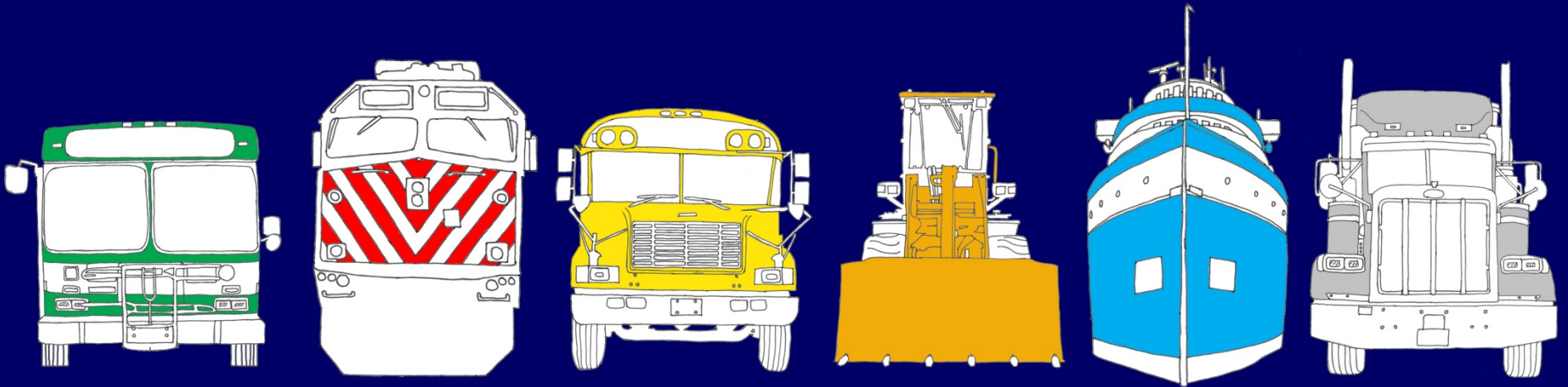


Midwest Clean Diesel Initiative



June 30, 2010

Topics

- Historic Funding
- ARRA Update
- FY2009/2010 Awards

Historic Region 5 Funding

- FY 2005
 - Clean School Bus - \$1,211,600 (6 awards)
- FY2006
 - Clean School Bus – \$664,850 (8 awards)
 - 17 applications requesting \$2.5M
 - MCDI - \$574,140 (7 awards)
 - 14 applications requesting \$2.7M
- FY2007
 - Clean School Bus - \$815,201 (8 awards)
 - 18 applications requesting \$2.6M
 - MCDI - \$231,592 (3 awards)
 - 8 applications requesting \$1.2M

Historic Region 5 Funding

- FY2008 DERA
 - MCDI - \$4,879,033 (13 awards)
 - 38 applications requesting \$18.9M
 - State Allocation - \$1,771,920 (6 awards)
- FY2009 ARRA
 - MCDI - \$26,574,564 (12 awards)
 - 81 applications requesting \$211M
 - State Allocation - \$1.73M each = \$10,380,000
- FY2009/FY2010 DERA
 - MCDI – Approximately \$11.5M (15 awards)
 - 65 applications requesting \$81M
 - State Allocation - \$352,941 each = \$2,117,646

The image features a stylized graphic of three stacked books. The top book is solid blue. The middle book is white with a blue border and a blue label on its front cover. The bottom book is white with a blue border. The label on the middle book contains the text "American Recovery and Reinvestment Act (ARRA)".

American Recovery and Reinvestment Act (ARRA)

Diesel Emissions Reduction Program

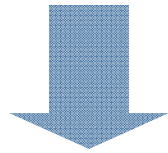
\$300 Million under ARRA of 2009 DERA

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

ARRA Region 5 Awards

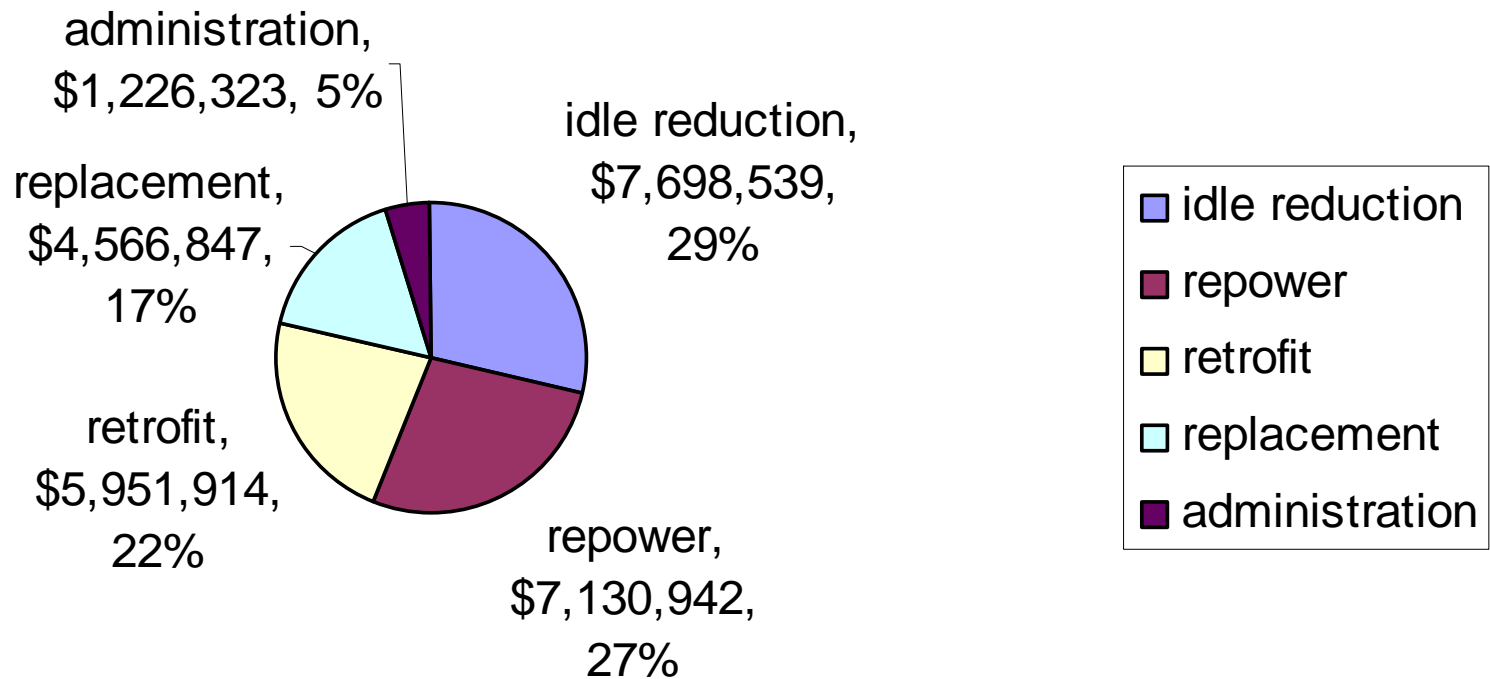
- \$1.73M per state as an allocation
 - Awarded April 2009
 - States implemented/developed mechanisms to award funds
- Competition
 - Approx \$26.5M to 12 applicants
 - Awarded June – July 2009
 - Terms and conditions, awards, subaward agreements, competitions, installations, invoices

Region 5 Recovery Act Projects Awarded



Applicant Name	Federal Funds Awarded	Funds Drawn June 30, 2010
American Lung Association - Upper Midwest	\$3,721,731	\$2,258,068
City of Chicago Department of Environment	\$1,000,000	\$0
Great Lakes Commission	\$1,209,049	\$796,000
Greater Lansing Area Clean Cities	\$1,073,528	\$363,659
Hamilton County Env Services	\$1,080,000	\$990,000
Illinois EPA	\$4,172,335	\$2,200,156
Lenawee School District	\$1,230,696	\$282,803
Minnesota Environmental Initiative	\$3,000,000	\$953,414
National School Transportation Association	\$2,442,983	\$2,442,983
Ohio Department of Development	\$5,000,000	\$455,715
Wisconsin Department of Commerce	\$2,073,135	\$461,275
Wisconsin DNR	\$571,107	\$4,041
	\$26,574,564	\$11,208,114 (42%)

Region 5 Awarded Recovery Act Projects





American Steamship Company Repowered Two Great Lakes Ships with Cleaner Engines

The American Steamship Company received a \$1,209,049 ARRA grant through the Great Lakes Commission to repower two of its ships – the H. Lee White and the Indiana Harbor -- with cleaner burning diesel engines. The work was carried out last winter at shipyards in Superior and Sturgeon Bay, Wis. According to the company, the projects required more than 12,368 hours of work time.

Both ships transport iron ore and coal across the Great Lakes and had previously been operating with vintage technology from the 1970's. The upgrades to both ships are expected to reduce a combined total of 36.4 tons of nitrogen oxide emissions annually and about 11.2 tons of carbon monoxide. Hydrocarbon emissions are expected to drop about 200 pounds per year. In addition, American Steamship estimates the newer engines will reduce fuel consumption by 34,000 less gallons per year between both ships.

Program: DERA

ARRA Funds: \$1,209,049

Location: Great Lakes, R5





ARRA Issues Raised

- Changes in fleets/technology selections
- Timeframes to:
 - Receive retrofit equipment
 - Receive 2010 compliant school buses
- Remaining funds after project completion
- Tracking and Reporting

National Clean Diesel Campaign: Clean Diesel Programs

FY09/2010 Clean Diesel Program



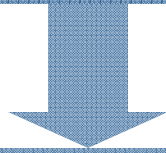
National Clean Diesel Campaign

National Clean Diesel Program

\$60M for FY2009, Estimated \$60M for FY2010

National

Estimated \$84 Million (70%)
\$42M for FY2009 and Estimated \$42M for
FY2010 combined for competitions



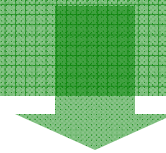
National Clean Diesel
Funding Assistance Program
\$32M for FY2009 and Estimated \$32M for FY2010 -
\$64M

Clean Diesel Emerging Technologies Program
\$4M for FY2009 and Estimated \$M in FY2010 - \$8M

SmartWay Clean Diesel Finance Program
\$6M for FY2009 and Estimated \$6M for FY2010 -
\$12M

State

(30%)
\$18 Million FY2009
Estimated \$18 Million FY2010



State Clean Diesel Grant Program 2009 \$18M

State Base

Matching Bonus

FY09/2010 EPA Funding

- MCDI Funds (Approx. \$11.5M)
 - Closed Dec 8,2009 (Open approx 60 days)
 - Region 5 Information
 - \$250,000-\$1.5M applications accepted
 - 65 applications requesting \$81M (59 were eligible)

FY09 MCDI Applications

- 65 applications (59 eligible)
- IL – 11 for IL Fleets
- IN – 6 for IN fleets
- MI – 13 for MI fleets
- MN – 5 for MN fleets
- OH – 10 for OH fleets
- WI – 4 for WI fleets
- Multistate - 10

FY09/2010 Competition

1. Project Summary and Overall Approach - 15
2. Results – Outcomes and Outputs - 15
3. National Programmatic Priorities - 25
4. Regional Significance - 25
5. Past Performance--Programmatic Capability and Reporting on Results - 6
6. Staff Expertise/Qualifications - 5
7. Budget/Resources - 5
8. Applicant Fleet Description - 4

FY2009/2010 Regional Priorities

Non-tribal proposals submitted for projects located in Region 5 will be evaluated based on the quality and extent to which the proposed project:

- 1) Helps meet a goal to reduce emissions from 1 million of the 3.3 Million diesel engines in the Midwest by 2010;

- 2) Supports clean diesel coalitions in each state to share information, work with interested fleets, and address specific geographic needs. To find more information about the Midwest clean diesel coalitions,

www.epa.gov/midwestcleandiesel/leadershipgroup/index.html#state

- 3) Leads to broader efforts and sustainable, larger scale projects and programs to further reduce diesel emissions;

- 4) Supports communities working to address climate change.

FY09/2010 Competition

- In making funding decisions, the EPA Approving Official may also consider sector (fleet type) diversity, technology diversity, geographic diversity.

Review Process

- 3 Reviewers Score Each Application
- Averaged 3 Scores and Ranked
- Preliminary Recommendations
- Final Recommendations
- Selection Letters/Non-Selection Letters
- Non-Selection Debriefs
- Workplan Negotiation as Needed
- Award of Funds

FY09/2010 Awards

- IL Fleets

- Cook County Department of Environmental Control: \$273,429
- Metropolitan Mayors Caucus: \$500,000
- South Shore Clean Cities (Applicant is in Indiana) : \$630,500

FY09/2010 Awards

- Indiana Fleets

- American Lung Association Upper Midwest (Applicant is in Illinois) : \$1,499,293

- Michigan Fleets

- Clean Energy Coalition: \$600,000
- Okemos Public Schools: \$877,076
- Michigan Infrastructure and Transportation Association (MITA): \$966,555

FY09/2010 Awards

- Minnesota Fleets

- Minnesota Environmental Initiative (MEI): \$977,243
- Board of Regents of the University of Wisconsin System (Applicant is in Wisconsin): \$750,000
- Leech Lake Band of Ojibwe: \$136,404

FY09/2010 Awards

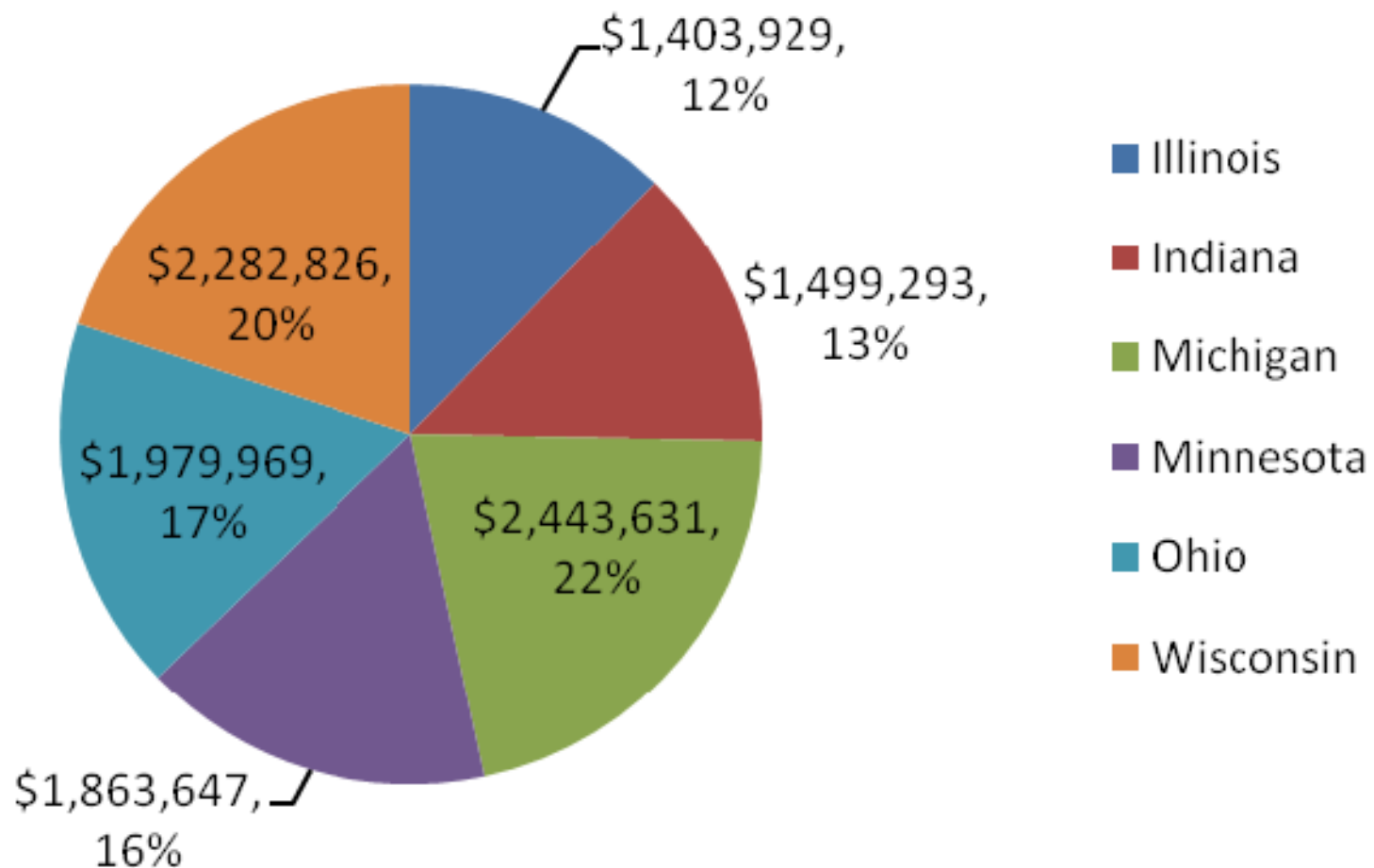
- Ohio Fleets

- Clean Fuels Ohio: \$750,000
- Mid Ohio Regional Planning Commission (MORPC): \$1,229,969

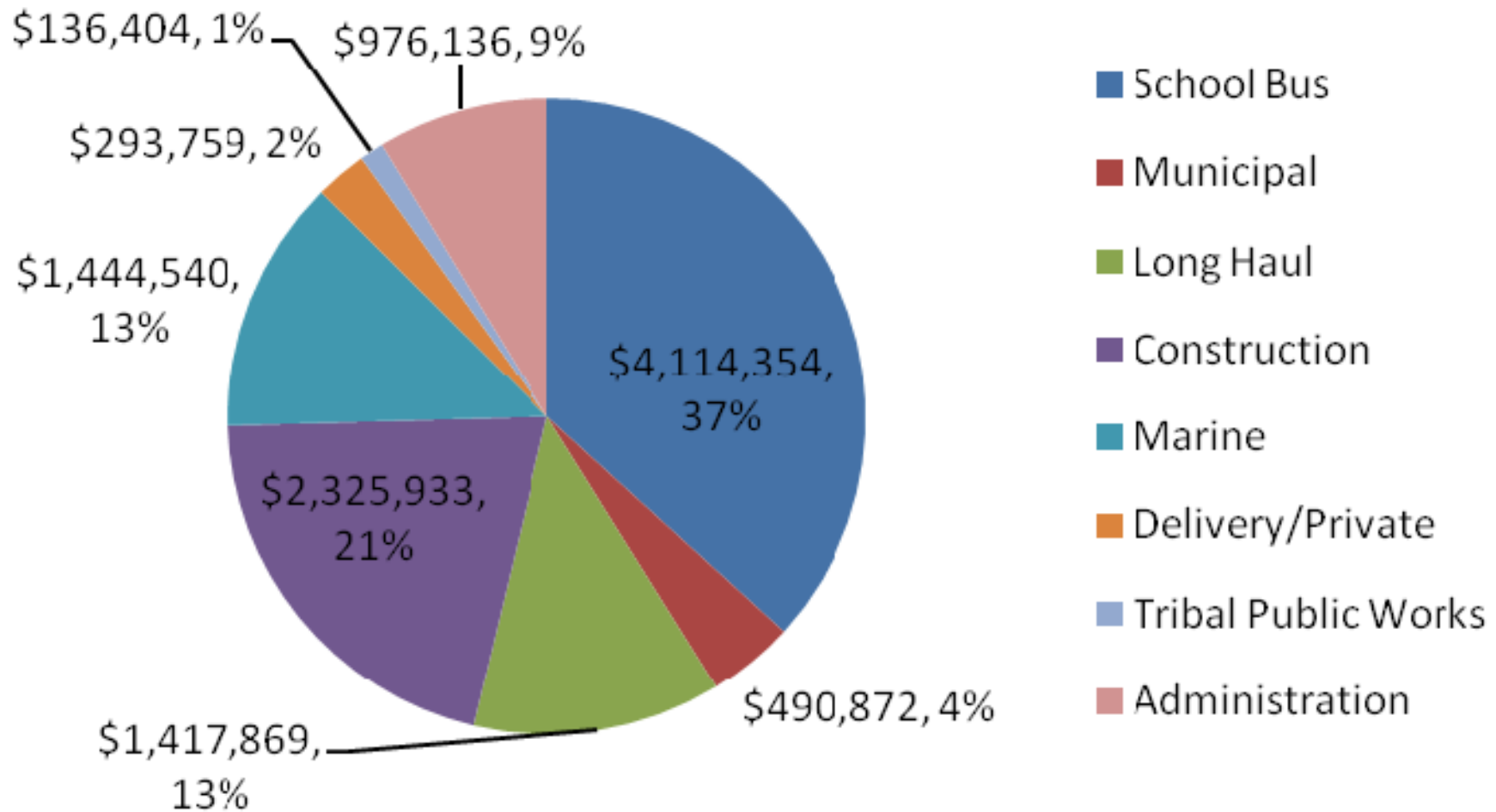
- Wisconsin

- Associated General Contractors on Greater Milwaukee (AGC): \$500,000
- Leonardo Academy: \$600,000
- Wisconsin DNR: \$1,182,826

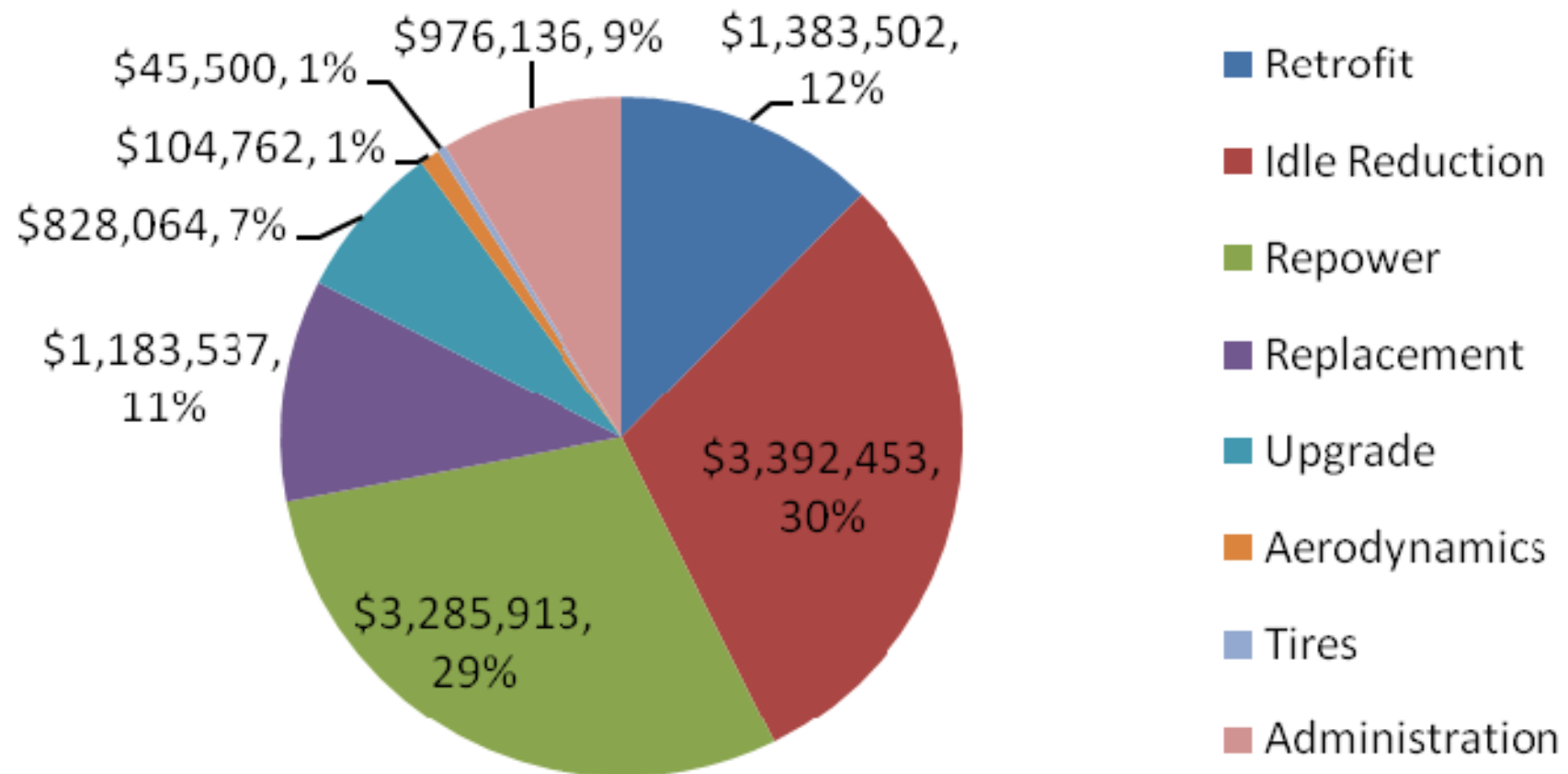
FY09/2010 By Fleet Location (14/15)



FY09/2010 By Sector (14/15)



FY09/2010 By Technology (14/15)



Next Steps

- Continue to support clean diesel coalitions
- Use EPA grant funds to lead to broader actions
- Engage in supplemental environmental projects to connect to quality projects
- Pursue non-EPA funding and non-grant actions
- Technical Webinars
- Track and report results

Need more info?

- Questions?