National Clean Diesel Campaign

American Recovery and Reinvestment Act of 2009
Diesel Emission Reduction Act Funding
March/April, 2009
**Diesel Emissions Reduction Program**  
$300 Million under ARRA of 2009 DERA

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**National Program**  
By statute  
70% of funding - $206M

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

- SmartWay Clean Diesel Finance Program - $30M

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

**State Program**  
By statute  
30% of funding -- $88M

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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

Nationwide competitive grant process

SmartWay Clean Diesel Finance Program ~$30M

Clean Diesel Emerging Technologies Program ~$20 M
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
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](http://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
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

<table>
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<tr>
<th>Activity</th>
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<tr>
<td>Information and preparation of applications</td>
<td>February</td>
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<tr>
<td>Application submissions</td>
<td>March – <strong>April 28</strong> (deadline)</td>
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<tr>
<td>EPA evaluations</td>
<td>May</td>
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<tr>
<td>Project review and award</td>
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<tr>
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<td>June 9, 2009 – Sept. 30, 2010</td>
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- 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)

<table>
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<th>Points</th>
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<tr>
<td>Recovery Act Funding Priorities</td>
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<tr>
<td>National Programmatic Priorities</td>
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<tr>
<td>Regional Significance</td>
<td>10</td>
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<tr>
<td>Past Performance</td>
<td>6</td>
</tr>
<tr>
<td>Staff Expertise/Qualifications</td>
<td>6</td>
</tr>
<tr>
<td>Results – Outcomes and Outputs</td>
<td>15</td>
</tr>
<tr>
<td>Leveraged Resources and Project Partners</td>
<td>4</td>
</tr>
<tr>
<td>Budget/Resources</td>
<td>4</td>
</tr>
<tr>
<td>Clear Description of the Target Fleet</td>
<td>4</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
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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
National Clean Diesel Campaign
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National Component
$206 Million (70%)

National Clean Diesel Funding Assistance Program
$156M

SmartWay Clean Diesel Finance Program ~$30 M

Clean Diesel Emerging Technologies Program ~$20 M

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](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

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Any funding not utilized by this program will revert to the National Funding Assistance Program.
National Clean Diesel Campaign
$300 Million for ARRA of 2009 DERA

National Component
$206 Million (70%)

National Clean Diesel Funding Assistance Program
$156 M

SmartWay Clean Diesel Finance Program ~$30 M

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

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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