

Tribal Clean Diesel Funding Assistance FY 2018 Tribal Request for Proposals Information Session

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Tribal Clean Diesel Funding Assistance

FY 2018 Tribal Request for Proposals Information Session

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Office of Transportation and Air Quality
June 2018



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 and reauthorized by the Diesel Emissions Reduction Act of 2010 (Public Law 111-364)
 - ▶ Passed with unanimous consent, bi-partisan support
- ▶ Provide funding to eligible entities, to achieve significant reductions in diesel emissions in terms of:
 - ▶ pollution produced; and
 - ▶ diesel emissions exposure, particularly from fleets operating in areas designated by the Administrator as poor air quality areas.
- ▶ Projects must use a certified engine configuration or a verified technology

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Eligible Entities (Section III.A)

A tribal agency or intertribal consortium with jurisdiction over transportation or air quality.

- Tribal agencies are defined as Federally recognized Indian tribal governments, which are any Indian tribe, band, nation, or other organized group or community (including Native villages) certified by the Secretary of the Interior as eligible for the special programs and services provided by him through the Bureau of Indian Affairs as well as any organization or intertribal consortium that represents Federally recognized tribes.
- For the purposes of this RFP, “intertribal consortium” is defined as a partnership between two or more tribes that is authorized by the governing bodies of those tribes to apply for and receive assistance under this program. Intertribal consortia are eligible to receive assistance under this program only if the consortium demonstrates that all members of the consortium meet the eligibility requirements for the program and authorize the consortium to apply for and receive assistance by submitting to EPA documentation of (1) the existence of the partnership between Indian tribal governments, and (2) authorization of the consortium by all its members to apply for and receive the assistance

Proposal Submission Limit

- ▶ Applicants can submit a total of three (3) proposals overall under this solicitation. Each proposal must be for a different project and must be submitted separately. A single proposal may target multiple fleets, fleet types and/or diesel emission reduction solutions.

Eligible Grant Amount

Proposals may not request more than \$800,000 in EPA funding. It is anticipated that approximately one to eight cooperative agreements will be made from this announcement.(Section II.A)

- ▶ Federal funds requested may not exceed \$800,000. Total project costs, including voluntary and mandatory cost shares, may be greater.
- ▶ This limit could dictate the size and type of your project (e.g., how many vehicles and/or equipment, what type of technology, etc.)

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

May include, but are not limited to heavy-duty diesel powered:

- ▶ Buses
- ▶ Class 5 – 8 Medium-Duty or Heavy-Duty Trucks;
- ▶ Marine Engines;
- ▶ Locomotives; and
- ▶ Nonroad 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)

- ▶ **Exhaust Control Technologies**
 - ▶ Diesel Oxidation Catalysts, Diesel Particulate Filters
- ▶ **Engine Upgrades and Remanufacture Systems**
 - ▶ Nonroad, Locomotive, or Marine Engines
- ▶ **Verified Cleaner Fuels and Additives**
- ▶ **Idle Reduction Technologies**
 - ▶ Auxiliary Power Units, Fuel Operated Heaters, etc.
 - ▶ Shore Power Connection Systems and Electrified Parking Spaces
- ▶ **Aerodynamic Technologies & Low Rolling Resistance Tires**
 - ▶ Trailer side skirts, trailer gap fairings, trailer rear fairings, dual tires and single-wide tires
- ▶ **Engine Replacements**
- ▶ **Vehicle and Equipment Replacements**
- ▶ **Clean Alternative Fuel Conversions**

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

- ▶ **Verified Exhaust Controls** – up to 100% of the cost (labor and equipment)
- ▶ **Verified Engine Upgrades and Certified Remanufacture Systems** – up to 75% of the cost (labor and equipment)
- ▶ **Verified Cleaner Fuels and Additives** – the cost differential between cleaner fuel and conventional fuel
 - ▶ EPA will NOT fund stand alone cleaner fuel use

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

Verified Idle Reduction Technologies

- ▶ **Locomotive Idle Reduction Technologies** - up to 40% of the cost (labor and equipment)
- ▶ **Marine Shore Power Connection Systems** - up to 40% of the cost (labor and equipment)
- ▶ **Electrified Parking Spaces (truck stop electrification)** - up to 40% of the cost (labor and equipment)
- ▶ **Verified On-Highway Vehicle Idle Reduction Technologies** - up to 40% of the cost (labor and equipment)

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

Verified Aerodynamic Technologies and Low Rolling Resistance Tires

- ▶ EPA will **NOT** fund stand-alone Aerodynamic Technologies or Low Rolling Resistance and/or Tires.
- ▶ If Aerodynamic and/or Low Rolling Resistance 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 (labor and equipment).
- ▶ Example: Low Rolling Resistance Tires **AND** Diesel Particulate Filter on a truck

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

Certified Engine Replacement

- ▶ Stationary Generators for Power Production – up to 80% of the cost (labor and equipment) of replacing a diesel engine with a diesel or alternative fueled engine (including hybrids) or with a zero emission power source.
- ▶ All Other Engines, Equipment and Vehicles – up to 75% of the cost (labor and equipment) of replacing a diesel engine with a diesel or alternative fueled engine (including hybrids) or with a zero emission power source.

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

Vehicle and Equipment Replacements

- ▶ Stationary Generators for Power Production - up to 80% of the cost (labor and equipment)
- ▶ All other Highway Diesel Vehicles, Nonroad Equipment and Vehicles, and Locomotives:
 - ▶ Up to 50% of the cost of an eligible replacement powered by an engine certified to EPA emissions standards (labor and equipment)
 - ▶ Up to 60% of the cost of a new, zero emission replacement

Funding Restrictions (Section III.D)

Funding restrictions for vehicles and equipment

- ▶ The vehicle, engine or equipment must be fully operational and in current, regular service.
- ▶ **Nonroad equipment must operate at least 500 hours/year**
- ▶ **Locomotives and Marine engines must operate at least 1000 hours/year**
- ▶ New marine and locomotive shore connection systems have minimum usage requirements

Cost-Share (Section III.B)

Mandatory and Voluntary Cost-Share:

- ▶ Any form of cost-share must be included in the budget detail page portion of the work plan. It must be included on SF-424 & SF 424A forms and in the proposal budget
- ▶ The proposal must describe how and when the applicant will obtain the cost-share and how the cost-share funding will be used
- ▶ If the proposed cost-share is to be provided by a named project partner, a letter of commitment is required

Funding Restrictions (Section III.D) cont'd

Table 1: Medium and Heavy-Duty Trucks, Transit Buses, and School Buses Funding Restrictions

Current Engine Model Year (EMY)	DOC +/- CCV	DPF	SCR	Verified Idle Reduction, Tires, or Aerodynamics	Vehicle or Engine Replacement: EMY 2014+	Vehicle or Engine Replacement: Zero Emission	Clean Alternative Fuel Conversion
2006 or older	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.

Funding Restrictions (Section III.D) cont'd

Table 2. Nonroad Engine Funding Restrictions

Current Engine Tier	Engine/Vehicle/Equipment Replacement**						Verified Exhaust Control
	Compression Ignition				Spark Ignition	Zero Emission	
	Tier 0-1	Tier 2	Tier 3-4i	Tier 4	Tier 2		
Unregulated – Tier 1	No	Yes*	Yes*	Yes	Yes	Yes	Yes
Tier 2	No	No	Yes*	Yes	Yes	Yes	Yes
Tier 3	No	No	No	Yes	Yes	Yes	Yes
Tier 4i-4	No	No	No	No	No	No	No

*Replacement with Tier 2, Tier 3, or Tier 4i requires a “Best Achievable Technology” analysis as described in Appendix E.

**Stationary generators in the Alaska rural areas are eligible for replacement with certified marine engines.

Funding Restrictions (Section III.D) cont'd

Table 3: Marine Engines Funding Restrictions

Current Engine Tier	Engine Replacement					Certified Remanufacture System	Verified Engine Upgrade
	Tier 1	Tier 2	Tier 3-4i	Tier 4	Zero Emission		
Unregulated – Tier 1	No	Yes*	Yes*	Yes	Yes	Yes	Yes
Tier 2	No	No	Yes*	Yes	Yes	No	No
Tier 3-4	No	No	No	No	No	No	No

*Replacement with Tier 2, Tier 3, or Tier 4i requires a “Best Achievable Technology” analysis as described in Appendix E.

**Stationary generators in the Alaska rural areas are eligible for replacement with certified marine engines.

Funding Restrictions (Section III.D) cont'd

Table 4: Locomotive Engines Funding Restrictions

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

*Replacement with Tier 2+, Tier 3, or Tier 4i requires a “Best Achievable Technology” analysis as described in Appendix E.

**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) cont'd

- ▶ **Restriction for Mandated Measures:** No funds awarded under this RFP shall be used to fund the costs of emission reductions that are mandated under federal law.
- ▶ Specifically, projects involving locomotives and marine engines will not be considered for funding under this RFP if the emission reductions proposed for funding are required by 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." Also, projects involving stationary engines will not be considered for funding under this RFP if the emission reductions proposed for funding are required by 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 Locomotive and Marine Engines Cont'd

- ▶ Proposals which include locomotives, marine engines or generators 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.
- ▶ Please see Appendix E of the RFP for each of the mandated measure information.

Consultant, Contractor & Vendor Participation

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

Evaluation Criteria (Section V.A)

Criteria	Points
Project Summary & Overall Approach	25
Project Location	15
Benefits to the Community	5
Community Engagement and Partnerships	5
Project Sustainability	5
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.1)

Project Summary and Approach

► **Project Summary and Approach:**

- A. (15 points) Whether the proposal includes a detailed project description, including information on vehicles and technologies; roles and responsibilities, and timeline and milestones as described in Appendix B of the RFP. B
- B. (5 points) Whether the proposal includes a well-conceived strategy for achieving the anticipated results associated with the project
- C. (5 points) Whether the proposal sets forth a reasonable time schedule for the execution of the tasks associated with the project and for achieving the project goals and objectives by project end

Evaluation Criteria (Section V.A.2)

Project Location

► **Project Location:**

- A. (5 points) The proposal includes a detailed description of the primary areas where the affected vehicle/engine operate, or the primary areas where the emissions benefits of the project will be realized.
- B. (5 points) Projects are located in an Ozone or PM2.5 Nonattainment or Maintenance area, as described in Section I.B.3.a.1.
- C. (5 points) Projects are located in areas that receive a disproportionate quantity of air pollution from diesel fleets (truck stops, ports, rail yards, terminals, construction sites, school bus depots/yards), as described in Section I.B.3.a.2 of the RFP.

Evaluation Criteria (Section V.A.3)

Benefits to the Community

► **Benefits to the Community (5 points):**

Under this criterion, applicants will be evaluated based on the quality and extent to which their proposals demonstrates how the proposed project will address the needs and concerns of affected communities, including communities or populations that have faced or are facing environmental justice concerns.

Evaluation Criteria(Section V.A.4) Partnerships

► **Community Engagement and Partnerships (5 points):**

Under this criterion, applicants will be evaluated on the extent and quality of their efforts and plans for engaging affected communities with respect to the design and performance of the project and obtaining support from project partners to more effectively perform the project.

Evaluation Criteria (Section V.A.5)

Project Sustainability

► **Project Sustainability (5 points):**

Under this criterion, proposals will be evaluated based on 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.

Evaluation Criteria (Section V.A.6)

Environmental Results Outputs, Outcomes and Performance Measures

► **Environmental Results – Outputs, Outcomes, and Performance Measures:**

- A. (10 points) The extent and quality to which the applicant identifies and quantifies the expected project outputs and outcomes, including those identified in Section I.C.2 and 3 of the RFP
- B. (5 points) The performance measures proposed by the applicant and how they will be used to help track and measure the Applicants progress towards achieving the expected outputs and outcomes as described in Section I.C.4 of the RFP
- C. (5 points) The effectiveness of the applicant's plan for tracking and measuring its progress toward achieving the expected project outputs and outcomes as described in Section I.C.4 of the RFP

Evaluation Criteria (Section V.A.7)

Programmatic Capability and Past Performance

➤ **Programmatic Capability and Past Performance:**

- A. (5 points) Past performance in successfully completing and managing the assistance agreements identified in the Project Narrative as described in Section 7 of Appendix B of the RFP
- B. (5 points) History of meeting the reporting requirements under the assistance agreements identified in the Project Narrative as described in Section 7 of Appendix B of the RFP
- C. (5 points) Organizational experience and plan for timely and successfully achieving the objectives of the proposed project
- D. (5 points) Staff expertise and qualifications, staff knowledge, and resources or the ability to obtain them, to successfully achieve the goals of the proposed project

Evaluation Criteria (Section V.A.8)

Budget

► **Budget:**

- A. (5 points) Their approach, procedures, and controls for ensuring that awarded grant funds will be expended in a timely and efficient manner
- B. (5 points) Whether costs are reasonable to accomplish the proposed goals, objectives, and measurable environmental outcomes, and
- C. (5 points) Whether the proposed budget provides a detailed breakout of the approximate funding used for each major activity

Evaluation Criteria (Section V.A.9)

Applicant Fleet Description

- ▶ **Applicant Fleet Description (5 points):** Under this criterion, applicants will be evaluated on the extent and quality to which detailed information on the target fleet (vessel(s), vehicle(s), engine(s) and/or equipment) is provided.

Proposal Submission

- ▶ **Submit proposals:**
 - ▶ Electronically via 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). Process of obtaining both could take a month or more, so plan ahead.

Proposal Submission

- ▶ All proposals must be prepared as described in Section IV.C and Appendix B of the RFP.
- ▶ Grants.gov Proposal Submission Instructions see Section IV.B and Appendix B of the RFP.
 - ▶ Limited Exception Procedures in Section IV.A. of RFP
- ▶ Your organization's authorized official representative (AOR) must submit your complete proposal electronically to EPA through Grants.gov (www.grants.gov) no later than **Thursday, September 6, 2018**, 11:59 PM Eastern Time (EDT), not local time.
- ▶ Proposal Submission Contact:
Lucita Valiere
206-553-8087
valiere.lucita@epa.gov

Proposal Evaluation Process

- ▶ **Step 1: Threshold Eligibility Criteria Review (Section III.C)**

- ▶ Must meet ALL 5 threshold criteria to move on to Step 2

- ▶ **Step 2: Evaluation Criteria (Section V.A)**

- ▶ Nine evaluation criteria – points assigned to each
- ▶ 115 points possible

Proposal Selection Process

- ▶ Given numerical score and rank-ordered (following Step 1 - Threshold Eligibility Criteria Review and Step 2 - Evaluation Criteria
- ▶ Recommendation provided to EPA Approving Official
- ▶ EPA Approving Official considers rank and may consider Other Factors (Section V.C), then selects proposals to fund

Potential Pitfalls

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

Potential Pitfalls

- ▶ Technology must be verified for *specific type* of vehicle and model year – check the EPA and CARB verified technologies lists!
 - ▶ Review verification letters, attachments & criteria
 - ▶ Thoroughly evaluate candidate vehicles
 - ▶ Obtain detailed documentation from vendors
 - ▶ Retain complete records for each installation

- ▶ Reporting, Reporting, Reporting
 - ▶ Expect more transparency and monitoring
 - ▶ Quarterly reports, detailed fleet info, national databases, verifiable results & records

Tools and Resources

▶ **Supporting Information for the Tribal RFP at:**

www.epa.gov/cleandiesel/clean-diesel-tribal-grants

▶ Applicant Fleet Description

▶ Required part of the proposal – describes fleet in detail

▶ Project Narrative Sample Format

▶ Tribal Priority County and Area List

▶ **Diesel Emissions Quantifier (DEQ)**

▶ Can be used to show expected project results, cost-effectiveness, and public health benefits

▶ www.epa.gov/cleandiesel/diesel-emissions-quantifier-deq

▶ **Technology Tips Guide**

▶ Helpful info about each type of project, technical issues to look out for, etc.

▶ www.epa.gov/sites/production/files/2015-09/documents/420p11001.pdf⁴¹

Additional Support

▶ RFP Frequently Asked Questions

- ▶ Posted weekly, on webpage
- ▶ List will include questions from today's webinar
- ▶ Deadline for submitting questions is **Friday, August 24, 2018 at 4:00 PM (Eastern Time)**
- ▶ Submit questions via email to cleandiesel@epa.gov or 1-877-NCDC-FACTS (1-877-623-2322)
 - ▶ Please type "Tribal RFP Question" in the subject line of email
 - ▶ www.epa.gov/cleandiesel/clean-diesel-tribal-grants

VW Environmental Mitigation Trust - Overview

- ▶ The U.S. government and Volkswagen (VW) resolved allegations that VW violated the Clean Air Act by selling approximately 590,000 vehicles equipped with defeat devices.
- ▶ Under this settlement, among other actions, VW is required to provide ~\$3 billion to remediate the excess NOx emissions from the affected vehicles.
- ▶ Wilmington Trust will administer the fund:

<http://www.vwenvironmentalmitigationtrust.com>

VW Environmental Mitigation Trust Overview

- ▶ VW Eligible Mitigation Action #10 (the DERA Option)
 - ▶ Tribal entities that select the DERA Option must be certified beneficiaries to the Tribal Trust Agreement (Section 2.1.2)
 - ▶ VW funds **can be** used for the non-federal voluntary match of an eligible project under the Tribal DERA program
 - ▶ VW funds **cannot be** used to meet the mandatory cost share requirements under the any DERA program

VW Environmental Mitigation Request for Funds

Budget Detail – Example Scenarios

▶ Scenario 1 <u>Cost Share</u>	<u>EPA Funds</u>	<u>Mandatory Cost Share</u>	<u>Voluntary</u>
▶ 1-generator cost \$100,000	\$80,000	\$20,000	\$0.00
▶ Scenario 2 <u>Cost Share</u>	<u>EPA Funds</u>	<u>Mandatory Cost Share</u>	<u>Voluntary</u>
▶ 1-generator cost \$100,000 (VW funds)	\$20,000	\$20,000	\$60,000
▶ Scenario 3 <u>Cost Share</u>	<u>EPA Funds</u>	<u>Mandatory Cost Share</u>	<u>Voluntary</u>
▶ 1-generator cost \$100,000 (VW funds)	\$1.00	\$20,000	\$79,999

VW Environmental Mitigation Trust Resources

- ▶ EPA Office of Enforcement & Compliance (OECA) for Consent Decree and Trust Agreement:

www.epa.gov/enforcement/Volkswagen-clean-air-act-civil-settlement

- ▶ EPA Office of Transportation & Air Quality (OTAQ) for DERA Option:

www.epa.gov/cleandiesel/Volkswagen-vw-settlement-dera-option

- ▶ Institute for Tribal Environmental Professionals (ITEP) for Technical Assistance

<http://www7.nau.edu/itep/main/Home/>

- ▶ National Tribal Air Association (NTAA) for VW Workgroup:

<http://www7.nau.edu/itep/main/ntaa/Resources/Volkswagen>

Thank You!

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