

US EPA ARCHIVE DOCUMENT

National Clean Diesel Campaign

American Recovery and Reinvestment
Act of 2009

Diesel Emission Reduction Act Funding

March/April, 2009



National Clean Diesel Campaign

Diesel Emissions Reduction Program

\$300 Million under ARRA of 2009 DERA

National Program

By statute
70% of funding - \$206M

State Program

By statute
30% of funding -- \$88M



**National Clean Diesel
Funding Assistance Program
Regional Grant Competitions**
\$156M

SmartWay Clean Diesel Finance Program - \$30M

Clean Diesel Emerging Technologies Program
By statute \leq 10% of funding - \$20M

Note: EPA may use up to 2% (\$6M) for administrative costs

National Clean Diesel Campaign

\$300 Million for ARRA of 2009 DERA

National Component

\$206 Million
(70%)



National Clean Diesel Funding Assistance Program
\$156M

SmartWay Clean Diesel Finance Program ~\$30M

Clean Diesel Emerging Technologies Program
~\$20 M

Nationwide
competitive grant
process

National Clean Diesel Funding Assistance Program: Eligible Entities

- Regional, state, local, tribal or port agency with jurisdiction over transportation or air quality; and
- Nonprofit organization or institution which
 - Represents or provides pollution reduction or educational services to persons or organizations that operate diesel fleets; or
 - Has, as its principle purpose, the promotion of transportation or air quality

National Clean Diesel Funding Assistance Program: Public Fleets

At least 50% of funding is dedicated for the benefit of public fleets

- Will include private fleets contracted or leased for public purpose, such as private school buses or refuse haulers
- Only eligible entities can apply directly for funds (i.e., school district or non-profit applies on behalf of private school bus contractor)



National Clean Diesel Funding Assistance Program: Eligible Fleets and Equipment

- Buses
- Medium or heavy duty trucks
- Marine engines
- Locomotives



- Nonroad engine, stationary engine or vehicle used for:
 - Construction
 - Handling of cargo (including at a port or airport)
 - Agriculture
 - Mining
 - Energy production

National Clean Diesel Funding Assistance Program: Use of Funds

- Technologies and engines must be verified and/or certified by USEPA or CARB
www.epa.gov/cleandiesel (select *Verified Technology List*)
- Incremental cost of engine/vehicle replacement (old engine must be sent to be remanufactured or scrapped), engine repower, engine rebuild
- Cleaner fuels
 - Covers incremental costs of cleaner fuel versus conventional diesel fuel

National Clean Diesel Funding Assistance Program: Use of Funds

- Idle Reduction Technologies (EPA approved)
 - Electrified Parking Spaces (truck stop electrification)
 - Auxiliary Power Units and Generator Sets
 - Fuel Operated Heaters
 - Battery Heating and Air Conditioning Systems
 - Thermal Storage Systems
 - Shore Connection Systems and Alternative Maritime Power

<http://www.epa.gov/cleandiesel>

National Clean Diesel Funding Assistance Program: % of \$ for Technologies/Projects

- EPA's Clean Diesel funding will cover up to:
 - 75% for engine repowers
 - 25% for all replacements except
 - 50% for school buses that meet 2010 standards
 - 100% for retrofit technologies
 - 100% for idle reduction technologies
 - 100% for engine upgrades (kits only)
 - 100% for incremental cost of cleaner fuels

National Clean Diesel Funding Assistance Program: Use of Funds

- Cannot fund the cost of emissions reductions mandated under Federal, State or Local law
- Grants are not for emissions testing
- Cannot fund fueling infrastructure costs, such as the acquisition cost of tanks, the construction or acquisition costs of fuel depots, or the construction or acquisition costs of biodiesel manufacturing facilities

National Clean Diesel Funding Assistance Program: ARRA of 2009 Estimated Timeline

Activity	Date
Information and preparation of applications	February
Application submissions	March – April 28 (deadline)
EPA evaluations	May
Project review and award	May/June
Project implementation	June 9, 2009 – Sept. 30, 2010

The logo for the Midwest Clean Diesel Initiative features the text "MIDWEST CLEAN DIESEL" in a bold, dark blue, sans-serif font. Below it, the word "INITIATIVE" is written in a lighter, green, sans-serif font. A light blue, wavy ribbon-like graphic curves behind the text, passing through the letters of "INITIATIVE". The logo is flanked by two dark blue shapes: a square on the left and a semi-circle on the right.

MIDWEST CLEAN DIESEL INITIATIVE

- MCDI Formally Started in 2004
- Voluntary program to reduce diesel emissions in the Midwest (IL, IN, MI, MN, OH, WI)
- <http://www.epa.gov/midwestcleandiesel/>

- State Clean Diesel Coalitions
- <http://www.epa.gov/midwestcleandiesel/leadershipgroup/index.html#states>

Request for Applications

- **Region 5 (IL, IN, MI, MN, OH, WI)**
- **Funding levels:**
 - Only applications requesting EPA funding between \$500,000 and \$5,000,000 will be accepted. It is anticipated that 10-30 Region 5 assistance agreements will be made from this announcement.
 - EPA reserves the right to partially fund applications by funding discrete portions or phases of proposed projects.

Application Packages

- **Hard Copy Submission (page 22):** Hard copy submissions must be sent using an express delivery service, such as FedEx, UPS, DHL, etc., to:

Region 5: Steve Marquardt U.S. EPA Region 5

77 West Jackson Blvd., A-18J

Chicago, IL 60604

Phone: (312) 353-3214

All hard copies of application packages must be received by Steve Marquardt by **April 28, 2009, 4:00 p.m. CDT.**

Application Packages

- **Email Submission (page 24):** Please send an email containing Adobe pdf files of all required application package materials including signed and completed forms. Emails must be addressed to the appropriate EPA regional contact identified below and include, “Recovery Act Clean Diesel Application - [name of applicant]” in the subject line.
- Region 5: mcdi@epa.gov
- All email submissions of application packages must be received by **April 28, 2009, 4:00 p.m. CDT.**

Evaluation and Selection

- Tier 1 eligibility
- Tier 2 evaluation criteria (see next slide)
- Tier 3 may also consider:
 - sector and technology, geographic diversity, the extent to which the project promotes and maximizes Recovery Act objectives, and the funding priorities of the statutory funding allocation (EPAct 2005).

Evaluation Criteria (p. 32-34)

Category	Points
Project Summary and Overall Approach	12
Recovery Act Funding Priorities	25
National Programmatic Priorities	14
Regional Significance	10
Past Performance	6
Staff Expertise/Qualifications	6
Results – Outcomes and Outputs	15
Leveraged Resources and Project Partners	4
Budget/Resources	4
Clear Description of the Target Fleet	4
Total	100

Application Assistance

- Request for Applications
- Project Narrative Suggested Format
- Application Procedures and Forms
- Fleet Applicant Spreadsheet
- Question and Answer Document
- <http://www.epa.gov/otaq/eparecovery/prognational.htm>

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**Competitive grant
program to
establish
innovative finance
mechanisms**

SmartWay Clean Diesel Finance Program: Overview

- HQ conducting competition
 - <http://www.epa.gov/otaq/eparecovery/progfinance.htm>
- For grants which establish innovative finance program for eligible vehicle or equipment owners
- Everything else is the same as National Competition
 - Same eligible entities
 - Same eligible vehicles & equipment
 - Same priority projects

SmartWay Clean Diesel Finance Program: Use of Funds

- Finance Program grants are used to establish loans or other mechanisms, which:
 - Have better than market terms (e.g., lower interest rate, lower closing costs, greater loan approval rates, etc).
- Any program income generated must be used to further the project's clean diesel goals (e.g., more loans for cleaner vehicles).

SmartWay Clean Diesel Finance Program: ARRA of 2009 Estimated Timeline

Activity	Date
Information and preparation of applications	February
Application submissions	March – April 28 (deadline)
EPA evaluations	May
Project review and award	May/June
Project implementation	June 9, 2009 – Sept. 30, 2010

Any funding not utilized by this program will revert to
the National Funding Assistance Program

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Clean Diesel Emerging Technologies Program
~\$20 M

**Competitive grant
program to deploy
emerging
technologies not
yet verified**

Clean Diesel Emerging Technologies Program: Overview

- HQ conducting competition
 - <http://www.epa.gov/otaq/eparecovery/index.htm>
- For grants where eligible entities apply to implement emerging technologies projects
- Everything else is the same as National Competition
 - Same eligible entities
 - Same eligible vehicles & equipment
 - Same priority projects

Clean Diesel Emerging Technologies Program: Overview

- Program is for projects that will use technologies not yet verified and/or commercialized but on EPA's Emerging Technology List
- Program does not cover research and development costs
- Only eligible entities can apply
- www.epa.gov/cleandiesel
select *Emerging Technologies*

Clean Diesel Emerging Technologies Grant Program: ARRA of 2009 Estimated Timeline

Activity	Date
Information and preparation of applications	February
Application submissions	March – May 5 (deadline)
EPA evaluations	May
Project review and award	May/June
Project implementation	June 16, 2009 – Sept 30, 2010

Any funding not utilized by this program will revert to the National Funding Assistance Program

Things To Do Now

- Prepare to implement a clean diesel project quickly and efficiently
- Communicate with potential partners
- Organize fleet information
- Develop budget
- Begin workplan and other grant forms
- Submit additional questions to cleandiesel@epa.gov