National Clean Diesel Funding Assistance

FY 2012 Request for Proposals Information Session

National Clean Diesel Campaign

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-Reauthorized (DERA 2)

- DERA was amended by the Diesel Emissions Reduction Act of 2010 (Public Law 111-364)
- Enables EPA to offer funding assistance
  - Goal to reduce diesel emissions
  - Competitive process for eligible entities
  - Authorized through 2016
- DERA 2
  - Removed requirement that 50% of funds be used for public fleets
  - Removed restriction on using funds for programs mandated by state or local law

Basic Information

- National Funding Assistance Program
  - Estimated Fiscal Year 2012 funding - **$20 million**
  - Includes all non-tribal and tribal awards
  - Available at www.epa.gov/cleandiesel/prgnational.htm
- Due Monday, June 4, 2012
  - Specific times/instructions specified (Section IV)
- Three submittal options (choose only ONE):
  - Email
  - Overnight/Express hardcopy (Fed Ex, etc. – no U.S. Postal Service)
  - Via www.grants.gov

Eligible Entities (Section III.A)

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

- Ineligible entity can partner with eligible entity

Proposal Submission Limit-NEW

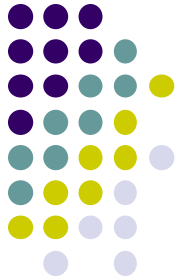
- New this year – there is a limit on the number of proposals an applicant may submit
  - Non-tribal applicants may submit no more than TWO proposals nationally
  - Maximum of one proposal per Region

- Applicants submitting more proposals than the limit will be requested to withdraw the extra proposals

Eligible Grant Amount

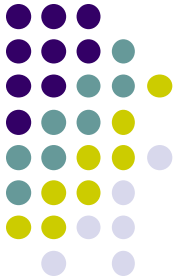
- Each Regional Office specifies their own funding ranges (Section II.A)
- Each proposal must be for a requested amount within that specified range
- This amount could dictate the size and type of your project (e.g., how many vehicles, what type of technology, etc.)

Eligible Vehicles, Engines & Equipment (Section I.B.1)



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

Funding Restrictions (Section III.D)



- NEW funding restrictions for vehicles and equipment (Section III.D)
  - On-highway vehicles with a model year 1988 or older are NOT eligible
  - Nonroad equipment with less than 7 years remaining useful life are NOT eligible
    - EPA has prepared a document to assist applicants in determining the remaining useful life
      - epa.gov/cleandiesel/documents/fy12-nonroad-remaining-useful-life.pdf
  - Minimum usage requirements for marine and locomotive shore connection systems

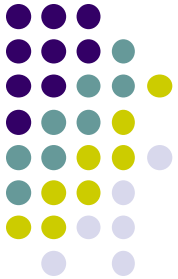
Funding Restrictions Cont'd (Section III.D)

- Nonroad repower/ replacement projects are eligible based on the original tier level and the new tier level
  - Not all projects are eligible

			Repowered or Replaced Engine/Equipment Tier Level				
			Tier 0/ Unregulated	Tier 1	Tier 2	Tier 3	Tier 4
Original Engine/ Equipment Tier Level	Tier 0/ Unregulated	Marine	NO	YES	YES	YES	N/A
		Locomotive	NO	NO	YES	YES	N/A
		Other nonroad	NO	NO	YES	YES	YES
	Tier 1	Marine	NO	NO	YES	YES	N/A
		Locomotive	NO	NO	YES	YES	N/A
		Other nonroad	NO	NO	YES	YES	YES
	Tier 2	Marine	NO	NO	NO	YES	N/A
		Locomotive	NO	NO	NO	YES*	N/A
		Other nonroad	NO	NO	NO	NO	YES
	Tier 3	Marine	NO	NO	NO	NO	N/A
		Locomotive	NO	NO	NO	NO	N/A
		Other nonroad	NO	NO	NO	NO	YES

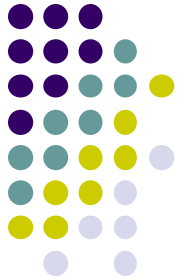
*Applies to switcher locomotives only

Eligible Projects (Section I.B.2)



- Verified Retrofit Technologies
  - Exhaust Controls, Engine Upgrades, Cleaner Fuels Use
- Verified Idle Reduction Technologies
  - Auxiliary Power Units, Fuel Operated Heaters, etc.
  - Also includes shore connection systems and electrified parking spaces
- Verified Aerodynamic Technologies & Low Rolling Tires
  - Trailer side skirts, trailer gap reducers, tires, etc.
- Certified Engine Repowers
- Vehicle and Equipment Replacements

Project Funding Percentage (Section I.B.2)



- Verified Retrofit Technology
  - Exhaust Controls - up to 100% of the cost
    - Diesel Oxidation Catalysts, Diesel Particulate Filters, etc.
  - Engine Upgrades - up to 50% of the cost
  - Cleaner Fuels - cost differential between conventional fuel and cleaner fuel

Project Funding Percentage (Section I.B.2)

- Verified Idle Reduction Technologies
  - NEW - EPA will NOT fund stand alone idle reduction technologies EXCEPT
    - Locomotive idle reduction up to 50% of the cost
    - Shore connection systems (locomotive and marine) up to 25% of the cost
    - Electrified parking spaces (truck stop electrification) up to 25% of the cost
  - Other idle reduction projects - 100% when combined on the same vehicle with new eligible verified exhaust control
    - Example: Auxiliary Power Unit AND Diesel Particulate Filter on a truck

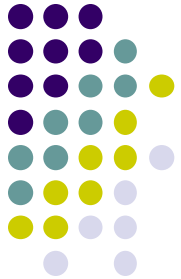
Project Funding Percentage (Section I.B.2)

- Verified Aerodynamic Technologies (Aero) and Low Rolling Resistance Tires (Tires)
  - EPA will NOT fund stand-alone Aero and/or Tires projects
  - If Aero and/or Tires are combined on the same vehicle with a verified exhaust control technology, EPA will fund up to 100% of the cost of all technologies
    - Example: Low Rolling Resistance Tires AND Diesel Particulate Filter on a truck

Project Funding Percentage (Section I.B.2)

- Certified Engine Repowers
  - EPA will fund up to 50% of the cost
  - Repowers must be certified to a more stringent set of engine emission standards than the old engine
  - Repower costs may include associated hardware
  - The engine being replaced must be:
    - Scrapped, or
    - Rendered permanently disabled, or
    - Returned to the original engine manufacturer for remanufacturing
      - to a certified cleaner emission standard for nonroad engines
      - to MY 2007 or newer certified emission standards for on-highway engines

Project Funding Percentage (Section I.B.2)



- Vehicle and Equipment Replacements
  - Drayage Vehicles - up to 50% of the cost
    - New drayage vehicles must be powered by a 2007 or newer model year certified engine
    - Must meet operational guidelines and definition of drayage truck, as stated in RFP
  - All other vehicles - up to 25% of the cost
    - New vehicles/equipment must be powered by a 2011 or newer model year certified engine
  - Replaced vehicle or equipment must be scrapped or engine remanufactured to the next EPA Standard

Proposal Evaluation Process

- Step 1: Threshold Criteria Review (Section III.C)
  - Must meet ALL 5 threshold criteria to move on to Step 2

- Step 2: Evaluation Criteria (Section V.A)
  - Ten evaluation criteria – points assigned to each
  - 100 points possible for non-Tribal proposals
  - 74 points possible for Tribal proposals
    - Tribes are not evaluated on Criterion #3 (Location) or Criterion #6 (Regional Significance)

Review and Selection Process

- Non-Tribal Applicants
  - Submit proposals to Regional Contact via email or hard copy, or www.grants.gov (Section IV.B)
  - http://www.epa.gov/cleandiesel/whereyoulive.htm
  - Given numerical score and rank-ordered (following Steps 1 and 2, discussed previously)
  - Funding Recommendation provided to EPA Approving Official
  - EPA Approving Official considers rank and may consider Other Factors (Section V.C), then selects proposals to fund

Review and Selection Process

- Tribal Applicants
  - Submit proposals to OTAQ via email, hardcopy or www.grants.gov (Section IV.B)
  - Given numerical score and rank-ordered (following Steps 1 and 2, discussed previously)
  - Funding Recommendation provided to EPA Approving Official
  - EPA Approving Official considers rank and may consider Other Factors (Section V.C), then selects proposals to fund

Evaluation Criteria (Section V.A)

Criteria	Points
Project Summary & Overall Approach	8
Results - Outcomes and Outputs	10
Programmatic Priority - Location	16
Programmatic Priority - Diesel Reduction Effectiveness	20
Other Programmatic Priorities	14
Regional Significance	10
Past Performance	8
Staff Expertise/Qualifications	4
Budget/Resources	5
Applicant Fleet Description	5

Evaluation Criteria (Section V.A.3) Programmatic Priority- Location

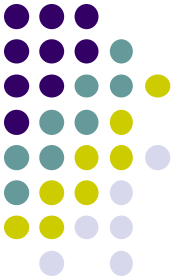
- Non-Tribal applicants will be evaluated based on the location of the project
  - (8 pts) projects located in a priority county or area (Appendix D)
    - Designated as PM 2.5 or 8-Hr Ozone Nonattainment Areas or 8-Hr Ozone Maintenance Areas
    - Where all or part of the population is exposed to more than 2.0 µg/m^3 of diesel particulate matter emissions
    - That are designated as Federal Class I Areas
    - That have been accepted to participate in EPA's Ozone Advance Program by the close of this RFP, June 4, 2012
    - www.epa.gov/cleandiesel/documents/fy12-county-area-list.pdf
  - (8 pts) projects located in areas of highly concentrated diesel pollution - ports, rail yards, terminals, construction sites, school bus depots/yards or distribution centers
- If a proposal includes vehicles operating in more than one county or area:
  - Each vehicle will receive a score under this criterion
  - Individual vehicle scores will be averaged to create one score for the criterion
- Tribal applicants are not evaluated under this criterion

Evaluation Criteria (Section V.A.4) Programmatic Priority - Diesel Reduction Effectiveness

- (20 pts) Applicants will be evaluated on the extent to which the project effectively reduces diesel emissions, by maximizing the useful life and annual operating hours of any certified engine configuration or verified technology
  - Scores are based on the age and annual operating hours of the vehicle, and the effectiveness and cost of the control strategy.
  - See Appendix E for scoring information

- If a proposal includes more than one vehicle/ technology combination,
  - Each vehicle will receive a score under this criterion
  - Individual scores will be averaged to create one score for the criterion

Evaluation Criteria (Section V.A.5) Other Programmatic Priorities



- Applicants will be evaluated on the extent and quality to which the project addresses the following:
  - (10 pts) Maximizes Public Health (Appendix F)
  - (2 pts) Uses a community-based multi-stakeholder collaborative process to reduce toxic emissions
    - Identify the community representatives and include contact info
  - (2 pts) Conserves diesel fuel

Regional Significance Factor – Regions 1 & 2

- Quality and extent to which the proposed project addresses *one or more* of the following:
  - Demonstrates significant emission reductions in urban areas
  - Advances one or more priority sectors of the Northeast Diesel Collaborative:
    - Municipal, transit, freight, construction, ports
  - Benefits multiple towns, cities or states
  - Demonstrates effective partnerships and describes the nature and extent of partnership activities
  - Maximizes positive climate change impacts
  - Ability to extend or replicate the project in the future

Regional Significance Factor – Region 3

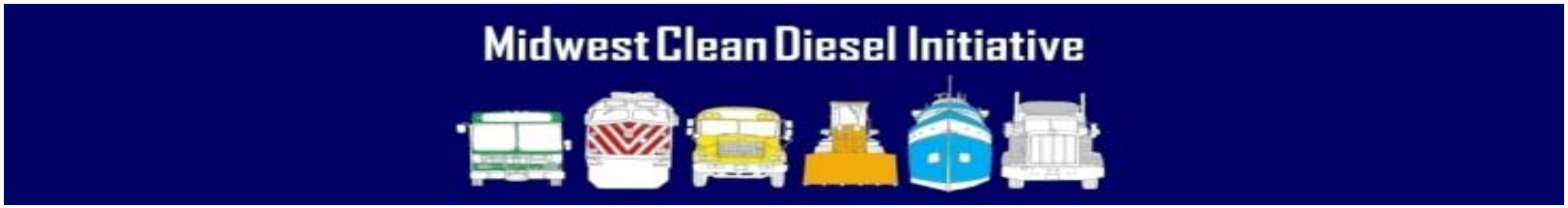
- Quality and extent to which the proposed project addresses *one or more* of the following:
  - Provides emission benefits to urban areas
  - Achieves and clearly quantifies fuel savings, greenhouse gas reductions, and diesel criteria pollutant reductions
  - Reduces emissions along interstate goods movement corridors
  - Clearly demonstrates inclusion of community, neighborhood

Regional Significance Factor – Region 4

- Quality and extent to which the proposed project addresses *one or more* of the following:
  - Promotes development of Green Corridors (I-95, I-75, I-20 or I-40) through:
    - Idle Reduction
    - Alternative fueling options
  - Promoting non-road retrofit and repowers for non-construction related projects
    - Mining
    - Forestry
    - Agriculture

Regional Significance Factor – Region 5

- Quality and extent to which the proposed project addresses *all* of the following:
  - Demonstrates that most if not all of the emissions reduction benefits will occur in urban areas within R5
  - Leads to broader efforts and sustainable, larger scale projects and programs to further reduce diesel emissions
  - Actively supports clean diesel coalitions in each state to share information, work with interested fleets, and address geographic needs



Regional Significance Factor – Region 6

- Quality and extent to which the proposed project addresses *one or more* of the following:
  - Occurs in areas that have pollution levels approaching the National Ambient Air Quality Standards (NAAQS)
  - Minimizes exposure and negative impacts to low income or otherwise vulnerable communities

Regional Significance Factor – Region 7

- Quality and extent to which the proposed project addresses *one or more* of the following:
  - Provides greatest emission reductions and public health benefit to R7 communities
  - Are in areas that have pollution levels approaching the NAAQS, particularly those in low income or otherwise vulnerable communities
  - Targets municipal fleets that as part of a broader plan, including:
    - Idle reduction efforts through policy
    - Outreach and/or driver training
  - Include an effective use of partnerships
    - Describe nature and extent

Regional Significance Factor – Region 8

- Quality and extent to which the proposed project addresses *one or more* of the following:
  - Promotes idle reduction strategies or technologies
  - Reduces emissions from agricultural operations
  - Innovative approaches to address urban construction equipment & adoption of construction specs
  - Reduces emissions from rail and includes a plan to reduce rail idling
  - Reduces diesel emissions associated with oil/gas industry
  - Protects children's health
  - Plan to reduce idling (policy, outreach, driver training)

Regional Significance Factors
Regions 9 & 10

- Quality and extent to which the proposed project addresses *all* of the following:
  - Achieves and clearly quantifies via voluntary projects:
    - fuel savings
    - greenhouse gas reductions
    - diesel criteria pollutant reductions
  - Reduces emissions along interstate and international goods movement corridors
  - Demonstrates inclusion of community, neighborhood, and/or tribal orgs & extent of partnership activities
    - Includes partner letters of commitment, where appropriate

Cost-Share (Section III.B)

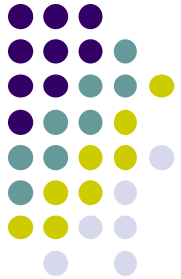
- Types of Cost-Share:
  - Mandatory and Voluntary (overmatch)
  - Specific definitions of each type in RFP
  - Must be included on SF-424 & SF 424A forms and in the proposal budget

- Including Voluntary cost-share may affect applicant's evaluation under Criterion # 2 "Results- Outcome and Outputs"
  - The higher the cost-share, the more work that can be done and more emissions benefits will be achieved

Potential Pitfalls

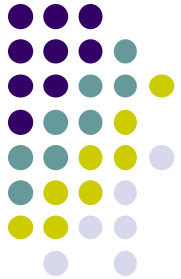
- Project changes mid-stream are not likely to be allowed
  - Potential competition issues – scores are based on vehicles/technologies/locations/match and voluntary cost share
  - Applicants need to think through the project and anticipate technology challenges
- Vehicle & technology options & limitations
  - Not all technology combinations are appropriate for all vehicles
    - i.e. DPFs must meet exhaust temperature thresholds
  - Do as much homework ahead of time as possible to avoid complications

Potential Pitfalls



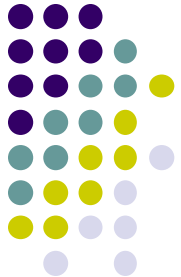
- Thoroughly plan and document engine upgrades & repowers
  - Upgrades & repowers must achieve reductions based on verified levels or to more stringent standards
  - Many older vehicles cannot accept current technology engines
  - Complete, new emission control systems must be included
  - Make sure to check model years and tiers of proposed engines to make sure they're eligible for funding

Potential Pitfalls



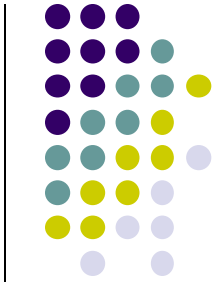
- Technology must be verified for *specific type* of vehicle and model year – check the EPA and CARB verified technologies lists!
  - Review verification letters, attachments & criteria
  - Thoroughly evaluate candidate vehicles
  - Obtain detailed documentation from vendors
  - Retain complete records for each installation
- Reporting, Reporting, Reporting
  - Expect more transparency and monitoring
  - Quarterly reports, detailed fleet info, nat'l databases, verifiable results & records

Tools and Resources



- Applicant Fleet Description
  - Required part of the proposal – describes fleet in detail
  - Sample available at www.epa.gov/cleandiesel/documents/fy12-afd-sample.xls
- Project Narrative Sample Format
  - www.epa.gov/cleandiesel/documents/fy12-sample-project-narrative.doc
- Priority County and Area List
  - www.epa.gov/cleandiesel/documents/fy12-county-area-list.pdf
- Model Years for Eligible Nonroad Engines and Equipment
  - www.epa.gov/cleandiesel/documents/fy12-nonroad-remaining-useful-life.pdf
- Diesel Emissions Quantifier (DEQ)
  - Can be used to show expected project results, cost-effectiveness, and public health benefits
  - www.epa.gov/otaq/diesel/resources.htm
- Technology Tips Guide
  - Helpful info about each type of project, technical issues to look out for, etc.
  - www.epa.gov/cleandiesel/documents/420p11001.pdf

Additional Support



- Frequently Asked Questions
  - Posted weekly, on webpage
  - List will include questions from today's webinar
  - Deadline for submitting questions is Wednesday, May 23, 2012
  - Submit questions via email to cleandiesel@epa.gov or 1-877-NCDC-FACTS (1-877-623-2322)
    - Tribal-specific questions may be emailed to address above or tribal_clean_diesel@epa.gov

http://www.epa.gov/cleandiesel/prgnational.htm