AGENCY: **ENVIRONMENTAL PROTECTION AGENCY (EPA)**

TITLE: **2024 Diesel Emissions Reduction Act (DERA) Tribal and Territory Grants**

ANNOUNCEMENT TYPE: **Request for Applications**

FUNDING OPPORTUNITY NUMBER: **EPA-OAR-OTAQ-24-02**

ASSISTANCE LISTING NUMBER: **66.039**

IMPORTANT DATES

Tuesday, May 7, 2024	Notice of Funding Opportunity (NOFO) Opens
Friday, November 8, 2024	Final Date to Submit Questions
Friday, December 6, 2024	NOFO Closes – Application Deadline
February 2025 to March 2025	Anticipated Notification of Selection
May 2025 to June 2025	Anticipated Awards

Application packages must be submitted electronically to the EPA through Grants.gov (www.grants.gov) no later than Friday, December 6, 2024, **at 11:59 p.m. Eastern Time (ET)** to be considered for funding.

Applicants are encouraged to review the Questions and Answers document posted at the DERA Tribal and Territory Grants webpage for further clarification of this NOFO.

NOTE: If you intend to name a contractor (including an individual consultant or equipment vendor) or a subrecipient as a project partner or otherwise in your application, the EPA recommends that you carefully review, and comply with, the directions contained in the "Contracts, Subawards, and Participant Support Costs" clause that can be accessed under Appendix A of this NOFO and at EPA Solicitation Clauses. Refer to the EPA's Best Practice Guide for Procuring Services, Supplies, and Equipment Under EPA Assistance Agreements and the EPA's Subaward Policy and supplemental Frequent Questions for additional guidance. 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 the EPA guidance and/or that named subrecipients meet the eligibility requirements in EPA's Subaward Policy for the EPA to consider their qualifications and role in the proposed project.

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I. FUNDING OPPORTUNITY DESCRIPTION

A. Background and Summary

This Notice of Funding Opportunity (NOFO) announces the availability of funds and solicits applications from eligible entities to incentivize and accelerate the upgrading or retirement of the nation's legacy diesel engine fleet. Eligible activities include the retrofit or replacement of existing diesel engines, vehicles, and equipment with the EPA and California Air Resources Board (CARB) certified engine configurations and verified retrofit and idle reduction technologies.

Applications will be accepted from federally recognized Tribal governments (or intertribal consortia), Alaska Native Villages, or government agencies of the U.S. Virgin Islands, Guam, American Samoa, and Commonwealth of the Northern Mariana Islands, which have jurisdiction over transportation or air quality. The EPA anticipates awarding a total of approximately $9 million under this NOFO: $8 million for Tribes and $1 million for territories. The EPA anticipates awarding approximately twelve (12) to eighteen (18) grants or cooperative agreements to Tribal governments (or intertribal consortia) or Alaska Native Villages and three (3) to five (5) grants or cooperative agreements to territory government entities, subject to the availability of funds, the quantity and quality of applications received, and other applicable considerations.

There are several ways DERA recipients may implement projects and fund project partners depending on the roles and responsibilities of each. If the applicant is the owner of the target vehicles, the applicant may directly implement the project. If the applicant is partnering with diesel fleet owners, the applicant may award subawards or participant support costs (i.e., rebates) to project partners. Please refer to Appendix A for detailed guidance on funding partnerships.

Reducing emissions from diesel engines is one of the most important air quality challenges facing the country. From transportation to energy generation, the diesel engine powers almost every sector of the American economy. Due to more stringent EPA diesel engine emissions standards over the past few decades, engines currently coming off the manufacturing line are now sixty times cleaner. However, despite these tighter standards for new engines, the nearly eight million legacy diesel engines already in use continue to emit large amounts of particulate matter 2.5 ($PM_{2.5}$) and nitrogen oxides (NO_x). "Legacy diesel engines" are defined by the DERA program as the operating nonroad diesel and medium to heavy-duty highway diesel engines with engine model years 2009 and earlier. Previously, DERA defined legacy engines as 2006 and earlier, but this has been expanded to include 2007-2009 engines which do not meet current emission standards. These air pollutants contribute to serious public health problems like asthma, lung disease, and various other cardiac and respiratory illnesses, which result in thousands of premature deaths, millions of lost workdays, and numerous other negative health impacts every year in the United States.

To address these diesel emissions and protect public health and air quality, the EPA is authorized under DERA to offer funding assistance to accelerate the upgrade, retrofit, and turnover of the legacy diesel fleet. Since the inaugural year of funding for DERA in 2008, the EPA has awarded over $800 million to replace or retrofit approximately 73,700 engines or vehicles to reduce diesel emissions nationwide. The DERA program promotes an array of diesel emissions strategies by working with manufacturers, fleet operators, air quality professionals, environmental and community organizations and state and local officials to address the varying emissions reductions in areas receiving disproportionate impacts from diesel fleets to provide an environment where all people enjoy the same degree of protection from environmental and health hazards.

This NOFO is a competitive grant program. Therefore, only applications that score well will be selected for funding by the review panels. The DERA program has another competitive funding opportunity, DERA National Grants, which funds similar activities but is open to a wider range of applicant types. Funding for school bus replacement is also available through the EPA's Clean School Bus Program. More information and updates on funding opportunities for electrification and other zero-emissions technologies for ports and heavy-duty vehicles can be found on the EPA's new Clean Ports Program and Clean Heavy-Duty Vehicle Program webpages.

The DERA Tribal and Territory Grants program was formerly known as the DERA Tribal and Insular Area Grants and changed in 2024 in response to partner feedback. All corresponding materials will reflect this name change moving forward.

B. Program Goals and Objectives

1. **DERA Programmatic Priorities:** DERA allows the EPA to prioritize certain applicants in the DERA Tribal and Territory Grants. The statute enables the program to prioritize projects that maximize public health benefits, are the most cost-effective, that serve areas with the highest population density or that are poor air quality areas (including nonattainment or maintenance areas, and areas with air toxic air pollutant concerns), that serve areas that receive a disproportionate quantity of air pollution from diesel fleets, and those that use a community-based multi-partner collaborative process to reduce toxic emissions. The following sections define the DERA Tribal and Territory Grants programmatic priorities under this NOFO. Applications which address and demonstrate that the project meets these programmatic priorities will receive priority for funding under the evaluation criteria defined in Section V.A. of this NOFO.

    a. **Goods Movement Facilities**: Priority for funding is given to projects based on whether the vehicles/engines/equipment targeted for diesel emissions reductions are located at, or service, goods movement facilities as defined below. Applicants should include the name of the specific port, airport, rail yard, terminal, or distribution center where the affected vehicles operate. Points will be based upon the percentage of time targeted vehicles operate at, and/or the percentage of the total targeted vehicles that operate at, goods movement facilities.

i. **Ports** - places alongside navigable water with facilities for the loading and unloading of passengers and/or cargo from ships, ferries, and other vessels
ii. **Airports** - places where aircraft operate that have paved runways and terminals which include cargo, baggage, and/or passenger-movement operations
iii. **Rail Yards** - a system of tracks, other than main tracks and sidings, used for making up trains, for storing cars, and for other purposes
iv. **Terminals** - freight and passenger stations at the end of carrier lines, or that serve as junctions at any point with other lines, which have facilities for the handling of freight and/or passengers
v. **Distribution Centers** - facilities that perform consolidation, warehousing, packaging, decomposition, and other functions linked with handling freight, often in proximity to major transport routes or terminals, and which generate large amounts of truck traffic

b. **Environmental Justice and Disadvantaged Communities**: Environmental justice (EJ) is the just treatment and meaningful involvement of all people regardless of race, color, national origin, income, Tribal Affiliation, or disability in agency decision-making and other Federal activities that affect human health and the environment. Fair treatment means no group of people should bear a disproportionate share of the negative environmental consequences resulting from industrial, governmental, and commercial operations or policies. Meaningful involvement means people have an opportunity to participate in decisions about activities that may affect their environment and/or health; the public's contribution can influence the regulatory agency's decision; community concerns will be considered in the decision-making process; and decision makers will seek out and facilitate the involvement of those potentially affected. The EPA will evaluate environmental justice issues under Section V.A., Criterion 3 of this NOFO.

   The DERA statute enables the program to prioritize projects that serve poor air quality areas (including nonattainment or maintenance areas and areas with air toxic air pollutant concerns), and those that use a community-based multi-partner collaborative process to reduce toxic emissions. This allows the program to target communities with environmental justice concerns; that is, communities adversely and disproportionately affected by environmental, climate change, and human health harms or risks, and support a broad geographic distribution of funds. Additionally, DERA has been identified as part of the Justice40 Initiative, which creates a goal that 40 percent of applicable federal benefits flow to disadvantaged communities.[1]

   [1]*Tackling the Climate Crisis at Home and Abroad*, 86 Fed. Reg., 7619 (Feb. 1, 2021).

   i. **Disadvantaged Communities:** For the purposes of this NOFO, "disadvantaged communities" are defined as meeting the following criteria:
      a) **Nonattainment or Maintenance Area:** These counties are identified as priority project locations for the DERA program because they are designated as

nonattainment areas or maintenance areas for the following National Ambient Air Quality Standards. Data is sourced from the EPA's Green Book of Nonattainment Areas for Criteria Pollutants.

1. $PM_{2.5}$ 1997 Standard (Annual: 15 µg/m3, 24-hour: 65 µg/m3)
2. $PM_{2.5}$ 2006 Standard (Annual: 15 µg/m3, 24-hour: 35 µg/m3)
3. $PM_{2.5}$ 2012 Standard (Annual: 12 µg/m3, 24-hour: 35 µg/m3)
4. Ozone (O_3) 2008 Standard (8-hour: 0.075ppm)
5. Ozone (O_3) 2015 Standard (8-hour: 0.070ppm)

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 in Appendix E.

ii. **Community Engagement**: Priority for funding is given to applications which demonstrate engagement with the affected communities and/or populations, especially local residents, to ensure their meaningful participation with respect to the design, planning, and performance of the project. Meaningful involvement means people have an opportunity to participate in decisions about activities that may affect their environment and/or health; the public's contribution can influence the regulatory agency's decision; community concerns will be considered in the decision-making process; and decision makers will seek out and facilitate the involvement of those potentially affected.

c. **Project Sustainability:** Priority for funding is given to projects which can demonstrate the ability of the applicant and project partners to promote and continue efforts to reduce emissions after the EPA funding for this project has ended. The EPA will evaluate this under Section V.A., Criterion 4 of this NOFO. Specifically, applications will be evaluated on whether the applicant and/or its project partners have existing policies or new commitments to, by the end of the project period, adopt idle-reduction policies, adopt contract specifications requiring the use of cleaner, more efficient vehicles and equipment, complete an up-to-date mobile source equipment inventory, or adopt other strategies to promote and continue efforts to reduce diesel emissions.

d. **Project Resilience to Climate Impacts**: Priority for funding is given to applications which demonstrate the ability to protect grant funded investments from severe weather events. The 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.

Adapting to climate change involves actions by individuals, businesses, governments, and others to build resilience and reduce vulnerability of human and natural systems to unavoidable climate impacts. Adaptation also reduces the long-term costs of responding to these impacts. 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.

e. 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. Additionally, evaluation criteria points will be given to applications which demonstrate policies and protections that currently exist or will be put in place to prevent existing workers from being replaced or displaced because of new technologies purchased with funding awarded under this NOFO. 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.

The EPA will evaluate this criterion based on the quality and extent of the workforce planning activities. Applicants can demonstrate workforce planning by clearly articulating which types of jobs will be impacted by the project, how they have or will engage those workers, how they will provide training, resources, and support to those workers for implementing the project (including the amount of time workers will spend in training and the skills they will develop), and clarifying if workers will be compensated with their regular wages for their time spent in training. Plans should make clear how they prioritize the health and safety of workers through evidence of a health and safety program that adheres to Occupational Safety and Health Administration regulations or other applicable regulations, including any modifications needed in response to the project. Where applicable, electricians working on Electric Vehicle Supply Equipment (EVSE) are strongly encouraged to be certified by the Electric Vehicle Infrastructure Training Program.

2. Diesel Vehicles, Engines, and Equipment: 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, below**.**

Table 1: Diesel Vehicles, Engines, and Equipment

School Buses	Includes diesel powered school buses of Type A, B, C, and D. A "school bus" is defined as a passenger motor vehicle designed to carry a driver and more than 10 passengers, that the Secretary of Transportation decides is likely to be used significantly to transport preprimary, primary,

	and secondary school students to or from school or an event related to school.
Transit Buses	Includes diesel powered medium-duty and heavy-duty transit buses (see definition of eligible Class 5-8 vehicles below).
Medium-duty or heavy-duty trucks	Includes diesel powered medium-duty and heavy-duty highway vehicles with gross vehicle weight rating (GVWR) as defined below: Class 5 (16,001 -19,500 lbs GVWR); Class 6 (19,501 – 26,000 lbs GVWR); Class 7 (26,001 – 33,000 lbs GVWR); Class 8 (33,001 lbs GVWR and over)
Marine Engines	Includes diesel powered Category 1, 2, and 3 marine engines and vessels.
Locomotives	Includes diesel powered line-haul, passenger, and switch engines and locomotives.
Nonroad engines, equipment, or vehicles	Diesel powered nonroad engines, equipment, and vehicles including, but not limited to, those used in construction, handling of cargo (including at ports and airports), agriculture, mining, or energy production (including stationary generators and pumps). Eligible nonroad equipment includes transport refrigeration units (TRUs). Please see the TRU Factsheet found on the DERA Tribal and Territory Grants website for information on TRUs and eligible TRU projects.

a. Drayage Trucks: Eligible heavy-duty trucks include drayage trucks. A "drayage truck" means any Class 8 highway vehicle operating on or transgressing through port or intermodal rail yard property for the purpose of loading, unloading, or transporting cargo, such as containerized, bulk, or break-bulk goods. If an application for the replacement of drayage trucks is selected for funding, the grant recipient will be required to establish guidelines to ensure that any existing truck replaced with grant funds has a history of operating on a frequent basis over the prior year as a drayage truck, and to ensure any new truck purchased with grant funds is operated in a manner consistent with the definition of a drayage truck, as defined above. Sample drayage truck guidelines can be found on the DERA Tribal and Territory Grants website.

b. Transport Refrigeration Units: Eligible nonroad equipment includes transport refrigeration units (TRUs). Please see the DERA TRU Factsheet found on the DERA Tribal and Territory Grants website for information on TRUs and eligible TRU projects.

3. Diesel Emissions Reduction Solutions: Projects may upgrade existing diesel vehicles and equipment using the diesel emissions reduction solutions defined in Table 2, below.

Table 2. Diesel Emission Reduction Solutions

Certified Vehicle and	Nonroad and highway diesel vehicles and equipment, locomotives, and marine vessels can be replaced with newer, cleaner, vehicles and equipment. Eligible replacement highway vehicles include those certified

Equipment Replacements	by the EPA and/or CARB to run on diesel or clean alternative fuel engines (including gasoline), electric generators (gensets), hybrid engines, and zero emission power sources (grid, battery, or fuel cell). Eligible replacement nonroad equipment, locomotives, and marine vessels include those powered by EPA- and/or CARB-certified diesel or clean alternative fuel engines (including gasoline), electric generators (gensets), hybrid engines. Nonroad equipment, locomotives, and marine vessels powered by zero emission power sources (grid, battery, or fuel cell) do not require EPA or CARB certification.
Certified Engine Replacement	Nonroad and highway diesel vehicles and equipment, locomotives, and marine vessels can have their engines replaced with newer, cleaner, engines. Eligible replacement highway engines include those certified by the EPA and/or CARB for use with diesel or cleaner alternative fuels (including gasoline), electric generators (gensets), and hybrid engines, and zero emission power sources (grid, battery, or fuel cell). Eligible replacement nonroad, locomotive, and marine engines include those powered by EPA- and/or CARB-certified diesel or clean alternative fuel engines (including gasoline), electric generators (gensets), and hybrid engines. Nonroad equipment, locomotives, and marine vessel engine replacement with zero emission power sources (grid, battery, or fuel cell) do not require EPA or CARB certification.
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 Particulate Matter (PM) and/or NO_x emissions benefit.

Verified 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.
Verified Retrofit Technologies	Diesel engine retrofits are one of the most cost-effective solutions for reducing diesel engine emissions. Retrofits include engine exhaust after-treatment technologies, such as diesel oxidation catalysts (DOCs), diesel particulate filters (DPFs), closed crankcase ventilation systems (CCVs), and selective catalytic reduction systems (SCRs). Manufacturer engine upgrades which achieve specific levels of emission reductions by applying a package of components have been verified as retrofits for some nonroad and marine engines. Several systems which convert a conventional diesel engine configuration to a hybrid-electric system have been verified as retrofits for some nonroad and marine engines. Some cleaner fuels and additives have been verified as retrofits by the EPA and/or CARB to achieve emissions reductions when applied to an existing diesel engine. Older, heavy-duty diesel vehicles that will not be retired for several years are good candidates for verified retrofit technologies. The EPA suggests that applicants proposing to install verified retrofit technologies consult with suppliers to confirm that the proposed vehicles/engines and their duty-cycles are good candidates for the technology.
Clean Alternative Fuel Conversions	Existing highway diesel engines can be altered to operate on alternative fuels such as propane and natural gas by applying a certified alternative fuel conversion kit.
Verified Aerodynamic Technologies and Low Rolling Resistance Tires	To improve fuel efficiency, long haul Class 8 trucks can be equipped with EPA verified aerodynamic devices and/or low rolling resistance tires.

C. Environmental Results and Strategic Plan Information

Pursuant to Section 6.a. of the EPA Order 5700.7A1, "Environmental Results under EPA Assistance Agreements," the EPA must link proposed assistance agreements with the Agency's Strategic Plan. The EPA also requires that grant applicants and recipients adequately describe environmental outputs and outcomes to be achieved under assistance agreements (see EPA Order 5700.7A1, Environmental Results under EPA Assistance Agreements). Applicants must include specific statements describing the environmental results of the proposed project in terms of well-defined outputs and, to the maximum extent practicable, well-defined outcomes that will demonstrate how the project will contribute to the Strategic Plan goals listed below.

1. **Linkage to the EPA's Strategic Plan:** The activities to be funded under this announcement support the EPA's Fiscal Year (FY) 2022-2026 Strategic Plan. Awards made under this announcement will support Goal 1, "Tackle the Climate Crisis" Objective 1.1, "Reduce Emissions that Cause Climate Change," of the EPA's Strategic Plan. All applications must be for projects that support the goals and objectives above. For more information see the EPA's FY 2022 - FY 2026 EPA Strategic Plan.

2. **Outputs:** The term "output" means an environmental activity, effort, and/or associated work product related to an environmental goal and objective that will be produced or provided over a period of time or by a specified date. Outputs may be quantitative or qualitative but must be measurable during an assistance agreement funding period.

   Expected outputs from the projects to be funded under this announcement include, but are not limited to:
   - Number of replaced or retrofitted engines/vehicles/equipment; and/or
   - Hours of idling reduced, if applicable.

   Progress reports and a final report will also be required outputs, as specified in Section VI.C. "Reporting Requirement," of this NOFO.

   Other potential outputs may include, but are not limited to:
   - Engaging with local residents to ensure their meaningful participation with respect to the design, planning, and performance of the project
   - The project's inclusion in a broader-based environmental or air quality plan
   - The implementation of contract specifications requiring the use of cleaner vehicles and equipment
   - A documented commitment to continue to identify and address air quality issues in the affected community
   - Establishing a clear point of contact in a public platform for community issues and complaints
   - A publicly documented policy or process for getting community input on operations and projects that impact air quality

- Adoption of an idle reduction policy
- The completion of a baseline mobile source emission inventory for $PM_{2.5}$ and or $NO_{x;}$
- Providing support to clean diesel coalitions by sharing information, working with interested fleets, and addressing specific geographic needs
- Number of subawards; and/or
- Dissemination of project/technology information via list serves, websites, journals, and outreach events

3. **Outcomes:** The term "outcome" means the result, effect or consequence that will occur from carrying out an environmental program or activity that is related to an environmental or programmatic goal or objective. Outcomes may be environmental, behavioral, health-related, or programmatic in nature, but must also be quantitative. They may not necessarily be achievable within an assistance agreement funding period.

   Expected outcomes from the projects to be funded under this announcement include, but are not limited to:
   - Tons of pollution reduced over the lifetime of the vehicles/engines/equipment, specifically:
     - fine particulate matter ($PM_{2.5}$)
     - nitrogen oxides (NO_x)
     - carbon monoxide (CO) and carbon dioxide (CO_2), and/or
     - volatile organic compounds (VOCs)
   - Tons of pollution reduced annually
   - Lifetime total project cost effectiveness for NO_x and $PM_{2.5}$
   - Lifetime capital cost effectiveness for NO_x and $PM_{2.5}$
   - Net reduction in gallons of diesel fuel used
   - Benefits to disadvantaged communities, including improvements to human health and the environment, the local economy, social conditions, and the welfare of residents in such communities

   Applicants should follow the instructions in Appendix C of this announcement for calculating emissions reductions and cost effectiveness.

   Other potential outcomes may include, but are not limited to:
   - Community engagement and partnership
   - Improved ambient air quality
   - Health benefits achieved
   - Changes in driver behavior regarding idling practices
   - An increased understanding of the environmental or economic effectiveness of the implemented technology
   - Increased public awareness of project and results
   - Widespread adoption of the implemented technology
   - Demonstration and deployment of zero and near-zero emission vehicles and engines

- Emissions reductions along freight transportation corridors

4. **Performance Measures:** The applicant should also develop performance measures they expect to achieve through the proposed activities and describe them in their application. These performance measures will help gather insights and will be the mechanism to track progress concerning successful processes and output and outcome strategies and will provide the basis for developing lessons to inform future recipients. Additional details on reporting requirements are included in Section VI.C. It is expected that the description of performance measures will directly relate to the project outcomes and outputs.

   The description of the performance measures should directly relate to the project's outcomes and outputs, including but not limited to:
   - Overseeing subrecipients, and/or contractors and vendors
   - Tracking and reporting project progress on expenditures and purchases
   - Tracking, measuring, and reporting accomplishments and proposed timelines/milestones
   - Tracking and reporting project progress on installations/replacements by maintaining an accurate project fleet description
   - Measuring and reporting on outcomes by maintaining an accurate project fleet description and using the EPA's diesel emissions quantifier
   - 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

   The following are questions to consider when developing output and outcome measures of quantitative and qualitative results:
   - What are the measurable short term and longer term results the project will achieve?
   - How does the plan measure progress in achieving the expected results (including outputs and outcomes) and how will the approach use resources effectively and efficiently?

D. Statutory Authority

The Diesel Emissions Reduction Program is authorized by Title VII, Subtitle G of the Energy Policy Act of 2005, 42 USC 16131, et seq., as amended. DERA authorizes the award of grants to reduce diesel emissions and diesel emissions exposure, particularly from fleets operating in areas designated by the Administrator as poor air quality areas. While the EPA has authority under DERA to support grant programs, the EPA's authority to obligate grant funds is subject to the availability of appropriated funds.

E. Additional Provisions for Applicants Incorporated into the Solicitation

Additional provisions that apply to Section III, IV, V, and VI of this solicitation and/or awards made under this solicitation, can be found at EPA Solicitation Clauses. These provisions are important for applying to this solicitation and applicants should review them when preparing applications for this solicitation. If you are unable to access these provisions electronically at the website above, please contact the EPA point of contact listed in Section VII of this solicitation to obtain the provisions.

II. FEDERAL AWARD INFORMATION

A. Amount of Funding Available

The total estimated funding expected to be available for awards under this competitive opportunity is approximately $9 million. A total of approximately $8 million will be made available to Tribal governments (or intertribal consortia) or Alaska Native Villages, and approximately $1 million will be made available to eligible territory government entities. Funding is dependent upon Agency appropriations, funding availability, Agency priorities, and other applicable considerations.

B. Number and Amount of Awards

The EPA anticipates awarding a total of approximately twelve (12) to eighteen (18) grants or cooperative agreements to Tribal governments (or intertribal consortia) or Alaska Native Villages and three (3) to five (5) grants or cooperative agreements to territory government entities under this announcement, subject to the availability of funds, the quantity and quality of applications received, Agency priorities, and other applicable considerations. If the EPA selects multiple applications from an applicant, the EPA may combine the selected applications into one grant award for the successful applicant (See Section VI.B. "Combining of Successful Applications into One Award").

The amount of federal funding requested per application by the Tribal governments (or intertribal consortia) or Alaska Native Villages must not exceed **$800,000**, and the amount requested per application by the territory government entities must not exceed **$400,000**. **Individual applications requesting EPA funding for more than the amounts specified will not be considered.**

Applicants can submit a total of two (2) applications overall under this solicitation. However, each application must be for a different project and must be submitted separately. A single application may target multiple fleets, fleet types, and/or diesel emission reduction solutions.

C. Partial Funding

In appropriate circumstances, the EPA reserves the right to partially fund applications by funding discrete portions or phases of proposed projects. If the 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, or portion thereof, was evaluated and selected for award, thereby maintaining the integrity of the competition and selection process.

D. Additional Awards

The EPA reserves the right to make additional awards under this solicitation, consistent with Agency policy and guidance, if additional funding becomes available after the original selections are made. Any additional selections for awards will be made no later than six months after the original selection decisions. In addition, the EPA reserves the right to reject all applications and make no awards under this announcement or to make fewer awards than anticipated.

E. Award Funding and Incremental/Full Funding

Awards may be fully or incrementally funded, as appropriate, based on funding availability, satisfactory performance, and other applicable considerations. If an applicant is selected for incremental funding, the EPA and the applicant will negotiate a final workplan, timeline, and budget which has clearly delineated activities or phases with separate budget estimates for each activity/phase of a project within the project period. A portion of the total requested funding will be awarded at the beginning of the project period for the specified activities/phases. Subject to the availability of funds, and other applicable considerations, additional funding may be awarded later as an incremental budget amendment to fund the remaining activities/phases of the project.

F. Period of Performance

The estimated project period for awards resulting from this solicitation is two years; however initial project periods of up to three years will be allowed where justified by the activities, timeline, and milestones detailed in the workplan. The estimated project start date for awards will begin by June 2025.

G. Funding Type

It is anticipated that grants and/or cooperative agreements will be funded under this solicitation.

Successful applicant(s) will be issued a grant or cooperative agreement as appropriate. A cooperative agreement is an assistance agreement that is used when there is substantial federal involvement with the recipient during the performance of an activity or project. The EPA awards cooperative agreements for those projects in which it expects to have substantial interaction with the recipient throughout the recipient's performance of the project. The EPA will negotiate the precise terms and conditions of "substantial involvement" as part of the award process. The anticipated substantial federal involvement for cooperative agreements

under this NOFO may include close monitoring of the recipient's performance; collaboration during the performance of the scope of work; in accordance with 2 CFR §200.317 and 2 CFR §200.318, as appropriate, review of proposed procurements, reviewing qualifications of key personnel, and/or review and comment on the content of printed or electronic publications prepared. The EPA does not have the authority to select employees or contractors employed by the recipient. The final decision on the content of reports rests with the recipient.

III. ELIGIBILITY INFORMATION

Note: Additional provisions that apply to this section can be found at EPA Solicitation Clauses.

A. Eligible Entities

In accordance with Assistance Listing 66.039, and the EPA's Policy for Competition of Assistance Agreements (EPA Order § 5700.5A1), competition under this solicitation is available to Tribal governments (or intertribal consortia), Alaska Native Villages, or territory government agencies which have jurisdiction over transportation or air quality.

Tribal governments are defined as Federally recognized Indian Tribal governments, which are any Indian Tribe, band, nation, or other organized group or community (including Alaska Native Villages) certified by the Secretary of the Interior as eligible for the special programs and services provided through the Bureau of Indian Affairs as well as any organization or intertribal consortium that represents Federally recognized Tribes.

For the purposes of this NOFO, "intertribal consortium" is defined as a partnership between two or more eligible Tribal governments as defined above, that is authorized by the governing bodies of those Tribes to apply for and receive assistance under this program. Intertribal consortia are eligible to receive assistance under this program only if the consortium demonstrates that all members of the consortium meet the eligibility requirements for the program and authorize the consortium to apply for and receive assistance by submitting to the EPA documentation of (1) the existence of the partnership between Indian Tribal governments, and (2) authorization of the consortium by all its members to apply for and receive the assistance.

For the purposes of this NOFO and as defined in 48 U.S.C. §1469a, eligible territories include the U.S. Virgin Islands, Guam, American Samoa, and Commonwealth of the Northern Mariana Islands.

B. Voluntary Cost Sharing/Matching Funds

No cost sharing/matching funds or leveraged resources are required as a condition of eligibility under this competition.

Although cost sharing is not required as a condition of eligibility under this competition, applicants may propose to provide voluntary cost share as described below. Applicants will not

be evaluated specifically on whether a voluntary cost share is provided; however, providing a voluntary cost share may improve the environmental outputs and outcomes defined in Section I.C.2 and Section I.C.3 of this NOFO. Applications will be evaluated on the environmental outputs and outcomes of the project under Section V.A., Criterion 7.

1. **Voluntary Cost Sharing**
   Voluntary cost sharing is when an applicant voluntarily proposes to legally commit to provide costs or contributions to support the project when a cost share is not required. Applicants who propose to use a voluntary cost share *must* include the costs or contributions for the voluntary cost share in the project budget on the SF-424 and SF-424A. Voluntary cost share will not be evaluated under the selection criteria in Section V.A. If an applicant proposes a voluntary cost share, the following apply:
   - A voluntary cost share is subject to the applicable provisions of 2 CFR §200.306, *Cost sharing or matching*.
   - A voluntary cost share may only be met with eligible and allowable costs.
   - The recipient may not use other sources of federal funds to meet a voluntary cost share 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 or cooperative agreement.

   The recipient is legally obligated to meet any proposed voluntary cost share that is included in the approved project budget. If the proposed voluntary cost share does not materialize during the performance period of the grant or cooperative agreement, the EPA may reconsider the legitimacy of the award and/or take other appropriate action as authorized by 2 CFR Part 200.

2. **Leveraged Resources**
   Leveraged resources or "leveraging" is when an applicant proposes to provide additional resources to support or complement the proposed project which are above and beyond the EPA grant funds, they are requesting. These resources do not need to be eligible or allowable costs under the program. Additionally, these resources should only be described in the applicant's project narrative and should not be included in the project budget on the SF-424 or SF-424A. If applicants propose to leverage funds, the EPA expects them to secure the leveraged resources described in their applications. If the proposed leveraging does not materialize during the performance period of the grant or cooperative agreement, the EPA may reconsider the legitimacy of the award and/or take other appropriate action authorized under 2 CFR Part 200.

3. **Volkswagen Environmental Mitigation Trust**
   Please note: The Volkswagen Environmental Mitigation Trust for Indian Tribe Beneficiaries, under Environmental Mitigation Action Number 10 (the DERA Option), allows Tribal entities to use trust funds as non-federal voluntary matching funds under the EPA's DERA Tribal Grants program. For additional information on the Volkswagen settlement and the DERA Option, please visit the Volkswagen (VW) Settlement: DERA Option webpage on the EPA

website. DERA funds may not be used to meet mandatory cost sharing requirements for projects funded with environmental mitigation funds resulting from federal settlements (e.g., Volkswagen Environmental Mitigation Trust).

C. Threshold Criteria

All applications will be reviewed for eligibility and must meet the eligibility requirements described in Section III A., B., and C. to be considered eligible. Only applications from eligible applicants will be evaluated against the ranking criteria in Section V.A. of this NOFO. If necessary, the EPA may contact applicants to clarify threshold eligibility questions prior to making an eligibility determination. Applicants deemed ineligible for funding consideration due to the threshold eligibility review will be notified within 15 calendar days of the ineligibility determination.

1. **Application Content and Submission:** Applications must substantially comply with the application submission instructions and requirements set forth in Section IV or else they will be rejected. However, where a page limit is expressed in Section IV.B. with respect to the application, or parts thereof, pages in excess of the 14-page limitation will not be reviewed. Applicants are advised that readability is of paramount importance and should take precedence in application format, including selecting a legible font type and size for use in the application.

   All applications must be submitted through Grants.gov as stated in Section IV.A. of this announcement (except in the limited circumstances where another mode of submission is specifically allowed for as explained in Section IV) on or before the application submission deadline published in Section IV.B. of this solicitation. Applicants are responsible for following the submission instructions in Section IV.A. of this solicitation to ensure that their application is timely and properly submitted. Please note that applicants experiencing technical issues with submitting through Grants.gov should follow the instructions provided in Section IV.B., which include both the requirement to contact Grants.gov and to email a full application to the EPA point of contact prior to the deadline.

   The EPA will only consider accepting applications from applicants that are able to demonstrate that they are 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. **NOTE: Registering in SAM.gov or grants.gov can take a month or more. Applicants are advised to begin their registration process early so it does not interfere with drafting the application near the deadline**.

2. Applications must support Goal 1, "Tackle the Climate Crisis" Objective 1.1, "Reduce Emissions that Cause Climate Change," of the EPA's Strategic Plan described in Section I.C.

3. The amount of federal funding requested per application by the Tribal governments (or intertribal consortia) or Alaska Native Villages must not exceed **$800,000**, and the amount requested per application by the territory government entities must not exceed **$400,000.** Applications which request EPA assistance funds in excess of these amounts, as specified in Section II.B. of this NOFO, are not eligible and will not be reviewed.

4. **Multiple Application Submission Limit**: Applicants cannot submit more than two applications to the EPA under this solicitation. If an applicant submits surplus applications, the EPA will contact the applicant to determine which application(s) to withdraw. In the absence of direction from the applicant, the EPA will review the most recent applications and deem the other application(s) ineligible.

5. **Duplicate Application Restriction:** Applicants cannot include the same activities in multiple applications. If an applicant submits more than one application that requests funding for the same project/activities, the applicant will be contacted prior to the EPA review of any of the applications to determine which application(s) the applicant will withdraw from the competition. In the absence of direction from the applicant, the EPA will review the most recent applications and deem the other application(s) ineligible.

D. Eligible and Ineligible Activities

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. Activities must meet the following requirements to be eligible for funding:

1. **Project Eligibility Criteria:** Applications must include projects which meet the eligibility criteria defined in the tables below.

Table 3: Medium and Heavy-Duty Truck, Transit Bus, and School Bus Project Eligibility

Current Engine Model Year (EMY)	DOC +/- CCV	DPF	SCR	Verified Idle Reduction, Tires, or Aerodynamics	Vehicle or Engine Replacement: EMY 2017+	Vehicle or Engine Replacement: EMY 2021+ Zero Emission[3] or Low-NOx[4]	Clean Alternative Fuel Conversion
older - 2006	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2007 - 2009	No	No	Yes	Yes[2]	Yes	Yes	Yes
2010 - newer	No	No	No	Yes[2]	No	Yes	Yes

[2]Auxiliary power units and generators are not eligible on vehicles with EMY 2007 or newer.

[3]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.
[4]Please see the Low-NO_x Engine Factsheet found on the DERA Tribal and Territory Grants website for guidance on identifying engines certified to meet CARB's Optional Low NO_x Standards.

Table 4. Nonroad Engine Project Eligibility

Current Engine Tier	Vehicle/Equipment Replacement[8]						Verified Retrofit
	Compression Ignition				Spark Ignition	Zero Emission[6]	
	Tier 1	Tier 2	Tier 3-4i	Tier 4	Tier 2		
Unregulated	Yes[5]	Yes[5]	Yes[5]	Yes	Yes	Yes	Yes
Tier 1	No	Yes[5]	Yes[5]	Yes	Yes	Yes	Yes
Tier 2	No	No	Yes[5]	Yes	Yes	Yes	Yes
Tier 3	No	No	No	Yes	Yes	Yes	Yes
Tier 4	No	No	No	No	No	Yes	No
Current Engine Tier	**Engine Replacement[8]**						**Verified Engine Upgrade**
	Compression Ignition				**Spark Ignition**	**Zero Emission[7]**	
	Tier 1	**Tier 2**	**Tier 3-4i**	**Tier 4**	**Tier 2**		
Unregulated	Yes[5]	Yes[5]	Yes[5]	Yes	Yes	Yes	Yes
Tier 1	No	Yes[5]	Yes[5]	Yes	Yes	Yes	Yes
Tier 2	No	No	Yes[5]	Yes	Yes	Yes	Yes
Tier 3	No	No	No	Yes	Yes	Yes	Yes
Tier 4	No	No	No	No	No	Yes	No

[5]Tier 1, Tier 2, Tier 3 and Tier 4 vehicles, equipment, and engines may be used only if Tier 4 is demonstrated to not be available or feasible through a best achievable technology analysis as defined in Section III.D.2.a., below.
[6]Eligible fuel cell projects are limited to hydrogen fuel cell equipment replacements for eligible terminal tractors/yard hostlers, stationary generators, and forklifts.
[7]Fuel cell engine replacement is not eligible.
[8]Stationary generators in the Alaska Native Villages are eligible for replacement with certified marine engines.

Table 5: Marine Engine Project Eligibility

Current Engine			Engine & Vessel Replacement[12]						Certified Remanufacture System[11]	Verified Engine Upgrade
			Compression Ignition				Spark Ignition	Zero Emis-sion[10]		
Cate-gory	HP	Tier	Tier 1	Tier 2	Tier 3	Tier 4				
C1, C2	<803	0	Yes[9]	Yes[9]	Yes	No	Yes	Yes	Yes	Yes

C1, C2	<803	1	No	Yes[9]	Yes	No	Yes	Yes	Yes	Yes
C1, C2	<803	2	No	No	Yes	No	Yes	Yes	Yes	Yes
C1, C2	<803	3	No	No	No	No	No	Yes	Yes	Yes
C1, C2	≥804	0	Yes[9]	Yes[9]	Yes[9]	Yes	Yes	Yes	Yes	Yes
C1, C2	≥804	1	No	Yes[9]	Yes[9]	Yes	Yes	Yes	Yes	Yes
C1, C2	≥804	2	No	No	Yes[9]	Yes	Yes	Yes	Yes	Yes
C1, C2	≥804	3	No	No	No	Yes	Yes	Yes	Yes	Yes
C1, C2	≥804	4	No	No	No	No	No	No	No	No
C3	All	0	Yes[9]	Yes[9]	Yes	No	No	No	No	No
C3	All	1	No	Yes[9]	Yes	No	No	No	No	No
C3	All	2	No	No	Yes	No	No	No	No	No
C3	All	3	No	No	No	No	No	No	No	No

[9]Tier 1, Tier 2, and Tier 3 engines may be used for vessel and engine replacement only if Tier 4 is demonstrated to not be available or feasible through a best achievable technology analysis as defined in Section III.D.2.a., below.
[10]Fuel cell engine replacements and fuel cell vessel replacements are not eligible.
[11]Some marine engine projects may be subject to the Restriction for Mandated Measures.
[12]Stationary generators in the Native Villages are eligible for replacement with certified marine engines.

Table 6: Locomotive Engine Project Eligibility

Current Locomotive Tier	Locomotive & Engine Replacement					Verified Retrofit	Idle-Reduction[14] Technology	Certified Remanufacture System[16]
	Tier 0+ - 2	Tier 2+	Tier 3	Tier 4	Zero Emission[13]			
Unregulated - Tier 2	No	Yes[15]	Yes[15]	Yes	Yes	Yes	Yes	Yes
Tier 2+	No	No	Yes[15]	Yes	Yes	Yes	Yes	Yes
Tier 3	No	No	No	Yes	Yes	Yes	Yes	Yes
Tier 4	No	No	No	No	No	No	Yes	No

[13]Fuel cell engine replacement and fuel cell locomotive replacements are not eligible.
[14]Automatic engine start-stop technologies are only eligible to be installed on locomotives currently certified to Tier 0 or unregulated, subject to the Restriction for Mandated Measures.
[15]Tier 2+ and Tier 3 engines may be used for locomotive and engine replacement only if Tier 4 is demonstrated to not be available or feasible through a best achievable technology analysis as defined in Section III.D.2.a., below.
[16]Some locomotive engine projects may be subject to the Restriction for Mandated Measures.

Note: Tier 0+, Tier 1+, Tier 2+, Tier 3, and Tier 4 represent locomotives manufactured or remanufactured under the more stringent Tier standards promulgated under the 2008 (current) locomotive and marine rule. Tier 0, Tier 1, and Tier 2 represent locomotives originally manufactured or remanufactured under the less stringent Tier standards promulgated in 1997.

2. **Best Achievable Technology (BAT)**: All new nonroad and locomotive engines are now manufactured to meet the EPA Tier 4 standards. All new Category 1 and 2, 804

horsepower and above marine engines are now manufactured to meet the EPA Tier 4 standards. Applicants replacing these 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 lower tiered 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 the EPA for approval before Tier 1, Tier 2, Tier 3, or Tier 4i vehicles, equipment, or engines can be purchased, as defined below. **The following analysis is not required at the time of application submittal.**

a. Best Achievable Technology Analysis Requirements:

- **i.** Using good engineering judgment, the engine manufacturer or installer must determine that no internal combustion engine certified to Tier 4 is produced by any manufacturer with the appropriate physical or performance characteristics to replace the existing engine in the equipment.
- **ii.** If the engine manufacturer or installer determines that no internal combustion engine certified to Tier 4 is available with the appropriate performance characteristics, explain why certified Tier 4 engines produced by them and other manufacturers cannot be used as a replacement because they are not similar to the engine being replaced in terms of power or speed.
- **iii.** If there are available internal combustion engines with the appropriate performance characteristics but the engine manufacturer or installer determines that no engine certified to Tier 4 is available with the appropriate physical characteristics, explain why certified internal combustion engines produced by them and other manufacturers cannot be used as a replacement because their weight or dimensions are substantially different than those of the engine being replaced, or because they will not fit within the equipment's engine compartment.
- **iv.** In evaluating appropriate physical or performance characteristics, the engine manufacture or installer may account for compatibility with equipment components that would not otherwise be replaced when installing a new engine, including but not limited to transmissions or reduction gears, drive shafts, cooling systems, operator controls, or electrical systems. If the engine manufacturer or installer makes their determination on this basis, they should identify the equipment components that are incompatible with internal combustion engines certified to Tier 4 and explain how they are incompatible and why it would be unreasonable to replace them.
- **v.** Identify the proposed Tier 3 or Tier 4i engines to be used and discuss the physical and performance characteristics of the engines that will ensure compatibility

with the existing equipment. Quantify proposed emission reductions, PM cost effectiveness and NO_x cost effectiveness for the proposed options.

vi. If proposing the use of Tier 2 or Tier 1 engines, repeat steps i. - v. above, as necessary for each Tier down to the level being proposed.

vii. DERA project eligibility or approval does not supersede any regulatory requirements for equipment owners, operators, manufactures, installers, and others, including but not limited to 40 CFR §1068.240, §1042.615, and §1033.601.

viii. Costs for design and engineering analysis may be included in the project budget.

3. **Ownership, Usage, and Remaining Life Requirements**: To be eligible for funding, vehicles and equipment targeted for upgrades must meet certain ownership, usage, and remaining life requirements. Applicants should demonstrate in their application that all funded vehicles and equipment will meet the criteria defined in a. - e., below.

   If selected for funding, participating fleet owners must attest to each criterion in a) - e) below in a signed Eligibility Statement which includes each vehicle make, model, year, vehicle identification number, odometer/usage meter reading, engine make, model, year, horsepower, engine ID or serial number, and vehicle/equipment registration/licensing number and state. This documentation must be submitted as part of the grantee's programmatic reporting to the EPA to verify the eligible use of grant funds. The DERA Eligibility Statement (EPA Form Number 5900-687) may be found on the DERA Tribal and Territory Grants website. **The signed DERA Eligibility Statement is not required at the time of application submittal.**

   a. Operational: The existing vehicle, engine, or equipment must be fully operational. Operational equipment must be able to start, move, and have all necessary parts to be operational.

   b. Ownership: 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.

   c. Remaining Life: The existing vehicle, engine, or equipment must have at least two 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.

d. **Highway Usage:** 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.

   i. For Tribal government (or intertribal consortia) and Alaska Native Village applicants: To be eligible for funding, the existing vehicle should have accumulated at least 5,000 miles per year during the two years prior to upgrade.
   ii. For territory government agency applicants: To be eligible for funding, the existing vehicle should have accumulated at least 1,000 miles per year during the two years prior to upgrade.
   iii. **Exception**: 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 as defined below in "nonroad usage" may be used for application eligibility purposes. If selected for award, the EPA will review and approve eligibility on a case-by-case basis.

e. **Nonroad Usage:** The engine operating hours 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.

   i. Agricultural Pumps: To be eligible for funding, nonroad agricultural pumps must operate at least 250 hours/year during the two years prior to upgrade.
   ii. All Other Nonroad Engines: To be eligible for funding, nonroad engines should operate at least 300 hours/year during the two years prior to upgrade.
   iii. **Exception:** 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. If selected for award, the EPA will review and approve eligibility on a case-by-case basis.

f. **Locomotive and Marine Usage**: The engine operating hours 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. To be eligible for funding the existing locomotive and marine engines must operate at least 500 hours/year during the two years prior to upgrade.

4. **Vehicle and Equipment Costs**

   a. **Vehicles, Engines, and Equipment:** Eligible project costs include the purchase price of eligible vehicles, engines, and equipment as defined in Section III.D. Applicants should review the Build America, Buy America requirements in Section VI.D. of this NOFO.
      i. **Vehicle and Equipment Replacement Projects:**

a) Eligible costs include equipment and parts included in the certified engine configuration and/or expenses required to ensure the effective installation and functioning of the new technology such as design and engineering, labor, parts and materials, warranties, service and maintenance contracts, and broadband internet and/or satellite phone contracts required specifically for equipment operation, monitoring, and control.

- **Highway:** To be eligible for funding, replacement highway vehicles must be certified by the EPA and/or CARB to meet applicable emission standards.
- **Nonroad:** To be eligible for funding, replacement nonroad equipment, locomotives and marine vessels must be powered by engines certified to the EPA and/or CARB emission standards.
- However, zero emission nonroad equipment, marine vessels, and locomotives do not require EPA or CARB certification. The EPA's annual certification data for vehicles, engines, and equipment may be found at the EPA's Annual Certification Data for Vehicles, Engines, and Equipment website. The EPA's engine emission standards may be found at the EPA's All EPA Emission Standards website. Engines certified by CARB may be found by searching CARB's Executive Orders for Heavy-duty Engines and Vehicles, found on CARB's New Vehicle and Engine Certification website. Please see the Low NO_x Certified Engines Factsheet found on the DERA Tribal and Territory Grants website for guidance on identifying engines certified to meet CARB's Optional Low NO_x Standards.

b) 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.

- **Nonroad:** Horsepower increases of more than 40 percent require specific approval by the EPA prior to purchase, and the applicant may be required to pay the additional costs associated with the higher horsepower equipment.
- **Highway:** 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.

c) The replacement vehicle, engine, or equipment must continue to perform similar function and operation as the vehicle, engine, or equipment that is being replaced.

d) The replacement vehicle must resemble the replaced vehicle in form and function. 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.

ii. Battery Electric Powered Replacement Projects:

- **a)** Eligible costs include the purchase and installation of one charging unit per vehicle, including the unit and charging cable, mount and/or pedestal.
- **b)** Funding under this NOFO cannot be used for 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, or on-site power generation systems that power the equipment (e.g., solar and wind power generation equipment) and their installation. Please note that although DERA grant funds and matching funds cannot be used for stationary energy storage systems that power the equipment (e.g. batteries) and their installation, and DERA grant funds and matching funds cannot be used for on-site power generation systems that power the equipment (e.g., solar and wind power generation equipment) and their installation, applicants and their partners may add these components at their own expense outside the scope of the grant.

iii. Grid Electric Powered Replacement Projects:

- **a)** Eligible costs include the purchase and installation of certain equipment required for power delivery directly related to the new equipment. Eligible costs include design and engineering, electrical panels, upgrades to existing electrical panels or electrical service, transformers, wiring/conduit, and installation.
- **b)** Funding under this NOFO cannot be used for power distribution to the property line, electricity, operation and maintenance, stationary energy storage systems that power the equipment (e.g., batteries) and their installation, or on-site power generation systems that power the equipment (e.g., solar and wind power generation equipment) and their installation. Please note that although DERA grant funds and matching funds cannot be used for stationary energy storage systems that power the equipment (e.g. batteries) and their installation, and DERA grant funds and matching funds cannot be used for on-site power generation systems that power the equipment (e.g., solar and wind power generation equipment) and their installation, applicants and their partners may add these components at their own expense outside the scope of the grant.

iv. Engine Replacement Projects:

- **a)** To be eligible for funding, replacement highway, nonroad, marine and locomotive engines must be certified to the EPA and/or CARB emission standards. However, nonroad engine, locomotive engine, and marine

engine zero-emission engine replacements do not require EPA or CARB certification. Please reference the EPA's Annual Certification Data for Vehicles, Engines, and Equipment, the EPA's engine Emission Standards, and CARB's Executive Orders for Heavy-duty Engines and Vehicles. Please see DERA's Low-NO_x Engine Factsheet for guidance on identifying engines certified to meet CARB's Optional Low NO_x Standards.

b) 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.

c) 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.

d) Funding under this NOFO cannot be used to replace cabs, axles, paint, brakes, or mufflers.

e) To be eligible for funding the replacement engine must be of similar horsepower as the engine being replaced.

- **Nonroad**: Horsepower increases of more than 40 percent require specific approval by the EPA prior to purchase, and the applicant may be required to pay the additional costs associated with the higher horsepower equipment.
- **Highway:** 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.

v. Engine Remanufacture System Projects: To be eligible for funding, remanufacture systems for locomotives and marine engines must be certified by the EPA at the time of acquisition. The list of certified remanufacture systems are available at Annual Certification Data for 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.

a) Eligible costs include the associated labor costs for installation of the system.

b) 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.

vi. **Idle Reduction Projects:** Eligible costs for idle reduction technologies that are installed on the vehicle can include the associated labor costs for installation of the system.
    a) To be eligible for funding technologies must be on EPA's SmartWay Verified Technologies list at the time of acquisition.

vii. **Electrified Parking Space Projects:** 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.
    a) Funding under this NOFO cannot be used for power distribution to the property line, electricity, operation and maintenance, stationary energy storage systems that power the equipment (e.g., batteries) and their installation, or on-site power generation systems that power the equipment (e.g., solar and wind power generation equipment) and their installation.

vii. **Locomotive Shore Power Connection Projects:** 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.
    a) Funding under this NOFO cannot be used for power distribution to the property line, electricity, operation and maintenance, stationary energy storage systems that power the equipment (e.g., batteries) and their installation, or on-site power generation systems that power the equipment (e.g., solar and wind power generation equipment) and their installation.

ix. **Marine Shore Power Connection Projects:** Funding may support new installations, or expansions of existing shore power systems. To be eligible for funding, marine shore power projects must meet the following criteria:
    a) Applicants must attest to compliance with international shore power design standards (IEC/ISO/IEEE 80005-1:2019/ AMD 1:2022 High Voltage Shore Connection Systems or the I IEC/ISO/IEEE 80005-1:2019/AMD 1:2022 Low Voltage Shore Connection Systems).
    b) Shore power connection systems must be supplied with electricity from the local utility grid.
    c) Demonstration that the proposed system has the capacity, demand, and commitment to be used for more than 1,000 megawatt-hours per year. Smaller projects will be considered if the applicant can demonstrate cost effectiveness.

d) Due to the unique nature and custom design of marine shore power connection systems, the EPA must review and approve marine shore power connection systems on a case-by-case basis. If the project application is selected for funding, the final design of the marine shore power connection system requires specific EPA approval prior to purchase and installation.

e) Applicants must commit to reporting usage information to the EPA for five years after the system is operational.

f) Shore power capable vessels docked at a berth where shore power is available must be required to turn off the vessel's engines and use the shore power system, with limited exceptions for extreme circumstances.

g) Eligible costs include the purchase and installation of the shore side equipment and certain equipment required for power delivery directly related to the new equipment such as design and engineering, cables, cable management systems, shore power coupler systems, distribution control systems, grounding switches, service breakers, capacitor banks, electrical panels, upgrades to existing electrical panels or electrical service, transformers, wiring/conduit, and installation.

h) Funding under this NOFO cannot be used for shipside modifications to accept shore-based electrical power, power distribution to the property line, electricity, operation and maintenance, stationary energy storage systems that power the equipment (e.g., batteries) and their installation, or on-site power generation systems that power the equipment (e.g., solar and wind power generation equipment) and their installation.

x. Retrofit Projects: Eligible costs include the associated labor costs for installation of the system, design, and engineering, DPF cleaning machines, extra DPFs for maintenance rotation, replacement CCV filters, and filter cleaning contracts during grant open period.

a) To be eligible for funding, verified retrofit technologies must be on the EPA's or CARB's 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.

b) The 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, 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.

xi. Alternative Fuel Vehicle Conversion Projects: Eligible costs include the associated labor costs for installation of the system.

a) To be eligible for funding, alternative fuel conversion systems must be certified by the EPA and/or CARB or must be approved by the EPA for

Intermediate-Age engines. See the EPA's lists of "Certified Conversion Systems for New Vehicles and Engines" and "Conversion Systems for Intermediate-Age Vehicles and Engines" and CARB's list of "Approved Alternate Fuel Retrofit Systems."

b) To be eligible for funding, conversion systems for engine model years 2006 and earlier must achieve at least a 30% NO_x reduction and a 10% PM reduction from the applicable certified emission standards of the original engine.

c) To be eligible for funding, conversion systems for engine model years 2007 and newer must achieve at least a 20% NO_x reduction with no increase in PM from the applicable certified emission standards of the original engine.

d) Applications for clean alternative fuel conversions should include a discussion of the availability of conversion systems and indicate the pre- and post-project emission standard levels of the engines to demonstrate that the conversions result in the required emissions benefit.

xii. Aerodynamics and Low Rolling Resistance Tire Projects: Eligible costs include the associated labor costs for installation. Eligible costs can include single-wide wheels only when a fleet is retrofitting from standard dual tires to SmartWay-verified single-wide low rolling resistance tires.

a) Funding under this NOFO cannot be used to replace steel wheels with aluminum wheels of the same configuration (singles or duals).

b) To be eligible for funding, technologies must be on the EPA's verified aerodynamic technologies list and verified list for low rolling resistance new and retread tire technologies list at the time of acquisition, must be used only for the application specified on the lists, and must meet any applicable verification criteria.

c) The EPA will not fund stand-alone aerodynamic technologies or low rolling resistance tires. To be eligible for funding, these technologies must be combined on the same vehicle with the new installation of an exhaust after-treatment retrofit funded under this NOFO.

xiii. Stationary Energy Storage and Power Generation Projects: Funding under this NOFO, including matching funds, cannot be used for stationary energy storage systems that power the equipment (e.g., batteries) and their installation or on-site power generation systems that power the equipment (e.g., solar and wind power generation equipment) and their installation. Applicants and their partners may add these components at their own expense outside the scope of the grant.

xiv. Replacement Technologies: Funding under this NOFO cannot be used for the purchase of engine retrofits, idle reduction technologies, low rolling resistance

tires or advanced aerodynamic technologies if similar technologies have previously been installed on the truck or trailer.

b. Scrappage: The vehicle, equipment, and/or engine being replaced must be scrapped or rendered permanently disabled within ninety (90) days of being replaced.

i. Cutting a three-inch-by-three-inch hole in the engine block (the part of the engine containing the cylinders) is the preferred scrapping method. Other acceptable scrappage methods may be considered and require prior EPA approval.

ii. Disabling the chassis may be completed by cutting through the frame/frame rails on each side at a point located between the front and rear axles. Other acceptable scrappage methods may be considered and require prior written approval from the EPA project officer.

iii. Equipment and vehicle components that are not part of the engine or chassis may be salvaged from the unit being replaced (e.g., plow blades, shovels, seats, tires, etc.). If disabled engines, disabled vehicles, disabled equipment, or parts are to be sold, program income requirements apply.

iv. Alternative Scrappage Options:

a) If a 2010 engine model year (EMY) or newer highway vehicle is replaced, the 2010 EMY or newer vehicle may be retained or sold if the 2010 EMY or newer vehicle will replace a pre-2009 EMY vehicle, and the pre-2009 EMY vehicle will be scrapped. It is preferred that the scrapped unit currently operates within the same project location(s) as the 2010 EMY or newer vehicle currently operates, however alternative scenarios will be considered. All existing and replacement vehicles are subject to the funding restrictions in this section of the NOFO. All equipment must operate within the United States. Under this scenario, a detailed scrappage plan must be submitted and requires prior EPA approval.

b) 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 they will replace a similar, lower Tiered unit, and the lower Tiered unit will be scrapped. It is preferred that the scrapped unit currently operates within the same project location(s) as the original Tier 2, 3, or 4 unit currently operates, however alternative scenarios will be considered. All existing and replacement equipment are subject to the funding restrictions in this section of the NOFO. All equipment must operate within the United States. Under this scenario, a detailed scrappage plan must be submitted and requires prior EPA approval.

c) Other acceptable scrappage methods may be considered by the EPA and require prior written approval from the EPA project officer.

v. For tire replacement projects, the original tires must be scrapped according to local or state requirements.

vi. Evidence of appropriate disposal is required in a final assistance agreement report submitted to the EPA. Participating fleet owners must attest to the

appropriate disposal in a signed Scrappage Statement. The DERA Scrappage Statement (EPA Form Number 5900-688) may be found on the DERA Tribal and Territory Grants website. The DERA Scrappage Statement must include:

a) Vehicle owner's name and address;
b) Vehicle make, vehicle model, vehicle model year, vehicle identification number (VIN), odometer reading or usage meter reading, engine make, engine model, engine model year, engine horsepower, engine ID or serial number, as applicable;
c) Name, address, and signature of dismantler;
d) Date engine and/or vehicle/equipment was scrapped;
e) Statement attesting to scrappage of vehicle/engine as defined above;
f) Signature of participating fleet owner.
g) Digital photos, as follows: side profile of the vehicle, prior to disabling; VIN tag or equipment serial number; engine label (showing serial number, engine family number, and engine model year); engine block, prior to hole; engine block, after hole; cut frame rails or other cut structural components, as applicable; and others, as needed.

c. Project Implementation Costs: Eligible project costs include 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.

d. Mechanic and Driver Training: Eligible project costs can include mechanic/driver training related to the maintenance and operation of new technologies.

e. Truck DPF Maintenance: Eligible costs for truck replacement projects include the required/scheduled vehicle maintenance, as specified in the owner's manual, which is necessary to meet the warranty requirements for diesel particulate filters installed on trucks. Funding for required maintenance is available for the duration of the project period.

f. Federal Matching Funds: Funding under this NOFO cannot be included as a cost or used to meet cost sharing or matching requirements of any other federally financed grant, as required under 2 CFR §200.306(b)(5) and 2 CFR §200.403(f). This includes funds received under the EPA's DERA State and National Grants and federal Supplemental Environmental Project funds. Please note: The Volkswagen Environmental Mitigation Trust for Indian Tribe Beneficiaries, under Environmental Mitigation Action Number 10 (the DERA Option), allows Tribal entities to use trust funds as non-federal voluntary matching funds under the EPA's DERA Tribal Grants program. For additional information on the Volkswagen settlement and the DERA Option, please visit EPA's Volkswagen (VW) Settlement: DERA Option webpage. DERA funds may not be used to meet mandatory cost sharing requirements for

projects funded with environmental mitigation funds resulting from federal settlements (e.g., Volkswagen Environmental Mitigation Trust).

g. **Expenses Incurred Prior to the Project Period**: Funding under this 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.

h. **Emissions Testing**: Funding under this NOFO cannot be used for emissions testing and/or air monitoring activities (including the acquisition cost of emissions testing equipment), research and development, or technology demonstration, commercialization, certification, or verification.

i. **Fueling Infrastructure**: Funding under this NOFO cannot be used for fueling infrastructure, such as that used for the production and/or distribution of biodiesel, compressed natural gas, liquefied natural gas, and or other fuels.

j. **Mandated Measures**: Funding under this NOFO cannot be used to fund the costs of emissions reductions that are mandated under federal law pursuant to 42 U.S.C. 16132(d)(2).

k. **Leasing**: All vehicles, engines, and equipment purchased with funds under this NOFO must be purchased, in full, before the end of the project period. Extensions will not be granted for the purpose of extending payments on purchases. Purchases may be financed with a conventional purchase loan.

IV. APPLICATION AND SUBMISSION INFORMATION

Note: Additional provisions that apply to this section can be found at EPA Solicitation Clauses.

A. How to Register to Apply for Grants under this Competition

Note: The registration process can take a month or more. We advise you to start the process as soon as possible so that it does not overlap or interfere with finalizing your application.

Applicants should visit How to Register to Apply for Grants for additional information. All EPA grant applications must be submitted online, except in limited circumstances. Organizations must be registered in two government systems to apply for EPA grants:

1. The System for Award Management (SAM.gov) registers organizations to conduct business with the U.S. Government, which includes federal grants; and
2. Grants.gov is the official system for managing all federal grant applications.

These two systems share information. Together, they provide access to everything needed to identify federal grant opportunities and to complete the online application process. Note that individuals access both systems through a single user account set up in Login.gov. Creating a Login.gov account is easy. If you do not have a Login.gov account, you will be prompted to create one when you register with SAM.gov or Grants.gov. Learn more about Login.gov.

If you have done business with the federal government previously, you can and should check your entity status using your government issued UEI to determine if your registration is active. SAM.gov requires you renew your registration every 365 days to keep it active. Organizations should ensure that their SAM.gov registration includes a current e-Business (EBiz) point of contact name and email address. The Ebiz point of contact is critical for Grants.gov Registration and system functionality. If the point of contact has changed, you may need to contact the Federal Service Desk for help with your SAM.gov account: (866) 606-8220. The Federal Service desk hours of operation are Monday – Friday 8am – 8pm ET.

Please note that SAM.gov registration is different than obtaining a UEI only. Obtaining an UEI only validates your organization's legal business name and address. Please review the Frequently Asked Questions document for additional details.

Follow these steps to register to apply for EPA grants. **Start the registration process early**. The process can take a month or more. Errors or inconsistencies in registration in the two systems can prolong the process. Applicants are encouraged to start the registration process **before you begin your application**.

Step 1. Register Your Organization in SAM.gov

Organizations must register with SAM.gov to obtain a Unique Entity Identifier (UEI), which is a 12-character alphanumeric identifier assigned to each unique organization. There is no fee for registering with SAM.gov and registration must be renewed annually. Registration in SAM.gov requires providing assertions, representations and certifications, and other information so that the federal government can verify the existence and uniqueness of the organization. Follow these steps to get started:

1. Go to the SAM.gov Entity Registration page. Review the "Before You Get Started" section and download the Entity Registration Checklist to help prepare.
2. Click the "Get Started" button when you are ready. You may be prompted to accept the usage terms and sign in through Login.gov. If necessary, click the "Get Started" button again after you sign in.
3. You will be prompted to choose what you want to do. Most grant applicants will select the option to "Register for Financial Assistance Awards Only."
4. Select the appropriate option and click the Next button.
5. Proceed through the registration process by answering the questions and providing the necessary information.

Organizations will need to designate an E-Business Point of Contact (Ebiz POC). The Ebiz POC is likely to be your organization's chief financial officer or authorizing official. There can be only one Ebiz POC for each unique organization. The Ebiz POC will:

1. Manage the SAM.gov account and login.
2. Set up the Grants.gov profile for the organization (see Step 2 below).
3. Oversee all activities for the organization within Grants.gov.
4. Assign all roles in Grants.gov for individuals from the organization who will be involved in applying for grants, including the Authorized Organization Representative (AOR), Expanded AOR roles, Workspace Manager, and Custom roles (see Step 3 below).

Note that the Ebiz POC does not submit grant proposals for the organization. Proposals are submitted by the Authorized Organization Representative in Grants.gov. After the information submitted through the registration process is authenticated, the Ebiz POC will receive an email from SAM.gov indicating that the registration is active.

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 – Friday 8am – 8pm ET.

Once your SAM.gov account is active, you must register in Grants.gov. Grants.gov will electronically receive your organization information, such as Ebiz POC email address and UEI.

Step 2. Create a User Account and Applicant Profile in Grants.gov

After obtaining a UEI, an organization must create an applicant profile in Grants.gov.

The Ebiz POC will set up the applicant profile in 2 steps:

1. Create a user account in Grants.gov with the same email address used by the Ebiz POC in SAM.gov. The email address is used to match the Ebiz POC from SAM.gov to Grants.gov.
2. Create the applicant profile in Grants.gov using the UEI obtained from SAM.gov.

Grants.gov registration is FREE. If you have never applied for a federal grant before, please review the Grants.gov Applicant Registration instructions. As part of the Grants.gov registration process, the Ebiz point of contact is the only person that can affiliate and assign applicant roles to members of an organization. In addition, at least one person must be assigned as an Authorized Organization Representative (AOR). Only person(s) with the AOR role can submit applications in Grants.gov. Please review the Intro to Grants.gov-Understanding User Roles and Learning Workspace – User Roles and Workspace Actions for details on this important process. Applicants need to ensure that the AOR who submits the application through Grants.gov and whose UEI is listed on the application is an AOR for the applicant listed on the application. Additionally, the UEI listed on the application must be registered to the applicant organization's SAM.gov account. If not, the application may be deemed ineligible.

Contact Grants.gov for assistance at 1-800-518-4726 or support@grants.gov to resolve technical issues with Grants.gov. Applicants who are outside the U.S. at the time of submittal and are not able to access the toll-free number may reach a Grants.gov representative by calling 606-545-5035. The Grants.gov Support Center is available 24 hours a day 7 days a week, excluding federal holidays.

Step 3. Create Individual Grants.gov Accounts for Organization Members

There is no fee for registering with Grants.gov. Each member of the organization who will participate in the online grant application process needs to register an individual account on Grants.gov.

1. Go to the Grants.gov registration page.
2. Complete the form, which includes specifying a username and password. This username and password are used to create the Grants.gov account. You will be prompted to link the Grant.gov account to your Login.gov account.
3. Associate your individual account with the organization's UEI. You will also enter the organization's Profile Name and your Job Title.

The organization's Ebiz POC can delegate administrative roles to other Grants.gov users associated with the UEI, as necessary. Learn more about managing roles in Grants.gov.

Step 4. Learn How to Use Workspace in Grants.gov

Workspace is the application in Grants.gov that an organization's grant team uses when applying for federal grants. Workspace is a role-based tool, in which the user's assigned role controls permissions to perform specific actions, such as accessing and editing application forms. As noted in Step 3 above, the Ebiz POC has the initial responsibility to assign roles to individuals.

The core roles include:

- Expanded AOR: has the most privileges.
- Standard AOR: allows user to submit the final application and perform other actions.
- Workspace Manager: the minimum role required to create a workspace and begin work on an application.

Custom roles can also be created. Becoming familiar with Grants.gov Workspace roles and understanding the process will help applicants be better prepared to submit applications. The videos on this page are just two of many Grants.gov training resources to help applicants get started.

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 in Exceptions to the Grants.gov Submission Requirement website. Please note that your request must be received at least 15 calendar days before the application due date to allow enough time to negotiate alternative submission methods.

B. Application Process

To begin the application process under this grant announcement, go to Grants.gov and click the "Search Grants" tab. Search the opportunity number associated with this opportunity – EPA-OAR-OTAQ-24-02. Once the opportunity has been selected, click the red "Apply" button at the top of the view grant opportunity page.

The electronic submission of your application to this funding opportunity must be made by an official representative of your organization who has been registered as an Authorized Organization Representative (AOR) and is authorized by your organization to sign applications for federal financial assistance. If the submit button is grayed out, it may be because you do not have the appropriate role to submit in your organization. Contact your organization's Ebiz point of contact or contact Grants.gov for assistance at 1-800-518-4726 or support@grants.gov

Applicants need to ensure that the AOR who submits the application through Grants.gov and whose UEI is listed on the application is an AOR for the applicant listed on the application, specifically on the SF-424. Additionally, the UEI listed on the application must be registered to the applicant organization's SAM.gov account. If not, the application may be deemed ineligible.

Applications submitted through Grants.gov will be time and date stamped electronically. Please note that successful submission of your application through Grants.gov does not necessarily mean your application is eligible for award. Any application submitted after the application's time and date deadline will be deemed ineligible and not be considered.

Technical Issues with Submission

If applicants experience technical issues during the submission of an application that they are unable to resolve, follow these procedures **before** the application deadline date:

a. Contact Grants.gov Support Center **before** the application deadline date.
b. Document the Grants.gov ticket/case number.
c. Send an email with "**EPA-OAR-OTAQ-24-02**" in the subject line to dera@epa.gov **before** the application deadline time and date. Without the information listed below, the EPA may not be able to consider applications submitted outside of Grants.gov. Any application submitted after the application deadline time and date deadline will be deemed ineligible and will not be considered. The email **must** include the following:
    i. Grants.gov ticket/case number(s)
    ii. Description of the issue
    iii. The entire application package in PDF format.

Please note that successful submission through Grants.gov or email does not necessarily mean your application is eligible for award.

The EPA will make decisions concerning acceptance of each application submitted outside of Grants.gov on a case-by-case basis. The 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.

Application Materials

The following forms and documents are required under this announcement. Please refer to the application submission checklist in **Appendix B** to ensure that all required information is included in your application package.

Mandatory Documents:

- Standard Form 424, *Application for Federal Assistance*. Please note that the organizational Unique Entity Identifier (UEI) must be included on the SF-424. Applicants are advised to begin the SAM.gov registration process early so they have an active UEI prior to beginning this step. Otherwise, progress can be delayed on other parts of the application. See Section IV.A. for information on SAM.gov registration.
- Standard Form 424A, *Budget Information for Non-Construction Programs*
- EPA Form 4700-4, *Pre-Award Compliance Review Report*
- EPA Form 5700-54, *Key Contacts Form*
- Project Narrative Attachment Form, *Project Narrative* – Prepared as described in Section IV.C. below.
    - Applicants must use the Project Narrative Attachment form in Grants.gov to attach and submit the project narrative document. 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.
- Use the *"Other Attachments"* Form for the following mandatory documents:
    - **Applicant Fleet Description** (Required, does NOT count towards the 14-page limit): Applicants must complete and submit the DERA Supplemental Application Template (EPA Form Number 5900-681) containing the applicant fleet description data using the Other Attachment form in Grants.gov. The purpose of the applicant fleet description is to describe in detail the specific vehicles and engines targeted for emissions reductions as well as the diesel emissions reduction solution(s) to be implemented under the proposed project. Information provided in the applicant fleet description will be used to help determine project eligibility and for evaluation purposes as described below. **Applicants are required to use the DERA**

Supplemental Application Template that includes data on the applicant fleet description found on the DERA Tribal and Territory Grants website.

Applicants should describe, to the extent possible, the fleet(s) targeted for the proposed project, including: fleet owner; publicly or privately owned; place of performance; sector; target fleet type; on highway weight class; on highway description; quantity; vehicle identification number(s); vehicle make; vehicle model; vehicle model year; engine serial number(s); engine make; engine model; engine model year; engine tier; engine horsepower; cylinder displacement; number of cylinders; engine family name; engine fuel type; annual amount of fuel used; annual usage hours; annual miles traveled; annual idling hours; annual hoteling hours; and remaining life. Applicants should describe, to the extent possible, the diesel emissions reduction solution(s) applied to each targeted vehicle/engine, including: year of upgrade action; upgrade; upgrade cost per unit; upgrade labor cost per unit; new engine model year; new engine tier; new engine horsepower; new engine duty cycle; new engine cylinder displacement; new engine number of cylinders; new engine family name; annual idling hours reduced; annual hoteling hours reduced; and annual diesel gallons reduced. This information should be presented in a table format.

Applicants will be scored under Section V.A., Criterion 10, Applicant Fleet Description, on the degree to which detailed information is provided within the applicant fleet description. The information provided within the applicant fleet description should be used to estimate the anticipated emissions reductions from the project and should be consistent with the information presented in the project narrative (see Appendix C for additional information on calculating emissions reductions).

- **Emissions Reduction Calculations** (Required, not part of 14-page limit): Applicants should use the Other Attachment Form in Grants.gov to attach and submit their emission reduction calculation files. Applicants should follow the instructions in Appendix C of this announcement for calculating emissions reductions. Applicants should include a printout 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 should thoroughly describe and document their emissions reduction calculation methods in an attachment to the project narrative.

- **Cost Share Commitment Letters** (Required if applicable, not part of 14-page limit): Applicants should use the Other Attachment Form in Grants.gov to attach and submit their cost share commitment letter files. If applicable, project partners who are providing in-kind or monetary assistance should demonstrate their specific commitment to meet the proposed cost share. Letters should be addressed to the

applicant organization and included as attachments to the application. Please do not ask partners to submit letters directly to the EPA.

- **Partnership Letters** (Required if applicable, not part of 14-page limit): If the proposed cost share is to be provided by a named project partner, a letter of commitment is required. If applicable, additional 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. Letters should be addressed to the applicant organization and included as attachments to the application. Letters submitted by partners directly to the EPA will not be accepted.

- **Mandated Measures Justification Supporting Information** (Required if applicable, not part of 14-page limit): If applicable, applicants must use the Other Attachment form in Grants.gov to upload calculations. If applicable, the application must include a clear and concise justification in "Section 1- Project Summary and Approach" of the Project Narrative for why/how the emissions reductions proposed for funding are not subject to the Restriction for Mandated Measures under this NOFO. Applicants must provide sufficient detail and information to support the justification, including maintenance schedules and history, if applicable. Please see Section III.D.4.j. and Appendix D for more information about the Restriction for Mandated Measures.

Optional Documents

- Use the "*Other Attachments*" form identified under the Mandatory Documents tab to submit the following optional attachments:
  - **Biographical Sketch/Resumes** (Optional, not part of 14-page limit): Applicants may provide resumes or curriculum vitae for any key personnel.
  - **Negotiated Indirect Cost Rate Agreement** (Optional, not part of 14-page limit)**:** note that this will be required if application is selected for funding.

When saving application files, please ensure that the following characters are ***not*** included in the file names: ~ " # % & * : < > ? / \ { | }. Including these characters can cause problems with application files. Please try to name files in a way that concisely indicates their contents.

Applications submitted through Grants.gov will be time and date stamped electronically. If you wish to confirm receipt of your application from the EPA (not from Grants.gov), please contact the Agency contact in Section VII within 30 days of the close of this solicitation.

Your organization's authorized official representative (AOR) must submit your complete application electronically to the EPA through Grants.gov no later than **Friday, December 6th, 2024, at 11:59 PM ET**.

Information Sessions

The EPA will host multiple information sessions regarding this NOFO via teleconference/ webinar, based on the schedule below. The EPA will attempt to answer any appropriate questions in these public forums. Pre-registration is not required. Webinar links and dial-in information for the information sessions can be found on the program website.

Engine Regulations

DERA project eligibility or approval does not waive any applicable regulatory requirements for equipment owners, operators, manufactures, installers, and others.

C. Project Narrative Instructions, Format, and Content

Instructions: The project narrative should substantially comply with the instructions and content described below. It should also address the evaluation criteria in Section V.A. of the NOFO. 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 description, partnership letters, and emissions calculations can be submitted as attachments and are not included in the 14-page limit. Eligible supporting materials should be submitted using the *Other Attachments Form*, as described in Section IV.B. above.

Applicants should ensure that their project narratives are written clearly using understandable terms. Doing so will help ensure that the evaluation team members understand the purpose, outputs, and outcomes of the proposed project.

Applicants are not required, but are highly encouraged, to use the format below for the cover page and project narrative.

1. **Cover Page:** It is recommended that the cover page does not exceed one page. The cover page should include the following information:

Project Title	
Applicant Information	Applicant Name: Address (Street, City, State, Zip): Office Phone and Fax Numbers:

<table>
<tr><td></td><td>Contact Name, Email address and Website (if applicable):</td></tr>
<tr><td>Entity Eligibility</td><td>[Using the criteria outlined under Section III.A. of this NOFO, please indicate entity type below with an X to confirm eligibility.]
___Tribal government (or intertribal consortium) which has jurisdiction over transportation or air quality OR
___Alaska Native Village which has jurisdiction over transportation or air quality OR
___territory government agency which has jurisdiction over transportation or air quality</td></tr>
<tr><td>Budget Summary</td><td><table>
<tr><td>EPA Funding
[A]</td><td>Voluntary Cost Share
[B]</td><td>Total Project Cost
[A+B=C]</td></tr>
<tr><td>$</td><td><b>$</td><td>$</td></tr>
</table></td></tr>
<tr><td>Primary Project Location</td><td>[Briefly describe the area(s) where the affected vehicles or engines operate. Primary project location (County, State, City, and Zip Code) listed in Section 2 of the workplan should be included here.]</td></tr>
<tr><td>Short Project Description</td><td>[Briefly describe your project in one to three sentences only, especially noting the expected outputs and outcomes. Use the applicable sector(s) and target fleet type(s) shown below in you project description. Include the type and number of affected vehicles/equipment and the type of emission upgrade(s) proposed for funding. Example descriptions: School Bus: Retrofit 40 class 6 school buses with DPFs; Freight: Install DPFs and bunk heaters on 20 Class 8 long-haul trucks; Port: Replace engines in 2 ship-to-shore gantry cranes with electric power.]</td></tr>
<tr><td>Project Sector(s)</td><td>[Please use the list below to select one or more appropriate project sectors.]
Primary Sector:
Secondary Sector, as appropriate:
Other Sector, as appropriate:</td></tr>
<tr><td>Target Fleet(s)</td><td>[Please use the list below to select one or more target fleet sectors.]
Target Fleet:
Secondary Target Fleet, as appropriate:
Other Target Fleet, as appropriate:</td></tr>
</table>

Sectors	**Target Fleets**	**Target Fleets (continued)**
Agriculture	Aerial Lift	Off-Highway Tractor
Airport	Agricultural Mower	Off-Highway Truck
Construction	Agricultural Tractor	Other Agricultural Equipment
Freight (non-port goods movement)	Airport Support Equipment	Other Construction Equipment
Industrial (non-port material handling, other)	Backhoe Loader	Other General Industrial Equipment
Mining	Baler/Combine/Swather	Other Material Handling Equipment
Municipal (emergency, utility)	Bore/Drill Rig	Passenger Locomotive
Port	Cement & Mortar Mixer	Paving/Surfacing Equipment
Railyard	Concrete/Industrial Saw	Plate Compactor
School Bus	Container Handling Equipment	Railcar Mover
Stationary	Crane	Refuse Hauler
Transit (non-port)	Crawler Dozer/Loader	Rough Terrain Forklift
	Crushing/Proc. Equipment	Rubber Tire Dozer/Loader
	Dumpsters/Tender	School Bus
	Excavator	Short Haul – Combination
	Forklift	Short Haul – Single Unit
	Gantry Crane	Signal Board
	Line Haul Locomotive	Skid Steer Loader
	Line Haul Locomotive as Switch	Stationary Air Compressor

Sectors	Target Fleets	Target Fleets (continued)
	Logging Equip Fell/Bunch/Skidder	Stationary Gas Compressor
	Long Haul – Combination	Stationary Generator
	Long Haul – Single Unit	Stationary Irrigation Set
	Marine – Auxiliary	Stationary Pump
	Marine – Propulsion	Stationary Welder
	Mining Equipment	Sweeper/Scrubber
	Mobile Air Compressor	Switch Locomotive
	Mobile Gas Compressor	Tamper/Rammer
	Mobile Generator	Terminal Tractor
	Mobile Irrigation Set	Transit Bus
	Mobile Pump	Transport Refrigeration Unit
	Mobile Welder	Trencher

2. Workplan

Applicants must ensure that the workplan addresses the evaluation criteria in Section V.A. of this announcement. It is suggested to use the section numbers and headings and subsection numbers and headings below which correspond with the evaluation criteria in Section V.A. of the NOFO.

Section 1- Project Summary and Approach (20 total possible points from Section V.A. of the NOFO)

a. Overall Project (10 possible points)

Provide a project summary. This section should include details about how the activities will meet the goals and objectives of the program (Section I.B. of the NOFO) and demonstrate that all activities meet the program eligibility criteria (Section II and III Of the NOFO.) Applicants should include:

- A discussion of how the project meets the program goals and objectives.
- A summary of the vehicles, engines and/or equipment targeted for emissions reductions and their eligibility under Section III.D. of the NOFO, including but not limited to ownership, usage, and remaining life requirements.
- A discussion of how the applicant has considered the available/eligible technology options for the target fleet and has arrived at the chosen diesel emissions reduction solution(s).
- A summary of all verified and/or certified technologies to be funded by the applicant.
- Applications which include engine replacements and vehicle/equipment replacements should include the applicant's plans for engine/vehicle/equipment scrappage.
- Applicants proposing nonroad, locomotive, or marine replacements should commit to using Tier 4 vehicles, equipment, or engines if Tier 4 vehicles, equipment, or engines with the appropriate physical and performance characteristics are available, as described in Section III.D.3.f. Applicants anticipating the use of lower tiered vehicles, equipment, or engines should discuss their rationale for proposing lower tiered

replacements and will be required to submit a Best Achievable Technology analysis if selected for funding.
- Applications which include locomotives and/or marine engines and/or stationary engines should include a clear and concise justification for why/how the proposed emissions reductions are not subject to the Restriction for Mandated Measures under this NOFO, as described in Section III.D.4.j. and Appendix D.

Applications should only include information in criteria 1.a. that will not be detailed by another section of the workplan.

b. Project Approach (10 possible points)
Provide a detailed description of the proposed activities to be undertaken. Include details of every activity for which the applicant is seeking funding. Applicants should include:
- A discussion of the roles and responsibilities of the applicant organization and any other project partners, including subrecipients, beneficiaries, and/or contractors. Applicants should discuss whether they will directly implement the project or fund project partners through subawards, or participant support costs as described in Appendix A.
- Applicants should discuss whom or what entities or organization(s) will retain ownership of any vehicles, engines and/or equipment purchased with funding from this project.

Section 2 – Goods Movement (5 total possible points from Section V.A. of the NOFO)

This section of the workplan should include a detailed discussion of the project location in terms of vocational use of the vehicles/engines/equipment targeted for diesel emissions reductions. Specifically, applicants should demonstrate if the target fleets are located at, or service, goods movement facilities as defined below. Applicants should include the name of the specific port, airport, rail yard, terminal, or distribution center where the affected vehicles operate, as applicable. Points will be based upon the percentage of time targeted vehicles operate in, and/or the percentage of total targeted vehicles that operate in, goods movement facilities.

- Ports – places alongside navigable water with facilities for the loading and unloading of passengers and/or cargo from ships, ferries, and other vessels
- Airports – places where aircraft operate that have paved runways and terminals which include cargo, baggage and/or passenger-movement operations
- Rail Yards – a system of tracks other than main tracks and sidings used for making up trains, for storing cars, and for other purposes
- Terminals – freight and passenger stations at the end of carrier lines, or that serve as junctions at any point with other lines, which have facilities for the handling of freight and/or passengers
- Distribution Centers – facilities that perform consolidation, warehousing, packaging, decomposition, and other functions linked with handling freight, often in proximity to major transport routes or terminals, and which generate large amounts of truck traffic

Section 3. Environmental Justice and Disadvantaged Communities (10 total possible points from Section V.A. of the NOFO)

This section of the workplan should include a detailed discussion of the geographic project location and how the proposed project will benefit the affected communities. Applicants should describe the local environmental/public health impacts that the project seeks to address and describe how affected communities will benefit from the desired project results. Specifically, applicants should demonstrate if the target fleets are located in or operate in disadvantaged communities as defined below. Applicants should include the name of the counties where the affected vehicles operate. Points will be based upon the percentage of time targeted vehicles operate in, and/or the percentage of total targeted vehicles that operate in, disadvantaged communities.

Environmental justice (EJ) is the just treatment and meaningful involvement of all people regardless of race, color, national origin, income, Tribal Affiliation, or disability, in agency decision-making and other Federal activities that affect human health and the environment. Fair treatment means no group of people should bear a disproportionate share of the negative environmental consequences resulting from industrial, governmental, and commercial operations or policies. Meaningful involvement means people have an opportunity to participate in decisions about activities that may affect their environment and/or health; the public's contribution can influence the regulatory agency's decision; community concerns will be considered in the decision-making process; and decision makers will seek out and facilitate the involvement of those potentially affected.

The DERA statute enables the program to prioritize projects that serve poor air quality areas (including nonattainment or maintenance areas and areas with air toxic air pollutant concerns), and those that use a community-based multistakeholder collaborative process to reduce toxic emissions. This allows the program to target communities with environmental justice concerns, that is, communities adversely and disproportionately affected by environmental, climate change, and human health harms or risks. Additionally, DERA has been identified as part of the Justice40 Initiative, which creates a goal that 40 percent of applicable federal benefits flow to disadvantaged communities.[1]

a. Disadvantaged Communities: For the purposes of this NOFO, "disadvantaged communities" are defined as meeting the following criteria.

i. Nonattainment or Maintenance Area (5 possible points): These counties are identified as priority project locations for the DERA program because they are designated, as of the release date of this NOFO, as nonattainment areas or maintenance areas for the following National Ambient Air Quality Standards. Data is sourced from the EPA's Green Book of Nonattainment Areas for Criteria Pollutants).

a) $PM_{2.5}$ 1997 Standard (Annual: 15 µg/m3, 24-hour: 65 µg/m3)

b) $PM_{2.5}$ 2006 Standard (Annual: 15 µg/m3, 24-hour: 35 µg/m3)
c) $PM_{2.5}$ 2012 Standard (Annual: 12 µg/m3, 24-hour: 35 µg/m3)
d) Ozone (O_3) 2008 Standard (8-hour: 0.075ppm)
e) Ozone (O_3) 2015 Standard (8-hour: 0.070ppm)

The term "project location" refers to the area(s) where the affected vehicles or engines equipment operate. A list of priority areas that have been designated as disadvantaged communities for the purposes of this NOFO can be found on the DERA Tribal and Territory Grants website.

b. Community Engagement (5 possible points**)**: The applicant should include details which demonstrate engagement with the affected communities and/or populations, especially local residents, to ensure their meaningful participation with respect to the design, planning, and performance of the project. Meaningful involvement means people have an opportunity to participate in decisions about activities that may affect their environment and/or health; the public's contribution can influence the regulatory agency's decision; community concerns will be considered in the decision-making process; and decision makers will seek out and facilitate the involvement of those potentially affected.

Section 4 – Project Sustainability (5 total possible points from Section V.A. of the NOFO)

This section of the workplan should include a detailed discussion of the applicant's and/or project partner's ability to promote and continue efforts to reduce emissions after EPA funding for this project has ended. Specifically, applications will be evaluated on whether the applicant and/or its project partners have existing policies or new commitments to, by the end of the project period, adopt idle-reduction policies, adopt contract specifications requiring the use of cleaner, more efficient vehicles and equipment, complete an up-to-date mobile source equipment inventory, or adopt other strategies to promote and continue efforts to reduce diesel emissions.

Section 5 – Climate Change Adaptation (5 total possible points from Section V.A. of the NOFO)

Applicants should provide details which demonstrate the ability to protect grant funded investments from severe weather events. The 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.

Adapting to climate change involves actions by individuals, businesses, governments, and others to build resilience and reduce vulnerability of human and natural systems to unavoidable climate impacts. Adaptation also reduces the long-term costs of responding to these impacts. Projects 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. The EPA will evaluate applications based on the quality and extent to which the project assesses and implements adaptation considerations described above to help ensure that the project achieves its expected outcomes even as the climate changes.

Section 6 – Workforce Development (5 total possible points from Section V.A. of the NOFO)

Under this criterion, the EPA will evaluate applicants based on the extent to which the application has demonstrated a plan to prepare the 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, and equipment, as well as clarifying protections to ensure existing workers are not replaced or displaced because of new technologies.

Section 7 – Environmental Results—Outcomes, Outputs and Performance Measures (30 total possible points from Section V.A. of the NOFO)

a. Emissions Reductions (10 possible points)
Applicants should include the estimated annual and lifetime reductions in diesel emissions resulting from the project. Applicants should follow the instructions in Appendix C and should include a copy of their DEQ inputs and results (or alternative methods such as the EPA's TRU or shore power calculators) as an attachment.

b. Cost-Effectiveness (5 possible points)
Applicants should include the lifetime total project cost effectiveness for $PM_{2.5}$ and NO_x, and the lifetime capital cost effectiveness for $PM_{2.5}$ and NO_x. Applicants should follow the instructions in Appendix C to calculate the cost effectiveness for $PM_{2.5}$ and NO_x reductions.

c. Other Expected Project Outputs and Outcomes (5 possible points)
Applicants should identify other expected quantitative and qualitative project outputs and outcomes, including those identified in Section I.C. of the NOFO. Specific outputs and outcomes should be provided and may include short- and longer-term activities.

In addition to a narrative discussion of the outputs and outcomes above, the applicant is encouraged to include a table such as the following:

Example of Outputs and Outcome Table

Activities	Outputs	Outcomes
Fleet A	# of vehicles replaced or	Annual Reduction = tons $PM_{2.5}$
		Lifetime Reduction = tons $PM_{2.5}$

Activities	Outputs	Outcomes
	technologies installed	Annual Reduction = tons NO_x
		Lifetime Reduction = tons NO_x
		Lifetime Capital Cost Effectiveness = $/ton
Fleet B	# of vehicles replaced or technologies installed	Annual Reduction = tons $PM_{2.5}$
		Lifetime Reduction = tons $PM_{2.5}$
		Annual Reduction = tons NO_x
		Lifetime Reduction = tons NO_x
		Lifetime Capital Cost Effectiveness = $/ton
TOTALS		Total Annual Emissions Reduction = tons $PM_{2.5}$
		Total Lifetime Emissions Reduction = tons $PM_{2.5}$
		Total Annual Emissions Reduction = tons NO_x
		Total Lifetime Emissions Reduction = tons NO_x
		Total Lifetime Capital Cost Effectiveness = $/ton
		Total Lifetime Project Cost Effectiveness = $/ton

d. Performance Measures and Plan (5 possible points)

Applicants should describe the proposed performance measures, which will be the mechanism to track, measure, and report progress towards achieving the expected outputs and outcomes. Applicants should describe their plan for tracking and measuring progress toward achieving the expected project outputs and outcomes and how the results of the project will be evaluated, as described in Section I.C. of the NOFO.

The applicant should also develop performance measures they expect to achieve through the proposed activities and describe them in their application. These performance measures will help gather insights and will be the mechanism to track progress concerning successful processes and output and outcome strategies and will provide the basis for developing lessons to inform future recipients. It is expected that the description of performance measures will directly relate to the project outcomes and outputs (see Section I.C.). The description of the performance measures will directly relate to the project's outcomes and outputs, including but not limited to:

- Overseeing subrecipients, and/or contractors and vendors;
- Tracking and reporting project progress on expenditures and purchases; and
- Tracking, measuring, and reporting accomplishments and proposed timelines/milestones.

The following are questions to consider when developing output and outcome measures of quantitative and qualitative results:

- What are the measurable short term and longer term results the project will achieve?

- How does the plan measure progress in achieving the expected results (including outputs and outcomes) and how will the approach use resources effectively and efficiently?
- What are the expected county level locations of the outputs and outcomes?

e. Timeline and Milestones (5 possible points)
The applicant should include a detailed timeline for the project including milestones for specific tasks, such as bidding, procurement, installation, and reports, along with estimated dates. Applicant should include scheduled time for grants administration, including progress reports and final report preparation, into the project timeline.

Section 8 – Programmatic Capability and Past Performance (15 total possible points from Section V.A. of the NOFO)

a. Past Performance (5 possible points)
Submit a list of up to five federally funded or non-federally funded assistance agreements that the applicant is performing or has performed within the last three years. Assistance agreements include grants or cooperative agreements but not contracts. These assistance agreements should be awards directly to the applicant. For each of the agreements, include:
- Project title
- Assistance agreement number, if applicable
- Federal funding agency and assistance listing number (formally known as the Catalog of Federal Domestic Assistance (CFDA) number), if applicable
- Brief description of the agreement – no more than two sentences

Include a discussion of whether, and if so how, the applicant was able to successfully complete and manage the listed agreements.

Note: In evaluating applicants under the past performance factors in Section V.A., Criterion 8 of the NOFO, the EPA will consider the information provided by the applicant and may also consider relevant information from other sources, including information from the EPA's 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.

b. Reporting Requirements (5 possible points)
For each of the assistance agreements listed, the applicant should describe their history of meeting the reporting requirements under the agreement(s). This should include:
- Whether the applicant submitted acceptable final reports under those agreements;

- The extent to which the applicant adequately and timely reported on its progress towards achieving the expected outputs and outcomes under those agreements; and
- If progress was not being made, whether the applicant adequately reported why not.

c. Staff Expertise (5 possible points)
Include information on the applicant's organization, including a description of the staff's knowledge, expertise, qualifications, and resources and/or the ability to obtain them, to successfully achieve the proposed project's goals. Biographical sketches, including resumes or curriculum vitae for key staff, managers and any other key personnel can be included as an optional project team biography attachment, as listed in Section IV.B. of the NOFO.

Section 9 – Budget (15 total possible points from Section V.A. of the NOFO)

This section of the project narrative is a detailed description of the budget found in the SF-424A and must include a discussion of the applicant's approach to ensuring proper management of grant/cooperative agreement funds, a detailed budget narrative, as well as the itemized budget table below. An applicant's budget table and budget narrative must account for both federal funds and any non-federal voluntary cost share, if applicable. Selected applicant(s) will need to submit a copy of their current indirect cost rate that has been negotiated with a federal cognizant agency prior to award. Additional guidance for developing the applicant's budget is available in RAIN-2019-G02, "Interim General Budget Development Guidance for Applicants and Recipients of EPA Financial Assistance."

Voluntary Cost Sharing: Applicants should be aware that voluntary cost sharing is not required under this NOFO and will not be evaluated. However, applicants may propose to provide voluntary cost share.

Applicants who propose to use a voluntary cost share must include the costs or contributions for the voluntary cost share in the project budget on the SF-424, SF-424A, and budget detail described later in this section. **If a proposed cost share is to be provided by a named project partner, a letter of commitment must be attached to the application as described in Section III.B. and Section IV.B. of the NOFO**. The budget detail described under this section must clearly specify the amount of federal funding and the cost share amount for each category of total project costs. The recipient is legally obligated to meet any proposed voluntary cost share that is included in the approved project budget.

If the proposed voluntary cost sharing does not materialize during grant performance, the EPA may reconsider the legitimacy of the award and/or take other appropriate action authorized under 2 CFR Part 200.

a. Budget Detail (5 possible points)
Whether the proposed budget provides a detailed breakout by funding type included in the proper budget category for each activity requesting funds. Applicants should consult the

EPA's Interim General Budget Development Guidance for Applicants and Recipients of EPA Financial Assistance.

Applicants should provide a detailed breakout by funding type included in the proper budget category for each activity requesting funds. Applicants should use the instructions, budget object class descriptions, and example table below to complete the detailed budget section of the project narrative. The budget detail and the budget table should be included in the project narrative and count towards the maximum 14-page limit. Applicants should include applicable rows of costs for each budget category in their budget table to accurately reflect the proposed project budget. Applicants must itemize costs related to personnel, fringe benefits, travel, equipment, installation or labor supplies, contractual costs, other direct costs (i.e., subawards, participant support costs), indirect costs, and total costs. If providing a voluntary cost share, the budget detail must clearly specify the amount of federal funding and the cost share amount for each category. For applicants proposing to implement a participant support cost or rebate program, the rebates are appropriately listed under the Other budget category as "Participant Support Costs." See Appendix A for more information on participant support costs and RAIN-2018-G05, "EPA Guidance on Participant Support Costs."

- **Personnel – List all staff positions by title. Give annual salary, percentage of time assigned to the project, and total cost for the budget period.** This category includes only direct costs for the salaries of those individuals who will perform work directly for the project (paid employees of the applicant organization as reflected in payroll tax records). If the applicant organization is including staff time (in-kind services) as a cost-share, this should be included as Personnel costs. Personnel costs do not include: (1) costs for services of contractors (including individual consultants), which are included in the "Contractual" category; (2) costs for employees of subrecipients under subawards or non-employee program participants (e.g., interns or volunteers), which are included in the "Other" category; or (3) effort that is not directly in support of the proposed project, which may be covered by the organization's negotiated indirect cost rate. The budget detail must identify the personnel category type by Full Time Equivalent (FTE), including percentage of FTE for part-time employees, number of personnel proposed for each category, and the estimated funding amounts.

- **Fringe Benefits – Identify the percentage used, the basis for its computation, and the types of benefits included**. Fringe benefits are allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages. Fringe benefits may include, but are not limited to the cost of leave, employee insurance, pensions, and unemployment benefit plans. If the applicant's fringe rate does not include the cost of leave, and the applicant intends to charge leave to the agreement, it must provide supplemental information describing its proposed method(s) for determining and equitably distributing these costs.

- **Travel – Specify the mileage, per diem, estimated number of trips in-state and out-of-state, number of travelers, and other costs for each type of travel.** Travel may be: integral to the purpose of the proposed project (e.g., inspections); related to proposed project activities (e.g., attendance at meetings); or to a technical training or workshop that supports effective implementation of the project activities. Only include travel costs for employees in the travel category. Travel costs do not include: (1) costs for travel of contractors (including consultants), which are included in the "Contractual" category; or (2) travel costs for employees of subrecipients under subawards and non-employee program participants (e.g., trainees), which are included in the "Other" category. Further, travel does not include bus rentals for group trips, which would be covered under the contractual category. Finally, if the applicant intends to use any funds for travel outside the United States, it must be specifically identified. All proposed foreign travel must be approved by the EPA's Office of International and Tribal Affairs prior to being taken.

- **Equipment – Identify each item to be purchased which has an estimated acquisition cost of $5,000 or more per unit and a useful life of more than one year.** Equipment also includes accessories necessary to make the equipment operational. Equipment does not include: (1) equipment planned to be leased/rented, including lease/purchase agreement; or (2) equipment service or maintenance contracts that are not included in the purchase price for the equipment. These types of proposed costs should be included in the "Other" category. Items with a unit cost of less than $5,000 should be categorized as supplies, pursuant to 2 CFR §200.1, "Equipment." The budget detail must include an itemized listing of all equipment proposed under the project. If installation costs are included in the equipment costs, labor expenses shall be itemized with the detailed number of hours charged and the hourly wage. If the applicant has written procurement procedures that define a threshold for equipment costs that is lower than $5,000, then that threshold takes precedence.

- **Supplies – "Supplies" means all tangible personal property other than "equipment."** The budget detail should identify categories of supplies to be procured (e.g., laboratory supplies or office supplies). Non-tangible goods and services associated with supplies, such as printing service, photocopy services, and rental costs should be included in the "Other" category.

- **Contractual – Identify each proposed contract and specify its purpose and estimated cost.** Contractual services (including consultant services) are those services to be carried out by an individual or organization, other than the applicant, in the form of a procurement relationship. The EPA's Subaward Policy and Supplemental Frequent Questions has detailed guidance available for differentiating between contractors and subrecipients. Leased or rented goods (equipment or supplies) should be included in the "Other" category. The EPA does not require applicants to identify specific contractors. 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 non-competitive), if known. Any proposed non-competed/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. Refer to the EPA's Best Practice Guide for Procuring Services, Supplies, and Equipment Under EPA Assistance Agreements for the EPA's policies on competitive procurements and encouraging the use of small and disadvantaged business enterprises.

- **Other – List each item in sufficient detail for the EPA to determine the reasonableness and allowability of its cost.** This category should include only those types of direct costs that do not fit in any of the other budget categories. Examples of costs that may be in this category are: insurance; rental/lease of equipment or supplies; equipment service or maintenance contracts; printing or photocopying; participant support costs such as non-employee training stipends and travel, subsidies or rebates for purchases of pollution control equipment (such as a specified amount of funding for residential woodstove changeouts or truck owners to purchase cleaner trucks); and subaward costs. Applicants should describe the items included in the "Other" category and include the estimated amount of participant support costs in a separate line item. Additional information about participant support costs is contained in RAIN-2018-G05, "EPA Guidance on Participant Support Costs."

  Subawards (e.g., subgrants) and participant support costs are a distinct type of cost under this category. The term "subaward" means an award of financial assistance (money or property) by any legal agreement made by the recipient to an eligible subrecipient even if the agreement is referred to as a contract. Rebates, subsidies, and similar one-time, lump-sum payments to program beneficiaries for purchase of eligible emission control technologies are considered participant support costs. Please refer to Appendix A for detailed guidance on funding projects and partnerships and how to correctly categorize these costs in the workplan budget. "Other" does not include procurement purchases, technical assistance in the form of services instead of money, or other assistance in the form of revenue sharing, loans, loan guarantees, interest subsidies, insurance, or direct appropriations. Subcontracts are not subawards and belong in the contractual category. Applicants must provide the aggregate amount they propose to issue as subaward work as a separate line item in the "Other" category, and a description of the types of activities to be supported. Refer to the EPA's Subaward Policy and supplemental Frequent Questions for additional guidance.

- **Indirect Charges – If indirect charges are budgeted, indicate the approved rate and base.** Indirect costs are those incurred by the grantee for a common or joint purpose that benefit more than one cost objective or project and are not readily assignable to specific cost objectives or projects as a direct cost. Examples of Indirect Cost Rate calculations are shown below:
    - Personnel (Indirect Rate x Personnel = Indirect Costs)

- Personnel and Fringe (Indirect Rate x Personnel & Fringe = Indirect Costs)
- Total Direct Costs (Indirect Rate x Total direct costs = Indirect Costs)
- Direct Costs, less distorting or other factors such as contracts and equipment (Indirect Rate x (total direct cost – distorting factors) = Indirect Costs)

Additional indirect cost guidance is available in RAIN-2018-G02, "Indirect Cost Guidance for Recipients of EPA Assistance Agreements."

Example Budget Table (Required, part of the 14-page limit)

Line Item and Itemized Cost	EPA Funding	Voluntary Cost Share	Total Project Cost
(1) Project Staff @ $30/hr x 10 hrs/wk x 40 wks		$12,000	
TOTAL PERSONNEL	$0	$12,000	$12,000
20% of Salary and Wages			
- Leave, Insurance, Pensions, Unemployment		$2,400	
TOTAL FRINGE BENEFITS	$0	$2,400	$2,400
Mileage for Staff: 200 mi/mo @ $.17/mi x 12 mo	$408		
TOTAL TRAVEL	$408	$0	$408
2 DOCs + CCV@ $5000 per unit	$10,000		
2 DPFs with installation kit @ $6,000 per unit	$12,000		
1 New Vehicle @ $100,000 per unit	$100,000		
1 Electric School Bus @ $200,000 per unit	$200,000		
TOTAL EQUIPMENT	$322,000	$0	$322,000
10 Replacement CCV filters @ $10 per unit	$100		
TOTAL SUPPLIES	$100	$0	$100
Retrofit Installation Contract	$10,000		
TOTAL CONTRACTUAL	$10,000	$0	$10,000
Subgrant to School District for 2 Buses @ $100,000 per unit % plus $10,000 in personnel/admin costs	$200,000		
	$10,000		
Participant Support Costs for 2 Rebates for School Bus Replacement ($100,000 per bus)	$200,000		
TOTAL OTHER	$410,000	$0	$410,000
Federal Negotiated Indirect Cost Rate = 10% (Indirect Rate x Personnel = Indirect Costs)	$1,200		
TOTAL INDIRECT	$1,200	$0	$1,200
TOTAL FUNDING	$743,708	$14,400	$758,108
	EPA Funding[17]	Voluntary Cost Share[18]	Total Project Cost[19]

[17]The EPA Funding amount should be included on the SF-424 in Section 18.a and on the SF-424A in: Column I under Section A – Budget Summary; and Column (1) under Section B – Budget Categories.

[18]Voluntary Cost Share funds be included on the SF-424 in Section 18.b-e and on the SF424A in: Cell 5(f) under Section A – Budget Summary; Columns (2), (3) and/or (4) under Section B – Budget Categories; and Section C – Non-Federal Resources.
[19]Total Project Cost should be included on the SF-424 in Section 18.g and on the SF-424A in: Cell 5(g) under Section A – Budget Summary; and Column (5), Row k under Section B – Budget Categories.

Note on Management Fees: When formulating budgets for applications, applicants must not include management fees or similar charges in excess of the direct costs and indirect costs at the rate approved by the applicant's cognizant federal audit agency, or at the rate provided for by the terms of the agreement negotiated with the EPA. The term "management fees or similar charges" refers to expenses added to the direct costs in order to accumulate and reserve funds for ongoing business expenses, unforeseen liabilities, or for other similar costs that are not allowable under EPA's assistance agreements. Management fees or similar charges cannot be used to improve or expand the project funded under this agreement, except to the extent authorized as a direct cost of carrying out the workplan**.**

b. Expenditure of Awarded Funds (5 possible points)
Applicants should provide a detailed written description of the applicant's approach, procedures, and controls for ensuring that awarded grant funds will be expended in a timely and efficient manner.

c. Reasonableness of Costs (5 possible points)
The EPA will evaluate the reasonableness of the applicant's budget based on the applicant's narrative description of the budget and detailed breakout of requested funding for each work component or task. Provide a detailed description of every itemized cost, including how every cost relates to the project narrative and specific emission reduction activities. Instructions for what to include in the Budget Detail are described in Section 9.a. above.

Applicants must itemize the cost categories as listed below and the SF-424A form: personnel, fringe benefits, contractual costs, travel, equipment, supplies, contractional costs, other direct costs (subawards, participant support costs), indirect costs, and total costs. Round up to the nearest dollar and do not use any cents.

For applicants that provide a voluntary cost share as described in Section III.B. of the NOFO, the budget narrative should include a detailed description of how the applicant will obtain the cost share and how the cost share funding will be used. Proposed voluntary cost share included in the budget detail must also be included on the SF-424 and SF-424A.

Recipients may issue subawards, contracts, or participant support costs to implement projects. Please refer to Appendix A for detailed guidance on these funding options and how to correctly categorize these costs in the workplan budget.

Other Attachments:

- **Applicant Fleet Description - Use DERA Supplemental Application Template - EPA Form Number 5900-681- (As listed in Section V.A. of the NOFO):** (Required, does NOT count towards the 14-page limit): Applicants must complete and submit the DERA Supplemental Application Template (EPA Form Number 5900-681) containing the applicant fleet description data using the *Other Attachment* form in Grants.gov. The purpose of the applicant fleet description is to describe in detail the specific vehicles and engines targeted for emissions reductions as well as the diesel emissions reduction solution(s) to be implemented under the proposed project. Information provided in the applicant fleet description will be used to help determine project eligibility based on the criteria in Section III.D., and for evaluation purposes as described below. **Applicants are required to use the DERA Supplemental Application Template that includes data on the applicant fleet description found** on the DERA Tribal and Territory Grants website.

  Applicants must describe, to the extent possible, the fleet(s) targeted for the proposed project, including: fleet owner; publicly or privately owned; place of performance; sector; target fleet type; on highway weight class; on highway description (delivery, drayage, emergency, shuttle bus, or utility vehicle); quantity; vehicle identification number(s); vehicle make; vehicle model; vehicle model year; engine serial number(s); engine make; engine model; engine model year; engine tier; engine horsepower; cylinder displacement; number of cylinders; engine family name; engine fuel type; annual amount of fuel used; annual usage hours; annual miles traveled; annual idling hours; annual hoteling hours; and remaining life. Applicants must describe, to the extent possible, the diesel emissions reduction solution(s) applied to each targeted vehicle/engine, including: year of upgrade action; upgrade; upgrade cost per unit; upgrade labor cost per unit; new engine model year; new engine tier; new engine horsepower; new engine duty cycle; new engine cylinder displacement; new engine number of cylinders; new engine family name; annual idling hours reduced; annual hoteling hours reduced; and annual diesel gallons reduced. This information should be presented in a table format.

  Applicants will be scored under Section V.A., Criterion 10., Applicant Fleet Description, on the degree to which detailed information is provided within the applicant fleet description. The information provided within the applicant fleet description should be used to estimate the anticipated emissions reductions from the project and should be consistent with the information presented in the project narrative (see Appendix C for additional information on calculating emissions reductions).

- **Emissions Reduction Calculations** (Required, does NOT count towards the 14-page limit): Applicants must use the *Other Attachment* form in Grants.gov to upload calculations. Applicants should follow the instructions in Appendix C of this announcement for calculating emissions reductions. Applicants must include a copy of their DEQ results spreadsheet showing DEQ results and inputs as an attachment to their

application. If alternative methods are used, such as the EPA TRU calculator or the EPA Shore Power calculator, applicants must thoroughly describe and document their emissions reduction calculation methods in an attachment to the project narrative.

- **Partnership Letters** (If applicable, does NOT count towards the 14-page limit): Applicants must use the *Other Attachment* form in Grants.gov to upload letters. **If the proposed cost share is to be provided by a named project partner, a letter of commitment is required.** If applicable, additional letters 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 more effectively perform the project. Letters should be addressed to the applicant organization and included as attachments to the application. Please do not ask partners to submit letters directly to the EPA.

- **Mandated Measures Justification Supporting Information** (If applicable, does NOT count towards the 14-page limit): Applicants must use the *Other Attachment* form in Grants.gov to upload calculations. If applicable, the application must include a clear and concise justification in "Section 1- Project Summary and Approach" of the project narrative, for why/how the emissions reductions proposed for funding are not subject to the Restriction for Mandated Measures under this NOFO. Applicants must provide sufficient detail and information to support the justification, including maintenance schedules and history, if applicable. Please see Section III.D.4.j. and Appendix D for more information.

D. Coalition Coverage

Groups of two or more eligible applicants may choose to form a coalition and submit a single application under this NOFO; however, one entity must be responsible for the grant. Coalitions must identify which eligible organization will be the recipient (the "pass-through entity") of the grant and which eligible organization(s) will be subrecipients of the recipient. Subawards must be consistent with the definition of that term in 2 CFR §200.1 and comply with the EPA's Subaward Policy. The pass-through entity that administers the grant and subawards will be accountable to the EPA for proper expenditure of the funds and reporting and will be the point of contact for the coalition. As provided in 2 CFR §200.332, subrecipients are accountable to the pass-through entity for proper use of EPA funding. For-profit organizations are not eligible for subawards under this grant program but may receive procurement contracts. Any contracts for services or products funded with EPA financial assistance must be awarded under the competitive procurement procedures of 2 CFR Part 200 and/or 2 CFR Part 1500, as applicable. The regulations at 2 CFR §1500.10 contain limitations on the extent to which the EPA's funds may be used to compensate individual consultants. Refer to the Best Practice Guide for Procuring Services, Supplies, and Equipment Under EPA Assistance Agreements for guidance on competitive procurement requirements and consultant compensation. Do not name a

procurement contractor (including a consultant) as a "partner" or otherwise in your application unless the contractor has been selected in compliance with competitive procurement requirements.

E. Releasing Copies of Applications

In concert with the EPA's commitment to conducting business in an open and transparent manner, copies of applications submitted under this NOFO may be made publicly available on for a period of time after the selected applications are announced. The EPA recommends that applications not include trade secrets or commercial or financial information that is confidential or privileged, or sensitive information, if disclosed, that would invade another individual's personal privacy (e.g., an individual's salary, personal email addresses, etc.). However, if such information is included, it will be treated in accordance with 40 CFR § 2.203. (Review EPA clause IV.a. Confidential Business Information, under EPA Solicitation Clauses.)

Clearly indicate which portion(s) of the application you are claiming as confidential, privileged, or sensitive information, or state 'n/a' or 'not applicable' if the application does not have confidential, privileged, or sensitive information. As provided at 40 CFR § 2.203(b) if no claim of confidential treatment accompanies the information when it is received by the EPA, it may be made available to the public by the EPA without further notice to the submitter.

V. APPLICATION REVIEW INFORMATION

Note: Additional provisions that apply to this section can be found at EPA Solicitation Clauses.

Only eligible entities whose application(s) meet the threshold criteria in Section III.C. of this NOFO will be evaluated according to the criteria set forth below. **Applicants should explicitly address these criteria as part of their application package submittal in the project narrative, following the content requirements set forth in Section IV.** Each application will be rated using a point system. Applications will be evaluated based on a total of 115 possible points.

A. Evaluation Criteria

Criteria	Points
Total Possible Points	**115**
1. Project Summary and Approach: Under this criterion, the EPA will evaluate applications based on the extent and quality of the applicant's overall project and approach. Specifically, the EPA will evaluate: **a. (10 points)** The extent and quality to which the project meets the goals and objectives of the program (Section I of the NOFO) and demonstrates that all activities meet the program eligibility criteria (Section II and Section III of the NOFO.); and	**20**

Criteria	Points
b. (10 points) The extent and quality of the applicant's overall approach and implementation plan, including activities, tasks, roles and responsibilities, partnerships.	
2. Goods Movement: Under this criterion, the EPA will evaluate applications based on the extent to which projects target vehicles located at, or that service, goods movement facilities such as ports, airports, rail yards, terminals, or distribution centers, as described in Section I.B.1.a. Partial points may be awarded for this criterion depending on how much of the project occurs in the priority areas.	**5**
3. Environmental Justice and Disadvantaged Communities: Under this criterion, the EPA will evaluate applications based on: **a. (5 points)** Projects are located in an Ozone or $PM_{2.5}$ nonattainment or maintenance area, as described in Section I.B.1.b. Partial points may be awarded for this criterion depending on how much of the project occurs in the priority areas. **b. (5 points)** The extent to which the project address engagement with communities with environmental justice concerns, and/or populations, especially local residents, to ensure their meaningful participation with respect to the design, planning, and performance of the project.	**10**
4. Project Sustainability: Under this criterion, EPA will evaluate applications based on whether the applicant and/or its project partners have existing policies or new commitments to, by the end of the project period, adopt idle-reduction policies, adopt contract specifications requiring the use of cleaner, more efficient vehicles and equipment, complete an up-to-date mobile source equipment inventory, or adopt other strategies to promote and continue efforts to reduce diesel emissions, as described in Section I.B.1.c.	**5**
5. Climate Change Adaptation: Under this criterion, the EPA will evaluate applications based on the quality and extent to which the project assesses and implements the climate change adaptation considerations described in Section I.B.1.d., to help ensure that the project achieves its expected outcomes even as the climate changes.	**5**

Criteria	Points
6. **Workforce Development :** Under this criterion, the EPA will evaluate applicants based on the extent to which the application has demonstrated a plan to prepare the 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, and equipment, as well as clarifying protections to ensure existing workers are not replaced or displaced because of new technologies.	**5**
7. **Environmental Results – Outputs, Outcomes and Performance Measures:** Under this criterion, the EPA will evaluate: **a. (10 points)** The extent to which the project will achieve significant reductions in diesel emissions. Applicants should follow the instructions in Appendix C and must include a copy of their DEQ, TRU or shower power calculator inputs and results (or alternative methods) as an attachment. **b. (5 points)** The lifetime total project cost effectiveness for $PM_{2.5}$ and NO_x, and the lifetime capital cost effectiveness for $PM_{2.5}$ and NO_x. Applicants should follow the instructions in Appendix C to calculate the cost effectiveness for $PM_{2.5}$ and NO_x reduction. **c. (5 points)** The extent and quality to which the applicant identifies and quantifies other expected project outputs and outcomes, including those identified in Section I.C.2. and 3. **d. (5 points)** The quality of the proposed performance measures and effectiveness of the applicant's plan for tracking and measuring its progress toward achieving the expected project outputs and outcomes, including those identified in Section I.C.4. **e. (5 points)** The reasonableness of the proposed timeline including key milestones for specific tasks and the likelihood of completion of the project's goals and objectives by project end.	**30**
8. **Programmatic Capability and Past Performance:** Under this criterion, the EPA will evaluate applicants based on their ability to successfully complete and manage the proposed project considering their: **a. (5 points)** Past performance in successfully completing and managing the assistance agreements identified in the project narrative as described in Section IV.C.2., Section 8. of the NOFO.	**15**

Criteria	Points
b. (5 points) History of meeting the reporting requirements under the assistance agreements identified in the project narrative, including whether the applicant submitted acceptable final technical reports under those agreements and the extent to which the applicant adequately and timely reported on their progress towards achieving the expected outputs and outcomes under those agreements and if such progress was not being made whether the applicant adequately reported why not. **c. (5 points)** Staff expertise and qualifications, staff knowledge, and resources or the ability to obtain them, to successfully achieve the goals of the proposed project. Note: In evaluating applicants under items a. and b. of this criterion, the Agency will consider the information provided by the applicant and may also consider relevant information from other sources including agency files and prior/current grantors (e.g., to verify and/or supplement the information supplied by the applicant). If the applicant does not have any relevant or available past performance or reporting information, please indicate this in the application and the applicant will receive a neutral score for these sub-factors for items a. and b. above. A neutral score is half of the total points available in a subset of possible points. If applicant does not provide any response for these items, you may receive a score of 0 for these sub-factors.	
9. <u>Budget:</u> Under this criterion, the EPA will evaluate applicants based on the extent and quality to which: **a. (5 points)** The applicant's approach, procedures, and controls will ensure that awarded grant funds will be expended in a timely and efficient manner; **b. (5 points)** The proposed costs are reasonable to accomplish the proposed goals, objectives, and measurable environmental outcomes; and **c. (5 points)** The proposed budget provides a detailed breakout by funding type in the proper budget category for each activity the applicant is requesting funding. An applicant's SF-424, SF-424A, and budget narrative must account for both federal funds and any non-federal funds (e.g., any voluntary cost share/match if applicable. See Section III.B.). Applicants must precisely describe in their budget	**15**

Criteria	Points
narrative how they will account for any voluntary cost share/match, if applicable, and what role EPA funding will play in the overall project.	
10. <u>Applicant Fleet Description:</u> Under this criterion, the 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.C. Applicants must complete and submit the DERA Supplemental Application Template (EPA Form Number 5900-681) containing the applicant fleet description data.	**5**

B. Review and Selection Process

Although funding for Tribal governments, intertribal consortia and Alaska Native Villages, and territories is being announced under this single NOFO, the applications will be reviewed separately, and separate ranking lists will be developed. Tribal governments, intertribal consortia and Alaska Native Villages applications will be reviewed, ranked, and selected by one review panel; and territory applications will be reviewed, ranked, and selected by a separate review panel. Assistance agreements funded under this announcement will be awarded and managed by each of the EPA's ten regional offices, depending on the location of the project.

Applications will first be evaluated by the EPA's Office of Transportation and Air Quality (OTAQ) against the threshold factors listed in Section III.C. of this NOFO. Only those applications which meet all the threshold eligibility factors will be evaluated using the evaluation criteria listed above by a review panel comprised of OTAQ and the regional staff. Each application will be given a numerical score and will be rank ordered by the review panel. The review team will provide preliminary funding recommendations to the EPA OTAQ selection official based on these reviews and rankings.

C. Other Factors

Final funding decisions will be made by the OTAQ selection official based on the rankings, preliminary funding recommendation of the review panel, and the following factors: sector (fleet type) diversity, technology diversity, geographic diversity, number and size of awards, and Agency and programmatic priorities. Prior to selecting multiple awards for an applicant, the EPA may consider whether an applicant has the staff and resources to implement all proposed projects in the applications considered for selection.

D. Anticipated Announcement and Federal Award Dates

The EPA anticipates it will announce selection decisions in February through March 2025 and tentatively plans to issue awards by June 2025.

1. Submission Date and Times

The application submission deadline date and time for submission of applications is **Friday, December 6th, 2024, at 11:59 p.m. ET**. Applications submitted after the closing date and time will not be considered for funding.

2. Information Sessions

The EPA will host several information sessions regarding this NOFO. The EPA encourages potential applicants to take advantage of these information sessions to learn more about the DERA program and the grant application process. Participants will have the opportunity to have their questions answered by the EPA in a public forum. The EPA will attempt to answer any appropriate questions in these public forums.

The EPA will host multiple information sessions regarding this NOFO via teleconference/webinar. Webinar links and dial-in information for the information sessions can be found at the DERA Tribal and Territory Grants website.

Questions and answers from these information sessions will also be posted in the Questions and Answers document located at the DERA Tribal and Territory Grants website.

VI. AWARD ADMINISTRATION INFORMATION

Note: Additional provisions that apply to this section can be found at EPA Solicitation Clauses.

A. Award Notices

The EPA anticipated notification to successful applicants will be made via electronic mail. 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 its 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. Applicants are cautioned that only a grants officer is authorized to bind the government to the expenditure of funds; selection does not guarantee an award will be made. For example, statutory authorization, funding, or other issues discovered during the award process may affect the ability of the EPA to make an award to the applicant. The award notice, signed by the EPA grants officer, is the authorizing document and will be provided through electronic mail. The successful applicant may need to prepare and submit additional documents and forms (e.g., workplan), which must be approved by the EPA, before the grant can officially be awarded. The time between notification of selection and award of a grant can take up to 90 days or longer.

B. Combining Successful Applications into One Award

If an applicant submits multiple applications under this competition, and multiple applications within a single region are selected for funding, the EPA may award a single assistance agreement that combines separate applications for different tasks/activities.

C. Reporting Requirement

Semi-annual programmatic progress reports and a detailed final report will be required. Semi-annual reports summarizing technical progress, planned activities for the next reporting period and a summary of expenditures are required. Progress reports should include updates on the outputs and outcomes detailed in the project workplan (including any project sustainability commitments defined in Section I.B.1.c. of the NOFO). Progress reports should include an up-to-date fleet description and 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. Progress reports may contain signed Eligibility Statements, signed Scrappage Statements, and BAT analysis submitted to the EPA for approval. The schedule for submission of semi-annual reports will be established by the EPA, after the grants are awarded.

The final report shall be submitted to the EPA within 120 calendar days of the completion of the period of performance. The final report must include a summary of the project or activity, advances achieved and costs of the project or activity. In addition, the final report shall discuss the problems, successes, and lessons learned from the project or activity that could help overcome structural, organizational, or technical obstacles to implementing a similar project elsewhere.

Final reports should detail progress made on achieving the environmental results, and outputs and outcomes detailed in the project workplan (including any project sustainability commitments defines in Section I.B.1.c. of the NOFO). The final report must include a final fleet description and 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. The final report must include all signed Eligibility Statements, signed Scrappage Statements, and documented EPA approval of BAT analysis.

Award recipients may be provided with additional information and guidance on reporting performance measures and project progress after award, including access to the DERA Reporting Template (EPA Form Number 5900-691).

D. Build America, Buy America Requirements

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) (P.L. 117-58, §§70911-70917) when using funds for the purchase of goods, products, and materials on any form of construction, alteration, maintenance, or repair of infrastructure in the United States. The Buy America preference requirement applies to all of the iron and steel, manufactured products, and construction materials used for the

infrastructure project under an award for identified the EPA's financial assistance funding programs.

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. The recipient must implement these requirements in its procurements, and this article must flow down to all subawards and contracts at any tier. For legal definitions and sourcing requirements, the recipient must consult the EPA's Build America, Buy America website.

Please consider this information when preparing budget information. The EPA has and will continue to provide further guidance on which projects are subject to BABA provisions and will work with grantees to support implementation, as necessary.

When supported by rationale provided in IIJA §70914, the recipient may submit a waiver to the EPA. The recipient should request guidance on the submission instructions of an EPA waiver request from the EPA Project Officer. A list of approved EPA waivers is available on the Build America, Buy America website.

In addition to BABA requirements, all procurements under grants may be subject to the domestic preference provisions of 2 CFR §200.322.

See "Build America, Buy America" clause in the EPA's Solicitation Clauses.

E. Equipment Use, Management, and Disposition

The following equipment use, management, and disposition instructions are applicable to recipients and subrecipients acquiring equipment under awards resulting from this NOFO. Recipients agree that equipment acquired will be subject to the use and management and disposition regulations at 2 CFR §200.313. Equipment is defined as tangible personal property having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of $5,000, or the capitalization level established by the non-federal entity for financial statement purposes (see 2 CFR §200.12 Capital assets). Certified or verified technologies, vehicles, engines and nonroad equipment are considered to be equipment to the extent they fall within this definition. Recipients agree that at the end of the project period the recipient will continue to use the equipment 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. When acquiring replacement equipment, the non-Federal entity may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property. Items of equipment with a current per unit fair market value of $5,000 or less may be retained, sold, or otherwise disposed of with no further obligation to the Federal awarding agency.

VII. CONTACT INFORMATION

For further Tribal applicant information, contact:

U.S. Environmental Protection Agency
Lucita Valiere, DERA Tribal Lead
OAR, Office of Transportation and Air Quality
Phone: 206-553-8087
Email: valiere.lucita@epa.gov

For further territory applicant information, contact:

U.S. Environmental Protection Agency
Christina Guerra, DERA Territory Lead
OAR, Office of Transportation and Air Quality
Phone: (202) 564-2756
Email: guerra.christina@epa.gov

For further information, applicants should email written questions to: DERA@epa.gov. The 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 in the announcement through the questions and answers document. Information regarding this NOFO obtained from sources other than these Agency Contacts may not be accurate. Please type "DERA Tribal and Territory NOFO Question" in the subject line of your email. All questions submitted via email will be answered and posted in the online Questions & Answers document. The deadline for submitting questions via email is **Friday, November 8th, 2024, at 11:59 p.m. (ET)**. The final posting of the Questions and Answers document will be **Thursday, November 21st, 2024**.

All applicants are encouraged to review the Questions and Answers document posted at the DERA Tribal and Territory Grants website for further clarification of this NOFO.

APPENDIX A – Further information Regarding Contracts, Subawards, and Participant Support Costs

I. Background

The Standard Form 424A (SF-424A) includes a separate row for "contractual" costs and "other" costs. As noted in Section IV.C.2., Section 9., the "Other" cost category on the SF-424A should be used to cover both subawards and participant support costs. Depending on the project, these costs may be applicable to a DERA application. This appendix helps clarify these differences. Additional information about participant support costs is contained in RAIN-2018-G05, "EPA Guidance on Participant Support Costs."

Where the target fleets are owned and operated by the DERA grant recipient, the recipient may directly implement the project. The recipient is responsible for procuring all vehicles and equipment in accordance with applicable competitive procurement requirements in 2 CFR Part 200. The applicant's/recipient's budget should reflect only those expenses incurred directly by the recipient organization for personnel, fringe, travel, supplies, equipment, contractual, other, and indirect.

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 have the option to: (1) issue a contract; (2) make a subaward to an eligible entity; or (3) provide participant support costs to a program beneficiary. For options (2) and (3), the recipient may be able to fund technology and installation costs, but only subawards can be used to fund direct and indirect costs. If the grant recipient only intends to fund equipment and installation costs, the recipient may choose to provide participant support costs to a program beneficiary rather than a subaward. DERA recipients often use participant support costs to offer rebates or vouchers for vehicle costs.

II. Contracts

As described in 2 CFR § 200.331, a contract is for the purpose of obtaining goods and services for the recipient's own use and creates a procurement relationship with the contractor. Characteristics indicative of a procurement relationship between the recipient and a contractor are when the contractor:

- Provides the goods and services within normal business operations;
- Provides similar goods or services to many different purchasers;
- Normally operates in a competitive environment;
- Provides goods or services that are ancillary to the operation of the federal program; and
- Is not subject to compliance requirements of the federal program as a result of the agreement, though similar requirements may apply for other reasons.

Grant recipients that enter into procurement contracts, must comply with the applicable procurement provisions in 2 CFR §200.317 through §200.327.

NOTE: If you intend to name a contractor (including an individual consultant or equipment vendor) or a subrecipient as a project partner or otherwise in your application, the EPA recommends that you carefully review, and comply with, the directions contained in the "Contracts, Subawards, and Participant Support Costs" clause that can be accessed under Appendix A of this NOFO and at EPA Solicitation Clauses. Refer to the EPA's Best Practice Guide for Procuring Services, Supplies, and Equipment Under EPA Assistance Agreements and the EPA's Subaward Policy and supplemental Frequent Questions for additional guidance. 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 the EPA's guidance and/or that

named subrecipients meet the eligibility requirements in the EPA's Subaward Policy for the EPA to consider their qualifications and role in the proposed project.

III. Subawards

Under 2 CFR §200.1, subrecipient means a non-federal entity that receives a subaward from a grantee to carry out part of a federal program but does not include program beneficiaries receiving participant support costs; see Section IV of this appendix below. Grant recipients may make subawards to subrecipients to carry out a portion of the grant project; in such case, the grant recipient is also known as a "pass-through entity." Subawards establish a financial assistance relationship under which the subrecipient's employees and contractors implement programs and projects to accomplish the goals and objectives of the grant. It is important to bear in mind that subrecipients are subject to the same federal requirements as the pass-through entity.

Under this competition, a non-federal entity is eligible to receive a subaward even if it is not eligible to receive a grant from the EPA directly. While there may be some situations in which a subaward to an individual may be appropriate, those situations are rare.

Subrecipients only receive reimbursement for their actual direct or approved indirect costs and do not "profit" from the transaction. For-profit entities participating in grant activities are typically contractors rather than subrecipients.

The EPA's Award Official must approve subawards to for-profit entities and individuals on the basis of either a precise description of the subaward in the EPA approved budget and project narrative, or on a transaction-by-transaction basis.

The applicant's project narrative and budget narrative should include detailed descriptions of any proposed subawards and include cost estimates for subawards as line items under the "Other" budget category in the SF-424A; Section IV.C.2., Section 9. Should a recipient decide to make a subaward that was not described in the approved project narrative and budget, the recipient must obtain prior written approval from the EPA's Award Official for the subaward.

If a recipient chooses to pass funds from its grant to other entities through subawards, the recipient must comply with applicable subaward provisions of 2 CFR Part 200, the EPA Subaward Policy, and the EPA's National Term and Condition for Subawards. Note that under 2 CFR § 200.331 through 200.333, there are extensive requirements for subrecipient monitoring and management that apply to pass-through entities.

Many of the federal administrative grant regulations in 2 CFR Part 200 and 2 CFR Part 1500, as well as the grant terms and conditions in the assistance agreement, "flow down" to subrecipients receiving a subaward. Such requirements need to be identified in the written subaward agreement between the recipient and the subrecipient. Additionally, if a subrecipient intends to procure goods or services using DERA grant funds, the subrecipient must comply

with the applicable federal procurement standards in 2 CFR Part 200, 2 CFR Part 1500, and 40 CFR Part 33 as these requirements also "flow down" to subrecipients.

There is no requirement for recipients to compete subawards under this NOFO; however, pass-through entities may choose to select subrecipients competitively provided this practice is consistent with applicable statutes, regulations, and the terms and conditions of their DERA grant.

Recipients may use the subaward template contained in Appendix D of the EPA's Subaward Policy to assist them in complying with the "subaward content" requirements; however, the EPA does not mandate the use of this template.

IV. Participant Support Costs

Recipients may provide participant support costs (PSCs) to program beneficiaries to enable beneficiaries to participate in the recipient's program or project. PSCs include rebates, subsidies, stipends, or other payments to program beneficiaries by a grantee, subrecipient, or contractor. For example, PSCs might be used for the purchase of eligible technologies. Program beneficiaries, rather than the grant recipient, would own the new technology.

PSCs differ from subawards in that the beneficiary is participating in the grant recipient's project or program instead of implementing their own project or program. Program beneficiaries may include but are not limited to individual owner/operators, private or public fleet owners, or residents in the applicable area; however, program beneficiaries are not employees, contractors or subrecipients of the grant recipient.

Recipients may also use PSCs to make purchases on behalf of program beneficiaries. In some situations, this approach allows grant recipients to achieve economies of scale and/or take advantage of existing purchase contracts. Competitive procurement requirements apply to the grant recipient when the recipient takes this approach.

The federal administrative grant regulations in 2 CFR Part 200 and 2 CFR Part 1500, as well as the grant terms and conditions in the recipient's grant agreement, generally do not "flow down" to program beneficiaries receiving PSCs except that costs must be reasonable and incurred within the grant project period. Requirements for compliance with civil rights laws and ensuring that program beneficiaries are eligible to receive federal financial assistance are applicable as explained in *EPA Guidance on Participant Support Costs*. In addition, program beneficiaries must abide by requirements to ensure that the funds are used only for authorized purposes.

If a grantee, subrecipient, or contractor is issuing PSCs, it must have a written agreement in place. The written agreement should not be structured as a subaward agreement and should not refer to program beneficiaries as subrecipients consistent with 2 CFR § 200.1, "Subrecipient." In addition, the written agreement should not include language requiring the

program beneficiary to comply with the federal grant regulations at 2 CFR § Part 200, 2 CFR § Part 1500, or the terms and conditions found in the award between the EPA and the recipient, other than requiring that the costs must be reasonable, necessary, and allocable. The written agreement should also include the following:

- A description of the activities and amounts that will be supported by the PSCs;
- The program and/or statutory requirements that the program beneficiary must abide by in order to ensure that the funds are used only for authorized purposes;
- Specify which party will have title to the technologies (e.g., vehicles, engines, equipment and/or appliances), if any, purchased with PSCs;
- Source documentation requirements to ensure proper accounting of the PSCs; and
- Any reporting that must be submitted by the program beneficiary.

The EPA's Award Official must approve PSCs on the basis of either a precise description of the PSCs in the EPA approved budget and workplan, or on a transaction-by-transaction basis. The applicant's project narrative and budget narrative should include detailed descriptions of any proposed PSCs and include cost estimates for PSCs as line items under the "Other" budget category. Should a recipient decide to issue PSCs that were not described in the approved workplan and budget, the recipient must obtain prior written approval from the EPA's Award Official. Moreover, after a grant is awarded, should a recipient decide to modify the amount approved (upwards or downwards) for PSCs, prior written approval from the EPA's Award Official is also required.

When creating budgets, applicants/recipients must exclude PSCs from Modified Total Direct Costs for calculation of indirect costs as required by 2 CFR § 200.1, "Modified Total Direct Costs."

Resources:
RAIN-2018-G05, "EPA Guidance on Participant Support Costs."

Best Practice Guide for Procuring Services, Supplies, and Equipment Under EPA Assistance Agreements

Grants Policy Issuance 16-01: EPA Subaward Policy for EPA Assistance Agreement Recipients, with attachments, includes:

- The EPA Subaward Policy
- Appendix A: Distinctions Between Subrecipients and Contractors
- Appendix B: National Term and Condition for Subawards
- Appendix C: Model Programmatic Subaward Reporting Requirement
- Appendix D: Subaward Agreement Template

APPENDIX B – Application Submission Checklist

The application package should include the following items, as applicable. Use this checklist to ensure that all required materials have been included in your application package.

- ☐ SF-424, *Application for Federal Assistance*
- ☐ SF-424A, *Budget Information for Non-Construction Programs*
- ☐ EPA Form 4700-4, *Pre-Award Compliance Review Report for All Applicants Requesting Federal Assistance*
- ☐ EPA Form 5700-54, *Key Contacts Form*
- ☐ Project Narrative Attachment Form (not to exceed 14 pages)
    - ☐ Cover Page
    - ☐ Workplan
        - ☐ 1. Project Summary and Approach
        - ☐ 2. Goods Movement
        - ☐ 3. Environmental Justice and Disadvantaged Communities
        - ☐ 4. Project Sustainability
        - ☐ 5. Climate Change Adaptation
        - ☐ 6. Workforce Development
        - ☐ 7. Environmental Results – Outputs, Outcomes and Performance Measures
        - ☐ 8. Programmatic Capability and Past Performance
        - ☐ 9. Budget

Use the "Other Attachments" Form in Grants.gov for the following required documents:

- ☐ Applicant Fleet Description (DERA Supplemental Application Template -EPA Form Number 5900-691)
- ☐ Emissions Reduction Calculations (See Appendix C)

Use the "Other Attachments" Form in Grants.gov for the following documents, as applicable:

- ☐ Voluntary Cost Share Commitment Letters, if applicable
- ☐ Partnership Letters, if applicable
- ☐ Mandated Measures Justification Supporting Information, if applicable
- ☐ Biographical Sketches/Resumes, optional

APPENDIX C – Quantifying Environmental Outcomes

Diesel Emissions Reductions for Most Project Types

To estimate the anticipated emissions reductions from your project, use the Diesel Emissions Quantifier (DEQ) tool. After running the DEQ, results may be downloaded as a spreadsheet showing DEQ results and inputs. Applicants should include a copy of their DEQ results spreadsheet showing DEQ results and inputs as an attachment to their application.

Use the same vehicle/engine data you provided for the applicant fleet description (described in Section IV.C.2., Section 10) to run the DEQ. Please note you can group similar entries together to minimize the number of DEQ runs required (model year, vehicle miles traveled, idling hours, usage rate, and horsepower). It is recommended that you "Register a New Account" and log in to use the DEQ so that you will have the ability to save scenario information and retrieve it in the future.

From the DEQ results page (example shown below), enter the annual amount reduced after upgrades, and the lifetime amount reduced after upgrades for each of the listed pollutants (NO_x, $PM_{2.5}$, HC, CO, CO_2) in Section 7 "Environmental Results—Outcomes, Outputs and Performance Measures" of your workplan.

To calculate CO_2 emissions reductions, you must input an amount for annual diesel gallons reduced (per engine), annual idling hours reduced (per vehicle), or annual hoteling hours reduced (per vehicle) when inputting technology information for the vehicle group.

Cost Effectiveness for Most Project Types

To estimate total cost effectiveness for the project**,** enter estimated total costs in the total project costs field on the create new project page in the DEQ. Total project costs reflect all costs related to this project, including the EPA's share and any voluntary cost shares. Total project costs entered into the DEQ should match the total project costs reflected in the budget detail and the SF-424.

To estimate capital cost effectiveness for the project, enter the estimated upgrade cost per unit and labor cost per unit on the add an upgrade page in the DEQ. Be sure to enter costs for every upgrade/vehicle in your project or else the results will be skewed.

From the DEQ results page (example shown below), enter the lifetime capital cost effectiveness for NO_x and $PM_{2.5}$, and the total project cost effectiveness for NO_x and $PM_{2.5}$ in Section 7 "Environmental Results—Outcomes, Outputs and Performance Measures" of your workplan.

Additional assistance is available by emailing DEQhelp@epa.gov.

Emission Results and Health Benefits for Project: Sample Project

Emission Results | Health Benefits

Emission Results

Here are the combined results for all groups and upgrades entered for your project.[1]

Annual Results (short tons)[2]	NO_x	PM2.5	HC	CO	CO_2	Fuel[3]
Baseline for Upgraded Vehicles	7.978	0.636	1.053	3.885	1,300.5	115,600
Amount Reduced After Upgrades	2.841	0.469	0.808	2.667	76.5	6,800
Percent Reduced After Upgrades	35.6%	73.7%	76.7%	68.6%	5.9%	5.9%
Lifetime Results (short tons)[2]						
Baseline for Upgraded Vehicles	46.414	3.660	6.085	22.447	7,650.0	680,000
Amount Reduced After Upgrades	15.795	2.660	4.637	15.223	612.0	54,400
Percent Reduced After Upgrades	34.0%	72.7%	76.2%	67.8%	8.0%	8.0%
Lifetime Cost Effectiveness ($/short ton reduced)						
Capital Cost Effectiveness[4] (unit & labor costs only)	$272,237	$1,616,781	$927,230	$282,468	$7,026	
Total Cost Effectiveness[4] (includes all project costs)	$200,572	$1,191,174	$683,142	$208,110	$5,177	

[1] Emissions from the electrical grid are not included in the results.

[2] 1 short ton = 2000 lbs.

[3] In gallons; fuels other than ULSD have been converted to ULSD-equivalent gallons.

[4] Cost effectiveness estimates include only the costs which you have entered.

Remaining Life	**doc+ccv:** School Bus | School Buses	6 years
	dpfs: School Bus | School Buses	6 years
	vehicles: School Bus | School Buses	6 years
	SB subgrant: School Bus | School Buses	6 years
	rebates: School Bus | School Buses	4 years
	electric: School Bus | School Buses	8 years

Downloading Spreadsheets

Results may be downloaded as a:

- Spreadsheet showing DEQ results and your inputs (click on 'yes' if you get an error message).

Alternative Methods

If you are unable to use the DEQ, you may use the EPA's Motor Vehicle Emissions Simulator (MOVES) for calculating emissions reductions.

Other methods may be used as appropriate. If an alternative method is used, you must thoroughly describe and document your methods in an attachment to your project narrative.

Diesel Emissions Reductions Above and Beyond any Restriction for Mandated Measures

No funds awarded under this NOFO shall be used to fund the costs of emissions reductions that are mandated under federal law. See Section III.D.4.j. of this NOFO for more information on the Restriction for Mandated Measures.

If the project takes place in an area covered by a mandate, or includes affected vehicles, engines or equipment, emissions reduction benefits shall only be calculated for emissions reductions implemented prior to the effective date of the applicable mandate and/or emissions reduction benefits shall only be calculated for emissions reductions that are in excess of (above and beyond) those required by the applicable mandate.

Option 1: To calculate emissions reduction benefits for emissions reductions implemented prior to the effective date of the applicable mandate the applicant must use the following formula to calculate lifetime emissions benefits that may be claimed.

Follow the instructions above to run the DEQ. From the DEQ results page enter the **annual amount reduced** in the spaces provided below.

_____	_____	_____	_____	_____
NO_x (tons/yr)	$PM_{2.5}$(tons/yr)	HC (tons/yr)	CO (tons/yr)	CO_2 (tons/yr)

Note: These are the annual results, not the lifetime results.

Retrofit Year = _____ Mandate Compliance Year = _____

Multiply the values for each pollutant by the difference of the mandate year and the retrofit year and enter the calculated lifetime emissions for each of the listed pollutants (NO_x, $PM_{2.5}$, HC, CO, CO_2) in Section 7 "Environmental Results—Outcomes, Outputs and Performance Measures" of your workplan.

For example, if the mandate is slated to occur in 2025 and the retrofit will take place in 2021, then multiply the values above by 4 (2025 – 2021=4) to calculate lifetime emissions that may be claimed prior to the mandate.

Applicants must thoroughly describe and document their methods in an attachment to the project narrative.

Option 2: To calculate emissions reduction benefits for emissions reductions that are in excess of (above and beyond) those required by the applicable mandate the applicant must use the following formula to calculate lifetime emissions benefits that may be claimed.

Follow the instructions above to run the DEQ using the target engines and the technologies/emissions reductions that are required by the mandate. From the DEQ results page, enter the "**mandated" lifetime amount reduced** in the spaces provided below.

_____	_____	_____	_____	_____
NO_x (tons)	$PM_{2.5}$ (tons)	HC (tons)	CO (tons)	CO_2 (tons)

Then, follow the instructions above to run the DEQ using the target engines and the technologies/emissions reductions that are proposed for the project (i.e., based on the vehicle/engine data you provided for the applicant fleet description). From the DEQ results page, enter the "**proposed project" lifetime amount reduced** in the spaces provided below.

_____	_____	_____	_____	_____
NO_x (tons)	$PM_{2.5}$ (tons)	HC (tons)	CO (tons)	CO2 (tons)

Subtract the mandated values for each pollutant from the proposed project values and then enter the calculated lifetime emissions for each of the listed pollutants (NO_x, $PM_{2.5}$, HC, CO, CO_2) in Section 7 "Environmental Results—Outcomes, Outputs and Performance Measures" of your workplan.

Applicants must thoroughly describe and document their methods in an attachment to the project narrative.

Diesel Emissions Reductions for Marine Shore Power Connection Systems

In 2022, the EPA updated the Shore Power Port Assessment at US Ports 2022 Update Report which describes the availability of shore power at ports throughout the U.S. and characterizes the technical and operational aspects of shore power systems at U.S. ports. The updated assessment includes information on California Air Resources Board (CARB) shore power regulations, information on vessel readiness and real-world costs and practical operational lessons from different ports. The shore power calculator tool has also been updated and in conjunction with this report, the calculator can be used to estimate how diesel emissions could be reduced through the use of shore power systems.

The calculator tool uses vessel and activity inputs, as well as the offsetting emissions of electrical power use from shore-side power to calculate emissions reductions. Applicants must use the most recently updated (2023) version of the shower power calculator in estimating emission benefits for this NOFO. Applicants must thoroughly describe, including all inputs and outputs from the calculator, and document their methods in an attachment to the project narrative.

Step-by-step instructions to quantify emissions reductions using the recommended approach are included in the updated shore power calculator as well as in Appendix B of the Shore Power Port Assessment Report.

Diesel Emission Reductions from Transport Refrigeration Units (TRUs)

To better estimate potential emission reductions for projects including plug-in capabilities for TRU systems, the EPA developed a TRU Emissions Calculator which facilitates estimating emission reductions and potential fuel savings. When estimating emission benefits for TRU projects, applicants must use the latest version of the calculator, thoroughly describe, including all of the inputs and outputs from the calculator, and document their methods in an attachment to the project narrative.

TRUs are integral to transporting freight that requires climate-controlled conditions. Most refrigerated trailers and trucks are equipped with diesel engine powered TRUs. In each case, the diesel engines are considered "nonroad" engines and therefore may have higher emission rates than modern truck engines. Because TRUs are typically operating when trucks and trailers are being loaded or when waiting at distribution centers, there can be large concentrations of these nonroad engines operating at one location.

Some newer TRU systems are equipped with plug-in capabilities so the diesel engine can be off when parked at a distribution center or other facility. Additionally, some TRUs are designed to have plug-in capabilities but they need additional components such as electrical cords and connectors. Additional information on TRU systems and eligible DERA funding is available on the DERA TRU Factsheet.

APPENDIX D – Mandated Measures Justification

No funds awarded may be used to fund emission reductions mandated by federal statute. The restriction applies when the mandate takes effect (the effective date) for any affected vehicles, engines, or equipment. This restriction does not apply to a mandate in a State Implementation Plan (SIP) approved by the EPA Administrator under the Clean Air Act. Voluntary or elective emissions reduction measures shall not be considered "mandated," regardless of whether the reductions are included in the SIP.

Specifically, projects involving locomotives and marine engines are not eligible for funding if the emissions reductions are required by the EPA's locomotive and marine rule, "Control of Emissions of Air Pollution from Locomotives and Marine Compression-Ignition Engines Less than 30 liters per Cylinder." Also, projects involving stationary engines will not be considered for funding if the emissions reductions proposed for funding are required by the EPA's Reciprocating Internal Combustion Engines (RICE) rule, "National Emission Standards for Hazardous Air Pollutants (NESHAP) for Stationary Reciprocating Internal Combustion Engines (40 CFR Part 63 Subpart ZZZZ).

All applications which include locomotives and/or marine engines and/or stationary engines must include a clear and concise justification in "Section 1- Project Summary and Approach" of the project narrative, for why/how the proposed emissions reduction are not subject to the Restriction for Mandated Measures under this NOFO. The justification must clearly demonstrate why/how:

- the engines are exempt from the requirements of the EPA's rule; or
- emissions reductions funded with the EPA's funds will be implemented prior to the effective date of any applicable requirements under the rule; and/or
- emissions reductions funded with the EPA's funds will not be used to satisfy any applicable requirements under the rule but are in excess of (above and beyond) those required by the applicable mandate.

Applicants must provide sufficient information to support the justification, including copies of maintenance records, if applicable. Supporting information should be included as an attachment to the application and does not count towards the 14-page limit.

Applicants are responsible for addressing all applicable parts of the rule in their justification for why/how the emissions reductions proposed for funding are not subject to the Restriction for Mandated Measures under this NOFO**.**

Control of Emissions of Air Pollution from Locomotives and Marine Compression-Ignition Engines Less than 30 liters per Cylinder

What is sufficient justification?

For locomotives, the justification should include, but is not limited to:

- The original build date of each locomotive.
- The model year of the existing engines for each locomotive.
- Whether the existing locomotive engines are the original engines that were installed in the locomotive by the locomotive manufacturer at the time of original manufacturer, or whether the original engines were ever replaced or upgraded (prior to the activities that are being proposed for funding). If so, when and what upgrades were made?
- The date that the power assemblies of each existing engine have been replaced, if ever.

As outlined above, certain locomotives and marine engines are exempt from the rule. This exemption may be based on the age and/or size of the locomotive or marine engines, or on the type or size and/or annual revenue of the owner/operator. In these cases, sufficient justification would include a summary of the rule applicability and an explanation of why each locomotive or marine engine is exempt from the rule. For example:

"The EPA's Marine Remanufacture Program applies only to those commercial marine propulsion and auxiliary diesel engines which meet all of the following criteria:

- *C1 and C2 engines (i.e., per cylinder displacement up to 30 liters);*
- *Greater than 600 kW (800 horsepower [hp]);*
- *Tier 2 and earlier engines; and*
- *Built in model year 1973 or later.*

Engines A, B, and C, as described fully in the previously submitted Applicant Fleet Description, are exempt from the requirements of the EPA's marine rule because all three engines are of original model year 1972. Further, all three of these engines are 600 horsepower engines and are therefore exempt from the rule requirements.

As outlined above, certain locomotives and marine engines may be subject to the rule requirements, but the applicant may be able to demonstrate that the emissions reduction funded with the EPA's funds will be implemented prior to the effective date of any applicable requirements under the rule and/or emissions reductions funded with the EPA's funds will not be used to satisfy any applicable requirements under the rule, but are in excess of (above and beyond) those required by the applicable mandate. In these cases, sufficient justification would include a summary of the rule applicability and an explanation of how the proposed emissions reductions from each locomotive or marine engine meet the criteria listed above. For example:

"Marine Engine D is a commercial C1 marine diesel engine of 900 hp, built in model year 1980, and is unregulated (please see previously submitted Applicant Fleet Description for full engine information including marine engine model and engine family name), therefore this engine is covered by the EPA's Marine Remanufacture Program. We have conducted a thorough search of the EPA's list of remanufacture systems (i.e. "kits", certified for use with Category 1 and 2 marine diesel engines according to the provisions of 40 CFR Part 1042, Subpart I) listed at EPA's Annual Certification Data for Vehicles, Engines, and Equipment, *and have determined that at this time there are no certified kits available for this engine. Therefore, there are no applicable requirements under the rule for this engine at this time and the emissions reductions proposed for EPA funding are not subject to the Restriction for Mandated Measures under this NOFO.*

OR

"Marine Engine E is a commercial C1 marine diesel engine of 900 hp, built in model year 1980, and is unregulated (please see previously submitted Applicant Fleet Description for full engine information, including marine engine model and engine family name), therefore this engine is covered by the EPA's Marine Remanufacture Program. We have conducted a thorough search of the EPA's list of remanufacture systems (i.e. "kits", certified for use with Category 1 and 2 marine diesel engines according to the provisions of 40 CFR Part 1042, Subpart I) listed at EPA's Annual Certification Data for Vehicles, Engines, and Equipment, *and have determined that at this time there is one certified remanufacture kit available for this engine: [insert kit info].*

However, emissions reductions funded with the EPA's funds will not be used to satisfy any applicable requirements under the rule but are in excess of (above and beyond) those required by the applicable mandate. [The applicant should include a thorough discussion of the emissions reductions that could be achieved by the application of the certified kit to the existing engine and the emissions reductions that will be achieved by the activities proposed from funding under the grant. The applicant should calculate the difference between the required emissions reductions and the proposed emissions reductions and should be able to clearly demonstrate that emissions reductions funded with the EPA's funds are in excess of (above and beyond) those required by the rule.]

Therefore, the emission reductions proposed for the EPA's funding are not subject to the Restriction for Mandated Measures under this NOFO.

Additional Resources:

- Final Rule: Control of Emissions of Air Pollution From Locomotive Engines and Marine Compression-Ignition Engines Less Than 30 Liters per Cylinder
- Fact Sheet: EPA Finalizes More Stringent Emissions Standards for Locomotive Engines and Marine Compression-Ignition Engines
- Fact Sheet: Control of Emissions from Idling Locomotives EPA420-F-13-014
- Fact Sheet: Frequently Asked Questions from Marine Engine Owners and Rebuilders about the EPA's Marine Remanufacture Program
- EPA: Locomotives: Exhaust Emission Standards
- EPA: Federal Marine Compression-Ignition (CI) Engines: Exhaust Emission Standards
- Marine and Locomotive Certified Remanufacture Systems Data: EPA's Annual Certification Data for Vehicles, Engines, and Equipment

The information that follows is provided purely for informational purposes to highlight certain parts of the rule that may be of most interest to applicants, such as applicability, exemptions, and remanufacture requirements. This information is not all-inclusive and is not meant as a substitute for the actual rule. There may be applicability, exemptions, and requirements under the rule that are not highlighted below.

Affected Entities and Engines

Entities potentially affected by this rule are those that manufacture, remanufacture or import locomotives or locomotive engines; and those that own or operate locomotives and companies and persons that manufacture, sell, or import into the United States new marine compression ignition engines, companies and persons that rebuild or maintain these engines, companies and persons that make vessels that use such engines, and the owners/operators of such vessels.

The rule addresses all types of diesel locomotives— line-haul, switch, and passenger rail, and all types of marine diesel engines below 30 liters per cylinder displacement (hereafter referred to as ‘‘marine diesel engines’’). These engines are used to power a wide variety of vessels, from small fishing and recreational boats to large tugs and Great Lakes freighters. They are also used to generate auxiliary vessel power, including on ocean-going ships.

Locomotives

The rule affects locomotives currently regulated under 40 CFR Part 92 or Part 1033. With some exceptions, the locomotive regulations apply for all locomotives originally built in or after 1973 that operate in the United States.

Some Class III Railroads are exempt from the remanufacture standards for existing fleets. The rule limits the category of small railroads which are exempt from the Tier 0, 1 and 2 remanufacturing requirements for existing fleets to those railroads that qualify as Class III railroads and that are not owned by a large parent company.

The EPA estimates that nearly all of the locomotives in the Class I railroad fleets were originally manufactured in or after 1973 and are already subject to the Tier 0 or later standards.

Intercity passenger or commuter railroads are not included as railroads that are small businesses and are therefore subject to the rule.

Definitions under 40 CFR Part 92 and Part 1033

“New locomotive” or “new locomotive engine” – a locomotive or engine that has never been transferred to an ultimate purchaser or put into service; a locomotive or engine also becomes new if it is remanufactured or refurbished. Locomotives and engines that were originally manufactured before January 1, 1973, are not considered to become new when remanufactured unless they have been upgraded (as defined by the rule). Locomotives that are owned and operated by a small railroad and that have never been certified (i.e., manufactured or remanufactured into a certified configuration) are not considered to become new when remanufactured.

“Remanufacture” - 1) To replace, or inspect and qualify, each and every power assembly (i.e. cylinder) of a locomotive or locomotive engine, whether during a single maintenance event or cumulatively within a five year period; or 2) To upgrade a locomotive or locomotive engine; or 3) To convert a locomotive or locomotive engine to enable it to operate using a fuel other than it was originally manufactured to use; or 4) To install a remanufactured engine or a freshly manufactured engine into a previously used locomotive; or 5) To repair a locomotive engine that does not contain power assemblies to a condition that is equivalent to or better than its original condition with respect to reliability and fuel consumption. Remanufacture also means the act of remanufacturing.

“Remanufactured locomotive” - either a locomotive powered by a remanufactured locomotive engine, a repowered locomotive, or a refurbished locomotive.

“Upgrade” - one of the following types of remanufacturing: 1) Repowering a locomotive that was originally manufactured prior to January 1, 1973; or 2) Refurbishing a locomotive that was originally manufactured prior to January 1, 1973 in a manner that is not freshly manufacturing; or 3) Modifying a locomotive that was originally manufactured prior to January 1, 1973 (or a locomotive that was originally manufactured on or after January 1, 1973, and that is not subject to the emission standards of this part), such that it is intended to comply with the Tier 0 standards.

“Repowered locomotive”- a locomotive that has been repowered with a freshly manufactured engine.

“Freshly manufactured locomotive” – a new locomotive that contains fewer than 25 percent (by value) previously used parts (i.e., contains 75% or more brand new parts); includes when an existing locomotive is substantially refurbished including the replacement of the old engine with a freshly manufactured engine.

“Refurbished locomotive” - a locomotive which contains more unused parts than previously used parts (i.e., contains 50% to 75% brand new parts). Note: Locomotives built before 1973 become ‘‘new’’ and thus subject to emission standards when refurbished (i.e., are not exempt from the rule requirements due to age of locomotive). In general, the rule requires refurbished switch locomotives to meet the Tier 0+ standards, and refurbished line-haul locomotives to meet Tier 2+/Tier 3 standards, even if the original locomotive was manufactured before 1973. Remanufactured Locomotives: The rule sets new standards for the existing fleet of Tier 0, Tier 1, and Tier 2 locomotives, to apply at the time of remanufacture, if a certified remanufacture system is available.

To avoid confusion between the old standards and the new standards, the EPA has adopted a simple approach whereby a Tier 0 locomotive remanufactured under the more stringent Tier 0 standards adopted in the 2008 (current) rule will be designated a Tier 0+ locomotive. The same approach applies for Tier 1 and Tier 2 locomotives. That is, those remanufactured under the new standards would be called Tier 1+ and Tier 2+ locomotives, respectively. However, in many contexts, including a number of places in the final rule, there is really no need to make distinctions of this sort, as no ambiguity arises. In these contexts, it would be perfectly acceptable to drop the ‘‘+’’ designation and simply refer to Tier 0, 1, and 2 locomotives and standards.

Switch Locomotives: The rule includes standards and other provisions aimed at encouraging the replacement of old high-emitting units with newly built or refurbished locomotives powered by very clean engines developed for the nonroad equipment market. For example, a provision applicable to switch locomotives allows a streamlined certification process.

Reduction of Locomotive Idling Emissions: The rule requires that an Automatic Engine Stop/Start System (AESS) be used on all new locomotives (see definition of "new locomotive" above).

Voluntary Emissions Reductions: The rules allow locomotive owners to voluntarily subject their pre-1973 locomotives to the Tier 0 standards or to include in the locomotive program low-horsepower locomotives that would otherwise be excluded based on their rated power. Additionally, the rule allows Tier 0 switch locomotives, which are normally not subject to line-haul cycle standards, to be voluntarily certified to the line-haul cycle standards. Also, the rule allows any locomotives to be voluntarily certified to a more stringent tier of standards. In doing so, the locomotives then become subject to the new remanufactured engine standards, at the point of first remanufacture under the new standards.

Marine Engines

The rule (marine existing fleet program) affects marine diesel engines and vessels regulated under 40 CFR Part 94 or Part 1042.

The marine existing fleet program applies only to those commercial marine propulsion and auxiliary diesel engines which meet the following criteria:

- C1 and C2 engines (i.e., per cylinder displacement up to 30 liters);
- Greater than 600 kW (800 HP);
- Tier 2 and earlier engines; and
- Built in model year 1973 or later.

Small vessel operators are exempt from the new standards for existing fleets. The requirements of the marine existing fleet program do not apply to owners of marine diesel engines or vessel operators with less than $5 million in gross annual sales revenue. This threshold includes annual sales revenue from parent companies or affiliates of the owners/operators.

The EPA estimates that about 4 percent of all C1 and C2 engines are subject to the marine existing fleet program and are likely to have certified kits available at the time of remanufacture.

Definitions under 40 CFR Part 94 or Part 1042

"Remanufacture" of a marine engine - the removal and replacement of all cylinder liners, either during a single maintenance event or over a five-year period. It should be noted that marine diesel engines are not considered to be remanufactured if the rebuilding process falls short of this definition (i.e., the cylinder liners are removed and replaced over more than a five-year period).

Remanufactured Marine Engines: When an engine is remanufactured, it must be certified as meeting the emission standards for remanufactured engines (by using a certified remanufacture system) unless there is no certified remanufacturing system available for that engine. If there is no certified system available at that time, there is no requirement.

A certified marine remanufacture system must achieve a 25 percent reduction in PM emissions compared to the engine's measured baseline emissions level (the emissions level of the engine as rebuilt according to the manufacturer's specification but before the installation of the remanufacture system) without increasing NO_x emissions (within 5 percent).

If several certified systems are available, any of them may be used.

For engines on a rolling rebuild schedule (i.e., cylinder liners are not replaced all at once but are replaced in sets on a schedule of 5 or fewer years, for example 5 sets of 4 liners for a 20-cylinder engine on a 5-year schedule), the requirement is triggered at the time the remanufacture system becomes available, with the engine required to be in a certified configuration when the last set of cylinder liners is replaced. Any remanufacturing that occurs after the system is available needs to use the certified system, including remanufacturing that occurs on a rolling schedule over less than five years following the availability of the remanufacturing system. If the components of a certified remanufacture system are not compatible with the engine's current configuration, the program allows the owner to postpone the installation of the remanufacture system until the replacement of the last set of cylinder-liners, which would occur no later than five years after the availability of the system. At that time, all engine components must be replaced according to the certified remanufacture system requirements.

In general, remanufactured engines are considered to be "new" engines, and they remain new until sold or placed back into service after the replacement of the last cylinder liner. The standards do not apply for engines that are rebuilt without removing cylinder liners. For a new engine to be placed into service, it must be covered by a certificate of conformity.

Replacement with a Freshly Manufactured Engine: Under the marine diesel engine program, an engine manufacturer is generally prohibited from selling a marine engine that does not meet the standards that are in effect when that engine is produced. However, manufacturers are allowed to produce a new engine which meets an earlier tier of standards if the engine manufacturer makes a determination that an engine compliant with the current standards would not fit a particular vessel.

Specifically, in making the feasibility determination the engine manufacturer is required to consider all previous tiers and use any of their own engine models from the most recent tier that meets the vessel's physical and performance requirements. If an engine manufacturer can produce an engine that meets a previous tier of standards representing better control of emissions than that of the engine being replaced, the manufacturer would need to supply the engine meeting the tier of standards with the lowest emissions levels. For example, if a Tier 1

engine is being replaced after the Tier 3 standards go into effect, the engine manufacturer would have to demonstrate why a Tier 2 as well as a Tier 3 engine cannot be used before a Tier 1 engine can be produced and installed. Similarly, for an engine built prior to 2004, the engine manufacturer would have to demonstrate why a Tier 1, Tier 2, or a Tier 3 engine cannot be used. It should be noted, in the case of Tier 0 engines, that International Convention for the Prevention of Pollution from Ships (MARPOL) Annex VI prohibits replacing an existing engine at or above 130 kW with a freshly manufactured engine unless it meets the Tier 1 standards.

Replacement with an Existing Engine: The remanufacture requirements of the rule apply whether the owner is obtaining an identical existing (used) replacement engine due to an engine failure or through an engine exchange for a periodic engine rebuild. These requirements also apply if a vessel owner is obtaining a different model existing (used) replacement engine, for whatever reason. This means if the existing engine (greater than 600 kW that are built after 1973) that is the replacement engine is rebuilt and has all of its cylinder liners replaced, it will be required to be remanufactured using a certified remanufacture system if one is available for that engine.

National Emission Standards for Hazardous Air Pollutants (NESHAP) for Stationary Reciprocating Internal Combustion Engines (RICE) (40 CFR Part 63 Subpart ZZZZ)

Stationary engine projects, such as energy producing generators and agricultural pumps, will not be considered for funding under this NOFO if the emissions reductions proposed for funding are required by the EPA's RICE rule, "National Emission Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines" (40 CFR Part 63 Subpart ZZZZ). Under the RICE Rule provisions, the compliance requirements may be triggered by replacement or reconstruction of an engine.

Definition: Stationary reciprocating internal combustion engine (RICE) means any reciprocating internal combustion engine which uses reciprocating motion to convert heat energy into mechanical work and which is not mobile. Stationary RICE differ from mobile RICE in that a stationary RICE is not a non-road engine as defined at 40 CFR § 1068.30 and is not used to propel a motor vehicle or a vehicle used solely for competition.

The RICE Rule applies to new and existing engines as described below:

1. Engines greater than 500 HP at a major source of Hazardous Air Pollutants (HAP):
    - Existing engines if constructed before December 19, 2002
    - New engines if constructed on or after December 19, 2002
    - Reconstructed engines if reconstruction began on or after December 19, 2002
2. Engines less than or equal to 500 HP at a major source of HAP and engines or all horsepower located at an area source of HAP:
    - Existing engines if constructed before June 12, 2006
    - New engines if constructed on or after June 12, 2006
    - Reconstructed engines if reconstruction began on or after June 12, 2006

The EPA assumes most stationary source projects proposed under this NOFO will fall under #2, above.

Sufficient Justification

The applicant must demonstrate that the emissions reductions funded with the EPA's funds will be implemented prior to the effective date of any applicable requirements under the rule and/or emissions reductions funded with the EPA's funds will not be used to satisfy any applicable requirements under the RICE Rule but are in excess of (above and beyond) those required by the applicable mandate. In these cases, sufficient justification would include a summary of the rule applicability and an explanation of how the proposed emissions reductions from the target engines are achieved prior to any compliance dates and/or in are in excess of any emissions reductions required by the RICE Rule.

In general, the requirements for existing stationary RICE located at areas sources of HAP (found in Table 2d to Subpart ZZZ of Part 63) include carbon monoxide (CO) limits, maintenance and inspection requirements, and operation limits.

APPENDIX E – Priority Area List

2024 Diesel Emissions Reduction Act (DERA) Tribal and Territory Grants Priority Area List

In order to receive points under Section V of the 2024 Diesel Emissions Reduction Act (DERA) Tribal and Territory Grants Notice of Funding Opportunity (NOFO), vehicles or equipment proposed for funding must be operated a majority of the time in one of the priority areas listed below. These areas were identified as priority locations for the DERA program because they are designated, as of the release date of this NOFO, as Nonattainment Areas or Maintenance Areas for the following National Ambient Air Quality Standards. Data is sourced from the EPA's Green Book of Nonattainment Areas for Criteria.

a) $PM_{2.5}$ 1997 Standard (Annual: 15 µg/m^3, 24-hour: 65 µg/m^3)
b) $PM_{2.5}$ 2006 Standard (Annual: 15 µg/m^3, 24-hour: 35 µg/m^3)
c) $PM_{2.5}$ 2012 Standard (Annual: 12 µg/m^3, 24-hour: 35 µg/m^3)
d) Ozone (O_3) 2008 Standard (8-hour: 0.075ppm)
e) Ozone (O_3) 2015 Standard (8-hour: 0.070ppm)

State	County	1997 $PM_{2.5}$	2006 $PM_{2.5}$	2012 $PM_{2.5}$	2008 8-Hour Ozone	2015 8-Hour Ozone
AK	Fairbanks North Star Borough		X			
AL	Jackson County	X				
AL	Jefferson County	X	X			
AL	Shelby County	X	X			
AL	Walker County	X	X			
AR	Crittenden County				X	

State	County	1997 $PM_{2.5}$	2006 $PM_{2.5}$	2012 $PM_{2.5}$	2008 8-Hour Ozone	2015 8-Hour Ozone
AZ	Gila County					X
AZ	Maricopa County				X	X
AZ	Pinal County		X		X	X
AZ	Santa Cruz County		X			
AZ	Yuma County					X
CA	Alameda County		X		X	X
CA	Amador County					X
CA	Butte County		X		X	X
CA	Calaveras County				X	X
CA	Contra Costa County		X		X	X
CA	El Dorado County		X		X	X
CA	Fresno County	X	X	X	X	X
CA	Imperial County		X	X	X	X
CA	Kern County	X	X	X	X	X
CA	Kings County	X	X	X	X	X
CA	Los Angeles County	X	X	X	X	X
CA	Madera County	X	X	X	X	X
CA	Marin County		X		X	X
CA	Mariposa County				X	X
CA	Merced County	X	X	X	X	X
CA	Morongo Band of Mission Indians					X
CA	Napa County		X		X	X
CA	Nevada County				X	X
CA	Orange County	X	X	X	X	X
CA	Pechanga Band of Luiseno Mission Indians					X
CA	Placer County		X		X	X
CA	Plumas County			X		
CA	Riverside County	X	X	X	X	X
CA	Sacramento County		X		X	X
CA	San Bernardino County	X	X	X	X	X
CA	San Diego County				X	X
CA	San Francisco County		X		X	X
CA	San Joaquin County	X	X	X	X	X
CA	San Luis Obispo County				X	X
CA	San Mateo County		X		X	X
CA	Santa Clara County		X		X	X
CA	Solano County		X		X	X
CA	Sonoma County		X		X	X
CA	Stanislaus County	X	X	X	X	X

State	County	1997 $PM_{2.5}$	2006 $PM_{2.5}$	2012 $PM_{2.5}$	2008 8-Hour Ozone	2015 8-Hour Ozone
CA	Sutter County		X		X	X
CA	Tehama County				X	X
CA	Tulare County	X	X	X	X	X
CA	Tuolumne County					X
CA	Ventura County				X	X
CA	Yolo County		X		X	X
CA	Yuba County		X			
CO	Adams County				X	X
CO	Arapahoe County				X	X
CO	Boulder County				X	X
CO	Broomfield County				X	X
CO	Denver County				X	X
CO	Douglas County				X	X
CO	Jefferson County				X	X
CO	Larimer County				X	X
CO	Weld County				X	X
CT	Fairfield County	X	X		X	X
CT	Hartford County				X	X
CT	Litchfield County				X	X
CT	Middlesex County				X	X
CT	New Haven County	X	X		X	X
CT	New London County				X	X
CT	Tolland County				X	X
CT	Windham County				X	X
DC	District of Columbia	X			X	X
DE	New Castle County	X	X		X	X
DE	Sussex County				X	
GA	Barrow County	X				
GA	Bartow County	X			X	X
GA	Bibb County	X				
GA	Carroll County	X				
GA	Catoosa County	X				
GA	Cherokee County	X			X	
GA	Clayton County	X			X	X
GA	Cobb County	X			X	X
GA	Coweta County	X			X	
GA	DeKalb County	X			X	X
GA	Douglas County	X			X	
GA	Fayette County	X			X	

State	County	1997 $PM_{2.5}$	2006 $PM_{2.5}$	2012 $PM_{2.5}$	2008 8-Hour Ozone	2015 8-Hour Ozone
GA	Floyd County	X				
GA	Forsyth County	X			X	
GA	Fulton County	X			X	X
GA	Gwinnett County	X			X	X
GA	Hall County	X				
GA	Heard County	X				
GA	Henry County	X			X	X
GA	Monroe County	X				
GA	Newton County	X			X	
GA	Paulding County	X			X	
GA	Putnam County	X				
GA	Rockdale County	X			X	
GA	Spalding County	X				
GA	Walker County	X				
GA	Walton County	X				
ID	Franklin County		X			
ID	Shoshone County			X		
IL	Cook County	X			X	X
IL	DuPage County	X			X	X
IL	Grundy County	X			X	X
IL	Kane County	X			X	X
IL	Kendall County	X			X	X
IL	Lake County	X			X	X
IL	Madison County	X			X	X
IL	McHenry County	X			X	X
IL	Monroe County	X			X	X
IL	Randolph County	X				
IL	St. Clair County	X			X	X
IL	Will County	X			X	X
IN	Clark County	X				X
IN	Dearborn County	X			X	
IN	Dubois County	X				
IN	Floyd County	X				X
IN	Gibson County	X				
IN	Hamilton County	X				
IN	Hendricks County	X				
IN	Jefferson County	X				
IN	Johnson County	X				
IN	Lake County	X			X	X

State	County	1997 $PM_{2.5}$	2006 $PM_{2.5}$	2012 $PM_{2.5}$	2008 8-Hour Ozone	2015 8-Hour Ozone
IN	Marion County	X				
IN	Morgan County	X				
IN	Pike County	X				
IN	Porter County	X			X	X
IN	Spencer County	X				
IN	Vanderburgh County	X				
IN	Warrick County	X				
KY	Boone County	X			X	X
KY	Boyd County	X				
KY	Bullitt County	X				X
KY	Campbell County	X			X	X
KY	Jefferson County	X				X
KY	Kenton County	X			X	X
KY	Lawrence County	X				
KY	Oldham County					X
LA	Ascension Parish				X	
LA	East Baton Rouge Parish				X	
LA	Iberville Parish				X	
LA	Livingston Parish				X	
LA	West Baton Rouge Parish				X	
MA	Dukes County				X	
MD	Anne Arundel County	X			X	X
MD	Baltimore City	X			X	X
MD	Baltimore County	X			X	X
MD	Calvert County				X	X
MD	Carroll County	X			X	X
MD	Cecil County				X	X
MD	Charles County	X			X	X
MD	Frederick County	X			X	X
MD	Harford County	X			X	X
MD	Howard County	X			X	X
MD	Montgomery County	X			X	X
MD	Prince George's County	X			X	X
MD	Washington County	X				
MI	Allegan County					X
MI	Berrien County					X
MI	Livingston County	X	X			X
MI	Macomb County	X	X			X
MI	Monroe County	X	X			X

State	County	1997 $PM_{2.5}$	2006 $PM_{2.5}$	2012 $PM_{2.5}$	2008 8-Hour Ozone	2015 8-Hour Ozone
MI	Muskegon County					X
MI	Oakland County	X	X			X
MI	St. Clair County	X	X			X
MI	Washtenaw County	X	X			X
MI	Wayne County	X	X			X
MO	Franklin County	X			X	X
MO	Jefferson County	X			X	X
MO	St. Charles County	X			X	X
MO	St. Louis city	X			X	X
MO	St. Louis County	X			X	X
MS	DeSoto County				X	
MT	Lincoln County	X				
NC	Cabarrus County				X	
NC	Catawba County	X				
NC	Davidson County	X				
NC	Gaston County				X	
NC	Guilford County	X				
NC	Iredell County				X	
NC	Lincoln County				X	
NC	Mecklenburg County				X	
NC	Rowan County				X	
NC	Union County				X	
NJ	Atlantic County				X	X
NJ	Bergen County	X	X		X	X
NJ	Burlington County	X	X		X	X
NJ	Camden County	X	X		X	X
NJ	Cape May County				X	X
NJ	Cumberland County				X	X
NJ	Essex County	X	X		X	X
NJ	Gloucester County	X	X		X	X
NJ	Hudson County	X	X		X	X
NJ	Hunterdon County				X	X
NJ	Mercer County	X	X		X	X
NJ	Middlesex County	X	X		X	X
NJ	Monmouth County	X	X		X	X
NJ	Morris County	X	X		X	X
NJ	Ocean County				X	X
NJ	Passaic County	X	X		X	X
NJ	Salem County				X	X

State	County	1997 $PM_{2.5}$	2006 $PM_{2.5}$	2012 $PM_{2.5}$	2008 8-Hour Ozone	2015 8-Hour Ozone
NJ	Somerset County	X	X		X	X
NJ	Sussex County				X	X
NJ	Union County	X	X		X	X
NJ	Warren County				X	X
NM	Dona Ana County					X
NV	Clark County					X
NY	Bronx County	X	X		X	X
NY	Chautauqua County				X	
NY	Kings County	X	X		X	X
NY	Nassau County	X	X		X	X
NY	New York County	X	X		X	X
NY	Orange County	X	X			
NY	Queens County	X	X		X	X
NY	Richmond County	X	X		X	X
NY	Rockland County	X	X		X	X
NY	Suffolk County	X	X		X	X
NY	Westchester County	X	X		X	X
OH	Adams County	X				
OH	Ashtabula County	X			X	
OH	Belmont County	X				
OH	Butler County	X			X	X
OH	Clark County	X				
OH	Clermont County	X			X	X
OH	Clinton County				X	
OH	Coshocton County	X				
OH	Cuyahoga County	X	X	X	X	X
OH	Delaware County	X			X	X
OH	Fairfield County	X			X	X
OH	Franklin County	X			X	X
OH	Gallia County	X				
OH	Geauga County				X	X
OH	Greene County	X				
OH	Hamilton County	X			X	X
OH	Jefferson County	X	X			
OH	Knox County				X	
OH	Lake County	X	X		X	X
OH	Lawrence County	X				
OH	Licking County	X			X	X
OH	Lorain County	X	X	X	X	X

State	County	1997 $PM_{2.5}$	2006 $PM_{2.5}$	2012 $PM_{2.5}$	2008 8-Hour Ozone	2015 8-Hour Ozone
OH	Madison County				X	
OH	Medina County	X	X		X	X
OH	Montgomery County	X				
OH	Portage County	X	X		X	X
OH	Scioto County	X				
OH	Stark County	X	X			
OH	Summit County	X	X		X	X
OH	Warren County	X			X	X
OH	Washington County	X				
OR	Klamath County		X			
OR	Lane County		X			
PA	Allegheny County	X	X	X	X	
PA	Armstrong County	X	X		X	
PA	Beaver County	X	X		X	
PA	Berks County	X			X	
PA	Bucks County	X	X		X	X
PA	Butler County	X	X		X	
PA	Cambria County	X	X			
PA	Carbon County				X	
PA	Chester County	X	X		X	X
PA	Cumberland County	X	X			
PA	Dauphin County	X	X			
PA	Delaware County	X	X	X	X	X
PA	Fayette County				X	
PA	Greene County	X	X			
PA	Indiana County	X	X			
PA	Lancaster County	X	X		X	
PA	Lawrence County	X	X			
PA	Lebanon County	X	X	X		
PA	Lehigh County		X		X	
PA	Montgomery County	X	X		X	X
PA	Northampton County		X		X	
PA	Philadelphia County	X	X		X	X
PA	Washington County	X	X		X	
PA	Westmoreland County	X	X		X	
PA	York County	X	X			
SC	York County				X	
TN	Anderson County	X	X		X	
TN	Blount County	X	X		X	

State	County	1997 $PM_{2.5}$	2006 $PM_{2.5}$	2012 $PM_{2.5}$	2008 8-Hour Ozone	2015 8-Hour Ozone
TN	Hamilton County	X				
TN	Knox County	X	X		X	
TN	Loudon County	X	X			
TN	Roane County	X	X			
TN	Shelby County				X	
TX	Bexar County					X
TX	Brazoria County				X	X
TX	Chambers County				X	X
TX	Collin County				X	X
TX	Dallas County				X	X
TX	Denton County				X	X
TX	El Paso County					X
TX	Ellis County				X	X
TX	Fort Bend County				X	X
TX	Galveston County				X	X
TX	Harris County				X	X
TX	Johnson County				X	X
TX	Kaufman County				X	X
TX	Liberty County				X	
TX	Montgomery County				X	X
TX	Parker County				X	X
TX	Rockwall County				X	
TX	Tarrant County				X	X
TX	Waller County				X	
TX	Wise County				X	X
UT	Box Elder County		X			
UT	Cache County		X			
UT	Davis County		X			X
UT	Duchesne County					X
UT	Salt Lake County		X			X
UT	Tooele County		X			X
UT	Uintah County					X
UT	Utah County		X			X
UT	Weber County		X			X
VA	Alexandria city	X			X	X
VA	Arlington County	X			X	X
VA	Fairfax city	X			X	X
VA	Fairfax County	X			X	X
VA	Falls Church city	X			X	X

State	County	1997 $PM_{2.5}$	2006 $PM_{2.5}$	2012 $PM_{2.5}$	2008 8-Hour Ozone	2015 8-Hour Ozone
VA	Loudoun County	X			X	X
VA	Manassas city	X			X	X
VA	Manassas Park city	X			X	X
VA	Prince William County	X			X	X
WA	Pierce County		X			
WI	Door County					X
WI	Kenosha County				X	X
WI	Manitowoc County					X
WI	Milwaukee County		X			X
WI	Ozaukee County					X
WI	Racine County		X			X
WI	Sheboygan County				X	X
WI	Washington County					X
WI	Waukesha County		X			X
WV	Berkeley County	X				
WV	Brooke County	X	X			
WV	Cabell County	X				
WV	Hancock County	X	X			
WV	Kanawha County	X	X			
WV	Marshall County	X				
WV	Mason County	X				
WV	Ohio County	X				
WV	Pleasants County	X				
WV	Putnam County	X	X			
WV	Wayne County	X				
WV	Wood County	X				
WY	Lincoln County				X	
WY	Sublette County				X	
WY	Sweetwater County				X	