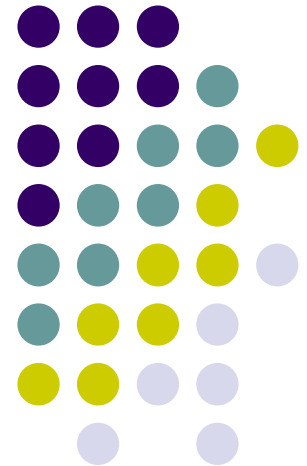


Diesel Emissions Reduction Act (DERA)

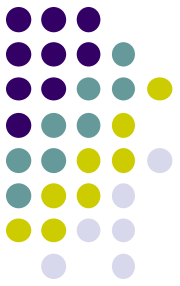
2021 Tribal and Insular Area Program Overview

Faye Swift

EPA Office of Transportation and Air Quality



Diesel Emissions Reduction Act (DERA)



Agenda



Overview of DERA



DERA Grant and Rebate Programs



2021 DERA Tribal and Insular Area Program



Evaluation Process and Criteria



VW Mitigation Trust – DERA

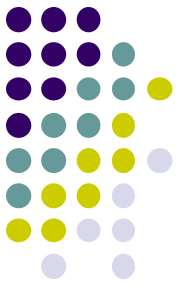


Timeline and Important Dates



Resources and Next Steps

Diesel Emissions Reduction Act (DERA)



Overview of DERA

- Despite EPA's diesel engine and fuel standards for new engines, nearly ten million legacy diesel engines are still in use.
- Diesel engines continue to emit large amounts of Nox, PM2.5, and other pollutants, which contribute to serious public health problems.
- DERA permits EPA to offer funding to accelerate upgrade and turnover of legacy diesel fleets.
- Funding opportunities are provided by through an annual appropriation by Congress to DERA and subject to the availability of funds, the quality of applications received, and other considerations.
- DERA supports environmental justice by prioritizing emissions reductions in areas receiving disproportionate impacts.
- DERA has four grant and rebate program funding opportunities:

Reducing emissions from diesel engines is one of the most important air quality challenges facing the country.



State Grants



School Bus Rebates



National Grants



Tribal and Insular Area Grants



Diesel Emissions Reduction Act (DERA)

School Bus Rebates

The DERA School Bus Rebates program provides funding only for school bus replacement.

- Eligible Applicants:
 - Government agency with jurisdiction over transportation and air quality (e.g., school districts and municipalities)
 - Private entities that operate school buses under a contract with an entity listed above
- The DERA School Bus Rebates program application period opens *annually* in the fall:
 - One-page application form, download and email to EPA
 - Replacements are typically completed in one year
 - Up to 10 buses per application
 - Old bus must be scrapped, per program requirements.
- Applicants are selected in a lottery:
 - At least one applicant per state/territory is chosen (if application is submitted)
 - Rebate of \$20,000-\$65,000 per bus, depending on the fuel type of the replacement bus.
- Information on EPA's School Bus Rebates program can be found at <https://www.epa.gov/dera/rebates>.



School Bus Rebates



State Grants



National Grants



Tribal and Insular Area Grants



Diesel Emissions Reduction Act (DERA)

State Grants

- EPA allocates DERA funds to eligible U.S. states and territories to establish diesel emissions reduction programs and projects.
- The State Release of Notice of Intent to Participate (NOIP) is released *annually* in the spring.
- Noncompetitive program; allocation process that eligible states and territories submit interest to participate, and EPA awards a specific allocation by formula, based on the number of states and territories participating.
- Base Amount + Matching Incentive Bonus
- Funds a wide range of highway and nonroad diesel engine upgrades and replacements
 - Eligibility criteria same as National grants
 - Waivers are approved on a case-by-case basis where justified
- Public and private fleets can benefit through partnerships with eligible entities



School Bus Rebates



State Grants



National Grants



Tribal and Insular Area Grants



Diesel Emissions Reduction Act (DERA)



National Grants

- The National grant program awards funds nationwide for projects that reduce diesel emissions and exposure, particularly from fleets operating in poor air quality areas.
- Eligible entities include:
 - Regional, state, local, tribal or port agencies with jurisdiction over transportation or air quality; and
 - Nonprofit organizations which provide pollution reduction or educational services to diesel fleets; or promote transportation or air quality
- Funds a wide range of highway and nonroad diesel engine upgrades and replacements
 - Eligibility criteria same as State grants (no waivers)
- Mandatory cost share under \$200,000 waived for Insular Areas
- Public and private fleets can benefit through partnerships with eligible entities
- The National grant program application period opens annually in December and requires an application package to be submitted through Grants.gov, per the request for application (RFA) requirements.



School Bus Rebates



State Grants



National Grants



Tribal and Insular Area Grants



Diesel Emissions Reduction Act (DERA)

Tribal and Insular Area Grants

- Recognizing that tribes and insular areas have various administrative, technical, and financial considerations that other National grant program applicants may not, EPA has established a separate funding opportunity with flexibilities to address the unique considerations of tribal and insular area applicants so they can compete for DERA funds and implement diesel emissions reduction projects.
- Although funds will be competed under a single RFA, tribal applicants will only compete against tribal applicants, and insular areas will compete against other insular area applicants.
- The 2021 Tribal and Insular Area program will open in the spring and require an application package to be submitted through Grants.gov, per the request for application (RFA) requirements.



School Bus Rebates



State Grants



National Grants



Tribal and Insular Area Grants



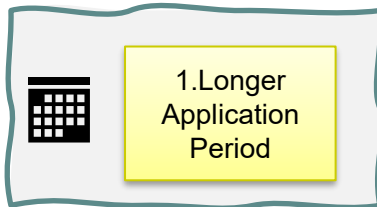
Diesel Emissions Reduction Act (DERA)



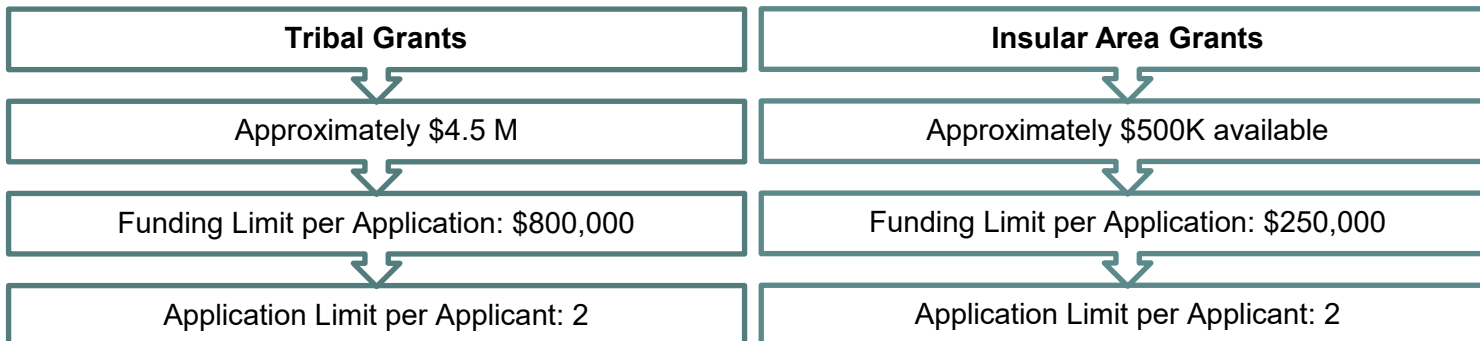
2021 Tribal and Insular Area Program Overview

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

The following variations from the National program will hopefully encourage competition from tribes and insular areas:



As defined in 48 U.S.C. §1469a, "Insular Area" includes the U.S. Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.



Diesel Emissions Reduction Act (DERA)



2021 Tribal and Insular Area Program Overview Eligible Vehicles, Engines & Equipment

School Buses

- Includes **diesel powered school buses** of Type A, B, C and D. To be eligible as a school bus, a vehicle should **meet the definition of a school bus as defined by the National Highway Transportation Safety Administration.**

Medium duty or heavy duty trucks

- Includes **diesel powered highway vehicles** with gross vehicle weight rating (GVWR) including Class 5 – 8 (16,001 lbs GVWR and over)

Nonroad engines, equipment or vehicles

- Diesel powered nonroad engines, equipment and vehicles including, but not limited to, those used in **construction, handling of cargo (including at ports and airports), agriculture, mining, or energy production (including stationary generators and pumps).**

Transit Buses

- Includes **diesel powered medium-duty and heavy-duty transit buses.**

Marine Engines

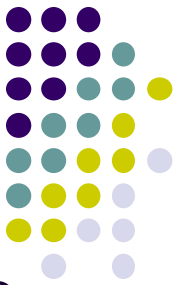
- Includes **diesel powered Category 1, 2, and 3 marine engines and vessels.**

Locomotives

- Includes **diesel powered line-haul, passenger, and switch engines and locomotives.**



Diesel Emissions Reduction Act (DERA)



2021 Tribal and Insular Area Program Overview Ownership, Usage, and Remaining Life

1

The existing vehicle, engine, or equipment must be **fully operational**.

2

Participating fleet owner must currently own and have owned and operated vehicle(s) or equipment(s) during the **two years prior to upgrade**.

3

The existing vehicle, engine, or equipment must have **at least two years of remaining life** at the time of upgrade.

4

School Buses: Must have accumulated at least **5,000 miles per year [1,000 miles per year for Insular Areas]** during the two years prior to upgrade, or during calendar year 2019.

5

All Other Highway Engines: Vehicles must have accumulated at least **5,000 miles per year [1,000 miles per year for Insular Areas]** during the two years prior to upgrade.

6

Agricultural Pumps: Must have operated at least **250 hours per year** during the two years prior to upgrade.

7

All Other Nonroad Engines: Nonroad engines must operate at least **300 hours per year** during the two years prior to upgrade.

8

Locomotive and Marine: Locomotive and marine engines must operate at least **500 hours per year** during the two years prior to upgrade.

9

Documentation: Participating fleet owners must attest to each criterion in above in a **signed eligibility statement**.



Diesel Emissions Reduction Act (DERA)

2021 Tribal and Insular Area Program Overview Eligible Upgrades



Drayage Truck Replacement
Vehicle or Equipment Replacement with EPA Certified Engine
Vehicle or Equipment Replacement with CARB Certified Low NOx Engine
Vehicle or Equipment Replacement with Zero-tailpipe Emission Power Source
Engine Replacement with EPA Certified Engine
Engine Replacement with CARB Certified Low NOx Engine
Engine Replacement with Zero-tailpipe Emission Power Source
Certified Remanufacture Systems
Highway Idle Reduction Technologies when combined with new or previously installed exhaust after-treatment retrofit
Highway Idle Reduction Technologies without new exhaust after-treatment retrofit
Locomotive Idle Reduction Technologies
Marine Shore Connection Systems
Electrified Parking Space Technologies
Exhaust After-treatment Retrofits
Engine Upgrade Retrofits
Hybrid Retrofit Systems
Fuel and Additive Retrofits when combined with new retrofit, upgrade, or replacement
Aerodynamics and Low Rolling Resistance Tires when combined with new exhaust after-treatment retrofit
Alternative Fuel Conversion



Diesel Emissions Reduction Act (DERA)

2021 Tribal and Insular Area Program Overview Eligible Upgrade Summary



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

- 2009 and older may be replaced with EMY 2016+ diesel, alternative fuel, or zero emission technology
- 2010 and newer may be replaced with zero emission or low NOx technology
- Some engines are eligible for retrofits, idle reduction technologies, alternative fuel conversions, and tires and aerodynamics

Nonroad Engine Project Eligibility

- Tier 4 may be replaced with zero emission
- Tier 3 may be replaced with Tier 4 or zero emission
- Tier 2 and lower may be replaced with Tier 4 or zero emission.
 - Tier 1, Tier 2, Tier 3 and Tier 4i vehicles, equipment, and engines may be used for replacement only if Tier 4 is demonstrated to not be available or feasible through a best achievable technology analysis
 - This analysis is not required at the time of grant application submittal Costs for engineering analysis may be included in the project budget



Diesel Emissions Reduction Act (DERA)

2021 Tribal and Insular Area Program Overview Eligible Upgrade Summary...continued



Marine and Locomotive Engine Project Eligibility

- Tier 4 engines may not be replaced
- Tier 3 and lower may be replaced with Tier 4 or zero emission.
 - Tier 1, Tier 2, Tier 3 and Tier 4i vehicles, equipment, and engines may be used for replacement only if Tier 4 is demonstrated to not be available or feasible through a best achievable technology analysis
 - This analysis is not required at the time of grant application submittal. Costs for engineering analysis may be included in the project budget.
- Tier 3 and lower, some engines are eligible for retrofits, certified remanufacture systems and verified engine upgrades
- Marine and locomotive shore power are eligible idle reduction projects



Diesel Emissions Reduction Act (DERA)

2021 Tribal and Insular Area Program Overview Best Achievable Technology



Applicant Requirements: Applicants replacing nonroad, marine, and locomotive engines must commit to using the best achievable diesel technology for the project.



Analysis Requirement: If selected for funding, applicants will be required to submit a best achievable technology analysis to EPA for approval before Tier 1, Tier 2, Tier 3 or Tier 4i vehicles, equipment, or engines can be purchased, as defined below.

The analysis must be prepared by the engine manufacturer or installer.

Using good engineering judgment, the analysis must determine that the lower tiered engine is the best achievable technology for the project.

Costs for engineering analysis may be included in the project budget.



Diesel Emissions Reduction Act (DERA)

2021 Tribal and Insular Area Program Overview Funding Restrictions



DERA funds cannot be used for the following activities:

Federal matching funds

Expenses incurred prior to the project period

Emissions testing

Fueling infrastructure

Federally mandated measures

Leasing

Fleet Expansion (*Note: scrappage is required*)

Replacement retrofit technologies

Eligible and ineligible project costs will be defined further in the 2021 RFA.



Diesel Emissions Reduction Act (DERA)



2021 Tribal and Insular Area Program Overview Application Evaluation Process

Step 1: Threshold Criteria Review

Applicant must meet threshold criteria to move on to Step 2

Application Submission	Align with EPA Priorities	Eligible Activities	Below Funding Limit	<= 2 Applications	Eligible Applicant
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Step 2: Evaluation Criteria

Evaluation criteria noted below (points assigned to each)

Criteria

Project Summary and Approach

Project Location

Environmental Justice and Community Benefits

Community Engagement and Partnerships

Project Sustainability

Environmental Results – Outputs, Outcomes, and Performance Measures

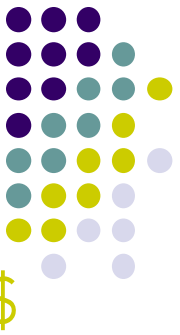
Programmatic Capability and Past Performance

Budget

Applicant Fleet Description



Diesel Emissions Reduction Act (DERA)



VW Environmental Mitigation Trust – DERA Option

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

Wilmington Trust administers the fund:

<https://www.vwenvironmentalmitigationtrust.com>

Tribal entities that select the DERA Option must be certified beneficiaries to the Tribal Trust Agreement (Section 2.1.2). VW funds **can be** used for the non-federal voluntary match of an eligible project under the Tribal DERA program.



Diesel Emissions Reduction Act (DERA)



2021 Tribal and Insular Area Program Overview Timeline and Important Dates

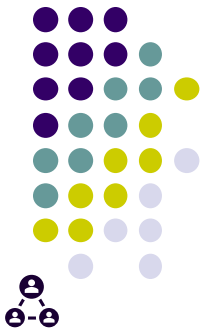
TRIBAL & INSULAR AREA RFA	
End of April	RFA Opens
→	
May – June (Exact Dates and Times TBD)	Informational Webinar #1
	Informational Webinar #2
	Informational Webinar #3
Mid-July	RFA Closes
August 13th	Notification of Awards
→	

VW DEADLINES	
June 30th	Trustee submits Notice of Allocation to Beneficiaries
August 30th	Deadline for Beneficiary EMA Certification



Diesel Emissions Reduction Act (DERA)

2021 Tribal and Insular Area Program Overview Next Steps



1. **Visit the DERA Tribal and Insular Area website** for tools, references, and examples (<https://www.epa.gov/dera/tribal>)
2. **Register your organization with Grants.gov**
 - DERA applications must be submitted electronically via www.grants.gov
 - If not currently registered with Grants.gov, designate an Authorized Organization Representative (AOR) and begin the registration process as soon as possible.
 - Minor problems with application submittal are NOT uncommon. Grants.gov offers 24-hour support. The registration process requires that your organization have a DUNS number and a current registration with the System for Award Management (SAM) and the process of obtaining both could take several weeks.
3. **Attend a 2021 Tribal and Insular Area RFA informational webinar** to learn more about how to apply and documents required for the official application package.

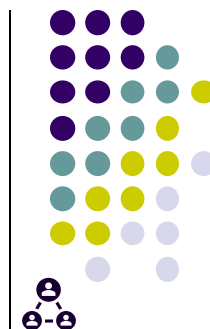
2021 DERA
Tribal and
Insular Area
RFA

Anticipated
Open: End
of April
2021

Anticipated
Close: Mid-
July 2021



Diesel Emissions Reduction Act (DERA)



Resources and Tools

2021 DERA Tribal and Insular Area Program Information

- Visit the DERA RFA coming soon website for tools, references, and examples (<https://www.epa.gov/dera/tribal>)
 - Submit questions via email to DERA@epa.gov
- Visit Grants.gov to start preparing required steps for your application submission

VW Environmental Mitigation Trust – EMA #10: DERA Option

- EPA Office of Enforcement & Compliance (OECA) for Consent Decree and Trust Agreement www.epa.gov/enforcement/Volkswagen-clean-air-act-civil-settlement
- EPA Office of Transportation & Air Quality (OTAQ) for DERA Option www.epa.gov/cleandiesel/Volkswagen-vw-settlement-dera-option
- Institute for Tribal Environmental Professionals (ITEP) for Technical Assistance <http://www7.nau.edu/itep/main/Home/>
- Tribal Environmental Professionals Volkswagen Settlement <http://www7.nau.edu/itep/main/volkswagensettlement/>



Thank You!

2021 DERA Tribal and Insular Area Grant Program Overview

For additional information, please visit

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

