

EPA's Clean Ports Program and MARAD's PIDP:

An Overview of Complementary Federal Funding Opportunities

April 11, 2024

Today's Agenda

- Opening Remarks
- Program Overviews
- Applicant and Project Eligibility
- Evaluation Criteria
- Key Dates
- Q&A
- Closing Remarks

Opening Remarks





Program Overviews

Clean Ports Program Goals



- 1. Build a foundation for the port sector to transition over time to fully zero-emissions (ZE) operations, positioning ports to serve as a catalyst for transformational change across the freight sector.
- Support large-scale projects at ports ready to lead the way
- Help other ports gain experience with zero-emissions technology to shift practices across the sector
- 2. Reduce diesel pollution (criteria pollutants, GHGs, and air toxics) in near-port communities.
- Support projects that can address near-port community EJ concerns
- 3. Help ensure that meaningful community engagement and emissions reduction planning are port industry standard practices.
- Build capacity of ports to continue to make strategic clean air and climate investments into the future

Clean Ports Funding Overview

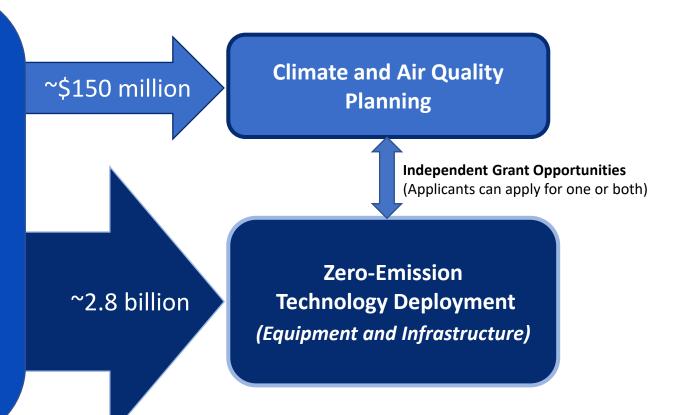


Open now through May 28

Clean Ports Program in the Inflation Reduction Act

\$3B for Grants

At least 25% (\$750M) to be spent in nonattainment areas



Administrative costs: up to 2% (\$60M)

PIDP Overview

The PIDP statute, codified at 46 U.S.C. 54301, establishes the port infrastructure development program to *improve the safety, efficiency, or reliability of the movement of goods through ports and intermodal connections to ports*

- PIDP is a discretionary grant program. Awards are made by the Secretary of Transportation on a competitive basis
- Since inception in FY 2019, program awards total more than \$2.1 billion
- \$500,000,000 is appropriated for discretionary PIDP grants in FY 2024
- Application evaluations include statutory and non-statutory criteria
- Applications must be submitted through <u>www.grants.gov</u>

In FY 2022, the PIDP statute was amended to include eligibilities for certain environmental and emissions mitigation measures.

PIDP – new this year

- Additional flexibility for applicants to document eligibility as a Small Port
- Shore power projects are automatically assumed to improve safety, efficiency, and reliability
- Secretarial discretion for awards to strategic seaports
- Rating rubrics for the statutory merit criteria
- Waiver of cost-effectiveness determination for large projects in noncontiguous States and U.S. territories
- Updates guidance related to the factors reviewers will consider in project readiness evaluations
- Updates guidance related to Selection Considerations based on Departmental priorities (Climate Change and Sustainability, Equity and the Justice40 Initiative, and Workforce Development, Job Quality, and Wealth Creation)
- Prohibits Federal funding to an entity that uses the LOGINK logistics platform

PIDP Funding

Open now through May 10

FY 24 PIDP Funding from BIL/IIJA*

\$450,000,000

FY 24 PIDP Funding from Annual Appropriation

\$50,000,000

- 25% of FY 24 funding is reserved for "small projects at small ports" (\$125M)
- Small projects at small ports are limited to a maximum Federal award of \$11.25M
- FY 24 appropriated funds (\$50 M) have a \$1M minimum project size. No minimum on BIL/IIJA funding (\$450M)
- No more than 25% of funding (\$125 M) can go to any one state
- At least \$42M of FY 24 appropriated funds (\$50 M) must go to coastal or Great Lakes ports
- Development phase activities are limited to 10% of available funds



Applicant and Project Eligibility

Clean Ports Program Eligible Recipients





- Port authority
- State, regional, local, or Tribal agency that has jurisdiction over a port authority or port
- Air pollution control agency
- Private entity that:
 - Applies for a grant in partnership with an eligible entity above, <u>and</u>
 - Owns, operates, or uses facilities, cargo-handling equipment, transportation equipment, or related technology of a port.
- Note: All projects must serve a water port or dry port

See: ZE or CAQP NOFOs section III.A

Prohibited logistics platform

As proscribed in Section 825 of the National Defense Authorization Act, no funds may be awarded to an entity that uses in part or in whole: the national transportation logistics public information platform (commonly referred to as 'LOGINK'); any national transportation logistics information platform provided by or sponsored by the People's Republic of China, or a controlled commercial entity; or a similar system provided by Chinese state-affiliated entities.

PIDP Eligible Applicants

- A State or political subdivision of a State or local government;
- An Indian Tribe or consortium of Indian Tribes;
- A public agency or publicly chartered authority established by one or more States;
- A special purpose district with a transportation function;
- A multistate or multijurisdictional group of entities; or
- A lead entity described above jointly with a private entity or group of private entities (including the owners or operators of a facility, or collection of facilities, at a port).

At-a-glance: Example of Emissions Reduction Project Eligibility

MARAD's Port Infrastructure Development Program and EPA's Clean Ports Program

Eligible for PIDP

- Hybrid/low-emission tug and other workboats, locomotives, cargo handling equipment, and drayage trucks
- Light-duty vehicles
- Idle reduction infrastructure
- Front-of-the-meter electrification infrastructure (utility-side) in some circumstances
- Port bunkering facilities for oceangoing vessels
- Low emission cargo handling equipment
- Refueling infrastructure for biofuel

Eligible for Both

- Zero-emission tug and other work boats, locomotives, cargo handling equipment, and drayage trucks
- EV charging infrastructure
- Solar generation and battery storage systems
- Vessel shore power infrastructure
- *Behind-the-meter* electrification infrastructure (customer-side)
- Related planning
- · Workforce development and training
- Refueling infrastructure for hydrogen

Eligible for Clean Ports

- Zero-emission passenger ferries
- Zero-emission commercial/tribal fishing vessels
- Support for community engagement efforts

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Climate and Air Quality Planning Competition (Approx. \$150M)

Eligible activities:

- Emissions inventory and accounting practices (one or more required)
- Emissions reduction strategy analysis and goal-setting
- Stakeholder collaboration and communication, with a focus on near-port communities
- Resiliency planning



ZE Technology Deployment Competition

(Approx. \$2.8B)

Eligible technologies:

- Electric and hydrogen fuel cell mobile equipment
 - Cargo handling equipment
 - Drayage trucks
 - Locomotives and railcar movers
 - Harbor craft and other vessels
- Charging and other fueling infrastructure for zero emission mobile port equipment, including shore power for marine vessels

PIDP Eligible Activities

Eligible projects shall be located either within the boundary of a port, or outside the boundary of a port and directly related to port operations or to an intermodal connection to a port.

- I. the loading and unloading of goods at the port; such as for marine terminal equipment;
- II. the movement of goods into, out of, around, or within a port; such as for highway or rail infrastructure, intermodal facilities, freight intelligent transportation systems, and digital infrastructure systems;
- III. operational improvements, including projects to improve port resilience;
- IV. environmental and emissions mitigation measures, including projects for—; or
- V. port and port-related infrastructure that supports seafood and seafood-related businesses, including the loading and unloading of commercially harvested fish and fish products, seafood processing, cold storage, and other related infrastructure.

PIDP Eligible Activities

Eligible projects also include projects to provide **shore power** at a port that services:

- Passenger vessels described in section 3507(k) of title 46, United States Code; and
- Vessels that move goods or freight.

(Note: In FY 24, shore power projects shall be treated as satisfying the primary PIDP statutory purpose of improving the safety, efficiency, or reliability of the movement of goods through ports and intermodal connections to ports.)

Development phase activities (including planning, feasibility analysis, revenue forecasting, environmental review, permitting, and preliminary engineering and design work) and port planning activities are eligible if the activities support one of the eligible project types listed.

- Funding will be prioritized for projects that will move into the construction phase within the grant's performance period.
- Applications for development phase activities are subject to an economic vitality analysis (either a small projects at small ports analysis or BCA for large projects).
- Under the FY 2024 PIDP, if an application includes right-of-way acquisition, the project will be considered a capital project.



Evaluation Criteria

Clean Ports Program Evaluation Criteria



Evaluation Criteria	Points in ZE Technology NOFO	Points in Planning NOFO
Project Summary and Approach	42	29
Environmental Results – Outcomes, Outputs and Performance Measures	25	20
Programmatic Capability and Past Performance	15	8
Environmental Justice and Disadvantaged Communities	23	23
Project Sustainability	10	5
Job Quality and Workforce Development (ZE technology)/Workforce Development (Planning)	10	5
Project Resilience to Climate Impacts	5	N/A
Budget	20	20
Total	150	110

For full details on evaluation criteria, see ZE and CAQP NOFOs section V.A

PIDP Evaluation Criteria

Merit Criteria

- Achieving Safety, Efficiency, or Reliability Improvements
- Supporting Economic Vitality
- Leveraging Federal Funding
- Port Resilience

Selection Considerations

- Climate Change and Sustainability
- Equity and Justice40
- Workforce Development, Job Quality, and Wealth Creation

Additional Considerations

- Project Readiness
 - -Technical Capacity; and
 - -Environmental Risk.

Statutory Determinations

- 1. The project improves the safety, efficiency or reliability of the movement of goods through a port or intermodal connection to the port.
- 2. The project is cost effective. (This does not apply to a small project at a small port. It also does not apply to projects in noncontiguous states or territories.)
- The eligible applicant has the authority to carry out the project.
- 4. The eligible applicant has sufficient funding available to meet the matching requirements.
- 5. The project will be completed without unreasonable delay.
- 6. The project cannot be easily and efficiently completed without Federal funding or financial assistance available to the project sponsor.



Important Dates

Important Dates



EPA's Clean Ports Program		MARAD's Port Infrastructure Development Program		
February 28, 2024	Clean Ports Program Notices of Funding Opportunities (NOFOs) Open	March 8, 2024	PIDP NOFO Open on grants.gov	
March 28, 2024	Optional Notice of Intent to Apply Due to cleanports@epa.gov	April 5, 2024	Suggested date for applicants to verify registration in SAM.gov	
April 15, 2024	Clean Ports Program Proposed Build America Buy America (BABA) Waiver – Comment Deadline			
April 25, 2024 – 1:00-2:00 p.m. ET	Clean Ports Program: Frequent Questions and Answers' Webinar – <u>registration now open</u>			
May 6, 2024	Final Date to Submit Questions on NOFOs to cleanports@epa.gov	May 1, 2024	Final date to submit questions on NOFO to PIDPgrants@dot.gov	
May 28, 2024 at 11:59 p.m. ET	NOFO Closes – Application Deadline	May 10, 2024 at 11:59 p.m. ET	NOFO Closes – Application deadline	
August – September 2024	Anticipated Notification of Selection	November 2024	Anticipated selection of awards	
December 2024	Anticipated Awards	September 30, 2027	Deadline for grant agreement execution and obligation of funds	



Questions?

Keep in touch

 For more information about the Clean Ports Program, visit:

https://www.epa.gov/ports-initiative/cleanports

 For questions about the Clean Ports Program, email:

cleanports@epa.gov

 For more information about PIDP, visit:

https://www.maritime.dot.gov/ PIDPgrants

 For questions about PIDP, email:

PIDPgrants@dot.gov

For more information about Federal Funding Opportunities for Port Low- to Zero-Emission Technologies, please visit: https://www.energy.gov/eere/federal-funding-opportunities-port-low-zero-emission-technologies



Appendix

Clean Ports Program Provisions to Ensure Geographic and Port Type Diversity



To ensure geographic and port type diversity, the EPA plans to award:

- a minimum of one award in each of the *EPA's ten Regions* under each Competition,
- at least \$250 million in ZE Technology projects and at least 10 Planning projects at *small water ports*,
- at least two ZE Technology projects and at least two Planning projects implemented by *Tribal agencies*, and
- ZE Technology and Planning projects at both water and dry ports (with a maximum of \$250 million total in ZE Technology projects at *dry ports*).

Clean Ports Program Funding Limits



ZE Technology Deployment Competition:

Tier	Port Type	Applicant Type	EPA Funding Range per Award	EPA Share of Total Project Cost (Maximum)	Mandatory Applicant Share of Total Project Cost (Minimum)	Anticipated Number of Awards
Tier A	Water ports only	Any eligible entity	\$150,000,000 - \$500,000,000	80%	20%	5-10
Tier B	Water or dry ports	Any eligible entity	\$10,000,000 - \$149,999,999 (Projects at small water ports: \$5,000,000 - \$149,999,999)	90%	10%	25-70
Tier C	Water or dry ports	Tribal applicants only	\$2,000,000 - \$50,000,000	100%	0%	2-10

For territory applicants (the U.S. Virgin Islands, American Samoa, Guam, and the Commonwealth of the Northern Mariana Islands), up to \$5 million of the applicant cost share will be waived, in accordance with the policies of the Omnibus Territories Act.

Climate and Air Quality Planning Competition:

- \$200,000 \$3 million
- No awardee match requirement
- Anticipate awarding 50-70 grants

Clean Ports ZE Technology Deployment Competition: Build America, Buy America (BABA) Act



Waiver Comments Due by April 15

Under the Zero-Emission Technology Deployment Competition, all applicants are expected to comply with BABA statutory requirements.

For the Clean Ports Program, market analysis shows that there is a limited number of manufacturers and supply of mobile port equipment that would meet the BABA Act criteria.

Proposal

- 1. To waive the 55% domestic content requirement for zero emissions mobile port equipment. Only the final assembly of zero emissions mobile port equipment must occur in the United States to be considered "produced in the United States" during the waiver period.
- 2. A supplemental de minimis waiver, waiving all aspects of BABA compliance for ten percent of material costs attributable to zero emissions mobile port equipment, that may be used for recipients of the Clean Ports Program only on zero emissions mobile port equipment.

You can view the proposed waiver on EPA's **BABA Waivers webpage**.

Please submit comments on the waiver by April 15 via email to <u>BABA-OTAQ@epa.gov</u> using the subject line "Comment on Proposed Waiver of BABA Requirements for Clean Ports Program."

Clean Ports Program Port Definitions



Under the Clean Ports Program, a port is either a water port or a dry port, as defined below:

- Water port: places on land alongside navigable water (e.g., oceans, rivers, or lakes) with one or more
 facilities in close proximity for the loading and unloading of passengers or cargo from ships, ferries, and
 other commercial vessels. This includes facilities that support non-commercial Tribal fishing operations.
- **Dry port**: an intermodal truck-rail facility that is included in the 2024 Federal Highway Administration's (FHWA) Intermodal Connector Database based on meeting the criteria set in 23 CFR 470. These criteria include having more than 50,000 20-foot equivalent units per year or 100 trucks per day, or comprising more than 20 percent of freight volumes handled by any mode within a State.

A list of eligible dry port facilities is available on the <u>Clean Ports Program website</u>.

See: ZE or CAQP NOFOs section I.B

Clean Ports Program Port Definitions

Clean Ports Program website.



EPA plans to fund at least \$250 million in ZE Technology projects and at least 10 Planning projects at small water ports.

Under the Clean Ports Program, a small water port is defined as:

- A water port located in a port area to and from which the average annual tonnage of cargo is less than 8,000,000 short tons for the most recent three calendar years of U.S. Army Corps of Engineers (USACE) data (2019, 2020, 2021), or See: ZE NOFO
- A water port located outside of the port areas in USACE tonnage datasets.

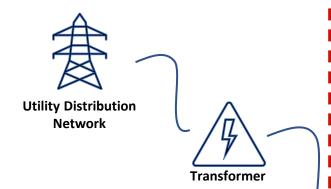
A list of large port areas that do NOT qualify for the small port set-aside is available on the

section I.B or **CAQP NOFO** section II.B

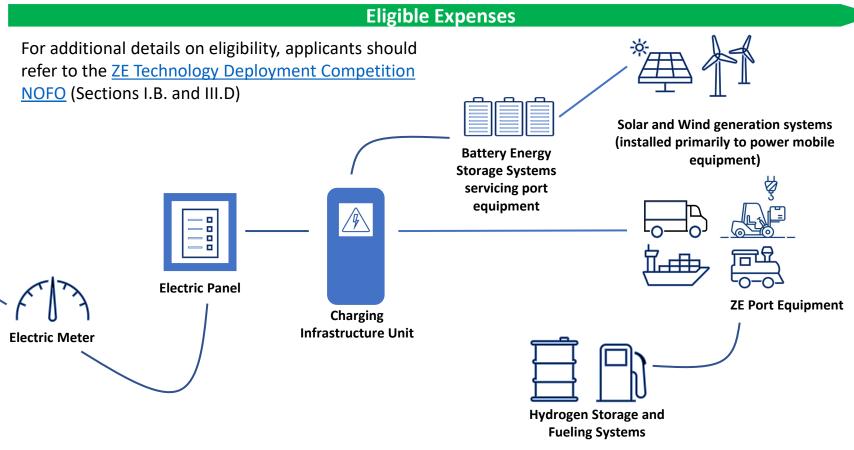
Clean Ports Program Eligible Infrastructure Expenses



Ineligible Expenses



- Eligible infrastructure expenses are limited to electric meters and equipment behind the meter; transformer and electric meter expenses may be considered eligible if they are on the customer's side
- Costs for minor grid upgrades in front of the meter (utility side) may be considered if the work is necessary to connect an eligible charging station to the electric distribution network



- Infrastructure must serve eligible port equipment purchases as part of the grant, except for vessel shore power
 Applicants are encouraged to use no more than 50% of total project costs for infrastructure (not including
- Applicants are encouraged to use no more than 50% of total project costs for infrastructure (not including shore power costs), ZE technology support activities and project administration related expenses

Clean Ports Program ZE Technology Deployment Competition: Ineligible Expenses



General

- Equipment and infrastructure that is not human operated or human maintained
- Equipment and infrastructure that will not directly serve at least one port

Support Costs

- Leasing vehicles
- Feasibility assessment of ZE technology
- Fuel and electricity expenses

Equipment

- Equipment that uses a non-ZE powertrain (e.g. hybrid technologies) unless the non ZE power source is mandated by safety regulations, and functions solely as a source of emergency backup power
- Research and development, or first-of-a-kind demonstration or pilot project
- Ship modifications to allow vessels to accept shore-based electrical power (unless part of a project to replace internal combustion engine(s) with ZE powertrain)
- Repowering/replacing engines in onroad vehicles

Infrastructure

- Infrastructure that does not directly serve eligible ZE mobile equipment purchased as part of the award
- Infrastructure with air polluting components
- Power generation systems, except for solar and wind power generation that primarily power mobile equipment
- Solar or wind power generation system not located on land (e.g., offshore wind)
- Hydrogen production systems
- Transmission and/or transportation of hydrogen outside the port

See: ZE NOFO section I.D