SmartWay℠ Transport Partnership
U.S. Environmental Protection Agency

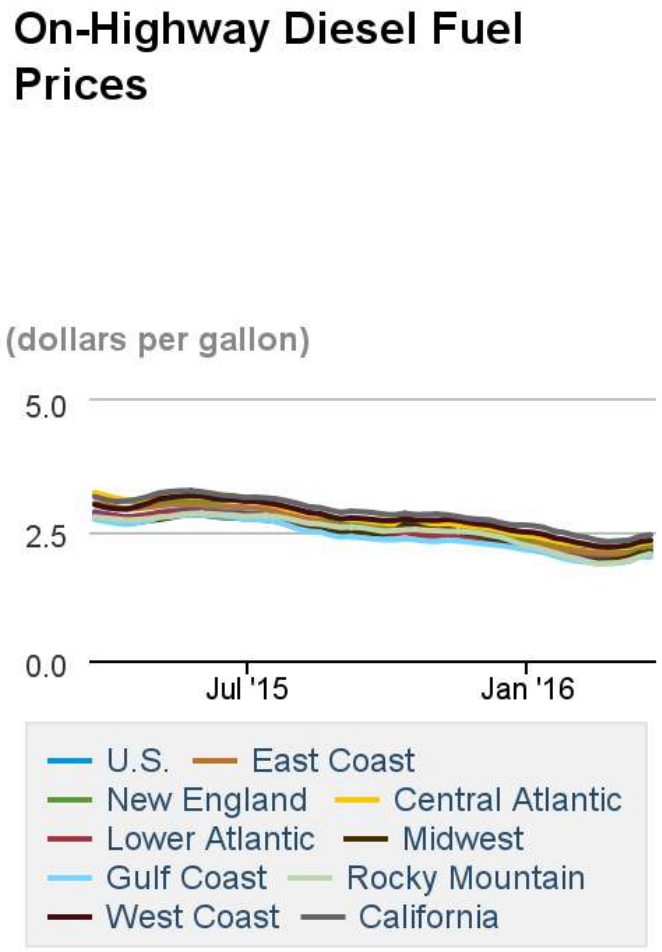
MIDWEST CLEAN DIESEL INITIATIVE

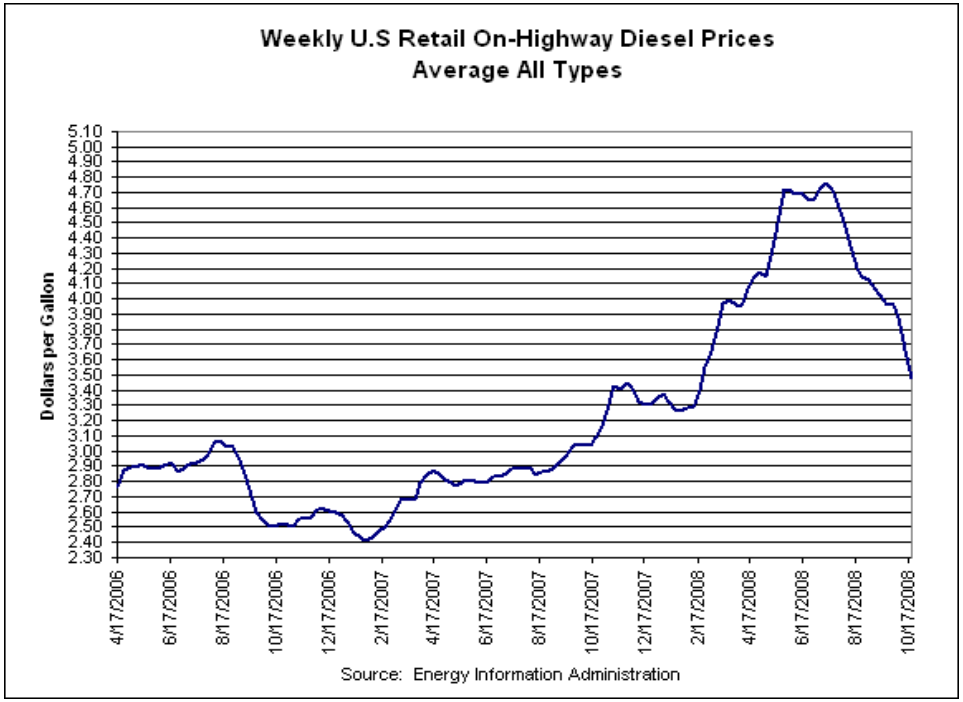
EPA's SmartWay Transport Partnership and Funding Clean Diesel Activities

Anthony Maietta, EPA Region 5

First, The Issues

Energy Costs Are Volatile

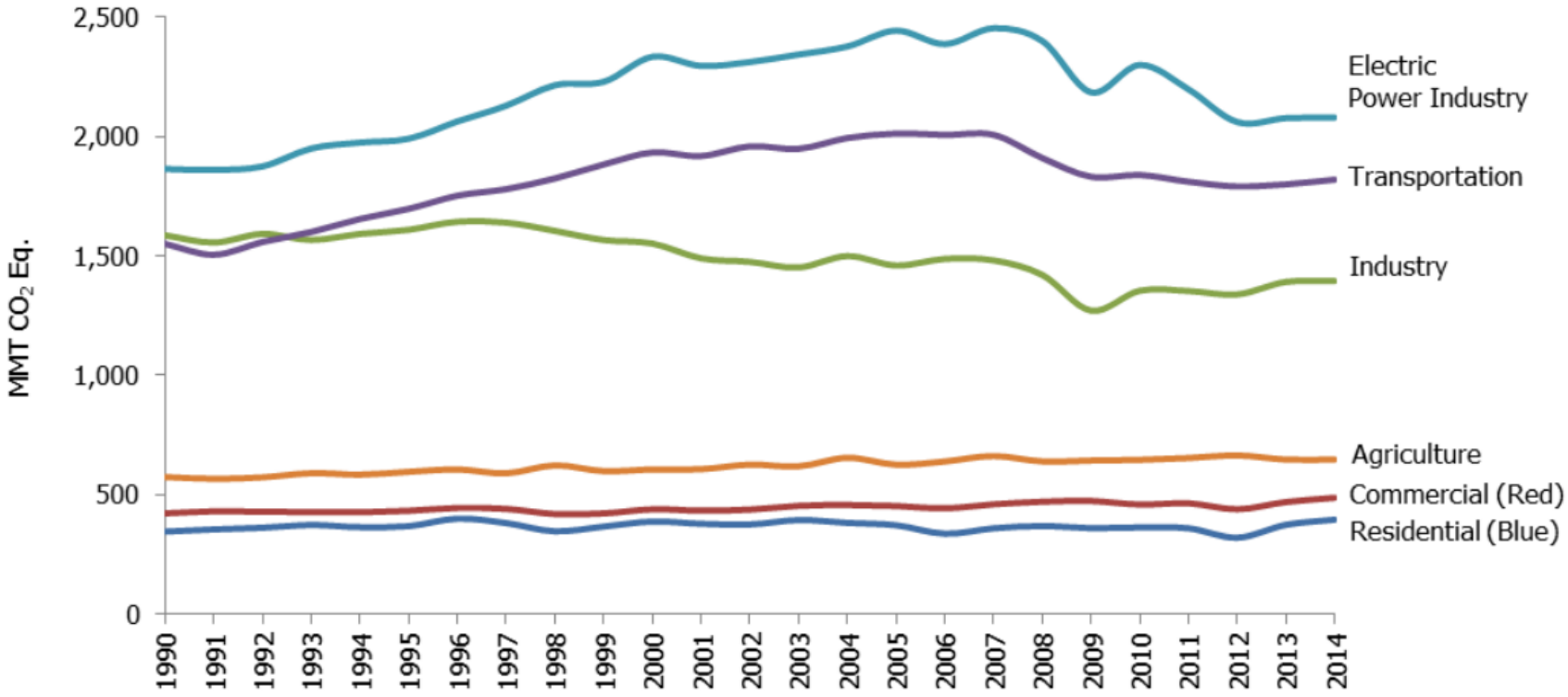




eia Source: Energy Information Administration

Transportation a Large Contributor to Greenhouse Gas Emissions

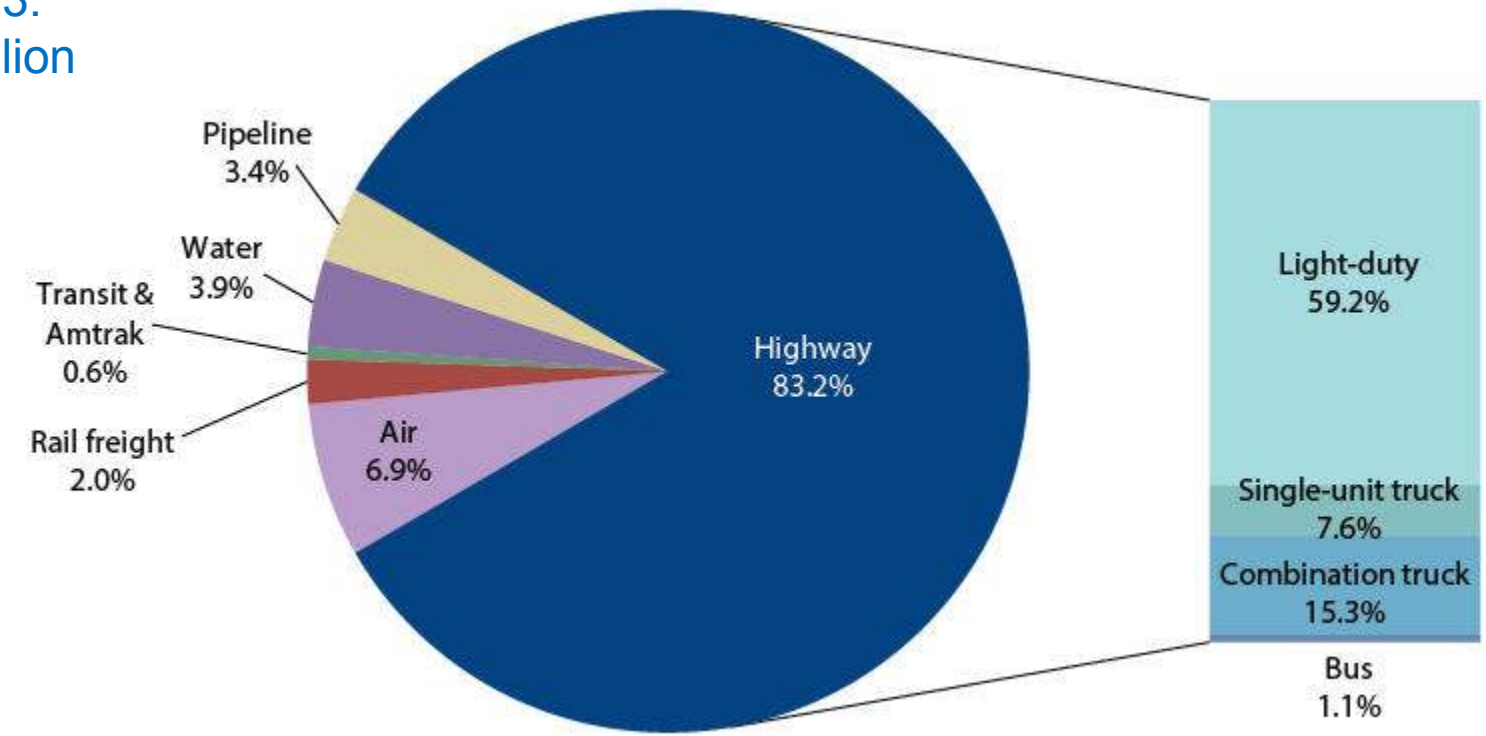
Figure 2-12: Emissions Allocated to Economic Sectors (MMT CO_2 Eq.)



Source: US Emissions Inventory
https://www3.epa.gov/climatechange/Downloads/ghgemissions/US-GHG-Inventory-2016-Chapter-2-Trends.pdf

Energy Use by Mode of Transportation

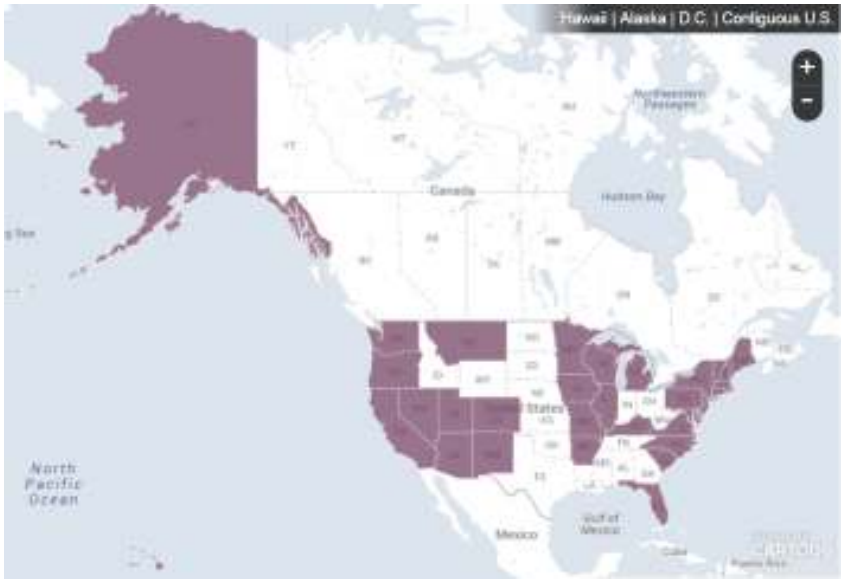
Total US Energy use in 2013: 26 Quadrillion Btu



National Transportation Statistics 2013

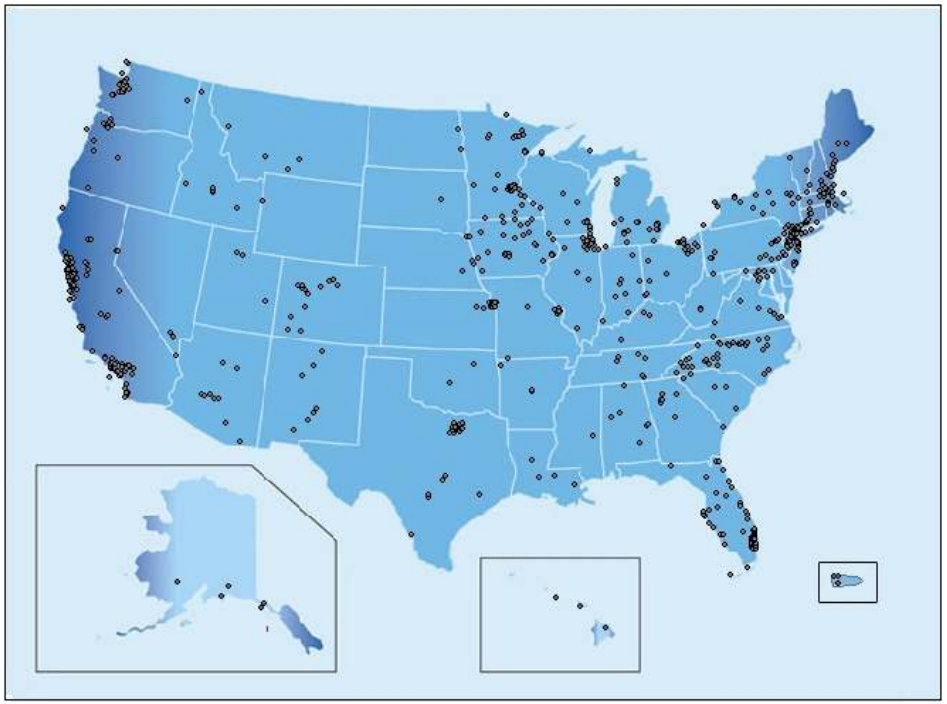
More States And Cities AreTaking Action On Climate Change

States with Climate Action Plans: 34



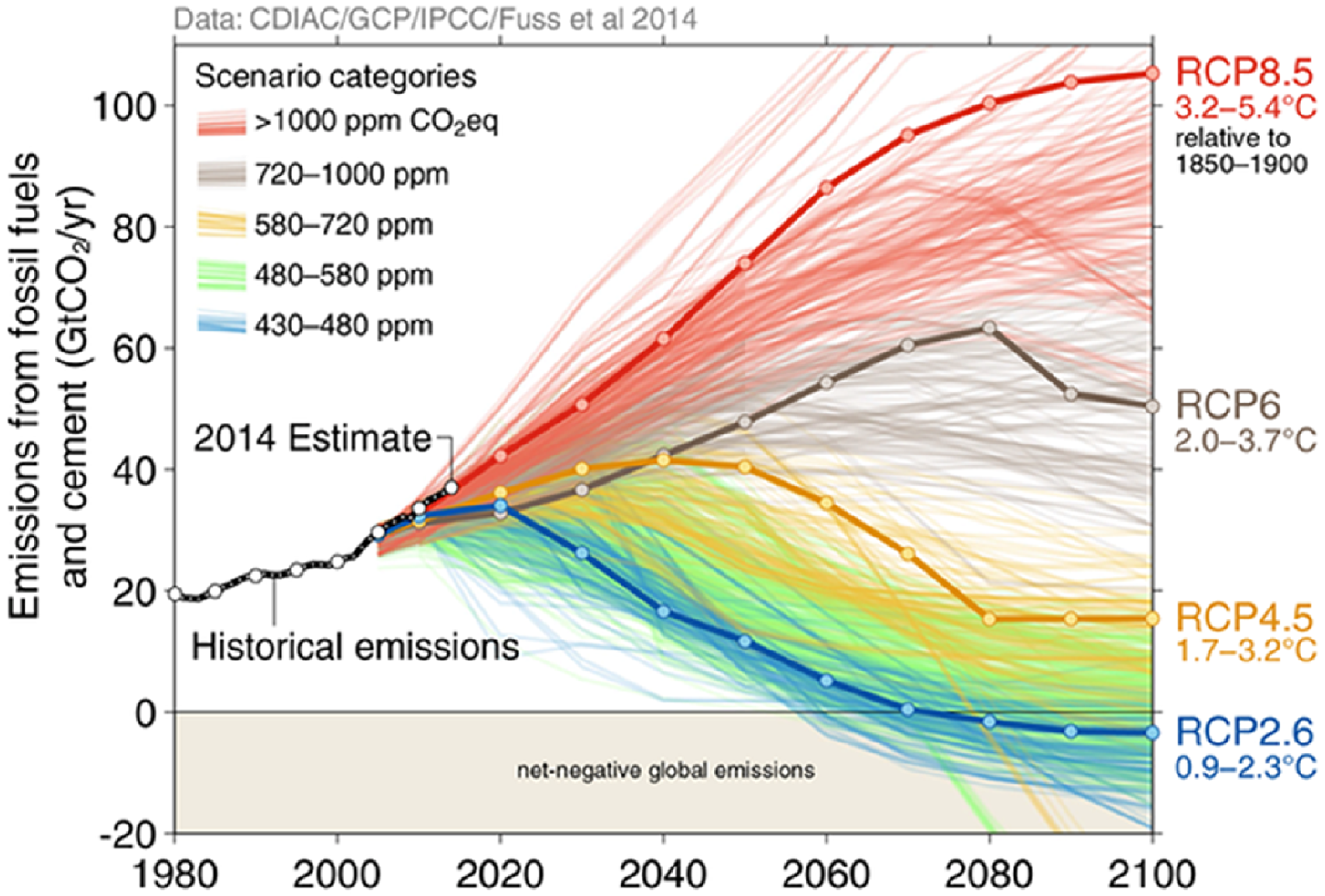
Source: http://www.pewclimate.org

1,060 Cities Signed as on as U.S. Conference of Mayors Climate Protection Agreement

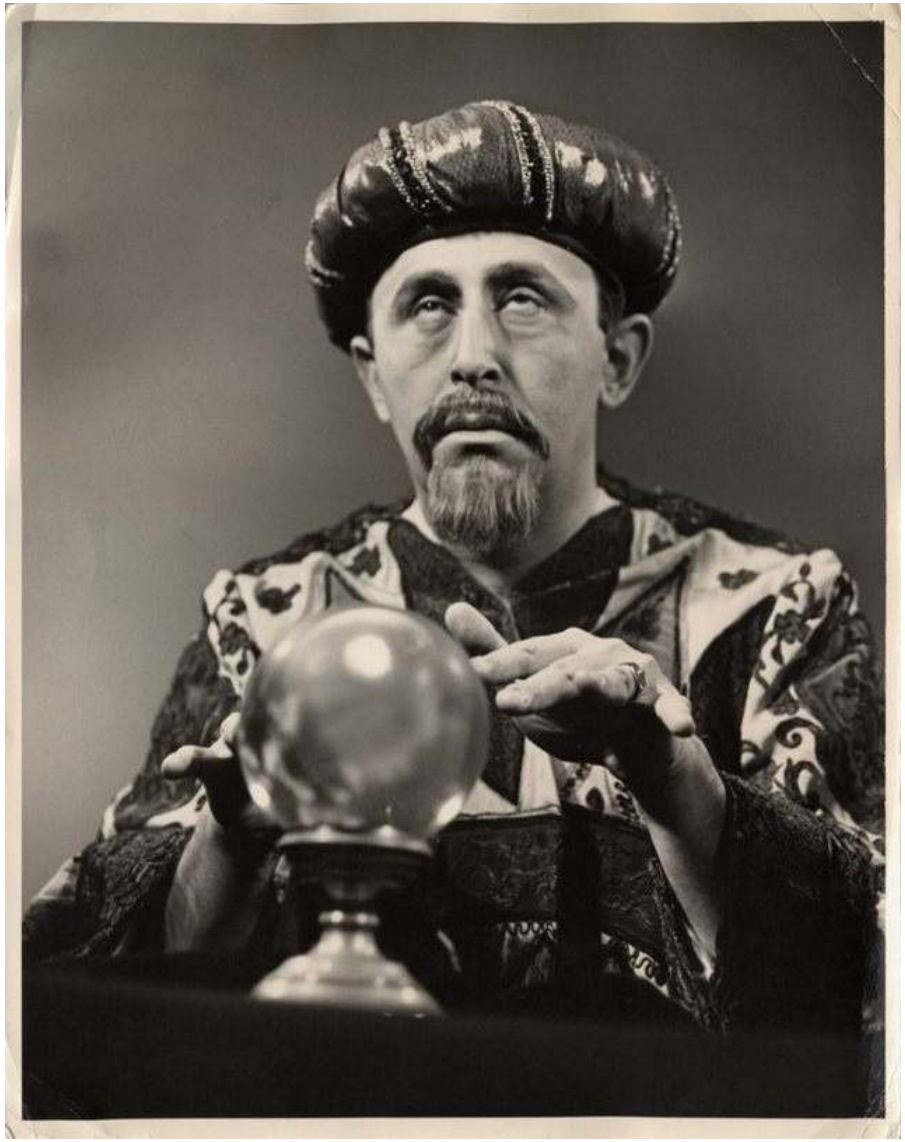


http://www.usmayors.org/climateprotection/map.asp

US Must Take Lead for Addressing CO_2



What Can Be Done?



The SmartWay Transport Partnership

SmartWay Transport Partnership

- **What is SmartWay?**
  - Successful government/industry collaboration
  - Voluntarily achieves improved fuel efficiency
  - Reduces environmental impacts from freight transport
- **Partnership Categories**
  - Carriers
  - Shippers
  - Logistics
  - Rail
- **Partners use models:**
  - Benchmark freight operations
  - Measure transportation footprint
  - Identify technologies & strategies to reduce emissions
  - Track emissions reductions and project improvement
- **Equipment Manufacturers**
  - SmartWay certified cars & trucks
    - Auto manufacturers
    - Tractor manufacturers
    - Trailer manufacturers

How Does SmartWay work?

Shippers:

- **Top of the supply chain, drive marketplace demand**
- **Give preferred status to SmartWay Carrier Partners**
- **Get better data to improve their own shipping operations**
- **Modify logistics operations to improve efficiency and reduce emissions, for example:**
  - Inter-modal Shipping
  - Full Truck Loads
  - Warehouse Improvements
  - Idle-Reduction at Docks
- **Get recognition and PR value with SmartWay brand**

Carriers:

- **Gain competitive advantage:**
  - Preferred status, plus
  - Fuel efficiency, savings
- **Reduce emissions**
- **Integrate fuel saving technologies and strategies into fleets, such as:**
  - Idle Reduction
  - Improved Aerodynamics
  - Efficient Tire Systems
  - Driver Training
  - Renewable Fuels
  - Advanced Lubricants
- **Get recognition and PR value with SmartWay brand**

SmartWay Partner Results

- Over 3,000 Partners, as of 3/2016
- $24.9 billion dollars in fuel costs saved
- Saved 170.3 million barrels of oil
  - (equivalent to taking 14 million cars off the road for one year)
- Emissions reduced:
  - 72.8 million metric tons CO_2
  - 1,458,000 tons No_x
  - 72,000 tons PM

The National Clean Diesel Campaign/Midwest Clean Diesel Initiative

MIDWEST CLEAN DIESEL INITIATIVE

- MCDI Formally Started in 2004
- Leadership Group
  - 33 Members Signed Collaborative Principles
    - Co-Chairs: Cummins, Illinois EPA, American Lung Association of Upper Midwest, US EPA
- State Clean Diesel Initiatives
  - Important to be plugged into their activities
  - (State contacts at end of presentation)

2015 Clean Diesel Funding Recap

$2.5 million in competitive funds for FY15

- Received 6 applications, for $5 M total
- Awarded 6 grants across Region 5

$1.4 million for state allocations

- States run competitions to select projects

Diesel Emissions Reduction Program

$50 Million under 2016 DERA

National Program

By statute
70% of funding - $35M

Regional Grant Competitions – RFP Closes April 26
$26M

In Region 5: $3.9M

Tribal Grant Competition
$TBD (Spring 2016)

Rebate Programs
-School Bus: $7M
-Ports: $TBD

State Program

By statute
30% of funding -- $14.8M

US EPA Clean Diesel Funding: FY16 State Allocations

State	Federal Base	State Match	Federal Bonus	Total FY16
Illinois	$217,493	YES	$108,747	$326,240
Indiana	$201,617	YES	$100,809	$302,426
Michigan	$212,044	YES	$106,022	$318,066
Minnesota	$201,252	YES	$100,626	$301,878
Ohio	$240,830	NO		$240,830
Wisconsin	$213,813	YES	$106,907	$320,720
Total				**$1,810,160**

FY2016 DERA RFP Details

- Between $500,000 and $2.5 million (for Region 5 states)
- Priority Areas
  - NAA/Maintanance Area for Ozone or $PM_{2.5}$
  - 2.0µg/m^3 or greater exposure to diesel PM (2011 NATA data)
- Goods movement a priority
  - Facilities with high diesel activity
- Benefits to the community
  - Addressing Environmental Justice/community organizations' concerns

FY2016 DERA: Eligible Entities

- A regional, State, or local agency, tribal government (or intertribal consortium) or native village, or port authority, which has 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

FY2016 DERA: 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

FY2016 DERA: Priority Projects

- Maximize public health benefits
- Are the most cost-effective
- Are in areas with high population, air quality issues, and air toxic concerns
- Are in areas that receive a disproportionate quantity of air pollution (i.e. truck stops, ports)
- Maximize the useful life of the engine
- Conserve diesel fuel

FY2016 DERA: Use of Funds

- Technologies and engines must be verified and/or certified by USEPA or CARB
  - www.epa.gov/cleandiesel (select *Diesel Technologies*)
- Incremental cost of engine/vehicle replacement (old engine must be sent to be remanufactured or scrapped), engine repower, engine rebuild
- Cleaner fuels
- Idle Reduction Technologies (EPA approved)

EPA's FY2016 DERA funding will cover up to:

- 40-50% for engine repowers
- 25-45% for all replacements except
  - 50% for drayage trucks
- 100% for retrofit technologies
- 40% for locomotive idle reduction technologies
- 100% for school bus/other idle reduction technologies *in combination w/eligible retrofit**
- 40% for engine upgrades (certified kits only)
- 100% for incremental cost of cleaner fuels *in combination w/eligible retrofit/repower/replacement*
- 100% for aerodynamics *in combination w/eligible retrofit*

FY2016 DERA: 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

Future DERA Funding

- EPA expects DERA reauthorization this year
- Funding amounts expected to be similar to 2016
- Expect renewed MCDI activity
- Expect continued Tribal funding opportunities

Resources and Contact Information

- SmartWay Transport Partnership

  http://www.epa.gov/smartway
- National Clean Diesel Campaign
  http://www.epa.gov/cleandiesel
- Contacts at EPA, Region 5
  - Tony Maietta (312-353-8777)
    Maietta.anthony@epa.gov
- State Contacts
  - IL: Darwin Burkhart (217) 524-5008
  - IN: Shawn Seals (317) 233-0425
  - MI: Debbie Swartz (517) 284-6903
  - MN: Mark Sulzbach (651) 757-2770
  - OH: Carolyn Watkins (614) 644-3768
  - WI: Jessica Lawent (414) 263-8653