

# EPA's Clean Diesel Funding Assistance Program

FY 2017 Request for Proposals Information Session – June 7, 2017

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We will begin the webinar shortly.

YOU MAY USE YOUR COMPUTER'S SPEAKERS FOR AUDIO.

If you prefer to hear audio through your phone line, please dial 1-866-299-3188, code: 3439147#.

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

If we are unable to answer your question at this time, we will list all questions and answers in the FAQ document available at [www.epa.gov/cleandiesel/clean-diesel-national-grants#rfp](http://www.epa.gov/cleandiesel/clean-diesel-national-grants#rfp).

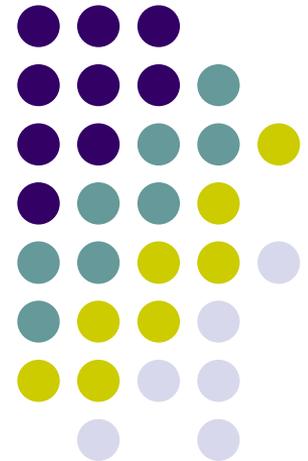
Presentation materials will be available at [www.epa.gov/cleandiesel/clean-diesel-national-grants#rfp](http://www.epa.gov/cleandiesel/clean-diesel-national-grants#rfp).

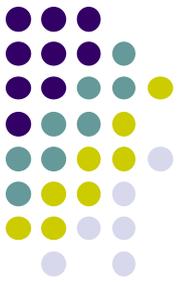
# Clean Diesel Funding Assistance Program FY 2017

Request for Proposals  
Information Session



**National Clean Diesel Campaign**





# Why Clean Diesel?

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

# Diesel Emissions Reduction Act



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

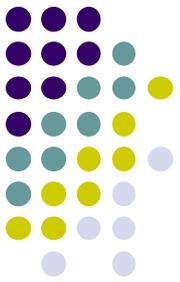
# Basic Information



- National Funding Assistance Program
  - Estimated Fiscal Year 2017 funding - **\$34 million**
  - RFP available at  
[www.epa.gov/cleandiesel/clean-diesel-national-grants#rfp](http://www.epa.gov/cleandiesel/clean-diesel-national-grants#rfp)
- Proposals due Wednesday, July 5, 2017
- Proposals must be submitted electronically via  
[www.grants.gov](http://www.grants.gov)
- Submission instructions in Section IV of RFP

\*Subject to change pending final budget appropriations

# Eligible Entities (Section III.A)



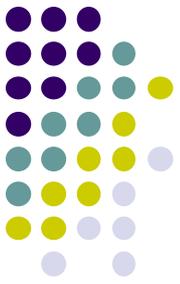
- Regional, state, local, tribal or port agency with jurisdiction over transportation or air quality; and
- Nonprofit organization or institution which
  - Represents or provides pollution reduction or educational services to persons or organizations that operate diesel fleets; or
  - Has, as its principle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

# Proposal Submission Limit



- Applicants may submit no more than THREE proposals nationally
- A single proposal may target multiple fleets, fleet types and/or diesel emission reduction solutions. An applicant cannot submit two proposals that request funding for the same project (i.e. the same target fleet or group of fleets).
- Applicants submitting more proposals than the limit will be requested to withdraw the extra proposals

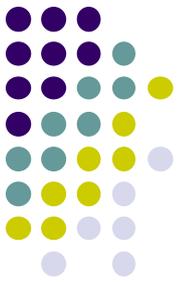
# Amount of Funding Available (Section II.A)



## Regional Funding Limits

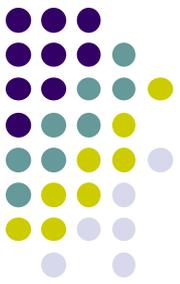
- Region 1: \$1,000,000
- Region 2: \$1,750,000
- Region 3: \$2,000,000
- Region 4: \$2,000,000
- Region 5: \$3,000,000
- Region 6: \$2,500,000
- Region 7: \$1,300,000
- Region 8: \$2,300,000
- Region 9: \$2,500,000
- Region 10: \$800,000

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



- May include, but are not limited to
  - Buses;
  - Class 5 – Class 8 heavy-duty highway vehicles;
  - Marine engines;
  - Locomotives engines; and
  - Non-road engines, equipment or vehicles used in:
    - Construction; Handling of cargo (including at a port or airport); Agriculture; Mining; or Energy production (including stationary generators and pumps)

# Eligible Projects (Section I.B.2)



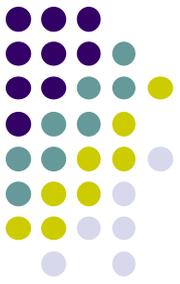
- Verified Exhaust Control Technologies
- Verified/Certified Engine Upgrades and Remanufacture Systems
- Verified/Certified Cleaner Fuel Use
- Verified Idle Reduction Technologies
  - Auxiliary Power Units, Fuel Operated Heaters, etc.
  - Also includes locomotive and marine shore connection systems and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

# Project Funding Percentage (Section I.B.2)



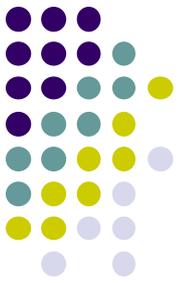
- Exhaust Controls - up to 100% of the cost
  - Diesel Oxidation Catalysts, Diesel Particulate Filters, etc.
- Engine Upgrades and Remanufacture Systems - up to 40% of the cost
- Cleaner Fuels - cost differential between conventional fuel and cleaner fuel
  - EPA will NOT fund stand alone cleaner fuel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

# Project Funding Percentage (Section I.B.2)



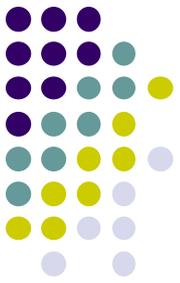
- Verified Idle Reduction Technologies
  - Locomotive idle reduction up to 40% of the cost
  - Marine shore power connection systems up to 25% of the cost
  - Electrified parking spaces (truck stop electrification) up to 30% of the cost
  - Idle reduction technologies on school buses or long-haul Class 8 trucks up to 25% of the cost

# Project Funding Percentage (Section I.B.2)



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

# Project Funding Percentage (Section I.B.2)



- **Engine Replacement: Locomotive, Marine, and Nonroad Vehicles and Equipment:**
  - EPA will fund up to 40% of the cost (labor and equipment) of a 2017 model year or newer engine certified to EPA emission standards. (Previous engine model year engines may be used if the engine is certified to the same emission standards applicable to the engine in 2017.)
  - EPA will fund up to 60% of the cost (labor and equipment) of replacing a diesel engine with an electric motor or electric power source.

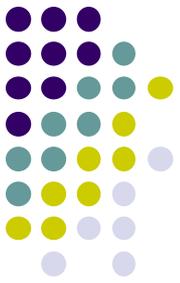
# Project Funding Percentage (Section I.B.2)



- **Engine Replacement: Highway Diesel Vehicles:**
  - EPA will fund up to 40% of the cost (labor and equipment) of a 2017 model year or newer engine certified to EPA emission standards.
  - EPA will fund up to 50% of the cost (labor and equipment) of a 2017 model year or newer engine that is certified to CARB's Optional Low-NOx Standard.
  - EPA will fund up to 60% of the cost (labor and equipment) of replacing a diesel engine with an electric motor or an electric power source.

Hydrogen fuel cells are only eligible for engine replacements for eligible urban transit buses as defined in the RFP and eligible drayage trucks as defined in this RFP.

# Project Funding Percentage (Section I.B.2)



- **Replacement of Locomotive and Nonroad Vehicles and Equipment:**
  - EPA will fund up to 25% of the cost of a replacement vehicle or piece of equipment powered by a 2017 model year or newer engine certified to EPA emission standards.
  - EPA will fund up to 45% of the cost of a new, all-electric nonroad vehicle or piece of equipment.

Hydrogen fuel cell equipment are only eligible as replacements for eligible terminal tractors/yard hostlers and forklifts, as defined in this RFP.

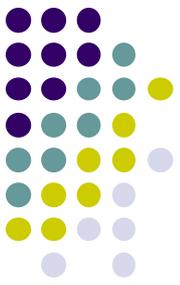
# Project Funding Percentage (Section I.B.2)



- **Replacement of Highway Vehicles (other than drayage):**
  - EPA will fund up to 25% of the cost of a replacement vehicle powered by a 2017 model year or newer engine certified to EPA emission standards.
  - EPA will fund up to 35% of the cost of a replacement vehicle powered by a 2017 model year or newer engine certified to meet CARB's Optional Low-NOx Standard.
  - EPA will fund up to 45% of the cost of an all-electric replacement vehicle.
- **Replacement of Drayage Trucks:**
  - EPA will fund up to 50% of the cost of a replacement drayage truck powered by a 2012 model year or newer certified engine.

Hydrogen fuel cell vehicles are only eligible as replacements for eligible transit buses and drayage trucks, as defined in this RFP.

# Project Funding Percentage (Section I.B.2)



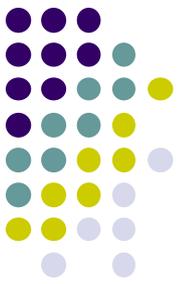
- **Clean Alternative Fuel Conversion**
- Funding can cover up to 40% of the cost (labor and equipment) of an eligible certified or compliant clean alternative fuel conversion.
- Eligible conversions are those certified by EPA and/or CARB, and those systems deemed compliant by EPA for Intermediate-Age engines.
- EPA's lists of "Certified Conversion Systems for New Vehicles and Engines" and compliant "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](http://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](http://www.arb.ca.gov/msprog/aftermkt/altfuel/altfuel.htm).
- Eligible conversion systems for EMY1995-2006 must achieve at least a 30% NOx reduction and a 10% PM reduction from the applicable certified emission standards of the original engine.
- Eligible conversion systems for EMY 2007-2009 must achieve at least a 20% NOx reduction with no increase in PM from the applicable certified emission standards of the original engine.

# Funding Restrictions (Section III.D)



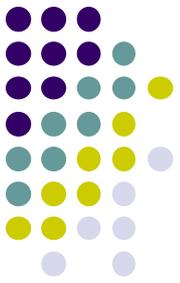
- Nonroad: Horsepower increases of more than 25 percent will require specific approval by EPA prior to purchase, and the applicant may be required to pay the additional costs associated with the higher horsepower equipment.
- Highway: The replacement vehicle must not be in a larger weight class than the existing vehicle (Class 5, 6, 7, or 8). The engine's primary intended service class must match the replacement vehicle's weight class (i.e. a LHD diesel engine is used in a vehicle with GVWR 16,001 – 19,500 pounds, a MHD diesel engine is used in a vehicle with a GVWR of 19,501 – 33,000 pounds, and an HHD diesel engine is used in a vehicle with a GVWR greater than 33,000 pounds.) Exceptions may be granted for vocational purposes, however the GVWR must stay within 10 percent of the engine's intended service class and any exceptions will require specific EPA approval prior to purchase.

# Funding Restrictions (Section III.D)



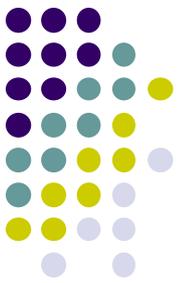
- The engine and/or vehicle or equipment being replaced must be scrapped or rendered permanently disabled within 90 days of being replaced.
- Engine and/or vehicle replacements that would have occurred through normal attrition within 3 years of the project start date are considered to be the result of normal fleet turnover and are not eligible for funding under this program.

# Funding Restrictions (Section III.D)



- Nonroad equipment that operate less than 500 hours/year are NOT eligible
- Locomotives and Marine engines that operate less than 1000 hours/year are NOT eligible.
- Minimum usage requirements for marine and locomotive shore connection systems

# Funding Restrictions (Section III.D)



- **Medium and Heavy-Duty Trucks, Transit Buses, and School Buses**

Current Engine Model Year (EMY)	DOC +/- CCV	DPF	SCR	Verified Idle Reduction, Tires, or Aerodynamics	Vehicle or Engine Replacement: EMY 2017+ (2012+ for Drayage)	Vehicle or Engine Replacement: Electric	Clean Alternative Fuel Conversion
older - 1994	No	No	No	No	No	No	No
1995 - 2006	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2007 - 2009	No	No	Yes	Yes*	No	Yes	Yes
2010 - newer	No	No	No	No	No	No	No

\* Auxiliary Power Units and generators are not eligible on vehicles with EMY 2007 or newer.

# Nonroad Engine Funding Restrictions (Section III.D)

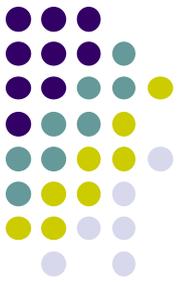


Current Engine Horsepower	Current Engine Model Year (EMY) and Tier	Vehicle/Equipment Replacement: EMY 2017+				Verified Exhaust Control
		Tier 0 - 2	Tier 3 - 4i	Tier 4	All-Electric	
0-50	2005 and Newer; Unregulated – Tier 2	No	No	Yes	Yes	Yes
51-300	1995 and Newer; Tier 0 – Tier 2	No	Yes*	Yes	Yes	Yes
51-300	1995 and Newer; Tier 3	No	No	Yes	Yes	Yes
301+	1985 and Newer; Tier 0 – Tier 2	No	Yes*	Yes	Yes	Yes
301+	1985 and Newer; Tier 3	No	No	Yes	Yes	Yes
Current Engine Horsepower	Current Engine Model Year (EMY) and Tier*	Engine Replacement: EMY 2017+*			Verified Engine Upgrade	
		Tier 0 - 3	Tier 4	All-Electric		
0-50	2005 and Newer; Unregulated – Tier 2	No	Yes	Yes	Yes	
51-300	1995 and Newer; Tier 0 – Tier 3	No	Yes	Yes	Yes	
301-750	1985 and Newer; Tier 0 – Tier 3	No	Yes	Yes	Yes	
751+	1985 and Newer; Tier 0 – Tier 2	No	Yes	Yes	Yes	

\*Tier 3 and Tier 4 interim (4i) allowed for vehicle/equipment replacement only when Tier 4 final is not yet available from OEM for 2017 model year equipment under the Transition Program for Equipment Manufacturers (TPEM).

\*\*Previous engine model year engines may be used for engine replacement if the engine is certified to the same emission standards applicable to EMY 2017.

# Funding Restrictions (Section III.D)



- Marine Engines

Current Engine Tier	Engine Replacement: EMY 2017+ *			Certified Remanufacture System	Verified Engine Upgrade
	Tier 1-2	Tier 3-4	All-Electric		
Unregulated – Tier 2	No	Yes	Yes	Yes	Yes
Tier 3 - 4	No	No	No	No	No

\*Previous engine model year engines may be used if the engine is certified to the same emission standards applicable to EMY 2017.

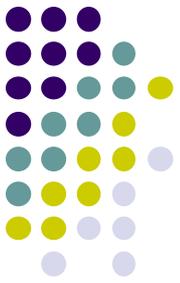
- Locomotives

Current Locomotive Tier	Locomotive Replacement or Engine Replacement: EMY 2017+* or Electric			Verified Exhaust Control	Idle-Reduction Technology	Certified Remanufacture System
	Tier 0+ - 3	Tier 4	All-Electric			
Unregulated - Tier 2	No	Yes	Yes	Yes	Yes**	Yes
Tier 2+ switcher	No	Yes	Yes	Yes	Yes**	Yes
Tier 2+ line haul	No	No	No	Yes	Yes**	Yes
Tier 3 – Tier 4	No	No	No	No	No	No

\*Previous engine model year engines may be used if the engine is certified to the same emission standards applicable to EMY 2017.

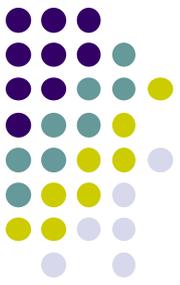
\*\*Automatic Engine Start-Stop technologies are only eligible to be installed on locomotives currently certified to Tier 0 or unregulated.

# Funding Restrictions (Section III.D)



- **Restriction for Mandated Measures:** No funds awarded under this RFP shall be used to fund the costs of emission reductions that are mandated under federal law.
  - EPA’s locomotive and marine rule, “Control of Emissions of Air Pollution from Locomotives and Marine Compression-Ignition Engines Less than 30 liters per Cylinder”
  - EPA’s RICE rule, “National Emission Standards for Hazardous Air Pollutants (NESHAP) for Stationary Reciprocating Internal Combustion Engines (40 CFR Part 63 Subpart ZZZZ)”

# Restriction for Mandated Measures Con't



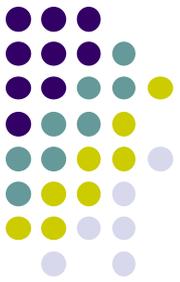
- Proposals which include locomotives and/or marine engines and/or stationary engines must include a clear and concise justification for why/how the proposed emission reduction are not subject to the Restriction for Mandated Measures under this RFP. The justification must clearly demonstrate that:
 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



# Reminder!

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# Proposal Submission

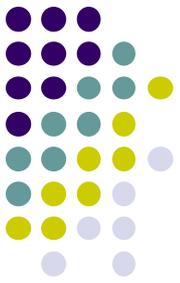


- Submit proposals electronically via [www.grants.gov](http://www.grants.gov)
- If not currently registered with Grants.gov, designate an Authorized Organization Representative (AOR) and begin the registration process as soon as possible.
- The registration process requires that your organization have a DUNS number and a current registration with the System for Award Management (SAM) and the process of obtaining both could take several weeks.
- Please note that [Grants.gov](http://Grants.gov) is strongly encouraging users to sign up for and use their “Workspace” feature when applying for opportunities. [Grants.gov](http://Grants.gov) will be phasing out the “legacy” application process, so EPA recommends that all applicants begin using Workspace as soon as possible so they are prepared when the “legacy” application process is no longer available.

# Proposal Submission

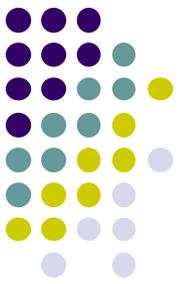


- Applicants must indicate in their proposal the EPA regional office from which they are requesting funding.
- Applicants should request funding from a single EPA regional office which covers their geographic project location.
- The term “project location” as used in this RFP refers to the primary area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



# Proposal Evaluation Process

- Step 1: Threshold Criteria Review (Section III.C)
  - Must meet ALL 5 threshold criteria to move on to Step 2
- Step 2: Evaluation Criteria (Section V.A)
  - Ten evaluation criteria – points assigned to each
  - 155 points possible

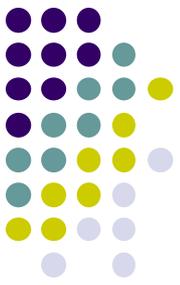


# Evaluation Criteria (Section V.A)

Criteria	Points
Project Summary and Approach	25
Project Location	30
Project Sector	15
Benefits to the Community	5
Community Engagement and Partnerships	5
Project Sustainability	15
Environmental Results – Outputs, Outcomes, and Performance Measures	20
Programmatic Capability and Past Performance	20
Budget	15
Applicant Fleet Description	5

# Evaluation Criteria (Section V.A.2)

## Project Location



- Proposals will be evaluated based on the location of the project
  - (5 points) Whether the proposal includes a detailed description of the primary areas where the affected vehicle/engine operate, or the primary area where the emissions benefits of the project will be realized.
  - (15 points) Projects located in an Ozone or PM2.5 Nonattainment or Maintenance area
  - (10 points) Projects located in an area where all or part of the population is exposed to more than  $2.0 \mu\text{g}/\text{m}^3$  of diesel particulate matter emissions
- [www.epa.gov/sites/production/files/2017-03/documents/fy17-county-area-list.pdf](http://www.epa.gov/sites/production/files/2017-03/documents/fy17-county-area-list.pdf)

# Evaluation Criteria (Section V.A.3)

## Project Sector



- Proposals will be evaluated on the targeted sector of the project
  - (5 points) Whether the proposal includes a detailed description of the economic sector served by the project
  - (10 points) Whether the vehicles/engines/equipment targeted for diesel emission reductions are located at, or service, goods movement facilities such as: ports, rail yards, terminals, or distribution centers, as described in Section I.B.3.b. of the RFP

# Evaluation Criteria (Section V.A.4)

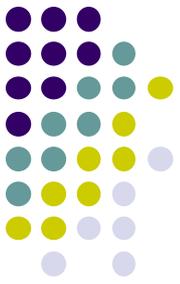
## Benefits to the Community



- Applicants will be evaluated based on the quality and extent to which their proposal demonstrates how the proposed project will address the needs and concerns of local communities, including any communities or populations that have faced or are facing environmental justice concerns (as defined in Section I.B.3.c of the RFP), and/or other interested parties, groups, or populations that are affected, or have been affected, by the environmental and/or other issues that the project is intended to address.

# Evaluation Criteria (Section V.A.5)

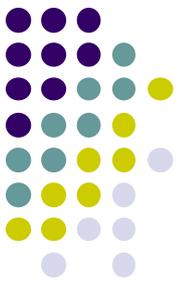
## Community Engagement and Partnerships



- Proposals will be evaluated based on the extent and quality of the applicant's efforts and plans for engaging local communities with respect to the design and performance of the project and obtaining support from project partners to more effectively perform the project, as described in Section I.B.3.d of the RFP.

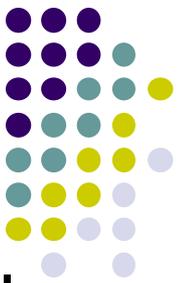
# Evaluation Criteria (Section V.A.6)

## Project Sustainability



- Proposals will be evaluated based on the extent and quality to which the applicant can demonstrate its ability to promote and continue efforts to reduce emissions after EPA funding for this project has ended.
- Specifically, that the applicant and/or its project partners:
  - will implement idle-reduction policies; will implement contract specifications requiring the use of cleaner, more efficient vehicles and equipment; will develop and maintain mobile source equipment inventories; have documented commitment to continue to identify and address air quality issues in the affected community; or will implement other strategies to promote and continue efforts to reduce emissions.
  - have developed in the past five years, or have a documented commitment to developing before the end of the project period, any of the following:
    - a publicly available baseline mobile source emission inventory for PM2.5 and/or NOx, or refinement of an existing mobile source inventory that was completed before 2012;
    - a publicly available long term air quality plan with specific PM2.5 and/or NOx emission reduction goals, or refinement of an existing air quality plan that was completed before 2012; or
    - a publicly available plan for meaningful engagement of the surrounding community to inform these inventories or air quality plans.

# Potential Pitfalls



- Major project changes mid-stream are not likely to be allowed
  - Potential competition issues – scores are based on vehicles/technologies/locations as proposed
- Vehicle & technology options & limitations
  - Not all technology combinations are appropriate for all vehicles
    - e.g. DPFs must meet exhaust temperature thresholds
  - Do as much homework ahead of time as possible to avoid complications
  - Technology must be verified for specific type of vehicle and model year – check the EPA and CARB verified technologies lists!



# Potential Pitfalls

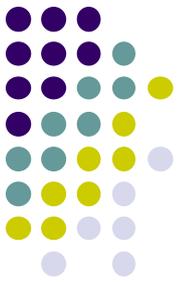
- Grants.gov issues
  - CREATE AN ACCOUNT NOW
    - the registration process requires that your organization have a DUNS number and a current registration with the System for Award Management ([www.SAM.gov](http://www.SAM.gov)) and the process of obtaining both could take a month or more.
    - Grants.gov is strongly encouraging users to sign up for and use their “Workspace” feature when applying for opportunities; Grants.gov will be phasing out the “legacy” application process
  - SUBMIT EARLY – late applications will not be accepted.
  - Minor problems with application submittal are NOT uncommon. Grants.gov offers 24-hour support, however some issues may take a few days to resolve.
  - See Appendix A for full grants.gov instructions

# Tools and Resources



- Supporting Information for RFP can be found at:  
[www.epa.gov/cleandiesel/clean-diesel-national-grants#rfp](http://www.epa.gov/cleandiesel/clean-diesel-national-grants#rfp)
  - Applicant Fleet Description
  - Project Narrative Sample Format
  - Priority County and Area List
- Diesel Emissions Quantifier (DEQ)
  - Can be used to show expected project results, cost-effectiveness  
[www.epa.gov/cleandiesel/diesel-emissions-quantifier-deq](http://www.epa.gov/cleandiesel/diesel-emissions-quantifier-deq)
- Additional Resources found at: [www.epa.gov/cleandiesel/clean-diesel-national-grants#rfp](http://www.epa.gov/cleandiesel/clean-diesel-national-grants#rfp)
  - “Tips for a Successful Diesel Retrofit Project” provides tips to help you get started and avoid common mistakes.
  - “Technologies, Fleets and Projects Information” provides information about retrofit technologies and what to look for.
  - Clean Diesel Clearinghouse (CDCH) is a web-based tool that helps users determine the best available emission reduction technology for retrofitting diesel-powered vehicles and equipment.
  - Shore Power Technology Assessment at U.S. Ports

# Additional Support



- Frequently Asked Questions
  - Posted weekly, on webpage
  - List will include questions from today's webinar
  - Deadline for submitting questions is Friday, June 23
  - Submit questions via email to [cleandiesel@epa.gov](mailto:cleandiesel@epa.gov) or 1-877-NCDC-FACTS (1-877-623-2322)
    - Type "RFP Question" in the subject line of email

[www.epa.gov/cleandiesel/clean-diesel-national-grants#rfp](http://www.epa.gov/cleandiesel/clean-diesel-national-grants#rfp)

# Thank You!

## FY 2017 Request for Proposals Information Session

All lines are muted. Please type your questions into the question box at this time and we will address as many as possible.

If we are unable to answer your question at this time, we will list all questions and answers in the FAQ document available at [www.epa.gov/cleandiesel/clean-diesel-national-grants#rfp](http://www.epa.gov/cleandiesel/clean-diesel-national-grants#rfp)

Handouts for this presentation are available at [www.epa.gov/cleandiesel/clean-diesel-national-grants#rfp](http://www.epa.gov/cleandiesel/clean-diesel-national-grants#rfp)

