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

2020 Request for Applications Information Session

We will begin the webinar shortly.

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For audio through your phone line, please dial 1-202-991-0477, code: 2107951#.

#### 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.

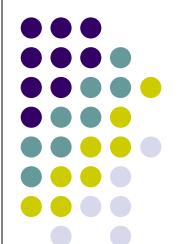
If we are unable to answer your question at this time, we will list all questions and answers in the FAQ document available at

https://www.epa.gov/dera/tribal

Presentation materials will be available at <a href="https://www.epa.gov/dera/tribal">https://www.epa.gov/dera/tribal</a>

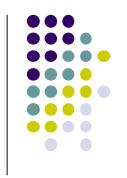
# 2020 Diesel Emission Reduction Act (DERA) Tribal Grants

Request for Applications
Information Session



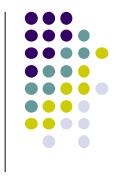
Lucita Valiere EPA Office of Transportation and Air Quality





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 NOx and PM2.5, 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 Tribal Grants
  - Estimated 2020 funding \$2 million
  - RFA available at: <a href="https://www.epa.gov/dera/tribal">https://www.epa.gov/dera/tribal</a>

Applications due Thursday, July 9, 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 1, Tier 2, Tier 3 and Tier 4i vehicles, equipment, and engines may be used only if Tier 4 is demonstrated to not be available or feasible through a best achievable technology analysis as defined in Section I.B.4a. Stationary generators in the Alaska Rural areas are eligible for replacement with certified marine engines.
- 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?

- Eligible entities include tribal governments (or intertribal consortia) and Alaska Native Villages, which have jurisdiction over transportation or air quality.
- Although private fleet owners are not eligible to apply directly to EPA for DERA funding, both public and private fleets can benefit from the programs implemented by DERA Tribal grant recipients.





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





- EPA anticipates awarding approximately \$2 million under this RFA, subject to the availability of funds, the quantity and quality of applications received.
- The amount of federal funding requested per application must not exceed \$800,000.
- It is anticipated that approximately 2-8 cooperative agreements will be made from this competition.

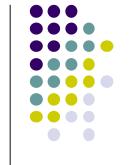




- May include, but are not limited to:
  - Buses;
  - Class 5 Class 8 heavy-duty highway vehicles;
  - Marine engines;
  - Locomotives and Non-road engines;
  - Equipment or vehicles including, but not limited to, those used in Construction; Handling of cargo (including at a port or airport); Agriculture; 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: Changed to 5,000 miles during each 12-months during the 24 months prior to upgrade.
- Nonroad, Locomotive and Marine Usage:
  - Agricultural Pumps: Changed from 500 to 250 hours during each
     12-month period for the 24-months prior to upgrade.
  - All Other Nonroad Engines: Changed from 500 to 300 hours during each 12-month period for the 24-months prior to upgrade.
  - Locomotive and Marine Usage: Changed from 1,000 hours to 500 hours during each 12-month period for the 24-months 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 <a href="https://www.epa.gov/dera/tribal">https://www.epa.gov/dera/tribal</a>.

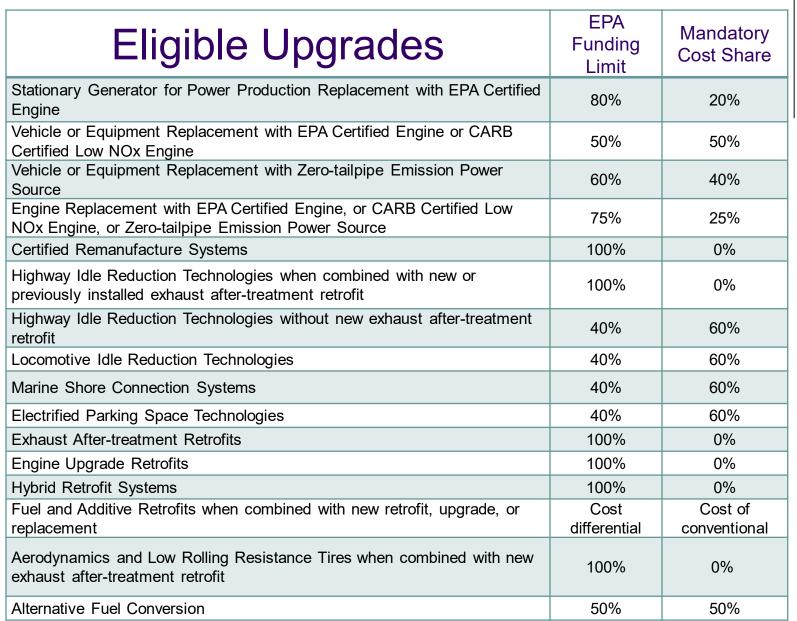








Table 2: Medium and Heavy-Duty Truck, Transit Bus, and School Bus Project Eligibility

Current Engine Model Year (EMY)	DOC +/- CCV	DPF	SCR	Verified Idle Reduction, Tires, or Aero- dynamics	Vehicle or Engine Replacement: EMY 2015+	Vehicle or Engine Replacement: EMY 2018+ Zero Emission <sup>2</sup> or Low-NO <sub>x</sub> <sup>3</sup>	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

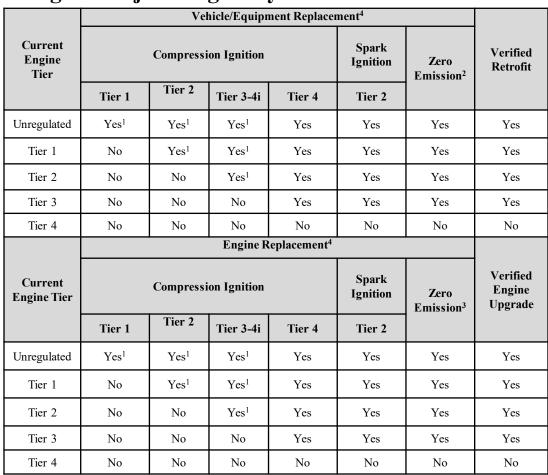
<sup>&</sup>lt;sup>1</sup>Auxiliary power units and generators are not eligible on vehicles with EMY 2007 or newer.

<sup>&</sup>lt;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.

<sup>&</sup>lt;sup>3</sup> Please see the Low-NO<sub>x</sub> Engine Factsheet found at <a href="https://www.epa.gov/dera/tribal">https://www.epa.gov/dera/tribal</a> for guidance on identifying engines certified to meet CARB's Optional Low NO<sub>x</sub> Standards.

## **Project Eligibility (Section I.B.4)**

#### **Table 3. Nonroad Engine Project Eligibility**



<sup>&</sup>lt;sup>1</sup>Tier 1, Tier 2, Tier 3 and Tier 4i vehicles, equipment, and engines may be used 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>&</sup>lt;sup>2</sup>Eligible fuel cell projects are limited to hydrogen fuel cell equipment replacements for eligible terminal tractors/yard hostlers, stationary generators, and forklifts.

<sup>&</sup>lt;sup>3</sup>Fuel cell engine replacement is not eligible.

<sup>&</sup>lt;sup>4</sup>Stationary generators in the Alaska rural areas are eligible for replacement with certified marine engines.

## **Project Eligibility (Section I.B.4)**



**Table 4: Marine Engine Project Eligibility** 

	Engine Horse- power	Current								
Engine Cate-gory			Compression Ignition						Certified	Verified
		Engine Tier	Tier 1	Tier 2	Tier 3	Tier 4	Spark Ignition	Zero Emission <sup>2</sup>	Remanu- facture System <sup>3</sup>	Engine Upgrade
C1, C2	<803	Un-regulated	Yes1	Yes <sup>1</sup>	Yes	No	Yes	Yes	Yes	Yes
C1, C2	<803	Tier 1	No	Yes1	Yes	No	Yes	Yes	Yes	Yes
C1, C2	<803	Tier 2	No	No	Yes	No	Yes	Yes	Yes	Yes
C1, C2	<803	Tier 3	No	No	No	No	No	Yes	Yes	Yes
C1, C2	≥804	Un-regulated	Yes1	Yes1	Yes1	Yes	Yes	Yes	Yes	Yes
C1, C2	≥804	Tier 1	No	Yes1	Yes1	Yes	Yes	Yes	Yes	Yes
C1, C2	≥804	Tier 2	No	No	Yes1	Yes	Yes	Yes	Yes	Yes
C1, C2	≥804	Tier 3	No	No	No	Yes	Yes	Yes	Yes	Yes
C1, C2	≥804	Tier 4	No	No	No	No	No	No	No	No
С3	All	Un-regulated	Yes1	Yes1	Yes	No	No	No	No	No
СЗ	All	Tier 1	No	Yes <sup>1</sup>	Yes	No	No	No	No	No
СЗ	All	Tier 2	No	No	Yes	No	No	No	No	No
С3	All	Tier 3	No	No	No	No	No	No	No	No

<sup>&</sup>lt;sup>1</sup>Tier 1, Tier 2, and Tier 3 engines may be used for vessel and 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>&</sup>lt;sup>2</sup>Fuel cell engine and vessel replacements are not eligible.

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

<sup>&</sup>lt;sup>4</sup>Stationary generators in the Alaska rural areas are eligible for replacement with certified marine engines.





**Table 5: Locomotive Engine Project Eligibility** 

Current	Loco	motive	& Eng	ine Rep	Verified	Idle-	Certified Remanu-	
Locomotive Tier	Tier 0+ - 2	Tier 2+	Tier 3	Tier 4	Zero Emission <sup>1</sup>	Retrofit	Reduction <sup>2</sup> Technology	facture System <sup>4</sup>
Unregulated - Tier 2	No	Yes <sup>3</sup>	Yes <sup>3</sup>	Yes	Yes	Yes	Yes	Yes
Tier 2+	No	No	Yes <sup>3</sup>	Yes	Yes	Yes	Yes	Yes
Tier 3	No	No	No	Yes	Yes	Yes	Yes	Yes
Tier 4	No	No	No	No	No	No	Yes	No

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

<sup>&</sup>lt;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>&</sup>lt;sup>3</sup>Tier 2+ and Tier 3 engines may be used for locomotive and 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>&</sup>lt;sup>4</sup>Some locomotive engine projects may be subject to the restriction on mandated measures.

## **Best Achievable Technology**

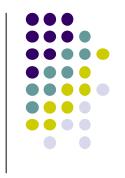


- Applicants replacing these nonroad, marine, and locomotive engines are expected to use Tier 4 engines if Tier 4 engines with the appropriate physical and performance characteristics are available.
- If selected for funding, applicants will be required to submit a best achievable technology analysis to EPA for approval before Tier 1, Tier 2, 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 lower tiered engines should discuss their rationale for proposing lower tiered 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 before Tier 1, Tier 2, Tier 3 or Tier 4i vehicles, equipment, or engines can be purchased. This analysis is not required at the time of grant application submittal to EPA, but is required before non-Tier 4 vehicles, equipment, or engines can be purchased with grant funds.
- 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
  - Ineligible Activities and Costs
  - Federal matching funds
  - Expenses incurred prior to the project period
  - Emissions testing
  - Fueling infrastructure
  - 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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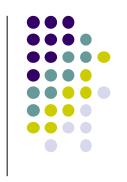
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### Where do I start?



- 1. Visit the 2020 DERA Tribal Grants webpage: <a href="https://www.epa.gov/dera/tribal">https://www.epa.gov/dera/tribal</a>
- 2. Download, Save, and Read the following documents:
  - Request for Applications #EPA-OAR-OTAQ-20-07 (pdf)
  - Sample Project Narrative (word)
  - Sample Applicant Fleet Description (excel)
- 3. Other Supporting Information found on this page:
  - VW Settlement DERA option
  - 2020 Sample Eligibility Statement (WORD)
  - 2020 Sample Project Narrative (WORD)
  - 2020 Sample Applicant Fleet Description (EXCEL)
  - 2020 Priority Area List
  - 2020 Sample Scrappage Statement (WORD)
  - 2020 DERA Transport Refrigeration Unit (TRU) Factsheet (PDF)





- Applications must be submitted electronically via <u>www.grants.gov</u>
- 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)



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

### Write your Applicant Fleet Description

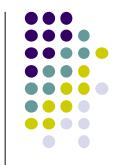
- Should be presented in table format (e.g. excel)
- Do not convert excel files to pdf
- Does not count towards 12-page limit

## 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
- 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. <u>Please do not ask partners to submit</u> <u>letters directly to EPA.</u>
  - Does not count towards 12-page limit
- 6. If applicable, prepare mandated Measures Justification Supporting Information
  - Does not count towards 12-page limit

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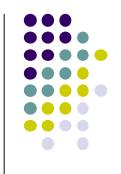
# How do I apply? (continued)



- 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-20-07, 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 <u>Grants.gov</u> using the "Workspace" feature. Information on the Workspace feature can be found at the <u>Grants.gov Workspace</u> <u>Overview Page</u>.





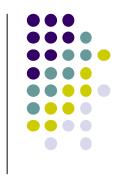
- 10. Fill out the required grant application forms and upload all required and optional attachments
  - You can download PDFs of the forms, fill them out offline, then upload back to grants.gov; or
  - You can complete the forms online as webforms

#### 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]





- 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.





- Step 1: Threshold Criteria Review (Section III.C)
  - Must meet ALL 6 threshold criteria to move on to Step 2

- Step 2: Evaluation Criteria (Section V.A)
  - Nine evaluation criteria points assigned to each
  - 110 points possible





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



Applicants will be evaluated based on the quality and extent and quality of the applicant's project summary and overall approach:

- (5 points) Whether the application includes a detailed project description, including information on vehicles and technologies; roles and responsibilities, and timeline and milestone as described in Appendix B.
- (5 points) Whether the application includes a well-conceived strategy for achieving the anticipated results associated with the project.
- (5 points) Whether the application sets forth a reasonable time schedule for the execution of the tasks associated with the project.

# **Evaluation Criteria (Section V.A.2) Project Location**



(5 points) Applications will be evaluated based on the project location. Specifically, whether projects are located in an Ozone or PM2.5 nonattainment or maintenance area, as described in Section I.B.7.a.

# Evaluation Criteria (Section V.A.3) Benefits to the Community



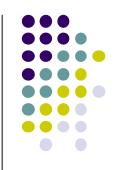
(5 points) Applications will be evaluated based on the extent and quality of the applicant's efforts and plans for engaging affected communities with respect to the design and performance of the project and obtaining support from project partners to more effectively perform the project, as described in Section I.B.7.b.

# **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.c.

# **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 as described in Section I.B.7.d.

# **Evaluation Criteria (Section V.A.6) Environmental Results**



- (10 points) The extent to which the project will achieve significant reductions in diesel emissions.
- (10 points) The lifetime total project cost effectiveness for PM2.5 and NOx, and the lifetime capital cost effectiveness for PM2.5 and NOx.
- (5 points) The extent and quality to which the applicant identifies and quantifies other expected project outputs and outcomes.
- (5 points) The performance measures proposed by the applicant and how they will be used to help track and measure the applicants progress.
- (5 points) The effectiveness of the applicants plan for tracking and measuring its progress toward achieving the expected outputs and outcomes.

# Evaluation Criteria (Section V.A.7) Programmatic Capability and Past Performance



- (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.
- (5 points) History of meeting the reporting requirements under the assistance agreements in the project narrative as described in Section 7 of Appendix B.
- (5 points) Organizational experience and plan for timely and successfully achieving the objectives of the proposed project.
- (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**



- (5 points) Approach, procedures, and controls for ensuring that awarded grant funds will be expended in a timely and efficient manner.
- (5 points) The extent and quality to which costs are reasonable to accomplish the proposed goals, objectives, and measurable environmental outcomes.
- (5 points) The extent and quality to which 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**



 (5 points) Evaluate applicants on the extent and quality to which detailed information on the target fleet (vessels(s), vehicle(s), engine(s) and/or equipment is provided in the applicant fleet description.

# 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 Trust Overview VW Environmental Mitigation Request for Funds



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

# 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

#### **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 (<u>www.SAM.gov</u>).
    - 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: <a href="https://www.epa.gov/dera/tribal">https://www.epa.gov/dera/tribal</a>
- Diesel Emissions Quantifier (DEQ)
  - Can be used to show expected project results, cost-effectiveness https://cfpub.epa.gov/quantifier/index.cfm?action=main.home
  - Helpline: <u>DEQhelp@epa.gov</u>
- Frequently Asked Questions
  - Posted weekly, on webpage
  - List will include questions from today's webinar
  - Deadline for submitting questions is Friday, June 26
  - Submit questions via email to <u>dera@epa.gov</u>
    - Type "Tribal RFA Question" in the subject line of email

## **Thank You!**

2020 DERA Tribal Grants Request for Applications Information Session

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Copies of this presentation are available at: