

Notice of Funding Opportunity

Applications Due: **Friday, January 22, 2027**



Office of Air and Radiation

2026 Diesel Emissions Reduction Act (DERA) National Program

Funding Opportunity Number: **EPA-OAR-OTAQ-26-01**



Contents

1.	Basic Information	1
	A. Executive Summary	1
	B. Key Information:	1
	C. Key Dates:	1
	D. Funding Details:	2
	E. Agency Contact Information:	2
	F. Information Sessions	2
	G. Question and Answer Process	2
2.	Eligibility.....	3
	A. Eligible Applicants.....	3
	(1) Other Eligibility Requirements	4
	B. Cost Sharing	5
3.	Program Description	8
	A. Purpose, Priorities, and Activities.....	8
	(1) Diesel Emissions Reduction Solutions.....	8
	(2) Outputs and Outcomes.....	21
	(3) Performance Measures	22
	B. Program Goals and Objectives.....	23
	C. Statutory Authority	23
	D. Funding Type.....	23
4.	Application Contents and Format	23
	A. Application Forms	23
	B. Project Narrative Description.....	24
	(1) Cover Page:	24
	(2) Workplan:.....	27
	(3) Required Attachments (not included in 14-page limit) – use “Other Attachments” form to submit	38
	(4) Optional Attachments	39
	C. Applicants Using Contractors.....	40
	D. Coalition Coverage.....	40
5.	Submission Requirements and Deadlines.....	40
	A. Submission Dates and Times	40
	B. Unique Entity Identifier (UEI) and System for Award Management (SAM.gov)	40
	C. Submission Instructions	41
	D. Technical Issues with Submission	41
	E. Intergovernmental Review	42
6.	Application Review Information.....	42
	A. Responsiveness Review	42

B. Review Criteria	42
C. Review and Selection Process	45
(1) Other Evaluation Factors	45
D. Risk Review	46
7. Award Notices	46
8. Post-Award Requirements and Administration	46
A. Administrative and National Policy Requirements	46
B. Reporting	46
C. Subaward and Executive Compensation Reporting	47
D. Post Award Project Requirements	47
9. Other Information	48
A. Additional Provisions for Applicants	48
B. Further information Regarding Contracts, Subawards, Participant Support Costs	48

1. Basic Information

U.S. Environmental Protection Agency

Office of Air and Radiation

2026 Diesel Emissions Reduction Act (DERA) National Program

<https://www.epa.gov/dera/national>

A. Executive Summary

This Notice of Funding Opportunity (NOFO) announces the availability of funds under the Diesel Emissions Reduction Act (DERA) Program and solicits applications from eligible entities to incentivize and accelerate the upgrade or retirement of the nation's legacy diesel engine fleet. Eligible activities include the retrofit or replacement of existing diesel engines, vehicles, and equipment with the U.S. Environmental Protection Agency (EPA) and California Air Resources Board (CARB) certified or verified technologies.

There are several ways DERA recipients may implement projects and fund project partners, depending on the roles and responsibilities of each. If the applicant is the owner of the target vehicles, the applicant may directly implement the project. If the applicant is partnering with diesel fleet owners, the applicant may award subawards or participant support costs (e.g., rebates). Please refer to [Section 9.B.](#) for detailed guidance on funding partnerships.

After an extensive review of the program, the EPA revamped DERA requirements to ensure alignment with the Administration's priorities, improve the quality of projects funded, expand the availability of technology choices, and respond to stakeholder requests for a simplified program structure. Consistent with agency grants direction, updates to [2 CFR §200.204](#) and DERA statutory requirements, this NOFO reflects these changes and inputs when compared to previous funding notice opportunities.

This NOFO is a competitive grant program. The DERA Program has another competitive funding opportunity, [DERA Tribal and Territory Program](#), which funds similar activities but is only open to eligible Tribal and territory applicants. Competitive funding for school bus replacement is also available through the EPA's [Clean School Bus Program](#). The DERA Program also provides non-competitive funding to U.S. States and territories through the [DERA State Program](#).

C. Key Dates:

November 24, 2026

Final Date to Submit Questions

January 22, 2027 11:59 pm ET

Application Submission Deadline

May 2027

Anticipated Notification of Selection

B. Key Information:

Opportunity Number:

EPA-OAR-OTAAQ-26-01

Assistance Listing:

66.039

Announcement Type:

Initial

Funding Available:

Approximately \$180 million

Number of Awards:

4-12 awards per EPA Region

D. Funding Details:

The amount of funding is expected to be **\$180,000,000**, depending on agency funding levels, the quality of applications received, agency priorities, and other applicable considerations. It is anticipated that **4-12 awards per EPA Region** will be made under this announcement. Awards funded under this opportunity are expected to have a **2-4 year** project period.

Under this announcement the EPA is combining approximately \$65 million in FY 2024 funding; \$62 million in FY 2025 funding; and \$53 million in FY 2026 funding into one competition for a total of approximately \$180 million of available funding. Amount of potential funding according to applicant region can be found in [Section 2.A.\(1\).1.](#)

Expenses Incurred Prior to the Project Period: Funding awarded under this NOFO cannot be used to cover expenses incurred prior to the award date, except for eligible pre-award costs as defined in [2 CFR §200.458](#) and as authorized by [2 CFR §200.309](#) and [2 CFR §1500.9](#).

E. Agency Contact Information:

Further information, if needed, may be obtained from the EPA contact indicated below.

Program Contact: dera@epa.gov

F. Information Sessions

The EPA will host three information sessions regarding this NOFO via teleconference/webinar, based on the schedule listed on the [DERA National](#) website. The EPA encourages potential applicants to take advantage of these information sessions to learn more about the DERA Program and the grant application process. Participants will have the opportunity to have their questions answered by the EPA in a public forum. The EPA will attempt to answer any appropriate questions in these public forums. Pre-registration is not required. Webinar links and dial-in information for the information sessions can be found on the [DERA National](#) website.

Questions and answers from these information sessions will also be posted in the question and answers document located on the [DERA National](#) website.

G. Question and Answer Process

Send written questions to dera@epa.gov with the subject line "DERA National NOFO Question."

- The EPA will answer questions about threshold eligibility, application submission/administrative issues, and clarification of NOFO language.
- EPA will post answers to all emailed questions in the online FAQ. Information from other sources may be inaccurate.
- Deadlines: Email questions by Tuesday, November 24, 2026, 11:59 p.m. ET. The final FAQ update will be posted on Friday, January 8, 2026.

All applicants should review the question and answers document posted on the [DERA National](#) website for further clarification of this NOFO.

2. Eligibility

A. Eligible Applicants

Only these types of organizations may apply:

- A regional, State (including the District of Columbia), local agency, Tribal agency, or port authority, which has jurisdiction over transportation or air quality. School districts, municipalities, metropolitan planning organizations (MPOs), cities, and counties are all generally eligible entities under this grant program to the extent that they fall within this definition.
- A non-profit organization or institution that:
 - Represents or provides pollution reduction or educational services to people or organizations that own or operate diesel fleets; or
 - Has, as its principal purpose, the promotion of transportation or air quality.

Non-profit organization, as defined by [2 CFR §200.1](#), means any corporation, trust, association, cooperative, or other organization that: (1) is operated primarily for scientific, educational, service, charitable, or similar purposes in the public interest; (2) is not organized primarily for profit; and (3) uses its net proceeds to maintain, improve, or expand its operations.

Note that [2 CFR Part 200](#) specifically excludes the following types of organizations from the definition of “non-profit organization” because they are separately defined in the regulation: (1) Institutions of Higher Education; and (2) State, local, and federally recognized Indian Tribal governments. While not considered to be a “non-profit organization(s)” as defined by [2 CFR §200.1](#), Institutions of Higher Education are, nevertheless, eligible to submit applications under this NOFO to the extent they fall within the definition in the eligibility requirements above. Hospitals operated by State, Tribal, or local governments or that meet the definition of nonprofit at [2 CFR §200.1](#) are also eligible to apply. For-profit colleges, universities, trade schools, and hospitals are not eligible to apply.

- Eligible Tribal agencies are defined as federally recognized Indian Tribal governments, which are any Indian Tribe, band, nation, or other organized group or community (including Alaska Native Villages) certified by the Secretary of the Interior as eligible for the special programs and services provided through the Bureau of Indian Affairs, as well as any organization or intertribal consortium that represents federally recognized Tribes.
- For the purposes of this NOFO, “intertribal consortium” is defined as a partnership between two or more eligible Tribal agencies as defined above, that is authorized by the governing bodies of those Tribes to apply for and receive assistance under this program. Intertribal consortia are eligible to receive assistance under this program only if the consortium demonstrates that all members of the consortium meet the eligibility requirements for the program and authorize the consortium to apply for and receive assistance by submitting to the EPA documentation of (1) the existence of the partnership between Indian Tribal governments, and (2) authorization of the consortium by all its members to apply for and receive the assistance.
- For-profit organizations are not an eligible entity for this funding opportunity. Additionally, non-profit organizations described in [Section 501\(c\)\(4\) of the Internal Revenue Code](#) that engage in lobbying activities as defined in [Section 3 of the Lobbying Disclosure Act of 1995](#) are not eligible to apply.

(1) Other Eligibility Requirements

Applications must meet the following additional criteria to be considered eligible.

1. **Funding Request Limits:** Applications must not request more than the regional funding cap in individual applications which request EPA grant funds above the applicable regional amounts specified in [Section 1.D.](#) (refer to Table 1). Applications over the cap are ineligible and will not be reviewed.

Each application must request funds from only one EPA regional office, based on the project location (where the affected vehicles/engines operate). Refer to the regional boundaries below.

For applications with long distance fleets, pick the single region that best fits (*e.g.*, where the fleet is based or operates most) and briefly explain why.

Each application must clearly identify the chosen EPA region on the cover page of the Project Narrative.

A map showing [Regional Collaboratives and EPA Regions](#) is available on the EPA website.

Table 1: EPA Regional Funding Allocations

Region	Total Anticipated Funding per Region	Maximum Federal Funding Request per Application
1	\$8,200,000	\$3,000,000
2	\$18,300,000	\$4,000,000
3	\$18,300,000	\$5,000,000
4	\$17,800,000	\$4,000,000
5	\$18,200,000	\$8,000,000
6	\$24,400,000	\$3,500,000
7	\$11,200,000	\$5,600,000
8	\$12,100,000	\$3,500,000
9	\$42,600,000	\$12,000,000
10	\$8,900,000	\$4,500,000
TOTAL	\$180,000,000	

2. **Substantial Compliance:** Applications that do not substantially comply with the application submission instructions and requirements set forth in [Section 4](#) of this funding opportunity will be rejected.
3. **Application Submission Limit:** Under this funding opportunity, applicants may submit up to two applications per EPA region, not exceeding 10 total applications. The EPA will accept the most recent applications submitted (regardless of region), up to the permitted amount.
4. **Multiple Application Submission:** If the applicant submits multiple applications, each application must include a different project(s) and must be submitted separately. Applicants cannot include the same project(s) in multiple applications. For example, an applicant cannot list the same piece of equipment in an application to both EPA Regions 1 and 2.

If an applicant submits more than one application that requests funding for projects that appear the same, the EPA will contact the applicant before reviewing the applications to confirm

whether the projects are the same. If they are, the EPA will ask the applicant to identify which application(s) should be withdrawn from consideration. If the applicant does not respond in a timely manner to either EPA request, the EPA will review only the last timely submitted application.

5. **Multiple Regions:** Applicants cannot include multiple regions in a single application.
6. **Eligible Projects:** Applications must include one or more eligible projects listed in Section 3.A. Eligible project costs include those costs directly related to the implementation, management, and oversight of the project, including but not limited to: recipient and subrecipient personnel and benefits; equipment; scrappage; contractual; travel; supplies; subgrants and rebates; and indirect costs.
7. **Ineligible Content:** Any ineligible projects, activities, or costs will be excluded and may render the entire application ineligible, depending on how integral they are.

Ineligible costs include:

- a. **Leasing:** Funding under this NOFO cannot be used for leasing vehicles, engines, or equipment.
- b. More information concerning specific ineligible equipment activities can be found in [Section 3.A.](#)

B. Cost Sharing

Any form of cost share, mandatory or voluntary, must be included in the budget detail portion of the project narrative, and the application must describe how and when the applicant will obtain the cost share and how the cost share funding will be used. Applicants may use their own funds or other sources for cost share if the standards of [2 CFR Part 200](#) are met. **If the proposed cost share is to be provided by a named project partner, a partnership letter demonstrating the specified financial commitment is required in the application.** Only eligible and allowable costs may be used for cost share.

Applicants must demonstrate in their proposal how they will meet the cost share requirement to be considered eligible. Selected recipients must comply with [2 CFR §200.306](#) when meeting a cost share requirement. The EPA has developed an optional cost share calculator tool to assist in determining mandatory cost share requirements, which can be found on the [DERA National](#) website.

1. **Mandatory Cost Share Requirement:** Projects are subject to the funding limitations and mandatory cost share requirements shown below in Table 2. Cost Share Requirements. Applications that do not demonstrate compliance with the mandatory cost share are not eligible and will not be reviewed.
 - **Mandatory Costs & SF-424/A:** Applications that include projects with mandatory cost share requirements must demonstrate on the Standard Form 424 (SF-424) *Application for Federal Assistance*, on the SF-424A *Budget Information for Non-Construction Programs*, and in the project narrative how the applicant will be able to meet these minimum mandatory cost share requirements if they are selected for an award, or the application may be disqualified during the threshold eligibility review. Specifically, the application must indicate the mandatory cost share funds in the block in Section 15 *Estimated Funding* on the SF-424. The mandatory cost share funds must also be

indicated on the SF-424A in Section A Column (f), Section B columns (2), (3), or (4), and Section C.

- **Environmental Mitigation Funds:** Please note, DERA funds may not be used to meet mandatory cost sharing requirements for projects funded with environmental mitigation funds resulting from federal settlements (*e.g.*, Volkswagen Environmental Mitigation Trust). Furthermore, federal environmental mitigation funds may not be used to meet non-federal mandatory cost share requirements of any DERA grant.
- **Territories:** The [Omnibus Territories Act, 48 U.S.C. Section 1469a](#) waives any mandatory cost sharing requirements under \$200,000 for the U.S. Virgin Islands, American Samoa, Guam, and the Commonwealth of the Northern Mariana Islands.

Eligible territory applicants with applications that will require a cost share of \$200,000 or more are advised to contact dera@epa.gov to determine if cost share requirements will be waived in whole or in part.

2. **Voluntary Cost Sharing:** Voluntary cost sharing is when an applicant voluntarily proposes to legally commit to providing costs or contributions to support the project when a cost share is not required. Voluntary committed cost sharing is a binding requirement of a Federal award. Applicants who propose to use a voluntary cost share *must* include the costs or contributions for the voluntary cost share in the project budget on the SF-424 and SF-424A. Applicants will not be evaluated on the inclusion of voluntary committed cost share if they choose to propose it. If an applicant proposes a voluntary cost share, the following applies:

- A voluntary cost share is subject to the applicable provisions in the grant regulations of [2 CFR §200.306](#), *Cost sharing or matching*.
- A voluntary cost share may only be met with eligible and allowable costs.
- The recipient may not use other sources of federal funds to meet a voluntary cost share unless the statute authorizing the other federal funding provides that the federal funds may be used to meet a cost share requirement on a federal grant or cooperative agreement.

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

3. **Federal Matching Funds:** Funding under this NOFO cannot be included as a cost or used to meet cost sharing or matching requirements of any other federally financed grant, as required under [2 CFR §200.306\(b\)\(5\)](#) and [2 CFR §200.403\(f\)](#). This includes funds received under the EPA's DERA State Program and Federal Supplemental Environmental Project funds.

Table 2: Cost Share Requirements

Eligible Technologies	EPA Funding Limit	Recipient Cost Share
Highway Vehicle Replacement with certified engine meeting:		
0.20-0.11 g NO _x /bhp-hr emission limit ¹	25%	75%

¹0.20 g NO_x/bhp-hr is from the EPA's heavy-duty engines standard at [40 CFR 86.007-11\(a\)\(1\)\(i\)\(A\)](#).

Eligible Technologies	EPA Funding Limit	Recipient Cost Share
0.10-0.036 g NO _x /bhp-hr emission limit ²	35%	65%
0.035 g NO _x /bhp-hr or lower emission limit ³	45%	55%
Highway Engine Replacement with certified engine meeting:		
0.20-0.11 g NO _x /bhp-hr emission limit	40%	60%
0.10-0.036 g NO _x /bhp-hr emission limit	50%	50%
0.035 g NO _x /bhp-hr or lower emission limit	60%	40%
Nonroad/Locomotive/Marine Replacement		
Nonroad equipment, locomotive or vessel replacement with certified engine	25%	75%
Engine replacement with certified engine or zero emission power source	35%	65%
Nonroad, with unregulated or Tier 1 engine, equipment replacement with current (Tier 4) certified engine or zero emission power source	40%	60%
EPA certified remanufacture systems	80%	20%
Idle Reduction		
EPA Verified Highway Vehicle Idle Reduction Technologies when combined with new or previously installed exhaust after-treatment retrofit	100%	0%
EPA Verified Locomotive Idle Reduction Technologies	40%	60%
EPA Verified Electrified Parking Space Technologies	30%	70%
EPA Verified Highway Idle Reduction Technologies without new exhaust after-treatment retrofit	25%	75%
EPA Verified Marine shore connection systems	25%	75%
Verified Retrofit Technologies		
EPA or CARB Verified Exhaust After-treatment Retrofits	100%	0%
EPA Verified Engine Upgrade Retrofits	100%	0%
EPA Verified Aerodynamics and Low Rolling Resistance Tires when combined with new exhaust after-treatment retrofit	100%	0%
EPA Verified Hybrid Retrofit Systems	60%	40%
Alternative Fuel Conversion	40%	60%
EPA Verified Fuel and Additive Retrofits when combined with new retrofit, upgrade, or replacement	Cost differential between conventional diesel fuel	0%

Identifying emissions to determine eligibility: NO_x emissions for highway engines and vehicles should be estimated at the time of application by identifying the NO_x standard an engine was certified to. An authorized dealer may be able to provide this information. Otherwise, it can be located in either an

² 0.10 g NO_x/bhp-hr is the highest of three NO_x emission limits an original equipment manufacturer (OEM) could certify an engine to under CARB's Optional Low NO_x rule. These rules have essentially been superseded since model year 2024.

³ 0.035 g NO_x/bhp-hr is from the EPA's heavy-duty 2027 rule ("HD27") at [40 CFR 1036.104\(a\)\(1\)](#)

issued [CARB Executive Order](#) or by locating the engine in the EPA’s certification data table following the instructions below.

1. Navigate to the EPA’s [Annual Certification Data website](#).
2. Download the most recent Heavy-Duty Highway Gasoline and Diesel Certification Data.
3. On the “Family Info” tab, locate the vehicle’s EPA engine family name in the “Engine Family” column by searching using CTRL+f.
4. Determine the correct row by locating “Nitrogen Oxides” in the “Pollutant name” column.
5. If a value is listed in the “Transient FEL” column, that is the engine’s applicable NO_x emission standard. If no value is listed in that column, the applicable standard is in the “Transient Standard” column.

Applicants will need to know the engine installed in a highway vehicle to be able to determine the applicable NO_x emission standard for the new highway vehicle. If uncertain of a highway engine’s EPA engine family name, the EPA recommends speaking with an authorized dealer of the vehicle or engine that is being applied for. Applicants are also able to find an EPA engine’s family name using the EPA’s interactive certificate data report on its [annual certification data](#) website by searching for it using the engine’s model name. Prior model year engines or vehicles may be used at the time of application to provide an estimate of the NO_x emissions from the engine or vehicle that will be purchased after selection.

Applicants who do not identify a projected EPA engine family name at the time of application will only be able to apply for the lowest cost share for their highway project, as listed in Table 2. For more detailed instructions, reference the guidance on identifying a certified highway engine’s certified Nitrogen Oxides (NO_x) emissions limit on the [DERA National](#) website.

3. Program Description

A. Purpose, Priorities, and Activities

(1) Diesel Emissions Reduction Solutions

The EPA is seeking applications that propose projects that upgrade existing eligible diesel vehicles and equipment using the diesel emissions reduction solutions defined in Table 4. Any ineligible costs, tasks, or activities included in an application will render that portion ineligible for funding and may disqualify the entire application, depending on the extent to which the ineligible costs impact the application.

1. **Diesel Vehicles, Engines, and Equipment:** Projects may include in-use medium- and heavy-duty diesel-powered highway vehicles and diesel-powered nonroad equipment, as defined below in Table 3.

Table 3: Eligible Diesel Vehicles, Engines, and Equipment

School Buses	A “school bus” is defined as a diesel-powered passenger motor vehicle designed to carry a driver and more than 10 passengers, that the Secretary of Transportation decides is likely to be used significantly to transport preprimary, primary, and secondary school students to or from school or an event related to school.
Transit Buses	Includes diesel-powered medium-duty and heavy-duty transit buses (refer to the definition of eligible Class 5-8 vehicles below).

Medium-Duty or Heavy-Duty Trucks	Includes diesel-powered medium-duty and heavy-duty highway vehicles with Gross Vehicle Weight Ratings (GVWRs) as defined below: • Class 5 (16,001 -19,500 lb. GVWR); • Class 6 (19,501 – 26,000 lb. GVWR); • Class 7 (26,001 – 33,000 lb. GVWR); • Class 8 (33,001 lb. GVWR and over).
Marine Engines	Includes diesel-powered commercial Category 1, 2, and 3 marine engines and vessels.
Locomotives	Includes diesel-powered line-haul, passenger, and switcher locomotives.
Nonroad Engines and Equipment	Diesel-powered nonroad engines and equipment including, but not limited to, those used in construction, handling of cargo (including at ports and airports), agriculture, mining, or energy production (including stationary generators and pumps).

2. **Drayage Trucks:** Eligible heavy-duty trucks include drayage trucks. A “drayage truck” means any Class 8 highway vehicle operating on or transgressing through port or intermodal rail yard property for the purpose of loading, unloading, or transporting cargo, such as containerized, bulk, or break-bulk goods. If an application for the replacement of drayage trucks is selected for funding, the grant recipient will be required to establish guidelines to ensure that any existing truck replaced with grant funds has a history of operating on a frequent basis over the prior year as a drayage truck, and to ensure any new truck purchased with grant funds is operated in a manner consistent with the definition of a drayage truck, as defined above. Sample drayage guidelines can be found on the [DERA National](#) website.
3. **Transport Refrigeration Units:** Eligible nonroad equipment includes transport refrigeration units (TRUs). Please refer to the Diesel Emissions Reduction Act transport refrigeration unit (TRU) factsheet found on the [DERA National](#) website for information on TRUs and eligible TRU projects.
4. **Diesel Emission Reduction Solutions:** Projects may upgrade existing diesel vehicles and equipment using the diesel emissions reduction solutions defined below in Table 4.

Table 4. Diesel Emission Reduction Solutions

Certified Vehicle and Equipment Replacements	Highway diesel vehicles and nonroad equipment, locomotives, and marine vessels can be replaced with newer, cleaner vehicles and equipment. Eligible replacement highway vehicles include those certified by the EPA or CARB to run on diesel or clean alternative fuel engines (including gasoline), electric generators (gensets), hybrid engines, and zero-emission power sources (<i>i.e.</i> , grid, battery, or fuel cell). Eligible replacement nonroad equipment, locomotives, and marine vessels include those powered by EPA or CARB certified diesel or clean alternative fuel engines (including gasoline), electric generators (gensets), and hybrid engines. Nonroad equipment, locomotives, and marine vessels powered by zero-emission power sources (<i>i.e.</i> , grid, battery, or fuel cell) do not require EPA or CARB certification.
Certified Engine Replacement	Highway diesel vehicles and nonroad equipment, locomotives, and marine vessels can have their engines replaced with newer, cleaner engines. Eligible

	replacement highway engines include those certified by the EPA or CARB for use with diesel or cleaner alternative fuels (including gasoline), electric generators (gensets), and hybrid engines. Eligible replacement nonroad, locomotive, and marine engines include those powered by EPA or CARB certified diesel or clean alternative fuel engines (including gasoline), electric generators (gensets), and hybrid engines. Nonroad equipment, locomotive, and marine vessel engine replacements with zero-emission power sources (<i>i.e.</i> , grid, battery, or fuel cell) do not require EPA or CARB certification.
Certified Remanufacture Systems	Certified remanufacture systems are technologies for marine and locomotive engines, typically applied during engine rebuilds and involving the replacement of existing parts. Eligible certified manufacture systems' projects result in an engine configuration that is a higher Tier than the original engine. Some locomotives and marine engines can be upgraded through the application of a certified remanufacture system (<i>i.e.</i> , kit). Certified remanufacture systems may not be available for all engines, and not all certified remanufacture systems may achieve an emissions benefit. Applications for EPA certified remanufacture systems should include a discussion of the availability of a certified remanufacture system and indicate the pre- and post-project emissions standard level of the engines to demonstrate that the upgrade will result in a PM or NO _x emissions benefit.
Verified Idle Reduction Technologies	An idle reduction project is generally defined as the installation of a technology or device that reduces unnecessary idling of diesel engines or is designed to provide services (such as heat, air conditioning, or electricity) to vehicles and equipment that would otherwise require the operation of the main or auxiliary engine(s) while the vehicle is temporarily parked or remains stationary. For an idle reduction technology to be considered verified, it must be a verified SmartWay Technology . EPA SmartWay verified technologies currently include options to reduce idling for school buses, TRUs, locomotives, marine vessels, and long-haul Class 8 trucks equipped with sleeper cabs.
Verified Retrofit Technologies	Diesel engine retrofits include engine exhaust after-treatment technologies, such as Diesel Oxidation Catalyst (DOC), Diesel Particulate Filter (DPF), Crankcase Ventilation (CCV), and Selective Catalytic Reduction (SCR) systems. For a retrofit technology to be considered verified it must be on the EPA's Verified Technologies List for Clean Diesel or CARB's similar list of Verified Diesel Emission Control Strategies . Manufacturer engine upgrades, which achieve specific levels of emission reductions by applying a package of components, have been verified as retrofits for some nonroad and marine engines. Several systems which convert a conventional diesel engine configuration to a hybrid-electric system have also been verified as retrofits for some nonroad and marine engines. Some cleaner fuels and additives have been verified as retrofits by the EPA or CARB to achieve emissions reductions when applied to an existing diesel engine. Older, heavy-duty diesel vehicles that will not be retired for several years are good candidates for verified retrofit technologies. The EPA suggests that applicants proposing to install verified retrofit technologies consult with suppliers to confirm that the proposed vehicles/engines and their duty-cycles are good candidates for the technology.

Clean Alternative Fuel Conversions	Existing highway diesel engines can be altered to operate on alternative fuels such as propane and natural gas by applying a clean alternative fuel conversion kit.
Verified Aerodynamic Technologies and Low Rolling Resistance Tires	To improve fuel efficiency, long-haul Class 8 trucks can be equipped with verified aerodynamic devices or low rolling resistance (LRR) tires. To be considered verified, the aerodynamic device or low resistance tires must be on SmartWay's Verified Lists for Aerodynamic Devices or LRR New and Retread Tire Technologies .

Table 5: Medium- and Heavy-Duty Truck, Transit Bus, and School Bus Project Eligibility

Current Engine Model Year (EMY)	Verified Retrofit Technologies			Verified Idle Reduction, Tires, or Aero-dynamics	Vehicle or Engine Replacement: EMY 2024+ (2019+ for Drayage)	Zero-Emission ⁴ or Low-NO _x ⁵ Vehicle or Engine Replacement: EMY 2024+	Clean Alternative Fuel Conversion
	DOC +/- CCV	DPF	SCR				
Older - 2006	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2007 - 2009	No	No	Yes	Yes ⁶	Yes	Yes	Yes
2010 - newer	No	No	No	Yes ⁶	No	Yes	Yes

Acronyms: DOC = Diesel Oxidation Catalyst; CCV = Closed Crankcase Ventilation; DPF = Diesel Particulate Filter; EMY = Engine Model Year; SCR = Selective Catalytic Reduction

Table 6: Nonroad Engine Project Eligibility

Current Engine Tier	Nonroad Equipment Replacement					Verified Retrofit Technologies
	Compression Ignition			Spark Ignition	Zero-Emission ⁷	
	Tier 0-2	Tier 3-4i	Tier 4	Tier 2		
Unregulated – Tier 2	No	No	Yes	Yes	Yes	Yes
Tier 3	No	No	Yes	Yes	Yes	Yes
Tier 4	No	No	No	No	Yes	No

⁴ Eligible zero-emission projects utilizing fuel cell technology are limited to vehicle replacement projects for eligible transit buses, shuttle buses, and drayage trucks.

⁵ Engines are Low-NO_x if they are certified to 0.10g NO_x/bhp-hr or lower. Refer to the guidance on identifying a certified highway engine's certified nitrogen oxides (NO_x) emissions limit on the [DERA National](#) website

⁶ Auxiliary power units and generators are not eligible technologies for vehicles with EMY 2007 or newer.

⁷ Eligible zero emission projects utilizing fuel cell technology are limited to nonroad equipment replacements for eligible terminal tractors/yard hostlers, stationary generators, and forklifts.

Current Engine Tier	Nonroad Engine Replacement					Verified Engine Upgrade
	Compression Ignition			Spark Ignition	Zero-Emission ⁸	
	Tier 0-2	Tier 3-4i	Tier 4	Tier 2		
Unregulated – Tier 2	No	Yes ⁹	Yes	Yes	Yes	Yes
Tier 3	No	No	Yes	Yes	Yes	Yes
Tier 4	No	No	No	No	Yes	No

Table 7: Marine Engine Project Eligibility

Engine Category	Engine Horsepower	Current Engine Tier	Engine & Vessel Replacement					Certified Remanufacture System ¹⁰	Verified Engine Upgrade
			Compression Ignition			Spark Ignition	Zero-Emission ¹¹		
			Tier 1-2	Tier 3	Tier 4				
C1, C2	<803	Unregulated – Tier 2	No	Yes	No ¹²	Yes	Yes	Yes	Yes
C1, C2	≥804	Unregulated – Tier 2	No	Yes ¹³	Yes	Yes	Yes	Yes	Yes
C1, C2	<803	Tier 3	No	No	No ⁹	Yes	Yes	No	No
C1, C2	≥804	Tier 3	No	No	Yes	Yes	Yes	No	No
C1, C2	≥804	Tier 4	No	No	No	No	No	No	No
C3	All	Unregulated – Tier 2	No	Yes	No ⁹	No	No	No	No
C3	All	Tier 3	No	No	No ⁹	No	No	No	No

⁸ Engine replacement with a fuel cell technology is not eligible.

⁹ Tier 3 and Tier 4i engines may be used for engine replacement projects only with an approved best achievable technology analysis.

¹⁰ Some marine engine projects may be subject to the restriction on mandated measures, refer to [Section 3.A.\(1\)13](#) above.

¹¹ Zero emission projects utilizing fuel cell engine and vessel replacements are ineligible.

¹² Tier 4 engines are not available for this type of engine.

¹³ Tier 3 engines may be used for engine replacement projects with an approved best achievable technology analysis. Over 803 horsepower (HP), Tier 3 engines are not eligible technologies for full vessel replacement projects.

Table 8: Locomotive Engine Project Eligibility

Current Locomotive Tier	Engine & Locomotive Replacement				Verified Retrofit Technologies	Idle-Reduction ¹⁴ Technology	Certified Remanufacture System ¹⁵
	Tier 0–2+	Tier 3	Tier 4	Zero-Emission ¹⁶			
Unregulated - Tier 2+	No	Yes ¹⁷	Yes	Yes	Yes	Yes	Yes
Tier 3	No	No	Yes	Yes	Yes	Yes	Yes
Tier 4	No	No	No	No	No	Yes	No

5. **Best Achievable Technology (BAT):** Please refer to the Diesel Emissions Reduction Act best achievable technology analysis guidance found on the [DERA National](#) website for more information on how to conduct a BAT analysis.
6. **Ownership, Usage, and Remaining Life Requirements:** To be eligible for funding, vehicles and equipment targeted for upgrades must meet certain ownership, usage, and remaining life requirements. Applicants should demonstrate in their application that all funded vehicles and equipment will meet the criteria defined below in a.– f.

If selected for funding, participating fleet owners must attest to each criterion in a.– f. in a signed eligibility statement which includes each vehicle make, model, year, vehicle identification number, odometer/usage meter reading, engine make, model, year, horsepower, engine ID or serial number, and vehicle/equipment registration/licensing number, and State. Grant recipients must submit this documentation as part of the award’s programmatic reporting to the EPA to verify the eligible use of grant funds. The DERA eligibility statement, also known as the burden statement for EPA form 5900-687, may be found on the [DERA National](#) website. The signed eligibility statement is not required at the time of application submittal.

- a. **Operational:** The existing vehicle, engine, or equipment must be fully operational. Operational equipment must be able to start, move, and have all necessary parts to be operational.
- b. **Ownership:** The participating fleet owner must currently own and operate the existing vehicle or equipment and have owned and operated the vehicle or equipment during the two years prior to upgrade.
- c. **Remaining Life:** The existing vehicle, engine, or equipment must have at least three years of remaining life when upgraded. Remaining life is the fleet owner’s estimate of its operational lifespan before retirement if the unit were not being upgraded or scrapped

¹⁴ Automatic engine start-stop technologies are only eligible to be installed on locomotives currently unregulated or certified to Tier 0, subject to the restriction on mandated measures.

¹⁵ Some locomotive engine projects may be subject to the restriction on mandated measures.

¹⁶ Zero emission projects utilizing fuel cell engine replacement are ineligible. However, zero emission fuel cell locomotive replacement projects are eligible for funding.

¹⁷ Tier 3 engines may only be used for an engine replacement project if Tier 4 engines are demonstrated to not be available or feasible through an approved best achievable technology analysis. Full locomotive replacement projects with Tier 3 locomotives are ineligible for funding.

because of the grant funding regardless of rebuilding or resale. This estimate considers the unit's age, condition, usage, and maintenance.

- d. **Highway Usage:** The mileage of two or more units may be combined to reach the threshold below if those units are scrapped and replaced with a single unit.
 - i. To be eligible for funding, the existing certified highway engine/vehicle must have accumulated at least 7,000 miles/year during the two years prior to upgrade.
 - 1) Exception: If an applicant can demonstrate that a certified highway engine/vehicle is being used in a predominately nonroad manner (*e.g.*, firetrucks or utility trucks which require the vehicle's engine to idle for long periods to power an auxiliary apparatus), engine operating hours as defined below in "nonroad usage" may be used for application eligibility purposes. If selected for award, the EPA will review and approve eligibility on a case-by-case basis.
- e. **Nonroad Usage:** The engine operating hours of two or more units may be combined to reach the thresholds below if those units are scrapped and replaced with a single unit.
 - i. Agricultural Pumps: To be eligible for funding, nonroad agricultural pumps must operate at least 250 hours/year during the two years prior to upgrade.
 - ii. All Other Nonroad Engines: To be eligible for funding, nonroad engines should operate at least 500 hours/year during the two years prior to upgrade.
 - iii. Exception: If an applicant can demonstrate that a nonroad engine/piece of equipment is being used in a predominately highway manner, mileage as defined above in "highway usage" may be used for application eligibility purposes. If selected for award, the EPA will review and approve eligibility on a case-by-case basis.
- f. **Locomotive and Marine Usage:** The engine operating hours of two or more units may be combined to reach the thresholds below if those units are scrapped and replaced with a single unit.
 - i. To be eligible for funding, the existing locomotive and marine engines must operate at least 1,000 hours/year during the two years prior to upgrade.

7. Vehicle and Equipment Costs:

- a. **Vehicles, Engines, and Equipment:** Eligible project costs include the purchase price of eligible vehicles, engines and equipment as defined in [Section 2.A.1.](#) above.
- b. **Ineligible Expenses for All Zero-Emission Projects:** Grant funds (including cost share) cannot be used for charging infrastructure; power distribution to the property line; electricity; operation and maintenance of electrical systems; or stationary energy storage systems such as batteries and their installation. Similarly, these funds cannot be used for on-site power generation systems, like solar or wind power equipment, and their installation.

c. **Vehicle and Equipment Replacement Projects:**

- i. **Certification:** Prior to being legal for sale in the United States, regulated mobile sources must be certified by the EPA (or CARB). This requirement to be certified applies to the following internal combustion mobile sources: highway vehicles and highway, nonroad, marine, and locomotive engines. The only type of zero-emission mobile technology requiring certification is zero-emission highway vehicles. There are no certification requirements for zero-emission nonroad, marine, and locomotive engines.

As a result of these regulatory requirements, to be eligible for DERA funding, all replacement highway vehicles must be certified by the EPA (or CARB) to meet applicable emission standards. This means for projects where the replacement highway vehicle is powered using an internal combustion engine, both the vehicle and the engine must have been certified. For projects where the replacement highway vehicle is powered by a zero-emission powertrain, only the vehicle must be certified.

Similarly, all projects involving the replacement of nonroad equipment, locomotives, or marine vessels must be powered by engines certified to meet EPA (or CARB) emission standards unless the engine on the replacement nonroad equipment, locomotive, or marine vessel is a zero-emission engine.

Certification data for highway vehicles and engines can be found on the EPA's [Annual Certification Data for Vehicles, Engines, and Equipment](#) website. More information on the EPA's engine emission standards for mobile sources may be found on the EPA's [All EPA Emission Standards](#) website. Engines certified by the CARB may be found by searching the CARB's Executive Orders for Heavy-duty Engines and Vehicles, found on [CARB's New Vehicle and Engine Certification](#) website.

- ii. To be eligible for funding, replacements must be of similar types, including similar gross vehicle weight rating or horsepower as the existing vehicle or equipment.
 - 1) Nonroad/Locomotive/Marine Projects: Horsepower increases of more than 40% require specific approval by the EPA prior to purchase, and the applicant may be required to pay the additional costs associated with the higher horsepower equipment.
 - 2) Highway Vehicles: The replacement vehicle must not be in a larger weight class than the existing vehicle. Exceptions may be granted for vocational purposes and require specific EPA approval prior to purchase.
- iii. Replacement vehicles and equipment must continue to perform similar functions and operations of the existing vehicles and equipment.
- iv. Replacement vehicles must resemble the replaced vehicle in form and function. The cost of optional components or "add-ons" that significantly increase the cost of the vehicle may not be eligible for funding under the grant.

d. **Grid Electric Powered Replacement Projects:**

- i. Grant funds cannot be used for the purchase and installation of certain equipment required for power delivery directly related to the replacement

technology; design and engineering; electrical panels; upgrades to existing electrical panels or electrical service; and wiring/conduit.

e. Engine Replacement Projects:

- i. To be eligible for funding, replacement highway, nonroad, marine, and locomotive engines must be certified to meet EPA or CARB emission standards, unless the replacement is a zero-emission powertrain. Please reference the EPA's [Annual Certification Data for Vehicles, Engines, and Equipment](#), the EPA's mobile source [Emission Standards](#), and the [CARB's Executive Orders for Heavy-duty Engines and Vehicles](#).
- ii. Eligible costs include equipment and parts included in the certified engine configuration that are necessary to ensure the effective installation and functioning of the new technology such as design and engineering, parts and materials, and installation.
- iii. For engine replacement with battery, fuel cell, or grid electric, eligible costs include electric motors, electric inverters, battery assemblies, direct drive transmission/gearboxes, regenerative braking systems, vehicle control/central processing units, vehicle instrument clusters, hydrogen storage tanks, hydrogen management systems, and fuel cell stack assemblies.
- iv. Funding under this NOFO cannot be used to replace cabins, axles, paint, brakes, or mufflers.
- v. To be eligible for funding, the replacement engine must be of similar horsepower to the engine being replaced. Horsepower increases of more than 40% require specific approval by the EPA prior to purchase, and the applicant may be required to pay the additional costs associated with the higher horsepower equipment.

f. Certified Engine Remanufacture System Projects:

- i. To be eligible for funding, remanufacture systems for locomotives and marine engines must be certified by the EPA at the time of acquisition. The list of certified remanufacture systems is available on the EPA's [Annual Certification Data for Vehicles, Engines, and Equipment](#) website and additional information on marine engine remanufacture systems is available on the [EPA's Marine Remanufacturing Program: Maintaining Compliance when Rebuilding Category 1 and 2 Marine Diesel Engines](#) website.
- ii. Eligible costs include the associated labor costs for installation of the system.
- iii. Funding under this NOFO cannot be used for the entire cost of an engine rebuild if a certified remanufacture system is applied at the time of rebuilding. The funds may only be used for the cost of the certified remanufacture system and associated labor costs for installation of the kit.

g. All Idle Reduction Projects:

- i. Please refer to Table 2: Cost Share Requirements in [Section 2.B.](#) for the group of technologies considered idle reduction projects for the purpose of this NOFO.
- ii. Eligible costs for idle reduction technologies that are installed on the vehicle can include the associated labor costs for installation of the system.

- iii. To be eligible for funding, technologies must be on the [EPA's SmartWay Verified Technologies](#) list at the time of acquisition, unless the technology is a marine shore power connection system which requires verification on a case-by-case basis. Please refer to [Section 3.A.\(1\).7.j.](#) for more information about marine shore power connection projects.

h. Electrified Parking Space Projects:

- i. To address long duration idling and engine operation, eligible costs include the purchase and installation of certain equipment required for power delivery directly with a verified technology; design and engineering; electrical panels; upgrades to existing electrical panels or electrical service; wiring/conduit; and installation.

i. Locomotive Shore Power Connection Projects:

- i. Eligible costs include purchase and installation of certain equipment required for power delivery directly related to the installation of a verified technology; design and engineering; electrical panels; upgrades to existing electrical panels or electrical service; wiring/conduit; and installation.

j. Marine Shore Power Connection Projects:

- i. Funding may support new installations or expansions of existing marine shore power systems.
- ii. To be eligible for funding, marine shore power projects must meet the following criteria:
 - 1) Due to the unique nature and custom design of marine shore power connection systems, the EPA must review and approve marine shore power connection systems on a case-by-case basis. If the EPA selects the project application for funding, the final design of the marine shore power connection system requires specific EPA approval prior to purchase and installation.
 - 2) Applicants must commit to reporting usage information to the EPA for five years after the system is operational.
 - 3) Applicants must attest to compliance with international shore power design standards ([IEC/ISO/IEEE 80005-1:2019/AMD 2:2023](#) High Voltage Shore Connection (HVSC) Systems or the [IEC/IEEE 80005-3:2025](#) Low Voltage Shore Connection (LVSC) Systems).
 - 4) Shore power connection systems must be supplied with electricity from the local utility grid.
 - 5) Demonstration that the proposed system has the capacity, demand, and commitment necessary to be used for more than 1,000 megawatt hours per year. Smaller projects will be considered if the applicant can demonstrate cost effectiveness.
 - 6) Shore power capable vessels docked at a berth where shore power is available must be required to turn off the vessel's engines and use the shore power system, with limited exceptions for extreme circumstances.

- 7) Eligible costs include the purchase and installation of the shore side equipment and certain equipment required for power delivery directly related to the new equipment such as design and engineering, cables, cable management systems, shore power coupler systems, distribution control systems, grounding switches, service breakers, capacitor banks, electrical panels, upgrades to existing electrical panels or electrical service, wiring/conduit, and installation. Funding under this NOFO cannot be used for modifications to marine vessels to accept shore-based electrical power.

k. Retrofit Projects:

- i. Eligible costs include the associated labor costs for installation of the system, design, and engineering, DPF cleaning machines, extra DPFs for maintenance rotation, replacement CCV filters, and filter cleaning contracts during the grant open period.
- ii. To be eligible for funding, verified retrofit technologies must be on the [EPA's](#) or [CARB's](#) Verified Technologies lists at the time of acquisition, must be used only for the vehicle/engine application specified on the lists, and must meet any applicable verification criteria.
- iii. The EPA will not fund the use of cleaner fuels or additives.

l. Alternative Fuel Vehicle Conversion Projects:

- i. Eligible costs include the associated labor costs for installation of the system.
- ii. To be eligible for funding, alternative fuel conversion systems must be certified by the EPA or CARB or must be approved by the EPA for Intermediate-Age engines. Refer to the [EPA's lists of "Certified Conversion Systems for New Vehicles and Engines"](#) and ["Conversion Systems for Intermediate-Age Vehicles and Engines"](#) and the [CARB's list of "Approved Alternate Fuel Retrofit Systems."](#)
- iii. To be eligible for funding, alternative fuel conversion systems for engine model years 2006 and earlier must achieve at least a 30% NO_x reduction and a 10% PM reduction from the applicable certified emission standards of the original engine.
- iv. To be eligible for funding, alternative fuel conversion systems for engine model years 2007 and newer must achieve at least a 20% NO_x reduction with no increase in PM from the applicable certified emission standards of the original engine. Applications for clean alternative fuel conversions should include a discussion of the availability of alternative fuel conversion systems and indicate the pre- and post-project emission standard levels of the engines to demonstrate that the conversions result in the required emissions benefit.

m. Aerodynamics and Low Rolling Resistance Tire Projects:

- i. Eligible costs include the associated labor costs for installation.
- ii. Eligible costs can include single-wide wheels only when a fleet is retrofitting from standard dual tires to SmartWay-verified single-wide low rolling resistance tires.
- iii. Funding under this NOFO cannot be used to replace steel wheels with aluminum wheels of the same configuration (singles or duals).

- iv. To be eligible for funding, technologies must be on the [EPA's verified aerodynamic technologies list](#) and the [verified list for low rolling resistance new and retread tire technologies](#) at the time of acquisition. They also must be used only for the application specified on the lists and must meet any applicable verification criteria.
 - v. The EPA will not fund stand-alone aerodynamic technologies or low rolling resistance tires unless these technologies are combined on the same vehicle with the new installation of an exhaust after-treatment retrofit funded under this NOFO.
 - n. **Replacement Technologies:** Funding under this NOFO cannot be used for the purchase of engine retrofits, idle reduction technologies, low rolling resistance tires, or advanced aerodynamic technologies if similar technologies have previously been installed on the truck or trailer.
8. **Scrappage:** The vehicle, equipment, or engine being replaced must be scrapped or rendered permanently disabled within ninety (90) days of being replaced. Vehicles, equipment, and engines are considered replaced when the new vehicle, equipment, or engine is operational.
- a. Cutting a three-inch diameter hole in the engine block (the part of the engine containing the cylinders) is the preferred scrapping method. Other acceptable scrapping methods may be considered but require prior EPA approval.
 - b. Disabling the chassis may be completed by cutting through the frame/frame rails on each side at a point located between the front and rear axles. The grantee may consider other acceptable scrapping methods, which will require prior written approval from the EPA Project Officer.
 - c. Equipment and vehicle components that are not part of the engine or chassis may be salvaged from the unit being replaced (*e.g.*, plow blades, shovels, seats, tires, etc.). Program income requirements apply if disabled engines, disabled vehicles, disabled equipment, or parts are to be sold.
 - d. Alternative Scrappage Options:
 - i. If a 2010 EMY or newer highway vehicle is replaced, the 2010 EMY or newer vehicle may be retained or sold if the 2010 EMY or newer vehicle will replace a pre-2009 EMY vehicle, and the pre-2009 EMY vehicle will be scrapped. It is preferred that the scrapped unit currently operates within the same project location(s) as the 2010 EMY or newer vehicle currently operates; however, alternative scenarios will be considered. All existing and replacement vehicles are subject to the funding restrictions in this section of the NOFO. All equipment must operate within the United States. Under this scenario, the recipient must submit a detailed scrapping plan, which requires prior EPA approval before carrying out the alternative scrapping plan.
 - ii. If a Tier 2, Tier 3, or Tier 4 locomotive, marine, nonroad vehicle, equipment, or engine is replaced, the units may be retained or sold if they replace a similar, lower Tiered unit, and the lower Tiered unit will be scrapped. It is preferred that the scrapped unit currently operates within the same project location(s) as the original Tier 2, 3, or 4 unit currently operates; however, alternative scenarios will be considered. All existing and replacement equipment is subject to the funding restrictions in this section ([Section 2](#)) of the NOFO. All equipment must operate within the United States. Under this scenario, the recipient must submit a

detailed scrappage plan, which requires prior EPA approval before carrying out the alternative scrappage plan.

- e. For Aerodynamic and Low Rolling Resistance tire projects, the original tires must be scrapped according to local and State requirements.
 - f. Evidence of appropriate disposal must be submitted as part of the recipient's programmatic reporting to the EPA to verify the eligible use of grant funds. Participating fleet owners must attest to the appropriate disposal in a signed scrappage statement. The DERA scrappage statement, also known as burden statement for EPA form 5900-688, may be found on the [DERA National](#) website. The scrappage statement must include:
 - i. Vehicle owner's name and address;
 - ii. Vehicle make, vehicle model, vehicle model year, Vehicle Identification Number (VIN), odometer reading or usage meter reading, engine make, engine model, engine model year, engine horsepower, engine ID or serial number, as applicable;
 - iii. Name, address, and signature of dismantler;
 - iv. Date engine or vehicle/equipment was scrapped;
 - v. Statement attesting to scrappage of vehicle/engine as defined above;
 - vi. Signature of participating fleet owner; and
 - vii. Digital photos are as follows:
 - 1) Side profile of the vehicle, prior to disabling;
 - 2) VIN tag or equipment serial number;
 - 3) Engine label (showing serial number, EPA engine family name, and engine model year);
 - 4) Engine block, prior to hole;
 - 5) Engine block, after hole;
 - 6) Cut frame rails or other cut structural components, as applicable; and
 - 7) Others, as needed.
9. **Mechanic and Driver Training:** Eligible project costs can include mechanic/driver training related to the maintenance and operation of new technologies.
10. **Truck DPF Maintenance:** Eligible costs for truck replacement projects include the required/scheduled vehicle maintenance, as specified in the owner's manual, which is necessary to meet the warranty requirements for diesel particulate filters installed on trucks. Funding for required maintenance is available for the duration of the project period.
11. **Emissions Testing:** Funding under this NOFO cannot be used for emissions testing or air monitoring activities (including the acquisition cost of emissions testing equipment), research and development, or technology demonstration, commercialization, certification, or verification.
12. **Fueling and Charging Infrastructure:** Funding under this NOFO cannot be used for fueling or charging infrastructure, such as for the production or distribution of biodiesel, compressed natural gas, hydrogen, or other fuels; or the purchase and installation of a charging unit for an electric vehicle/equipment or related Electric Vehicle Supply Equipment (EVSE).
13. **Mandated Measures:** Funding under this NOFO cannot be used to fund the costs of emissions reductions that are mandated under federal law pursuant to [42 U.S.C. 16132\(d\)\(2\)](#). Please reference the Mandated Measures Justification document on the [DERA National](#) website for

further information if the application includes marine, locomotive, or stationary generator projects.

(2) **Outputs and Outcomes**

Applicants are required to describe how funding will help the EPA achieve outputs and outcomes that support accelerating the upgrade, retrofit, and turnover of the legacy diesel fleet in their responses to the criteria in [Section 6](#). The applicant must identify outputs and outcomes specific to each project as deliverables in the negotiated workplan if the application is selected for award. Recipients will be expected to report progress toward the attainment of expected project outputs and outcomes during the project performance period. Outputs and outcomes are defined below.

Outputs are an activity, effort, or associated work product related to a goal or objective that will be produced or provided over time or by a specified date. Outputs may be quantitative or qualitative but must be measurable during the project period.

The expected outputs for the grants awarded under these guidelines should include, but are not limited to:

- Number of replaced or retrofitted engines/vehicles/equipment; or
- Hours of idling reduced.

Other potential outputs may include, but are not limited to:

- Engaging with the local community to ensure their meaningful participation with respect to the design, planning, and performance of the project;
- The project's inclusion in a broader-based environmental or air quality plan;
- The implementation of contract specifications requiring the use of cleaner vehicles and equipment;
- A documented commitment to continue to identify and address air quality issues in the affected community;
- Establishing a clear point of contact in a public platform for community issues and complaints;
- A publicly documented policy or process for getting community input on operations and projects that impact air quality;
- Adoption of an idle reduction policy;
- The completion of a baseline mobile source emission inventory for PM_{2.5} and NO_x;
- Number of subawards; and
- Dissemination of project/technology information via listservs, websites, journals, and outreach events.

Outcomes are the result, effect, or consequence that will occur from carrying out the activities under the grant. Outcomes may be environmental, behavioral, health-related, or programmatic; must be qualitative or quantitative; and may not necessarily be achievable during the project period. The EPA anticipates that the outcomes from the projects awarded under this announcement should result in long-term emissions reductions.

Examples of anticipated outcomes include, but are not limited to the following:

- Tons of pollution reduced over the lifetime of the vehicles/engines/equipment, specifically:
 - Fine particulate matter (PM_{2.5});
 - Nitrogen oxides (NO_x);
 - Carbon monoxide (CO); and

- Volatile organic compounds (VOCs).
- Tons of pollution reduced annually;
- Lifetime total project cost effectiveness for NO_x and PM_{2.5};
- Lifetime capital cost effectiveness for NO_x and PM_{2.5};
- Net reduction in gallons of diesel fuel used;
- Improved ambient air quality in communities in which the vehicles operate; and
- Reduction of emitted criteria pollutants from replaced vehicles.

Other potential outcomes may include, but are not limited to:

- Community engagement and partnership;
- Health benefits achieved;
- Changes in driver behavior regarding idling practices;
- An increased understanding of the environmental or economic effectiveness of the implemented technology;
- Increased public awareness of project and results;
- Widespread adoption of implemented technology; and
- Emissions reductions along freight transportation corridors.
- Consistent with Assistance Listing No. **66.039** and the EPA's Policy for Competition of Assistance Agreements ([EPA Order 5700.5A1](#)), this funding opportunity is being limited to a subset of eligible applicants.

Refer to [EPA Order 5700.7A1: EPA's Policy for Environmental Results under EPA Assistance Agreements](#) for more information about outputs and outcomes.

(3) **Performance Measures**

The applicant should also develop performance measures they expect to achieve through the proposed activities and describe them in their application. These performance measures will help gather insights and will be the mechanism to track progress concerning successful output and outcome strategies and will provide the basis for developing lessons to inform future recipients. Additional details on reporting requirements are included in [Section 8.B](#). Descriptions of performance measures must directly relate to the progress of project outputs and outcomes.

Examples of performance measures include, but are not limited to, the following:

- Tracking and reporting project progress on expenditures and purchases;
- Tracking, measuring, and reporting accomplishments and proposed timelines/milestones;
- Tracking and reporting project progress on installations/replacements by maintaining an accurate project fleet description;
- Measuring and reporting on outcomes by maintaining an accurate project fleet description and using the EPA's diesel emissions quantifier; and
- Tracking, measuring, and reporting the actual vehicle miles traveled, hours of use/operation, and fuel use for all vehicles and equipment involved in the project.

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

- What are the measurable short-term and long-term results of the project?
- How does the plan measure progress in achieving the expected results (including outputs and outcomes) and how will the approach use resources effectively and efficiently?

B. Program Goals and Objectives

The activities to be funded under this funding announcement support Pillar 1: Clean Air, Land, and Water for Every American by reducing harmful diesel emissions that contribute to air pollution and Pillar 5: Protecting and Bringing Back American Auto Jobs by supporting American manufacturing and maintenance jobs. These pillars are part of the [EPA's Five Pillars](#) under the “Powering the Great American Comeback Initiative”.

C. Statutory Authority

The DERA Program is authorized by the Diesel Emissions Reduction Act of 2010, 42 U.S.C. §§ 16131–16139. DERA authorizes the award of grants to reduce diesel emissions and diesel emissions exposure, particularly from fleets operating in areas designated by the Administrator as poor air quality areas. While the EPA has authority under DERA to support grant programs, the EPA’s authority to obligate grant funds is subject to the availability of appropriated funds.

D. Funding Type

It is anticipated that **grants and cooperative agreements** will be funded under this funding opportunity.

Cooperative agreements provide for substantial involvement between the EPA Project Officer and the selected applicant(s) in the performance of the work supported. Although the EPA will negotiate precise terms and conditions relating to substantial involvement as part of the award process, the anticipated substantial Federal involvement for these projects may include:

- Close monitoring of the successful applicant’s performance to verify the results proposed by the applicant;
- Collaboration during performance of the scope of work;
- Review of proposed procurement, in accordance with [2 CFR §200.317](#) and [2 CFR §200.318](#);
- Approving qualifications of key personnel; and
- Review and comment on reports prepared under the cooperative agreement.

The EPA does not have the authority to select employees or contractors employed by the recipient. The final decision on the content of reports rests with the recipient.

4. Application Contents and Format

A. Application Forms

The following forms and documents are required under this announcement:

Mandatory Documents:

- Application for Federal Assistance (SF-424)
- Budget Information for Non-Construction Programs (SF-424A)
- EPA Form 5700-54 Key Contacts
- EPA Form 4700-4 Pre-award Compliance Review Report
- Project Narrative Attachment Form: use this to submit the Cover Page and Workplan as described in [Section 4.B.\(1\)](#) and [\(2\)](#)

- “Other Attachments” Form: use this form to submit the following documents as described in [Section 4.B.\(3\)](#):
 - Applicant Fleet Description information including the DERA Supplemental Application Template (xlsx) also known as the Burden Statement for EPA Form: 5900-681
 - Partnership Letters, if applicable
 - Mandated Measures Justification Supporting Information, if applicable

Optional Documents:

- “Other Attachments” Form: use this form to submit the following documents as described in 4.B.(4). Applicants should note that while these forms are optional, the “Other Attachments” Form will be listed in the Mandatory Documents section of the Workspace:
 - Negotiated Indirect Cost Rate Agreement, if applicable
 - Maps
 - Resumes

B. Project Narrative Description

The EPA is providing the following optional project narrative format for convenience to assist applicants in ensuring they provide all information needed for a competitive application. Applicants are not required to use the project narrative format below.

The Cover Page and Workplan combined are limited to 14 pages. Attachments are not included in the page limitation.

(1) Cover Page:

The cover page should not exceed one page. The cover page should include the following information:

- **EPA Region:** Applicants must request funding from the single EPA regional office that covers the geographic project location. Refer to [Section 1.D.](#) of the NOFO.
- **Applicant Information:**
 - Applicant organization
 - Address
 - Primary contact name, phone number, and email address
 - Unique Entity Identifier (UEI) number
- **Type of Eligible Applicant:** Applicants must list their applicant type and how they meet the eligibility criteria.
 - A regional, State (including the District of Columbia), local agency, Tribal agency, or port authority, which has jurisdiction over transportation or air quality. School districts, municipalities, metropolitan planning organizations (MPOs), cities, and counties are all generally eligible entities under this grant program to the extent that they fall within this definition.
 - A non-profit organization or institution that:
 - Represents or provides pollution reduction or educational services to people or organizations that own or operate diesel fleets; or
 - Has, as its principal purpose, the promotion of transportation or air quality.
- **Project Title:** One descriptive sentence only.

- **Project Period of Performance:** Provide beginning and ending dates of the proposed project.
- **Short Project Description:** Briefly describe the project in one to three sentences only, especially noting the expected outputs and outcomes. Use the applicable project sector(s) and target fleet type(s) shown below in Table 9 in the project description. Include the type and number of affected vehicles/equipment and the type of emission upgrade(s) proposed for funding. Example descriptions: School Bus: Retrofit 40 Class 6 school buses with Diesel Particulate Filters; Freight: Install DPFs and bunk heaters on 20 Class 8 long-haul trucks; Port: Replace engines in two ship-to-shore gantry cranes with electric power.
- **Project Sector(s):** Use the applicable sector(s) shown in Table 9 below to list the sector(s) targeted for emissions reductions. Indicate primary sector, secondary sector (as appropriate), and other sectors (as appropriate).
- **Target Fleets:** Use the applicable fleet(s) shown in Table 9 below to list the fleet(s) targeted for emissions reductions.
- **Budget Summary:** Include the following information:
 - EPA Funding;
 - Mandatory Cost Share & Source;
 - Voluntary Cost Share & Source (if applicable); and
 - Total Project Cost.

As noted in [Section 1.D.](#) of the NOFO, each application can request EPA funding up to the individual application limit for the EPA regional office from which funding is being requested. The total amount of requested funding needs to correspond with the applicant's proposed activities.

More budget information can be found in the EPA's [General Budget Development Guidance for Applicants and Recipients of EPA Financial Assistance](#).

- **Project Location:** Primary project location (county, State, city, and zip code) listed in Section 3 of the workplan should be included here. In addition, briefly describe the area(s) where the affected vehicles or engines operate in a few sentences or less.

Table 9. Project Sectors and Target Fleets

Sectors	Target Fleets	Target Fleets (continued)
Agriculture	Aerial Lift	Off-Highway Tractor
Airport	Agricultural Mower	Off-Highway Truck
Construction	Agricultural Tractor	Other Agricultural Equipment
Freight (non-port goods movement)	Airport Support Equipment	Other Construction Equipment
Industrial (non-port material handling, other)	Backhoe Loader	Other General Industrial Equipment

Sectors	Target Fleets	Target Fleets (continued)
Mining	Baler/Combine/Swather	Other Material Handling Equipment
Municipal (emergency, utility)	Bore/Drill Rig	Passenger Locomotive
Port	Cement & Mortar Mixer	Paving/Surfacing Equipment
Railyard	Concrete/Industrial Saw	Plate Compactor
School Bus	Container Handling Equipment	Railcar Mover
Stationary	Crane	Refuse Hauler
Transit (non-port)	Crawler Dozer/Loader	Rough Terrain Forklift
	Crushing/Process Equipment	Rubber Tire Dozer/Loader
	Dumpsters/Tender	School Bus
	Excavator	Short Haul – Combination
	Forklift	Short Haul – Single Unit
	Gantry Crane	Signal Board
	Line Haul Locomotive	Skid Steer Loader
	Line Haul Locomotive as Switch	Stationary Air Compressor
	Logging Equip Fell/Bunch/Skidder	Stationary Gas Compressor
	Long Haul – Combination	Stationary Generator
	Long Haul – Single Unit	Stationary Irrigation Set
	Marine – Auxiliary	Stationary Pump
	Marine – Propulsion	Stationary Welder
	Mining Equipment	Sweeper/Scrubber
	Mobile Air Compressor	Switch Locomotive
	Mobile Gas Compressor	Tamper/Rammer
	Mobile Generator	Terminal Tractor
	Mobile Irrigation Set	Transit Bus
	Mobile Pump	Transport Refrigeration Unit
	Mobile Welder	Trencher

(2) **Workplan:**

Applicants must ensure that the workplan addresses the eligibility criteria in [Section 2.A.](#) of the NOFO. Applicants should use the section and subsection numbers and headings below which correspond with the evaluation criteria in [Section 6.B.](#) of the NOFO.

Section 1 – Project Summary and Approach:

- a. **Project Summary:** The applicant should provide a project summary. This section should include details about how the activities will meet the goals and objectives of the program ([Section 3.B.](#) of the NOFO) and demonstrate that all activities meet the program eligibility criteria ([Section 2](#) of the NOFO).

Applicants should include:

- A discussion of how the project meets the program goals and objectives.
- A summary of the vehicles, engines, or equipment targeted for emissions reductions and their eligibility under [Section 2](#) of the NOFO, including but not limited to ownership, usage, and remaining life requirements.
- A discussion of how the applicant has considered the available/eligible technology options for the target fleet and has arrived at the chosen diesel emissions reduction solution(s).
- A summary of all verified and certified technologies to be funded by the applicant.
- Applications which include engine replacements and vehicle/equipment replacements should include the applicant's plans for engine/vehicle/equipment scrappage.
- Applicants proposing nonroad, locomotive, or marine replacements should commit to using Tier 4 vehicles, equipment, or engines if Tier 4 vehicles, equipment, or engines with the appropriate physical and performance characteristics are available, as described in [Section 2.A.1.](#) Applicants anticipating the use of lower tiered vehicles, equipment, or engines should discuss their rationale for proposing lower tiered replacements and will be required to submit a BAT analysis if selected for funding.
- Applications which include locomotives, marine engines, or stationary engines should include a clear and concise justification for why the proposed emissions reductions are not subject to the restriction for mandated measures under this NOFO, as described in [Section 2.A.1.](#) and the Mandated Measures Justification document found on the [DERA National](#) website.

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

- b. **Project Approach:** The applicant should provide a detailed description of the proposed activities. Include details of every activity and task for which the applicant is seeking funding.

Applicants should include:

- A discussion of the roles and responsibilities of the applicant organization and any other project partners, including subrecipients, beneficiaries, or contractors. Applicants should discuss whether they will directly implement the project or fund project partners through subawards or participant support costs as described in [Section 9.B.](#) of the NOFO.

- Applicants should discuss which entities or organization(s) will retain ownership of any vehicles, engines, or equipment purchased with funding from this project.

Section 2 – Goods Movement Facilities:

This section of the workplan should include a detailed discussion of the project location in terms of vocational use of the vehicles/engines/equipment targeted for diesel emissions reductions.

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

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

Section 3 – Project Location:

The EPA is prioritizing projects that serve poor air quality areas (including nonattainment or maintenance areas and areas with air toxic pollutant concerns).

- a. **Nonattainment Areas:** These areas were identified as priority locations for the DERA Program because they are designated, as of the release date of this NOFO, as Nonattainment Areas or Maintenance Areas for the following National Ambient Air Quality Standards (NAAQS). Data are sourced from the [EPA's Green Book of Nonattainment Areas for Criteria Pollutants](#).
 - Ozone (O₃) 2008 Standard (8-hour: 0.075ppm)
 - Ozone (O₃) 2015 Standard (8-hour: 0.070ppm)
 - PM_{2.5} 1997 Standard (Annual: 15 µg/m³, 24-hour: 65 µg/m³)
 - PM_{2.5} 2006 Standard (Annual: 15 µg/m³, 24-hour: 35 µg/m³)
 - PM_{2.5} 2012 Standard (Annual: 12 µg/m³, 24-hour: 35 µg/m³)

The term “project location” refers to the area(s) where the affected vehicles, engines, or equipment operate. A list of counties that have been designated as priority project locations, the priority area list, can be found on the [DERA National](#) website.

- b. **Areas with Air Toxics Concerns:** Counties that are identified as priority project locations for the DERA Program because they contain at least one census tract where the modeled area-weighted

average ambient diesel PM concentration is above the 80th percentile (0.27 µg/m³ for 2020) for census tracts nationwide. The 80th percentile is a programmatic cutoff designed to help evaluate those areas that are most likely to have higher concentrations of diesel PM in the year of analysis (*i.e.*, the year for which data are available); this level was not chosen based on risk or other health-based criteria or thresholds. [AirToxScreen](#) is a screening tool, and there are limitations and uncertainties associated with it; refer to [AirToxScreen Limitations](#).

This section of the workplan should include the following information. The use of the template below is optional, and the EPA will not penalize or withhold a benefit from the applicant for providing the information in another format. The term “project location” as used in this NOFO refers to the area(s) where the affected vehicles or engines operate. If a single application includes vehicles operating in more than one area, this section of the workplan should indicate where the vehicles operate and the amount (%) of time the vehicles typically operate in each area.

Example Project Location Table:

County	City, State	Zip Code	Number of Vehicles	% of Time Vehicles Spend in Area	Nonattainment or Maintenance Area? (Y/N)	Air Toxics Concern: Contains High Ambient Diesel PM Based on AirToxScreen? (Y/N)	Goods Movement Facility

Instructions for table:

- In entry #1, enter a county, State, city, and ZIP code to indicate the “primary” place of performance (POP). The primary POP indicates the location where most of the affected vehicles operate, or where the affected vehicles operate most of the time. For port projects, the primary POP will likely be the port’s address.
- If applicable, enter additional places of performance in lines #2, #3, etc., following the instructions below. Broader project locations may be represented by entering “statewide” into the county column, or “countywide” into the city column. Additional rows may be added to the table as needed.
- County: Enter the county name, if applicable, or “statewide”.
- City, State: Enter the State name. Enter city name, if applicable, or “countywide”.
- ZIP Code: Enter ZIP code, if applicable.
- Number of Vehicles: Enter the number of vehicles proposed for funding that will operate within the listed project location.
- % of Time Vehicles Spend in Area: Enter the estimated percentage of time the affected vehicles operated within the listed project location.
- Does the area contain a nonattainment or maintenance area (as defined above)?
- Does the area contain high ambient diesel PM based on AirToxScreen (as defined above)?

- **Goods Movement Facility:** Do the affected vehicles operate at goods movement facilities within the listed project location? If yes, provide the name(s) of the specific port, airport, rail yard, terminal, or distribution center, as described above.

Section 4 – Project Sustainability:

The applicant should include details which demonstrate the ability of the applicant and project partners to promote and continue efforts to reduce emissions after the EPA funding for this project has ended. Specifically, applications will be evaluated on the extent and quality to which the applicant and its project partners meet the following sub criteria.

- Continuing Efforts:** The applicant should have existing policies or new commitments to, by the end of the project period, adopt idle-reduction policies, adopt contract specifications requiring the use of cleaner, more efficient vehicles and equipment, complete an up-to-date mobile source equipment inventory, or adopt other policies to promote and continue efforts to reduce diesel emissions.
- Baseline Monitoring:** The applicant should have a publicly available baseline mobile source emissions inventory for PM_{2.5} or NO_x that was completed after 2021 or commit to completing one before the end of the project period.
- Emissions Plan:** The applicant should have a publicly available plan finalized after 2021 to reduce mobile source emissions that include specific PM_{2.5} or NO_x emission targets or commit to completing one before the end of the project period.
- Community Engagement:** The applicant should demonstrate that the applicant or project partner(s) has an existing clear point of contact in a public platform (*e.g.*, newsletter, website) for community issues and complaints (specific to air quality or broader) and a publicly documented policy or process to engage communities and get their input on operations and projects that impact air quality. The process could be a meeting in the past year or a policy or process to have a meeting or otherwise get input (*e.g.*, a standing citizen advisory committee). If not, the application should demonstrate a commitment to establish both before the end of the project period.

Section 5 – Environmental Results – Outputs, Outcomes and Performance Measures:

- Expected Project Outputs and Outcomes:** The applicant should identify expected quantitative and qualitative project outputs and outcomes, including those identified in [Section 3.A.](#) of the NOFO. Specific outputs and outcomes should be provided and may include short- and longer-term activities.

In addition to a narrative discussion of the outputs and outcomes above, the applicant is encouraged to include a table such as the one below. The use of the template is optional, and the EPA will not penalize or withhold a benefit from the applicant for providing the information in another format.

Example of Outputs and Outcomes Table:

Anticipated Outputs and Outcomes		
Activities	Outputs	Outcomes
<i>Fleet A – vehicle replacement</i>	<i>Number of vehicles replaced, or technologies installed</i>	<i>Emissions reductions, such as tons of pollution avoided annually or over the lifetime of the vehicles and improved ambient air quality in nearby communities.</i> <i>Net reductions in gallons of diesel fuel used annually or over the lifetime of the vehicles.</i>
<i>Fleet B – equipment replacement</i>	<i>Number of pieces of equipment replaced, or technologies installed</i>	<i>Emissions reductions, such as tons of pollution avoided annually or over the lifetime of the equipment and improved ambient air quality in nearby communities.</i> <i>Net reductions in gallons of diesel fuel used annually or over the lifetime of the equipment.</i>

- b. **Performance Measures and Plan:** The applicant should describe the proposed performance measures, which will be the mechanism to track, measure, and report progress towards achieving the expected outputs and outcomes. The applicant should describe their plan for tracking and measuring progress toward achieving the expected project outputs and outcomes and how the results of the project will be evaluated, as described in [Section 3.A.](#) of the NOFO.
- c. **Timeline and Milestones:** The applicant should include a detailed timeline for the project including key milestones for specific tasks, such as bidding, procurement, installation, and reports, along with estimated dates. The applicant should include scheduled time for grants administration, including progress reports and final report preparation, into the project timeline.

Section 6 – Programmatic Capability and Past Performance:

- a. **Past Performance:** The applicant should submit a list of up to five federally funded or non-federally funded assistance agreements that the applicant is performing or has performed within the last three years. Assistance agreements include federal grants and cooperative agreements but not federal contracts. These assistance agreements should be awarded directly to the applicant. For each of the agreements, include:
 - Project title;
 - Assistance agreement number;
 - Funding agency and assistance listing number, if applicable; and
 - Brief description of the agreement – no more than two sentences.

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

- b. **Reporting Requirements:** For each of the assistance agreements listed, the applicant should describe their history of meeting the reporting requirements under the agreement(s). This should include:
 - Whether the applicant submitted acceptable final reports under those agreements;
 - The extent to which the applicant adequately and timely reported on its progress towards achieving the expected outputs and outcomes under those agreements; and

- If progress was not being made and whether the applicant adequately reported why not.

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

- c. **Staff Expertise:** The applicant should include information on the applicant's organizational experience and plan for timely and successfully achieving the objectives of the proposed project, and staff expertise/qualifications, staff knowledge, and resources or the ability to obtain them, to successfully achieve the goals of the proposed project. Only employees of the applicant organization, not contractors, can be listed as staff. Biographical sketches, including resumes or curriculum vitae for key staff, managers, and any other key personnel, can be included as an optional resume attachment, as listed in [Section 4.A.](#) of the NOFO.

Section 7 – Budget:

This section of the project narrative is a detailed description of the budget the applicant provides in the SF-424A and must include a discussion of the applicant's approach to ensuring proper management of grant/cooperative agreement funds, a detailed budget narrative, as well as an itemized budget table. An applicant's budget table and budget narrative must account for federal funds, non-federal mandatory cost share, and any non-federal voluntary cost share, if applicable. Applicants should note that recipients charging a negotiated indirect cost rate must submit a copy of their current indirect cost rate agreement that has been negotiated with a federal cognizant agency prior to drawing down indirect costs (IDCs). Additional guidance for developing the applicant's budget is available in [RAIN-2019-G02-R2, General Budget Development Guidance for Applicants and Recipients of EPA Financial Assistance.](#)

Mandatory Cost Share: Applications that include projects with mandatory cost share requirements must demonstrate on the SF-424 *Application for Federal Assistance*, on the SF-424A *Budget Information for Non-Construction Programs*, and in the project narrative how the applicant will be able to meet these minimum mandatory cost share requirements if the EPA selects the application for an award. **If a named project partner provides a proposed cost share, a partnership letter demonstrating commitment must be attached to the application as described in [Section 4.A.](#) of the NOFO.**

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

Applicants who propose to use a voluntary cost share must include the costs or contributions for the voluntary cost share in the project budget on the SF-424, SF-424A, and budget detail described later in this section. **If a named project partner provides a proposed cost share, a partnership letter demonstrating commitment must be attached to the application as described in [Section 4.A.](#) of the NOFO.** The budget detail described under this section must clearly specify the amount of federal funding and the cost share amount for each category of total project costs. The recipient is legally obligated to meet any proposed voluntary cost share that is included in the approved project budget. If the proposed voluntary cost sharing does not materialize during grant performance, the EPA may reconsider the legitimacy of the award or take other appropriate action authorized under [2 CFR Part 200.](#)

- a. **Budget Detail:** Proposed budgets should provide a detailed breakout by funding type included in

the proper budget category for each activity requesting funds. Applicants should consult the [EPA's General Budget Development Guidance for Applicants and Recipients of EPA Financial Assistance](#).

Applicants should provide a detailed breakout by funding type included in the proper budget category for each activity requesting funds. Applicants should use the instructions, budget line-item descriptions, and example table below to complete the detailed budget section of the project narrative. The application should include the budget detail and the budget table in the project narrative which counts towards the 14-page limit. Applicants should include applicable rows of costs for each budget category in their budget table to accurately reflect the proposed project budget. Applicants must itemize costs related to personnel, fringe benefits, travel, equipment, construction, installation or labor supplies, contractual, other direct costs (*i.e.*, subawards, participant support costs), indirect costs, and total costs. If providing a mandatory or voluntary cost share, the budget detail must clearly specify the amount of federal funding and the cost share amount for each category. For applicants proposing to implement a participant support cost or rebate program, the rebates are appropriately listed under the *Other* budget category as "Participant Support Costs.". Refer to [Section 9.B.](#) of the NOFO for more information on participant support costs and [EPA Guidance on Participant Support Costs](#).

Personnel - List all staff positions by title. Provide hourly wage and number of hours or provide annual salary and percentage of time assigned to the project, and the total cost for the budget period. This category includes only direct costs for the salaries of those individuals who will perform work directly for the project (paid employees of the applicant organization as reflected in payroll tax records). If the applicant organization includes staff time (in-kind services) as a cost share, this should be included as Personnel costs.

Personnel costs do not include:

- Costs for services of contractors (including individual consultants), which are included in the "Contractual" category;
- Costs for employees of subrecipients under subawards or non-employee program participants (*e.g.*, interns or volunteers), which are included in the "Other" category; or
- Effort that is not directly in support of the proposed project, which may be covered by the organization's negotiated indirect cost rate. The budget detail must identify the personnel category type by Full Time Equivalent (FTE), including percentage of FTE for part-time employees, number of personnel proposed for each category, and the estimated funding amounts.

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

Travel - Specify the mileage, per diem, estimated number of trips in-state and out-of-state, number of travelers, and other costs for each type of travel. Travel may be integral to the purpose of the proposed project (*e.g.*, inspections); related to proposed project activities (*e.g.*, attendance at meetings); or to a technical training or workshop that supports effective implementation of the project activities. Only includes travel costs for employees in the travel

category.

Travel costs do not include:

- Costs for travel of contractors (including consultants), which are included in the “Contractual” category; or
- Travel costs for employees of subrecipients under subawards and non-employee program participants (e.g., trainees), which are included in the “Other” category; or
- Bus rentals for group trips, which would be covered under the “Contractual” category.

Finally, if the applicant intends to use any funds for travel outside the United States, it must be specifically identified. All proposed foreign travel must be approved by the EPA’s Office of International and Tribal Affairs (OITA) prior to being taken.

Equipment - Identify each item to be purchased which has an estimated acquisition cost of \$10,000 or more per unit and a useful life of more than one year. Equipment also includes accessories necessary to make the equipment operational.

Equipment does not include:

- Equipment planned to be leased/rented, including lease/purchase agreement, which are included in the “Other” category; or
- Equipment service or maintenance contracts that are not included in the purchase price for the equipment, which are included in the “Other” category;
- Items with a unit cost of less than \$10,000, which should be categorized in the “Supplies” category, pursuant to [2 CFR §200.1](#), “Equipment.”

The budget detail must include an itemized listing of all equipment proposed under the project. If installation costs are included in the equipment costs, labor expenses shall be itemized with the detailed number of hours charged and the hourly wage. If the applicant has written procurement procedures that define a threshold for equipment costs that are lower than \$10,000, that threshold takes precedence.

Construction - Anticipated costs for hiring general contractors and other contractors performing activities described in 2 CFR 33.103 of Construction will be categorized as “Construction.” Applicants should rely on the definitions under [40 CFR §33.103](#) for the purpose of categorizing construction costs on the SF-424A budget form and budget narrative. Anticipated costs for hiring general contractors and other contractors performing activities described in definition of *Construction* will be categorized as “Construction.” Other construction-related anticipated costs may be categorized under “Construction,” “Contractual,” or “Equipment,” depending on whether the cost falls under the regulation’s definition of *Construction*, *Services*, or *Equipment*. For example, anticipated costs for pre-construction architectural and engineering *Services* as defined in the regulation will be categorized as “Contractual.”

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

Contractual - Identify each proposed contract and specify its purpose and estimated cost. Contractual services (including consultant services) are those services to be carried out by an individual or organization, other than the applicant, in the form of a procurement relationship. The [EPA’s Subaward Policy and supplemental Frequent Questions](#) has detailed guidance available for differentiating between contractors and subrecipients. The budget should include leased or

rented goods (equipment or supplies) in the “Other” category. The applicant should list the proposed contract activities along with a brief description of the anticipated scope of work or services to be provided, proposed duration, and proposed procurement method (competitive or non-competitive), if known. Any proposed non-competed/sole-source contracts more than \$10,000 must include a justification. Note that it is unlikely that the EPA will accept proposed sole source contracts for goods and services (e.g., consulting) that are widely available in the commercial market. Refer to the [EPA’s Best Practice Guide for Procuring Services, Supplies, and Equipment Under EPA Assistance Agreements](#) for the EPA’s policies on competitive procurements. For further information on contracts, subawards, and participant support costs, refer to [Section 9.B.](#) of the NOFO.

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

Subawards (e.g., subgrants) and participant support costs are a distinct type of cost under this category. The term “subaward” means an award of financial assistance (money or property) by any legal agreement made by the recipient to an eligible subrecipient even if the agreement is referred to as a contract. Rebates, subsidies, and similar one-time, lump-sum payments to program beneficiaries for purchase of eligible emissions control technologies are considered participant support costs. Please refer to [Section 9.B.](#) for detailed guidance on funding projects and partnerships and how to correctly categorize these costs in the workplan budget.

“Other” does not include:

- Procurement purchases;
- Technical assistance in the form of services instead of money; or
- Other assistance in the form of revenue sharing, loans, loan guarantees, interest subsidies, insurance, or direct appropriations.

Subcontracts are not subawards and belong in the contractual category. Applicants must provide the aggregate amount they propose to issue as subaward work as a separate line item in the “Other” category, and a description of the types of activities to be supported. Refer to the [EPA’s Subaward Policy and supplemental Frequent Questions](#) for additional guidance.

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

- Total Direct Costs (Indirect Rate x Total direct costs = Indirect Costs)
- Direct Costs, less distorting or other factors such as contracts and equipment

$$(\text{Indirect Rate} \times (\text{total direct cost} - \text{distorting factors}) = \text{Indirect Costs})$$

If you have an existing Negotiated Indirect Cost Agreement, submit it as an Optional Attachment (see [Section 4.B.4](#)). Additional indirect cost guidance is available in [Indirect Cost Guidance for Recipients of EPA Assistance Agreements](#).

Example Budget Table (Optional Template, part of the 14-page limit):

The table below is an example of project costs and does not include all possible costs allowable under the DERA Program. If this template is used it should be updated to reflect accurate project costs in the grant application submitted. While a detailed budget narrative is required, the use of this budget table template is optional, and the EPA will not penalize or withhold a benefit from the applicant for providing the information in another format.

Line Item & Itemized Costs:	EPA Funding: ¹⁸	Mandatory Cost Share: ¹⁹	Voluntary Cost Share:	Total Project Costs:
Personnel				
Program Manager - \$35/hr. x 1,200 hrs.	\$42,000	\$0	\$0	\$42,000
Administrative Specialist - \$12/hr. x 175 hrs.	\$2,100	\$0	\$0	\$2,100
TOTAL PERSONNEL:	\$44,100	\$0	\$0	\$44,100
Fringe Benefits				
Fringe rate at 10% of employee salaries for employee benefits (Health insurance and retirement)	\$4,410	\$0	\$0	\$4,410
TOTAL FRINGE BENEFITS:	\$4,410	\$0	\$0	\$4,410
Travel				
400 miles at \$0.70/mile + \$20 tolls per trip 2 trips in-state with 1 traveler	\$600	\$0	\$0	\$600
TOTAL TRAVEL:	\$600	\$0	\$0	\$600

¹⁸ EPA Funding amount must be included on the SF-424 in Section 18.a and SF-424A in: cell 5(e) under Section A – Budget Summary; and Column (1) under Section B – Budget Categories.

¹⁹ Non-Federal Cost Share funding amount must be included on the SF-424 in Section 18.b-e and SF-424A in: cell 5(f) under Section A – Budget Summary; columns (2) and (3) under Section B – Budget Categories; and Section C – Non-Federal Resources. Applicants must precisely describe in their budget narrative how they will account for any required or voluntary cost share, if applicable, and what role EPA funding will play in the overall project.

Line Item & Itemized Costs:	EPA Funding: ¹⁸	Mandatory Cost Share: ¹⁹	Voluntary Cost Share:	Total Project Costs:
Equipment				
N/A				
TOTAL EQUIPMENT:	\$0	\$0	\$0	\$0
Construction				
N/A				
TOTAL CONSTRUCTION:	\$0	\$0	\$0	\$0
Supplies				
Office supplies	\$500	\$0	\$0	\$500
TOTAL SUPPLIES:	\$500	\$0	\$0	\$500
Contractual				
N/A				
TOTAL CONTRACTUAL:	\$0	\$0	\$0	\$0
Other				
Participant Support Costs (rebates) – Drayage Truck Replacements. A total of 40 vehicles at \$45,000/each. (Cost Share Requirements: Vehicle replacement, with certified engine meeting 0.035 g NOx/bhp-hr or lower emission limit).	\$810,000 (45%)	\$990,000 (55%)	\$0	\$1,800,000
Subaward for Application Coordinator to provide application services	\$0	\$0	\$85,000	\$85,000
TOTAL OTHER:	\$810,000	\$990,000	\$85,000	\$1,885,000
TOTAL DIRECT COSTS:	\$49,610	\$0	\$0	\$49,610
Indirect Costs				
De minimis indirect cost rate (15%) [substitute with an approved Negotiated Indirect Cost Rate, if applicable]	\$7,442	\$0	\$0	\$7,442
TOTAL INDIRECT COSTS:	\$7,442	\$0	\$0	\$7,442

Line Item & Itemized Costs:	EPA Funding: ¹⁸	Mandatory Cost Share: ¹⁹	Voluntary Cost Share:	Total Project Costs:
TOTAL PROJECT COSTS:	\$867,052	\$990,000	\$85,000	\$1,942,052

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

- b. **Expenditure of Awarded Funds:** Applicants should provide a detailed written description of the applicant's approach, procedures, and controls for ensuring that awarded grant funds will be expended in a timely and efficient manner.
- c. **Reasonableness of Costs:** The EPA will evaluate the reasonableness of the applicant's budget based on the applicant's narrative description of the budget and detailed breakout of requested funding for each work component or task. Provide a detailed description of every itemized cost, including how every cost relates to the project narrative and specific emission reduction activities. Instructions for what to include in the budget detail are described above in [Section 7.1](#) of the workplan.

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

For applicants that provide a mandatory or voluntary cost share as described in [Section 2.B](#) of the NOFO, the budget narrative must include a detailed description of how the applicant will obtain the cost share and how the cost share funding will be used. Proposed mandatory or voluntary cost share included in the budget detail must also be included on the SF-424 and SF-424A.

Recipients may issue subawards, contracts, or participant support costs to implement projects. Please refer to [Section 9.B](#) for detailed guidance on these funding options and how to correctly categorize these costs in the workplan budget.

(3) **Required Attachments (not included in 14-page limit) – use “Other Attachments” form to submit**

1. **Applicant Fleet Description**

Applicants must use the “Other Attachments” form in Grants.gov to upload their Applicant Fleet Description. The Applicant Fleet Description is a single file: the DERA Supplemental Application Template (excel), also known as the Burden Statement for EPA Form 5900-681. This can be found on the [DERA National](#) website. As listed in [Section 4.B](#) of the NOFO, the purpose of the applicant fleet description is to describe in detail the specific vehicles and engines targeted for emissions reductions, as well as the diesel emissions reduction solution(s) to be implemented under the proposed project. The EPA will use information provided in the applicant fleet description to help

determine project eligibility based on the criteria in [Section 2](#) and for evaluation purposes as described below. Applicants are required to the DERA Supplemental Application Template (excel), also known as the Burden Statement for EPA Form 5900-681, found on the [DERA National](#) website for the Applicant Fleet Description.

Applicants should note that they will be evaluated on the degree to which the fleet information completed is provided via the DERA Supplemental Application Template (excel), also known as the Burden Statement for EPA Form: 5900-681 (Refer to [Section 6.B.](#), Criterion 8 *Applicant Fleet Description*).

2. Partnership Letters, if applicable:

If a named project partner is to provide the proposed cost share, a partnership letter demonstrating the specified financial commitment is required. If applicable, additional partnership letters demonstrating strong, long-term involvement throughout the project from a variety of project partners are encouraged. Letters should specifically indicate how project partners and supporting organizations will participate in or directly assist in the design and performance of the project, or how obtaining support from project partners will allow the applicant to more effectively perform the project. Project partners should address letters to the applicant organization, and the applicant should include them as attachments to the application. Letters submitted directly by partners to the EPA will not be accepted.

3. Mandated Measures Justification Supporting Information, if applicable

If applicable, the application must include a clear and concise justification in Section 1 of the project narrative for why and how the emissions reductions proposed for funding are not subject to the Restriction for Mandated Measures under this NOFO. Applicants must provide sufficient detail and information to support the justification, including maintenance schedules and history, if applicable. While the justification itself should be included in the project narrative and therefore will count toward the page limit, calculations and supporting details and information may be provided as an attachment and will not count towards the page limit. These attachments should be uploaded using the “Other Attachments” form in Grants.gov. Please refer to the Mandated Measures Justification document found on the [DERA National](#) website for more information.

(4) Optional Attachments

Use the “Other Attachments” Form to submit the following optional documents. Applicants should note that while these forms are optional, the Other Attachment Form will be listed in the Mandatory Documents section of the Workspace:

- a. Negotiated Indirect Cost Rate Agreement, if applicable
 - Provide this if you have an existing Negotiated Indirect Cost Rate Agreement. Refer to [Section 4.B.\(2\)](#), Section 7 for more information.
- b. Maps
- c. Resumes, if applicable
 - Provide resumes as described in [Section 4.B.\(2\)](#).

C. Applicants Using Contractors

Applicants must compete contracts for services and products, including consultant contracts, and conduct cost and price analyses, to the extent required by the [procurement provisions](#) of the regulations at 2 CFR Part 200.

Do not name a procurement contractor (including a consultant) as a “partner” or otherwise in your application unless the contractor has been selected in compliance with competitive procurement requirements. If an applicant selected for award has named a specific subrecipient, contractor, or consultant in the application, it does not relieve the applicant of its obligations to comply with subaward and/or competitive procurement requirements.

The EPA will not consider the qualifications, experience, and expertise of named subrecipients or named contractor(s) during the application evaluation process unless the applicant provides documentation that it has complied with these requirements.

For additional guidance, applicants should review the [EPA’s Best Practice Guide for Procuring Services, Supplies, and Equipment Under EPA Assistance Agreements](#), the [EPA’s Subaward Policy](#), and the [EPA’s Subaward Policy Frequent Questions](#). The EPA expects recipients of funding to comply with competitive procurement contracting requirements in [2 CFR Parts 200](#) and [1500](#), as well as the requirements in [2 CFR 200.321](#) and [40 CFR Part 33 Subpart C](#).

D. Coalition Coverage

A coalition is formed when two or more eligible applicants coordinate to submit a single application. Coalitions must identify which single eligible organization will be the recipient of the grant and which eligible organization(s) will receive subawards from the recipient (the “pass-through entity”). The pass-through entity that administers the grant and subawards will be accountable to the EPA for proper expenditure of the funds and reporting and will be the point of contact for the coalition. Subawards must be consistent with the definition of that term in [2 CFR §200.1](#) and comply with the [EPA’s Subaward Policy](#).

5. Submission Requirements and Deadlines

A. Submission Dates and Times

January 22, 2027 11:59 pm ET

Application Submission Deadline

Grants.gov creates a date and time record when it receives the application. If you submit the same application more than once, we will accept the last on-time submission.

B. Unique Entity Identifier (UEI) and System for Award Management (SAM.gov)

SAM.gov

You must have an active account with SAM.gov. SAM.gov will provide a UEI for your organization, which is required to apply for grants using Grants.gov. To register, go to [SAM.gov Entity Registration](#) and click Get Started. From the same page, you can also click on the [Entity Registration Checklist](#) for the information you will need to register. Make sure you are current with SAM.gov and UEI requirements before applying for the award.

SAM.gov registration can take several weeks. [Begin that process today.](#)

Grants.gov

You must also have an active account with [Grants.gov](#). You can refer to step-by-step instructions at the Grants.gov [Quick Start Guide for Applicants](#).

Please visit [How to Register to Apply for Grants](#) for additional information.

C. Submission Instructions

You must submit your application through Grants.gov. Refer to [Section 5.B.](#) above for information on getting registered.

Important tips:

- To begin the application process under this grant announcement, go to Grants.gov and click the red “Apply” button at the top of the view grant opportunity page associated with this opportunity.
- Refer to the Quick Start Guide for Applicants for instructions on how to submit.
- Make sure your application passes the Grants.gov validation checks.
- Do not encrypt, zip, or password protect any files.
- Your application must be submitted by an official representative of your organization who is registered with Grants.gov and is authorized to sign applications for Federal financial assistance.
- If you receive an error or the button is grayed out, it may be because you do not have the appropriate role to submit in your organization. Contact your organization’s EBiz point of contact or contact Grants.gov for assistance at 1-800-518-4726 or support@grants.gov.
- Refer to Grants.gov Errors for information on other Grants.gov errors.
- The UEI listed on the application must be registered to the applicant organization's SAM.gov account. If not, the application may be deemed ineligible.

D. Technical Issues with Submission

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

- Contact Grants.gov Support Center before the application deadline date.
- Document the Grants.gov ticket/case number.
- Send an email with Funding Opportunity Number (FON):EPA-OAR-OTAQ-26-01 in the subject line to dera@epa.gov before the application deadline time and date and must include the following:
 - Grants.gov ticket/case number(s)
 - Description of the issue
 - The entire application package in PDF format.

Without this information, the EPA may not be able to consider applications submitted outside of Grants.gov. Any application submitted after the application deadline time and date deadline will be deemed ineligible and **not** be considered.

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

Applicants with limited or no access to the internet may request an exception by following the procedures outlined [here](#). The request must be received at least 15 calendar days before the application due date to allow enough time to negotiate alternative submission methods.

E. Intergovernmental Review

The application is not subject to Intergovernmental Review.

6. Application Review Information

A. Responsiveness Review

Applications must meet the eligibility requirements described in [Section 2](#) to be evaluated. Applicants not meeting these requirements will be deemed ineligible and will be notified within 15 calendar days of the determination.

- Applications must adhere to the page limit requirements. Any pages over the limit(s) in [Section 4](#) will not be reviewed.
- Initial applications must be submitted *on or before* the application deadline through Grants.gov or through limited circumstances as expressed in [Section 5](#). The EPA will not evaluate applications that are not submitted on time.
- *Technical difficulties applying:* Applicants having technical difficulties applying must contact the Grants.gov hotline at 1-800-518-4726 *and* then must email a PDF of the full application to the EPA contact listed in [Section 1.E](#). The submission must be received prior to the application deadline for consideration.

B. Review Criteria

Criteria Name and Description	Points
1. Project Summary and Approach: Under this criterion, the EPA will evaluate applications based on the applicant's project summary and overall approach. Specifically, the EPA will evaluate: a. Project Summary (10 points) The extent and quality to which the project meets the goals and objectives of the program (Section 3.B of the NOFO) and demonstrates that all activities meet the program eligibility criteria (Section 2). b. Project Approach (10 points) The extent and quality of the applicant's overall approach and implementation plan, including activities, tasks, roles and responsibilities, and partnerships.	20
2. Goods Movement Facilities: Under this criterion, the EPA will evaluate applications based on the extent to which projects target vehicles located at, or that service, goods movement facilities such as ports, airports, rail yards, terminals, or distribution centers, as described in Section 4.B.	10

Criteria Name and Description	Points
3. Project Location: Under this criterion, the EPA will evaluate applications based on: a. Nonattainment Areas (5 points) The extent to which the projects are located in and serve counties that contain ozone or PM_{2.5} nonattainment or maintenance areas, as described in Section 4.B. b. Areas with Air Toxics Concerns (5 points) The extent to which projects are located in and serve counties that contain areas with <u>air toxics concerns</u>, as described in Section 4.B.	10
4. Project Sustainability: Under this criterion, the EPA will evaluate applications based on the extent and quality to which the applicant and its project partners will promote and continue efforts to reduce emissions after EPA funding for this project has ended. Specifically, the EPA will evaluate the extent and quality to which: a. Continuing Efforts (5 points) The application demonstrates that the applicant and project partner(s) have policies in place to promote and continue efforts to reduce diesel emissions. These may include existing idle-reduction policies, contract specifications requiring the use of cleaner, more efficient vehicles and equipment, up to date mobile source equipment inventories, or other policies as necessary. If the applicant does not currently have these types of policies in place, the application will be evaluated on the quality and extent to which the application specifies a commitment to complete one or more before the end of the project period. b. Baseline Monitoring (5 points) The application demonstrates that the applicant and project partner(s) has a publicly available baseline mobile source emission inventory for PM_{2.5} or NO_x that was completed after 2021. If not, the extent to which the application specifies a commitment to complete one before the end of the project period. c. Emissions Plan (5 points) The application demonstrates that the applicant and project partner(s) has a publicly available plan, finalized after 2021, to reduce mobile source emissions that include specific PM_{2.5} or NO_x emission targets. If not, the extent to which the applicant demonstrates a commitment to developing one before the end of the project period. d. Community Engagement (5 points) The extent and quality to which the application demonstrates that the applicant and project partner(s) have an existing clear point of contact in a public platform (<i>e.g.</i>, newsletter, website) for community issues and complaints (specific to air quality or broader) <u>and</u> a publicly documented policy or process to engage communities and get their input on operations and projects that impact air quality. The process could be a meeting in the past year or a policy or process to have a meeting or otherwise get input (<i>e.g.</i>, a standing citizen advisory committee). If not, the extent to which the application demonstrates a commitment to establish both the above before the end of the project period.	20
5. Environmental Results – Outputs, Outcomes and Performance Measures: Under this criterion, the EPA will evaluate:	30

Criteria Name and Description	Points
a. Expected Project Outputs and Outcomes (10 points) The extent and quality to which the applicant identifies and quantifies expected project outputs and outcomes, including those identified in Section 3.A. b. Performance Measures and Plan (10 points) The quality of the proposed performance measures and effectiveness of the applicant's plan for tracking and measuring their progress toward achieving the expected project outputs and outcomes, including those identified in Section 3.A. c. Timeline and Milestones (10 points) The reasonableness of the proposed timeline including key milestones for specific tasks and the likelihood of completion of the project's goals and objectives by project end.	
6. Programmatic Capability and Past Performance: Under this criterion, the EPA will evaluate applicants based on their ability to successfully complete and manage the proposed project considering their: a. Past Performance (5 points) Past performance in successfully completing and managing the grants identified in the project narrative as described in Section 4.B of the NOFO. b. Reporting Requirements (5 points) History of meeting the reporting requirements under the grants identified in the project narrative, including whether the applicant submitted acceptable final technical reports under those agreements and the extent to which the applicant adequately and timely reported on their progress towards achieving the expected outputs and outcomes under those agreements and if such progress was not being made, whether the applicant adequately reported why not. c. Staff Expertise (5 points) Organizational experience and plan for timely and successfully achieving the objectives of the proposed project, and staff expertise/qualifications, staff knowledge, and resources or the ability to obtain them, to successfully achieve the goals of the proposed project. Note: In evaluating applicants under items a. and b. of this criterion, the agency will consider the information provided by the applicant and may also consider relevant information from other sources including agency files and prior/current grantors (<i>i.e.</i>, to verify or supplement the information supplied by the applicant). If the applicant does not have any relevant or available past performance or reporting information, please indicate this in the application and the applicant will receive a neutral score for these subfactors (items a. and b. above). A neutral score is half of the total points available in a subset of possible points). If the applicant does not provide any response for these items, a score of zero for these subfactors may be received.	15
7. Budget: Under this criterion, the EPA will evaluate applicants based on the extent and quality to which: a. Budget Detail (5 points) The proposed budget provides a detailed breakout by funding type in the proper budget category for each activity the applicant is requesting funding.	15

Criteria Name and Description	Points
b. Expenditure of Awarded Funds (5 points) The applicant's approach, procedures, and controls will ensure that awarded grant funds will be expended in a timely and efficient manner. c. Reasonableness of Costs (5 points) The proposed costs are reasonable to accomplish the proposed goals, objectives, and measurable environmental outcomes, including consideration of indirect/administrative costs.	
8. Applicant Fleet Description: Under this criterion, the EPA will evaluate applicants on the extent and quality of the detailed information provided in the applicant fleet description via the DERA Supplemental Application Template (excel), also known as the Burden Statement for EPA Form: 5900-681, of all required target fleet fields (vessel(s), vehicle(s), engine(s), and equipment) as described in Section 4.B. and completed with sufficient detail and provided with accuracy and consistency, with no significant errors or omissions.	10
Total Possible Points	130

Applicants will be evaluated based on the extent and quality to which they demonstrate that they have the capability to successfully perform the project as described in [Section 3](#) of this funding opportunity.

Only eligible entities whose applications meet the threshold criteria in [Section 2](#) of this announcement will be evaluated. **Applicants should explicitly address these criteria as part of their application package submittal in the project narrative.** Each application will be rated using a point system. Applications will be evaluated based on a total of 130 possible points.

C. Review and Selection Process

Eligibility Review: The EPA will evaluate applications against the threshold criteria in [Section 2](#). Only those applications which meet all threshold criteria will be deemed eligible.

Merit Evaluation: All eligible applications will be evaluated by regional review panels using the evaluation criteria in [Section 6.B.](#) The regional review panels will score and rank applications.

Preliminary funding recommendations will be provided to the EPA regional selection officials based on these reviews and rankings.

The EPA anticipates funding the top 4-12 ranked proposals for each region, contingent on the quality of the proposals and funding availability.

(1) Other Evaluation Factors

The selection official in each region will make final funding decisions. In making the final funding decisions, the selection officials may also consider the following factors: sector (fleet type) diversity, technology diversity, geographic diversity, number and size of awards, and agency and programmatic priorities.

D. Risk Review

The EPA will conduct a risk review of selected applications before making awards, as required by [2 CFR 200.206](#). As part of this review, the EPA may consider the following:

- information available in the responsibility/qualification records in SAM.gov, including any comments made by the applicant.
- if the applicant is a new recipient, whether they have completed the mandatory training requirement outlined in [RAIN-2024-G01 New Recipient Training Requirement](#)
- any unresolved administrative findings in EPA records
- reported issues related to financial stability and/or management systems
- past performance or audit issues.

7. Award Notices

The EPA anticipates notification to successful applicants will be made by the applicable Regional Grants Management Office. The notification will be sent to the original signer of the application or the project contact listed in the application. This notification is not an authorization to begin work. The official notification of an award will be made by the applicable Regional Grants Management Office. Selection does not guarantee an award will be made. Statutory authorization, funding, or other issues during the award process may affect the ability of the EPA to make an award. The award notice, signed by an EPA grants officer, is the authorizing document and will be provided through electronic or postal mail. The successful applicant may need to prepare and submit additional documents and forms, which must be approved by the EPA, before the grant can officially be awarded. The time between notification of selection and award of a grant can take up to 90 days or longer.

8. Post-Award Requirements and Administration

A. Administrative and National Policy Requirements

The recipient and any sub-recipient must comply with the applicable [General Terms and Conditions](#). These terms and conditions are in addition to the assurances and certifications made as part of the award, terms and conditions, and restrictions reflected on the official assistance award document.

Awards issued as a result of this funding opportunity are subject to the requirements of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards; Title [2 CFR Part 200](#) and [2 CFR Part 1500](#).

B. Reporting

The [EPA's General Terms and Conditions](#) in the Notice of Award will have information on performance and financial reports, including:

- How often you will report.
- Any required form or formatting.
- How to submit them.

C. Subaward and Executive Compensation Reporting

The Federal Financial Accountability and Transparency Act (FFATA) requires:

- Data entry at SAM.gov for all subawards and subcontracts issued for \$30,000 or more.
- Reporting executive compensation for both recipient and subaward organizations.

D. Post Award Project Requirements

1. **Build America, Buy America (BABA) Requirements:** Certain projects under this competition are subject to the Buy America Sourcing requirements under the Build America, Buy America provisions of the [Infrastructure Investment and Jobs Act \(IIJA\)](#) (P.L. 117-58, 70911-70917) when using funds for the purchase of goods, products, and materials on any form of construction, alteration, maintenance, or repair of infrastructure in the United States. The Buy America preference requirement applies to all of the iron and steel, manufactured products, and construction materials used for the infrastructure project under an award for the [EPA's financial assistance funding programs](#).

These sourcing requirements require that all iron, steel, manufactured products, and construction materials used in federally funded infrastructure projects must be produced in the United States. The recipient must implement these requirements in its procurements, and this article must flow down to all subawards and contracts at any time.

For more information about BABA requirements for DERA projects, applicants should consult the [BABA Implementation Procedures for OTAQ's Federal Assistance Programs](#). Please consider this information when preparing budget information. A list of approved EPA general applicability waivers is available on the EPA's [Build America, Buy America website](#). When supported by rationale provided in [IIJA 70914](#), the recipient may submit a project-specific waiver request to the EPA if available general applicability waivers do not apply. For more information on waivers, refer to Section 5 and Appendix 5 of the [BABA Implementation Procedures for OTAQ's Federal Assistance Programs](#).

In addition to BABA requirements, all procurements under grants may be subject to the domestic preference provisions of [2 CFR 200.322](#).

Refer to the "Build America, Buy America" clause in the [EPA's Solicitation Clauses](#).

2. **Cross-Cutters:** Cross-cutters refers to federal laws, regulations, or executive orders that apply across multiple federally funded programs, including certain projects awarded through the DERA program that involve construction or land disturbance. Construction activities consist of any project-related land-clearing or ground-breaking activities, including those that inform design or are part of the planning process, such as the drilling of test boreholes. Cross-cutting requirements ensure that projects comply with broader environmental standards. Applicability of cross-cutting requirements will depend upon the specifics of the project. A non-exhaustive list is available in the EPA's [guidance to pass-through entities](#). Each cross-cutting authority has its own requirements and associated schedule. Additional time will be needed for activities that require consultation with other federal agencies or with State, local, and Tribal partners.

9. Other Information

A. Additional Provisions for Applicants

Additional provisions that apply this funding opportunity and/or awards made under this funding opportunity, can be found at [EPA NOFO Clauses](#). If you are unable to access these provisions electronically at the website above, please contact the EPA point of contact to obtain the provisions.

B. Further information Regarding Contracts, Subawards, Participant Support Costs

I. Background

The SF-424A includes a separate row for “Contractual” costs and “Other” costs. As noted in Section 7 under [Section 4.A.](#) of the NOFO, the “Other” cost category on the SF-424A should be used to cover both subawards and participant support costs. Depending on the project, these costs may be applicable to a DERA application. This section helps clarify these differences. Additional information about participant support costs is contained in the [EPA’s Guidance on Participant Support Costs](#).

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

If a recipient intends to fund the proposed project’s technologies (*i.e.*, vehicles, engines, equipment) that they do not directly own, the recipient may have the option to: (1) issue a contract; (2) make a subaward to an eligible entity; or (3) provide participant support costs to a program beneficiary. For options (2) and (3), the recipient may be able to fund technology and installation costs, but only subawards can be used to fund direct and indirect costs. If the grant recipient only intends to fund equipment and installation costs, the recipient may choose to provide participant support costs to a program beneficiary rather than a subaward. DERA recipients often use participant support costs to offer rebates or vouchers for vehicle costs.

II. Contracts

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

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

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

NOTE: If a contractor (including an individual consultant or equipment vendor) or a subrecipient is named as a project partner or otherwise in the application, the EPA recommends carefully reviewing,

and complying with, the directions contained in the “Contracts and Subawards” clause that can be accessed under [Section 4.C.](#) of this NOFO and at the [EPA Funding opportunity Clauses](#). Refer to the [EPA’s Best Practice Guide for Procuring Services, Supplies, and Equipment Under EPA Assistance Agreements](#), the [EPA’s Subaward Policy](#) and supplemental [Frequent Questions](#) for additional guidance. Applicants must demonstrate two key points. Firstly, they need to show that the contractors they have named, including individual consultants and equipment vendors, were selected in accordance with the competitive requirements outlined in the Procurement Standards of 2 CFR Part 200, as interpreted by EPA guidance. Secondly, applicants must demonstrate that their named subrecipients meet the eligibility criteria specified in the EPA’s Subaward Policy. These steps are necessary for the EPA to evaluate the qualifications and roles of those involved in the proposed project.

III. Subawards

Under [2 CFR §200.1](#), *subrecipient* means an entity that receives a subaward from a pass-through entity to carry out part of a Federal award. The term subrecipient does not include a beneficiary or participant. A subrecipient may also be a recipient of other Federal awards directly from a Federal agency. Grant recipients may make subawards to subrecipients to carry out a portion of the grant project; in such case, the grant recipient is also known as a *pass-through entity*. Subawards establish a financial assistance relationship under which the subrecipient’s employees and contractors implement programs and projects to accomplish the goals and objectives of the grant. It is important to bear in mind that subrecipients are subject to the same federal requirements as the pass-through entity.

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

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

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

The applicant’s project narrative and budget narrative should include detailed descriptions of any proposed subawards and include cost estimates for subawards as line items under the “Other” budget category in the SF-424A; refer to Section 9 in [Section 4.A](#). Should a recipient decide to make a subaward that was not described in the approved project narrative and budget, the recipient must obtain prior written approval from the EPA’s Award Official for the subaward.

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

Many of the federal administrative grant regulations in [2 CFR Part 200](#) and [2 CFR Part 1500](#), as well as the grant terms and conditions, “flow down” to subrecipients receiving a subaward. The written subaward agreement between the recipient and the subrecipient needs to identify such requirements. Additionally, if a subrecipient intends to procure goods or services using DERA grant funds, the subrecipient must comply with the applicable federal procurement standards in [2 CFR Part 200](#) and [2 CFR Part 1500](#).

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

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

IV. Participant Support Costs

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

PSCs are different from subawards because, with PSCs, the beneficiary takes part in the grant recipient's project or program instead of implementing their own project or program. Program beneficiaries may include but are not limited to individual owners/operators, private or public fleet owners, or residents in the applicable area. However, program beneficiaries are not employees, contractors, or subrecipients of the grant recipient.

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

The federal administrative grant regulations in [2 CFR Part 200](#) and [2 CFR §1500.8](#), as well as the grant terms and conditions in the recipient's grant agreement, generally do not "flow down" to program beneficiaries receiving PSCs except that costs must be reasonable and incurred within the grant project period. Requirements for compliance with civil rights laws and ensuring that program beneficiaries are eligible to receive federal financial assistance are applicable as explained in the [EPA Guidance on Participant Support Costs](#). In addition, program beneficiaries must abide by requirements to ensure that the funds are used only for authorized purposes.

If a grant recipient, subrecipient, or contractor is issuing PSCs, it must have a written agreement in place. The written agreement should not be structured as a subaward agreement and should not refer to program beneficiaries as subrecipients consistent with [2 CFR §200.1](#), "Subrecipient." In addition, the written agreement should not include language requiring the program beneficiary to comply with the federal grant regulations at [2 CFR Part 200](#), [2 CFR §1500.8](#), or the terms and conditions found in the award between the EPA and the recipient, other than requiring that the costs must be reasonable, necessary, and allocable. The written agreement should also include the following:

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

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

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

V. **Resources:**

- [EPA Guidance on Participant Support Costs](#)
- [Best Practice Guide for Procuring Services, Supplies, and Equipment Under EPA Assistance Agreements](#)
- [EPA Subaward Policy for EPA Assistance Agreement Recipients](#), with attachments, including:
 - [EPA Subaward Policy](#)
 - [Appendix A: Distinctions Between Subrecipients and Contractors](#)
 - [Appendix B: National Term and Condition for Subawards](#)
 - [Appendix C: Model Programmatic Subaward Reporting Requirement](#)
 - [Appendix D: Subaward Agreement Template](#)