

**Questions and Answers:  
2021 Diesel Emissions Reduction Act (DERA) National Grants  
RFA# EPA-OAR-OTAQ-21-02**

Wednesday, March 10, 2021

The following Questions and Answers have been compiled for the benefit of organizations considering applying for a grant under the above Request for Applications (RFA).

- A. Applicant Eligibility
- B. Project Eligibility
  - i. Vehicle and Equipment Replacements
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Please note that many questions are variations of each other so your exact question may not be listed; please look for similar questions.

## A. Applicant Eligibility

### A.1: *Who is eligible to apply?*

Answer: Eligible entities include:

- Regional, state, local or tribal agencies/intertribal consortia
- Port authorities with jurisdiction over transportation or air quality
- Nonprofit organizations or institutions that
  - represent or provide pollution reduction or educational services to persons or organizations that own or operate diesel fleets or
  - have, as their principal purpose, the promotion of transportation or air quality

For example, public school districts and public universities who own/operate diesel fleets and are responsible for decisions regarding student transportation, airports that operate as public entities, and public utilities including public wastewater treatment plants are all eligible entities.

The following entities are not eligible unless they partner with an eligible entity:

- Private fleets including private school bus companies (see A.6 about partnering with an eligible entity).
- Manufacturers of vehicles and technologies
- Federal agencies including U.S military installations
- Private utilities

Date Posted: 1/14/2021

### A.2: *Is the manufacturer of an emissions reduction device eligible for this grant?*

Answer: Manufacturers are not eligible to apply directly to EPA for funding. Manufacturers who would like to have their retrofit products eligible for purchase by recipients of this grant program must be listed on EPA or CARB's verified retrofit technology list. An overview of EPA's Verification Process is available at [www.epa.gov/verified-diesel-tech/learn-about-verified-technologies-clean-diesel](http://www.epa.gov/verified-diesel-tech/learn-about-verified-technologies-clean-diesel). Funding under this program is not available for product testing/verification.

Date Posted: 1/14/2021

### A.3: *How do the DERA National Grants, Tribal Grants, and School Bus Rebates differ?*

Answer: EPA has three competitive DERA funding opportunities: DERA National Grants (this RFA), DERA Tribal Grants, and DERA School Bus Rebates. Although tribes are eligible to apply for funding under this RFA, the DERA program also expects to issue a separate DERA Tribal Grants RFA in 2021. Please visit [www.epa.gov/dera/tribal](http://www.epa.gov/dera/tribal) for more information. While school bus replacement is one of many eligible activities under DERA National Grants (this RFA), DERA School Bus Rebates provides funding only for school bus replacement. Typically, the rebate application period opens annually in the fall, requires a one-page application form, rebate recipients are selected through a lottery process, and projects are completed in less than one year. Information on EPA's School Bus Rebates can be found at [www.epa.gov/dera/rebates](http://www.epa.gov/dera/rebates).

Date Posted: 1/14/2021

### A.4: *Are we eligible to apply if we have received DERA funding through another opportunity?*

Answer: Yes. Participation in one program does not preclude you from participating in others; however, an applicant may not accept funding from multiple DERA programs for the same vehicle.

Date Posted: 1/14/2021

**A.5:** *Do applicants and projects need to be located in nonattainment areas to be eligible?*

Answer: No, attainment is not an eligibility factor. However, projects located in nonattainment areas will receive points under evaluation criterion #2 for being located in a priority area.

Date Posted: 1/14/2021

**A.6:** *Can a privately-owned fleet receive funding? Are there specific entities that private companies must partner with?*

Answer: Only eligible entities as defined in the RFA are eligible to apply directly to EPA for funding under this RFA. Eligible entities include regional, state, local or tribal agencies (or intertribal consortia) or port authorities with jurisdiction over transportation or air quality, and nonprofit organizations or institutions that:

a) represent or provide pollution reduction or educational services to persons or organizations that own or operate diesel fleets or

b) have, as their principal purpose, the promotion of transportation or air quality. However, both public and private fleets may benefit from the programs implemented by DERA national grant recipients and EPA encourages private fleet owners to partner with eligible entities for the implementation of diesel emissions reduction projects.

An eligible entity can provide funding/benefits to fleet owners through subawards and rebates. Some EPA regions have regional diesel collaboratives ([www.epa.gov/dera/epa-regions-diesel-collaboratives](http://www.epa.gov/dera/epa-regions-diesel-collaboratives)) where fleet owners interested in partnering with eligible entities may find networking opportunities.

Date Posted: 1/14/2021

**A.7:** *How many times can an applicant apply?*

Answer: Applicants can submit a total of ten applications. However, no more than three applications may be submitted to the same EPA Region.

Date Posted: 2/12/2021

**A.8:** *May two fleets apply in one application with vehicles combined into a single fleet?*

Answer: A single application may include several different partners, fleets, and types of upgrades. However, only one eligible entity may be listed as the applicant on the application. If selected for funding, the applicant organization is the direct recipient of the EPA funds and the recipient is responsible for overall project management, all required reporting, and is accountable to EPA for the proper expenditure of funds. The applicant can provide funding/benefits to other fleet owners through subgrants and rebates in accordance with the applicable EPA grant regulations and the terms and conditions of the award.

Date Posted: 2/12/2021

**A.9:** *May school districts apply for both the National Grant and the School Bus Rebate?*

Answer: Yes, however funds from both awards cannot be used for the same school bus.

Date Posted: 2/12/2021

**A.10:** *We are a start-up company supplying alternative fuels and vehicle charging. Are we eligible to apply for funding?*

Answer: No.

Date Posted: 2/12/2021

**A.11:** *Can a truck voucher incentive program be added to the DERA award if the truck voucher comes from the VW settlement?*

Answer: VW funding cannot be used to match a DERA National grant.

Date Posted: 2/12/2021

**A.12:** *Is a community college electrical vehicle service training program that maintains eligible vehicles eligible for funding?*

Answer: No.

Date Posted: 3/2/2021

**A.13:** *Is a city solid waste department an eligible entity?*

Answer: Yes. City-run municipalities or utilities are governmental entities which own and manage diesel fleets and are therefore eligible to apply.

Date Posted: 3/2/2021

**A.14:** *Is a city water department eligible to apply?*

Answer: Yes. A municipality is eligible to the extent that it is a city governmental entity.

Date Posted: 3/2/2021

**A.15:** *We are a for-profit freight railroad looking to purchase block heaters for our locomotives to reduce idling time in the winter. Are we eligible to apply?*

Answer: For-profit companies are not eligible to apply directly to EPA for funding. However, locomotive idle reduction is an eligible project type so it is possible that a for-profit company could partner with an eligible entity. Eligible locomotive idle reduction technologies must be verified by EPA.

Date Posted: 3/2/2021

**A.16:** *How can a provider of after-market fuel efficiency products work with eligible entities to apply for funding?*

Answer: To be eligible for funding, retrofit technologies must be verified by EPA or CARB as diesel emission retrofits. You would need to contact either EPA or CARB about their verification programs to learn whether your product would be considered for verification.

Date Posted: 3/2/2021

**A.17:** *Is a school district that currently leases school buses eligible to apply if they finance the new vehicles via a purchase loan?*

Answer: No. Funding must be used to replace existing school buses with new ones.

Date Posted: 3/2/2021

**A.18:** *Are private contractors eligible for funding?*

Answer: No. Private contractors are not eligible to apply directly to EPA for funding.

Date Posted: 3/2/2021

**A.19:** *Do applicants need to provide emissions education in order to be eligible?*

Answer: No, outreach and education is not a required grant activity. However, to be eligible as a nonprofit organization or institution, you must represent or provide pollution reduction or educational services to persons or organizations that own or operate diesel fleets or have, as your principal purpose, the promotion of transportation or air quality.

Date Posted: 3/2/2021

**New A.20:** *Can you provide the names of nonprofit organizations that are planning to apply?*

Answer: EPA does not receive notice of intent to apply from applicants. However, private companies interested in partnering with eligible entities may participate in EPA's Regional Diesel Collaboratives ([www.epa.gov/cleandiesel/epa-regions-clean-diesel-collaboratives](http://www.epa.gov/cleandiesel/epa-regions-clean-diesel-collaboratives)) to find networking opportunities. Awarded grants are also listed on the DERA website.

Date Posted: 3/10/2021

**New A.21:** *Our agency serves as the transportation planning staff for the regional metropolitan planning organizations (MPO), but is not itself the MPO. Are we eligible to apply?*

Answer: Eligible entities include government entities and nonprofits. Specifically, regional, state, local or tribal agencies (or intertribal consortia) or port authorities with jurisdiction over transportation or air quality, and nonprofit organizations or institutions that:

- a) represent or provide pollution reduction or educational services to persons or organizations that own or operate diesel fleets or
- b) have, as their principal purpose, the promotion of transportation or air quality. The applicant must demonstrate that they are and eligible government entity or nonprofit.

Date Posted: 3/10/2021

**New A.22:** *Is a nonprofit teaching hospital an eligible entity?*

Answer: Nonprofit organizations, as defined by OMB Circular A122, means any corporation, trust, association, cooperative, or other organization, which is operated primarily for scientific, educational, service, charitable, or similar purposes in the public interest, is not organized primarily for profit, and uses its net proceeds to maintain, improve, and/or expand its operations. Under DERA, the term "nonprofit organization" includes nonprofit institutions of higher education and nonprofit hospitals. To be eligible, nonprofit organizations must: a) represent or provide pollution reduction or educational services to persons or organizations that own or operate diesel fleets or b) have, as their principal purpose, the promotion of transportation or air quality. The applicant's proposal should address how the nonprofit hospital promotes air quality or other ways they meet the definition of an eligible entity.

Date Posted: 3/10/2021

## **B. Project Eligibility**

### **i. Vehicle and Equipment Replacements**

**B.i.1:** *What percent of EV charging equipment will DERA cover for electric vehicles purchased with grant funds?*

Answer: Eligible costs for battery electric powered vehicle, equipment, and engine replacement projects can include the purchase and installation of one charging unit per vehicle, including the unit and charging cable, mount and/or pedestal. These costs are subject to the mandatory cost share requirements defined in Section III.B.1 of the RFA. Ineligible costs include power distribution to the pedestal, electrical panels and their installation, upgrades to existing electrical panels or electrical service, transformers and their installation,

wiring/conduit and its installation, electricity, operation and maintenance, stationary energy storage systems that power the equipment (e.g. batteries) and their installation, and on-site power generation systems that power the equipment (e.g., solar and wind power generation equipment) and their installation.

Date Posted: 1/14/2021

**B.i.2:** *What is the funding level to replace a diesel vehicle with an electric one?*

Answer: If you are replacing a diesel vehicle with a fully electric vehicle, EPA will fund 45% of the new vehicle.

Date Posted: 1/14/2021

**B.i.3:** *What types of replacement projects are eligible?*

Answer: Replacement projects can include the replacement of highway and nonroad diesel vehicles/equipment with new, cleaner diesel, hybrid or alternative fuel vehicles/equipment such as CNG, LNG or propane, or zero tailpipe emissions technologies such as battery or fuel cell where applicable.

Date Posted: 1/14/2021

**B.i.4:** *Can highway diesel vehicles be replaced with vehicles fueled by CNG, LNG, propane, or other alternative fuels? At what funding level?*

Answer: Yes, eligible medium and heavy-duty diesel trucks and buses may be replaced with alternative fueled vehicles as long as the replacement vehicle is powered by a 2019 model year or newer certified engine (2015 or newer for drayage trucks). Vehicle replacements are funded at 25% (or at 35% if the engine is certified to CARB's Optional Low-NOx Standards or 45% if the engine is replaced with a zero-tailpipe emission power source).

Date Posted: 1/14/2021

**B.i.5:** *If we use the grant to purchase a CNG truck, can we use funds to install a CNG refueling station for our fleet?*

Answer: No. CNG fueling infrastructure is not eligible for funding under DERA.

Date Posted: 1/14/2021

**B.i.6:** *Our fleet does not include any pre-2009 engine model year (EMY) vehicles to scrap. If a 2010 or newer EMY highway vehicle is replaced, can we still retain or sell the 2010 EMY or newer vehicle?*

Answer: No. Funding under this RFA cannot be used for the purchase of vehicles to expand a fleet. The replaced vehicle must be scrapped to ensure emissions reductions are achieved.

Date Posted: 2/5/2021

**B.i.7:** *If we want to replace 2014 diesel school buses, must we purchase school buses that have different diesel emissions or an alternative fuel method?*

Answer: For 2014 buses that already meet the on-road standard, your options for replacement would be CARB certified low-NOx vehicles or zero emissions vehicles.

Date Posted: 2/12/2021

**B.i.8:** *Does locomotive replacement fall under the vehicle replacement category?*

Answer: Yes. Full locomotive replacement can be funded at 25% EPA share for a diesel to diesel replacement. If you are just replacing the engine, then it would fall under the Engine Replacement Category.

Date Posted: 2/12/2021

**B.i.9:** *Is replacing diesel powered equipment with battery electric equipment eligible for funding?*

Answer: Yes.

Date Posted: 2/12/2021

**B.i.10:** *How much does a school district pay for a school bus replacement project?*

Answer: EPA will pay up to 25% of the costs of a replacement diesel vehicle. The applicant is responsible for the remaining vehicle costs (at least 75%) as a mandatory cost share. EPA will pay up to 100% of other eligible project costs such as personnel.

Date Posted: 2/12/2021

**B.i.11:** *Can the cost of purchase and installation for a charging station for a zero emission vehicle be included in the budget as a separate line item, or must it be wrapped into the cost of the EPA funding limit of up to 45% of the cost of the zero emission replacement vehicle?*

Answer: Eligible costs for battery electric powered vehicle, equipment and engine replacement projects can include the purchase and installation of one charging unit per vehicle, including the unit and charging cable, mount and/or pedestal. These costs are subject to the mandatory cost share requirements defined in Section III.B.1. Whether or not these are separate line items in the budget, the EPA cost share applies to the eligible charging equipment costs.

Date Posted: 2/12/2021

**B.i.12:** *Is replacing a gasoline truck with a zero-emission vehicle an eligible project?*

Answer: No. DERA grants only fund diesel emission reduction projects.

Date Posted: 3/2/2021

**B.i.13:** *Does the grant cover PV+ battery storage equipment replacement for stationary generators?*

Answer: No. DERA grant funds and matching funds cannot be used for stationary energy storage systems that power the equipment (e.g. batteries) and their installation, and DERA grant funds and matching funds cannot be used for on-site power generation systems that power the equipment (e.g., solar and wind power generation equipment) and their installation.

Date Posted: 3/2/2021

**B.i.14:** *Can we use biodiesel, such as Optimus B100 technology, to replace a 2010 and newer vehicle?*

Answer: No. A 2010 or newer engine may only be replaced with a zero-emission vehicle or a certified low-NOx vehicle.

Date Posted: 3/2/2021

**B.i.15:** *We would like to replace a 2010 or newer engine model year (EMY) diesel utility truck with a 2022 EMY diesel engine utility truck that includes an electric power take-off (ePTO) added payload. Would this be considered a vehicle replacement project? If so, would it be considered a EMY 2019+ Zero Emission2 vehicle replacement?*

Answer: A 2010 or newer truck can only be replaced with a zero emission vehicle or a vehicle powered by a CARB certified Low NOx engine. While an electric power takeoff can eliminate engine idle at job sites, the vehicle is still powered by a diesel engine therefore it is not a zero emission vehicle.

Date Posted: 3/2/2021

**B.i.16:** *In a zero-emission vehicle project, is fueling infrastructure at multiple locations eligible for a regional haul operation?*

Answer: Eligible costs for battery electric powered vehicle replacement projects can include the purchase and installation of one charging unit per vehicle, including the unit and charging cable, mount and/or pedestal. Recipients may install the charging unit where it is needed to charge the vehicle.

Date Posted: 3/5/2021

**New B.i.17:** *We want to replace a switcher with a railcar mover and a railcar mover with another railcar mover. Are these eligible projects? Is a railcar mover considered a locomotive or a nonroad vehicle?*

Answer: Both projects are eligible if the existing units meet the applicable eligibility requirements. Under DERA, a switcher to railcar mover project would require the existing switcher to meet the locomotive eligibility requirements. For an existing railcar mover, it depends on whether the engine is a certified locomotive engine or a certified nonroad engine. If it is a nonroad engine, a railcar mover to railcar mover would be a nonroad replacement project.

Date Posted: 3/10/2021

## ii. Engine Replacements

**B.ii.1:** *For marine engine replacements, do eligible costs include items required in addition to the new engine (such as gears, controls, and shipyard costs)?*

Answer: Yes. Eligible costs for engine replacement projects can include equipment and parts included in the certified engine configuration and/or are required to ensure the effective installation and functioning of the new technology. Eligible costs include design and engineering, parts and materials, and installation. For engine replacement with battery, fuel cell, and grid electric, eligible costs include electric motors, electric inverters, battery assembly, direct drive transmission/gearbox, regenerative braking system, vehicle control/central processing unit, vehicle instrument cluster, hydrogen storage tank, hydrogen management system and fuel cell stack assemblies. These costs are subject to the mandatory cost share requirements defined in Section III.B.1. Shipyard costs are also eligible and should be included in the "other" cost category in applications.

Date Posted: 1/14/2021

**B.ii.2:** *Must all nonroad engine replacements be EMY 2021? Are used replacement engines eligible?*

Answer: No. Used engines certified to relevant EPA emission standards are eligible as replacement engines. However, applicants must commit to using the best achievable technology for the project. Applicants replacing nonroad 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.

Date Posted: 1/14/2021

**B.ii.3:** *Are applicants required to submit a best achievable technology analysis for all marine engine replacements? What about marine engines below 803 HP?*

Answer: Applicants replacing marine engines are expected to use Tier 4 engines if Tier 4 engines with the appropriate physical and performance characteristics are available. Tier 4 engines do not exist for Category 1 and 2 marine engines below 803 HP and Category 3 engines,

therefore the best available technology is Tier 3 and a best achievable technology analysis is not required for these engines. Tier 4 engines do exist for marine engines above 803 HP and recipients will be required to submit a best achievable technology analysis to EPA for approval before Tier 3 or Tier 4i engines above 803 HP can be purchased.

Date Posted: 1/14/2021

**B.ii.4:** *Does genset replacement fall under the 25/75 mandatory cost share requirement?*

Answer: Yes. EPA would fund 25% of a project that replaces an entire genset with a new diesel generator.

Date Posted: 3/2/2021

**B.ii.5:** *Would a hybrid diesel-electric propulsion system need to be certified by EPA to be an eligible technology for the program?*

Answer: Hybrids are eligible as full vehicle replacement or as a full engine replacement, or as the installation of a verified retrofit technology (currently only available for certain tugboats and rubber tire gantry cranes). A marine engine replacement with a diesel-electric hybrid system is eligible for 40% funding. The engine used in the hybrid configuration must be a certified engine. Eligible costs for engine replacement projects can include equipment and parts included in the certified engine configuration and/or are required to ensure the effective installation and functioning of the new technology. Eligible costs include design and engineering, parts and materials, and installation. For engine replacement with hybrid, battery, fuel cell, and grid electric, eligible costs include electric motors, electric inverters, battery assembly, direct drive transmission/gearbox, regenerative braking system, vehicle control/central processing unit, vehicle instrument cluster, hydrogen storage tank, hydrogen management system and fuel cell stack assemblies.

Date Posted: 3/5/2021

### iii. Remanufacture Systems

**B.iii.1:** *Table 4 outlines eligible marine certified remanufacture systems and verified engine upgrades. Is there a minimum tier requirement?*

Answer: There is not a minimum tier requirement, however applications for certified remanufacture systems and verified engine upgrades should include a discussion of the available systems and indicate the pre- and post-project emission standard levels of the engines to demonstrate that the upgrade will result in a PM and/or NOx emissions benefit.

Date Posted: 1/14/2021

### iv. Verified Idle Reduction Technologies

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

Answer: Yes. Idle reduction projects are eligible for funding. For highway vehicles, EPA will fund up to 100% of the cost (labor and equipment) for idle reduction technologies on long haul Class 8 trucks and school buses if combined on the same vehicle with eligible verified engine retrofit technologies. EPA will fund up to 25% of the cost of stand-alone idle reduction technology installations. Lists of eligible, EPA verified idle reduction technologies are available at [www.epa.gov/verified-diesel-tech/smartway-technology](http://www.epa.gov/verified-diesel-tech/smartway-technology).

Date Posted: 1/14/2021

**B.iv.2:** *Is adding electrified parking spaces to a truck stop eligible?*

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

Date Posted: 1/14/2021

**B.iv.3:** *Is a marine shore power system eligible for funding?*

Answer: Yes. Funding can cover up to 25% of the cost (labor and equipment) of eligible marine shore power connection systems.

Date Posted: 1/14/2021

**B.iv.4:** *Please provide examples of verified idle reduction technologies.*

Answer: All verified idle reduction technologies are listed on the SmartWay Verified Technology List at [www.epa.gov/verified-diesel-tech/smartway-technology](http://www.epa.gov/verified-diesel-tech/smartway-technology). Examples include, but are not limited to, auxiliary power units, thermal storage systems, fuel-operated heaters, and electrified parking spaces.

Date Posted: 1/14/2021

**B.iv.5:** *Are municipal fire trucks eligible for idle reduction technology?*

Answer: No. At this time idle technologies are not verified for use on firetrucks.

Date Posted: 2/12/2021

**B.iv.6:** *What is the applicant's mandatory cost share requirement for verified locomotive idle reduction technologies?*

Answer: For locomotives, EPA will fund up to 40% of the cost (labor and equipment) for idle reduction technologies.

Date Posted: 2/12/2021

**B.iv.7:** *Can you elaborate on verified electrified parking space technologies?*

Answer: Electrified parking spaces, also known as truck-stop electrification, are typically found at truck stops. When trucks park overnight, they can turn off their main engines and plug into the electrified parking spaces to power everything besides their main engines for sleeper cab comfort. Electrified parking spaces can also be found at distribution centers, where transport refrigeration units (TRUs) can plug into them to shut down the diesel TRU and keep their refrigerated trailers cold.

Date Posted: 3/2/2021

**B.iv.8:** *How do we know if a hybrid retrofit system is verified?*

Answer: Several systems which convert a conventional diesel engine configuration to a hybrid-electric system have been verified as diesel engine retrofits. EPA's verified hybrid retrofit systems are listed at [www.epa.gov/verified-diesel-tech/verified-technologies-list-clean-diesel](http://www.epa.gov/verified-diesel-tech/verified-technologies-list-clean-diesel) and CARB's at [www.arb.ca.gov/diesel/verdev/vt/cvt.htm](http://www.arb.ca.gov/diesel/verdev/vt/cvt.htm).

Date Posted: 3/5/2021

**B.iv.9:** *Are electric Power Take-Off (ePTO) upfits for aerial bucket trucks eligible?*

Answer: If the boom is currently operated by its own diesel engine or generator, replacement of that engine with a new engine and/or battery may be an eligible project. If the boom currently operates off the main engine (i.e. PTO), an ePTO is not eligible as an engine replacement because the main engine is not being replaced/scrapped. To be eligible for funding as an idle reduction project, technologies need to be verified by EPA. At this time, SmartWay has only approved idle reduction technologies for long haul trucks, school buses, locomotives, and marine shorepower.

Date Posted: 3/5/2021

## v. Verified Retrofit Technologies

**B.v.1:** *Are projects for fueling infrastructure for the production and distribution of fuel biodiesel eligible?*

Answer: No. Funding cannot be used for fueling infrastructure.

Date Posted: 1/14/2021

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

Answer: Eligible cleaner fuels and additives are limited to those verified by EPA and/or CARB to achieve emissions reductions when applied to an existing diesel engine, such as biodiesel.

Date Posted: 1/14/2021

**B.v.3:** *Can funds be used to replace existing verified retrofit technologies (DOCs, DPFs)?*

Answer: No, funding cannot be used to replace an existing verified retrofit technology.

Date Posted: 1/14/2021

**B.v.4:** *Is renewable diesel an eligible cleaner fuel?*

Answer: Eligible cleaner fuels and additives are limited to those verified by EPA and/or CARB to achieve emissions reductions when applied to an existing diesel engine, such as biodiesel. Currently, renewable diesel is not verified on either list. Eligible biodiesel fuel must meet the requirements of American Society of Testing and Materials (ASTM) D 6751. To be eligible for funding, verified fuels must be for new or expanded use, and must be used in combination, and on the same vehicle, with a new eligible verified engine retrofit or an eligible engine upgrade or an eligible certified engine, vehicle, or equipment replacement funded under this RFA.

Date Posted: 1/14/2021

**B.v.5:** *If we previously received a DERA grant for an ocean-going vessel shore power installation project, is a different phase/element of the same project eligible under this funding opportunity?*

Answer: Funding may support new installations or expansions of existing shore power systems. Funds cannot be used on costs incurred prior to the award project period. More information on marine shore power connection systems may be found at [www.epa.gov/verified-diesel-tech/learn-about-marine-technology](http://www.epa.gov/verified-diesel-tech/learn-about-marine-technology).

Date Posted: 2/5/2021

**B.v.6:** *How would a private tug company that serves marine ports approach shorepower upgrades?*

Answer: We recommend that you work with the ports that you serve. They are eligible to apply for and receive funding for marine shorepower.

Date Posted: 2/12/2021

**B.v.7:** *Can you please provide some clarity on which projects fall under the hybrid retrofit systems projects?*

Answer: Several systems which convert a conventional diesel engine configuration to a hybrid-electric system have been verified as retrofits (currently only for select nonroad and marine engines). EPA will fund up to 60 percent of a verified hybrid retrofit system project; eligible costs include the equipment and associated labor for installation of the system.

Date Posted: 2/12/2021

**New B.v.8:** *We previously received a DERA grant for a two-berth shore power installation project. We would now like to add a third connection point at each of the two berths to increase utilization of the system. Would this expansion be eligible for funding?*

Answer: Yes, this would be eligible as an expansion of the existing system.

Date Posted: 3/10/2021

## vi. Clean Alternative Fuel Conversions

**B.vi.1:** *Are alternative fuel conversions eligible?*

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

Date Posted: 1/14/2021

**B.vi.2:** *Can this grant be used to create a fueling station and storage tank for biodiesel?*

Answer: No.

Date Posted: 2/12/2021

**B.vi.3:** *Is changing from diesel to LNG considered an alternative fuel conversion?*

Answer: It depends. To be eligible for funding, alternative fuel conversion systems must be certified by EPA and/or CARB or must be approved by EPA for Intermediate-Age engines. EPA's lists of "Certified Conversion Systems for New Vehicles and Engines" and "Conversion Systems for Intermediate-Age Vehicles and Engines" are available at [www.epa.gov/vehicle-and-engine-certification/lists-epa-compliant-alternative-fuel-conversion-systems](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). Alternatively, removing a diesel engine from the vehicle and installing an LNG engine would be considered an engine replacement.

Date Posted: 3/2/2021

## vii. Verified Aerodynamic Technologies and Low Rolling Resistance Tires

No questions at this time.

## viii. Miscellaneous

**B.viii.1:** *What projects are eligible for eTRUs and solar TRUs?*

Answer: Eligible diesel powered TRUs may be replaced with new, electric standby TRUs, hybrid electric TRUs, or electric transport refrigerators. Please refer to the DERA TRU Factsheet available under supporting documents at [www.epa.gov/dera/national#rfa](http://www.epa.gov/dera/national#rfa) for information on eligible TRU projects.

Date Posted: 1/14/2021

**B.viii.2:** *Can funds be used for research and development projects?*

Answer: No. DERA grants cannot fund research and development and DERA grants cannot fund technology demonstration, commercialization, certification, or verification.

Date Posted: 1/14/2021

**B.viii.3:** *Are electric charging stations eligible for funding?*

Answer: Electric vehicle charging infrastructure is not eligible as a standalone project but is eligible as part of an all-electric engine or vehicle replacement project which requires vehicle charging capability for the successful operation of the new equipment.

Date Posted: 1/14/2021

**B.viii.4:** *What's the difference between an engine retrofit and alternative fuel conversion?*

Answer: An engine retrofit is a device (e.g., a diesel particulate filter) added to an existing diesel engine that will change the emissions profile of the engine. A clean alternative fuel conversion alters an existing diesel engine to operate on alternative fuels such as propane and natural gas. See Sections I.B.3.e. and f. of the RFA for additional information.

Date Posted: 1/14/2021

**B.viii.5:** *Is there a list of technologies eligible for funding?*

Answer: Please see Section I.B, Scope of Work, in the RFA for a full description of eligible diesel emissions reduction solutions.

Date Posted: 1/14/2021

**B.viii.6:** *What types of hybrid projects are eligible?*

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

Date Posted: 1/14/2021

**B.viii.7:** *Can funds be used for a project that has already been started or will be started before the expected award date?*

Answer: No. Any funding awarded under this announcement must be used for activities that will take place within the approved project period and may not be used for unauthorized pre-award costs. However, funding could be used for a new component of an on-going project. For example, if the applicant has a fleet of 500 school buses and has already retrofitted 200, the applicant can apply for funds to retrofit the remaining 300 buses. Expenses incurred prior to the project period set forth in any assistance agreement resulting from this RFA are not eligible as a cost share for proposed projects.

Date Posted: 1/14/2021

**B.viii.8:** *What is the applicant's mandatory cost share requirement?*

Answer: Applicants are responsible for cost sharing between 0% and 75% of the vehicle/engine/technology costs, depending on the project type. For a detailed description of the cost sharing guidelines, please see Section III.B of the RFA.

Date Posted: 1/14/2021

**B.viii.9:** *Can we expand our fleet with new vehicles?*

Answer: No. New vehicle purchases must replace an existing, older, diesel-powered vehicle. Old vehicles must be scrapped to ensure emissions reductions are achieved.

Date Posted: 1/14/2021

**B.viii.10:** *Is a project to replace existing diesel aircraft with electric aircraft and to add electric aviation charging stations eligible?*

Answer: No. Aircraft are not eligible under this RFA.

Date Posted: 2/5/2021

**B.viii.11:** *What is the difference between a remanufactured engine and a repowered engine for locomotives?*

Answer: Under DERA, funds may be used for full locomotive replacement, locomotive engine replacement, or an EPA certified locomotive engine remanufacture system. Generally, a certified remanufacture system is applied during an engine rebuild and involves the removal of parts on an engine and replacement with parts that cause the engine to represent an engine configuration which is cleaner than the original engine. EPA's locomotive regulations have very specific definitions for "repower" and "remanufacture".

Date Posted: 2/12/2021

**B.viii.12:** *Do applicants have to pay the cost of projects upfront and then get reimbursed later? Or is there a disbursement?*

Answer: Generally, Recipients must be enrolled or enroll in the Automated Standard Application for Payments (ASAP) system to receive payments under EPA financial assistance agreements. As required by 2 CFR 200.305(b), the recipient must draw funds from ASAP only for the minimum amounts needed for actual and immediate cash requirements to pay employees, contractors, subrecipients or to satisfy other obligations for allowable costs under this assistance agreement. The timing and amounts of the drawdowns must be as close as administratively feasible to actual disbursements of EPA funds. Disbursement within 5 business days of drawdown will comply with this requirement and the recipient agrees to meet this standard when performing this award.

Date Posted: 2/12/2021

**B.viii.13:** *Are idle reduction and retrofit technologies approved for California's HVIP program automatically eligible under DERA?*

Answer: No. Eligible retrofit technologies must be on EPA's or CARB's verified diesel retrofit technology lists. Eligible idle reduction technologies must be on EPA's Smartway verified idle reduction technology lists. See the RFA for details and links.

Date Posted: 2/12/2021

**B.viii.14:** *Can applicants request funding for more than one technology in the same application?*

Answer: Yes.

Date Posted: 2/12/2021

**B.viii.15:** *We would like to rebuild a Tier 2 engine to meet Tier 3 standards, but the kit for our engine has not been certified by EPA. Is our project eligible?*

Answer: No. To be eligible for funding, an engine upgrade kit must either be a verified as a diesel engine retrofit or an EPA certified engine remanufacture system.

Date Posted: 2/12/2021

**B.viii.16:** *Why are electrified parking spaces eligible for funding but fueling infrastructure is not?*

Answer: Electrified parking spaces are an EPA SmartWay verified idle reduction technology used to shut down an engine that would otherwise run on diesel fuel when idling/stationary. DERA does not fund stand-alone EV charging infrastructure nor does DERA fund fueling infrastructure such as CNG or biodiesel storage and distribution.

Date Posted: 2/12/2021

**B.viii.17:** *Is there a minimum emissions reduction amount or percentage that needs to be achieved for grant funding eligibility?*

Answer: No.

Date Posted: 2/12/2021

**B.viii.18:** *Is a marine vessel conversion to a hybrid system with diesel and batteries an eligible project?*

Answer: Yes. A marine engine replacement with a diesel-electric hybrid system is eligible for 40% funding. Eligible costs for engine replacement projects can include equipment and parts included in the certified engine configuration and/or are required to ensure the effective installation and functioning of the new technology. Eligible costs include design and engineering, parts and materials, and installation. For engine replacement with hybrid, battery, fuel cell, and grid electric, eligible costs include electric motors, electric inverters, battery assembly, direct drive transmission/gearbox, regenerative braking system, vehicle control/central processing unit, vehicle instrument cluster, hydrogen storage tank, hydrogen management system and fuel cell stack assemblies. These costs are subject to the mandatory cost share requirements defined in Section III.B.1 of the RFA.

Date Posted: 3/2/2021

**B.viii.19:** *Does DERA fund projects that replace diesel-powered marine vessels with electric marine vessels?*

Answer: In general, yes. EPA would fund 45% of a project that replaces diesel-powered marine vessels with electric marine vessels. Note that this would require scrapping the existing diesel-powered vessels.

Date Posted: 3/2/2021

**B.viii.20:** *Is the conversion of a ship-to-shore gantry crane from diesel power to electric an eligible project? What would the EPA funding limit be on this project?*

Answer: Yes, removing the diesel engine(s) from a ship-to-shore gantry crane and replacing it with a zero emission power source is eligible as a nonroad engine replacement project. A zero emission engine replacement is eligible for up to 60% of equipment and parts included in the certified engine configuration and/or are required to ensure the effective installation and functioning of the new technology. Eligible costs include design and engineering, parts and materials, and installation. For engine replacement with battery, fuel cell, and grid electric, eligible costs include electric motors, electric inverters, battery assembly, direct drive transmission/gearbox, regenerative braking system, vehicle control/central processing unit, vehicle instrument cluster, hydrogen storage tank, hydrogen management system and fuel cell stack assemblies. As nonroad engines, the existing crane engines must meet the 500 hour/year usage requirements to be eligible for funding.

Date Posted: 3/5/2021

**New B.viii.21:** *Could we use funds for public outreach/engagement and incentives for cleaner transportation usage to reduce congestion and improve air quality?*

Answer: Funds cannot be used on outreach and engagement as a stand-alone project. The main activities to be funded under the grant are the purchase and installation of vehicles and technologies to achieve emission reductions, and the associated administrative costs to implement the project.

Date Posted: 3/10/2021

## C. Vehicle, Equipment, and Engine Eligibility

### **C.1:** *What engine model years are eligible?*

Answer: Eligibility varies by engine type. Please see Section I.B.4 of the RFA for specifics: for highway, see Table 2; for nonroad, see Table 3; for marine, see Table 4; and for locomotive, see Table 5. Vehicles and equipment must also meet the ownership, usage, and remaining life requirements defined in Section I.B.6 of the RFA.

Date Posted: 1/14/2021

### **C.2:** *Must vehicles be licensed and registered to the applicant for a specific time period?*

Answer: The participating fleet owner must currently own and operate the existing vehicle or equipment and have owned and operated the vehicle during the two years prior to upgrade.

Date Posted: 1/14/2021

### **C.3:** *What types of vehicles, engines, and equipment are eligible?*

Answer: Eligible heavy-duty diesel emission source types include school buses, Class 5-8 highway vehicles, marine engines, locomotives, and nonroad engines, equipment or vehicles (used in construction, cargo handling, agriculture, mining, or energy production). Vehicles, engines, and equipment targeted for upgrades must meet all applicable eligibility criteria as defined in the RFA.

Date Posted: 1/14/2021

### **C.4:** *What is a "transport refrigeration unit"?*

Answer: A transport refrigeration unit (TRU) has a refrigeration system that is mechanically driven by an integral diesel engine. TRUs are installed on an insulated cargo trailers, shipping containers or rail cars and used in transporting temperature sensitive goods. Truck TRUs are used to refrigerate insulated cargo trailers mounted on the frame of a straight truck. Trailer TRUs are used to refrigerate insulated trailers mounted on semitrailers. Railcar TRUs are used to refrigerate insulated railcars. Please refer to the DERA TRU Factsheet available under supporting documents at [www.epa.gov/dera/national#rfa](http://www.epa.gov/dera/national#rfa) for additional details.

Date Posted: 1/14/2021

### **C.5:** *What is a "reefer"?*

Answer: Refrigerated (insulated) trailers/containers are sometimes called reefers.

Date Posted: 1/14/2021

### **C.6:** *Please describe eligible diesel trucks.*

Answer: For the purposes of this RFA, eligible medium-duty and heavy-duty highway vehicles are defined as Class 5 through Class 8: Class 5 (16,001 - 19,500 lbs GVWR); Class 6 (19,501 - 26,000 lbs GVWR); Class 7 (26,001 - 33,000 lbs GVWR); Class 8 (33,001 lbs GVWR and over).

Date Posted: 1/14/2021

### **C.7:** *Are commercial vehicles eligible?*

Answer: Yes, commercial vehicles are eligible for funding under this RFA, however private entities are not eligible to apply directly to EPA for funding. An eligible entity can provide funding/benefits to private fleet owners through subawards and rebates.

Date Posted: 1/14/2021

**C.8:** *Is equipment that must be replaced due to a State or Local regulation eligible for funding?*

Answer: Yes. The mandated measures restriction does not apply to replacements that must occur due to a State or Local mandate.

Date Posted: 1/14/2021

**C.9:** *Are vehicle/equipment replacements with CARB Certified Low NOx engines limited to projects located in California?*

Answer: No.

Date Posted: 1/14/2021

**C.10:** *Must a fleet replace its oldest eligible vehicles before its newer eligible vehicles?*

Answer: No, any vehicle meeting the eligibility requirements is eligible for funding.

Date Posted: 1/14/2021

**C.11:** *Which highway vehicles are eligible for idle reduction projects?*

Answer: SmartWay-verified idle reduction technologies are available only for long-haul, Class 8 Trucks and school buses. Please see the SmartWay verified list at [www.epa.gov/verified-diesel-tech/smartway-verified-list-idling-reduction-technologies-irts-trucks-and-school](http://www.epa.gov/verified-diesel-tech/smartway-verified-list-idling-reduction-technologies-irts-trucks-and-school) .

Date Posted: 1/14/2021

**C.12:** *For highway vehicle replacements, what are the engine requirements for the replacement vehicle?*

Answer: Replacement vehicles must be powered by one of the following:

- 1) A 2019 model year or newer engine certified to EPA emission standards. Highway engine emission standards are on EPA's website at [www.epa.gov/emission-standards-reference-guide/epa-emission-standards-heavy-duty-highway-engines-and-vehicles](http://www.epa.gov/emission-standards-reference-guide/epa-emission-standards-heavy-duty-highway-engines-and-vehicles)
- 2) A 2019 model year or newer engine certified to meet CARB's Optional Low-NOx Standards of 0.1 g/bhp-hr, 0.05 g/bhp-hr, or 0.02 g/bhp-hr NOx. Engines certified to CARB's Optional Low NOx Standards may be found by searching CARB's Executive Orders for Heavy-duty Engines and Vehicles, found at [www.arb.ca.gov/msprog/onroad/cert/cert.php](http://www.arb.ca.gov/msprog/onroad/cert/cert.php).
- 3) A new, zero tailpipe emission power source.

Date Posted: 1/14/2021

**C.13:** *Is replacing a 2007-2009 engine model year vehicle with a 2019+ engine model year vehicle eligible for funding?*

Answer: Yes. A vehicle with engine model years 2007-2009 is eligible for replacement with a vehicle with 2019+ engine model year.

Date Posted: 1/14/2021

**C.14:** *Are transit buses eligible for hydrogen fuel cell powered bus replacement?*

Answer: Yes. Hydrogen fuel cell vehicles and equipment are eligible as replacements for eligible transit buses, shuttle buses, drayage trucks, terminal tractors/yard hostlers, stationary generators and forklifts.

Date Posted: 1/14/2021

**C.15:** *Are transport refrigeration units (TRUs) eligible for replacement?*

Answer: Yes. Diesel powered TRUs and TRU gen sets are eligible as nonroad equipment replacements if the existing TRU nonroad engine meets ownership, usage, and remaining life requirements. Please refer to the DERA TRU Factsheet available under supporting documents at [www.epa.gov/dera/national#rfa](http://www.epa.gov/dera/national#rfa) for information on eligible TRU projects.

Date Posted: 1/14/2021

**C.16:** *How do we demonstrate that a vehicle meets the remaining life requirements?*

Answer: The existing vehicle, engine, or equipment 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. The remaining life estimate is the number of years of operation remaining even if the unit were to be rebuilt or sold to another fleet. The remaining life estimate depends on the current age and condition of the vehicle at the time of upgrade, as well as things like usage, maintenance and climate. Please provide your best estimate given these considerations.

Date Posted: 1/14/2021

**C.17:** *Are vehicles leased with an intent to own eligible?*

Answer: No. In order to satisfy the mandatory cost share requirements, vehicles must be paid in full before the end of the grant project period (typically 2-3 years). Therefore, current DERA policy does not allow vehicle leasing.

Date Posted: 1/14/2021

**C.18:** *Can two diesel vehicles with 3,500 annual miles be scrapped and replaced with one electric vehicle?*

Answer: Yes, you may combine vehicles to meet the usage threshold. Two diesel vehicles that each get 3,500 annual miles could both be scrapped and replaced with one vehicle.

Date Posted: 1/14/2021

**C.19:** *Is the two-year equipment ownership requirement based on the application submittal date or when the equipment is replaced if a grant is awarded?*

Answer: The two-year ownership timeline is based on when the equipment is replaced.

Date Posted: 1/14/2021

**C.20:** *Can we use the "Remaining Life of Baseline Engine/Vehicle" value from EPA's Diesel Emissions Quantifier (DEQ) to determine if a vehicle has at least three years of remaining life?*

Answer: No, the DEQ remaining life values are only default values. For the RFA, 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. The remaining life estimate is the number of years of operation remaining even if the unit were to be rebuilt or sold to another fleet. The remaining life estimate depends on the current age and condition of the vehicle at the time of upgrade, as well as things like usage, maintenance and climate.

Date Posted: 1/14/2021

**C.21:** *Are vehicles that are scheduled for retirement next year eligible?*

Answer: No. To be eligible for funding, existing vehicles, engines, equipment and technologies must have at least three years of remaining life as defined in Section I.B.6.c.

Date Posted: 1/14/2021

**C.22:** *Are backup diesel generators eligible for funding under this RFA?*

Answer: Generators are eligible, however nonroad engines must operate at least 500 hours per year during the two years prior to upgrade. Engine hours may be combined (two units will be scrapped and replaced with a single unit) to reach the 500-hour threshold.

Date Posted: 2/5/2021

**C.23:** *Due to COVID-19, our units are operating below the minimum threshold. If they will return to typical usage rates (that meet the annual operating hours threshold of 500 hours), would EPA consider units eligible?*

Answer: To be eligible for funding, nonroad engines must operate at least 500 hours/year during the two years prior to upgrade. Grants under this RFA will likely be awarded at the end of 2021. For upgrades which take place during 2022, eligibility will be based on 2020 and 2021 usage. You may combine vehicles/equipment to meet the usage and/or operating hour thresholds.

Date Posted: 2/5/2021

**C.24:** *How strict is the 7,000 mile per year usage requirement? Our school buses were up to 500 miles short in 2019.*

Answer: To be eligible for funding, school buses must have accumulated at least 7,000 miles/year during the two years prior to upgrade OR during calendar year 2019.

Date Posted: 2/12/2021

**C.25:** *Is the usage requirement on a sliding scale based on the age of the vehicle?*

Answer: No.

Date Posted: 2/12/2021

**C.26:** *Are gasoline-powered school bus replacements eligible under this RFA?*

Answer: Yes.

Date Posted: 2/12/2021

**C.27:** *If the vehicle to be replaced is very old but would still be in use three years from now due to lack of funds to replace the equipment without the grant, is it eligible?*

Answer: Yes. If three years from now a vehicle would still be used under standard practices, then it has three years of remaining life and would be eligible (assuming it also meets the other requirements).

Date Posted: 2/12/2021

**C.28:** *Are skid-steer loaders, utility terrain vehicles, chipper machines, and leaf machines eligible?*

Answer: Generally, yes. Nonroad diesel powered engines and equipment meeting the ownership, usage, and remaining life requirements are eligible.

Date Posted: 2/12/2021

**C.29:** *Our vehicles do not meet the minimum usage requirements. May we use idle time instead of mileage?*

Answer: No. Highway vehicles must meet the mileage requirement.

Date Posted: 2/12/2021

**C.30:** *Is emission capture and control technology eligible under port shore power alternative technology?*

Answer: No. At this time, "bonnet" type technologies to capture and control marine emissions are not EPA or CARB verified diesel retrofit technologies.

Date Posted: 2/12/2021

**C.31:** *Does a fire truck have to have accumulated 7,000 miles per year during the two years prior to upgrade to be eligible for funding?*

Answer: Yes, the highway usage requirement applies to fire engines.

Date Posted: 2/12/2021

**C.32:** *Are there any limitations on truck types such as firetrucks and garbage trucks?*

Answer: No. There are limitations on the size and the ownership, use, and remaining life of the vehicle. Highway vehicles must be Class 5 or larger.

Date Posted: 2/12/2021

**C.33:** *Due to COVID-19, may transit buses use mileage from 2019 to meet the 7,000 mile per year requirement?*

Answer: No. Transit buses must meet the 7,000 miles/year for 2 years prior to upgrade.

Date Posted: 2/12/2021

**C.34:** *Are garbage trucks eligible for this grant?*

Answer: Yes, if the refuse vehicle meets all of the other eligibility criteria.

Date Posted: 2/12/2021

**C.35:** *How many hours does a nonroad vehicle need to operate to be eligible for replacement?*

Answer: Nonroad engines must operate 500 hours/year during the 2 years prior to upgrade.

Date Posted: 2/12/2021

**C.36:** *How are street sweepers classified for replacement eligibility?*

Answer: If the existing main propulsion engine is a certified highway engine, then the vehicle must meet the highway vehicle eligibility criteria. If the existing main propulsion engine of the vehicle is a certified nonroad engine, then the vehicle must meet the nonroad vehicle eligibility criteria.

Date Posted: 2/12/2021

**C.37:** *Would a 2008 school bus in a school district be eligible for replacement?*

Answer: Yes, as long as the school bus meets the usage requirements.

Date Posted: 2/12/2021

**C.38:** *If the new vehicle is wrecked within a few years, would the EPA require replacement or repayment of the grant?*

Answer: No. If the replacement vehicle is wrecked, EPA will not require replacement or repayment of the grant.

Date Posted: 3/2/2021

**C.39:** *What percentage of time must a vehicle spend in a given region to receive funding from that region?*

Answer: While it is most common for an applicant to request funding from the region where the vehicle spends the majority of its time, the applicant should make this decision for themselves and provide the appropriate justification.

Date Posted: 3/2/2021

**C.40:** *For electric vehicles purchased with grant funds, can we use funds for power delivery to the charging unit?*

Answer: No. For vehicle replacements, power distribution to the pedestal is not an eligible expense. Eligible costs for battery electric powered vehicle, equipment and engine replacement projects can include the purchase and installation of one charging unit per vehicle, including the unit and charging cable, mount and/or pedestal. These costs are subject to the mandatory cost share requirements defined in Section III.B. Under DERA, electrified parking space technologies are separate and distinct from charging equipment. Electrified parking spaces are idle reduction technologies that reduces unnecessary idling of diesel engines and is designed to electricity to vehicles and equipment that would otherwise require the operation of the main drive or auxiliary engine(s) while the vehicle is temporarily parked or remains stationary.

Date Posted: 3/2/2021

**C.41:** *Please differentiate between a drayage truck and a yard hostler found in a port.*

Answer: Under this RFA, a drayage truck means any Class 8 highway vehicle operating on or transgressing through port or intermodal rail yard property for the purpose of loading, unloading or transporting cargo, such as containerized, bulk or break-bulk goods. Yard trucks and terminal tractors typically have a single-person cab and a non-road engine.

Date Posted: 3/2/2021

**C.42:** *Are there special considerations for using renewable natural gas?*

Answer: No.

Date Posted: 3/2/2021

**C.43:** *What is the effect of local or state mandates on vehicle replacement?*

Answer: DERA funding may be used to purchase vehicles and technologies required by local or state mandates.

Date Posted: 3/2/2021

**C.44:** *Is a nonroad diesel engine used for research & development eligible if the retrofit is not the subject of the research study being performed?*

Answer: In general, yes. If an engine is a certified highway engine, it must meet the mileage requirements in the RFA. If an engine is a certified nonroad engine, it must meet the nonroad usage requirement in the RFA. To be eligible for funding, verified retrofit technologies must be on EPA's ([www.epa.gov/verified-diesel-tech/verified-technologies-list-clean-diesel](http://www.epa.gov/verified-diesel-tech/verified-technologies-list-clean-diesel)) or CARB's ([ww3.arb.ca.gov/diesel/verdev/vt/cvt.php](http://ww3.arb.ca.gov/diesel/verdev/vt/cvt.php)) Verified Technologies lists at the time of acquisition, must be used only for the vehicle/engine application specified on the lists, and must meet any applicable verification criteria. Verification criteria can be found by clicking on the specific devices in the list.

Date Posted: 3/2/2021

**C.45:** *Are zero emission nitrogen TRU systems eligible?*

Answer: Nitrogen cooled TRU systems are not yet commercially available and therefore are not eligible for DERA funds.

Date Posted: 3/2/2021

**C.46:** *In the RFA, it states that mileage/usage of two vehicles can be combined to meet the eligibility requirements if both vehicles will be scrapped and replaced with a single new vehicle (page 18). Does this mean that 3 or even 4 existing vehicles can be scrapped and replaced with 1 new vehicle?*

Answer: Yes, two or more vehicles/equipment may be combined to meet the mileage/usage requirements if all the vehicles will be scrapped and replaced with a single vehicle. The RFA will be updated to reflect this flexibility.

Date Posted: 3/2/2021

**C.47:** *Are used nonroad vehicles eligible as replacement vehicles?*

Answer: Yes, used nonroad vehicle and equipment replacements are eligible as long as the replacement equipment is powered by engines certified to the Tier 4 standard. Table 3 in the RFA will be updated to reflect the allowability of used Tier 4 nonroad equipment.

Date Posted: 3/2/2021

**C.48:** *Are engines used for American Society of Testing and Materials (ASTM) testing eligible for retrofit after treatment systems upgrades?*

Answer: In general, yes. If an engine is a certified highway engine, it must meet the mileage requirements in the RFA. If an engine is a certified nonroad engine, it must meet the nonroad usage requirement in the RFA. To be eligible for funding, verified retrofit technologies must be on EPA's ([www.epa.gov/verified-diesel-tech/verified-technologies-list-clean-diesel](http://www.epa.gov/verified-diesel-tech/verified-technologies-list-clean-diesel)) or CARB's ([ww3.arb.ca.gov/diesel/verdev/vt/cvt.php](http://ww3.arb.ca.gov/diesel/verdev/vt/cvt.php)) Verified Technologies lists at the time of acquisition, must be used only for the vehicle/engine application specified on the lists, and must meet any applicable verification criteria. Verification criteria can be found by clicking on the specific devices in the list.

Date Posted: 3/2/2021

**C.49:** *Is the replacement of a 30-year-old generator eligible for funding?*

Answer: Yes, it meets the ownership, usage, and remaining life requirements defined in the RFA.

Date Posted: 3/5/2021

**C.50:** *Page 74 of the RFP states that "the marine existing fleet program applies only to ... diesel engines which meet the following criteria: ... Greater than 800 HP." However, Table 4 in the RFA provides details for engines less than 803 HP. Are marine engines less than 800 HP eligible for funding through DERA?*

Answer: Yes, marine engines below 800 HP are eligible for DERA funding as shown in Table 4 of the RFA. On page 74 of the RFA, "marine existing fleet program" refers to 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." All applications which include locomotives and/or marine engines must demonstrate that either the engines are exempt from the requirements of EPA's rule; or emissions reductions funded with EPA funds will be implemented prior to the effective date of any applicable requirements under the rule; or emissions reductions funded with EPA funds are in excess of (above and beyond) those required by the applicable mandate.

Date Posted: 3/5/2021

**C.51:** *Can the 500 hours/year requirement be met by using the average of the 2 years prior to the upgrade for nonroad vehicles?*

Answer: No. To be eligible for funding, nonroad engines must operate at least 500 hours/year during the two years prior to upgrade.

Date Posted: 3/5/2021

**C.52:** *If we replace Tier 4 vehicles with zero emission vehicles, may we transfer the Tier 4 vehicles to a third-party fleet, which would then scrap an older vehicle? If so, which vehicles must have at least three years of remaining life for this proposal to be eligible for funding?*

Answer: Yes, a three-way vehicle transfer as described is eligible. All of the vehicles being replaced, including the third-party fleet, must meet the vehicle eligibility requirements including 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. The remaining life estimate is the number of years of operation remaining even if the unit were to be rebuilt or sold to another fleet. The remaining life estimate depends on the current age and condition of the vehicle at the time of upgrade, as well as things like usage, maintenance and climate.

Date Posted: 3/5/2021

**New C.53:** *Does a dump truck with a highway engine have to have accumulated 7,000 miles per year even if it is only used for construction?*

Answer: Yes, a vehicle with a certified highway engine must meet the defined mileage requirements.

Date Posted: 3/10/2021

**New C.54:** *Does the applicant have flexibility in choosing which vehicle models to purchase with the award?*

Answer: Yes, as long as the new vehicles and technologies meet the eligibility criteria defined in the RFA.

Date Posted: 3/10/2021

**New C.55:** *A vehicle accumulated 10,000 miles one year but 6,000 miles the following year. Can we use the average of these two numbers to meet the 7,000 miles/year requirement?*

Answer: No.

Date Posted: 3/10/2021

**New C.56:** *Our vehicle's VIN has a date of 2011, but the build date is 2010 and the engine family is for 2009. Is this vehicle eligible for replacement?*

Answer: Eligibility is, in part, determined by the engine model year, so a vehicle with an engine Model year of 2009 is eligible for diesel-to-diesel replacement. For highway vehicles, the engine model year often falls one or two years behind the vehicle model year. The manufacture's engine tag should include the engine model year as well as the 12-character EPA engine family name which can be used to determine the engine model year per the guidance at: [www.epa.gov/vehicle-and-engine-certification/information-about-family-naming-conventions-vehicles-and-engines](http://www.epa.gov/vehicle-and-engine-certification/information-about-family-naming-conventions-vehicles-and-engines)

Date Posted: 3/10/2021

**New C.57:** *Is a remanufactured engine with an EPA certificate of conformity eligible for funding?*

Answer: A remanufactured engine must be covered by a certificate of conformity and must meet the eligibility requirements outlined in Section I.B.4 of the RFA. For highway, see Table 2; for nonroad, see Table 3; for marine, see Table 4; and for locomotive, see Table 5. Vehicles and equipment must also meet the ownership, usage, and remaining life requirements defined in Section I.B.6 of the RFA.

Date Posted: 3/10/2021

## D. Application Process

**D.1:** *We are having difficulty locating the engine plate and serial numbers due to wear and tear. How can we complete this portion of the Applicant Fleet Description?*

Answer: Serial numbers are not required at the time of application. If the project is selected for funding grantees can work with their EPA Project Officer to determine sufficient engine documentation when the engine plate is missing. Often the engine manufacturer can assist in obtaining engine information.

Date Posted: 1/14/2021

**D.2:** *Can you provide a list of past applicants or recipients?*

Answer: While EPA cannot release specific information on grant applications, information on all previously funded projects may be found at [www.epa.gov/dera/national-dera-awarded-grants](http://www.epa.gov/dera/national-dera-awarded-grants).

Date Posted: 1/14/2021

**D.3:** *How do I submit my application?*

Answer: The Request for Applications (RFA) contains all project eligibility and application submission information. The RFA, as well as a sample project narrative and a sample applicant fleet description, may be found at [www.epa.gov/dera/national#rfa](http://www.epa.gov/dera/national#rfa). Applicants must download an application package, which contains standard forms (SF) 424, SF 424A, EPA Form 4700-4, and the EPA form 5700-54 from [Grants.gov](http://Grants.gov) under Funding Opportunity Number EPA-OAR-OTAQ-21-02. The project narrative and any supporting documents should be attached to the application package, and the full package submitted to EPA through [Grants.gov](http://Grants.gov) using the "Workspace" feature. You will find instructions to submit your application via [Grants.gov](http://Grants.gov) in Appendix A of the RFA. Please refer to the application submission checklist in Appendix F of the RFA to ensure that all required information is included in your package. If your organization is not currently registered with [Grants.gov](http://Grants.gov), please begin the registration process as soon as possible. Please note that the registration process also requires that your organization have a Unique Entity Identifier (e.g., DUNS number) and a current registration with the System for Award Management (SAM.gov). You may use the tool at [www.dnb.com/duns-number.html](http://www.dnb.com/duns-number.html) to lookup your company's DUNS number. Please visit [www.sam.gov](http://www.sam.gov) to check the status of your organization's SAM registration.

Date Posted: 1/14/2021

**D.4:** *Which EPA Region are we located in?*

Answer: Section IV.A of the RFA lists states by EPA Region. You can also view a map at [www.epa.gov/aboutepa/regional-and-geographic-offices](http://www.epa.gov/aboutepa/regional-and-geographic-offices).

Date Posted: 1/14/2021

**D.5:** *If an organization received a prior award, what are the chances of getting another award?*

Answer: Past awards have little bearing on whether an applicant receives funding. However, EPA does review awardees' past performance which could increase or decrease an applicant's chance of receiving an award. If an applicant has not received funding from relevant assistant agreements in the past, they will receive a neutral score for the past performance evaluation criterion.

Date Posted: 1/14/2021

**D.6:** *How is the competitive pool divided between EPA Regions?*

Answer: To allocate funding, EPA uses a formula based on population and air quality in each EPA Region. Section II.A of the RFA has a table showing the total amount of funding anticipated for each Region, as well as the funding limit per application.

Date Posted: 1/14/2021

**D.7:** *May we include the cost of an extended warranty on the new equipment in our request for funding?*

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

Date Posted: 1/14/2021

**D.8:** *Where can I find the most recent list of priority areas?*

Answer: The 2021 Priority Area List is available under supporting documents at [www.epa.gov/dera/national#rfa](http://www.epa.gov/dera/national#rfa).

Date Posted: 1/14/2021

**D.9:** *Is there a maximum number of vehicles allowed in a fleet?*

Answer: No, there is no restriction on the number of vehicles you can include in your fleet. However, the amount of federal funding requested per application must not exceed the applicable amount specified in Table 5, Section II.A of the RFA.

Date Posted: 1/14/2021

**D.10:** *Do I have to include emissions reductions in my application?*

Answer: Yes, applicants must calculate the anticipated outputs and outcomes of the project and Attach their emissions reduction calculations. If using EPA's Diesel Emissions Quantifier (DEQ), attach a printout of the DEQ results spreadsheet showing DEQ results and inputs. If quantifying using an alternative method, please thoroughly describe and document your methods and results. The inputs used for emissions calculations should match the information provided by the applicant in the applicant fleet description.

Date Posted: 1/14/2021

**D.11:** *Do the scrappage and eligibility statements need to be separate documents?*

Answer: Yes, the scrappage and eligibility statements should be submitted as separate documents. You can find sample statements of both documents on EPA's website at [www.epa.gov/cleandiesel/clean-diesel-national-grants#rfa](http://www.epa.gov/cleandiesel/clean-diesel-national-grants#rfa).

Date Posted: 1/14/2021

**D.12:** *Can multiple organizations apply under one project application?*

Answer: Only one eligible entity may be listed as the applicant on the application. If selected for funding, the applicant organization is the direct recipient of the EPA funds and the recipient is responsible for overall project management, all required reporting, and is accountable to EPA for the proper expenditure of funds. However, applicants can form partnerships with other entities for the purposes of the grant. The applicant can provide funding/benefits to fleet owners through subgrants and rebates in accordance with the applicable EPA grant regulations and the terms and conditions of the award. The application should clearly explain the roles and responsibilities of all project partners. See Appendix E for more details on funding partnerships.

Date Posted: 1/14/2021

**D.13:** *If an eligible entity doesn't have specific vehicles identified for the grant application, is it acceptable to propose a more general project, such as a rebate program for Class 5-8 heavy-duty diesel local delivery truck replacements? If so, how do we fill out the AFD and calculate benefits?*

Answer: Yes, an applicant may propose a project where the specific fleets/vehicles are not yet identified. However, the applicant should describe how they intend to target, prioritize, select or recruit fleets (including any location or sector criteria); how they intend to administer funds (rebates or subgrants); and the roles and responsibilities of any project partners. Applicants should use their best judgment to complete the AFD and estimate emission reductions based on their knowledge or assumptions about potential participating fleets and the types and number of technologies to be funded. The Diesel Emission Quantifier supplies default factors for many types of fleets. Please see Appendix E of the RFP for more detailed information on how to fund projects and partnerships.

Date Posted: 1/14/2021

**D.14:** *Is funding available nationwide?*

Answer: Yes, eligible project locations include the 50 United States, District of Columbia, Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands. However, applicants must request funding from the EPA regional office which covers their geographic project location. The term "project location" as used in this RFA refers to the area(s) where the affected vehicles/engines operate. The geographic boundaries for each EPA regional office are defined in Section IV.A of the RFA. Each application should have the EPA Region from which they are requesting funding clearly listed on the cover page of the project narrative. Each application may only request funding from one EPA regional office. Applicants can submit a total of 10 applications overall under this solicitation. No more than three applications may be submitted to the same EPA Region. However, each application must be for a different project and must be submitted separately. An applicant cannot submit two applications that both request funding for the same project (i.e., the same target fleet or group of fleets).

Date Posted: 1/14/2021

**D.15:** *Could an applicant use funds from another grant program to meet the cost share under a DERA grant?*

Answer: In general, state, tribal, local and private funds may be used as a cost share on a DERA grant. Other federal grants may not be used as cost share under DERA unless the statute authorizing the other federal funding provides that the federal funds may be used to meet a cost share requirement on a federal grant. The Budget Narrative of the DERA application must include a detailed description of how and when the applicant will obtain the cost share and how cost share funding will be used. In the event that the DERA application is selected for funding and the other grant funding does not materialize, the grantee is legally obligated by the DERA award agreement to meet their cost share commitment for any EPA DERA funds that are expended.

Date Posted: 1/14/2021

**D.16:** *Is there a minimum amount of funding that can be requested in an application?*

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

Date Posted: 1/14/2021

**D.17:** *Will DERA National Grants be available in 2022?*

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

Date Posted: 1/14/2021

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

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

Date Posted: 1/14/2021

**D.19:** *Will Information Session slides or recordings be available?*

Answer: The Information Session slides will be posted at: [www.epa.gov/dera/national#rfa](http://www.epa.gov/dera/national#rfa) after the first information session. A recording will not be available.

Date Posted: 1/14/2021

**D.20:** *May we use our organization's existing DUNS number?*

Answer: Yes. Applicants do not need to obtain a new DUNS number if they already have one. To find your company's DUNS number, please visit [www.dnb.com/duns-number.html](http://www.dnb.com/duns-number.html).

Date Posted: 1/14/2021

**D.21:** *Do all counties on the 2021 Priority Area List receive the same number of priority location points?*

Answer: Project locations in counties designated as PM 2.5 or 8-hr Ozone Nonattainment or Maintenance will receive up to 10 points under Section V.A, Criterion #2.A. Project locations in counties where all or part of the population is exposed to diesel PM concentrations above the 80th percentile for diesel PM (see NATA column) will receive up to 5 points under Section V.A, Criterion #2.B. An application may receive points for both Section V.A, Criterion #2.A and #2.B. If a single application includes vehicles operating in more than one location, the Project Narrative should indicate where each vehicle operates and the percent of time spent in each area. Priority area points may be prorated based upon the percent of target vehicles operating in priority areas and the percent of time priority vehicles spend in priority areas.

Date Posted: 1/14/2021

**D.22:** *Can an applicant use both DERA National grant funds and VW Mitigation funds received from the State on the same project?*

Answer: DERA funds under this announcement cannot be used to fund the same vehicle that is also receiving VW Mitigation funds. However, funds from one program may be used to expand a project funded by another program. For example, a school may replace 20 buses with VW Mitigation funds and replace another 20 buses with DERA National Grant funds.

Date Posted: 1/14/2021

**D.23:** *Can VW funds be used as cost share?*

Answer: No, VW funds cannot be used as a cost share under DERA National Grants.

Date Posted: 1/14/2021

**D.24:** *How many applications will be funded per Region?*

Answer: The number of applications funded per Region will vary based on the number of applications received and the size and quality of applications. Generally, EPA anticipates 2-8 applications funded per Region. For additional information about funding available per Region, please see Table 5. Funding Limits by Region on page 26 of the RFA.

Date Posted: 1/14/2021

**D.25:** *Can applicants request more EPA funding on one vehicle if there other vehicles in the fleet that are funded 100% by match? The total project cost would not exceed the maximum allowable EPA cost share.*

Answer: No. EPA's cost share limits apply to each specific technology. EPA funds cannot be used for more than 45% of the purchase price of a zero emission vehicle.

Date Posted: 2/5/2021

**D.26:** *How do I access the application if the "Apply" button is greyed out in grants.gov?*

Answer: If you are logged into your account and the "Apply" button is inactive, you may need to ask an account administrator at your organization to assign you a role with the Create Workspace privilege. To create a new workspace on Grants.gov, you must have a role with the "Create Workspace" privilege, such as the Workspace Manager role. Please contact [support@grants.gov](mailto:support@grants.gov) or 800-518-4726 with grants.gov questions.

Date Posted: 2/5/2021

**D.27:** *Where can I find more information about evaluation criteria?*

Answer: Please see Section V and Section III.B. of the Request for Applications for more information on evaluation criteria.

Date Posted: 2/12/2021

**D.28:** *Can EPA funds be used for 100% of equipment costs? Can cost share be provided as in-kind personnel assistance?*

Answer: No. EPA funding for eligible vehicles is limited to the cost shares defined in Section III.B.1 of the RFA. Therefore, the portion of the vehicle not covered by EPA must be paid for by the recipient. Recipients may provide in-kind costs as a voluntary cost share.

Date Posted: 2/12/2021

**D.29:** *Do the cost share requirements include programmatic and personnel costs?*

Answer: No. The mandatory cost share is only applicable to the purchase price of eligible vehicles, engines, and technologies (parts and labor). Other project costs, such as personnel, may be funded 100% by EPA.

Date Posted: 2/12/2021

**D.30:** *Can a single application be submitted to replace two pieces of equipment in the same fleet?*

Answer: Yes. A single application may include multiple vehicles, fleets, fleet types and different types of upgrades.

Date Posted: 2/12/2021

**D.31:** *Do the eligible costs of purchasing zero emission replacement vehicles include the cost of the vehicle's sales tax, federal excise tax (if applicable), and shipping?*

Answer: Yes. In general, taxes that the grant recipient is required to pay are eligible grant costs. Tax should be billed according to the organization's normal billing practices. Costs incurred for freight, express, cartage, postage, and other transportation services relating either to goods

purchased, in process, or delivered, are allowable. When such costs can readily be identified with the items involved, they may be charged directly as transportation costs or added to the cost of such items. Acquisition cost means the cost of the asset including the cost to ready the asset for its intended use. Acquisition cost for equipment, for example, means the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Ancillary charges, such as taxes, duty, protective in transit insurance, freight, and installation may be included in or excluded from the acquisition cost in accordance with the non-Federal entity's regular accounting practices.

Date Posted: 2/12/2021

**D.32:** *Do we have to contact our Regional EPA office to apply?*

Answer: No. You will define which Region you are applying to on the first page of the project narrative.

Date Posted: 2/12/2021

**D.33:** *May we submit two applications to one Region with the same partner fleet if the applications contain different vehicles?*

Answer: In general, yes. However, there must be other differences between the projects such as project location, fleet type, or technology type.

Date Posted: 2/12/2021

**D.34:** *How many letters of support are recommended for the application?*

Answer: Letters of support should be from organizations or individuals who are actually involved in the project or providing cost share.

Date Posted: 2/12/2021

**D.35:** *Does the application fleet description apply to the whole fleet, or only the vehicles that are requesting funding?*

Answer: Only the vehicles for which you are requesting funding should be included in the applicant fleet description.

Date Posted: 2/12/2021

**D.36:** *Does the private entity need to have a SAM account and DUNS number if the partner agency they are applying with has one?*

Answer: The organization applying for the grant needs to have a DUNS number and SAM.gov account. If a grant is awarded and a grant recipient enters into a formal subgrant with a private entity, the grantee and subgrantee need to follow EPA's Subaward Policy and the subgrantee will likely need a DUNS and SAM.gov account at that time.

Date Posted: 2/12/2021

**D.37:** *Can we submit multiple applications to a Region for the same type of technology?*

Answer: In general, yes. However, there must be other differences between the projects such as project location, fleets or fleet type.

Date Posted: 2/12/2021

**D.38:** *Do I have to attend an information session webinar in order to apply?*

Answer: No. The information session webinars are simply offered as supplementary resources. All information can be found in the Request for Applications found here: [www.epa.gov/dera/national](http://www.epa.gov/dera/national). All questions and answers addressed during the webinars will be added to this document, which will be updated weekly through March 10, 2021.

Date Posted: 2/12/2021

**D.39:** *What, if any, differences are there between last year's RFA and this year's RFA?*

Answer: There are very few. One difference is that EPA used to fund verified hybrid retrofit systems at a higher level but now funds them at 60%. Another difference is that this year, school buses are allowed to use their 2019 milage due to the impacts of COVID-19 on their 2020 milage. Finally, the total funding awarded this year will be slightly more than last year.

Date Posted: 3/2/2021

**D.40:** *Is there a minimum point threshold required to be selected for funding?*

Answer: There is not a defined minimum point threshold.

Date Posted: 3/2/2021

**D.41:** *Do school bus projects only need to submit a one-page application?*

Answer: While school bus replacement is one of many eligible activities under the DERA National Grant program (this RFA), the DERA School Bus Rebates program provides funding only for school bus replacement. Typically, the DERA School Bus Rebates program application period opens annually in October and requires a one-page application form and is a lottery selection. The DERA National Grant program requires a written project workplan and full application package submittal to grants.gov. DERA National grants are competitively evaluated, ranked, and selected.

Date Posted: 3/2/2021

**D.42:** *Can funding be used for a project that has been budgeted for but has not yet begun, such as a project included in a capital improvement program?*

Answer: Yes. However, grantees cannot be reimbursed for financial commitments or obligations entered into prior to the award of any grant funds.

Date Posted: 3/5/2021

**D.43:** *If we have buses with remanufactured engines, should we include the original engine's serial number in our application or the serial number of the remanufactured engine?*

Answer: Please include the serial number of the engine currently in the vehicle.

Date Posted: 3/5/2021

**New** **D.44:** *Can snow and ice removal packages be included in the cost of the vehicle?*

Answer: The eligible cost of an equipment replacement includes the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the equipment usable for the purpose for which it is acquired. The cost of additional "optional" components or "add-ons" that significantly increase the cost of the equipment may not be eligible for funding under the grant if not justified.

Date Posted: 3/10/2021

**New** **D.45:** *Does the owner of the scrapped and purchased units, as named on the title, need to be the same entity?*

Answer: Yes.

Date Posted: 3/10/2021

**New** **D.46:** *Is AFLEET acceptable for modeling emissions outcomes as part of the DERA application process?*

Answer: Yes.

Date Posted: 3/10/2021

**New** **D.47:** *Can a recipient use funds awarded through the CMAQ (Congestion Mitigation and Air Quality Improvement Program) as a cost share?*

Answer: No. CMAQ is a federal funding source, so it cannot be used as a cost share for DERA National Grants.

Date Posted: 3/10/2021

**New** **D.48:** *We are having trouble estimating "Annual Hoteling Hours Reduced" on the Applicant Fleet Description. Does installing an auxiliary power unit make the hoteling hours 0 and increase the idling hours?*

Answer: When entering a new long-haul vehicle group, the DEQ asks for annual idling hours and annual hoteling hours. "Hoteling hours" refers to long duration idling for sleep or rest when the main engine is used to power comfort or convenience items. "Idling hours" refers to all other short-term idling of the main engine when the truck is queuing or stationary. When adding an upgrade in the DEQ, select auxiliary power unit under idling control strategies. "New Annual Hoteling Hours" refers to long duration idling of the main engine for sleep or rest after the installation of the idle control technology. If using an APU at all times when hoteling instead of the main engine, new hoteling hours may be zero. "New Annual Idling hours" refers to all other short-term idling of the main engine after the installation of the idle reduction device. An APU should not cause idling hours to increase.

Date Posted: 3/10/2021

**New** **D.49:** *The application checklist does not include the scrapage statement and the eligibility statement. Should these be included in the application?*

Answer: No, the eligibility statement and scrapage statement are not required at the time of application. If selected for funding, the statements are required to be submitted to document the eligible use of funds. In the workplan, applicants should state that all vehicles will meet the applicable eligibility requirements and that all vehicles will be scrapped.

Date Posted: 3/10/2021

**New** **D.50:** *May we purchase an extended warranty that extends past the project period?*

Answer: Yes. Extended warranties may be included in the purchase price, subject to the cost share.

Date Posted: 3/10/2021

**New** **D.51:** *Does the applicant fleet description need to include vehicle information on our entire fleet or only the vehicles in the fleet being proposed in the application?*

Answer: The applicant fleet description required as part of the application package should only contain information on the vehicles included in the project application.

Date Posted: 3/10/2021

**New** **D.52:** *Why can't VW mitigation funds be used as match for a DERA National Grants project?*

Answer: This was written into the VW Settlement Consent Decree. VW and DERA National Grants funding are intended to fund separate vehicles.

Date Posted: 3/10/2021

**New** **D.53:** *How do we answer the question on the pre-application regarding EO 12372?*

Answer: Diesel Emissions Reduction Act (DERA) National Grants are only subject to EO 12372 When proposed Federal financial assistance involves installation of devices that provide electric power to truckers to reduce idling. Please visit the following website for more information: [www.epa.gov/grants/epa-financial-assistance-programs-subject-executive-order-12372-and-section-204-demonstration](http://www.epa.gov/grants/epa-financial-assistance-programs-subject-executive-order-12372-and-section-204-demonstration).

Date Posted: 3/10/2021

## E. Project Administration

### i. Competitive Procurement Requirements

**E.i.1:** *Are there specific procurement requirements for this funding opportunity?*

Answer: Yes. Grants recipients and subgrant recipients are subject to procurement requirements found in the federal regulation 2CFR part 200. The RFA includes guidance to help you through that process.

Date Posted: 1/14/2021

**E.i.2:** *If a project is co-funded using an incentive program that requires an equipment supplier to be determined prior to application, will competitive procurement standards still apply?*

Answer: Yes, all recipients of EPA grant funds must compete contracts for services and products and conduct cost and price analyses to the extent required by the procurement provisions of the regulations at 2 CFR Part 200, as appropriate. However, an existing contact may be utilized if the grantee or subgrantees can demonstrate that the vendor was selected through a competitive process that meets the requirements. Refer to EPA's Best Practice Guide for Procuring Services, Supplies, and Equipment Under EPA Assistance Agreements ([www.epa.gov/grants/best-practice-guide-procuring-services-supplies-and-equipment-under-epa-assistance-agreements](http://www.epa.gov/grants/best-practice-guide-procuring-services-supplies-and-equipment-under-epa-assistance-agreements)) for EPA's policies on competitive procurements.

Date Posted: 1/14/2021

**E.i.3:** *Does Buy American apply for equipment procurement?*

Answer: No. The Buy American requirements do not apply to DERA programs.

Date Posted: 1/14/2021

**E.i.4:** *Are awardees required to work with local vendors to obtain replacement equipment? If not, does EPA maintain vendor lists?*

Answer: Applicants may select any equipment supplier through a competitive procurement process that meets the applicable requirements of 2 CFR Part 200. Please refer to EPA's Best Practice Guide for Procuring Services, Supplies, and Equipment Under EPA Assistance Agreements [www.epa.gov/grants/best-practice-guide-procuring-services-supplies-and-equipment-under-epa-assistance-agreements](http://www.epa.gov/grants/best-practice-guide-procuring-services-supplies-and-equipment-under-epa-assistance-agreements)) for further guidance. While EPA does not maintain vendor lists, you may be interested in the verified technology contact list at [www.epa.gov/verified-diesel-tech/manufacturer-contact-list-clean-diesel](http://www.epa.gov/verified-diesel-tech/manufacturer-contact-list-clean-diesel).

Date Posted: 1/14/2021

**E.i.5:** *Do non-profit organizations that are awarded funding on behalf of private partners need to go through the federal procurement process to select a vendor for the replacement or re-power project?*

Answer: It depends. If a non-profit is awarded the grant and the non-profit grantee purchases vehicles, the grantee must follow federal procurement requirements. If a non-profit grantee partners with a private delivery fleet the grantee can award a subgrant to the fleet, and the fleet the procures their own vehicles following federal procurement standards. Alternatively, the non-profit can create a rebate program and issue rebates to fleets. Rebate recipients are not subject to federal procurement standards. For more information, see Appendix E of the Request for Applications document.

Date Posted: 2/12/2021

**E.i.6:** *Can we purchase equipment for the same project from multiple vendors?*

Answer: Yes. Please note that grants recipients are subject to the competitive procurement requirements found in the federal regulation 2 CFR Part 200.

Date Posted: 3/2/2021

**E.i.7:** *Can CARB HVIP vouchers or SCAQMD funds be stacked with the DERA grants?*

Answer: Yes. State funds can be used to match DERA grants as long as the source of those funds is not the VW settlement.

Date Posted: 3/2/2021

## ii. General

**E.ii.1:** *Are successful applicants subject to any additional federal oversight or compliance requirements?*

Answer: A listing and description of general EPA Regulations applicable to the award of assistance agreements may be viewed at: [www.epa.gov/grants/policy-regulations-and-guidance-epa-grants](http://www.epa.gov/grants/policy-regulations-and-guidance-epa-grants). Quarterly progress reports and a detailed final report will be required. Please see Section VI.C of the RFA for more information.

Date Posted: 1/14/2021

**E.ii.2:** *Once an application is received and is awarded a certain amount of money, is the applicant obligated to continue, or can they withdraw if other funding fails to come through?*

Answer: After an award is made, the recipient may terminate the award for convenience at any time.

Date Posted: 1/14/2021

**E.ii.3:** *For scrapping or permanently disabling equipment being replaced, when does the 90-day period begin?*

Answer: For vehicles being replaced, the 90-day scrappage period begins when the new vehicle is received.

Date Posted: 1/14/2021

**E.ii.4:** *If a project is awarded, how will funding be distributed?*

Answer: Grant funds are typically distributed as reimbursements. The recipient initiates an electronic payment and funds are credited to the recipient organization. These funds can be used by the recipient to pay for valid invoices and other valid grant expenses. The grantee may be paid in advance, provided it maintains or demonstrates the willingness to maintain 1) written procedures that minimize the time between the transfer of funds and disbursement by the grantee, and 2) financial management systems that meet the standards for fund control and accountability as established in 2 CFR Part 200. Advance payments to a grantee must be limited to the minimum amounts needed and be timed to be in accordance with the actual, immediate cash requirements of the grantee in carrying out the purpose of the approved program or project. The timing and amount of advance payments must be as close as is administratively feasible to the actual disbursements by the grantee for direct program or project costs and the proportionate share of any allowable indirect costs.

Date Posted: 1/14/2021

**E.ii.5:** *Are there usage reporting requirements during the life of a new truck?*

Answer: Yes, you are expected to compile and report on usage information for the new vehicle in the final programmatic grant report submitted to EPA at the end of the project period.

Date Posted: 1/14/2021

**E.ii.6:** *How long is the new truck will be expected to run in the designated areas?*

Answer: The assumption is that the new vehicle will replace the old vehicle in form and function and continue to operate in the same area. The terms and conditions of the award require that the equipment acquired under this assistance agreement will be subject to the use and management and disposition regulations at 2 CFR §200.313, and that at the end of the project period the recipient will continue to use the equipment purchased under this agreement in the project or program for which it was acquired as long as needed, whether or not the project or program continues to be supported by the Federal award.

Date Posted: 1/14/2021

**E.ii.7:** *Does the upgraded vehicle have to be used in the same location as the original vehicle?*

Answer: Generally, yes. The term "project location" as used in this RFA refers to the primary area where the affected vehicles/engines operate, or the primary area where the emissions benefits of the project will be realized. Because location is a large factor in selecting projects, it is assumed the new vehicle will continue to operate in the same areas as the original vehicle. If the upgraded vehicle will operate in a different area than the original vehicle, the applicant should provide a detailed explanation and justification.

Date Posted: 1/14/2021

**E.ii.8:** *What is the project period for this funding opportunity?*

Answer: In general, the project period for awards resulting from this solicitation is expected to begin on October 1, 2021. EPA anticipates most projects can be completed within 24 months, however initial project periods of up to 36 months will be allowed where justified by the activities, timeline and milestones detailed in the workplan.

Date Posted: 1/14/2021

**E.ii.9:** *After replacement, may we postpone scrapping our vehicles beyond the 90-day scrappage period to test bed operate the new vehicle?*

Answer: Possibly. EPA will consider alternative scrappage plans on a case-by-case basis. You should detail your scrappage plan and justification in your workplan.

Date Posted: 2/5/2021

**E.ii.10:** *Must a school bus be scrapped, or can it be sold on Gov. Deals?*

Answer: The school bus must be scrapped, with the engine and chassis disabled.

Date Posted: 2/12/2021

**E.ii.11:** *Do trade-in proceeds affect funding for vehicle replacements?*

Answer: Trade-ins are not permitted. The vehicle, equipment, and/or engine being replaced must be scrapped or rendered permanently disabled within ninety (90) days of being replaced. The disabled engine and chassis may be sold for salvage or scrap and the proceeds used to meet the mandatory match requirements of the grant.

Date Posted: 2/12/2021

**E.ii.12:** *Does Executive Order 14005 ("Made in America") impact procurement under DERA?*

Answer: The executive order reinforces existing requirements. The grant regulations at 2 CFR Section 200.322 requires domestic preferences for procurements, and states:  
(a) As appropriate and to the extent consistent with law, the non-Federal entity should, to the greatest extent practicable under a Federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subawards including all

contracts and purchase orders for work or products under this award.

(b) For purposes of this section:

(1) "Produced in the United States" means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.

(2) "Manufactured products" means items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.

Date Posted: 2/12/2021

**E.ii.13:** *How long would a grantee be required to keep records of mileage and fuel usage?*

Answer: Records must be kept throughout the life of the grant and reported at the end of it. Once the grant ends, no reporting is required except for marine shore power projects.

Date Posted: 3/2/2021

**E.ii.14:** *Is there a deadline for deployment?*

Answer: EPA anticipates awarding grants in the fall, at which point awardees are expected to begin project implementation. Projects are typically no more than two or three years long, although the specific time schedule for the execution of the tasks associated with your project must be outlined in your proposal.

Date Posted: 3/2/2021

**E.ii.15:** *What is the maximum percentage of funding that can be used for administrative expenses?*

Answer: The DERA National Grant program does not have a specific limit on administrative costs.

Date Posted: 3/2/2021

**E.ii.16:** *Can personnel costs include community engagement work to promote replacing heavy duty trucks with cleaner vehicles?*

Answer: Yes, to a limited extent. Some funding may be requested for diesel emission reduction education and outreach, driver training to learn about new equipment, mechanic training to support the new equipment, and outreach to promote the project or disseminate the results. Eligible project costs are those costs directly related to the implementation, management, and oversight of the project, including recipient and subrecipient personnel and benefits, equipment, contractual, travel, supplies, subgrants and rebates, and indirect costs.

Date Posted: 3/2/2021

**E.ii.17:** *Can you elaborate on the scrappage requirements and funds available for CNG engines and vehicles?*

Answer: If you plan to buy a new engine, you must scrap the old engine, such as by drilling a hole in the engine block. If you replace an entire vehicle, you must also disable the chassis. You may then sell the disabled engine or chassis for scrap, but you cannot sell a usable engine or vehicle as a trade-in. If you are replacing a diesel vehicle with an vehicle powered by an EPA certified engine (diesel or CNG), EPA would fund 25% of the vehicle. If you are replacing a diesel vehicle with a vehicle powered by a CARB certified Low NOx CNG engine, EPA would fund 35% of the vehicle.

Date Posted: 3/2/2021

**E.ii.18:** *Can you provide a sample agreement from a past recipient?*

Answer: A Freedom of Information Act (FOIA) request would need to be submitted to EPA to obtain such materials. The RFA contains all information you need related to the programmatic terms and conditions of the final grant agreement. EPA's general grant administrative terms and conditions which are applicable to all awards can be found here: [www.epa.gov/grants/grant-terms-and-conditions](http://www.epa.gov/grants/grant-terms-and-conditions).

Date Posted: 3/2/2021

**E.ii.19:** *If we replace 2015 vehicles with zero emission vehicles, may we transfer the 2015 vehicles to a third-party fleet, which would then scrap an older vehicle?*

Answer: Yes. If a 2010 engine model year (EMY) or newer highway vehicle is replaced, the 2010 EMY or newer vehicle may replace a pre-2009 EMY vehicle, and the pre-2009 EMY vehicle will be scrapped. It is preferred that the scrapped unit currently operates within the same project location(s) as the 2010 EMY or newer vehicle currently operates, however alternative scenarios will be considered.

Date Posted: 3/5/2021

**E.ii.20:** *Is partial funding ever awarded, or is it all or nothing?*

Answer: In appropriate circumstances, EPA reserves the right to partially fund applications by funding discrete portions of proposed projects. If EPA decides to partially fund an application, it will do so in a manner that does not prejudice any applicants or affect the basis upon which the application was evaluated and selected for award, thereby maintaining the integrity of the competition and selection process.

Date Posted: 3/5/2021

**E.ii.21:** *If an applicant is proposing to procure zero-emission equipment and scrap existing Tier 4 engines, would it be allowable during the project period to attempt to identify third-party fleets that operate older engines to allow them to take ownership of the Tier 4 engines and scrap their existing fleet?*

Answer: Yes, third-party scrapper arrangements are allowed for certain projects as defined in Section II.D.d. of the RFA. In their workplan, an applicant should discuss their plans and approach to identifying third-party fleets with which to partner. Applicants must commit to scrapping their replaced vehicles if a third-party cannot be identified during the project period.

Date Posted: 3/5/2021

**E.ii.22:** *May a State claim credit for any criteria pollutant reductions resulting from DERA funded projects?*

Answer: Yes. States may use DERA funded projects to meet State Implementation Plan (SIP) goals.

Date Posted: 3/5/2021

**New E.ii.23:** *May a grantee submit a project amendment request if they want to change their project from EV to natural gas?*

Answer: Recipients must agree to carry out the project in accordance with the final approved workplan. Recipients are required to request prior written approval from EPA for any budget or program plan revisions, as defined in 2 CFR §200.308. Because projects are selected competitively based on the evaluation criteria defined in the RFA, major project modifications which include changes to the approved types and number of affected vehicles, engines, or equipment, or the approved types of emission reduction technologies to be

implemented, or to the approved project location(s) may not be allowed.

Date Posted: 3/10/2021

**New E.ii.24:** *In a subgrant scenario, if a vehicle fleet is owned by one company but is operated by a private contractor, may the contractor apply for the subgrant? The owner plans to transfer ownership once the upgrade is complete.*

Answer: No, at the time of upgrade the participating fleet owner must currently own and operate the existing vehicle or equipment and have owned and operated the vehicle during the two years prior to upgrade.

Date Posted: 3/10/2021