If a boat operator is a tenant of one port, but services two ports, may either port apply on behalf of the boat operator?*

Answer: Either port may be the applicant. If the vessels operate in different areas, however, you should indicate where each vessel operates and the amount (%) of time spent in each area.

Date Posted: 5/4/2017

D.7: *Will DERA National Grants be available in 2018?*

Answer: Future funding is contingent upon Congressional appropriation. EPA will announce any future Clean Diesel funding opportunities via the website and email list.

Date Posted: 5/11/2017

D.8: *Is a copy of the presentation for the RFP information sessions available?*

Answer: Yes. The presentation is available at www.epa.gov/cleandiesel/clean-diesel-national-grants#info.

Date Posted: 5/11/2017

D.9: *Will we receive priority area points if the applicant is located in a priority area, but the project location is not?*

Answer: No. Vehicles or equipment proposed for funding under this RFP must be operated in at least one of the priority counties listed in order to receive priority area points. Priority area points will be prorated based upon the percent of time spent in the priority area.

Date Posted: 5/11/2017

D.10: *Will priority be given to projects that create jobs, especially green/sustainable jobs?*

Answer: Job creation is not a specific evaluation criterion.

Date Posted: 5/11/2017

D.11: *How many staff hours should be budgeted for reporting to EPA?*

Answer: The number of staff hours required for reporting will depend on the complexity of the project and the knowledge of the staff. Quarterly reports are fairly simple updates on what work has been performed to date and how much funding has been spent. Final reports are more detailed and will require more time to prepare. Good project tracking and recordkeeping by the grantee will make reporting much easier. Reporting templates are available for reference here: www.epa.gov/cleandiesel/clean-diesel-national-grants#reporting.

Date Posted: 5/11/2017

D.12: *Is there an average anticipated award amount for a successful grant applicant?*

Answer: No. Grant award amounts are determined by each EPA region within their respective funding limits. Award amounts will vary depending on the type and number of applications received and the funding amounts requested. Applicants are eligible to apply up to the funding limit set for each region.

Date Posted: 5/11/2017

D.13: *Are fuel cells an option in the DEQ?*

Answer: Yes. Fuel cells vehicles/engines are an option in the DEQ for certain applications.

Date Posted: 5/11/2017

D.14: *Does being in an SO2 non-attainment location give our proposal extra points?*

Answer: No. Location points are awarded for PM and ozone non-attainment or maintenance or certain levels of exposure to diesel PM. See the 2017 National Priority County list at www.epa.gov/sites/production/files/2017-03/documents/fy17-county-area-list.pdf.

Date Posted: 5/11/2017

D.15: *Which EPA Region we are in?*

Answer: A list of the states in each EPA Region can be found in Section IV.A of the RFP. You can also find a map of the Regions and Clean Diesel Collaboratives at www.epa.gov/cleandiesel/epa-regions-clean-diesel-collaboratives.

Date Posted: 5/11/2017

D.16: *If additional funding becomes available, will it be allocated to the Regions in the current proportions?*

Answer: Yes. If any additional funds become available, they will be allocated to the Regions based on the current formula. The RFP will be updated to reflect any new funding amounts and Regional funding limits.

Date Posted: 5/11/2017

D.17: *Why does EPA require a detailed fleet description?*

Answer: The purpose of the Applicant Fleet Description is to provide details about the existing vehicles and engines targeted for emission reductions and the reduction solution(s) that are being proposed. This information is used to confirm vehicle/engine eligibility and to estimate emission reductions from the proposed projects. Specific vendors do not need to be identified in the Applicant Fleet Description.

Date Posted: 5/11/2017

D.18: *Is funding for this program tied to the VW settlement?*

Answer: No. Funding from the VW settlement is not related to the National DERA Grant Funding Opportunity. The DERA Option in the VW Consent Decree pertains to the State Clean Diesel Program and the Tribal DERA Grant Program. For more information, visit www.epa.gov/cleandiesel/volkswagen-vw-settlement-dera-option.

Date Posted: 5/11/2017

D.19: *If the final EPA budget provides for higher funding amounts, will the revised RFP include a revised submission deadline?*

Answer: At this time, there are no plans to revise the submission deadline.

Date Posted: 5/19/2017

D.20: *Are engine manufacturers required to submit any documentation in support of an application?*

Answer: No. Engines must be certified to EPA emission standards, but manufacturers are not required to submit any materials.

Date Posted: 5/19/2017

D.21: *Are applications that include 3rd party partial funding at an advantage or disadvantage for this funding opportunity?*

Answer: Neither, however the applicant must demonstrate that they can meet mandatory cost-share requirements. If an applicant is partnering with named 3rd party funders for the mandatory cost-share, their application must include a letter of support from the 3rd party indicating that commitment. Applicants who are relying on a named 3rd party support to meet mandatory cost-share requirements but are unable to provide a letter of support from their named 3rd party partner can be at a disadvantage.

Date Posted: 5/19/2017

D.22: *Can I use the DEQ to estimate emission reductions from hybrid engines or vehicles or Electrified Parking Spaces/Truck Stop Electrification (EPS/TSE)?*

Answer: Yes, please see www.epa.gov/sites/production/files/2017-05/documents/deq-hybr-eng-veh-ems-reduct-calc.pdf and www.epa.gov/sites/production/files/2017-05/documents/deq-elec-park-space-truck-stop-elec-facil-calc.pdf.

Date Posted: 5/24/2017

D.23: *Would you recommend a tribe apply to the National RFP or wait for the Tribal RFP? Will the percentage of what EPA will fund be the same for the two grants?*

Answer: Tribes are eligible to apply under the National RFP and the Tribal RFP. Under the Tribal RFP, competition is limited to eligible tribal entities. Under the National RFP, tribal entities are competing against all eligible entities. The Tribal RFP typically offers increased flexibility and larger EPA cost-shares for certain types of engines and technologies.

Date Posted: 5/24/2017

D.24: *The RFP states that "EPA will fund up to 25% of the cost of an eligible vehicle powered by an engine certified to EPA emission standards". What determines the actual percentage paid to awarded grants?*

Answer: Applicants may request, and will be awarded, the maximum EPA cost-share for a given technology (in this case 25%). The RFP states that we will provide funding "up to 25%" because an applicant may request less than 25% funding from EPA if desired.

Date Posted: 6/15/2017

D.25: *Where can I find instructions on completing Form SF-424?*

Answer: You may review instructions for Form SF-424 at www.grants.gov/web/grants/form-instructions/sf-424-instructions.html. Required fields are marked with an asterisk (*) and noted in the instructions.

Date Posted: 6/15/2017

D.26: *Is there any general guidance for submitting a successful proposal?*

Answer: To the best of your ability, follow the project narrative instructions, format, and content. Proposals with missing or skipped sections are less likely to be successful.

Date Posted: 6/15/2017

D.27: *Would a regional truck servicing a route from one non-attainment area to another non-attainment area qualify for funding (e.g., Washington DC to Philadelphia)?*

Answer: Yes. Where vehicles operate is not an eligibility criterion; vehicles do not have to operate in a non-attainment area to be eligible. However, to receive priority points under project location, vehicles must operate in a non-attainment area. It is up to applicants to provide sufficient details about where the vehicles primarily operate and where they are traveling to in addition to the amount of time spent in a particular area. Priority area points will be awarded accordingly.

Date Posted: 6/15/2017

D.28: *To quantify anticipated emission reductions, may we use our projected future usage or must we use historical usage?*

Answer: In general, the replacement vehicle, engine, or equipment will continue to perform the same function and operation as the vehicle, engine, or equipment that is being replaced; therefore, historical usage and future usage should be the same or similar. If using EPA's Diesel Emission Quantifier, the user must enter usage information for the existing vehicle/engine (i.e., historical) such as annual mileage, hours, and fuel used. The only usage information entered for the new vehicle/engine is "annual diesel gallons reduced" (i.e., future).

Date Posted: 6/15/2017

D.29: *If I have a locomotive project and I'm not 100% sure whether it's "mandated" vs exempt, or above-and-beyond what's required, can I go ahead and submit my application and justification, and then will EPA work with me to clarify any gray areas? Or will EPA just reject my application?*

Answer: Proposals which include locomotives and/or marine engines and/or stationary engines must provide a EPA a clear and concise justification for why/how the proposed emission reduction are not subject to the Restriction for Mandated Measures. The justification must clearly demonstrate that either:

- the target engines are exempt from any federal requirements; or
- emission reductions funded under the Program will be implemented prior to the effective date of any applicable federal requirements; and/or
- emission reductions funded under the Program will not be used to satisfy any applicable federal requirements, but instead are in excess of (above and beyond) those required by the applicable mandate.

Sufficient information must be provided to support the justification, including maintenance records, if applicable. Please refer to the Appendix D of the RFP for examples and guidance on how to provide sufficient justification in the proposal.

Applicants should make their best effort to address the factors above and provide the necessary information for EPA to make a determination. EPA will follow up with applicants as necessary to clarify any issues. Proposals which include locomotives and/or marine engines and/or stationary engines that do not include a mandated measures justification may be rejected.

Date Posted: 6/15/2017

D.30: *In the Region funding formula to determine allocated funding amounts, was any consideration given for stationary diesel power generation?*

Answer: The regional percentage of the national diesel PM2.5 and NOx emissions inventory (using source categories: commercial marine vessels, locomotives, non-road diesel equipment, on-road diesel heavy duty vehicles) is derived from EPA's National Emissions Inventory data. The "non-road diesel equipment" source category includes emission estimates for over 100 different types of equipment, including light commercial generator sets and general industrial equipment.

Date Posted: 6/15/2017

D.31: *What is the maximum funding limit for proposals for region 4? I have seen different amounts.*

Answer: The RFP was amended on June 6, 2017 to adjust the maximum federal funding limit request per proposal for Region 4 to \$2,000,000. Please see Table 1. "Funding Limits by Region" for the current and final maximum federal funding limits per proposal for each Region.

Date Posted: 6/15/2017

D.32: *How many proposals will be funded per Region?*

Answer: The number of proposals funded per Region will vary based on the number of applications received and the size and quality of proposals. Generally, EPA anticipates 2-8 proposals funded per Region.

Date Posted: 6/15/2017

D.33: *If we apply in multiple Regions, will we be competing with ourselves?*

Answer: No, each Region reviews, ranks, and selects only those applications submitted to that Region.

Date Posted: 6/15/2017

D.34: *Would EPA consider lowering the 500 hours per year usage requirement for CHE engines to allow a higher number of diesel CHE equipment engines to become eligible?*

Answer: No. The eligibility requirements for projects will remain as stated for this RFP.

Date Posted: 6/15/2017

D.35: *Do minimum usage requirements for engines refer to historical usage or projected usage?*

Answer: This criterion applies to current/historical usage of the existing engine. To be replaced, the existing engine needs to be fully operational and in active service.

Nonroad engines must have been operated at least 500 hours in the previous 12 months. Locomotive and marine engines must have been operated at least 1,000 hours in the previous 12 months.

Date Posted: 6/15/2017

D.36: *Do cost-share percentages change based upon where the project is located?*

Answer: No. Cost-share percentages do not change based on location.

Date Posted: 6/15/2017

D.37: *Why is Region 10's funding so much smaller than the other Regions?*

Answer: Funding is distributed to the Regions by formula based on: 1) the regional percentage of the national population living in nonattainment areas, and 2) the regional percentage of the national diesel PM2.5 and NOx emissions inventory (using source categories: commercial marine vessels, locomotives, non-road diesel equipment, on-road diesel heavy duty vehicles). Since Region has very few nonattainment areas and is not heavily populated, the formula allocated a smaller amount to the Region. However, please note that Regional funding limits listed in the RFP are the maximum a single applicant may request per proposal, not the total available funding per Region.

Date Posted: 6/15/2017

D.38: *I'd like a better understanding of what's needed to meet the DERA programmatic priorities. How do we know if our project will result in a "significant reductions in diesel emissions"? What do we need to do to engage affected communities?*

Answer: All eligible project types are expected to achieve a significant reduction in diesel emissions.

Under Section V, Criteria #5, applicants will be evaluated based on the extent and quality of the applicant's efforts and plans for incorporating community input throughout the design and performance of the project, and/or whether their design of the proposed project involved and incorporated community input. Community engagement and partnership efforts should include various organizations representing a broad spectrum of the community; examples include grassroots, neighborhood, school, faith-based, city council, business, local government, and other organizations. Proposals that can demonstrate recent involvement of project partners and community members working together on projects may be evaluated more favorably than others. Proposals with letters of commitment that demonstrate strong, long-term involvement throughout the project from a variety of project partners may also be evaluated more favorably than others.

Date Posted: 6/15/2017

D.39: *Is there publicly available information about the resident switching locomotives (such as the model number and year of manufacture) in a given rail yard?*

Answer: Railyards generally do not have a lot of publicly available information such as this. You can try reaching out to the railyard directly or your state or local agency to try to obtain this information.

Date Posted: 6/15/2017

D.40: *If the replacement vehicle for our project is gasoline-powered, what should we select for new engine fuel type in the Applicant Fleet Description?*

Answer: Applicants may create their own version of the Applicant Fleet Description; the one on the EPA website is a sample format. For this specific need, applicants can click the appropriate cell in the Applicant Fleet Description file, click the "Data" tab in Excel, click "Data Validation", and click the "Clear All" button to remove the drop down menu from that cell. Applicants can then input "Gasoline" in the cell.

Date Posted: 6/21/2017

D.41: *How should we address in our application that we are planning to use another grant as our cost-share, but we have not been awarded the funds yet?*

Answer: The applicant must describe in their work plan how and when the applicant will obtain the cost-share and how the cost-share funding will be used. If you are relying on another grant to meet the cost-share, the applicant should discuss a "plan B." Plan B should include what happens if you do not receive the other grant. Questions to consider include: Will the applicant provide those funds out of pocket? Find another partner? Or will the project not be able to move forward without the other grant?

Date Posted: 6/21/2017

New D.42: *In the past performance section, may we include a state grant funded with federal money if we don't have an example of a federally funded assistance agreement?*

Answer: Grants from state entities do not qualify as federal grants, even if the funds originated from a federal source. If you do not have any experience successfully completing and managing federally funded assistance agreements, please indicate this in the appropriate section of the Project Narrative and you will receive a neutral score for Evaluation Criteria V.A.8.A and B of this RFP. Any relevant organizational experience or staff expertise and qualifications managing state grants may be taken into account under Evaluation Criteria V.A.8.C and D.

Date Posted: 6/29/2017

New D.43: *Is a commitment letter needed if the applicant is providing its own cost-share?*

Answer: No. A commitment letter is not needed if the applicant is providing their own cost-share.

Date Posted: 6/29/2017

New D.44: *Do all vehicles included in the application need to be located at or service goods movement facilities to receive priority points?*

Answer: No. The Project Narrative should indicate the facility type in which each vehicle operates and the percent of time spent in each. Priority sector points will be prorated depending on how much of the project serves the priority sector.

Date Posted: 6/29/2017

New D.45: *Does EPA assign applicant or federal entity identifiers for applicants to use on Form SF-424?*

Answer: No. Please note questions 4 and 5a on Form SF-424 are not required fields.

Date Posted: 6/29/2017

New **D.46:** *How can we apply successfully to upgrade our school buses if they do not meet the eligibility requirements?*

Answer: If your school buses are not eligible under this RFP, you may be interested in DERA's School Bus Replacement Rebate Program, which has different eligibility requirements. This program is expected to open by October this year. Learn more about the Clean Diesel Rebates at www.epa.gov/cleandiesel/clean-diesel-rebates.

Date Posted: 6/29/2017

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: 4/27/2017

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, idle reduction technologies, shore connection systems, truck stop electrification technologies, certified engine replacements, or certified vehicle/equipment replacements. Please see Section III.B.1 for additional information about mandatory cost-share requirements.

Date Posted: 4/27/2017

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

Answer: In general, the project period for awards resulting from this solicitation is expected to begin on January 1, 2018, with an expected project completion date no later than December 31, 2019. 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: 4/27/2017

E.ii.3: *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.

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: 4/27/2017

E.ii.4: *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 at any time.

Date Posted: 4/27/2017

E.ii.5: *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: 4/27/2017

E.ii.6: *How will funds be distributed to successful grant recipients?*

Answer: The recipient may draw cash only as needed for its disbursement. A recipient must receive payments via one of two electronic methods available to them:

- **Automated Standard Application for Payments (ASAP).** The ASAP system is the preferred method of payment for EPA grantees. Under this payment mechanism, the recipient initiates an electronic payment request online via ASAP, which is approved or rejected based on the amount of available funds authorized by EPA in the recipient's ASAP account. Approved funds are credited to the account at the financial institution of the recipient organization identified on the recipient's ASAP enrollment application.
- **Electronic Funds Transfer (EFT).** Under this payment mechanism, the EPA Las Vegas Finance Center will obtain the recipient's banking information from the System for Award Management (SAM). Once the agreement is awarded and no restrictions are identified by the awarding office, a Las Vegas Finance Center Representative will send the recipient an email message with the EFT Control Number and payment information.

Date Posted: 4/27/2017

E.ii.7: *Can DERA funds be used as a cost-share for a state grant project?*

Answer: 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: 5/11/2017

E.ii.8: *Are applicants required to have an active sam.gov account if selected for funding?*

Answer: Yes. If selected for funding, grant recipients must set up or renew their account before an award can be made.

Date Posted: 5/11/2017

E.ii.9: *If we are awarded a grant, can we add to or change our fleet if we acquire more vehicles?*

Answer: No, additional funding will not be made available to add to your fleet. In general, swapping an identified vehicle for a substantially similar vehicle would be an approvable change. Changes to proposed fleets and or technologies that would result in a lower project score per the Evaluation Criteria (i.e., outputs and outcomes, project location, diesel reduction effectiveness, etc.) generally will not be allowed. Any changes must be approved by the grantee's EPA project officer.

Date Posted: 5/11/2017

E.ii.10: *Can the scrap value of the engine or vehicle being replaced be used as program income?*

Answer: Yes. Program income can be used to: (1) Offset the funding from the award by spending program income first, before spending award funds; (2) Perform additional work such as purchasing a new bus; (3) Cover mandatory cost-share requirements.

Date Posted: 5/11/2017

E.ii.11: *Is there an example of a final report available for reference?*

Answer: Yes. Template reports for grantees are available at www.epa.gov/cleandiesel/clean-diesel-national-grants#reporting.

Date Posted: 5/11/2017

E.ii.12: *Are there opportunities to request additional funding if the purchase price of equipment is more than the estimated costs quoted in the proposal?*

Answer: Maybe. Additional funding can be requested through a supplemental amendment for unforeseen expenses to complete approved projects. However, there is no guarantee that additional funding will be available once all grants are awarded.

Date Posted: 5/19/2017

E.ii.13: *Is a certificate of destruction required to show proof of scrappage?*

Answer: Yes. Evidence of appropriate disposal is required in a final assistance agreement report submitted to EPA and includes a signed certificate of destruction (this form will be provided to grantees by the EPA Project Officer) and digital photos of the engine tag (showing serial number, engine family number, and engine model year), the destroyed engine block, and cut frame rails or other cut structural components as applicable. Other acceptable scrappage methods may be considered and will require prior written approval by the EPA Project Officer.

Date Posted: 6/1/2017

E.ii.14: *May we include the cost of an extended warranty on the new equipment in our request for funding?*

Answer: Yes, an extended warranty may be included in the purchase price of the equipment.

Date Posted: 6/1/2017

E.ii.15: *Is a sample of the cooperative agreement we would sign if awarded a grant available?*

Answer: A sample cooperative agreement is not available, but you may review the Terms and Conditions (T&Cs) that are a part of the agreement. General T&Cs for all EPA grants are available at: www.epa.gov/grants/epa-general-terms-and-conditions-effective-april-27-2017-or-later and the additional DERA 2016 T&Cs are available at: www.epa.gov/grants/fy2016-national-clean-diesel-diesel-emissions-reduction-act-programmatic-terms-and-conditions. The DERA 2017 T&Cs will be available online soon; EPA expects to make only minor updates to the DERA T&Cs for 2017.

Date Posted: 6/8/2017

New E.ii.16: *Do we need to include fringe benefits in our calculation of project administration costs, or can we just lump it in as part of the overall cost?*

Answer: Yes, if an applicant wants to include fringe benefits in the project budget the applicant must itemize costs related to fringe benefits. Please see Appendix B, Section 9.C of the RFP, including the example budget table, for additional information.

Date Posted: 6/29/2017