Agenda

- Region 5 Air Quality
- FY08 EPA Funding
- FY09 Funding Roll out
- Implementation Issues
1997 8-Hour Ozone Standard

(.08 ppm aka 85 ppb)
Nonattainment Status
8-hour Ozone Areas
(.08 ppm standard)

Violating based on preliminary 2006-2008 monitoring data

Preliminary 2006-2008 monitoring data showing attainment

Redesignated to Maintenance area
2008 8-Hour Ozone Standard

(.075 ppm aka 75 ppb)
2008 O3 Standard Schedule

- State recommendations due (3/12/2009)
- EPA designations (3/12/10)
- SIPs due (Spring 2013)
- Attainment dates (Spring 2013 – Spring 2030)
Potential 2008 8-hour Ozone (.075 ppm) Nonattainment Areas (2006-2008 data) Preliminary Data

County with Violating Monitor

Counties Designated Nonattainment in 2004 not currently showing a violation*

County with Violating Monitor That Has Never Been 8-Hour Nonattainment

*Could be due to clean data or no monitor

9/16/08
1997 PM2.5 Standard

(15μg/m³ annual standard)
Region 5
PM 2.5
Nonattainment Areas

51 Full Counties
12 Partial Counties
2006 PM2.5 Standard

(35μg/m³ daily standard)
2006 PM2.5 Standard Schedule

- EPA designations (12/18/08)
- Final Designations FR notice published January 2009
- Effective Date of Final Designations April 2009 (90 days after FR publication)
- SIPs due April 2012
- Attainment date April 2014
Region 5 24-hour PM$_{2.5}$ Designation State Recommendations: August 2008

**State Recommends Nonattainment**

**Michigan Recommends 3 Separate Nonattainment Areas**

**Additional nonattainment area in 120-day letter**
Clean Diesel and Air Quality

- New areas to engage due to air quality status
- Opportunities to integrate into air quality mitigation strategies and hot spots
- Opportunities to engage in climate change planning (CO2 and black carbon)
National Clean Diesel Program
$49.2 Million for 2008

National
$34.4 Million (70%)

National Clean Diesel
Funding Assistance Program $27.6 M
(MCDI approx $5M)

Clean Diesel Emerging Technologies Program $3.4 M

National Clean Diesel Finance Program $3.4 M

State
$14.8 Million (30%)

State Clean Diesel Grant Program $14.8 M

State Base

Matching Bonus
FY08 EPA Funding

- NCDC Funding Assistance ($27.6M)

- MCDI Funds (Approx. $5M of $27.6M)
  - Closed June 12 after 90 day period
  - $100,000-$750,000 applications
  - 38 applications requesting $19M (34 were eligible)
MCDI Selections Process

- Tier 1 – eligibility
- Tier 2 – scored based on request for proposals evaluation criteria
- Tier 3 – programmatic priorities, geographic diversity, distribution of fleet diversity
FY08 MCDI Applications

- 38 applications (34 eligible)
- IL - 8
- IN - 4
- MI - 9
- MN - 1
- OH - 7
- WI - 3
- Organization outside Region 5 - 2
Illinois Applications (8)

- Village of Niles ($750,000)
  - CNG garbage truck replacement
- Respiratory Health Association ($748,947)
  - Innovative financing (DOC, idle technology)
- Moline Department of Public Works ($142,652)
  - Replacement trucks
Illinois Applications

- Cook County ($297,337)
  - DOC/DPF (municipal vehicles)
- Clinton County ($185,167)
  - Replacement truck/APUs
- University of Illinois ($480,458)
  - DPF (transit bus)
Illinois Applications

Recommended for funding

- Illinois Green Fleets ($678,604)
  - DOC, DPF, CCV, APU, hybrid replacements
  - Match of $654,699

- Chicago Public Schools ($373,910)
  - DOC/DPF
Indiana Applications (4)

- South Bend Public Transportation Corp. ($100,000) biodiesel
- City of Indianapolis ($736,500) Replacement vehicles
Indiana Applications

**Recommended for funding**

- **NW Indiana Forum Foundation ($164,033)**
  - Repower
  - Match required (EPA covers 50% of cost)
  - Scrappage/remanufacture required

- **Indiana Department of Environmental Management ($334,500)**
  - APU loan program ($250,000)
  - DOC, DPF
Michigan Applications (9)

- Detroit Public Schools ($452,340)
  - DOCs
- Next Energy ($634,360)
  - Truck stop electrification
- Okemos Public Schools ($749,964)
  - DOC/CCV
- Kenowa Hills Public Schools ($116,792)
  - Bus replacement, DOCs
- Comstock Park Public Schools ($147,588)
  - Bus replacement
**Michigan Applications**

**Recommended for award**
- Lenawee School District ($154,381)
  - DPF
- Next Energy ($250,000)
  - APU's
- Elkton Pigeon Bay Port Laker Schools ($251,100)
  - Bus replacement, idle reduction, B20
- Clean Energy Coalition ($250,000)
  - Repowers
  - Match required (EPA covers 50% of cost)
  - Scrappage/remanufacture required
Minnesota Applications (1)

Recommended for Award

- Minnesota Environmental Initiative ($400,000)
  - DOC, CCV
Ohio Applications (7)

- SW Ohio Regional Transit ($748,000)
  - Hybrid replacement buses
- Lake Carriers Association ($564,000)
  - Marine engine replacement
- Cuyahoga Valley Preservation and Scenic Railway Association ($114,174)
  - Biodiesel
- City of Cincinnati ($314,508)
  - DPFs
Ohio Applications

Recommended for Award

- Stark County Educational Service Center ($465,364)
  - Bus replacement, DPF, DOC, CCV
- Ohio Environmental Council ($394,589)
  - DOC, DPF, CCV, APU
- Clean Fuels Ohio ($412,554)
  - DOC, DPF, idle reduction technology
Wisconsin Applications (3)

- Wisconsin Office of Energy
  - Requested $750k
  - Biodiesel, DOC, DPF, idle reduction technology

- Wisconsin Clean Cities
  - Requested $484,577
  - Truck stop electrification
Wisconsin Applications

Recommended for Award

- Wisconsin DOT
  - Requested $750,000
  - Nonroad repowers
  - Match required (EPA covers 50% of cost)
  - Scrappage/remanufacture required
Outside Organizations (2)

- National School Transportation Association ($250,000)
  - School buses in MI and WI, heaters
- Tree Care Industry Association ($500,000)
  - Education
Summary

- IL $1,052,514
- IN $498,533
- MI $905,481
- MN $400,000
- OH $1,272,507
- WI $750,000
- Total EPA $4,879,035
- Applicant Match $2,836,708
MCDI Funding Summary

- Funding supported coalition efforts
- Diverse technologies and fleets
- Multiple fleet applications
- Multiple geographic areas
Clean Diesel Finance Program (approx $3.4M)

- Cascade Sierra Solutions $1.13M
  - **Eligible Activities:** Installation and leasing of EPA SmartWay or CARB verified emission and idle reduction technologies.
  - **Program Goal:** Establish a leasing program for the installation of emission reduction technology and idle reduction technology on 1,700 trucks.
Clean Diesel Finance Program

- Community Development Transportation Lending Services (CDTLS) $1.13M
  - **Eligible activities**: Purchase used trucks to upgrade or that are upgraded with EPA SmartWay or CARB verified idle reduction and/or emission reduction technology.
  - **Program Goal**: Establish a revolving loan fund for the purchase of used trucks that have or will receive SmartWay upgrades.
Clean Diesel Finance Program

- Owner-Operator Independent Drivers Association (OOIDA) $1.13M
  - **Eligible Activities:** Purchase and installation of emission reduction and idle reduction technologies verified by EPA and/or CARB.
  - **Program Goal:** Offer rebates to install emission reduction and/or idle reduction equipment. The first rebate will be for the cost of installation. Then, every six months, depending on idle/fuel use reductions demonstrated, the truck owner will receive additional rebates until 40% of the total cost of the equipment is paid.
Emerging Technologies Grant Program (approx $3.4M)

- Request for application closed October 9
- Emerging technologies list
  - [http://www.epa.gov/otaq/diesel/prgemerglist.htm](http://www.epa.gov/otaq/diesel/prgemerglist.htm)
- Applications currently under review
FY08 State Diesel Grants

- State Clean Diesel Grant Program ($14.8M)
- State Allocations
  - All 50 states provided workplans
  - Base: $196,880
  - State match: $196,880
  - Match Incentive: $98,440
  - $492,200 in FY08
  - Assumed same level for FY09 for workplan
### Region 5 State Allocations

<table>
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<tr>
<th>State</th>
<th>Federal Base</th>
<th>Year 1 State Match</th>
<th>Federal Bonus</th>
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<td>Illinois</td>
<td>$196,880</td>
<td>$200,000</td>
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<tr>
<td>Indiana</td>
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<td>Ohio</td>
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<tr>
<td>Wisconsin</td>
<td>$196,880</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$1,181,280</strong></td>
<td><strong>$1,189,059</strong></td>
<td><strong>$590,640</strong></td>
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[http://www.epa.gov/midwestcleandiesel/grants/mcdirfp08.html#FY08Results](http://www.epa.gov/midwestcleandiesel/grants/mcdirfp08.html#FY08Results)
### Diesel Emission Reduction Program
#### FY09 RFP Timeline

<table>
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<th>Activity</th>
<th>Nov-Dec</th>
<th>Jan-Feb</th>
<th>Mar-Apr</th>
<th>May-Jun</th>
<th>Jul-Aug</th>
<th>Sept-Oct</th>
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<td>Finance</td>
<td>National Emerging Technology</td>
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<td>State Grant Announcement - Sept/Oct 09</td>
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</tbody>
</table>
FY09 Rollout

- Same process as 2008
  - Competitive MCDI grants
  - Funds allocated to states
  - HQ requests for proposals (Finance/Emerging Technology)

- Important to:
  - Identify interested fleets
  - Use EPA funds to generate additional funds, resources, and policy actions
  - Support coalitions
Next Steps

- Continue award of FY08 MCDI grants
- Implement FY08 State grants
- Engage FY08 Innovative Finance Grants
- Start FY09 Process
- Implement and track results
- Press and recognition
Implementation Issues

Items to keep an eye on:
CARB
NO2
CARB Rule (Starting January 1, 2008 for sleeper berth trucks)

**Diesel-Fueled Auxiliary Power Systems:**
- A Diesel-Fueled Auxiliary Power System operated on a truck equipped with a 2007 or newer engine must:
  - Be fitted with a verified Level 3 particulate control device (85% particulate reduction efficiency), or
  - Have its exhaust plumbed into the vehicle's exhaust system upstream of the particulate matter aftertreatment device.
- In addition, an approved "Verified Clean APS" label must be affixed to the hood of the vehicle.
Fuel-Fired Heaters (Fuel Operated Heaters) operated on trucks equipped with 2007 and newer engines must meet emission standards specified in California's Low Emission Vehicle Program.

http://www.arb.ca.gov/msprog/cabcomfort/cabcomfort.htm
Implementation Issues

- NO2 requirements
  - EPA December 20, 2007 letter
  - EPA September 24, 2008 letter
  - January 1, 2009 updates to verification list

- Transition
  - Sales contracts to final purchaser in place by January 1, 2009
  - Installation through March 31, 2009

- http://www.epa.gov/otaq/retrofit/verif-list.htm