EPA’s National Clean Diesel Rebate Program

2016 School Bus Replacement and Retrofit Funding Opportunity
Informational Webinar
October 7, 2016
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Background (Section 1)

• Diesel engines emit nitrogen oxides (NOx), particulate matter (PM), and air toxics

• The Diesel Emissions Reduction Act (DERA) allows EPA to offer rebates

• Rebates are non-competitive and selectees will receive payment when all work is completed
Background (Section 1)

Three rebate options:

1. Replace older school buses; and/or
2. Retrofit older buses with a Diesel Oxidation Catalyst + Closed Crankcase Ventilation (DOC + CCV); and/or
3. Retrofit older buses with a Diesel Oxidation Catalyst + Closed Crankcase Ventilation + Fuel Operated Heater (DOC + CCV + FOH)
General Information (Section 1)

- Children’s health is a major priority for the agency
- EPA has reserved approximately $7 million for school bus rebates
- Health benefits are achieved by scrapping old vehicles and replacing them with new ones and by installing retrofit/anti-idling technology to reduce emissions
- Applicants should read the entire Program Guide for additional details not covered here
Applicant Eligibility (Section 2)

• Applicant must be a regional, state, local, or tribal agency (including school districts & municipalities); or a
• Private company operating school buses
  – Private companies must have an existing contract with an entity above to provide transportation services to a specific school district
  – Companies that have subsidiaries under which their buses are registered may apply under the name of the parent company provided that the applicant submits a letter of explanation detailing the relationship between the parent company and subsidiaries.
Applicant Eligibility (Section 2)

• Applicant must own the buses to be replaced or retrofitted
  – Copy of vehicle title and registration must be provided as proof of ownership
  – Public school districts may apply with state-owned buses as long as they receive an authorization letter from the state agency that owns the buses (see Appendix C for a letter template)
  – Buses owned by federal agencies (e.g. Bureau of Indian Affairs) are not eligible

• Applicant must commit to operating the new or retrofitted bus for 3 years after receipt of the rebate
Replacements: Existing School Bus Eligibility (Section 3)

- Diesel powered, Class 3-8 (Greater than 10,000 lb GVWR)
- Powered by an engine with model year 2006 or older
- Transports 10 or more pre-primary, primary, or secondary school students to school or homes
- Operational and in regular use at the time of application
- Usage requirements:
  - Accumulated at least 10,000 miles transporting students over the most recent 12 months; or
  - Been in use for at least 3 days per week transporting students during the current school year
Retrofits: Existing School Bus Eligibility (Section 3)

- Diesel-powered, Class 3-8
- Powered by an engine with a model year **1994 - 2006**
- Engine must be well-maintained and not originally equipped with a DOC or diesel particulate filter
- Must be compatible with the selected DOC + CCV + FOH from EPA’s verified technology lists
  - [www.epa.gov/verified-diesel-tech/verified-technologies-list-clean-diesel](http://www.epa.gov/verified-diesel-tech/verified-technologies-list-clean-diesel)
- Transports 10 or more pre-primary, primary, or secondary school students to school or homes
- Operational and in regular use at the time of application
- Usage requirements:
  - Accumulated at least 10,000 miles transporting students over the most recent 12 months; or
  - Been in use for at least 3 days per week transporting students during the current school year
Requirements for Replacement Buses (Section 3)

- Must be equipped with a certified 2016 or newer model year engine, or operate solely on electricity
- New bus may be conventional or alternatively fueled:
  - CNG, propane, hybrid, battery electric, LNG, gas, other alt. fuels
- Must be operated in the same manner or over similar routes
- Must be of the same or smaller vehicle class as the original bus
Requirements for Retrofitted Buses (Section 3)

• Applicants should work with manufacturers and suppliers to ensure the engine type and model year are compatible with the technology and should negotiate a warranty
• Make sure parts and installation do not exceed $4,000 ($6000 w/ FOH)
• Perform regular engine maintenance to ensure DOC performance
• Not make modifications to the retrofit technologies or engine after installation
• Follow CCV maintenance schedule for filter cartridge replacements
• Must be operated in the same manner or over similar routes
Funding Amounts (Section 4)

- EPA will pay up to $4,000 for each DOC + CCV
- EPA will pay up to $6,000 for each DOC + CCV + FOH
- For replacements:

<table>
<thead>
<tr>
<th>Class</th>
<th>Gross Vehicle Weight Rating of Replacement Bus</th>
<th>Rebate Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class 3</td>
<td>10,001-14,000 lbs</td>
<td>$15,000</td>
</tr>
<tr>
<td>Class 4</td>
<td>14,001-16,000 lbs</td>
<td>$15,000</td>
</tr>
<tr>
<td>Class 5</td>
<td>16,001-19,500 lbs</td>
<td>$15,000</td>
</tr>
<tr>
<td>Class 6</td>
<td>19,501-26,000 lbs</td>
<td>$20,000</td>
</tr>
<tr>
<td>Class 7</td>
<td>26,001-33,000 lbs</td>
<td>$20,000</td>
</tr>
<tr>
<td>Class 8</td>
<td>33,001+ lbs</td>
<td>$25,000</td>
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</table>
Application Submission (Section 5)

• EPA began accepting applications on September 29
• Applicants must have a DUNS Code
  – www.dnb.com
• Application package must include:
  – Application form
  – Vehicle title and registration for each bus listed
  – Authorization letter for public school districts applying with state-owned buses
• Email application package to CleanDieselRebate@epa.gov by Tuesday, November 1, 2016, 4:00pm Eastern Time
  – Include your organization’s name in the subject line
Application Form (Section 5)

- Applications must include:
  - VIN for buses to be replaced
  - Engine model year
  - GVWR (Gross Vehicle Weight Rating)
  - Engine manufacturer
  - Engine family name
  - Annual miles/Annual fuel use/Annual idling hours
  - Location of Operation
  - Rebate Amount
  - Indicate if a Federally recognized Tribal government
  - Yes/no for idle reduction policy

- List up to 10 buses for replacement and 10 buses for retrofit
  - Applicants with 101 or more buses in current operation may submit two applications
  - At least one of the applications must list 10 buses for either replacement or retrofit
  - List different buses on each application; do not submit the same application twice
  - Sign both applications
Selection of Participants (Section 6)

- EPA eligibility review
- Eligible applicants will be chosen by lottery
  - Applications are chose at random until all funds are reserved
  - At least one application will be chosen per EPA Region
  - At least one tribal application will be chosen
  - At least 10 applications exclusively requesting retrofits will be chosen
  - Remaining applications will be put on wait list
Notification of Selectees (Section 7)

- Lottery results will first be posted online
- Selection letters will then be sent to selected applicants
  - Amount of funds reserved
  - Additional conditions to be met before rebate is issued
- Selectees must register in the System for Award Management [www.sam.gov](http://www.sam.gov)
- Wait list posted online
Purchase Order Submittal (Section 8)

• Within 90 days of the date of the selection letter
  – Submit proof of a purchase order for new bus or for DOC + CCV + FOH retrofits
  – Purchase order cannot pre-date the selection letter
Delivery of New Bus / DOC + CCV + FOH Installation (Section 9)

• Keep the bill of lading (proof of delivery for new buses) or the installation receipt for retrofitted buses
  – Receipts for parts and installation of the DOC + CCV + FOH is necessary because EPA will pay that exact amount up to $4,000 per bus ($6000 w/ optional FOH)
  – Submit with the payment request form after the old buses have been scrapped or installation of the DOC + CCV + FOH is complete
Scrappage Requirements (Section 10)

- For replaced buses only
- Replaced school buses must be scrapped by drilling a 3” hole in the engine block and cutting the chassis rail in half
- Proof of scrappage is required with pictures and a letter
  - Section 10 of the Program Guide details proof of scrappage requirements including required photos
  - Appendix F of the Program Guide has a sample scrappage certification letter
- Equipment that is not part of the engine or chassis may be salvaged
Payment Request (Section 11)

- Payment Request package includes:
  - Payment request form (EPA will provide to selectees)
  - Proof of scrappage (replaced buses only)
  - Copy of new bus or DOC + CCV + FOH invoice
  - Copy of bill of lading or receipt for installation
Payment (Section 12)

- EPA will review the payment request and supporting documents
- If all requirements are met, EPA will issue funds electronically to the selectee
# Rebate Timeline (Appendix A)

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>November 1, 2016, 4pm Eastern Time</td>
<td>Application submission deadline</td>
</tr>
<tr>
<td>Estimated December 2016</td>
<td>EPA posts selectees and waiting list online and mails out official selection letters to selectees</td>
</tr>
<tr>
<td>Estimated March 2017</td>
<td>Deadline for submission of purchase orders for replacement buses and retrofits (90 days after the date on the selection letters)</td>
</tr>
<tr>
<td>Estimated September 2017</td>
<td>Deadline for payment request form and supporting documentation (9 months after the date on the selection letters)</td>
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<tr>
<td>Within one month of receipt of complete payment request form and supporting documentation</td>
<td>EPA will process the payment and the selectee will receive an electronic deposit in the bank account associated with their sam.gov registration</td>
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Additional Requirements (Appendix H)

- Buses must be available for follow-up inspection for 3 years after receipt of the rebate
- Selectees must maintain all records and documentation for 3 years after the receipt of the rebate
- Rebates may not be used to fund the cost of emissions reductions mandated under federal law
Additional Information

- 2016 School Bus Replacement and Retrofit Rebate webpage:
  - [www.epa.gov/cleandiesel/clean-diesel-rebates](http://www.epa.gov/cleandiesel/clean-diesel-rebates)
- Email questions to:
  - [CleanDieselRebate@epa.gov](mailto:CleanDieselRebate@epa.gov)