Diesel Emissions Reduction Act (DERA)

2022 Tribal and Insular Area Grants Program Webinar

OTAQ Staff
EPA Office of Transportation and Air Quality
Diesel Emissions Reduction Act (DERA)

Agenda

- Overview of DERA
- DERA Grant and Rebate Programs
- 2022 DERA Tribal and Insular Area Program
- Evaluation Process and Criteria
- Timeline and Important Dates
- Next Steps and Resources
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 three grant program funding opportunities:
  - State Grants
  - National Grants
  - Tribal and Insular Area Grants

Reducing emissions from diesel engines is one of the most important air quality challenges facing the country.
Diesel Emissions Reduction Act (DERA)

Overview of DERA Grant Programs

State Grants
• EPA allocates DERA funds to eligible U.S. states and territories for the establishment of diesel emissions reduction programs.
• Timeline: Spring

https://www.epa.gov/dera/state

National Grants
• Program solicits applications for projects that achieve significant reductions in diesel emissions and exposure, particularly from fleets operating in designated poor air quality areas.
• Timeline: Fall

https://www.epa.gov/dera/national

Tribal and Insular Area
• Program solicits applications from eligible entities that achieve significant reductions in diesel emissions and exposure.
• Timeline: Summer

https://www.epa.gov/dera/tribal
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.
2022 DERA Tribal and Insular Area Grants Overview

RFA Opened: Thursday, August 4, 2022 | RFA Closes: Wednesday, October 26, 2022

WHO CAN APPLY?
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:

1. Longer Application Period
2. Less Stringent Eligibility Requirements for Vehicles & Equipment
3. No Mandatory Cost Shares

Tribal Grants
- Approximately $7M available
- Funding Limit per Application: $800,000
- Application Limit per Applicant: 2

Insular Area Grants
- Approximately $1m available
- Funding Limit per Application: $300,000
- Application Limit per Applicant: 2

Funding Limit per Application: $300,000
Approximately $1m available
Application Limit per Applicant: 2

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.
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Eligible Vehicles, Engines & Equipment

<table>
<thead>
<tr>
<th>School Buses</th>
<th>Medium-duty or heavy-duty trucks</th>
<th>Nonroad engines, equipment or vehicles</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 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.</td>
<td>• Includes diesel powered highway vehicles with gross vehicle weight rating (GVWR) including Class 5 – 8 (16,001 lbs GVWR and over)</td>
<td>• 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).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Transit Buses</th>
<th>Marine Engines</th>
<th>Locomotives</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Includes diesel powered medium-duty and heavy-duty transit buses.</td>
<td>• Includes diesel powered Category 1, 2, and 3 marine engines and vessels.</td>
<td>• Includes diesel powered line-haul, passenger, and switch engines and locomotives.</td>
</tr>
</tbody>
</table>

RFA Available at [www.epa.gov/dera/tribal-insulararea](http://www.epa.gov/dera/tribal-insulararea)
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 at least 5,000 miles/year for Tribes or 1,000 miles/year for Insular Areas during the two years prior to upgrade, or during calendar year 2020.

5. All Other Highway Engines: Vehicles must have at least 5,000 miles/year for Tribes or 1,000 miles/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.

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# 2022 Tribal and Insular Area Program Overview

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## Eligible Upgrades

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

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Eligible Upgrades 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

RFA Available at [www.epa.gov/dera/tribal-insulararea](http://www.epa.gov/dera/tribal-insulararea)
Eligible Upgrades 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 (BAT)
- 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

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2022 Tribal and Insular Area Program Overview

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Best Achievable Technology (BAT)

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 nonroad, marine, and locomotive engines can be purchased.

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.

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2022 Tribal and Insular Area Program Overview

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### Funding Restrictions

DERA funds *cannot* be used for the following activities:

<table>
<thead>
<tr>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal matching funds</td>
</tr>
<tr>
<td>Expenses incurred prior to the project period</td>
</tr>
<tr>
<td>Emissions testing</td>
</tr>
<tr>
<td>Fueling infrastructure</td>
</tr>
<tr>
<td>Federally mandated measures</td>
</tr>
<tr>
<td>Leasing</td>
</tr>
<tr>
<td>Fleet Expansion <em>(Note: scrappage is required)</em></td>
</tr>
<tr>
<td>Replacement retrofit technologies</td>
</tr>
<tr>
<td>Eligible and ineligible project costs are defined further in the 2022 RFA</td>
</tr>
</tbody>
</table>

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## 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 |

### Step 2: Evaluation Criteria
Evaluation criteria noted below (points assigned to each)

<table>
<thead>
<tr>
<th>Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Summary and Approach</td>
</tr>
<tr>
<td>Project Location</td>
</tr>
<tr>
<td>Environmental Justice and Underserved Communities</td>
</tr>
<tr>
<td>Project Sustainability</td>
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<tr>
<td>Environmental Results – Outputs, Outcomes, and Performance Measures</td>
</tr>
<tr>
<td>Programmatic Capability and Past Performance</td>
</tr>
<tr>
<td>Budget</td>
</tr>
<tr>
<td>Applicant Fleet Description</td>
</tr>
</tbody>
</table>

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## Timeline and Important Dates

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thursday, August 4th</td>
<td>RFA Opens</td>
</tr>
<tr>
<td>Tuesday, August 16th</td>
<td>Webinar #1 @1PM EST</td>
</tr>
<tr>
<td>Thursday, August 25th</td>
<td>Webinar #2 @3PM EST</td>
</tr>
<tr>
<td>Wednesday, August 31</td>
<td>Webinar #3 @7PM EST</td>
</tr>
<tr>
<td>Friday, October 14th</td>
<td>Q&amp;A Deadline @11:59PM EST</td>
</tr>
<tr>
<td>Wednesday, October 26th</td>
<td>RFA Closes @11:59PM EST</td>
</tr>
<tr>
<td>January 2023</td>
<td>Notification of Selections</td>
</tr>
</tbody>
</table>

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Next Steps

1. Visit the DERA Tribal and Insular Area Website for Tools & Resources

2. Register your Organization with Grants.gov and SAM.gov

3. Prepare Application Package

4. Submit Application Package on Grants.gov by October 26th at 11:59PM EST

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Next Steps

1. Visit the DERA Tribal and Insular Area Website for Tools and Resources

   • Request for Applications #EPA-OAR-OTAQ-22-03 (PDF)
   • Sample Project Narrative (WORD)
   • Sample Applicant Fleet Description (Excel)
   • Priority Area List
   • Sample Scrappage Statement
   • Sample Eligibility Statement
   • Best Practices Procurement Guide
   • TRU Factsheet
   • Questions and Answers

RFA Available at www.epa.gov/dera/tribal-insulararea
Next Steps

2. Register your Organization with Grants.gov

• **ALL** DERA applications must be submitted electronically via [www.grants.gov](http://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**.

• The registration process requires that your organization have a **Unique Entity Identifier (UEI)** and a current registration with the **System for Award Management (SAM, [www.sam.gov](http://www.sam.gov))** and the process of obtaining both could take several weeks.

• Minor problems with application submittal are NOT uncommon. Grants.gov offers 24-hour support.
Next Steps

3. Prepare Application Package

- Project Narrative Workplan (Word or PDF)
- Application Fleet Description (Excel)
- Quantify Emission Results (DEQ)
- Application for Federal Assistance (SF-424)
- Budget Information for Non-Construction Programs (SF-424A)
- Assurances for Non-Construction Programs (SF-424B)
- EPA Form 4700-4
- EPA Key Contacts Form
- If applicable, Cost Share Commitment & Partnership Letters
- If applicable, Mandated Measures Justification Supporting Info
- Other documents, as appropriate

4. Submit Application Package on Grants.gov by Wednesday, October 26th at 11:59PM EST

RFA Available at www.epa.gov/dera/tribal-insulararea
Thank You!

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For additional information, tools, references, and examples, please visit https://www.epa.gov/dera/tribal-insulararea

Submit questions to DERA@epa.gov

If we are unable to answer your question at this time, we will list all questions and answers in the Q and A document available at www.epa.gov/dera/tribal-insulararea#q&a

Presentation materials will be available at www.epa.gov/dera/tribal-insulararea#2022rfa