

# **2023 Clean School Bus (CSB) Grant Program (FON# EPA-OAR-OTAQ-23-06) Questions and Answers, 2025 Supplement**

Tuesday, June 2, 2026

This is a supplement to [the Questions and Answers document published by EPA on December 6, 2024](#) and contains new guidance for the benefit of prospective organizations and/or those awarded a grant under the above Funding Opportunity Number (FON).

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

# 1. Overview

No new questions.

# 2. Eligible Applicants

No new questions.

# 3. Eligible Existing and New School Buses

No new questions.

# 4. Prioritization

No new questions.

# 5. Funding Amounts and Eligible Costs

**5.6:** *Can entities participating in an EPA incentive program also qualify for federal tax credits (e.g., IRC 30C and 45W)?*

**Answer:** Federal tax credits may be available to certain types of entities participating in an EPA incentive program, and entities should consult with a dedicated tax professional to determine whether they are eligible. ***Entities interested in determining their eligibility for relevant tax credits 30C (Alternative Fuel Vehicle Refueling Property Credit) or 45W (Qualified Commercial Clean Vehicle Credit) should take into consideration their revised termination clauses provided towards the end of this Q&A.***

In particular, certain applicable entities, including tax-exempt and government entities, that would generally otherwise be unable to claim federal tax credits because they generally do not owe federal income tax, can benefit from some clean energy tax credits, using **elective pay**, which treats the amount of the credit as a payment of tax and refunding any resulting overpayment.

The categories of applicable entities eligible for elective pay of tax credits 30C and 45W are:

## **Eligible for elective pay on 45W:**

- tax-exempt organizations (*described in §§ 501-530, other than those described in § 523*)
- states (including DC) and political subdivisions such as local governments
- Indian tribal governments
- Agencies and instrumentalities of state, local, and tribal governments

## **Eligible for elective pay on 30C:**

- tax-exempt organizations (*described in §§ 501-530*)
- states (including DC) and political subdivisions such as local governments
- Indian tribal governments
- Agencies and instrumentalities of state, local and tribal governments
- Alaska Native Corporations
  - The Tennessee Valley Authority
  - Rural electric co-operatives

Other requirements, such as ownership of the credit property (e.g., eligible vehicle or charger), is required. Special rules limit the application of investment-related tax credits (including, but not limited to, 30C and 45W) for U.S. Territories.

Please review the Internal Revenue Service's (IRS) [frequently asked questions document](#) on elective pay for more information. The EPA cannot provide tax advice. If needed, please contact the IRS or a dedicated tax professional to address any tax-related questions, including regarding statutory changes to clean energy tax credits.

As a result of H.R.1, the One Big Beautiful Bill Act, being signed into law on July 4, 2025, (Public Law 119-21), the termination dates of 45W and 30C have been revised to the following:

#### 26 USC 45W(g) – Termination

No credit shall be determined under this section with respect to any vehicle acquired after September 30, 2025.

#### 26 USC 30C(i) – Termination

This section shall not apply to any property placed in service after June 30, 2026.

For further questions on these termination dates, including how they impact an entity's eligibility to claim a tax credit, we urge you to contact a dedicated tax professional to discuss your specific situation.

Please note that this question has no bearing on whether an entity is eligible for an EPA funding program. To determine EPA program eligibility, please refer to the relevant program's eligibility requirements.

*Date Updated: 8/8/2025; Originally Posted: 6/5/2023*

**New 5.62:** *Will the EPA fund charging infrastructure that is powered by fuel-burning nonroad or stationary generators?*

**Answer:** Under the 2023 CSB Grant Program, the EPA may fund portable charging infrastructure if the charging infrastructure meets program requirements and does not generate onsite emissions. In instances where the portable charging infrastructure needs to be connected to an emergency back-up power source mandated by safety regulations and the back-up power source generates emissions, then the recipient must maintain documentation demonstrating that the back-up power source is necessary to meet safety regulations, as well as documentation showing that it is only used as a back-up power source. The EPA will be conducting audits to review documentation per the Terms and Conditions of each award. Per the award Terms and Conditions, failure to fully comply with the program requirements, such as a lack of required documentation, may result in the EPA taking appropriate action up to and including cancelation of an award. Grantees with further questions about the potential use of portable charging infrastructure in their project should contact the CSB Helpline at [cleanschoolbus@epa.gov](mailto:cleanschoolbus@epa.gov) for assistance.

*Date Posted: 6/2/2026*

**New 5.63:** *Will the EPA allow funding for portable charging infrastructure?*

**Answer:** Under the 2023 CSB Grant Program, the EPA may fund portable charging infrastructure if the charging infrastructure meets program requirements and does not generate onsite emissions. In instances where the portable charging infrastructure needs to be connected to an emergency back-up power source mandated by safety regulations and the back-up power source generates emissions, then the recipient must maintain documentation demonstrating that the back-up power source is necessary to meet safety regulations, as well as

documentation showing that it is only used as a back-up power source. The EPA will be conducting audits to review documentation per the Terms and Conditions of each award. Per the award Terms and Conditions, failure to fully comply with the program requirements, such as a lack of required documentation, may result in the EPA taking appropriate action up to and including cancelation of an award. Grantees with further questions about the potential use of portable charging infrastructure in their project should contact the CSB Helpline at [cleanschoolbus@epa.gov](mailto:cleanschoolbus@epa.gov) for assistance.

*Date Posted: 6/2/2026*

## 6. Application Package and Process

No new questions.

## 7. Selection and Notification

No new questions.

## 8. Scrappage, Sale, or Donation of Old Buses

No new questions.

## 9. Terms and Conditions

### 9.a. General

**9.a.37:** *If an award recipient is eligible for elective pay, can the award recipient stack applicable tax credits on top of program funds?*

**Answer:** While an award recipient may stack applicable tax credits on top of program funds, the award recipient is advised to consult with a dedicated tax professional to determine how the program funds will be characterized for tax purposes, because this can affect whether the entire value of the credit can be claimed.

If the program funds that an applicable entity used to pay for the credit property (e.g. eligible vehicle or charger) are considered a “restricted tax exempt amount,” then the value of those funds plus the value of the tax credit cannot exceed the paid price of the credit property. Grant funding used to pay for a piece of equipment would generally be considered a restricted tax exempt amount if the grant was given for the specific purpose of purchasing, constructing, reconstructing, erecting, or otherwise acquiring an investment-related credit property (e.g., credit property described in 30C and 45W).

If the sum of the restricted tax exempt amount and the federal tax credit exceeds the price of the credit property, then the amount of tax credit allowed will be reduced so that the combined value of the credit and the restricted tax exempt amount does not exceed the price of the credit property. More information on the 30C and 45W tax credits as well as specific examples can be found on the [IRS website](#). Please see Q&A 41 of the linked IRS document to see an example that illustrates this scenario. The EPA cannot provide tax advice. If needed, please contact the IRS or a dedicated tax professional to address any tax-related questions, including regarding statutory changes to the clean energy tax credits.

As a result of H.R.1, the One Big Beautiful Bill Act, being signed into law on July 4, 2025, (Public Law 119-21), the termination dates of 45W and 30C have been revised to the following:

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*Date Posted: 8/29/2025*

**9.a.38:** *Is a federal tax credit on a vehicle or infrastructure purchased in part with grant funds program income?*

**Answer:** No, federal tax credits are not considered program income.

*Date Posted: 8/29/2025*

**9.a.39:** *If a selectee chooses to claim a federal tax credit for equipment purchased using grant funding, what requirements apply?*

**Answer:** Recipients choosing to claim a federal tax credit for qualifying property purchased using grant funding are required, at a minimum, to follow [2 CFR 200.305\(b\)\(5\)](#), [2 CFR 200.406](#), and [2 CFR 200.345\(a\)\(2\)](#). As described in 2 CFR 200.406, "To the extent that such credits accruing to or received by the recipient or subrecipient relate to allowable costs, they must be credited to the Federal award either as a cost reduction or cash refund, as appropriate."

*Date Posted: 8/29/2025*

**9.a.40:** *What type of documentation should grantees provide related to any tax credit(s) generated through their activities funded by the grant?*

**Answer:** In accordance with 2 CFR Sections 200.334-200.337, grantees must retain all relevant documentation, including forms used to file for a tax credit(s) generated through activities funded by the grant, with their grants records. All documentation must be made available upon audit and must clearly show that the grantee did not earn an excess benefit (i.e., the combination of grant funding used to pay for a piece of equipment plus the value of the tax credit did not exceed the paid price of the equipment).

*Date Posted: 8/29/2025*

## **9.b. Build America, Buy America (BABA)**

**9.b.6:** *Does all infrastructure purchased with CSB funding need to meet Build America, Buy America (BABA) requirements? Do BABA requirements apply to infrastructure purchased with non-EPA funds?*

**Answer:** Yes. All fueling infrastructure, including electric charging infrastructure, battery energy storage systems (BESS), and renewable on-site power generation systems purchased with CSB funds must fully comply with BABA requirements, unless EPA grants a waiver.

Any infrastructure costs that are paid solely with non-federal funding but are part of a project that receives federal funding are also subject to BABA requirements. It is important to consider EPA's definition of a project when determining which infrastructure activities are subject to BABA. EPA defines a "project" generally to mean an activity at the same time, same place, and with the same purpose regardless of the funding source.

Please see Question 2.13 in [OTAQ's BABA Implementation Procedures](#) for examples of the purpose, place, and time test as they apply to charging/ fueling infrastructure. EPA recognizes that this guidance updates previous guidance for this 2023 CSB Grant Program (published on 10/28/2024) on the applicability of BABA requirements to infrastructure costs paid for solely with non-federal funding. To the extent that 2023 CSB grant recipients have not, as of the date of this FAQ publication, initiated the purchasing process (e.g., have documentable evidence of previously issuing a Request for Proposal for design, installation, and/or delivery of infrastructure, or previously executing a contract for design, delivery, or installation of infrastructure), then grant recipients should proceed with purchasing infrastructure in accordance with this updated guidance.

For information on BABA requirements and waivers, visit EPA's BABA website. A CSB grant recipient may discuss the potential need for a waiver by e-mailing questions to [BABA-OTAQ@epa.gov](mailto:BABA-OTAQ@epa.gov).

*Date Updated: 8/8/2025; Originally Posted: 10/28/2024*

## 10. Grant Administration

**10.41:** *How do you determine the "Battery: Total kWh of battery discharge" requested on the 2023 CSB Grants Reporting Template Fleet Description tab?*

**Answer:** The "Battery: Total kWh of battery discharge" field in the 2023 CSB Grants Reporting Template Fleet Description tab refers to the total kWh of battery discharge covered under warranty.

Grantees can refer to the information provided by their manufacturer to find information on the battery warranty, including the Total kWh of battery discharge covered under warranty. Note that batteries may have a warranty period based on years, or miles, or kWh throughput, or a combination of all three; for batteries without a warranty based on kWh discharge, grantees can indicate "N/A" in the Template.

Finally, note that Columns BB and BC also refer to Battery Warranty information and columns BE, BF, and BG refer to Powertrain Warranty information.

*Date Posted: 5/16/2025*

**10.42:** *Can a subsidiary of the grantee organization hold ownership of new school buses purchased through the CSB Program, or does the grantee, or their subrecipient, need to retain ownership throughout the five-year period?*

**Answer:** Per [2 CFR 200.313](#), the title must vest with the grantee or their subrecipient that purchases the new buses; however, they may subsequently pass ownership of the new buses (and any charging infrastructure) in one of two ways: First, if the grantee plans to pass ownership to a private entity, such as a subsidiary or other subrecipient, when finalizing their final award with EPA, then the grantee can pass ownership through a subaward, subject to the terms of Appendix A. III. Subawards, of the NOFO. As stated in the NOFO, subrecipients are subject to the same federal requirements as the grantee.

Alternatively, if the grantee identifies a need to pass ownership to a school district beneficiary or other participant in the grant project after the award is finalized, then the grantee must ensure that the contractual agreement with the entity that will take ownership of the buses (and any infrastructure) guarantees that all program requirements will continue to be met, including the requirement for new buses to serve the school district listed on the award for at least 5-years

from the date of delivery. EPA will not be involved in the contractual arrangement between the grantee and the entity taking ownership; however, the grantee organization will ultimately be held accountable for meeting all program requirements as outlined in the Terms and Conditions of the award. Importantly, grantees and subrecipients may not purchase buses or associated infrastructure from a parent company, subsidiary or other affiliate as that term is defined in [2 CFR 180.905](#) as this establishes an actual or apparent organizational conflict of interest. The grantee or subrecipient must purchase the buses and associated infrastructure from a vendor through an arms-length transaction. After the arms-length transaction is completed, then they may elect to pass ownership as outlined immediately above.

*Date Posted: 5/16/2025*

**New 10.43:** *What is acceptable for proof of delivery for a new vehicle?*

**Answer:** The proof of delivery should include the date of delivery, shipping or installation address, original order information, signature or purchaser, and shipping company information. This information can be included in documentation such as a dated Bill of Lading that matches delivery information, delivery receipt, invoices with equipment delivery information, and/or email confirmation from an equipment vendor. Note that 2023 CSB grantees must retain proof of delivery in case of an audit, but do not need to submit the documentation to their EPA Project Officer unless requested.

*Date Posted: 6/2/2026*

**New 10.44:** *How long should the document retention be?*

**Answer:** In accordance with [2 CFR 200.334](#), recipients must keep all financial records, supporting documents, accounting books, and other evidence of grant program activities for three years from the date of submission of the final expenditure report. If any litigation, claim, or audit is started before the expiration of the three-year period, the recipient must maintain all appropriate records until these actions are completed and all issues resolved.

*Date Posted: 6/2/2026*

**New 10.45:** *What if it is infeasible for a grantee to provide all required photos to demonstrate proof of scrappage for the replaced bus(es)?*

**Answer:** Recipients and subrecipients should fully review the Terms and Conditions of their award prior to scrappage to ensure all required photos are captured prior to and immediately following scrappage. If there are specific circumstances that preclude submitting the full spectrum of required scrappage photos, then the grantee must work with their EPA Project Officer to ensure clear documentation of the replaced bus(es) being permanently disabled. The grantee, replaced bus owner, and entity that completed the scrappage process must also complete and sign the [Clean School Bus Grants Program Scrappage Statement](#).

*Date Posted: 6/2/2026*

**New 10.46:** *Are grantees required to submit photos of new buses as part of progress and close-out reporting?*

**Answer:** Yes. Grantees should submit clear photos of all new buses and any infrastructure funded by the EPA when they submit their Eligibility and Scrap/Sell/Donate statements. Photos of new buses include a) the front profile of the new vehicle, b) the side profile of the new vehicle, c) the vehicle information plate that displays the VIN and manufacturer. The photo should be a readable display of the VIN plate, rather than a photo of the bus with the VIN imposed over the photo. Photos of any new, EPA-funded infrastructure should include a) each infrastructure unit's data plate, including the serial number and manufacturer, and b) each installed infrastructure unit. Grantees are encouraged to bundle statements and all supporting documents per an old/new bus pair into a single PDF file. For example, the CSB Eligibility Statement, the Scrap/Sell/Donate Statement, proof of scrappage photos (1-2 photos per page), and photos of the new bus that is replacing the scrapped (or sold/donated) bus can be submitted as one PDF file. A project that is replacing 15 buses would submit 15 PDFs with their progress report for the reporting period in which the buses were scrapped. See the [Application Documents and Reference Materials](#) section of our website for the Eligibility and Scrap/Sell/Donate Statement.

*Date Posted: 6/2/2026*

**New 10.47:** *If a grantee needs to make changes to their original submitted Workplan, should they revise the Workplan tab in the next Reporting Template?*

**Answer:** Yes. The Workplan Tab in the Reporting Template should be revised to include the information in the approved workplan at the time of progress report submission. If the workplan has been amended, the grantee should fill out the Amendment tab of their progress report to reflect the changes.

*Date Posted: 6/2/2026*

**New 10.48:** *Under what circumstances do CSB grantees need to complete the 'Amendments' tab of reporting templates, and when is this information due to the EPA?*

**Answer:** Grant recipients must carry out projects in accordance with approved final workplans. Per 2 CFR §200.308, recipients must request prior written approval from the EPA for any budget or program plan revisions. Proposed modifications to approved workplans (including additions, deletions, or changes in schedule) must be submitted to your EPA Project Officer for approval. Depending on the type of change(s), a formal amendment to the award may be necessary. If a PO approves modifications to an approved workplan, any changes must be captured in 'Tab 3. Amendments' of the CSB Project Reporting Template. Grantees should fill out this tab during the reporting period when the amendment is finalized by their Project Officer, but no later than at the end of each year of project performance. Grantees should select from a dropdown list of options in Table 5 for 'Update Year' and 'Type of Amendment'. Please note that adding workplan changes to the Amendments tab does not supersede or replace written approval from the EPA Project Officer. The Amendments tab should be left blank if your PO has not approved any amendments for your project.

*Date Posted: 6/2/2026*

**New 10.49:** *Can grantees change the number and type of charging equipment they purchase from what is reflected in the approved project budget (e.g., purchase dual port chargers instead of single-port DC fast chargers)? If so, what documentation is required?*

**Answer:** The grantee can purchase different equipment than identified in the approved budget, however, the EPA cannot provide any additional funds. The grantee must submit the proposed change(s) in equipment to their EPA Project Officer for review. Any changes to the approved budget must be authorized by the Project Officer. If the changes require an amendment, then the grantee must work with their Project Officer to complete a formal amendment. The grantee should provide the updated equipment information and amendment information in their progress report (refer to Q&As 10.47 and 10.48 for more details). Importantly, all the EVSE must continue to meet program requirements, as detailed in the 2023 CSB NOFO.

*Date Posted: 6/2/2026*

**New 10.50:** *If a grantee is purchasing EV chargers with leveraged funds, do they need to complete 'Tab 10. Infrastructure' of the 2023 CSB Grants Reporting Template?*

**Answer:** Yes. Electric vehicle supply equipment (EVSE) funded through leveraged funds should be included in 'Tab 10. Infrastructure' of the progress report. Infrastructure that is included in the approved workplan, whether or not it is funded by the EPA, should be included in progress reports for the grant project.

Refer to the CSB Reporting Template Overview presentation from July 2025, slide 11, for more information on completing 'Tab 10. Infrastructure' in your progress report.

As a reminder, Build America, Buy America (BABA) requirements apply to the entire infrastructure project that receives any funding from an EPA financial assistance award even if the project also receives funding from other sources. Specifically, BABA applies to all iron, steel, manufactured products, and construction materials that are incorporated into those infrastructure projects, including items that may be purchased using non-EPA funding as part of cost-share or otherwise. See [OTAQ BABA Implementation guide](#) Q2.3 and Q2.4 for more information on "What is a "Project"?" and the Purpose, Time, and Place test.

Note: BABA requirements apply to charging/fueling infrastructure if:

- The EPA or another agency provides \$1+ towards charging/fueling infrastructure, OR
- Recipient pays for charging/fueling infrastructure as cost share for the federal grant, OR
- Charging/fueling infrastructure is part of the same project as federal grant/rebate funding (based on the PTP test), regardless of the funding source.

See [OTAQ BABA Implementation Procedures guide](#) Q2.12 and Q2.13, and 2023 CSB Grant Program Supplement Q&A 9.b.6 for more information on BABA requirements for charging and fueling infrastructure.

*Date Posted: 6/2/2026*

**New 10.51:** *How should grantees fill out the CSB Reporting Template for buses that operate across several zip codes in a single place of performance?*

**Answer:** The grantee should choose one zip code that best reflects the bus's location in each place of performance. The EPA understands that a bus may be used in more than one zip code but selecting the zip code where the bus operates the most within a place of performance will better inform our review of your data. Note that the grantee can select multiple places of performance when a bus operates across multiple areas. Please reach out to your PO or the Helpline ([cleanschoolbus@epa.gov](mailto:cleanschoolbus@epa.gov)) with details of your grant for more guidance.

*Date Posted: 6/2/2026*

**New 10.52:** *When should CSB grantees include information on vehicles to be replaced, new vehicles, and infrastructure in reporting templates?*

**Answer:** Grant recipients are encouraged to complete information on vehicles to be replaced in 'Tab 9. Fleet Description' as soon as possible and should finalize the information during the reporting period that the vehicles are scrapped, sold, or donated (vehicle disposition options vary by model year per Section III.D.1.a of the NOFO). Similarly, grantees are encouraged to complete Tab 9 and Tab 10 by providing information on new vehicles and infrastructure as soon as possible (e.g., when a purchase order is placed during the reporting period) and then should finalize the information during the reporting period that the equipment is placed into operation. All relevant fields must be filled out completely by the time the end of the project period.

*Date Posted: 6/2/2026*

**New 10.53:** *If a grantee makes a profit from selling scrap metal from scrapped buses, would this be considered program income? Should the grantee document the costs associated with scrappage and the full amount earned, or only document the net income?*

**Answer:** Yes, the profit made from the sale of scrap metal would be considered program income (per CSB NOFO Section D.4.g.i.iii). Per Section 2 CFR 200.307.d only the net income from the sale of the scrap metal (final sale price minus any incidental costs) would be considered program income; however, the grantee should still retain all documentation for the total income, ancillary costs, and net program income. Per the award Terms and Conditions, the grantee should retain all documentation for review in case audit.

In addition, recipients should work with their Project Officer to ensure that their approved workplan clearly describes how program income will be generated and expended. Grantees must report all program income in their progress report and in Standard Form 425 (refer to Section G of your award Terms and Conditions).

*Date Posted: 6/2/2026*

**New 10.54:** *Is a grantee responsible for paying back the federal government for federal interest earnings on advanced funding under the CSB Grant Program?*

**Answer:** Per 2 CFR 220.305, grantees must only draw down for immediate cash needs and should disburse funds to their vendor(s) within five business days. In limited circumstances, a grantee request approval from their EPA Project Officer for advanced funding. If the grantee were to earn interest greater than \$500 per year, then the grantee or subrecipient must return the funds to the federal government (refer to 2 CFR 200.305(b)(12)). The EPA will provide instructions on how to return any interest earned as applicable.

Please refer to CSB Q&A 10.55 for information on reasonable downpayments.

*Date Posted: 6/2/2026*

**New 10.55:** *A vendor is requiring a 100% deposit on new equipment being purchased under the grant. Is a drawdown of 100% of the equipment cost for a deposit permitted?*

**Answer:** Grantees may not draw down 100% of the equipment cost for a deposit. Drawdown amounts should reflect the work done, so a 100% drawdown would constitute 100% of the work being completed, which is not the case for a deposit. Per 2 CFR 200.404, the amount or percentage of funds used for a down payment is generally based on what is considered reasonable for that market and does not exceed an amount that a prudent person would incur under the prevailing circumstances.

If grantees need to provide a downpayment or deposit on new vehicle(s) and/or infrastructure to their vendor(s), they should notify their EPA Project Officer and request approval. After approval, the grantee must make sure that they have an initial invoice showing the amount of the downpayment/deposit. The grantee must retain the initial invoice with their grant records in accordance with 2 CFR 200.334-200.337. Once the vehicle(s) and any infrastructure are received, grantees must retain the final invoices for their records. Both the initial and final invoices must be made available upon audit and should match the breakdown of costs reflected in the project budget table.

*Date Posted: 6/2/2026*

**New 10.56:** *Can the school district follow their state procurement rules?*

**Answer:** State procurement rules only supersede EPA procurement rules when the grantee is a state entity. Local entities can only rely on state procurement standards for strategic sourcing (per 2 CFR 200.318(e)); the grantee should review the strategic sourcing information in 2 CFR 200.317- 2 CFR 200.327 "Procurement Standards" for additional details and contact their EPA Project Officer with any further questions.

*Date Posted: 6/2/2026*

**New 10.57:** *Can a grantee close out their grant before their site is connected to the electricity grid and energized?*

**Answer:** All the activities in the workplan must be completed prior to closing out the grant. If a no cost time extension is needed, please discuss and get Project Officer approval.

*Date Posted: 6/2/2026*

**New 10.58:** *What types of charging infrastructure are suitable for charging an electric school bus?*

**Answer:** Level 2 and DC Fast Chargers are both suitable for charging an electric school bus. Level 1 chargers, or those using standard 120-volt outlets, are not recommended for charging an electric school bus. To determine whether a Level 2 or DC Fast Charger is the best fit for your fleet, please reach out to [CleanSchoolBusTA@nrl.gov](mailto:CleanSchoolBusTA@nrl.gov) for free technical assistance.

*Date Posted: 6/2/2026*

**New 10.59:** *What is an eligible use of Participant Support Costs (PSCs) for equipment under the Clean School Bus Program?*

**Answer:** The EPA intends that PSCs are used in limited situations. PSCs can be used for rebates or other subsidies provided to program beneficiaries to purchase commercially available, standard ("off the shelf") pollution control equipment or program-approved vehicles

where the program participant, rather than the recipient, owns the equipment. PSCs are not to be used for custom equipment. PSCs are for the one-time cost of purchasing and installing pollution control equipment or program-approved vehicles. Large subsidies to private entities are more appropriate as a subaward.

PSCs cannot be used for project administration and overhead (including personnel, contracting, and indirect costs), operations and maintenance, design and engineering services, construction, travel, and post-installation sampling or monitoring activities. Labor costs are only eligible for consideration as PSCs if necessary for equipment installation and the installation is required as part of the equipment acquisition cost from the equipment vendor.

PSCs are subject to the “Basic Considerations” for the allowability of costs described in 2 CFR Part 200, Subpart E – Cost Principles (Cost Principles). The costs must be reasonable, incurred within the project period and otherwise allocable to the EPA assistance agreement, and adequately supported by accounting records.

Program beneficiaries may include individual owner-operators, private fleet owners (e.g., dray truck owners), or public fleet owners (e.g., school districts, municipal sanitation departments); however, program beneficiaries cannot be a contractor or recipient/subrecipient under the respective award, or anyone who would otherwise create a conflict of interest under the EPA's Financial Assistance Conflict of Interest Policy.

For more information, please see the EPA's Guidance on Participant Support Costs most recently updated on October 1, 2024.

*Date Posted: 6/2/2026*