

The background features a large, faint watermark of the EPA logo. The logo is circular with the text "UNITED STATES ENVIRONMENTAL PROTECTION AGENCY" around the perimeter. In the center is a stylized flower with three leaves and a circular center.

# **EPA's Clean Diesel Rebate Program**

**2013 Construction Equipment Funding Opportunity**

**December 9, 2013**



# Welcome

- Background (DERA Reauthorization)
- General information
- Eligibility
  - Entities
  - Counties
  - Equipment
- Technology options and funding
- Rebate process
- Questions



## Why Clean Diesel?

- Diesel engines are the workhorses of the nation; millions of diesel engines already in use continue to emit large amounts of nitrogen oxides, particulate matter and air toxics.
- These emissions are linked to premature deaths, asthma attacks, lost work days, and other health impacts every year.



# **Diesel Emissions Reduction Act (DERA) of 2010 – Reauthorization**

- Enables EPA to offer funding assistance
  - Goal to reduce diesel emissions
  - Authorized through 2016
  - Added “rebates” in addition to existing grant program
- Last year was the first-ever Rebate Opportunity offered by EPA for school bus replacements
- This year EPA has ~\$2 million in available funding to retrofit or replace nonroad construction equipment engines



# How are Rebates Different than Grants?

- Non-competitive
- Specific project requirements & eligibility
- Streamlined application process
- Selectees complete all work, then get reimbursed for that work
- Rebate amount is established up-front



# Construction Equipment Rebates

- Health benefits are achieved by retrofitting or replacing older engines (replaced engines must be scrapped) in construction equipment
- Targeted approach for equipment and location to maximize air quality benefits
- Applicants should read the entire Program Guide for additional details not covered here:  
[www.epa.gov/cleandiesel/dera-rebate-construction.htm](http://www.epa.gov/cleandiesel/dera-rebate-construction.htm)



# Eligible Entities

- Applicants must be regional, state, local, or tribal agencies or port authorities with jurisdiction over transportation or air quality
  - Municipalities, metropolitan planning organizations, and counties are eligible to the extent they fall within the above definition
- Private entities may apply but must certify that they have an existing contract to provide nonroad construction equipment to a public entity at the time of application
- Applicant must own the construction equipment to be retrofitted or replaced at the time of application.
  - Applicants must provide a copy of original bill of sale, original invoice, or other documentation that proves ownership



# Eligible Counties

- “Eligible Counties” are those designated as areas of poor air quality
- The Eligible County must be the primary area where the equipment operates.
- The equipment must be located in an Eligible County at the time of application and for the 3 months prior to the date of the application
- Following the rebate payment, the Applicant must operate the retrofitted or replaced engine equipment for 12 months or 500 hours of use, whichever comes first, in the same Eligible County as listed on the rebate application
- List of Eligible Counties in Appendix A of Program Guide available at: [www.epa.gov/cleandiesel/dera-rebate-construction.htm](http://www.epa.gov/cleandiesel/dera-rebate-construction.htm)



# Eligible Equipment

- Nonroad equipment used in the creation or maintenance of transportation infrastructure, commercial and industrial projects, residential buildings, and heavy civil construction
- Must be in regular use and have accumulated at least 500 annual usage hours over the most recent 12 months
- Diesel-powered engines between 174-603 horsepower
- If the equipment has more than one engine, all engines are eligible provided they meet annual usage hours and rated power requirements



# Technology Option #1 – Diesel Particulate Filter

Original Emissions Tier	New Technology	Rated Power $130 \leq \text{kW} < 225$ or $174 \leq \text{hp} < 301$	Rated Power $225 \leq \text{kW} < 450$ or $301 \leq \text{hp} < 603$
Tier 2 or Tier 3	Diesel Particulate Filter	N/A	<ul style="list-style-type: none"><li>• Engine model years 2001-2010</li><li>• EPA will pay for full cost of DPF up to \$30,000</li></ul>

- If selected, applicant will have 45 days to data log the proposed engine to confirm suitability for the DPF. This can be arranged with a DPF vendor.



## Technology Option #2 – Engine Replacement

Original Emissions Tier	New Technology	Rated Power $130 \leq \text{kW} < 225$ or $174 \leq \text{hp} < 301$	Rated Power $225 \leq \text{kW} < 450$ or $301 \leq \text{hp} < 603$
Unregulated (Tier 0) or Tier 1	Engine replacement to Tier 2	Engine model years 1990-2002  \$12,000 in funding	Engine model years 1990-2000  \$49,000 in funding
Unregulated (Tier 0) or Tier 1	Engine replacement to Tier 3	Engine model years 1990-2002  \$15,000 in funding	Engine model years 1990-2000  \$69,000 in funding



# Scrappage Requirements

- Scrappage required for engine replacements (only Technology Option # 2)
- Replaced engines must be scrapped by drilling a hole in the engine block through at least one of the cylinders
- Proof of scrappage is required via:
  - Proof pictures
  - Receipt from scrap yard (or similar)



# Scrappage Requirements

- Proof pictures include:
  - Side profile of the equipment
  - The engine tag that includes:
    - Engine serial number
    - Engine family identifier
  - Engine block, prior to hole being drilled
  - Engine block, after hole has been drilled



# Rebate Process

- Step 1 – Application Submission
- Step 2 – Selection of Participants
- Step 3 – Notification of Selectees\*
- Step 4 – Purchase Order Submittal
- Step 5 – Delivery, Installation, and Scrappage\*\*
- Step 6 – Payment Request
- Step 7 – Payment

\*If using the DPF technology option, after notification the applicant must fulfill the data logging requirement

\*\* Scrappage only applies to engine replacement option.



# Rebate Process – Application Submission

- On November 20, 2013, EPA began accepting applications
- Applicants must :
  - Have a DUNS number [www.dnb.com](http://www.dnb.com)
  - Have an EIN number (employer ID number) [www.dnb.com](http://www.dnb.com)
  - Be registered in the System for Award management [www.sam.gov](http://www.sam.gov)
- Application package includes:
  - One-page form available on our webpage
  - **Applicants must include equipment's original bill of sale, invoice or other ownership documentation**



## Step 1 – Application Submission

- Applicants may only submit 1 application for up to 5 eligible nonroad construction equipment engines
  - The 5 engines can be any combination of the technology options for a maximum of \$120,000 in rebate funding
- Email application package to [CleanDieselRebate@epa.gov](mailto:CleanDieselRebate@epa.gov) by **January 29 2014, 4:00pm EST**.
  - Include in subject line: DERA Construction Rebate Application: [your org name]



# Rebate Process – Application Form

- Applications must include:
  - 1) Equipment Type
  - 2) Technology Option
  - 3) Engine Serial Number (see Appendix D)
  - 4) Engine Family Name (see Appendix D)
  - 5) Engine Model Year
  - 6) Gallons Used in Last 12 Months
  - 7) Hours of Use last 12 Months
  - 8) Horsepower
  - 9) Location of operation of the construction equipment (County and State)
  - 10) Rebate Amount (See Section 2.5 for eligible rebate amounts)

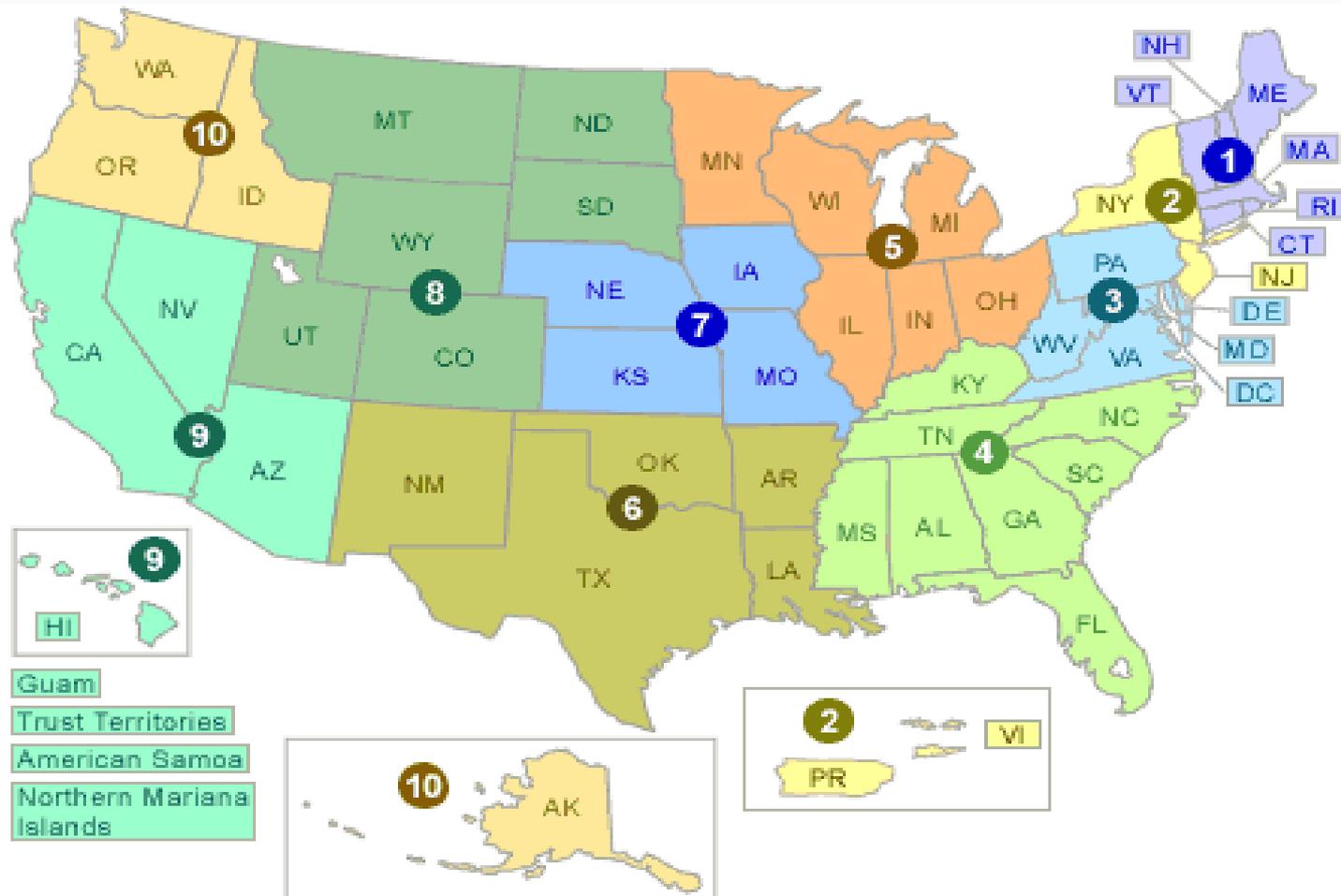


## Step 2 – Selection of Participants

- EPA eligibility review
- Eligible applications chosen by lottery
  - \$2 million available nationally
  - Each of the 10 EPA Regions, with at least one eligible applicant, will have a selected applicant.
  - It is anticipated that at least 50% of funds will be allocated to public construction equipment.
  - Applications are chosen from the randomly generated list until all funds are “reserved”
  - Remaining applications will be put on a waiting list



# EPA Regions





## Step 3 – Notification of Selectees

- Notification and posting of selection results
  - Lottery results posted online
  - Letters to successful applicants (Selection Letter)
    - Amount of funds reserved
    - Additional conditions to be met before rebate is issued
  - Waitlisted applicants posted online in lottery order



## Step 4 – Purchase Order Submittal

- Within 90 days of notification of selection
  - Submit proof of a purchase order
    - Cannot pre-date the date of selection letter
- If retrofitting with the DPF, Technology Option # 1, Selectee must submit results of data logging 45 days after the date of the Selection Letter



## **Step 5 – Delivery and Scrappage**

- Receive delivery of new DPF or new engine
- Install DPF or new engine
- Scrap old engine (engine replacements only)



## Step 6 – Payment Request

- No later than twelve months after the date of the Selection Letter, submit to your assigned EPA Rebate Contact and [CleanDieselRebate@epa.gov](mailto:CleanDieselRebate@epa.gov):
  - Payment request form (provided to selectees)
  - Proof of scrappage (engine replacements only)
  - Copy of all invoices
  - Copy of bill of lading (proof of delivery)
- If requirements aren't completed within specified timeframe:
  - Forfeit reserved rebate funds
  - Funds will be offered to next applicant on waitlist



## Step 7 – Payment

- EPA will review the Payment Request and supporting documentation.
- If all requirements are met, EPA will issue funds electronically to the Selectee



## Additional Requirements

- Equipment must be available for follow-up inspection for up to 3 years after receipt of rebate, if requested by EPA or its designee
- Funds are not allowed to be used to fund the cost of emission reductions that are mandated under federal law
- Selectees must maintain all records and supporting documents for 3 years



## Additional Information

- DERA Rebate Webpage

[www.epa.gov/cleandiesel/dera-rebate-construction.htm](http://www.epa.gov/cleandiesel/dera-rebate-construction.htm)

- FAQ document

[www.epa.gov/cleandiesel/documents/2013-dera-construction-rebate-faq.pdf](http://www.epa.gov/cleandiesel/documents/2013-dera-construction-rebate-faq.pdf)

- Email additional questions to:

[CleanDieselRebate@epa.gov](mailto:CleanDieselRebate@epa.gov)