

# EPA's Diesel Emission Reduction Act (DERA) National Grants

## 2020 Request for Applications Information Session

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We will begin the webinar shortly.

For audio through your phone line, please dial 1-202-991-0477, code: 4149804#.

**PLEASE MUTE YOUR LINE**

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

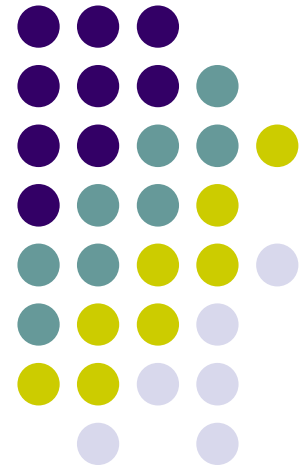
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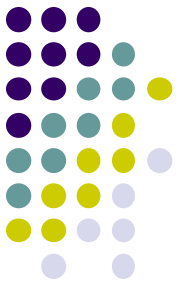
Presentation materials will be available at <https://www.epa.gov/cleandiesel/clean-diesel-national-grants>.

# 2020 Diesel Emission Reduction Act (DERA) National Grants

Request for Applications  
Information Session

Faye Swift  
EPA Office of Transportation and Air Quality

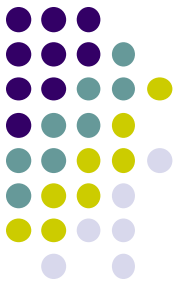




# Introduction

Despite EPA's diesel engine and fuel standards for new engines, the nearly ten million legacy diesel engines already in use continue to emit large amounts of NO<sub>x</sub> and PM<sub>2.5</sub>, which contribute to serious public health problems, including asthma, lung cancer and various other cardiac and respiratory diseases.

Through this Request for Applications (RFA), EPA is offering a competitive funding opportunity for projects that achieve reductions in diesel emissions from mobile sources.



# Basic Information

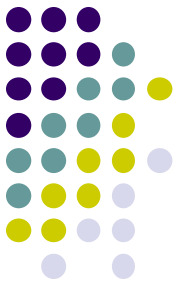
- DERA National Grants
  - Estimated 2020 funding - **\$44 million**
  - RFA available at:  
[www.epa.gov/cleandiesel/clean-diesel-national-grants](http://www.epa.gov/cleandiesel/clean-diesel-national-grants)
- Applications due Wednesday, February 26, 2020

# What has changed since 2019?

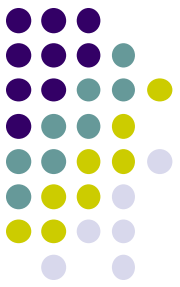


- The DERA program has changed several requirements related to project eligibility
  - Age limit for eligible model years removed
  - Vehicle eligibility now based on Ownership, Usage, and Remaining Life Requirements
  - Tier 3 engines now allowed for nonroad engine replacements with approved best achievable technology analysis
- Other changes to format and language in RFA to clarify program requirements and eligible use of funds
- **New language and requirements are in bold throughout this presentation**

# Who can apply?

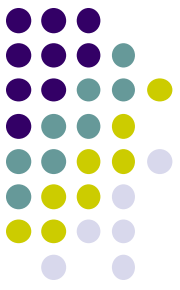


- Regional, state, local, tribal or port agency with jurisdiction over transportation or air quality; and
- Nonprofit organization or institution which
  - Represents or provides pollution reduction or educational services to persons or organizations that operate diesel fleets; or
  - Has, as its principle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



# Application Submission Limit

- Each application may only request funding from one EPA regional office as defined in Section IV.A. of the RFA
- The amount of federal funding requested per application must not exceed the amount specified for each Region as defined in Section II.A. of the RFA
- **Applicants cannot submit more than ten applications nationally**
- Applicants cannot submit more than three applications per EPA Region
- A single application may target multiple fleets, fleet types and/or types of upgrades. An applicant cannot submit two applications that request funding for the same project (i.e. the same target fleet or group of fleets).



# How much funding is available?

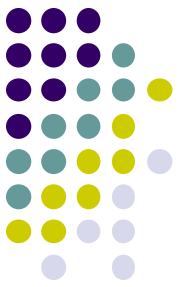
Applicants must request funding from the EPA regional office which covers their geographic project location.

The geographic boundaries for each EPA regional office are defined in Section IV.A of the RFA.

## Regional Funding Limits

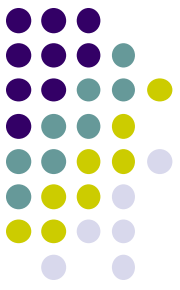
- Region 1: \$1,000,000
- Region 2: \$2,500,000
- Region 3: \$2,500,000
- Region 4: \$2,000,000
- Region 5: \$3,000,000
- Region 6: \$2,500,000
- Region 7: \$1,500,000
- Region 8: \$2,600,000
- Region 9: \$4,000,000
- Region 10: \$1,000,000





# Eligible Vehicles, Engines & Equipment

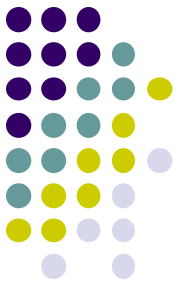
- May include, but are not limited to:
  - Buses;
  - Class 5 – Class 8 heavy-duty highway vehicles;
  - Marine engines;
  - Locomotives engines; and
  - Non-road engines, equipment or vehicles used in:
    - Construction; Handling of cargo (including at a port or airport); Agriculture; Mining; or Energy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



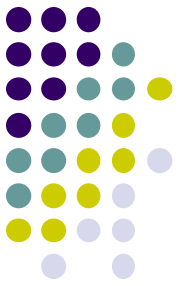
# Ownership, Usage, and Remaining Life

- The existing vehicle must be fully operational.
- **The participating fleet owner must have owned and operated the vehicle during the twenty-four months prior to upgrade.**
- **The existing vehicle must have at least three years of remaining life at the time of upgrade. Remaining life is the fleet owner's estimate of the number of years until the unit would have been retired from service if the unit were not being upgraded or scrapped because of the grant funding.**
- **Highway Usage: 7,000 miles per year for two years prior to upgrade.**
- Nonroad, Locomotive and Marine Usage:
  - Agricultural Pumps: 250 hours per year for two years prior to upgrade.
  - All Other Nonroad Engines: 250 hours per year for two years prior to upgrade.
  - Locomotive and Marine Usage: 1,000 hours per year for two years prior to upgrade.

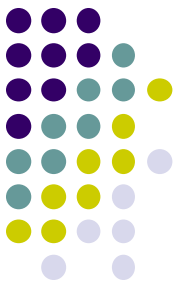
# Ownership, Usage, and Remaining Life



- **Documentation Requirements: Participating fleet owners must attest to the ownership, usage, and remaining life requirements in a signed eligibility statement. This documentation is not required at the time of application submittal to EPA but is required as part of programmatic reporting to verify the eligible use of grant funds. A sample eligibility statement may be found at [www.epa.gov/cleandiesel/clean-diesel-national-grants#rfa](http://www.epa.gov/cleandiesel/clean-diesel-national-grants#rfa).**



Eligible Upgrades	EPA Funding Limit	Mandatory Cost Share
Drayage Truck Replacement	50%	50%
Vehicle or Equipment Replacement with EPA Certified Engine	25%	75%
Vehicle or Equipment Replacement with CARB Certified Low NOx Engine	35%	65%
Vehicle or Equipment Replacement with Zero-tailpipe Emission Power Source	45%	55%
Engine Replacement with EPA Certified Engine	40%	60%
Engine Replacement with CARB Certified Low NOx Engine	50%	50%
Engine Replacement with Zero-tailpipe Emission Power Source	60%	40%
Certified Remanufacture Systems	100%	0%
Highway Idle Reduction Technologies when combined with new or previously installed exhaust after-treatment retrofit	100%	0%
Highway Idle Reduction Technologies without new exhaust after-treatment retrofit	25%	75%
Locomotive Idle Reduction Technologies	40%	60%
Marine Shore Connection Systems	25%	75%
Electrified Parking Space Technologies	30%	70%
Exhaust After-treatment Retrofits	100%	0%
Engine Upgrade Retrofits	100%	0%
Hybrid Retrofit Systems	100%	0%
Fuel and Additive Retrofits when combined with new retrofit, upgrade, or replacement	Cost differential	Cost of conventional
Aerodynamics and Low Rolling Resistance Tires when combined with new exhaust after-treatment retrofit	100%	0%
Alternative Fuel Conversion	40%	60%



# Project Eligibility (Section I.B.4)

**Table 2: Medium and Heavy-Duty Truck, Transit Bus, and School Bus Project Eligibility**

Current Engine Model Year (EMY)	DOC +/- CCV	DPF	SCR	Verified Idle Reduction, Tires, or Aerodynamics	Vehicle or Engine Replacement: EMY 2018+ (2014+ for Drayage)	Vehicle or Engine Replacement: EMY 2018+ Zero Emission <sup>2</sup> or Low-NO <sub>x</sub>	Clean Alternative Fuel Conversion
older - 2006	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2007 - 2009	No	No	Yes	Yes <sup>1</sup>	Yes	Yes	Yes
2010 - newer	No	No	No	Yes <sup>1</sup>	No	Yes	Yes

<sup>1</sup>Auxiliary power units and generators are not eligible on vehicles with EMY 2007 or newer.

<sup>2</sup>Eligible fuel cell projects are limited to hydrogen fuel cell engine replacements for eligible urban transit buses, shuttle buses and drayage trucks, and hydrogen fuel cell engine replacements for eligible urban transit buses, shuttle buses, and drayage trucks.

# Project Eligibility (Section I.B.4)



**Table 3. Nonroad Engine Project Eligibility**

Current Engine Tier	Vehicle/Equipment Replacement: EMY 2020					Verified Retrofit
	Compression Ignition			Spark Ignition	Zero Emission <sup>3</sup>	
	Tier 0-2	Tier 3-4i	Tier 4	Tier 2		
Unregulated – Tier 2	No	Yes <sup>1</sup>	Yes	Yes	Yes	Yes
Tier 3	No	No	Yes	Yes	Yes	Yes
Tier 4	No	No	No	No	No	No
Current Engine Tier	Engine Replacement					Verified Engine Upgrade
	Compression Ignition			Spark Ignition	Zero Emission <sup>4</sup>	
	Tier 0-2	Tier 3-4i	Tier 4	Tier 2		
Unregulated – Tier 2	No	Yes <sup>2</sup>	Yes	Yes	Yes	Yes
Tier 3	No	No	Yes	Yes	Yes	Yes
Tier 4	No	No	No	No	No	No

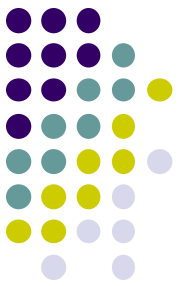
<sup>1</sup>Tier 3 and Tier 4 interim (4i) allowed for vehicle/equipment replacement only when Tier 4 final is not yet available from OEM for 2020 model year equipment under the Transition Program for Equipment Manufacturers (TPEM).

<sup>2</sup>Tier 3 and Tier 4i engines may be used for engine replacement only if Tier 4 is demonstrated to not be available or feasible through a best achievable technology analysis as defined in Section I.B.4.a., below.

<sup>3</sup>Eligible fuel cell projects are limited to hydrogen fuel cell equipment replacements for eligible terminal tractors/yard hostlers, stationary generators, and forklifts.

<sup>4</sup>Fuel cell engine replacement is not eligible.

# Project Eligibility (Section I.B.4)



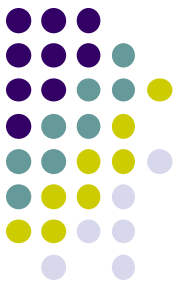
**Table 4: Marine Engine Project Eligibility**

Engine Category	Engine Horsepower	Current Engine Tier	Engine & Vessel Replacement					Certified Re-manufacture System <sup>3</sup>	Verified Engine Upgrade
			Compression Ignition			Spark Ignition	Zero Emission <sup>2</sup>		
			Tier 1-2	Tier 3	Tier 4				
C1, C2	<803	Un-regulated – Tier 2	No	Yes	No	Yes	Yes	Yes	Yes
C1, C2	≥804	Un-regulated – Tier 2	No	Yes <sup>1</sup>	Yes	Yes	Yes	Yes	Yes
C1, C2	<803	Tier 3	No	No	No	Yes	Yes	No	No
C1, C2	≥804	Tier 3	No	No	Yes	Yes	Yes	No	No
C1, C2	≥804	Tier 4	No	No	No	No	No	No	No
C3	All	Un-regulated - Tier 2	No	Yes	No	No	No	No	No
C3	All	Tier 3	No	No	No	No	No	No	No

<sup>1</sup>Tier 3 engines may be used for engine replacement only if Tier 4 is demonstrated to not be available or feasible through a best achievable technology analysis as defined in Section I.B.4.a., below. Over 800 HP, Tier 3 engines are not eligible for full vessel replacement.

<sup>2</sup>Fuel cell engine and vessel replacements are not eligible.

<sup>3</sup>Some marine engine projects may be subject to the restriction on mandated measures.



# Project Eligibility (Section I.B.4)

**Table 5: Locomotive Engine Project Eligibility**

Current Locomotive Tier	Engine & Locomotive Replacement				Verified Retrofit	Idle-Reduction <sup>2</sup> Technology	Certified Remanufacture System <sup>4</sup>
	Tier 0-2+	Tier 3	Tier 4	Zero Emission <sup>1</sup>			
Unregulated - Tier 2+	No	Yes <sup>3</sup>	Yes	Yes	Yes	Yes	Yes
Tier 3	No	No	Yes	Yes	Yes	Yes	Yes
Tier 4	No	No	No	No	No	Yes	No

<sup>1</sup>Fuel cell engine and locomotive replacements are not eligible.

<sup>2</sup>Automatic engine start-stop technologies are only eligible to be installed on locomotives currently certified to Tier 0 or unregulated, subject to the restriction on mandated measures.

<sup>3</sup>Tier 3 engines may be used for engine replacement only if Tier 4 is demonstrated to not be available or feasible through a best achievable technology analysis as defined in Section I.B.4.a., below. Tier 3 is not eligible for locomotive replacement.

<sup>4</sup>Some locomotive engine projects may be subject to the restriction on mandated measures.

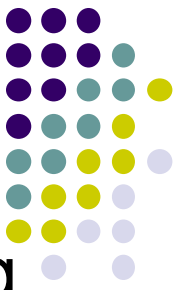


# Best Achievable Technology



- Applicants replacing nonroad, marine, and locomotive engines are expected to use Tier 4 engines if Tier 4 engines with the appropriate physical and performance characteristics are available.
- If selected for funding, applicants will be required to submit a best achievable technology analysis to EPA for approval before Tier 3 or Tier 4i engines can be purchased.
- Application Requirements: Applicants must commit to using Tier 4 engines if available. Applicants anticipating the use of Tier 3 or Tier 4i engines should discuss their rationale for proposing Tier 3 or Tier 4i engine replacements in Section 1 of their project narrative.
- Best Achievable Technology Analysis Requirements: If selected for funding, applicants will be required to submit a best achievable technology analysis to EPA for approval, as defined in Section I.B.4.a of the RFA, before Tier 3 or Tier 4i engines can be purchased with grant funds.
- The analysis must be prepared by the engine manufacturer or installer. Costs for engineering analysis may be included in the project budget.

# Funding Restrictions



- DERA funds cannot be used for the following activities, as defined in Section III.D. of the RFA
  - Federal matching funds
  - Expenses incurred prior to the project period
  - Emissions testing
  - Fueling infrastructure
  - Federally mandated measures
  - **Leasing**
    - Fleet Expansion (i.e. scrappage is required)
    - Replacement retrofit technologies
- Some eligible and ineligible project costs are further defined in Section I.B.5. of the RFA.

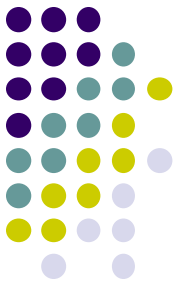


# Reminder!

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# Where do I start?

1. Visit the 2020 DERA National Grants webpage:

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

2. Download, Save, and Read the following documents:

- Request for Applications #EPA-OAR-OTAQ-20-02(pdf)
- Sample Project Narrative (word)
- Sample Applicant Fleet Description (excel)

3. Other Supporting Information found on this page:

- Priority Area List
- Sample Drayage Operating Guidelines
- TRU Factsheet
- Sample Scrappage Statement
- Sample Eligibility Statement
- Questions and Answers



# How do I apply?

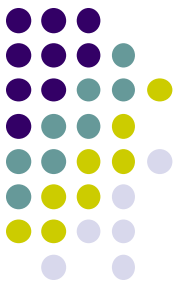
- Applications must be submitted electronically via [www.grants.gov](http://www.grants.gov)
- If not currently registered with Grants.gov, designate an Authorized Organization Representative (AOR) and begin the registration process as soon as possible.
- The registration process requires that your organization 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.

# How do I apply? (continued)



1. Register your organization with Grants.gov
2. Write your Project Narrative
  - Includes the Cover Page and Work Plan; cannot exceed 12 pages
  - Must substantially comply with the specific instructions, format, and content as defined in Appendix B of the RFA
  - Save as a pdf
3. Write your Applicant Fleet Description
  - Should be presented in table format (e.g. excel)
  - Do not convert excel files to pdf
  - Does not count towards 12-page limit

# How do I apply? (continued)



## 4. Quantify Emission Reductions

- Follow instructions in Appendix C of RFA
- Download DEQ Results Spreadsheet showing DEQ results and your inputs
- Do not convert excel files to pdf
- Does not count towards 12-page limit

## 5. If applicable, obtain Cost Share Commitment Letters and Partnership Letters

- Letters should be addressed to the applicant organization and included as attachments to the application. Please do not ask partners to submit letters directly to EPA.
- Does not count towards 12-page limit

## 6. If applicable, prepare mandated Measures Justification Supporting Information

- Does not count towards 12-page limit

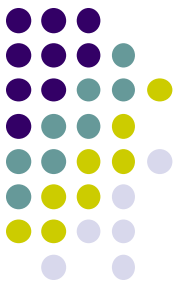


# How do I apply? (continued)

7. Go to Grants.gov and then click on “Search Grants” at the top of the page and enter the Funding Opportunity Number, EPA-OAR-OTAQ-20-02, or the CFDA number, CFDA 66.039, in the appropriate field and click the Search button
8. Click on the Opportunity Number to View Grant Opportunity
9. Click the red “Apply” button in the upper right and create a Workspace

Please Note: All applications must now be submitted through [Grants.gov](#) using the “Workspace” feature. Information on the Workspace feature can be found at the [Grants.gov Workspace Overview Page](#).





# How do I apply? (continued)

10. Fill out the required grant application forms and upload all required and optional attachments
  - You can download PDFs of the forms, fill them out offline, then upload back to grants.gov; or
  - You can complete the forms online as webforms

## PACKAGE FORMS:

Mandatory Forms  
(Click to Preview)

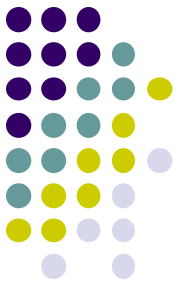
- » [Application for Federal Assistance \(SF-424\) \[V2.1\]](#)
- » [EPA Form 4700-4 \[V2.1\]](#)
- » [Project Narrative Attachment Form \[V1.2\]](#)
- » [EPA KEY CONTACTS FORM \[V1.1\]](#)
- » [Budget Information for Non-Construction Programs \(SF-424A\) \[V1.0\]](#)
- » [Assurances for Non-Construction Programs \(SF-424B\) \[V1.1\]](#)
- » [Other Attachments Form \[V1.2\]](#)



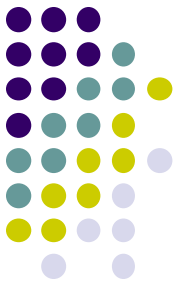
## How do I apply? (continued)

11. The “Check Application” button runs a validation process to ensure all the forms are complete. If the validation fails, a list of errors will be displayed.
12. Once all forms are in “passed” status the “Sign and Submit” button will be active.

# Application Evaluation Process



- Step 1: Threshold Criteria Review (Section III.C)
  - Must meet ALL 7 threshold criteria to move on to Step 2
- Step 2: Evaluation Criteria (Section V.A)
  - Nine evaluation criteria – points assigned to each
  - 140 points possible

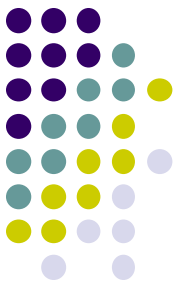


# Evaluation Criteria (Section V.A)

Criteria	Points
Project Summary and Approach	15
Project Location	20
Benefits to the Community	5
Community Engagement and Partnerships	5
Project Sustainability	20
Environmental Results – Outputs, Outcomes, and Performance Measures	35
Programmatic Capability and Past Performance	20
Budget	15
Applicant Fleet Description	5

# Evaluation Criteria (Section V.A.2)

## Project Location



- Applications will be evaluated based on the location of the project
  - (10 points) Projects located in an Ozone or PM2.5 Nonattainment or Maintenance area
  - (5 points) Projects located in an area where all or part of the population is exposed to diesel PM concentrations **above the 80th percentile for diesel PM**
  - (5 points) Project target vehicles located at, or that service, good movement facilities such as ports, airports, rail yards, terminals, or distribution centers

[www.epa.gov/sites/production/files/2019-11/documents/fy20\\_-\\_priority-area-list-2019-12.pdf](http://www.epa.gov/sites/production/files/2019-11/documents/fy20_-_priority-area-list-2019-12.pdf)

# Evaluation Criteria (Section V.A.3)

## Benefits to the Community



- (5 points) Applicants will be evaluated based on the quality and extent to which their application demonstrates how the proposed project will address the needs and concerns of affected communities, especially any communities or populations that have faced or are facing environmental justice concerns, as defined in Section I.B.7.c of the RFA.

# Evaluation Criteria (Section V.A.4)

## Community Engagement and Partnerships



- (5 points) Applications will be evaluated based on the extent and quality of the applicant's 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, as described in Section I.B.7.d of the RFA.

# Evaluation Criteria (Section V.A.5)

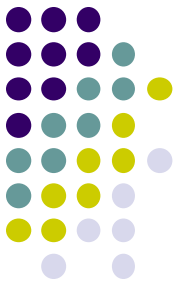
## Project Sustainability



- (5 points) Have existing policies or new commitments to, by the end of the project period, adopt idle-reduction policies, adopt contract specifications requiring the use of cleaner, more efficient vehicles and equipment, complete an up to date mobile source equipment inventory, or adopt other strategies to promote and continue efforts to reduce diesel emissions.
- (5 points) Have a publicly available baseline mobile source emission inventory for PM2.5 and/or NOx that was completed after 2016 or commit to completing one before the end of the project period.
- (5 points) Have a publicly available plan to reduce mobile source emissions that includes specific PM2.5 and/or NOx emission targets that was completed after 2016 or have a documented commitment to developing, before the end of the project period, a publicly available plan to reduce mobile source emissions that includes specific PM2.5 and/or NOx emission targets.
- (5 points) Have an existing, or a documented commitment to developing before the end of the project period, a clear point of contact in a public platform (e.g., newsletter, website) for community issues and complaints (specific to air quality or broader) and a publicly documented policy or process for getting community input on operations and projects that impact air quality. The process could be a meeting in the past year and/or a policy or process to have a meeting or otherwise get input (e.g., a standing citizens advisory committee).



# Potential Pitfalls

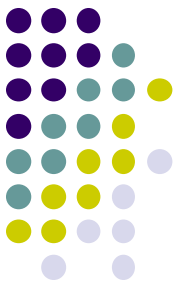


- Grants.gov issues
  - CREATE AN ACCOUNT NOW
    - the registration process requires that your organization have a DUNS number and a current registration with the System for Award Management ([www.SAM.gov](http://www.SAM.gov)).
    - Grants.gov now requires users to sign up for and use their “Workspace” feature when applying for opportunities.
  - 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



- RFA and Supporting Information can be found at:  
[www.epa.gov/cleandiesel/clean-diesel-national-grants](http://www.epa.gov/cleandiesel/clean-diesel-national-grants)
- Diesel Emissions Quantifier (DEQ)
  - Can be used to show expected project results, cost-effectiveness  
<https://cfpub.epa.gov/quantifier/>
  - Helpline: [DEQhelp@epa.gov](mailto:DEQhelp@epa.gov)
- Questions and Answers
  - Posted weekly, on webpage
  - List will include questions from today's webinar
  - Deadline for submitting questions is Friday, February 14
  - Submit questions via email to [cleandiesel@epa.gov](mailto:cleandiesel@epa.gov) or 1-877-NCDC-FACTS (1-877-623-2322)
    - Type “National RFA Question” in the subject line of email



# DERA School Bus Rebates Program

- While school bus replacement is one of many eligible activities under the DERA National Grant program (this RFA), the DERA School Bus Rebates program is a separate funding opportunity which provides funding only for school bus replacement.
- Typically, the DERA School Bus Rebates program application period opens annually in the fall, requires a one-page application form, rebate recipients are selected through a lottery process, and requires that school bus replacements are completed in less than one year.
- Information on EPA's School Bus Rebates program can be found at [www.epa.gov/cleandiesel/school-bus-rebates-diesel-emissions-reduction-act-dera](http://www.epa.gov/cleandiesel/school-bus-rebates-diesel-emissions-reduction-act-dera).

# Thank You!

## 2020 DERA National Grants Request for Applications Information Session

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 document available at:

[www.epa.gov/sites/production/files/2019-12/documents/fy20-dera-qa.pdf](http://www.epa.gov/sites/production/files/2019-12/documents/fy20-dera-qa.pdf)

Copies of this presentation are available at:

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

