

**Questions and Answers: 2022-2023 Diesel Emissions Reductions Act (DERA)
National Grants (EPA-OAR-OTAQ-23-03)**

Monday, November 20, 2023

The following Questions and Answers have been compiled for the benefit of organizations considering applying for a grant under the above Notice of Funding Opportunity (NOFO).

- A. Applicant Eligibility
- B. Project Eligibility
 - B.i. Vehicle and Equipment Replacements
 - B.ii. Engine Replacements
 - B.iii. Remanufacture Systems
 - B.iv. Verified Idle Reduction Technologies
 - B.v. Verified Retrofit Technologies
 - B.vi. Clean Alternative Fuel Conversions
 - B.vii. Verified Aerodynamic Technologies and Low Rolling Resistance Tires
 - B.viii. Miscellaneous
- C. Vehicle, Equipment, and Engine Eligibility
- D. Application Process
- E. Project Administration
 - E.i. Competitive Procurement Requirements
 - E.ii. General

Please note that many questions are variations of each other so your exact question may not be listed; please look for similar questions.

A. Applicant Eligibility

A.1: Who is eligible to apply?

Answer: Eligible entities include:

- Regional, state, or local agency; Tribal Governments (or intertribal consortia) or Alaska Native Villages; or port authorities which have jurisdiction over transportation or air quality. School districts, municipalities, metropolitan planning organizations (MPOs), cities, and counties are all generally eligible entities under this assistance agreement program to the extent that they fall within this definition.
- Nonprofit organizations or institutions that a) represent or provide pollution reduction or educational services to persons or organizations that own or operate diesel fleets or b) have, as their principal purpose, the promotion of transportation or air quality.

For example, public school districts and public universities who own/operate diesel fleets and are responsible for decisions regarding student transportation, airports that operate as public entities and the own/operate diesel equipment, and public utilities that own/operate diesel equipment, including public wastewater treatment plants, are all eligible entities.

Date Posted: 8/17/2023

A.2: Is the manufacturer of an emissions reduction device eligible for this grant?

Answer: Manufacturers are not eligible to apply directly to EPA for funding. Manufacturers who would like to have their retrofit products eligible for purchase by recipients of this grant program must be listed on EPA or CARB's verified retrofit technology list. An overview of EPA's Verification Process is available at www.epa.gov/verified-diesel-tech/learn-about-verified-technologies-clean-diesel. Funding under this program is not available for product testing/verification.

Date Posted: 8/17/2023

A.3: Can you explain how private fleets can benefit through partnerships with eligible entities?

Answer: Private fleets are not eligible to apply directly to EPA for funding. Only eligible entities as defined in the NOFO are eligible to apply directly to EPA for funding under this NOFO. Eligible entities include regional, state, or local agencies; Tribal governments (or intertribal consortia) or Alaska Native Villages; or port authorities, which have jurisdiction over transportation or air quality, and nonprofit organizations or institutions that: a) represent or provide pollution reduction or educational services to persons or organizations that own or operate diesel fleets or b) have, as their principal purpose, the promotion of transportation or air quality. However, both public and private fleets may benefit from the programs implemented by DERA national grant recipients and EPA encourages private fleet owners to partner with eligible entities for the implementation of diesel emissions reduction projects. Some EPA regions have regional diesel collaboratives (www.epa.gov/dera/regional-collaboratives-epa-regions) where fleet owners interested in partnering with eligible entities may find networking opportunities. Please refer to Appendix A of the Notice of Funding Opportunity for detailed guidance on funding partnerships.

Date Posted: 10/25/2023

A.4: *Are we eligible to apply if we have received DERA funding through another opportunity?*

Answer: Yes. Participation in one program does not preclude you from participating in others; however, an applicant may not accept funding from multiple DERA programs for the same vehicle.

Date Posted: 8/17/2023

A.5: *Do applicants and projects need to be located in nonattainment areas to be eligible?*

Answer: No, air quality attainment status is not an eligibility factor. However, projects located in air quality nonattainment areas will receive points under evaluation criteria defined in Section V of this NOFO.

Date Posted: 8/17/2023

A.6: *May two fleets apply in one application with vehicles combined into a single fleet?*

Answer: A single application may include several different partners, fleets, and types of upgrades. However, only one eligible entity may be listed as the applicant on the application. If selected for funding, the applicant organization is the direct recipient of the EPA funds and the recipient is responsible for overall project management, all required reporting, and is accountable to EPA for the proper expenditure of funds. The applicant can provide funding/benefits to other fleet owners through subgrants and rebates in accordance with the applicable EPA grant regulations and the terms and conditions of the award.

Date Posted: 8/17/2023

A.7: *How many times can an applicant apply?*

Answer: Applicants can submit a total of ten applications. However, no more than two applications may be submitted to the same EPA Region.

Date Posted: 8/17/2023

A.8: *Can a privately-owned fleet receive funding? Are there specific entities that private companies must partner with?*

Answer: Only eligible entities as defined in the NOFO are eligible to apply directly to EPA for funding under this NOFO. Eligible entities include regional, state, or local agencies; Tribal governments (or intertribal consortia) or Alaska Native Villages; or port authorities, which have jurisdiction over transportation or air quality, and nonprofit organizations or institutions that: a) represent or provide pollution reduction or educational services to persons or organizations that own or operate diesel fleets or b) have, as their principal purpose, the promotion of transportation or air quality. However, both public and private fleets may benefit from the programs implemented by DERA national grant recipients and EPA encourages private fleet owners to partner with eligible entities for the implementation of diesel emissions reduction projects. An eligible entity can provide funding/benefits to fleet owners through subawards and rebates. Some EPA regions have regional diesel collaboratives (www.epa.gov/dera/epa-regions-diesel-collaboratives) where fleet owners interested in partnering with eligible entities may find networking opportunities.

Date Posted: 8/17/2023

A.9: Are private, for-profit companies eligible for DERA funding?

Answer: Only eligible entities as defined in the Notice of Funding Opportunity (NOFO) are eligible to apply directly to EPA for funding under this NOFO. Eligible entities include regional, state, local or tribal agencies (or intertribal consortia) or port authorities with jurisdiction over transportation or air quality, and nonprofit organizations or institutions that: a) represent or provide pollution reduction or educational services to persons or organizations that own or operate diesel fleets or b) have, as their principal purpose, the promotion of transportation or air quality. School districts, municipalities, metropolitan planning organizations (MPOs), cities, and counties are all generally eligible entities under this assistance agreement program to the extent that they fall within this definition. However, both public and private fleets may benefit from the programs implemented by DERA national grant recipients and EPA encourages private fleet owners to partner with eligible entities for the implementation of diesel emissions reduction projects.

Date Posted: 9/8/2023

A.10: What resources might be helpful to individual drayage operators?

Answer: EPA encourages private fleet owners to partner with eligible entities for the implementation of diesel emissions reduction projects. Eligible entities include regional, state, or local agencies; Tribal governments (or intertribal consortia) or Alaska Native Villages; or port authorities, which have jurisdiction over transportation or air quality, and nonprofit organizations or institutions that: a) represent or provide pollution reduction or educational services to persons or organizations that own or operate diesel fleets or b) have, as their principal purpose, the promotion of transportation or air quality. An eligible entity can provide funding/benefits to fleet owners through subawards and rebates. Some EPA regions have regional diesel collaboratives (www.epa.gov/dera/epa-regions-diesel-collaboratives) where fleet owners interested in partnering with eligible entities may find networking opportunities.

Date Posted: 9/8/2023

A.11: Are private fleets eligible to apply for funding?

Answer: Private fleets are not eligible to apply directly to EPA for funding. See questions A.1 and A.8 for additional information.

Date Posted: 9/8/2023

A.12: Are community colleges eligible to apply for funding??

Answer: Yes, community colleges are eligible entities. However, for funding to be used for a vehicle replacement, an existing, in-use vehicle of the same type and class must first be scrapped. Please see Table 1 on page 8 of the NOFO for a list of eligible vehicles.

Date Posted: 9/8/2023

A.13: *Can a for-profit port that works directly with a Federally Recognized Tribal Nation have the Tribe submit an application on their behalf?*

Answer: Only eligible entities as defined in the Notice of Funding Opportunity (NOFO) are eligible to apply directly to EPA for funding under this NOFO. Eligible entities include regional, state, local or tribal agencies (or intertribal consortia) or port authorities with jurisdiction over transportation or air quality, and nonprofit organizations or institutions that: a) represent or provide pollution reduction or educational services to persons or organizations that own or operate diesel fleets or b) have, as their principal purpose, the promotion of transportation or air quality. School districts, municipalities, metropolitan planning organizations (MPOs), cities, and counties are all generally eligible entities under this assistance agreement program to the extent that they fall within this definition. However, both public and private fleets may benefit from the programs implemented by DERA national grant recipients and EPA encourages private fleet owners to partner with eligible entities for the implementation of diesel emissions reduction projects.

Date Posted: 9/8/2023

A.14: *Are public libraries and youth service programs eligible for this funding opportunity?*

Answer: Only eligible entities as defined in the Notice of Funding Opportunity (NOFO) are eligible to apply directly to EPA for funding under this NOFO. Eligible entities include regional, state, local or tribal agencies (or intertribal consortia) or port authorities with jurisdiction over transportation or air quality, and nonprofit organizations or institutions that: a) represent or provide pollution reduction or educational services to persons or organizations that own or operate diesel fleets or b) have, as their principal purpose, the promotion of transportation or air quality. School districts, municipalities, metropolitan planning organizations (MPOs), cities, and counties are all generally eligible entities under this assistance agreement program to the extent that they fall within this definition. However, both public and private fleets may benefit from the programs implemented by DERA national grant recipients and EPA encourages private fleet owners to partner with eligible entities for the implementation of diesel emissions reduction projects.

Date Posted: 9/8/2023

A.15: *Are public-private partnership projects eligible for this grant?*

Answer: Yes, if a recipient intends to fund vehicles, engines, or equipment that they do not directly own, the recipient has the option to make a subaward to project partners or provide participant support costs to program beneficiaries. Please see Appendix A of the NOFO for more information.

Date Posted: 9/8/2023

A.16: *Are territories eligible for DERA funding?*

Answer: Yes, eligible project locations include the 50 United States, District of Columbia, Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands. Eligible applicants are limited to regional, state, or local agency, Tribal government (or intertribal consortium) or Alaska Native Village, or port authority, which has jurisdiction over transportation or air quality, and nonprofit organizations or institutions that: a) represent or provide pollution reduction or educational services to persons or organizations that own or operate diesel fleets or b) have, as their principal purpose, the promotion of transportation or air quality. The DERA program has another competitive funding opportunity, DERA Tribal and territory grants, which funds similar activities but is only open to eligible Tribal and certain territory applicants. See more information at www.epa.gov/dera/tribal-insulararea

Date Posted: 10/25/2023

A.17: *Are training funds available for community college courses on fuel cell technology?*

Answer: Community college courses for the general public are not eligible for DERA funding. However, workforce training and development to ensure current drivers, mechanics, electricians, and other essential personnel receive training to safely operate and maintain the new vehicles, engines, infrastructure, and equipment is eligible for DERA funding when combined with an eligible vehicle or equipment project as defined in the Notice of Funding Opportunity.

Date Posted: 11/13/2023

B. Project Eligibility

B.i. Vehicle and Equipment Replacements

B.i.1: *Does locomotive replacement fall under the vehicle replacement category?*

Answer: Yes. A full locomotive replacement can be funded at 25% EPA share for a diesel-to-diesel replacement. If only the engine is replaced, then it would fall under the Engine Replacement Category.

Date Posted: 8/17/2023

B.i.2: *What is the funding level to replace a diesel vehicle with an electric one?*

Answer: If you are replacing a diesel vehicle with a fully electric vehicle, EPA will fund 45% of the new vehicle.

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B.i.3: *What percent of EV charging equipment will DERA cover for electric vehicles purchased with grant funds?*

Answer: Eligible costs for battery electric powered vehicle, equipment and engine replacement projects can include the purchase and installation of one charging unit per vehicle, including the unit and charging cable, mount and/or pedestal. These costs are subject to the 55% mandatory cost share requirements defined in Section III.B.1 of the NOFO. Ineligible costs include power distribution to the pedestal, electrical panels and their installation, upgrades to existing electrical panels or electrical service, transformers and their installation, wiring/conduit and its installation, electricity, operation and maintenance, stationary energy storage systems that power the equipment (e.g. batteries) and their installation, and on-site power generation systems that power the equipment (e.g., solar and wind power generation equipment) and their installation.

Date Posted: 8/17/2023

B.i.4: *Can highway diesel vehicles be replaced with vehicles fueled by CNG, LNG, propane, or other alternative fuels? At what funding level?*

Answer: Yes, eligible medium and heavy-duty diesel trucks and buses may be replaced with alternative fueled vehicles as long as the replacement vehicle is powered by a 2019 model year or newer certified engine (2015 or newer for drayage trucks). Vehicle replacements are funded at 25% (or at 35% if the engine is certified to CARB's Optional Low-NOx Standards or 45% if the engine is replaced with a zero-emission power source) and drayage truck replacements are funded at 50%.

Date Posted: 8/17/2023

B.i.5: *Can the cost of purchase and installation for a charging station for a zero-emission vehicle be included in the budget as a separate line item, or must it be wrapped into the cost of the EPA funding limit of up to 45% of the cost of the zero-emission replacement vehicle?*

Answer: Eligible costs for battery electric powered vehicle, equipment and engine replacement projects can include the purchase and installation of one charging unit per vehicle, including the unit and charging cable, mount and/or pedestal. These costs are subject to the mandatory cost share requirements defined in Section III.B.1. Whether or not these are separate line items in the budget, the EPA cost share applies to the eligible charging equipment costs.

Date Posted: 8/17/2023

B.i.6: *Is replacing diesel powered equipment with battery electric equipment eligible for funding?*

Answer: Yes. To be eligible for funding, replacement highway vehicles must be certified by EPA and/or CARB to meet applicable emission standards. To be eligible for funding, replacement nonroad equipment, locomotives and marine vessels must be powered by engines certified to EPA and/or CARB emission standards. However, zero emission nonroad equipment, marine vessels, and locomotives do not require EPA or CARB certification.

Date Posted: 8/17/2023

B.i.7: *If we use the grant to purchase a CNG truck, can we use funds to install a CNG refueling station for our fleet?*

Answer: No. CNG fueling infrastructure is not eligible for funding under DERA.

Date Posted: 8/17/2023

B.i.8: *Are used battery electric vehicles eligible as replacement vehicles?*

Answer: The NOFO requires that a zero-emission vehicle replacement vehicle be engine model year 2021 or newer. There is no requirement that the replacement vehicle be new.

Date Posted: 9/8/2023

B.i.9: *Can an old diesel vehicle be voluntarily scrapped prior to receipt of award if it meets the remaining life criteria? For example, a vehicle be destroyed in accordance with DERA scrappage requirements after the December 1 submission deadline if the anticipated award date is August 2024?*

Answer: Per Section III, funding under this Notice of Funding Opportunity (NOFO) cannot be used to cover expenses incurred prior to the project period set forth in any assistance agreement funded under this NOFO, except for eligible pre-award costs as defined in 2 CFR 200.458 and as authorized by 2 CFR 200.309 and 2 CFR 1500.8. The vehicle must be operational at the time of application.

Date Posted: 9/8/2023

B.i.10: *Is CARB or EPA certification a must at time of application for vehicle or engine replacements? If the proposed zero emission vehicles will attain CARB or EPA certification when project kicks off in 2024, will it also be sufficient?*

Answer: Applicants typically should not name specific vendors, manufacturers, or vehicles in proposals. Applicants must demonstrate that named contractors (including individual consultants and equipment vendors) were selected in compliance with the competitive requirements of the Procurement Standards in 2 CFR Part 200 as interpreted in EPA guidance to consider their qualifications and role in the proposed project. Please see Appendix A of the Notice of Funding Opportunity (NOFO) for additional information. Applicants should not name specific products or vehicles that are not eligible under the NOFO criteria at the time of application submission – to do so may render the project ineligible. Applicants should instead describe the proposed commercially available replacement vehicles in terms of technology type, size, price, and other details. At the time of purchase, replacement vehicles and equipment must be powered by engines certified by EPA and, if applicable, CARB emission standards.

Date Posted: 9/8/2023

B.i.11: *What costs are eligible for a hydrogen fuel cell drayage truck replacement project?*

Answer: Eligible fuel cell projects are limited to hydrogen fuel cell engine replacements for eligible urban transit buses, shuttle buses and drayage trucks, and hydrogen fuel cell vehicle replacements for eligible urban transit buses, shuttle buses, and drayage trucks. For engine replacement with battery, fuel cell, and grid electric, eligible costs include electric motors, electric inverters, battery assembly, direct drive transmission/gearbox, regenerative braking system, vehicle control/central processing unit, vehicle instrument cluster, hydrogen storage tank, hydrogen management system and fuel cell stack assemblies.

Date Posted: 9/8/2023

B.i.12: *Is vehicle scrappage a requirement for vehicle replacement funding?*

Answer: Yes, scrappage is a statutory requirement for funding under this program. The vehicle being replaced must be scrapped or rendered permanently disabled within ninety (90) days of being replaced.

Date Posted: 9/8/2023

B.i.13: *Can a rail operator replace an eligible locomotive with a used locomotive that has been repowered to Tier 4?*

Answer: Yes. There is no requirement for a replacement locomotive to have been freshly manufactured but is required to be certified to Tier 4. Please refer to Table 8: Locomotive Engine Project Eligibility in the NOFO for more information.

Date Posted: 10/25/2023

B.i.14: *Can different vehicle types be combined to meet the mileage requirement?*

Answer: To be eligible for funding the replacement vehicle or equipment must be of similar type and gross vehicle weight rating or horsepower as the vehicle, engine, or equipment being replaced and the replacement vehicle, engine, or equipment must continue to perform similar function and operation as the vehicle, engine, or equipment that is being replaced. For on highway vehicles, the mileage of two or more units may be combined to reach the thresholds below where two or more units will be scrapped and replaced with a single unit. If an applicant can demonstrate that a certified highway engine/vehicle is being used in a predominantly nonroad application (e.g., firetrucks or utility trucks that idle for long periods to power an auxiliary apparatus), engine operating hours as defined as “nonroad usage” in the NOFO may be used for application eligibility purposes. If selected for award, EPA will review and approve alternative scrappage proposals on a case-by-case basis.

Date Posted: 10/25/2023

B.i.15: *Is there a minimum number of vehicles to replace to be eligible for funding?*

Answer: No, there is not a minimum number of vehicles to replace to be eligible for funding.

Date Posted: 10/25/2023

B.i.16: *What is the maximum funding level percentage for replacement of a diesel-powered rubber-tired gantry (RTG) crane for cargo handling with a hybrid RTG, and how should this project type be entered into the EPA diesel emissions quantifier?*

Answer: Replacing a diesel-powered RTG crane with a hybrid RTG crane would be considered an equipment replacement project with a diesel-powered unit, with an EPA funding limit of 25% as defined in Table 4: Cost Share Requirements in the NOFO. Please reach out to DEQhelp@epa.gov with questions about populating the Diesel Emissions Quantifier.

Date Posted: 10/25/2023

B.i.17: *Are diesel powered city police vehicle replacements eligible for DERA funding?*

Answer: Eligible heavy-duty diesel emission source types include school buses, Class 5-8 highway vehicles, marine engines, locomotives, and nonroad engines, equipment or vehicles (used in construction, cargo handling, agriculture, mining, or energy production). Vehicles and equipment must also meet the ownership, usage, and remaining life requirements defined in the NOFO.

Date Posted: 10/25/2023

B.i.18: *Can an eligible organization purchase a zero-emission replacement for a diesel unit and then lease this vehicle to another company? The eligible organization would retain ownership rights as the lessor, be responsible for scrapping the original vehicle, and the new zero-emissions vehicle would be paid for in full prior to being leased.*

Answer: Yes, this project is eligible for funding. The entity and project are both eligible, though leasing the vehicle after the replacement is outside the scope of the award. The replacement vehicle must also operate in the same area and perform the same function as the vehicle being replaced.

Date Posted: 11/13/2023

B.i.19: *Can we replace a single diesel vehicle with an electric vehicle?*

Answer: Yes, you can replace a single eligible diesel vehicle with an electric vehicle. EPA will fund 45% of the eligible cost of the new vehicle, including eligible charging equipment.

Date Posted: 11/13/2023

B.i.20: *Are coach shuttle buses for a private university eligible for DERA funding?*

Answer: A private university is not an eligible applicant under this Notice of Funding Opportunity. However, both public and private fleets may benefit from DERA funding and EPA encourages private fleet owners to partner with eligible entities for the implementation of diesel emission reduction projects.

Date Posted: 11/13/2023

New **B.i.21:** *Does EPA define PowerPacks as equipment for the purposes of the NOFO despite their inability to move under their own power?*

Answer: Yes, for the purposes of the NOFO, PowerPacks are considered equipment.

Date Posted: 11/20/2023

New **B.i.22:** *Are airport deicing trucks considered "nonroad equipment" or "medium and heavy-duty trucks"?*

Answer: Airport deicing trucks are considered "medium and heavy-duty trucks"; however, if an applicant can demonstrate that a certified highway engine/vehicle is being used in a predominately nonroad application (e.g., firetrucks or utility trucks that idle for long periods to power an auxiliary apparatus), engine operating hours may be used for application eligibility purposes. While there is no specific deicing equipment option in the Diesel Emissions Quantifier (DEQ), airport deicing trucks would best fall under Airport Support Equipment in the Airport Sector. If selected for award, EPA will review and approve eligibility on a case-by-case basis.

Date Posted: 11/20/2023

New **B.i.23:** *Do "PowerPacks" used to power TRUs qualify as Engine Replacement or Equipment Replacement, either through replacing the existing diesel gensets with Tier 4 and transferring the bulk of the remaining components from the baseline unit into a 45 foot container, or scrapping the entirety of the baseline unit and procuring a new 45 foot Tier 4 PowerPack?*

Answer: Diesel powered TRUs and TRU gen sets are eligible as nonroad equipment replacements if the existing TRU nonroad engine meets the applicable nonroad eligibility criteria. Please see the TRU Factsheet available at www.epa.gov/dera/tribal-insulararea for information on TRUs and eligible TRU projects.

Date Posted: 11/20/2023

New **B.i.24:** *For highway vehicle and equipment replacements, the NOFO states, "The replacement vehicle must not be in a larger weight class than the existing vehicle. Exceptions may be granted for vocational purposes and require specific EPA approval prior to purchase." How would we get approval for replacing a Class 7 diesel tractor with a Class 8 battery-electric tractor?*

Answer: If it is necessary to replace a vehicle with a vehicle that is in a larger weight class than the existing vehicle, the applicant/recipient should provide sufficient detail to support a technical or vocational justification for the size increase. If selected for an award, the recipient should work with the EPA Grant Project Officer to document approval of the exception prior to purchase. Please note that unjustified size increases or the cost of optional components or "add-ons" that significantly increase the cost of the vehicle may not be eligible for funding under the grant.

Date Posted: 11/20/2023

B.ii. Engine Replacements

B.ii.1: *For marine engine replacements, do eligible costs include items required in addition to the new engine (such as gears, controls, and shipyard costs)?*

Answer: Yes. Eligible costs for engine replacement projects can include equipment and parts included in the certified engine configuration and/or are required to ensure the effective installation and functioning of the new technology. Eligible costs include design and engineering, parts and materials, and installation. For engine replacement with battery, fuel cell, and grid electric, eligible costs include electric motors, electric inverters, battery assembly, direct drive transmission/gearbox, regenerative braking system, vehicle control/central processing unit, vehicle instrument cluster, hydrogen storage tank, hydrogen management system and fuel cell stack assemblies. These costs are subject to the mandatory cost share requirements defined in Section III.B.1. Shipyard costs are also eligible and should be included in the "other" cost category in applications.

Date Posted: 8/17/2023

B.ii.2: *Are used replacement engines eligible?*

Answer: Yes. Used engines certified to relevant EPA emission standards and which meet any model year requirements listed in the NOFO are eligible as replacement engines.

Date Posted: 8/17/2023

B.ii.3: *Will EPA allow three-way engine transfers across Regions, even if the diesel engine to be scrapped is in a different EPA Region than where the lowest emission engine is being deployed?*

Answer: Perhaps. If a Tier 2, Tier 3, or Tier 4 locomotive, marine, or nonroad vehicle, equipment and/or engine is replaced, the units may be retained or sold if a similar, lower tiered unit will be replaced, and the lower tiered unit will be scrapped. It is preferred that the unit to be scrapped currently operates within the same project location(s) in which the original Tier 2, 3, or 4 unit operates; however, alternative scenarios will be considered. If an application includes an alternative scrappage plan and is selected for funding, EPA and the recipient will negotiate and approve the final alternative scrappage terms and conditions. All equipment must operate within the United States. All existing and replacement equipment are subject to funding restrictions in the Notice of Funding Opportunity (NOFO). Applications which address and demonstrate that the project meets programmatic priorities defined in Section V of the NOFO will receive priority for funding under the evaluation criteria. The term "project location" refers to the area(s) where the affected vehicles or engines equipment operate. A list of counties that have been designated as priority project locations can be found on the 2022-2023 Diesel Emissions Reduction Act (DERA) National Grants Priority Area List which is available under "Application Documents" at www.epa.gov/dera/national. Counties on this list are identified as priority project locations for the DERA program because they are either designated as nonattainment areas or maintenance areas for National Ambient Air Quality Standards further defined in the NOFO or because they contain at least one census tract where the modeled ambient diesel PM concentration from the 2019 Air Toxics Screening Assessment is above the 80th percentile (0.38 µg/m³ for 2019) for census tracts nationwide.

Date Posted: 9/8/2023

B.ii.4: *Can aircraft deicing equipment be replaced with new hybrid models? If so, which category or percent of funding would it fall under?*

Answer: Since the new hybrid equipment contains a diesel engine, this equipment replacement project would qualify for 25% EPA funding.

Date Posted: 9/8/2023

B.ii.5: *Are diesel engines newer than 2009 eligible for certified vehicle or engine replacements?*

Answer: Diesel engines newer than 2009 are limited to Zero Emission or Low-NO_x vehicle or engine replacements.

Date Posted: 9/8/2023

B.ii.6: *Are replacement engines that were already purchased/installed in equipment eligible for funding?*

Answer: No. Per Section III, funding under this Notice of Funding Opportunity (NOFO) cannot be used to cover expenses incurred prior to the approved project period set forth in any assistance agreement funded under this NOFO, except for eligible pre-award costs as defined in 2 CFR 200.458 and as authorized by 2 CFR 200.309 and 2 CFR 1500.8.

Date Posted: 9/8/2023

B.ii.7: Which DERA category would support a locomotive modernization/remanufacture with a Tier 4 engine upgrade?

Answer: DERA can fund certified engine replacement or certified remanufacture systems. Generally, a certified remanufacture system is applied during an engine rebuild and involves the removal of parts on an engine and replacement with parts that cause the engine to represent an engine configuration which is cleaner than the original engine. Some locomotives and marine engines can be upgraded through the application of a certified remanufacture system (i.e., kit). Engine remanufacture systems may not be available for all engines, and not all remanufacture systems may achieve an emissions benefit. Applications for EPA certified remanufacture systems should include a discussion of the availability of engine remanufacture systems and indicate the pre- and post-project emission standard levels of the engines to demonstrate that the upgrade will result in a PM and/or NOx emissions benefit. To be eligible for funding, remanufacture systems for locomotives and marine engines must be certified by EPA at the time of acquisition. The list of certified remanufacture systems are available at Annual Certification Data for Vehicles, Engines, and Equipment; (www.epa.gov/compliance-and-fuel-economy-data/annual-certification-data-vehicles-engines-and-equipment) and additional information on remanufacture systems is available at EPA's Marine Remanufacturing Program: Maintaining Compliance when Rebuilding Category 1 and 2 Marine Diesel Engines. Eligible costs include the associated labor costs for installation of the system. Funding under this NOFO cannot be used for the entire cost of an engine rebuild if a certified remanufacture system is applied at the time of rebuild; the funds may only be used for the cost of the certified remanufacture system and associated labor costs for installation of the kit.

Date Posted: 10/25/2023

B.ii.8: What is the difference between an engine "upgrade" and an engine "replacement"?

Answer: Under this Notice of Funding Opportunity (NOFO), the "upgrade" term encompasses all technologies that reduce diesel emissions including vehicle/equipment replacement, engine replacement, remanufacture systems, idle reduction technologies, retrofit technologies, conversions, and aerodynamics and tires. When "replacement" is selected as the type of upgrade, the existing vehicle or engine must be scrapped. Where the eligibility criteria states "time of upgrade" or "prior to upgrade," "upgrade" refers to when the funded action occurred (i.e., date of replacement, date of retrofit, etc.). See Table 2 of the NOFO, Diesel Emission Reduction Solutions, for additional information about eligible projects.

Date Posted: 11/13/2023

B.ii.9: Are power-generating stationary diesel generators at private homes eligible for DERA funding?

Answer: Yes, stationary diesel generators are classified as nonroad equipment and are eligible for DERA funding, subject to usage and eligibility requirements as defined in the Notice of Funding Opportunity. While individual homeowners are not be eligible to apply directly to EPA, local municipalities can apply for DERA funding and partner with homeowners to replace eligible diesel generators.

Date Posted: 11/13/2023

B.iii. Remanufacture Systems

B.iii.1: *Table 7 outlines eligible marine certified remanufacture systems and verified engine upgrades. Is there a minimum tier requirement?*

Answer: There is not a minimum tier requirement, however, applications for certified remanufacture systems and verified engine upgrades should include a discussion of the available systems and indicate the pre- and post-project emission standard levels of the engines to demonstrate that the upgrade will result in a PM and/or NOx emissions benefit.

Date Posted: 8/17/2023

B.iv. Verified Idle Reduction Technologies

B.iv.1: *Can you elaborate on verified electrified parking space technologies?*

Answer: Electrified parking spaces, also known as truck-stop electrification, are typically found at truck stops. When trucks park overnight, they can turn off their main engines and plug into the electrified parking spaces to power everything besides their main engines for sleeper cab comfort. Electrified parking spaces can also be found at distribution centers, where transport refrigeration units (TRUs) can plug into them to shut down the diesel TRU and keep their refrigerated trailers cold.

Date Posted: 8/17/2023

B.iv.2: *Is adding electrified parking spaces to a truck stop eligible?*

Answer: Yes. EPA will fund up to 30% of the cost (labor and equipment) of eligible electrified parking space technologies.

Date Posted: 8/17/2023

B.iv.3: *How do we know if a hybrid retrofit system is verified?*

Answer: Several systems which convert a conventional diesel engine configuration to a hybrid-electric system have been verified as diesel engine retrofits. EPA's verified hybrid retrofit systems are listed at www.epa.gov/verified-diesel-tech/verified-technologies-list-clean-diesel and CARB's at www.arb.ca.gov/diesel/verdev/vt/cvt.htm.

Date Posted: 8/17/2023

B.iv.4: *Is a marine shore power system eligible for funding?*

Answer: Yes. Funding can cover up to 25% of the cost (labor and equipment) of eligible marine shore power connection systems.

Date Posted: 8/17/2023

B.iv.5: *Are idle reduction technologies for highway vehicles eligible for funding under this NOFO?*

Answer: Yes. Idle reduction projects are eligible for funding. For highway vehicles, EPA will fund up to 100% of the cost (labor and equipment) for idle reduction technologies on long haul Class 8 trucks and school buses if combined on the same vehicle with eligible verified engine retrofit technologies. EPA will fund up to 25% of the cost of stand-alone idle reduction technology installations. Lists of eligible, EPA verified idle reduction technologies are available at www.epa.gov/verified-diesel-tech/smartway-technology. Please note that diesel fired auxiliary power units are not eligible on 2007 model year trucks or newer.

Date Posted: 8/17/2023

B.iv.6: *Please provide examples of verified idle reduction technologies.*

Answer: All verified idle reduction technologies are listed on the SmartWay Verified Technology List at www.epa.gov/verified-diesel-tech/smartway-technology. Examples include, but are not limited to, auxiliary power units, thermal storage systems, fuel-operated heaters, and electrified parking spaces.

Date Posted: 8/17/2023

B.iv.7: *Is the verification of a new technology an eligible project?*

Answer: EPA does not provide funding to manufacturers for verification activities. If you are interested in seeking EPA's verification of your technology, please visit www.epa.gov/verified-diesel-tech/overview-verification-process-clean-diesel-technology for an overview of the Verification Program.

Date Posted: 9/8/2023

B.iv.8: *What is the funding limit for an electrified parking space technology project?*

Answer: EPA will fund up to 30% of eligible costs. Eligible costs include the purchase and installation of certain equipment required for power delivery directly related to the new equipment such as design and engineering, electrical panels, upgrades to existing electrical panels or electrical service, transformers, wiring/conduit, and installation.

Date Posted: 11/13/2023

B.iv.9: *We use portable diesel-powered generators to power refrigerated (reefer) produce containers. We want to install shore power and discontinue use of portable diesel-powered generators. Is this project eligible and at what funding level?*

Answer: Yes, providing off-board electrical power to operate plug-in refrigeration systems that would otherwise be powered by diesel engines would fall under "Electrified Parking Space" eligibility. EPA will fund up to 30% of eligible costs. Eligible costs include the purchase and installation of certain equipment required for power delivery directly related to the new equipment such as design and engineering, electrical panels, upgrades to existing electrical panels or electrical service, transformers, wiring/conduit, and installation. Funding under this Notice of Funding Opportunity cannot be used for power distribution to the property line, electricity costs, operation and maintenance, stationary energy storage systems that power the equipment (e.g., batteries) and their installation, and on-site power generation systems that power the equipment (e.g., solar and wind power generation equipment) and their installation.

Date Posted: 11/13/2023

New **B.iv.10:** *On page 31 of the NOFO, it states that "idle reduction technologies are not eligible, if similar technologies have previously been installed on the truck or trailer". Does this provision only apply specifically to trucks and trailers, or to any vehicle eligible for idle reduction technologies?*

Answer: This provision is applicable to any vehicle eligible for idle reduction technologies. An idle reduction project is generally defined as the installation of a technology or device that reduces unnecessary idling of diesel engines and/or is designed to provide services (such as heat, air conditioning, and/or electricity) to vehicles and equipment that would otherwise require the operation of the main drive or auxiliary engine(s) while the vehicle is temporarily parked or remains stationary. EPA SmartWay verified technologies currently include options to reduce idling for long haul Class 8 trucks equipped with sleeper cabs, school buses, transport refrigeration units, locomotives, and marine vessels.

Date Posted: 11/20/2023

B.v. Verified Retrofit Technologies

B.v.1: *Can you please provide some clarity on which projects fall under the hybrid retrofit systems projects?*

Answer: Several systems which convert a conventional diesel engine configuration to a hybrid-electric system have been verified as retrofits (currently only for select nonroad and marine engines). EPA will fund up to 60 percent of a verified hybrid retrofit system project; eligible costs include the equipment and associated labor for installation of the system.

Date Posted: 8/17/2023

B.v.2: *Is renewable diesel an eligible cleaner fuel?*

Answer: Eligible cleaner fuels and additives are limited to those verified by EPA and/or CARB to achieve emissions reductions when applied to an existing diesel engine, such as biodiesel. Currently, renewable diesel is not verified on either list. Eligible biodiesel fuel must meet the requirements of American Society of Testing and Materials (ASTM) D 6751. To be eligible for funding, verified fuels must be for new or expanded use, and must be used in combination, and on the same vehicle, with a new eligible verified engine retrofit or an eligible engine upgrade or an eligible certified engine, vehicle, or equipment replacement funded under this NOFO.

Date Posted: 8/17/2023

B.v.3: *Can funds be used to replace existing verified retrofit technologies (DOCs, DPFs)?*

Answer: No, funding cannot be used to replace an existing verified retrofit technology installed on a vehicle.

Date Posted: 8/17/2023

B.v.4: *Which fuels are considered cleaner fuels?*

Answer: Eligible cleaner fuels and additives are limited to those verified by EPA and/or CARB to achieve emissions reductions when applied to an existing diesel engine, such as biodiesel.

Date Posted: 8/17/2023

B.v.5: *Is the “ZeroRPM® Idle Mitigation System®” an eligible idle reduction technology under this funding opportunity?*

Answer: Eligible idle reduction technologies must be listed on EPA’s SmartWay Verified Technologies list at the time of acquisition. The system in question is not on the EPA SmartWay Verified Technologies list at this time. Manufacturers of idle reduction technologies for trucks and locomotives can learn about the verification process here: <https://www.epa.gov/verified-diesel-tech/overview-smartway-verification-process-idling-reduction-technologies-irts-0>.

Date Posted: 11/13/2023

B.vi. Clean Alternative Fuel Conversions

B.vi.1: *Are alternative fuel conversions eligible?*

Answer: Yes. Funding can cover up to 40% of the cost (labor and equipment) of an eligible certified or compliant clean alternative fuel conversion. Eligible conversions are limited to those systems that have been certified by EPA and/or CARB, and those systems that have been approved by EPA for Intermediate-Age engines. EPA’s lists of "Certified Conversion Systems for New Vehicles and Engines" and "Conversion Systems for Intermediate-Age Vehicles and Engines" are available at www.epa.gov/ve-certification/lists-epa-compliant-alternative-fuel-conversion-systems; CARB’s list of "Approved Alternate Fuel Retrofit Systems" is available at www.arb.ca.gov/msprog/aftermkt/altfuel/altfuel.htm. To be eligible for funding, conversion systems for engine model years 2006 and earlier must achieve at least a 30% NOx reduction and a 10% PM reduction from the applicable certified emission standard of the original engine. To be eligible for funding, conversion systems for engine model years 2007 and newer must achieve at least a 20% NOx reduction with no increase in PM from the applicable certified emission standard of the original engine.

Date Posted: 8/17/2023

New **B.vi.2:** *Would using cooking oil as feedstock to generate eco-friendly diesel be eligible for funding?*

Answer: No. For more information about clean alternative fuel conversion systems projects, see question B.vi.1 in the "Questions and Answers: 2022-2023 Diesel Emissions Reductions Act (DERA) National Grants" document.

Date Posted: 11/20/2023

B.vii. Verified Aerodynamic Technologies and Low Rolling Resistance Tires

B.vii.1: *Are the EPA-verified aerodynamics and low rolling resistance tires only eligible when combined with the new installation of an exhaust after-treatment retrofit? Can it be combined with engine/vehicle replacement projects?*

Answer: To be eligible for funding as a retrofit, these technologies must be combined on the same vehicle with new installation of an exhaust after-treatment retrofit funded under this NOFO. A vehicle replacement project may include tires and aerodynamics in the purchase price of the new vehicle, subject to cost share.

Date Posted: 9/8/2023

B.viii. Miscellaneous

B.viii.1: *What is the applicant's mandatory cost share requirement?*

Answer: Applicants are responsible for cost sharing between 0% and 75% of the vehicle/engine/technology costs, depending on the project type. For a detailed description of the cost sharing guidelines, please see Section III.B.1 of the NOFO.

Date Posted: 8/17/2023

B.viii.2: *What's the difference between an engine retrofit and alternative fuel conversion?*

Answer: An engine retrofit is a device (e.g., a diesel particulate filter) added to an existing diesel engine that will change the emissions profile of the engine. A clean alternative fuel conversion alters an existing diesel engine to operate on alternative fuels such as propane and natural gas. See Sections D.11 and D.12 of the NOFO for additional information.

Date Posted: 8/17/2023

B.viii.3: *Can we expand our fleet with new vehicles?*

Answer: No. New vehicle purchases must replace an existing, older, diesel-powered vehicle. Old vehicles must be scrapped to ensure emissions reductions are achieved.

Date Posted: 8/17/2023

B.viii.4: *Are electric charging stations eligible for funding?*

Answer: Electric vehicle charging infrastructure is not eligible as a standalone project but is eligible as part of an all-electric engine or vehicle replacement project which requires vehicle charging capability for the successful operation of the new equipment.

Date Posted: 8/17/2023

B.viii.5: *What projects are eligible for eTRUs and solar TRUs?*

Answer: Eligible diesel powered TRUs may be replaced with new, electric standby TRUs, hybrid electric TRUs, or electric transport refrigerators. Please refer to the DERA TRU Factsheet available under supporting documents at www.epa.gov/dera/national for information on eligible TRU projects.

Date Posted: 8/17/2023

B.viii.6: *Can funds be used for a project that has already been started or will be started before the expected award date?*

Answer: No. Any funding awarded under this announcement must be used for activities that will take place within the approved project period and may not be used for unauthorized pre-award costs. However, funding could be used for a new component of an on-going project. For example, if the applicant has a fleet of 500 school buses and has already retrofitted 200, the applicant can apply for funds to retrofit the remaining 300 buses. Expenses incurred prior to the project period set forth in any assistance agreement resulting from this NOFO are not eligible as a cost share for proposed projects.

Date Posted: 8/17/2023

B.viii.7: *Is there a minimum emissions reduction amount or percentage that needs to be achieved for grant funding eligibility?*

Answer: No, however EPA will evaluate the extent to which the project will achieve significant reductions in diesel emissions and project cost effectiveness.

Date Posted: 8/17/2023

B.viii.8: *Is there a list of technologies eligible for funding?*

Answer: Please see Section I.B.2, Diesel Vehicles, Engines, and Equipment, and Section I.B.3. Diesel Emission Reduction Solutions, and Section III.D. Eligible and Ineligible Activities and Other Considerations, in the NOFO for a full description of eligible diesel technologies.

Date Posted: 8/17/2023

B.viii.9: *What types of projects are eligible?*

Answer: Eligible activities include the retrofit or replacement of existing diesel engines, vehicles and equipment with EPA and California Air Resources Board (CARB) certified engine configurations and verified retrofit and idle reduction technologies. Eligible diesel vehicles, engines and equipment including school buses, class 5 through class 8 heavy-duty highway vehicles, locomotive engines, marine engines, and nonroad engines, equipment or vehicles used in construction, handling of cargo (including at ports or airports), agriculture, mining, or energy production (including stationary generators and pumps). Grant funds may be used for diesel emission reduction projects, including:

- EPA verified technologies or certified engine configurations.
- CARB verified technologies or certified engines.
- Idle-reduction technologies that are EPA verified.
- Aerodynamic technologies and low rolling resistance tires that are EPA verified.
- Early engine, vehicle, or equipment replacements with certified engine configurations.

Please refer to the FY22-FY23 National NOFO for additional reference on eligible activities.

Date Posted: 9/8/2023

B.viii.10: *Are consumer education projects eligible for funding under the DERA National Notice of Funding Opportunity (NOFO)?*

Answer: A consumer education project by itself would not be eligible. Eligible activities include the retrofit or replacement of existing diesel engines, vehicles, and equipment with EPA and California Air Resources Board (CARB) certified engine configurations and verified retrofit and idle reduction technologies. Project activities must meet eligibility as defined in the NOFO. If an application is submitted that includes any ineligible costs, tasks, or activities, that portion of the application will be ineligible for funding and may, depending on the extent to which it affects the application, render the entire application ineligible for funding. However, efforts to improve consumer education may be evaluated favorably if they are consistent with the evaluation criteria listed in Section V of the NOFO.

Date Posted: 9/8/2023

B.viii.11: *Other factors being equal, are projects that scrap more vehicles more competitive than projects that scrap fewer vehicles?*

Answer: Applications will first be evaluated against the threshold factors listed in Section III.C. of this Notice of Funding Opportunity (NOFO). Only those applications which meet all the threshold factors will be evaluated by regional review panels using the evaluation criteria. Final funding decisions will be made by the appropriate EPA regional selection official based on the rankings and preliminary recommendation of the appropriate EPA regional review panel. In making the final funding decisions, the EPA regional selection official may also consider sector (fleet type) diversity, technology diversity, geographic diversity, number and size of awards, and Agency and programmatic priorities.

Date Posted: 9/8/2023

B.viii.12: *Would a company be allowed to purchase a zero-emission truck, then lease to a trucking company that would operate the trucks? If yes, could the lessee scrap a truck that they own to meet the scrappage requirement, then operate, under a lease, the zero-emission truck?*

Answer: Eligible technologies include vehicle, equipment, or engine replacement with zero emission power source. In order to satisfy the mandatory cost share requirements, vehicles must be paid in full before the end of the grant project period. Therefore, current DERA policy does not allow vehicle leasing.

Date Posted: 9/8/2023

B.viii.13: *Are there any funding programs to replace vehicles that are 20-plus years old that have outlived their useful life?*

Answer: To be eligible for funding under the DERA National Notice of Funding Opportunity (NOFO), vehicles and equipment targeted for upgrades must meet certain ownership, usage, and remaining life requirements. The existing vehicle, engine, or equipment must have at least three years of remaining life at the time of upgrade. Remaining life is the fleet owner's estimate of the number of years until the unit would have been retired from service if the unit were not being upgraded or scrapped because of the grant funding. The remaining life estimate is the number of years of operation remaining even if the unit were to be rebuilt or sold to another fleet. The remaining life estimate depends on the current age and condition of the vehicle at the time of upgrade, as well as things like usage, maintenance, and climate.

Date Posted: 9/8/2023

B.viii.14: *Are community outreach efforts an eligible cost?*

Answer: Community outreach efforts, when combined with an eligible project, could be approved if those costs directly relate to the implementation, management, and oversight of the project, including recipient and subrecipient personnel and benefits, equipment, contractual, travel, supplies, subgrants and rebates, and indirect costs.

Date Posted: 9/8/2023

B.viii.15: *Are charging stations considered components of the locomotive, or infrastructure? Are they subject to BABA?*

Answer: Eligible costs for an EV replacement include the cost of the purchase and installation of one charging unit per vehicle, including the unit and charging cable, mount and/or pedestal. Per OMB guidance, structures, facilities, and equipment that generate, transport, and distribute energy (including electric vehicle charging equipment) meet the definition of “infrastructure” and are subject to BABA. Thus, charging equipment for an electric locomotive would be subject to BABA requirements.

Date Posted: 10/25/2023

B.viii.16: *Is a cost-share required for costs related to workforce development, such as mechanic and driver training? What is the cost share for charging infrastructure?*

Answer: The eligible vehicle and equipment costs defined in Section III.D.2. of the NOFO are subject to the EPA funding limits defined in Table 4 (Section II.D.1). Mandatory cost share is not required for other eligible project costs.

Date Posted: 10/25/2023

B.viii.17: *Are there any restrictions to the number of miles the applicant can operate the new DERA funded trucks?*

Answer: No, DERA does not impose specific mileage or usage restrictions on the vehicles it funds. However, the replacement vehicle, engine, or equipment must continue to perform similar function and operation as the vehicle, engine, or equipment that is being replaced.

Date Posted: 10/25/2023

B.viii.18: *How can Build America, Buy America requirements be met when working with partners through RFPs and subgrants for vehicle replacement projects? Is there any guidance specific to DERA replacement projects?*

Answer: Build America, Buy America requirements are applied to all recipients and sub-recipients of federal funding for applicable infrastructure projects. OMB published its “final rule” for 2 CFR 184, with an effective date of October 23, 2023. We recommend stakeholders review 2 CFR 184 to better understand domestic sourcing requirements applicable to all infrastructure projects using Federal financial assistance. On April 18, 2022, OMB issued initial guidance for BABA in memorandum M-22-11, entitled “Initial Implementation Guidance of Buy America Preference in Federal Financial Assistance Programs for Infrastructure.” OMB intends to revise this document to remove conflicts with language published and finalized in 2 CFR 184. Where conflicts exist between 2 CFR 184 and M-22-11 as issued on April 18, 2022, 2 CFR 184 would be the prevailing language. A list of approved EPA waivers is available on the Build America, Buy America website (www.epa.gov/cwsrf/build-america-buy-america-baba).

Date Posted: 10/25/2023

B.viii.19: *Can funds be used for hood style emissions capture technologies for vessels when loading or unloading at berth? We note that in the 2009 – 2010 round of funding, a similar technology was funded.*

Answer: To be eligible for funding, verified retrofit technologies must be on EPA's (www.epa.gov/verified-diesel-tech/verified-technologies-list-clean-diesel) or CARB's (www.arb.ca.gov/diesel/verdev/vt/cvt.htm) Verified Technologies lists at the time of acquisition, must be used only for the vehicle/engine application specified on the lists, and must meet any applicable verification criteria. DERA had previously funded a similar technology under its Emerging Technology program, however, at this time, no capture and treat systems for marine vessels are verified as a diesel retrofit by EPA or CARB. CARB technology approval for CARB's at-berth regulation compliance does not meet the retrofit verification criteria for DERA. Please find information on EPA clean diesel technology verification here .

Date Posted: 10/25/2023

B.viii.20: *Does this Notice of Funding Opportunity (NOFO) include Buy America provisions?*

Answer: Certain projects under this competition are subject to the Buy America Sourcing requirements under the Build America, Buy America (BABA) provisions of the Infrastructure Investment and Jobs Act (IIJA) (www.congress.gov/bill/117th-congress/house-bill/3684/text) (P.L. 117-58, §§70911- 70917) when using Federal funds for the purchase of goods, products, and materials on any form of construction, alteration, maintenance, or repair of infrastructure in the United States. These sourcing requirements require that all iron, steel, manufactured products, and construction materials used in Federally funded infrastructure projects must be produced in the United States. For legal definitions and sourcing requirements, the recipient must consult EPA's Build America, Buy America website (www.epa.gov/cwsrf/build-america-buy-america-baba), which also includes information on waivers that may apply to certain projects.

Under BABA, a Buy America preference only applies to articles, materials, and supplies that are consumed in, incorporated into, or affixed to an infrastructure project that serve a public function. On-highway vehicles/engines and non-road engines/equipment funded by this program are not considered "infrastructure." The following potentially eligible projects under this competition meet the definition of "infrastructure" and are subject to Buy America preference requirements under BABA:

- Structures, facilities, and equipment that generate, transport, and distribute energy - including electric vehicle (EV) charging equipment
- Any other permanent public structure that meets the infrastructure definition in M-22-11 (www.whitehouse.gov/wp-content/uploads/2022/04/M-22-11.pdf).

Questions regarding BABA applicability to specific projects should be submitted to DERA@epa.gov. Additional information on BABA can be found at EPA's Solicitation Clauses website (www.epa.gov/grants/epa-solicitation-clauses).

Date Posted: 10/25/2023

B.viii.21: *Are scrapage fees an eligible cost under DERA?*

Answer: Yes, scrapage fees may be included in the budget.

Date Posted: 11/13/2023

New **B.viii.22:** *Are there any other EPA or associated grants that we can apply to, if our projects are not eligible for the DERA National Grants funding?*

Answer: Every year, EPA awards funding to state and local governments, tribes, universities nonprofit recipients, and other entities. Please visit <https://www.epa.gov/grants> for more information on grants and other assistance agreements.

DERA offers two competitive funding opportunities: DERA National Grants program (this NOFO) and the DERA Tribal and Territory Grants program. Please visit the DERA webpage at www.epa.gov/dera/ or for more information.

EPA's Regional Diesel Collaboratives (www.epa.gov/dera/epa-regions-diesel-collaboratives) are a useful resource to find funding opportunities in your area.

Date Posted: 11/20/2023

New **B.viii.23:** *Is there a regional location for processing vehicles that qualify for the NOx buyback program, or can they be processed ourselves?*

Answer: Diesel Emissions Reduction Act (DERA) is not associated with a NOx buyback program.

Date Posted: 11/20/2023

C. Vehicle, Equipment, and Engine Eligibility

C.1: *Are commercial vehicles eligible?*

Answer: Yes, commercial vehicles are eligible for funding under this NOFO, however private entities are not eligible to apply directly to EPA for funding. An eligible entity can provide funding/benefits to private fleet owners through subawards and rebates.

Date Posted: 8/17/2023

C.2: *How many hours does a nonroad vehicle need to operate to be eligible for replacement?*

Answer: To be eligible for funding, nonroad agricultural pumps must operate at least 250 hours/year during the two years prior to upgrade. All other nonroad engines should operate at least 500 hours/year during the two years prior to upgrade. However, if an applicant can demonstrate that a nonroad engine/vehicle is being used in a predominately highway application, vehicle mileage as defined above in "highway usage" may be used for application eligibility purposes.

Date Posted: 8/17/2023

C.3: *Are vehicle/equipment replacements with CARB Certified Low NOx engines limited to projects located in California?*

Answer: No.

Date Posted: 8/17/2023

C.4: *What engine model years are eligible?*

Answer: In general eligibility is based on usage, not model year, and varies by engine type. Please see Section III.D.2.a of the NOFO for specifics: for highway, see Table 5; for nonroad, see Table 6; for marine, see Table 7; and for locomotive, see Table 8. Vehicles and equipment must also meet the ownership, usage, and remaining life requirements defined in Section III.D.2.c of the NOFO.

Date Posted: 8/17/2023

C.5: *Are vehicles leased with an intent to own eligible?*

Answer: No. In order to satisfy the mandatory cost share requirements, vehicles must be paid in full before the end of the grant project period (typically 2-3 years). Therefore, current DERA policy does not allow vehicle leasing.

Date Posted: 8/17/2023

C.6: *Can we use the "Remaining Life of Baseline Engine/Vehicle" value from EPA's Diesel Emissions Quantifier (DEQ) to determine if a vehicle has at least three years of remaining life?*

Answer: No, the DEQ remaining life values are only default values. For project applications for the current funding opportunity, remaining life is the fleet owner's estimate of the number of years until the unit would have been retired from service if the unit were not being upgraded or scrapped because of the grant funding. The remaining life estimate is the number of years of operation remaining even if the unit were to be rebuilt or sold to another fleet. The remaining life estimate depends on the current age and condition of the vehicle at the time of upgrade, as well as things like usage, maintenance and climate.

Date Posted: 8/17/2023

C.7: *Is equipment that must be replaced due to a State or Local regulation eligible for funding?*

Answer: Yes. The mandated measures restriction does not apply to replacements that must occur due to a State or Local mandate.

Date Posted: 8/17/2023

C.8: *Can two diesel vehicles with 3,500 annual miles be scrapped and replaced with one electric vehicle?*

Answer: Yes, you may combine vehicles to meet the usage threshold. Two diesel vehicles that each get 3,500 annual miles could both be scrapped and replaced with one vehicle.

Date Posted: 8/17/2023

C.9: *How do we demonstrate that a vehicle meets the remaining life requirements?*

Answer: The existing vehicle, engine, or equipment must have at least three years of remaining life at the time of upgrade. Remaining life is the fleet owner's estimate of the number of years until the unit would have been retired from service if the unit were not being upgraded or scrapped because of the grant funding. The remaining life estimate is the number of years of operation remaining even if the unit were to be rebuilt or sold to another fleet. The remaining life estimate depends on the current age and condition of the vehicle at the time of upgrade, as well as things like usage, maintenance and climate. Please provide your best estimate given these considerations.

Date Posted: 8/17/2023

C.10: *Must a fleet replace its oldest eligible vehicles before its newer eligible vehicles?*

Answer: No, any vehicle meeting the eligibility requirements is eligible for funding.

Date Posted: 8/17/2023

C.11: *Which highway vehicles are eligible for idle reduction projects?*

Answer: SmartWay-verified idle reduction technologies are available only for long-haul, Class 8 trucks and school buses. Please see the SmartWay verified list at www.epa.gov/verified-diesel-tech/smartway-verified-list-idling-reduction-technologies-irts-trucks-and-school.

Date Posted: 8/17/2023

C.12: *Are vehicles that are scheduled for retirement next year eligible?*

Answer: No. To be eligible for funding, existing vehicles, engines, equipment and technologies must have at least three years of remaining life as defined in Section III.D.2.c. Remaining life is the fleet owner's estimate of the number of years until the unit would have been retired from service if the unit were not being upgraded or scrapped because of the grant funding. The remaining life estimate is the number of years of operation remaining even if the unit were to be rebuilt or sold to another fleet. The remaining life estimate depends on the current age and condition of the vehicle at the time of upgrade, as well as things like usage, maintenance, and climate.

Date Posted: 8/17/2023

C.13: *Must vehicles be licensed and registered to the applicant for a specific time period?*

Answer: The participating fleet owner must currently own and operate the existing vehicle or equipment and have owned and operated the vehicle during the two years prior to upgrade.

Date Posted: 8/17/2023

C.14: *What types of vehicles, engines, and equipment are eligible?*

Answer: Eligible heavy-duty diesel emission source types include school buses, Class 5-8 highway vehicles, marine engines, locomotives, and nonroad engines, equipment or vehicles (used in construction, cargo handling, agriculture, mining, or energy production). Vehicles, engines, and equipment targeted for upgrades must meet all applicable eligibility criteria as defined in the NOFO.

Date Posted: 8/17/2023

C.15: What is a "transport refrigeration unit"?

Answer: Transport refrigeration units (TRUs) are installed on insulated cargo trailers, shipping containers or rail cars and used in transporting temperature sensitive goods. Please refer to the DERA TRU Factsheet available under tools and resources at www.epa.gov/dera/national for additional details.

Date Posted: 8/17/2023

C.16: What is a "reefer"?

Answer: Refrigerated (insulated) trailers/containers ("Transport Refrigeration Unit", or "TRU") are sometimes called reefers.

Date Posted: 8/17/2023

C.17: Is the two-year equipment ownership requirement based on the application submittal date or when the equipment is replaced if a grant is awarded?

Answer: The two-year ownership timeline is based on when the equipment is replaced.

Date Posted: 8/17/2023

C.18: What are the engine requirements for nonroad equipment replacements?

Answer: Used engines certified to relevant EPA emission standards are eligible as replacement engines. Projects may target in-use medium and heavy-duty diesel-powered highway vehicles and diesel powered nonroad vehicles and equipment, as defined in Table 1 in the Notice of Funding Opportunity (NOFO). Table 6 in the NOFO reflects the engine project eligibility. All new nonroad and locomotive engines are now manufactured to meet the EPA Tier 4 standards. Applicants replacing nonroad, marine, and locomotive engines with internal combustion engines must demonstrate in their application that they commit to using Tier 4 engines if Tier 4 engines with the appropriate physical and performance characteristics are available. Applicants anticipating the use of Tier 3 engines should discuss their rationale for proposing lower tiered engine replacements in their application. If selected for funding, recipients must submit a best achievable technology analysis to EPA for approval before Tier 3 or Tier 4i vehicles, equipment, or engines can be purchased, as defined in the NOFO.

Date Posted: 9/8/2023

C.19: Is hybrid equipment an eligible purchase?

Answer: New hybrid vehicles with EPA-certified engines are eligible for 25% EPA funding. Please see Table 4 in the 2022-2023 Diesel Emissions Reduction Act (DERA) National Grants Notice of Funding Opportunity for more information.

Date Posted: 9/8/2023

C.20: Are backup stationary generators eligible for funding?

Answer: Generators are eligible, however, nonroad engines must operate at least 500 hours per year during the two years prior to upgrade. Engine hours may be combined to reach the 500-hour threshold. In this case, two units would be scrapped and replaced with a single unit.

Date Posted: 9/8/2023

C.21: *What are some eligible locomotive projects under the FY22-23 DERA National Notice of Funding Opportunity (NOFO)?*

Answer: Under DERA, funds may be used for full locomotive replacement, locomotive engine replacement, or an EPA certified locomotive engine remanufacture system. Generally, a certified remanufacture system is applied during an engine rebuild and involves the removal of parts on an engine and replacement with parts that cause the engine to represent an engine configuration which is cleaner than the original engine. EPA's locomotive regulations have very specific definitions for "repower" and "remanufacture". Please refer to the Notice of Funding Opportunity (NOFO) for more details.

Date Posted: 9/8/2023

C.22: *Would Pay Loaders and Skid Steers qualify for Type 5-8 heavy equipment with electrified replacement?*

Answer: Eligible highway vehicles are classified by gross vehicle weight rating (GVWR) as Class 5 - Class 8; vehicle class size is not applicable to nonroad equipment such as Pay Loaders and Skid Steers. Nonroad project eligibility is dependent on the emissions Tier of the engine.

Date Posted: 9/8/2023

C.23: *What is the EPA funding limit and mandatory cost share for replacing a vehicle with an all-electric vehicle?*

Answer: A replacement Vehicle or Equipment Replacement with Zero Emission Power Source has a 45% EPA funding limit and a 55% Mandatory Cost Share component as outlined in Table 4 of the Notice of Funding Opportunity..

Date Posted: 9/8/2023

C.24: *Would conversion of large utility trucks (e.g., snow plows) to biodiesel be eligible?*

Answer: While some parts or filters may need to be changed out for a diesel engine to operate on biodiesel, the engine does not need to undergo a conversion. Biodiesel is an eligible retrofit technology under this Notice of Funding Opportunity (NOFO); however, EPA will not fund stand-alone cleaner fuel/additive use. To be eligible for funding, verified fuels and additives must be for new or expanded use. They must also be used in combination, on the same vehicle, with a new eligible verified engine retrofit or an eligible engine upgrade or an eligible certified engine, vehicle, or equipment replacement funded under this NOFO.

Date Posted: 9/8/2023

C.25: *Are shore power projects for marine assets considered "fueling infrastructure"?*

Answer: No. Marine shore power is considered an idle-reduction technology under DERA project classification. Please note, marine shore power projects may meet the definition of infrastructure in the Build America, Buy America requirements.

Date Posted: 9/8/2023

C.26: *Is a vehicle with an average of over 500 hours of usage per year eligible? (e.g., under 500 hours of usage one year but well over 500 hour of usage another year so the average is greater than 500 hours per year)*

Answer: To be eligible for funding, nonroad engines must operate at least 500 hours/year during the two years prior to upgrade. However, the engine operating hours of two or more engines may be combined to reach the threshold (two units would then be scrapped and replaced with one unit).

Date Posted: 9/8/2023

C.27: *Are there any restrictions on engine model years for the vehicles being replaced?*

Answer: Eligibility varies by engine type. Please see Section III of the Notice of Funding Opportunity (NOFO) for specifics. Vehicles, engines, and equipment must also meet the ownership, usage, and remaining life requirements defined in the NOFO.

Date Posted: 9/8/2023

C.28: *How is the "two-year period prior to upgrade" defined? Is "upgrade" the time a replacement vehicle is put into service within the period of performance?*

Answer: The vehicle must meet usage and remaining life requirements, and any other eligibility requirements, at the time of application. Eligibility requirements must be met for the preceding 24 months.

Date Posted: 9/8/2023

C.29: *Would a 2010 or newer EMY qualify as a new eligibility to be replaced with EV or Low-NOx?*

Answer: Yes, a 2010 or newer EMY would qualify for a vehicle or engine replacement with zero emission or low-NOx. Please refer to Table 5 of the 2022-2023 Diesel Emissions Reduction Act (DERA) National Grants Notice of Funding Opportunity.

Date Posted: 9/8/2023

C.30: *How is it recommended to present idle time if a vocational vehicle does not have an idle meter?*

Answer: Applicants should provide any assumptions or documentation to support estimates. If an applicant can demonstrate that a certified highway engine/vehicle is being used in a predominately nonroad application (e.g., firetrucks or utility trucks that idle for long periods to power auxiliary apparatus), engine operating hours defined as "nonroad usage" may be used for application eligibility purposes.

Date Posted: 9/8/2023

C.31: *Would the replacement of a heavy-duty diesel vehicle with a heavy-duty electric vehicle with a backup diesel engine qualify under "Vehicle or Equipment Replacement with Zero Emission Power Source"?*

Answer: No, because the replacement vehicle has a backup diesel engine it would qualify for 25% EPA funding. EPA's cost share limits apply to each specific technology. Vehicle replacements are funded at 25% (or at 35% if the engine is certified to CARB's Optional Low-NOx Standards or 45% if the engine is replaced with a zero emission power source).

Date Posted: 9/8/2023

C.32: *Why are hydrogen fuel cell locomotive engine replacements not eligible?*

Answer: DERA requires that new engines be EPA or CARB certified. Certified fuel cell locomotive engines are not available at this time.

Date Posted: 9/8/2023

C.33: *Are marine engines on commercial vessels eligible for replacement?*

Answer: Nonroad and highway diesel vehicles and equipment, locomotives, and marine vessels can be replaced with newer, cleaner, vehicles and equipment. Please refer to the Notice of Funding Opportunity (NOFO) for more information on marine eligibility.

Date Posted: 9/8/2023

C.34: *Is a marine tug eligible as a replacement vehicle?*

Answer: Yes, a marine tug can be eligible. Diesel powered Category 1, 2, and 3 marine engines and vessels are eligible.

Date Posted: 9/8/2023

C.35: *Is odometer information required, or can alternate supporting documentation verifying the mileage requirement for the previous two years be used (for example, demonstrating usage is the same as other vehicles for which mileage is known)?*

Answer: Odometer readings are not required. If selected for funding, participating fleet owners must attest to meeting the minimum mileage requirements.

Date Posted: 10/25/2023

C.36: *Do non-road vehicles have the same pairing option available (where 2 assets can be paired up to meet 500 usage hour requirement for 1 replacement)?*

Answer: Yes, two or more non-road vehicles or engines can be grouped to meet the 500-hour usage requirement provided they are all scrapped and replaced with one non-road vehicle.

Date Posted: 10/25/2023

C.37: *For marine vessels, is a single vessel with two 400hp engines considered an 800hp replacement or two 400hp replacements?*

Answer: Each marine engine being replaced must individually meet eligibility requirements. Horsepower of multiple engines cannot be combined when determining the eligibility of the engine. The example given would be two, individual 400 HP engine replacements.

Date Posted: 10/25/2023

C.38: *Are diesel-electric hybrid vehicles eligible as replacement vehicles?*

Answer: Hybrids are eligible as full vehicle replacement (i.e., the purchase of an OEM certified engine configuration).

Date Posted: 10/25/2023

C.39: *Are vehicles leased with an intent to own eligible if the vehicle is purchased prior to the end of the grand project period?*

Answer: The NOFO states that funding under this NOFO cannot be used for leasing vehicles, engines, or equipment. Further, the terms and conditions of the award state that all vehicles, engines, and equipment purchased with funds under the award will be purchased, in full, before the end of the project period. Extensions will not be granted for the purpose of extending payments on purchases.

Date Posted: 10/25/2023

C.40: *Do replacements have to operate the exact same routes as the original vehicles?*

Answer: No. However, replacement vehicles are expected to operate in the same area as the eligible vehicle being replaced and to continue to perform a similar function and operation.

Date Posted: 10/25/2023

C.41: *If an operator can replace three 3,000 horsepower locomotives with two 4,400 horsepower Tier 4 locomotives, does this project need EPA approval under Section III.C.9 Vehicle and Equipment Costs? Are there any additional financial incentives for scrapping more locomotives than necessary to comply with the guidelines?*

Answer: Horsepower increases of more than 40 percent require specific approval by EPA prior to purchase, and the applicant may be required to pay the additional costs associated with the higher horsepower equipment if EPA does not determine the increase is justified for technical or vocational reasons. There are no additional financial incentives for scrapping more locomotives than necessary.

Date Posted: 10/25/2023

C.42: *If a railroad wants to replace a locomotive with a railcar mover, what eligible project category would this fall into?*

Answer: A locomotive replacement would fall under the Vehicle/Equipment Replacement Category. For more information on locomotive eligibility, please refer to Table 8: Locomotive Engine Project Eligibility in the NOFO.

Date Posted: 10/25/2023

C.43: *Why aren't zero emission fuel cell locomotives eligible?*

Answer: DERA requires that new engines be EPA or CARB certified. Neither EPA nor CARB certified fuel cell locomotive engines are available at this time.

Date Posted: 10/25/2023

C.44: *In 2024, the California Diesel standard for new HD engines becomes 0.05 g/bhp-hr under the Low NOx omnibus regulation. Would engines certified to the omnibus standard qualify for Low NOx replacement since the CARB's Optional Low NOx standard of 0.02 g/bhp-hr will no longer exist?*

Answer: Please direct questions regarding changes to CARB's Low NOx standards to CARB. If those standards change in the future, EPA will update its guidance accordingly.

Date Posted: 11/13/2023

C.45: *When applying for replacement of a TRU with a standby-electric TRU at the 25% (EPA certified) or 35% (CARB Low NOx certified) level, is any part of the (new) trailer or container eligible for funding?*

Answer: The trailer/container is only eligible for funding if 1) the entire existing TRU-equipped trailer or shipping container is scrapped and 2) a new trailer or shipping container with new, eligible TRU, eTRU, electric standby TRU, or hybrid electric TRU technology installed is purchased. EPA will fund up to 25% of the cost of an eligible piece of equipment, which includes an engine certified to EPA emission standards. EPA will fund up to 45% of the cost of an eligible zero emission piece of equipment that operates solely on grid, battery, or other zero emission power sources. Alternatively, removing the old, diesel-powered TRU from the truck or trailer, scrapping it, and installing a new TRU, electric standby TRU, hybrid electric TRU, or all-electric TRU in the existing trailer, is also an eligible project. Whether replacing the entire trailer or only replacing the TRU, TRUs are eligible as nonroad equipment under DERA if the existing engines meet the ownership, usage, and remaining life criteria defined in the NOFO. Please see the TRU Factsheet for additional information (<https://nepis.epa.gov/Exe/ZyPDF.cgi/P1017V8N.PDF?Dockey=P1017V8N.PDF>).

Date Posted: 11/13/2023

C.46: *For a marine engine replacement with a diesel/hybrid engine, is the EPA funding limit 40% (Engine Replacement with EPA Certified Engine)? If there is a charging station needed for the hybrid component, is a charging station covered under the 40%, or do we need to apply for a "Verified Marine Shore Connection System" as well?*

Answer: Yes, a hybrid engine is eligible for 40% EPA cost share. Eligible costs include equipment and parts included in the certified engine configuration and/or are required to ensure the effective installation and functioning of the new technology such as design and engineering, parts and materials, and installation. This would include the charger and pedestal for a plug-in hybrid at 40% EPA cost share. Please note that marine shore power is an idle reduction technology designed to allow shut down of existing engines while the ship is at berth and therefore serves a different purpose than battery charging stations.

Date Posted: 11/13/2023

C.47: *For an all-electric switcher locomotive engine replacement project, is the cost of the all-electric engine eligible for 60% of EPA funding? Can the cost of the charging equipment be included in the 60% funding?*

Answer: Yes, an engine replacement with a zero emission power source is eligible for 60% EPA funding. Zero Emission Engine and Locomotive Replacements for locomotives for Unregulated through Tier-3 engines are eligible under this NOFO. Tier 4 engine replacements and remanufactures are not eligible under this NOFO. An Engine Replacement with a Zero Emission Power Source is eligible for 60% of EPA funding with a 40% mandatory cost share. Eligible costs for battery electric powered engine replacement projects include the purchase and installation of one charging unit per vehicle, including the unit and charging cable, mount and/or pedestal, subject to the 60% EPA cost share.

Date Posted: 11/13/2023

C.48: *Are nonroad tier-4 straddle carriers eligible for replacement with hybrid models?*

Answer: No. Per Table 6 in the Notice of Funding Opportunity, a current Tier 4 nonroad unit may only be replaced with a zero-emission unit.

Date Posted: 11/13/2023

C.49: *If an idling reduction technology is not listed on the SmartWay Verified List of Idling Reduction Technologies for different vehicle types by make and model, is it still eligible for funding if it fulfills the functions of a verified technology type described in the "Learn About" sections of EPA's "SmartWay Technology" website (www.epa.gov/verified-diesel-tech/smartway-technology)?*

Answer: No, to be eligible for funding, technologies must be on EPA's SmartWay Verified Technologies list at the time of acquisition (www.epa.gov/verified-diesel-tech/smartway-technology). Manufacturers wishing to verify technologies or update their listing should reach out to tech_center@epa.gov.

Date Posted: 11/13/2023

C.50: *Are electric firetrucks eligible for DERA funding?*

Answer: Yes, existing diesel operated firetrucks are eligible for replacement with electric powered vehicles if the existing trucks meet the size, ownership, use, and remaining life requirements outlined in the Notice of Funding Opportunity. Highway vehicles must have a GVWR of Class 5 or larger. Please note that if an applicant can demonstrate that a certified highway engine/vehicle is primarily used in a nonroad application (e.g., firetrucks or utility trucks that idle for long periods to power an auxiliary apparatus), engine operating hours as defined in "nonroad usage" may be used for application eligibility purposes.

Date Posted: 11/13/2023

New **C.51:** *What percent funding is available for locomotive repowers (from unregulated to Tier 4)?*

Answer: Full locomotive replacement can be funded at 25% EPA share for a diesel-to-diesel replacement. If you are just replacing the engine, then it would fall under the Engine Replacement Category. EPA will fund 40% - 60% of an engine replacement depending on the fuel type. For verified locomotive idle reduction technologies, EPA will fund up to 40% of the cost (labor and equipment). Please refer to Table 4 Cost Share Requirements in the NOFO for more information.

Date Posted: 11/20/2023

New **C.52:** *Does the existing vehicle or equipment need to be registered in the same state as the project location?*

Answer: No. The project location does not need to be the same as the location in which the vehicle is registered. The term "project location" as used in this NOFO refers to the area(s) where the affected vehicles/engines operate. Please refer to the NOFO for additional information.

Date Posted: 11/20/2023

New **C.53:** *Can an application include equipment from multiple sectors (e.g., forklift replacement and marine engine replacement)?*

Answer: Yes, a single application may include multiple vehicles, fleets, fleet types, and different types of upgrades, subject to eligibility defined in the NOFO.

Date Posted: 11/20/2023

New **C.54:** *Is diesel landscaping equipment such as mowers and weed whackers eligible for funding? If so, what would the match requirement be?*

Answer: All heavy equipment powered with nonroad compression-ignition diesel engines is eligible if it meets all applicable eligibility criteria, such as ownership, usage, and remaining life requirements. Please see Table 6 on page 21 of the NOFO for a description of eligible nonroad equipment. As outlined in Table 4: Cost Share Requirement, engine replacements with an EPA certified engine have a 40% EPA funding limit, and engine replacement with a CARB certified low NOx engine has a 50% EPA funding limit. Complete equipment replacement with equipment having an EPA certified engine has a 25% EPA funding limit, and complete equipment replacement with a CARB certified low NOx engine has a 35% EPA funding limit. Equipment replacement with a zero-emission power source has an EPA funding limit of 45% and engine replacement with a zero-emission power source has a 60% EPA funding limit.

Date Posted: 11/20/2023

New **C.55:** *Are 3-wheeled or 4-wheeled street sweepers considered an on-road or nonroad vehicle?*

Answer: DERA categorizes vehicles based on the certified engine configuration. Street sweepers typically are powered by nonroad engines but may also be powered by highway engines. EPA emission standards to which the engine is certified can be verified by checking the engine label bolted to the engine.

Date Posted: 11/20/2023

New C.56: *If a Tier 0 to Tier 3 marine compression engine replacement is proposed for engines less than 800 HP, is a Best Achievable Technology (BAT) analysis still required?*

Answer: Tier 0, 1, and 2 engines are eligible for replacement with Tier 3 engines if the original engine is less than 803 HP. Since Tier 4 Engine replacements are not eligible for these engines as shown in Table 7 of the NOFO on pages 21-22, a BAT analysis is not required.

Date Posted: 11/20/2023

New C.57: *What is the definition of "Off highway"?*

Answer: Under EPA emission standards, heavy duty diesel engines are certified as either nonroad (or off-highway) or highway. Nonroad and highway engines must meet different emission standards. Nonroad engines, equipment, and vehicles include, but are 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).

Date Posted: 11/20/2023

New C.58: *Is a SWAT vehicle replacement eligible under this grant?*

Answer: Yes, as long as the vehicle to be replaced and the replacement vehicle both meet the eligibility requirements detailed in the NOFO. A SWAT vehicle would be classified as an emergency vehicle under the DERA National NOFO. One requirement is that the vehicle being replaced must have an existing diesel engine and be at least Class 5 as described in Table 1 on page 8 of the NOFO.

Date Posted: 11/20/2023

New C.59: *Could we retire hybrids and replace them with newer hybrids and/or FCEB?*

Answer: Yes, provided the vehicles meet the ownership, usage, and remaining life requirements outlined in the NOFO. See question B.viii.13 in the FAQ document for additional information.

Date Posted: 11/20/2023

New C.60: *Are electric snow grooming machines eligible for funding?*

Answer: Yes, as long as the vehicle engine, or equipment meets all criteria requirements stated in the NOFO. More information on nonroad engine project eligibility can be found in Table 6 on page 21 of the NOFO.

Date Posted: 11/20/2023

New C.61: *What is considered a "municipal" vehicle and what are some examples?*

Answer: Municipal vehicles include utility and emergency vehicles. Examples of utility vehicles include refuse trucks, street sweepers, and tow trucks. Ambulances and firetrucks would be considered emergency vehicles.

Date Posted: 11/20/2023

New **C.62:** *What time range should be used for fields that refer to annual usage when quantifying emissions reductions using the Diesel Emissions Quantifier (DEQ) Tool?*

Answer: Per the Glossary of Terms in the DEQ Tool User Guide, users should use the annual average for fields such as annual miles traveled, annual idling hours, annual hoteling hours, annual fuel gallons, and annual usage hours.

Date Posted: 11/20/2023

New **C.63:** *Is Tier 4i equipment eligible for replacement with Tier 4?*

Answer: Yes. Tier 4i equipment may be replaced with Tier 4. The applicant should discuss in the application submission the extent to which the project will achieve significant reductions in diesel emissions.

Date Posted:

D. Application Process

D.1: *Can EPA funds be used for 100% of equipment costs? Can cost share be provided as in-kind personnel assistance?*

Answer: No. EPA funding for eligible vehicles is limited to the cost shares defined in Section III.B.1 of the NOFO. Therefore, the portion of the vehicle not covered by EPA must be paid for by the recipient. Recipients may provide in-kind costs as a voluntary cost share.

Date Posted: 8/17/2023

D.2: *Is funding available nationwide?*

Answer: Yes, eligible project locations include the 50 United States, District of Columbia, Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands. However, applicants must request funding from the EPA regional office which covers their geographic project location. The term "project location" as used in this NOFO refers to the area(s) where the affected vehicles/engines operate. The geographic boundaries for each EPA regional office are defined in Section IV.B of the NOFO. Each application should have the EPA Region from which they are requesting funding clearly listed on the cover page of the project narrative. Each application may only request funding from one EPA regional office. Applicants can submit a total of 10 applications overall under this solicitation. No more than two applications may be submitted to the same EPA Region. However, each application must be for a different project and must be submitted separately. An applicant cannot submit two applications that both request funding for the same project (i.e., the same target fleet or group of fleets).

Date Posted: 8/17/2023

D.3: *If an eligible entity doesn't have specific vehicles identified for the grant application, is it acceptable to propose a more general project, such as a rebate program for Class 5-8 heavy-duty diesel local delivery truck replacements? If so, how do we fill out the AFD and calculate benefits?*

Answer: Yes, an applicant may propose a project where the specific fleets/vehicles are not yet identified. However, the applicant should describe how they intend to target, prioritize, select or recruit fleets (including any location or sector criteria); how they intend to administer funds (rebates or subgrants); and the roles and responsibilities of any project partners. Applicants should use their best judgment to complete the AFD and estimate emission reductions based on their knowledge or assumptions about potential participating fleets and the types and number of technologies to be funded. The Diesel Emission Quantifier supplies default factors for many types of fleets.

The vehicle, equipment, and/or engine being replaced must be scrapped or rendered permanently disabled within ninety (90) days of being replaced. Evidence of appropriate disposal is required in a final assistance agreement report submitted to EPA. Participating fleet owners must attest to the appropriate disposal in a signed scrappage statement.

Please see Section II of the NOFO for more information on eligibility and scrappage and Appendix A for more detailed information on how to fund projects and partnerships.

Date Posted: 8/17/2023

D.4: *Could an applicant use funds from another grant program to meet the cost share under a DERA grant?*

Answer: In general, state, tribal, local and private funds may be used as a cost share on a DERA grant. Other federal grants may not be used as cost share under DERA unless the statute authorizing the other federal funding provides that the federal funds may be used to meet a cost share requirement on a federal grant. The Budget Narrative of the DERA application must include a detailed description of how and when the applicant will obtain the cost share and how cost share funding will be used. In the event that the DERA application is selected for funding and the other grant funding does not materialize, the grantee is legally obligated by the DERA award agreement to meet their cost share commitment for any EPA DERA funds that are expended.

Date Posted: 8/17/2023

D.5: *Can VW funds be used as cost share?*

Answer: No, VW funds cannot be used as a cost share under DERA National Grants.

Date Posted: 8/17/2023

D.6: *Does the cover page count toward the page limit?*

Answer: Yes. The project narrative, including the cover page, workplan, and budget table and detail, must not exceed a maximum of 14 single-spaced typewritten pages. Pages over the 14-page limit will not be reviewed. Supporting materials, such as the applicant fleet sheet, partnership letters, and emissions calculations can be submitted as attachments and are not included in the 14-page limit.

Date Posted: 10/25/2023

D.7: How many applications will be funded per Region?

Answer: The number of applications funded per Region will vary based on the number of applications received and the size and quality of applications. Generally, EPA anticipates 4-10 applications funded per Region. For additional information about funding available per Region, please see Table 3. Funding Limits by Region on page 13 of the NOFO.

Date Posted: 8/17/2023

D.8: Can DERA recipients use US EPA Build America Buy America waivers for EV chargers?

Answer: Yes. A list of approved EPA waivers is available on the Build America, Buy America website (www.epa.gov/cwsrf/build-america-buy-america-baba). Please continue to monitor this website for further BABA guidance or any future EPA-wide waivers that may impact the DERA National Grants program.

The EPA currently has an EV charger product waiver that covers all EV chargers that are assembled in the United States, manufactured on or before June 30, 2024, and installed by October 1, 2024.

Date Posted: 10/25/2023

D.9: Why is there a discrepancy between regions for project size request?

Answer: DERA National Grant funding is dispersed amongst the ten EPA regional offices by a formula based on: 1) the percentage of the population that is living in PM2.5 and Ozone nonattainment areas that are attributable to the region, and 2) the percentage of the total NOx and diesel PM emissions from mobile sources that are attributable to the region. See Section IV.B. of the NOFO for additional information on project location and the geographic boundaries for each EPA regional office.

Date Posted: 10/25/2023

D.10: We are having difficulty locating the engine plate and serial numbers due to wear and tear. How can we complete this portion of the Applicant Fleet Description?

Answer: Serial numbers are not required at the time of application. If the project is selected for funding grantees can work with their EPA Project Officer to determine sufficient engine documentation when the engine plate is missing. Often the engine manufacturer can assist in obtaining engine information.

Date Posted: 8/17/2023

D.11: Do the scrappage and eligibility statements need to be separate documents?

Answer: Yes, the scrappage and eligibility statements should be submitted as separate documents. You can find sample statements of both documents on EPA's website at www.epa.gov/dera/national.

Date Posted: 8/17/2023

D.12: *May we include the cost of an extended warranty on the new equipment in our request for funding?*

Answer: Yes, an extended warranty may be included in the purchase price of the equipment.

Date Posted: 8/17/2023

D.13: *Which EPA Region are we located in?*

Answer: Section IV.B of the NOFO lists states by EPA Region. You can also view a map at www.epa.gov/aboutepa/regional-and-geographic-offices.

Date Posted: 8/17/2023

D.14: *How do I submit my application?*

Answer: The Notice of Funding Opportunity (NOFO) contains all project eligibility and application submission information. The NOFO, as well as a sample project narrative and a sample applicant fleet description, may be found at www.epa.gov/dera/national. Applicants must download an application package, which contains standard forms (SF) 424, SF 424A, EPA Form 4700-4, and the EPA form 5700-54 from Grants.gov under Funding Opportunity Number EPA-OAR-OTAQ-23-03. The project narrative and any supporting documents should be attached to the application package, and the full package submitted to EPA through Grants.gov using the "Workspace" feature. You will find instructions to submit your application via Grants.gov in Section IV of the NOFO. Please refer to the application submission checklist in Appendix F of the NOFO to ensure that all required information is included in your package. If your organization is not currently registered with Grants.gov, please begin the registration process as soon as possible. Please note that the registration process also requires that your organization have a Unique Entity Identifier (previously known as the DUNS number).

Organizations applying to this funding opportunity must have an active System for Award Management (www.sam.gov) registration. If you have never done business with the Federal Government, you will need to register your organization in SAM.gov. If you do not have a SAM.gov account, then you will create an account using the government sign in service (www.login.gov) to complete your System for Award Management (www.sam.gov) registration. The registration is FREE. The process for entity registrations includes obtaining Unique Entity ID (UEI), a 12-character alphanumeric ID assigned an entity by SAM.gov, and requires assertions, representations and certifications, and other information about your organization. Please review the Entity Registration Checklist for details on this process. **It is recommended to begin the System for Award Management (www.sam.gov) registration process prior to applying to this grant competition; registration may take more than a month to complete.**

Date Posted: 8/17/2023

D.15: *Can multiple organizations apply under one project application?*

Answer: Only one eligible entity may be listed as the applicant on the application. If selected for funding, the applicant organization is the direct recipient of the EPA funds and the recipient is responsible for overall project management, all required reporting, and is accountable to EPA for the proper expenditure of funds. However, applicants can form partnerships with other entities for the purposes of the grant. The applicant can provide funding/benefits to fleet owners through subgrants and rebates in accordance with the applicable EPA grant regulations and the terms and conditions of the award. The application should clearly explain the roles and responsibilities of all project partners. See Appendix A for more details on funding partnerships.

Date Posted: 8/17/2023

D.16: *Is there a resource to determine if a location has poor air quality?*

Answer: The term “project location” refers to the area(s) where the affected vehicles or engines equipment operate. A list of counties that have been designated as priority project locations can be found on the 2022-2023 Diesel Emissions Reduction Act (DERA) National Grants Priority Area List under "Application Documents" at www.epa.gov/dera/national. Counties on this list are identified as priority project locations for the DERA program because they are either designated as nonattainment areas or maintenance areas for National Ambient Air Quality Standards further defined in the Notice of Funding Opportunity (NOFO) or because they contain at least one census tract where the modeled ambient diesel PM concentration from the 2019 Air Toxics Screening Assessment is above the 80th percentile (0.38 µg/m³ for 2019) for census tracts nationwide.

Date Posted: 9/8/2023

D.17: *Where is the national grants sample project narrative located?*

Answer: All application materials, including the sample project narrative, are available at on the DERA National webpage at www.epa.gov/dera/national#Application_Docs.

Date Posted: 9/8/2023

D.18: *Will an eligible entity's private project partner(s) be required to obtain a Unique Entity ID (UEI)?*

Answer: If a recipient intends to fund the proposed project's technologies (i.e., vehicles, engines, equipment) that they do not directly own, the recipient may make a subaward to project partners or provide participant support costs to a program beneficiary. In the case of subawards, the subrecipient is required to have a Unique Entity ID, a 12-character alphanumeric ID assigned an entity by SAM.gov, and requires assertions, representations and certifications, and other information about your organization.

Date Posted: 9/8/2023

D.19: *Where can I find more information about evaluation criteria?*

Answer: Please see Section V.A. of the Notice of Funding Opportunity (NOFO) for more information on evaluation criteria.

Date Posted: 9/8/2023

D.20: *Will applications with federal funding requests above the limit be eligible?*

Answer: Applicants must request funding at or below the maximum funding request amount listed for the EPA regional office which covers their geographic project location. Applicants with federal requests above the limit will not be reviewed.

Date Posted: 9/8/2023

D.21: *How long does it typically take to complete the application process?*

Answer: If your organization is not currently registered with Grants.gov, please begin the registration process as soon as possible. Please note that the registration process also requires that your organization have a Unique Entity Identifier (e.g., DUNS number) and a current registration with the System for Award Management (SAM.gov). You may use the tool at www.dnb.com/duns-number.html to lookup your company's DUNS number. Please visit www.sam.gov to check the status of your organization's SAM registration.

Date Posted: 9/8/2023

D.22: *How specific should the Applicant Fleet Description be?*

Answer: EPA will evaluate applicants on the extent and quality to which detailed information on the target fleet (vessel(s), vehicle(s), engine(s) and/or equipment) is provided in the applicant fleet description, as described in Section IV.D.3 of the Notice of Funding Opportunity (NOFO). Information provided in the applicant fleet sheet will be used to help determine project eligibility and for evaluation purposes. Applicants are encouraged to use the sample format for the applicant fleet sheet found at: www.epa.gov/dera/national.

Date Posted: 9/8/2023

D.23: *Is the general DERA email the best email to contact someone about our project eligibility and fit for this funding?*

Answer: Yes. Please review the NOFO and Q&A document to see if your question has already been addressed. If you do not see an existing Q&A that addresses your question, email a written question to the DERA Helpline (dera@epa.gov) and include "FY22-FY23 DERA National NOFO Question" in the subject line of your email to ask for clarification regarding your project. EPA will respond to questions from individual applicants regarding threshold eligibility criteria, administrative issues related to the submission of the application, and requests for clarification about any of the language or provisions. The deadline for submitting questions via email is Friday, November 10th, 2023, at 11:59 p.m. (ET).

Date Posted: 9/8/2023

D.24: *Is there an application template available?*

Answer: Application materials are available at on the DERA National webpage at www.epa.gov/dera/national#Application_Docs.

Date Posted: 9/8/2023

D.25: *Is there a fleet inventory spreadsheet example for the information that is required for each vehicle?*

Answer: Applicants are encouraged to use the sample format for the applicant fleet sheet found at: www.epa.gov/dera/national.

Date Posted: 9/8/2023

D.26: *Should a separate application be submitted for each piece of equipment to be replaced, or can multiple pieces of equipment be included in one application, so long as the maximum ask is not exceeded?*

Answer: If the applicant is submitting multiple applications, each application must include a different project(s) and must be submitted separately. Multiple pieces of equipment can be included in one project application, subject to the threshold requirements included in the NOFO. Applicants cannot include the same project(s) in multiple applications.

Date Posted: 9/8/2023

D.27: *When referring to Applicant Fleet Description, does this mean only the ones we want to replace, not the entire fleet?*

Answer: The purpose of the applicant fleet description is to describe in detail the specific vehicles targeted for emissions reductions to be implemented under the proposed project. Information provided in the applicant fleet sheet will be used to help determine project eligibility and for evaluation purposes. Applicants are encouraged to use the sample format for the applicant fleet sheet found at: www.epa.gov/dera/national.

Date Posted: 9/8/2023

D.28: *Do DERA applicants need to take their DERA-funded projects to public bid?*

Answer: Any procurement of goods or services by recipients or subrecipients are subject to the competitive purchasing requirements in 2 CFR Part 200. Refer to EPA's Best Practice Guide for Procuring Services, Supplies, and Equipment Under EPA Assistance Agreements for EPA's policies on competitive procurements and encouraging the use of small and disadvantaged business enterprises. Recipients are not required to compete subgrants or rebates.

Date Posted: 10/25/2023

D.29: *Do we need to notify our regional EPA office of our application?*

Answer: No. The project narrative and any supporting documents should be attached to the application package, and the full package submitted to EPA through www.Grants.gov using the "Workspace" feature. Applications submitted through www.Grants.gov will be distributed by EPA's Office of Air and Radiation to the appropriate EPA regional office for review.

Date Posted: 10/25/2023

D.30: *Can an applicant use both DERA National grant funds and VW Mitigation funds received from the State on the same vehicle?*

Answer: No. DERA cannot be used to fund the same vehicle that is also receiving VW Mitigation funds. However, funds from one program may be used to expand a project funded by another program. For example, a school may replace 20 buses with VW Mitigation funds and replace another 20 buses with DERA National Grant funds.

Date Posted: 10/25/2023

D.31: *What type of financing is allowed for the mandatory end-user cost share?*

Answer: The NOFO states that funding under this NOFO cannot be used for leasing vehicles, engines, or equipment. If financing is necessary, the purchase should be financed with a conventional purchase loan. Further, the terms and conditions of the award state that all vehicles, engines, and equipment purchased with funds under the award will be purchased, in full, before the end of the project period. Extensions will not be granted for the purpose of extending payments on purchases.

Date Posted: 10/25/2023

D.32: *How do I access the application if the "Apply" button is greyed out in grants.gov?*

Answer: If the submit button is grayed out, it may be because you do not have the appropriate role to submit in your organization. Only person(s) with the Authorized Organization Representative (AOR) role can submit applications in www.Grants.gov. You may wish to review the Intro to Grants.gov-Understanding User Roles and Learning Workspace – User Roles and Workspace Actions for details on this important process. If you do have the appropriate role to submit in your organization and the button is still grayed out, please contact the Grants.gov Support Center for assistance at support@grants.gov or 1-800-518-4726.

Date Posted: 10/25/2023

D.33: *If two organizations share a FEIN and IRS 501c3 designation, but have different UEIDs in SAM.gov, what can these organizations do to ensure EPA recognizes them as separate entities?*

Answer: If an organization has a Unique Entity Identifier (previously known as the DUNS number) and a current registration with the System for Award Management (www.sam.gov), it will be recognized by EPA as its' own entity; regardless of FEIN or IRS 501c3 designations.

Date Posted: 11/13/2023

D.34: *Does a selected applicant need to wait until the project period begins on July 1, 2024, to enter into a purchase agreement, even if no money is exchanged until the project period?*

Answer: Funding under this Notice of Funding Opportunity cannot be used to cover expenses incurred prior to the project period, except for eligible pre-award costs as defined in 2 CFR 200.458 and as authorized by 2 CFR 200.308 and 2 CFR 1500.9. EPA anticipates notifying successful applicants in March 2024. This notification, which informs the applicant that their application has been selected and is being recommended for award, is not an authorization to begin work. The official notification of an award will be made once the EPA paperwork is finalized by the applicable Regional Grants Management Office. Pre-award costs are those incurred prior to the effective date of the Federal award or subaward directly pursuant to the negotiation and in anticipation of the Federal award where such costs are necessary for efficient and timely performance of the scope of work. Such costs are allowable only to the extent that they would have been allowable if incurred after the date of the Federal award and only with the written approval of the Federal awarding agency. EPA award recipients may incur allowable project costs 90 calendar days before the Federal awarding agency makes the Federal award. Expenses more than 90 calendar days pre-award require prior written approval by EPA. All costs incurred before EPA makes the award are at the recipient's risk. EPA is under no obligation to reimburse such costs if for any reason the recipient does not receive a Federal award or if the Federal award is less than anticipated and inadequate to cover such costs.

Date Posted: 11/13/2023

D.35: *Can a candidate project begin the procurement process for the equipment for which is it seeking DERA funding prior to the announcement of DERA awards? Can a candidate project begin the procurement process for equipment for which it is seeking DERA funding after selection but prior to grant obligation?*

Answer: Candidates must wait until they receive the award to enter into purchase agreements. Costs incurred prior to the project period are not eligible for reimbursement.

Date Posted: 11/13/2023

D.36: *Regarding submitting applications for marine vessels upgrades, if a vessel travels to different EPA regions can we submit the application to that region traveled to versus the port of origin? One of our vessels travels to and from Hawaii.*

Answer: Each application may only request funding from one EPA regional office. Applicants must request funding from the EPA regional office which covers their geographic project location. The term "project location" as used in the Notice of Funding Opportunity (NOFO) refers to the areas where the affected vehicles or engines operate. The geographic boundaries for each EPA regional office are defined in Section IV.B of the NOFO. For long-distance fleets, the applicant must decide which region best covers the geographic project location and provide justification as to why that region was selected – whether it is the region where the fleet is based, or the region where the fleet operates the majority of the time, or other factors that would justify an award in that region. Each application should have the EPA Region from which they are requesting funding clearly listed on the Cover Page of the Project Narrative.

Date Posted: 11/13/2023

D.37: *Where can reporting requirements be found?*

Answer: Reporting requirements can be found in section VI.D of the 2022-2023 Diesel Emissions Reduction Act (DERA) National Grants Notice of Funding Opportunity.

Date Posted: 11/13/2023

New D.38: *When completing the Vehicle and Engine Upgrade Information Section of the Fleet Description Sheet, which is the best option to select for New Engine Fuel Type when applying for a fully electric new engine?*

Answer: Please ensure that the new vehicle/engine data field (row 57) is completed indicating an all-electric vehicle or engine replacement. New Engine Fuel Type (row 75) can be left blank.

Date Posted: 11/20/2023

New D.39: *Does the primary contact need to be an agency signatory?*

Answer: The electronic submission of your application to this funding opportunity must be made by an official representative of your organization who is registered with Grants.gov and is authorized to sign applications for Federal financial assistance. Contact your organization's EBiz point of contact or contact Grants.gov for assistance at 1-800-518-4726 or support@grants.gov. The primary contact does not need to be the authorized representative.

Date Posted: 11/20/2023

New D.40: *If we have three buses to replace and we only have budgeted for two does that impact the number of buses we can apply for?*

Answer: Projects are subject to the funding limitations and mandatory cost share requirements shown in Table 4 of the NOFO. Cost sharing must be included in the budget detail portion of the project narrative, and the application must describe how and when the applicant will obtain the cost share and how the cost share funding will be used. An applicant may only apply to replace the number of buses for which they can demonstrate the ability to meet the cost share requirements.

Date Posted: 11/20/2023

New **D.41:** *We have been working to obtain our sam.gov UEI number; however, because our organization does not have a US Postal Service address, we have not yet been able to complete the process. Can we request a waiver for the UEI requirement so that we may apply for funds?*

Answer: Unfortunately, waivers or extensions cannot be granted for the UEI requirement. EPA will only consider accepting applications that were unable to submit through Grants.gov due to Grants.gov or relevant SAM.gov system issues or for unforeseen exigent circumstances, such as extreme weather interfering with internet access. Failure of an applicant to submit prior to the application submission deadline date because they did not properly or timely register in SAM.gov or Grants.gov is not an acceptable reason to justify acceptance of an application outside of Grants.gov.

Applicants must apply electronically through Grants.gov under this funding opportunity based on the Grants.gov instructions in this announcement. If your organization has no access to the internet or access is very limited, you may request an exception for the remainder of this calendar year by following the procedures outlined here. Organizations applying to this funding opportunity must have an active SAM.gov registration. The process for entity registrations includes obtaining Unique Entity ID (UEI), a 12-character alphanumeric ID assigned an entity by SAM.gov, and requires assertions, representations and certifications, and other information about your organization. Please note that SAM.gov registration is different than obtaining a UEI only. Obtaining a UEI only validates your organization's legal business name and address. Please contact the Federal Service Desk for help with your SAM.gov account, to resolve technical issues or chat with a help desk agent: (866) 606-8220. The Federal Service desk hours of operation are Monday through Friday, 8 a.m. to 8 p.m. Eastern. Please refer to the NOFO for additional information.

Date Posted: 11/20/2023

New **D.42:** *When using EPA's Diesel Emissions Quantifier Tool, how do I input the engine model year for an onroad vehicle being used predominately for nonroad purposes?*

Answer: For eligibility purposes, an on-highway vehicle being used in a primarily non-road manner can use the non-road usage requirements. However, the project should be entered as a highway vehicle since that is the engine powering the truck and accessories. The DEQ inputs for the existing vehicle should include the annual vehicle miles traveled by the truck and the annual idling hours (i.e. the amount of time the vehicle is stationary and being used in a nonroad capacity). If the new vehicle will use battery power to operate the vehicle accessories while stationary, the DEQ inputs for the new vehicle should reflect the reduced idling of the main engine.

Date Posted: 11/20/2023

New **D.43:** *Are there any options for tribes on waiving the cost share requirement under the DERA National grant?*

Answer: No, but eligible Tribal entities may apply under EPA's DERA Tribal and Territory Grant program. Please visit www.epa.gov/dera/tribal-insulararea for more information.

Date Posted: 11/20/2023

New **D.44:** *Should supporting organizations that are not contributing to the project cost share address their support letters to the applicant organization as well?*

Answer: Letters should be addressed to the applicant organization and included as attachments to the application. Letters submitted by partners directly to EPA will not be accepted. Letters of support that demonstrate strong, long-term involvement throughout the project from a variety of project partners are encouraged. Letters should specifically indicate how project partners and supporting organizations will participate in or directly assist in the design and performance of the project, or how obtaining support from project partners will allow the applicant to perform the project more effectively.

Date Posted: 11/20/2023

New **D.45:** *Can you please explain what the maximum federal funding limit outlined in Table 3 of the NOFO means? Is that number the total funding an applicant can receive, or would the applicant receive 25% of that number per the cost share breakdown?*

Answer: The maximum federal funding request per application, as listed in Table 3 of the NOFO, is the maximum amount that any single applicant can request from EPA. The maximum amount of EPA funding per application varies by EPA Region.

Table 4 cost shares apply to eligible vehicle and equipment costs, as defined in the NOFO. The EPA funding limit column represents the maximum percentage of federal funds that may go toward any single piece of equipment in that category. The mandatory cost share column represents the portion of the vehicle or equipment costs that must be paid by a non-federal entity. Note that non-vehicle or equipment costs, such as personnel, travel, supplies, etc. are not subject to mandatory cost share requirements.

Date Posted: 11/20/2023

New **D.46:** *How do you calculate the annual and lifetime reduction emissions in the example Outputs and Outcome Table in Section 7: Environmental Results - Outcomes, Outputs and Performance Measures?*

Answer: Applicants should follow the instructions in Appendix B of the NOFO for calculating emissions reductions. Applicants must include a copy of their Diesel Emissions Quantifier (DEQ) results spreadsheet showing DEQ results and inputs as an attachment to their application. If alternative methods are used, applicants must thoroughly describe and document their emissions reduction calculation methods in an attachment to the project narrative.

Date Posted: 11/20/2023

New **D.47:** *Are applicants required to include all tables that are recommended for the Project Narrative if their project does not have applicable information?*

Answer: Applicants must use the Project Narrative Attachment form in Grants.gov. The project narrative must explicitly describe how the proposed project meets the threshold eligibility criteria and address the evaluation criteria. The project narrative cannot exceed a maximum of (14) single-spaced typewritten pages, including the summary page, workplan, and budget table and detail. Excess pages will not be reviewed. Supporting materials identified below can be submitted as attachments and are not included in the 14-page limit. The project narrative must substantially comply with the specific instructions, format and content as defined. Applicants should briefly address all evaluation criterion, even if to explain how it is not applicable.

Date Posted: 11/20/2023

New **D.48:** *How detailed should our workforce development and resilience to climate impact be?*

Answer:

For workforce development, evaluation criteria points will be given to applications that demonstrate plans and activities to prepare their workforce for the project, such as conducting robust workforce planning to ensure current drivers, mechanics, electricians, and other essential personnel receive training to safely operate and maintain the new vehicles, engines, infrastructure, and equipment, in order to maximize the useful life of any certified engine configuration, verified technology, or emerging technology used or funded by the eligible entity. Evaluation criteria points will be given to applicants who demonstrate that they engage with workers and their representatives directly in the development of workforce planning activities to incorporate worker voice into the project. Please see Section I.B. of this NOFO for more information on workforce development.

For project resilience to climate impacts, EPA will give priority for funding to applications which demonstrate the ability to protect grant funded investments from severe weather events. EPA will evaluate applications based on the quality and extent to which the project assesses and implements adaptation considerations described below to help ensure that the project achieves its expected outcomes even as the climate changes. Applicants can demonstrate consideration of climate change adaptation through measures taken to anticipate, prepare for, and avoid adverse impacts of climate change. For example, assessing project vulnerability to climate impacts can be incorporated into project planning, such as siting decisions and operational plans. Measures taken to avoid damages could include ensuring fleets and equipment are protected from impacts such as flooding and sea level rise and protecting infrastructure from storm damage. Please see Section I.B. of this NOFO for more information on project resilience to climate impacts.

Date Posted: 11/20/2023

New **D.49:** *For contractual services, do several quotes need to be submitted with the application, or just the one quote with a potential purchase? Do contracts need to be submitted with the application?*

Answer: EPA does not require applicants to identify specific contractors at the time of application. The applicant should list the proposed contract activities along with a brief description of the anticipated scope of work or services to be provided, proposed duration, and proposed procurement method (competitive or noncompetitive), if known. Any proposed non-competitive/sole-source contracts in excess of \$3,500 must include a justification. Note that it is unlikely that EPA will accept proposed sole source contracts for goods and services (e.g., consulting) that are widely available in the commercial market. If selected for funding, recipients are responsible for procuring all vehicles and equipment in accordance with applicable competitive procurement requirements in 2 CFR Part 200. Refer to EPA's Best Practice Guide for Procuring Services, Supplies, and Equipment Under EPA Assistance Agreements for EPA's policies on competitive procurements and encouraging the use of small and disadvantaged business enterprises. Note: If you intend to name a contractor (including an individual consultant or equipment vendor) in your application, applicants must demonstrate that named contractors (including individual consultants and equipment vendors) were selected in compliance with the competitive requirements of the Procurement Standards in 2 CFR Part 200 as interpreted in EPA guidance to consider their qualifications and role in the proposed project.

Date Posted: 11/20/2023

New **D.50:** *How specific should we be regarding our responses to pending matters of pending lawsuits and civil rights compliance?*

Answer: In addition to other required information, EPA Form 4700-4, Pre-Award Compliance Review Report for All Applicants Requesting Federal Assistance, requires that the applicant LIST all pending civil rights lawsuits and administrative complaints filed under federal law against the applicant/recipient that allege discrimination based on race, color, national origin, sex, age, or disability. The applicant must LIST all civil rights lawsuits and administrative complaints decided against the applicant/recipient within the last year that alleged discrimination under federal law based on race, color, national origin, sex, age, or disability and ENCLOSE a copy of all decisions. The applicant must LIST all civil rights compliance reviews of the applicant/recipient conducted under federal nondiscrimination laws by any federal agency within the last two years and ENCLOSE a copy of the review and any decisions, orders, or agreements based on the review. Please DESCRIBE all corrective action taken.

Date Posted: 11/20/2023

New **D.51:** *One of the new vehicles we are requesting funding for will replace three smaller vehicles in our current fleet. How can we represent that in the diesel emissions reduction calculator?*

Answer: Please refer to Appendix B of the NOFO for information on calculating diesel emissions reductions. A potential solution is to first, create one vehicle group that includes one existing vehicle upgraded with a new vehicle replacement as proposed by the applicant. Second, create a second vehicle group that includes the two other vehicles to be scrapped, and apply upgrade type "Engine Replacement – All-Electric." Third, select "Quantify Project Emissions." The defined steps effectively calculate the difference in emissions between the group being replaced and the replacement vehicle.

Date Posted: 11/20/2023

New **D.52:** *If we do not have current projects for the past performance section of the proposal, can we instead include projects prior to 2020?*

Answer: In evaluating applicants under the past performance factors in Section V.6.A. and B. of the NOFO, EPA will consider the information provided by the applicant and may also consider relevant information from other sources, including information from EPA files and from current/prior grantors (e.g., to verify and/or supplement the information provided by the applicant). If you do not have any relevant or available past performance or past reporting information, please indicate this in the application and you will receive a neutral score for these factors, which is half of the total points available for these sub-criteria in Section V.A. of the NOFO. If the applicant does not provide any response for these items, a score of 0 for these factors may be received.

Date Posted: 11/20/2023

New **D.53:** *When completing the past performance section of the application, do the list of five federally funded or non-federally funded assistance agreements have to be EPA agreements?*

Answer: No, these do not have to be EPA agreements. Page 48 of the NOFO notes that up to five federally funded or non-federally funded assistance agreements can be listed that the applicant is performing or has performed within the last three years. Assistance agreements include federal grants and cooperative agreements but not federal contracts.

Date Posted: 11/20/2023

E. Project Administration

E.i. Competitive Procurement Requirements

E.i.1: *Are awardees required to work with local vendors to obtain replacement equipment? If not, does EPA maintain vendor lists?*

Answer: Applicants may select any equipment supplier through a competitive procurement process that meets the applicable requirements of 2 CFR Part 200. Please refer to EPA's Best Practice Guide for Procuring Services, Supplies, and Equipment Under EPA Assistance Agreements (www.epa.gov/grants/best-practice-guide-procuring-services-supplies-and-equipment-under-epa-assistance-agreements) for further guidance. While EPA does not maintain vendor lists, you may be interested in the verified technology contact list at www.epa.gov/verified-diesel-tech/manufacturer-contact-list-clean-diesel.

Date Posted: 8/17/2023

E.i.2: *Are there specific procurement requirements for this funding opportunity?*

Answer: Yes. Grants recipients and subgrant recipients are subject to procurement requirements found in the federal regulation 2CFR part 200. The NOFO includes guidance to help you through that process.

Date Posted: 8/17/2023

E.i.3: *If a project is co-funded using an incentive program that requires an equipment supplier to be determined prior to application, will competitive procurement standards still apply?*

Answer: Yes, all recipients of EPA grant funds must compete contracts for services and products and conduct cost and price analyses to the extent required by the procurement provisions of the regulations at 2 CFR Part 200, as appropriate. However, an existing contact may be utilized if the grantee or subgrantees can demonstrate that the vendor was selected through a competitive process that meets the requirements. Refer to EPA's Best Practice Guide for Procuring Services, Supplies, and Equipment Under EPA Assistance Agreements (www.epa.gov/grants/best-practice-guide-procuring-services-supplies-and-equipment-under-epa-assistance-agreements) for EPA's policies on competitive procurements.

Date Posted: 8/17/2023

E.i.4: *Can a project stack state funding such as CORE and HVIP as match?*

Answer: In general, state, tribal, local and private funds may be used as a cost share on a DERA grant. Other federal grants may not be used as cost share under DERA unless the statute authorizing the other federal funding provides that the federal funds may be used to meet a cost share requirement on a federal grant. The Budget Narrative of the DERA application must include a detailed description of how and when the applicant will obtain the cost share and how cost share funding will be used. In the event that the DERA application is selected for funding and the other grant funding does not materialize, the grantee is legally obligated by the DERA award agreement to meet their cost share commitment for any EPA DERA funds that are expended.

Date Posted: 9/8/2023

E.ii. General

E.ii.1: *Is partial funding ever awarded, or is it all or nothing?*

Answer: In appropriate circumstances, EPA reserves the right to partially fund applications by funding discrete portions of proposed projects. If EPA decides to partially fund an application, it will do so in a manner that does not prejudice any applicants or affect the basis upon which the application was evaluated and selected for award, thereby maintaining the integrity of the competition and selection process.

Date Posted: 8/17/2023

E.ii.2: *Once funding is awarded, how long do awardees have to complete purchases?*

Answer: The estimated project period of performance start date for awards will begin starting July 1, 2024. Applicants are expected to include a detailed timeline for the project including milestones for specific tasks, such as bidding, procurement, installation, and reports. Funds must be used within the approved project period.

Date Posted: 10/25/2023

E.ii.3: *Once an application is received and is awarded a certain amount of money, is the applicant obligated to continue, or can they withdraw if other funding fails to come through?*

Answer: After an award is made, the recipient may terminate the award for convenience at any time.

Date Posted: 8/17/2023

E.ii.4: *For scrapping or permanently disabling equipment being replaced, when does the 90-day period begin?*

Answer: For vehicles being replaced, the 90-day scrapperage period begins when the new vehicle is received.

Date Posted: 8/17/2023

E.ii.5: *If a project is awarded, how will funding be distributed?*

Answer: Grant funds are typically distributed as reimbursements. The recipient initiates an electronic payment and funds are credited to the recipient organization. These funds can be used by the recipient to pay for valid invoices and other valid grant expenses. The grantee may be paid in advance, provided it maintains or demonstrates the willingness to maintain 1) written procedures that minimize the time between the transfer of funds and disbursement by the grantee, and 2) financial management systems that meet the standards for fund control and accountability as established in 2 CFR Part 200. Advance payments to a grantee must be limited to the minimum amounts needed and be timed to be in accordance with the actual, immediate cash requirements of the grantee in carrying out the purpose of the approved program or project. The timing and amount of advance payments must be as close as is administratively feasible to the actual disbursements by the grantee for direct program or project costs and the proportionate share of any allowable indirect costs.

Date Posted: 8/17/2023

E.ii.6: *Are there usage reporting requirements during the life of a new truck?*

Answer: Yes, you are expected to compile and report on usage information for the new vehicle in the final programmatic grant report submitted to EPA at the end of the project period.

Date Posted: 8/17/2023

E.ii.7: *How long is the new truck expected to run in the designated areas?*

Answer: The assumption is that the new vehicle will replace the old vehicle in form and function and will continue to operate in the same area. The terms and conditions of the award require that the equipment acquired under this assistance agreement will be subject to the use and management and disposition regulations at 2 CFR §200.313, and that at the end of the project period the recipient will continue to use the equipment purchased under this assistance agreement in the project or program for which it was acquired as long as needed, whether or not the project or program continues to be supported by the Federal award.

Date Posted: 8/17/2023

E.ii.8: *Does the upgraded vehicle have to be used in the same location as the original vehicle?*

Answer: Generally, yes. The term "project location" as used in this NOFO refers to the primary area where the affected vehicles/engines operate, or the primary area where the emissions benefits of the project will be realized. Because location is a large factor in selecting projects, it is assumed the new vehicle will continue to operate in the same areas as the original vehicle. If the upgraded vehicle will operate in a different area than the original vehicle, the applicant should provide a detailed explanation and justification.

Date Posted: 8/17/2023

E.ii.9: *Are successful applicants subject to any additional federal oversight or compliance requirements?*

Answer: A listing and description of general EPA Regulations applicable to the award of assistance agreements may be viewed at: www.epa.gov/grants/policy-regulations-and-guidance-epa-grants. Quarterly progress reports and a detailed final report will be required. Please see Section VI.D of the NOFO for more information.

Date Posted: 8/17/2023

E.ii.10: *Is the DERA National Notice of Funding Opportunity (NOFO) announcement for the State Grants Program?*

Answer: No, the DERA National NOFO is a separate funding opportunity from the DERA State Grants Program. The DERA State Grants program is not a competition; it is an allocation process in which the eligible states and territories submit their interest to participate. EPA awards a specific allocation to participating states and territories that is determined by formula, based on the number of participants. Additional information about the DERA State Grants program is available at www.epa.gov/dera/state. The DERA National NOFO is a competitive grant program. The DERA program has another competitive funding opportunity, DERA Tribal and Insular Area Grants (www.epa.gov/dera/tribal-insulararea), which funds similar activities but is only open to eligible Tribal and Insular Area applicants. Funding for school bus replacement is also available through EPA's Clean School Bus Program (www.epa.gov/cleanschoolbus).

Date Posted: 9/8/2023

E.ii.11: *Are there any scoring advantages of a proposal with multiple solutions (e.g., electric school bus, drayage truck engine replacement, and transit bus) over a proposal with a single solution?*

Answer: Applications will first be evaluated against the threshold factors listed in Section III.C. of the NOFO. Only those applications which meet all the threshold factors will be evaluated by regional review panels using the evaluation criteria. Final funding decisions will be made by the appropriate EPA regional selection official based on the rankings and preliminary recommendation of the appropriate EPA regional review panel. In making the final funding decisions, the EPA regional selection official may also consider sector (fleet type) diversity, technology diversity, geographic diversity, number and size of awards, and Agency and programmatic priorities.

Date Posted: 9/8/2023

E.ii.12: *When is the next round of EPA DERA grants (after the 2022-2023 NOFO closes on December 1, 2023) likely to occur?*

Answer: Future funding opportunities will be announced on the DERA webpage.

Date Posted: 9/8/2023

E.ii.13: *Do all three webinars cover the same information? Will the presentation from the webinar be shared and will the Q&A document from the webinars be posted?*

Answer: All webinars held for the current competition covered the same material. The Information Session slides are posted at: www.epa.gov/dera/national. Questions and answers from the webinars and additional requests submitted to the DERA Helpline will be posted to the DERA National website (www.epa.gov/dera/national).

Date Posted: 9/8/2023

E.ii.14: *When does the project period begin?*

Answer: The estimated project period of performance start date for awards will begin starting July 1, 2024.

Date Posted: 9/8/2023

E.ii.15: *For projects where the vehicle will be repowered with a new engine certified to EPA and CARB emissions standards, does the entire vehicle need to be scrapped or just the engine?*

Answer: If you plan to buy a new engine, you must scrap the old engine, such as by drilling a hole in the engine block. If you replace an entire vehicle, you must also disable the chassis. You may then sell the disabled engine or chassis for scrap, but you cannot sell a usable engine or vehicle as a trade-in. For vehicles being replaced, the 90-day scrappage period begins when the new vehicle is received.

Date Posted: 9/8/2023

E.ii.16: *How long is the project grant period?*

Answer: The estimated project period for awards resulting from this solicitation is 24 months, however project periods of up to 48 months will be allowed where justified by the activities, timeline, and milestones detailed in the workplan. The estimated project period of performance start date for awards will begin starting July 1, 2024.

Date Posted: 10/25/2023

E.ii.17: *Is there a required or preferred use for the vehicles being replaced, i.e. can they be repurposed or sold, can they be scrapped, other?*

Answer: The vehicle, equipment, and/or engine being replaced must be scrapped or rendered permanently disabled within ninety (90) days of being replaced. Evidence of appropriate disposal is required in a final assistance agreement report submitted to EPA. Participating fleet owners must attest to the appropriate disposal in a signed scrappage statement.

Date Posted: 10/25/2023

E.ii.18: *When are project grants expected to be approved?*

Answer: EPA anticipates notification to successful applicants will be made via electronic mail within 60 days after the closing date of this Notice of Funding Opportunity. The notification will be sent to the original signer of the application, or the project contact listed in the application. This notification, which informs the applicant that their application has been selected and is being recommended for award, is not an authorization to begin work. The official notification of an award will be made by the applicable Regional Grants Management Office.

Date Posted: 10/25/2023

E.ii.19: *Can DERA awardees also claim the clean vehicle tax credit included in the Inflation Reduction Act 45W for the 40k tax credit?*

Answer: Yes. However, applicants should not include any tax credit funds as a cost-share in their workplan budget since the tax credit funds will not be available to the grantee at the time of purchase.

Date Posted: 10/25/2023

E.ii.20: *What are the specific reporting requirements mentioned in E.ii.6 in the Questions and Answers document?*

Answer: Recipients must submit either 3 or 6-month programmatic progress reports, as determined at the time of award. Progress reports should include an update on completed activities, including an up-to-date fleet description. Efforts should be made to track, measure, and report the actual vehicle miles traveled, hours of use/operation, and fuel use for all vehicles and equipment involved in the project. Award recipients may be provided with additional information and guidance on reporting performance measures and project progress after award.

Date Posted: 10/25/2023

E.ii.21: *Are awarded recipients able to stack or combine the federal tax credits (e.g., IRA 30C and 45W) with another partnered entity?*

Answer: Eligible school bus owners purchasing new electric buses with DERA funds may claim applicable tax credits. However, applicants should not include any tax credit funds as a cost-share in their workplan budget since the tax credit funds will not be available to the grantee at the time of purchase. Please monitor the IRS website for further guidance around how to claim or receive any tax credits.

Date Posted: 11/13/2023

E.ii.22: *Is a selected eligible entity obligated to subaward throughout the entire state, or just in their geographic boundaries?*

Answer: Applications may be for local, regional, statewide, or multi-state projects. There is no requirement that recipients disburse funds statewide.

Date Posted: 11/13/2023

E.ii.23: *Is school financing allowable if a school district applies for electric school buses?*

Answer: Yes. If necessary, the purchase may be financed with a conventional purchase loan. Funding for school bus replacement is also available through EPA's Clean School Bus Program (www.epa.gov/cleanschoolbus).

Date Posted: 11/13/2023

New **E.ii.24:** *As of right now, when ordering buses, it is a two-year turnaround from time of order to receiving the buses and payment. If awarded the grant, would this be just cause for the 48-month extension?*

Answer: Accompanied by appropriate documentation, extensive turnaround times for receipt of vehicles from time of purchase is a reasonable justification for extending the grant period of performance.

Date Posted: 11/20/2023

New **E.ii.25:** *If a project is awarded, is there a limit for percent of funding used on administrative fees?*

Answer: The 2022-2023 DERA National NOFO does not have a specific limit on administrative costs. Eligible project costs are those costs directly related to the implementation, management, and oversight of the project, including recipient and subrecipient personnel and benefits, equipment, contractual, travel, supplies, subgrants and rebates, and indirect costs. If selected, costs are reviewed for appropriateness and reasonableness prior to award.

Date Posted: 11/20/2023

New **E.ii.26:** *How does EPA determine which applicants receive partial funding? Does the applicant need to indicate they would be open to receiving partial funding ahead of time?*

Answer: EPA reserves the right, in appropriate circumstances, to partially fund applications by funding discrete portions of proposed projects. If EPA decides to partially fund an application, it will do so in a manner that does not prejudice any applicants or affect the basis upon which the application was evaluated and selected for award, thereby maintaining the integrity of the competition and selection process. The applicant does not need to indicate that they are open to receiving partial funding ahead of time.

Date Posted: 11/20/2023

New **E.ii.27:** *How much funding is available for each EPA Region?*

Answer: For information about funding available per Region, please see Table 3, Funding Limits by Region, on page 13 of the NOFO.

Date Posted: 11/20/2023

New **E.ii.28:** *Can we include a 10% indirect cost (IDC) rate on our budget if we do not yet have a federal NICRA?*

Answer: In accordance with 2 CFR 200.414(f), recipients that do not have a current negotiated IDC rate under 10% are eligible for a de minimis rate of 10% of modified total direct costs for all Federal awards, with one exception: State and local governmental departments or agency units that receive more than \$35 million in direct Federal funding are not eligible for the 10% de minimis rate. The use of the 10% de minimis rate does not require approval of the cognizant agency for indirect costs; instead, applicants should include the 10% de minimis rate in grant budget documents, when applying for EPA assistance agreements. After award, when recipients use the 10% de minimis rate for grants, they are not required to provide proof of costs that are covered under that rate. The recipient must use the 10% de minimis rate throughout the life of the assistance agreement unless the recipient negotiates and receives approval for an IDC rate with its cognizant Federal agency during the life of the agreement. Please see EPA's **Indirect Cost Guidance for Recipients of EPA Assistance Agreements** (www.epa.gov/grants/rain-2018-g02-r) for more information.

Date Posted: 11/20/2023