

**Clean Heavy-Duty Vehicles Grant Program (FON# EPA-R-OAR-CHDV-24-06)
Questions and Answers: 2025 Supplement**

Monday, August 3, 2026

This is a supplement to the [Questions and Answers document published by EPA on December 26, 2024](#) and contains new guidance for the benefit of prospective organizations and/or those awarded a grant under the above Notice of Funding Opportunity (NOFO).

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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.

A. Overview

A.25: *Will the EPA offer a future Clean Heavy-Duty Vehicles Program funding opportunity?*

Answer: No additional funding opportunities will be made available for the CHDV Program. However, entities interested in school bus projects should join the [CSB listserv](#) to learn about potential funding opportunities under the Clean School Bus Program.

Date Updated: 8/25/2025; Originally Posted: 12/26/2024

B. Eligible Applicants

No new questions.

C. Eligible Vehicles

Updated C.4: *Can 2024 CHDV grant funding be used to lease or lease-to-own the new replacement vehicles?*

Answer: No. New replacement buses must be purchased, not leased or leased-to-own. Vehicle loans are permitted for the replacement bus purchases, provided that the applicant on the application takes title to the vehicle before the end of the project period. **Please reference H.a.33 for updated guidance.**

Date Updated: 8/3/2026; Originally Posted: 4/30/2024

C.36: *Does the Gross Vehicle Weight Rating (GVWR) include the added weight from any customizations, upfitting, or uplifting?*

Answer: The GVWR is the maximum amount a vehicle can weigh and is specified by the manufacturer. GVWR includes the maximum weight of the vehicle, including the chassis, body, engine, fuel, fluids, accessories, driver, passengers, and cargo (minus trailers, which are separate). The GVWR of a vehicle is shown on the vehicle's Safety Compliance Certification Label, located on the inside of the driver's side door or the door latch post pillar. Class 6 and 7 vehicles are defined as having a GVWR between 19,501 and 33,000 lbs. As explained in Q&A C.2, replacement vehicles must generally be of the same or similar vehicle type and continue to perform the same or similar function and operation as the vehicle being replaced. If the applicant requests vehicles that include additional functionality or add-ons unrelated to the vehicle's ability to perform its function the EPA may elect not to fund, or to partially fund, the requested new vehicles.

Date Updated: 1/14/2026; Originally Posted: 7/2/2024

C.47: *How is "replacement" defined with respect to existing vehicle eligibility under Section III.D.2.e of the NOFO?*

Answer: A new eligible vehicle is determined to have replaced an existing eligible vehicle once the EPA has received and approved the required documentation and proof (i.e., signed Eligibility and Disposition Statement, scrappage photos/videos, etc.) that the existing vehicle has been scrapped, sold, or donated in accordance with program requirements

Date Posted: 8/25/2025

C.48: *If a grantee determines that an existing vocational vehicle does not meet the EPA's mileage requirements, can they scrap a different type of vocational vehicle if it has a similar chassis and hydraulic system, i.e., similar form but serves a different function?*

Answer: No. As explained in Section III.D.3.j of the NOFO, under the Vocational Vehicles Sub-Program, replacement vehicles must be similar in form and function to the vehicle being replaced. For additional information, please refer to Q&A C.2.

Date Posted: 8/25/2025

D. Eligible Costs & Funding Amounts

D.2: *Can the EPA explain how the per-vehicle cap works under the CHDV grant program?*

Answer: The EPA Cost Share Percentage of New Vehicle Price listed in Table 2 of the [Notice of Funding Opportunity \(NOFO\)](#) applies only to the new vehicle, not the new vehicle and infrastructure; therefore, the Mandatory Cost Share for selectees is only the remaining cost of the vehicle. Infrastructure costs are not included in Mandatory Cost Share, though they are included in the per-vehicle funding cap. As stated on p.18 of the NOFO, "There is no similar cost share for infrastructure, but infrastructure costs are included in the per-vehicle funding cap." The Per-Vehicle Funding Cap (Vehicle and Infrastructure) listed in Table 2 of the NOFO includes both vehicle and infrastructure costs. All vehicle and infrastructure costs incurred with the equipment, including telematics/software and infrastructure installation, are included in the per vehicle caps listed in Table 2 of the NOFO. Vehicle delivery costs and workforce training costs purchased separately from the new equipment are considered project implementation costs and separate from the per-vehicle funding caps. Note, the mandatory cost share is waived for territory and Tribal applicants, but territory and Tribal applicants are still subject to the combined vehicle and infrastructure per-vehicle cost caps shown in Table 2 of the NOFO.

Date Updated: 3/28/2025; Originally Posted: 4/30/2024

Updated D.28: *Are vehicle loans with a municipal interest rate/a municipal loan allowed to finance replacement vehicle purchases under this program?*

Answer: Yes. For the 2024 CHDV Grant Program, "vehicle loan" is defined as the amount of money that is borrowed to purchase a vehicle. The title to the vehicle must be in the name of the vehicle fleet before the end of the project period, but the vehicle can have a lien on it from the organization making the loan. Grant funds may not be used to lease or rent a vehicle. **Please reference H.a.33 for updated guidance.**

Date Updated: 8/3/2026; Originally Posted: 5/31/2024

Updated D.44: *Is leased infrastructure or equipment considered an eligible cost for this funding opportunity?*

Answer: As described in Section III.D.6.i of the NOFO, leasing is an ineligible cost. Funds awarded under the CHDV Grant Program cannot be used to lease vehicles or equipment. If financing is necessary, the purchase should be financed with a conventional purchase loan. **Please reference H.a.33 for updated guidance.**

Date Updated: 8/3/2026; Originally Posted: 7/2/2024

D.73: *If a grantee is passing funds as Participant Support Costs to their contracted school bus operator for the procurement of new electric school buses, do the 2 CFR Part 200 procurement rules apply to the contracted school bus operator's purchase of the vehicles and equipment?*

Answer: No. The Uniform Grant Guidance at 2 CFR Part 200, including the procurement requirements at 200.317-327, do not "flow down" to beneficiaries receiving Participant Support Costs. Please refer to Appendix A of the CHDV [NOFO](#) for additional information on when it is appropriate to use subawards, contracts, and/or participant support costs.

Date Posted: 3/28/2025

D.74: *Are workforce development costs and community engagement costs independent of the maximum per-vehicle and infrastructure funding that is listed in Table 2 of the CHDV NOFO?*

Answer: Workforce training costs that are purchased separately from the new vehicle and/or infrastructure (i.e., not included in the purchase order for the new equipment) are project implementation costs and thus are not included in the per-vehicle caps shown in Table 2 of the CHDV [NOFO](#). Similarly, costs associated with community engagement are also project implementation costs. Project implementation costs are further defined in Section III.D.5 of the NOFO.

Date Posted: 3/28/2025

D.75: *Can a portion of the infrastructure amount awarded be used for permitting and necessary reviews (e.g., Endangered Species Act)?*

Answer: As described in Section III.D.4 of the [NOFO](#), permitting is included as an eligible infrastructure cost. Additional costs for necessary reviews (e.g., Endangered Species Act) may be eligible project implementation costs. Please contact your EPA Project Officer with any additional questions on this topic.

Date Posted: 3/28/2025

D.76: *Where can I find additional information on proper draw down procedures, including any information on timing of draw downs and any potential interest earned?*

Answer: Please refer to the [EPA General Terms and Conditions](#) (T&Cs), Section 5 “Automated Standard Application Payments (ASAP) and Proper Payment Draw Down Electronic Payments” for detailed information on proper draw down procedures.

As outlined in 2 CFR Part 200.305, recipients generally must maintain advance payments of Federal funds in interest-bearing accounts, time drawdowns and spending to minimize interest accrual, and return any excess funds to the EPA as specified in the regulations. CHDV grant recipients and subrecipients must be able to account for all Federal funds received, obligated, and expended, including interest earned.

Date Posted: 3/28/2025

D.77: *What is the de minimis indirect cost rate?*

Answer: Any non-Federal entity that does not have a current negotiated rate, except for those non-Federal entities described in 2 CFR Appendix VII to Part 200, paragraph D.1.b, may elect to charge a de minimis rate. The de minimis rate for grants awarded on or after October 1, 2024, is 15% of modified total direct costs (MTDC).

Date Posted: 8/25/2025

D.78: *Are electrical service equipment upgrades (e.g., distribution lines, transformers, etc.) and electric vehicle supply equipment installation (trenching, re-paving, conduit, engineering review, drawings, permitting, etc.) subject to the funding caps listed in Table 2 of the NOFO?*

Answer: Yes, behind-the-meter electrical service equipment upgrades and EVSE installation are considered infrastructure costs and subject to the combined per-vehicle funding caps (vehicle+infrastructure) found in Table 2 of the NOFO. Note as well that, per Section VI.C of the CHDV NOFO, all of the iron and steel, manufactured products, and construction materials used for infrastructure must meet Build America, Buy America (BABA) requirements. BABA requirements apply to the entire infrastructure project, regardless of whether or not the infrastructure was the primary basis for the award.

Date Posted: 8/25/2025

D.79: *If a grantee plans to use grant funds to purchase school buses and then transfer the bus title to the corresponding school districts, would this be considered a Participant Support Cost?*

Answer: Yes, this would be classified as a Participant Support Cost and should be placed in the "equipment" budget category.

Date Posted: 8/25/2025

D.80: *Is sales tax on eligible vehicles and infrastructure under the CHDV Grant Program an eligible cost?*

Answer: Yes.

Date Posted: 8/25/2025

D.81: *How will H.R. 1 impact the CHDV program?*

Answer: The final version of the H.R.1 bill that was signed into law did not impact awarded CHDV grants. Grantees can drawdown for expenses incurred for eligible funds, in accordance with proper drawdown procedures.

Date Posted: 1/14/2026

E. Application Process

No new questions.

F. Selection

No new questions.

G. Scrappage, Sale, or Donation of Existing Vehicles

G.11: *Can a grantee scrap an eligible existing vehicle prior to purchasing a new eligible replacement vehicle?*

Answer: Yes, existing vehicles can be scrapped any time during the project period, i.e., after final award. However, the grantee must make sure they follow the scrappage documentation requirements outlined in the Terms & Conditions of their award.

Date Posted: 3/28/2025

G.12: *For evidence of appropriate scrappage, is a signed Reg 42 Form, which is State-level requirement, from the dismantling facility sufficient, or are photographs required?*

Answer: For each vehicle that is scrapped and replaced by a new zero-emission vehicle under the CHDV program, grantees must provide a completed Eligibility and Disposition Statement including multiple photos (or videos) showing that the existing vehicle was decommissioned in accordance with EPA requirements. The Eligibility and Disposition Statement will be published on the [Grantee Resources page](#) of the CHDV website once it is finalized. Please note that Federal closeout requirements, including forms and supporting photo (or video) evidence for each scrapped CHDV vehicle, are in addition to (not in lieu of) any state/local requirements the dismantling facility may be subject to. For additional information on scrappage requirements and closeout evidence, please consult with your EPA Project Officer.

Date Posted: 8/25/2025

G.13: *Are there samples/guidance of photo proof of scrappage? The plan communicated in our workplan is to auction the vehicles.*

Answer: Grantees may request sample project closeout evidence from their EPA Project Officers.

If a grantee does not have any MY 2010 or older vehicles to scrap, then MY 2011 or newer vehicles may be sold, donated or moved to reduced service in exchange for new zero-emission vehicle replacements (please refer to Section III.D.6.k of the NOFO for more information on fleet expansion/disposition requirements).

Grantees should confirm that disposition plans for existing vehicles (and associated documentation) satisfy all Clean Heavy-Duty Vehicle program requirements in the Terms and Conditions of the awarded grant, including any requirements for program income generated from auctioning a MY 2011 or newer vehicle.

Date Posted: 8/25/2025

G.14: *When will the final CHDV Scrappage and Disposition Statement be made available to grantees, and can they use Clean School Bus templates found online in the meantime?*

Answer: The CHDV Scrappage and Disposition Statement will be published on the [Grantee Resources page](#) of the CHDV website once it is finalized. CHDV grantees should not use CSB templates and should consult with their EPA Project Officers if they have any questions in the interim.

Date Posted: 8/25/2025

G.15: *If multiple vehicles are being replaced with one new vehicle, how do we complete the eligibility and scrappage statements and fill this out in the progress report?*

Answer: Each vehicle being replaced should have its own Eligibility and Scrappage Statement. Grantees should enter the data for reduced service vehicles in Tab 9a "Current Fleet Description" in the CHDV Project Reporting Template and note those vehicles that are being put into reduced service. Please refer to NOFO Section III.D.2 for more information.

Date Posted: 8/25/2025

H. Terms & Conditions

H.a. General

Updated H.a.4: *How does the project period impact the payment terms (duration) for a loan?*

Answer: Conventional vehicle loans or financing are permitted for the purchase of replacement vehicles. The applicant's proposal should discuss who will hold registration and who will hold title to vehicles purchased with grant funds. In most states, a lienholder holds the vehicle's title until the loan is paid off. To satisfy the terms and conditions of the grant, recipients must demonstrate proof of purchase and that any/all cost share requirements have been met. Grant funds may not be used to lease or rent vehicles. **Please reference H.a.33 for updated guidance.**

Date Updated: 8/3/2026; Originally Posted: 5/31/2024

H.a. 7: *What are the "program income requirements" mentioned in Section III.D.6.k of the NOFO?*

Answer: Under the 2024 CHDV Grant Program, program income requirements apply to Engine Model Year 2011 or newer existing vehicle sales and the sale of scrapped vehicle parts such as disabled engines, disabled vehicles, and disabled equipment. The recipient is authorized to retain program income earned during the project period for use on the project. Program income shall be added to funds committed to the project by the EPA and included in subsequent grant reporting. Note that a report on the amount of program income earned during the award period must be submitted with the Final Federal Financial Report, Standard Form 425. For more information on program income, refer to Section O of the CHDV Terms and Conditions.

Date Updated: 3/28/2025; Originally Posted: 6/17/2024

H.a.29: *Where can I find additional guidance on cybersecurity requirements applicable to CHDV grantees?*

Answer: Cybersecurity requirements applicable to CHDV grantees are found in the CHDV Program's Terms & Conditions and largely refer to following all applicable State law cybersecurity requirements unless a grantee is directly connecting to an EPA data system. For more information, please refer to slide 36 from the [12/17/24 Clean Heavy-Duty Vehicles Grant Program Fiscal Responsibilities and Q&A Session for Selectees](#).

Date Posted: 3/28/2025

H.a.30: *Could you please clarify the reporting expectations for projects where the Davis-Bacon provisions apply under the Clean Heavy-Duty Vehicles (CHDV) grant program? Specifically, what documentation or timelines should grant recipients adhere to for compliance?*

Answer: Additional information on the Davis-Bacon and Related Act (DBRA) regulations can be found [here](#). The CHDV Terms & Conditions also include additional information on DBRA. Please consult with your EPA Project Officer for any additional questions on this topic.

Date Posted: 3/28/2025

H.a.31: *Is money received from the scrap or sale of an existing vehicle considered "program income"?*

Answer: Yes. "Program Income" from the sale of an existing vehicle is the amount of funds received from the sale less any remaining loan or other fees owned on the vehicle that was sold. For additional information, please refer to Q&A H.a.7.

Date Posted: 3/28/2025

H.a.32: *If the awarded entity of CHDV funding is providing rebates to public or private fleets, who is responsible for completing the scrappage statement? Is it the fleet receiving the rebate or the CHDV grant awardee?*

Answer: The grantee is responsible for all terms and conditions of the award including completing scrappage documentation, though grantees may need to work with the fleet receiving the rebate to do so. The grantee is also responsible for submitting the documentation.

Date Posted: 8/25/2025

New H.a.33: *Can a recipient or subrecipient dispose of (most commonly through the sale of the equipment and transfer of title) or encumber (most commonly through a lien) the grant-funded equipment during the project period?*

Answer: No, recipients and subrecipients cannot dispose of or encumber grant-funded equipment during the project period unless the recipient has explicitly described these activities in the EPA-approved workplan or has otherwise received formal approval. Per [2CFR200.313\(a\)\(2\)](#), “While the equipment is being used for the originally-authorized purpose, the recipient or subrecipient **must not dispose of or encumber its title** or other interests without the **approval of the Federal agency** or pass-through entity.” Recipients and subrecipients seeking approval to dispose of or encumber grant-funded equipment during the project period must provide a compelling justification. The justification must demonstrate that the action is necessary for the project and sufficient guardrails are in place to mitigate risk and ensure all grant requirements are met. If a subrecipient is seeking approval from the pass-through entity providing them the subaward (i.e., the recipient or, in certain cases, another subrecipient), the pass-through entity should consider the risks and consult the EPA before approving disposition or encumbrance of grant-funded equipment during the project period. Note that some awards include an Equipment Disposition Term and Condition that requires all recipients to obtain instructions from the EPA; in those cases, the recipient must first obtain EPA approval before the recipient approves a subrecipient’s disposal of grant-funded equipment.

If approved, documentation regarding the equipment disposition or encumbrance must be retained by the recipient and, where relevant, the subrecipient. Equipment disposition or encumbrance must also be documented in the grant progress report(s) and final report.

The EPA recognizes that this guidance updates previous guidance for recipients in questions C.4, D.28, D.44, and H.a.4 in the 2024 CHDV Grant Program (published in “Questions and Answers: 2024 Clean Heavy-Duty Vehicles Grant Program” on 12/26/2024). 2024 CHDV grant recipients and subrecipients that have not, as of the date of this FAQ publication, entered into a conventional purchase loan agreement and/or an agreement to allow a third-party to take title of grant-funded equipment during the project period must follow this updated guidance. For any conventional purchase loan agreement initiated before this FAQ where the lender requires they are on the title until the loan is repaid, the loan must be paid off in full prior to the end of the project period and documented in the progress report(s) and final report.

Date Posted: 8/3/2026

H.b. Build America, Buy America (BABA)

H.b. 5: *For this funding opportunity, it has been determined that school buses are not subject to Build America, Buy America provisions. What does that mean?*

Answer: EPA has determined that school buses are not subject to the Build America, Buy America Act (BABA) requirements. While school buses purchased under the CHDV Program are not required to be BABA compliant, EPA strongly encourages applicants to select domestically produced products.

Date Updated: 1/14/2026; Originally Posted: 7/24/2024

H.b.8: *Is a Build America, Buy America (BABA) waiver available for CHDV projects?*

Answer: Project-level waivers may be applicable depending on certain factors. Please monitor the [EPA's Build America, Buy America website](#) regarding approved EPA program waivers and for information on applying for project-level waivers.

Date Posted: 3/28/2025

H.b.9: *Do vehicles purchased using Clean Heavy-Duty Vehicles Program funds need to be BABA compliant?*

Answer: All CHDV projects must meet applicable BABA requirements. Specific applicability is dependent on the vehicle type, purpose, and other project aspects. EPA Project Officers can provide additional information on the factors for determining BABA applicability of non-school bus vehicles and equipment. Please refer to Q&A H.b.5 for more information on school buses under the CHDV Grant Program.

Date Posted: 3/28/2025

H.b.10: *Where can CHDV grant recipients find more information on Build America, Buy America domestic sourcing requirements?*

Answer: On March 19, 2025, the EPA released [Build America, Buy America \(BABA\) Implementation Procedures for EPA Office of Transportation and Air Quality \(OTAQ\) Federal Financial Assistance Programs](#). The memorandum provides important information to support EPA's grantees, contractors, and manufacturers in complying with BABA domestic sourcing requirements. For additional questions, please contact BABA-OTAQ@epa.gov.

Date Posted: 8/25/2025

I. Grant Administration

I.a. General

I.a.1: *Can a school system use an existing contract if the contract already went through a competitive procurement process that meets 2 CFR Part 200 requirements?*

Answer: Pre-existing contracts that meet the 2 CFR Part 200 requirements can be used to procure goods or services under the CHDV Grant Program; however, the existing contract must be within scope of the grant (e.g., providing goods and services that are eligible project costs under the CHDV Grant Program, as defined in the NOFO).

Date Posted: 3/28/2025

I.a.2: *Could the EPA clarify next steps and timelines for finalizing CHDV awards, including any requirements or documentation the tentative awardee needs to complete in order to secure funding? Additionally, at what point does the status transition from 'tentative awardee' to 'awardee'?*

Answer: Once applicants receive a tentative notification of selection, then they should begin working closely with their EPA Project Officers to finalize proposed workplans and budgets, as needed. EPA Project Officers will work closely with CHDV selectees to ensure that all documentation is completed prior to finalizing awards. Once awards are finalized, then selectees transition to "grantees" (or "recipients").

Date Posted: 3/28/2025

I.a.3: *Is time of closeout when the buses are delivered or when the buses start being used?*

Answer: Closeout occurs when grantees complete the activities and deliverables included in their final workplan, which will typically include delivery and implementation of the new vehicles and charging equipment. If all project workplan activities and expenditures are completed prior to the end of the assistance agreement project period, then the grantee should complete project closeout documentation at that time.

Date Posted: 3/28/2025

I.a.4: *If zero-emission vehicles and/or infrastructure cost more than expected due to changes in acquisition costs outside a grantee's control (e.g., tariffs, natural disasters at manufacturing plants, etc.), can the EPA provide a commensurate amount of additional funding post-award? If not, then can the grantee reduce the number of vehicles and/or project implementation costs (personnel, fringe benefits, travel, and other indirect costs) as long as the total EPA funding remains consistent with the final awarded grant?*

Answer: There is no additional EPA funding available for CHDV grantees post-award. Grant recipients have some level of flexibility to determine the exact split between vehicle and infrastructure funding such that total federal funding does not exceed the EPA vehicle cost shares or vehicle+infrastructure caps presented in Table 2 of the NOFO (or the total cost of new vehicles and charging/refueling infrastructure).

If equipment acquisition costs sharply increase from the cost estimates available during final workplan negotiations and CHDV grantees cannot afford to fund the difference, then they can work with their EPA Project Officer on an amendment to the grant to reduce the number of vehicles, infrastructure units, and/or associated project implementation costs as long as the changes continue to align with the CHDV NOFO (e.g., minimum number of vehicles for each Sub-Program, the EPA cost share, per-vehicle funding caps in Table 2), how the application was scored in terms of applicant cost share, and the Terms and Conditions of the award. This would require prior written approval from the EPA Project Officer before the grantee could proceed with any changes to final workplans.

Note that the EPA has partnered with the National Renewable Energy Lab (NREL) to provide free technical assistance to CHDV program recipients; NREL may be able to provide support with identifying additional, non-Federal funding sources to supplement EPA funding if needed. Recipients can contact NREL for assistance via email at cleanhdvehiclesTA@nrel.gov.

Date Posted: 8/25/2025

I.a.5: *Is there a list of active school bus manufacturers grantees can use if they are told their bus vendor filed for bankruptcy?*

Answer: The EPA does not maintain a list of school bus manufacturers; however, grantees might find this [WRI Electric School Bus Market Study and U.S. Buyer's Guide](#) helpful. CHDV grantees can also obtain free technical assistance from NREL by contacting cleanhdvehiclesTA@nrel.gov.

Date Posted: 8/25/2025

I.a. 6: *What process should a grantee follow if they need to pay a deposit or downpayment on new equipment being purchased under the grant? Can the deposit be 100% of the equipment cost?*

Answer: If grantees need to provide a downpayment or deposit on the new vehicle(s) and/or infrastructure to their vendor(s), then 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 their project budget table.

Grantees may not drawdown 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. Grantees should consult with their EPA Project Officer to ensure that drawdowns for a deposit are consistent with all 2 CFR and EPA drawdown requirements.

Date Updated: 1/14/2026; Originally Posted: 8/25/2025

I.a. 7: *When are CHDV grant recipients expected to receive funding, break ground, and complete projects?*

Answer: Grant recipients typically access funds through an Automated Standard Application Payments (ASAP) account after awards are finalized.

Recipients should ensure they are working closely with their EPA Project Officer on all project milestones included in their final workplan, such as breaking ground for the installation of charging or refueling infrastructure as some of these activities will require review and approval to ensure compliance with national laws (e.g., Endangered Species Act). CHDV grant recipients should refer to their grant Terms and Conditions, as well as the [EPA General Terms and Conditions](#), for more information on requirements that typically apply when an EPA funded project involves construction or similar activities which alter the physical environment. Grantees should complete projects by the end of the project period, which is typically two years from when awards are finalized, although EPA Project Officers may provide an extension of up to 12-months when appropriate justification is provided

Date Posted: 8/25/2025

I.a. 8: *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 Posted: 8/25/2025

I.a. 9: 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.

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26 USC 45W(g) - Termination

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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.

Date Posted: 8/25/2025

I.a.10: *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: 8/25/2025

I.a.11: *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: 8/25/2025

I.a.12: *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: 8/25/2025

I.a.13: *Will the EPA provide project-specific details or grantee contact information to organizations interested in working with CHDV grantees?*

Answer: No. The EPA does not provide project-specific details or grantee contact information to external organizations. However, a summary of the final CHDV Awards, which includes the types of vehicles funded and project locations, is available on the [CHDV Awards webpage](#).

Date Posted: 1/14/2026

I.a.14: *Can a cooperative purchasing contract (like Sourcwell) be used instead of the Request for Proposals (RFP) process for procurement of goods?*

Answer: Yes, if the purchasing contract meets the requirements in 2 CFR Part 200 and the Terms and Conditions of the award.

Date Posted: 1/14/2026

I.a.15: *If the final approved workplan included a piece of equipment that was partially funded by the EPA and partially funded by voluntary cost share from the grantee, is the grantee still obligated to meet the original voluntary cost share funding amount if the equipment cost is lower than expected (i.e., less than what is included in the approved workplan budget table)?*

Answer: The total amount of voluntary cost share should be consistent with the amount listed in the application since the grantee's application was scored based on factors such as voluntary cost share. However, the amount of voluntary cost share for specific budget items can change. If the cost of a line item is lower than what is listed in the approved budget, the grantee can apply the residual voluntary cost share to other project costs.

Date Posted: 1/14/2026

I.a.16: *Is it acceptable to include an electric utility rebate on a final invoice?*

Answer: It is acceptable to include a utility rebate on a final invoice if the rebate is not Federal funding.

Date Posted: 1/14/2026

I.a.17: *What is an eligible use of Participant Support Costs (PSCs) for equipment under the Clean Heavy-Duty Vehicle 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

I.b. Reporting Requirements

I.b. 1: *How should CHDV grantees submit their progress reports to the EPA?*

Answer: For the first progress report, all CHDV grantees should email the report to their EPA Project Officer and CC cleanhdvehicles@epa.gov with the subject line "2024 CHDV Grant Progress Report" by the reporting deadline. The EPA will provide information about submitting future progress reports at a later date. Grantees should contact their EPA Project Officers if they have additional questions about submitting progress reports.

Date Posted: 8/25/2025

I.b. 2: *When is the first progress report due for CHDV grantees and when will the final Project Reporting Template be made available?*

Answer: The first progress report covering grant activities completed between the project period start date and June 30, 2025, is due to the EPA by August 29, 2025. All subsequent reports are due quarterly, e.g., on October 30, 2025 (covering the July-September 2025 reporting period), on January 30, 2026 (covering the October-December 2025 reporting period), on April 30, 2026 (covering the January-March 2026 reporting period), on July 30, 2026 (covering the April-June 2026 reporting period), etc. Please refer to the CHDV Program's Terms and Conditions for additional information on project reporting.

Once it is final, the CHDV Project Reporting Template will be published on the [Grantee Resources page](#) of the CHDV website. In the interim, grantees can prepare for progress reporting by reviewing materials from the July 2025 webinar, "Clean Heavy-Duty Vehicles Program Progress Reporting Overview". Grantees should consult with their EPA Project Officers if they have any additional questions related to progress reporting in the interim.

Date Posted: 8/25/2025

I.b. 3: *When should CHDV grantees include information on existing and new vehicles in reporting templates?*

Answer: Grant recipients are encouraged to complete 'Tab 9a. Current Fleet Description' of the Project Reporting Template for the first reporting period. The requested fleet descriptions, summarizing existing eligible vehicles that grantees plan on replacing, should have been included in Supplemental Application Templates, and further refined as part of final workplan negotiations.

If there are extenuating circumstances and the grantee cannot complete 'Tab 9a. Current Fleet Description' for the first reporting period, then the latest grantees should complete this tab is during the reporting period that the vehicles are scrapped, sold, or donated (vehicle disposition options vary by model year per Section III.D.2.c of the NOFO). Similarly, the latest grantees should complete 'Tab 9b. New Fleet Description' by providing information on replacement zero-emission vehicles is during the reporting period that the vehicles are placed into operation.

For example, if a grantee were to scrap a MY2010 vehicle in September 2025 and put a new CHDV-funded vehicle into service in October 2025, then information on both vehicles should be included in the Project Reporting Template by no later than the October-December 2025 quarterly report which is due to the EPA by January 2026.

Date Posted: 8/25/2025

I.b.4: *Under what circumstances do CHDV 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) shall be submitted in a timely manner to EPA Project Officers for approval. Depending on the type of change(s), a formal amendment to the award may be necessary. If a Project Officer approves modifications to an approved workplan, any changes must be captured in 'Tab 3. Amendments' of the CHDV 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 the end of each year of project performance. Grantees should select from a dropdown list of options in Table 5a 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 does not need to be completed (i.e., can be left blank) if a project is carried out in accordance with the final approved workplan.

Date Posted: 8/25/2025

I.b.5: *What are "leveraged funds" and why does a grantee have to report on them under the CHDV Grant Program?*

Answer: Leveraged funds are resources that go above and beyond EPA or grantee funding for the CHDV project, e.g., public-private partnerships, grants from other entities, incentive vouchers, or the issuance of school bonds. While leveraged funds are not part of EPA-approved budgets, they support project goals and grantees are required to report on their status because the grantee's application was scored based on factors like leveraged funds materializing and then included in final workplans as funds obligated to the project. The reporting of the funds assures that leveraged funds are secured and being used in support of the CHDV project as planned. If you do not have leveraged funds in your approved workplan, then no leveraged funds data needs to be included in your Progress Report. If you do have leveraged funds in the approved workplan, then you should include data on these funds in the Progress Reports.

Date Posted: 8/25/2025

I.b.6: *Do grantees need to report the emissions reductions attributable to their projects as part of the progress report or in any other format, or will the EPA calculate emissions reductions separately?*

Answer: Grantees do not need to report estimates of emissions reductions attributable to their project. The EPA anticipates using data that grantees submit in their progress reports to calculate emissions estimates for the CHDV Program. However, if a grantee included emissions reductions as part of their expected outcomes in the approved workplan project narrative, then they should report on whether they are generally meeting that expected outcome in 'Table 9. Project Updates - Narrative Responses' in Year 1 and Tables 12 and 15 for Years 2 and 3, respectively (if the EPA Project Officer approves an extension for a three-year project period).

Date Posted: 8/25/2025

I.b.7: *Should grantees include in their progress report expenses that were incurred during the reporting period but for which the grantee has not yet drawn down?*

Answer: No. Only expenses that have been incurred and paid (drawn down) during the reporting period should be reported for the respective reporting period. When expenses have only been incurred, they are considered Unliquidated Obligations. Those obligations include direct and indirect expenses incurred but not yet paid or charged to the award, including amounts due to subrecipients and contractors. Importantly, grantees must include all project costs that were incurred and drawn down on during the reporting period in Tables 8 and 11 of the progress report for Years 1 and 2, respectively (as well as Table 14 for projects with an approved extension).

Date Posted: 8/25/2025

I.b.8: *How should grantees report on subaward performance per the Terms and Conditions (Section B.3 Subaward Performance Reporting)?*

Answer: Recipients with subrecipients have the following subaward performance reporting requirement in their Terms and Conditions (Section B.3):

“The recipient must report on its subaward monitoring activities under 2 CFR 200.332(e). Examples of items that must be reported:

1. Summaries of results of reviews of financial and programmatic reports.
2. Summaries of findings from site visits and/or desk reviews to ensure effective subrecipient performance.
3. Environmental results the subrecipient achieved.
4. Summaries of audit findings and related pass-through entity management decisions.
5. Actions the pass-through entity has taken to correct deficiencies such as those specified at 2 CFR 200.332(f), 2 CFR 200.208 and the 2 CFR Part 200.339 Remedies for Noncompliance.”

Within the [2024 CHDV Grant Program Reporting Template](#) recipients will report on items 1, 2, 4, and 5 in Row 58 (Question 10) of the appropriate tab for the current year of their award (tabs 5-7 for Years 1-3). Recipients will report on item 3 in the in tab for the current year of their award (tabs 5-7) using the Project Updates-Narrative Responses table as appropriate.

Date Posted: 6/2/2026

I.c. Quality Assurance and Quality Management Requirements

I.c.1: *Are all CHDV grantees required to submit a QAPP?*

Answer: All projects that collect or use environmental information require a QAPP. This applies to most CHDV grants. However, grantees should consult their EPA Project Officers if they are unsure.

Date Posted: 8/25/2025

I.c.2: *Are grantees required to use the EPA's QAPP guide?*

Answer: No, you are not required to use our QAPP guide. The resources developed by EPA-HQ and shared by EPA Regional Project Officers are optional tools available to help you in developing your QAPP.

Date Posted: 8/25/2025

I.c.3: *How rigidly must CHDV grantees adhere to the QAPP guides and outlines?*

Answer: The EPA provides QAPP guides and outlines as technical assistance for QAPP development; however, grantees are not required to use them. These materials include a framework for developing QAPPs consistent with the EPA's [Environmental Information Quality Assurance Project Plan \(QAPP\) Standard](#). Helper questions and example text is provided under each element of the outline. These example approaches are optional, and grantees are free to independently develop their QAPP elements consistent with the EPA's published guidance for QAPPs, commensurate with the complexity and type of work, how the results will be used, the available resources, and unique needs of the grantee.

Date Posted: 8/25/2025

I.c.4: *What would be covered in the QAPP that is more than in the quarterly report?*

Answer: The QAPP includes information on methodology used to collect the data, how the grantee will accomplish the intended plans, who's responsible for collecting the data, what objectives this achieves, what verification is used, and more. In contrast, the quarterly progress report includes the actual data that the grantee is submitting to the EPA to demonstrate project progress.

Date Posted: 8/25/2025

I.c.5: *Can the EPA review a grantee's draft QAPP and provide input prior to final submission?*

Answer: Yes. If EPA Quality Assurance (QA) staff have questions or comments on a grantee's QAPP, then they will return it to the grantee to address. In some EPA Regions, a grantee's QAPP may be reviewed by a contractor before being submitted for EPA approval (grantees should confirm the review process with their Project Officer). The contractor may provide comments or recommendations to be made prior to final submission. In addition, grantees may amend their QAPP after it is approved, if needed.

Date Posted: 8/25/2025

I.c.6: *When are QAPPs due under the CHDV Grant Program?*

Answer: According to the Terms and Conditions, CHDV grant recipients must submit a QAPP within 90 days after the grant final award and before collecting any environmental information. The first submission can be a draft QAPP that grantees can iterate on with EPA Project Officers (and/or designated contractors) prior to final submission. Grantees should reach out to their EPA Project Officer for a copy of the QAPP guidance and additional information about QAPP requirements under the CHDV grant program. They may also direct inquiries to the QAPP helpdesk at svcEPA_QAPPsupport@rti.org.

Date Posted: 8/25/2025

I.c.7: *What should a grantee do if their QAPP is still under review when they submit the first progress report?*

Answer: Grantees should communicate with their EPA Project Officer regarding QAPP progress and/or any concerns with timing of the QAPP approval relative to the progress report submission deadline. They must complete a QAPP before beginning Environmental Information Operations (EIO). For the first progress report, if a grantee is including activity data from a scrapped or deployed vehicle, or deployed infrastructure, in a progress report before a QAPP is approved, they should include a note in the email used to submit the progress report that the data included in the report is preliminary and that they are waiting for QAPP approval. The reporting template should not be modified. Grantees can note their work on the QAPP as part of their response in 'Table 10. Project Questions'.

Date Posted: 8/25/2025