

US EPA ARCHIVE DOCUMENT



MIDWEST CLEAN DIESEL
INITIATIVE

Leadership Group Meeting

November 13, 2008

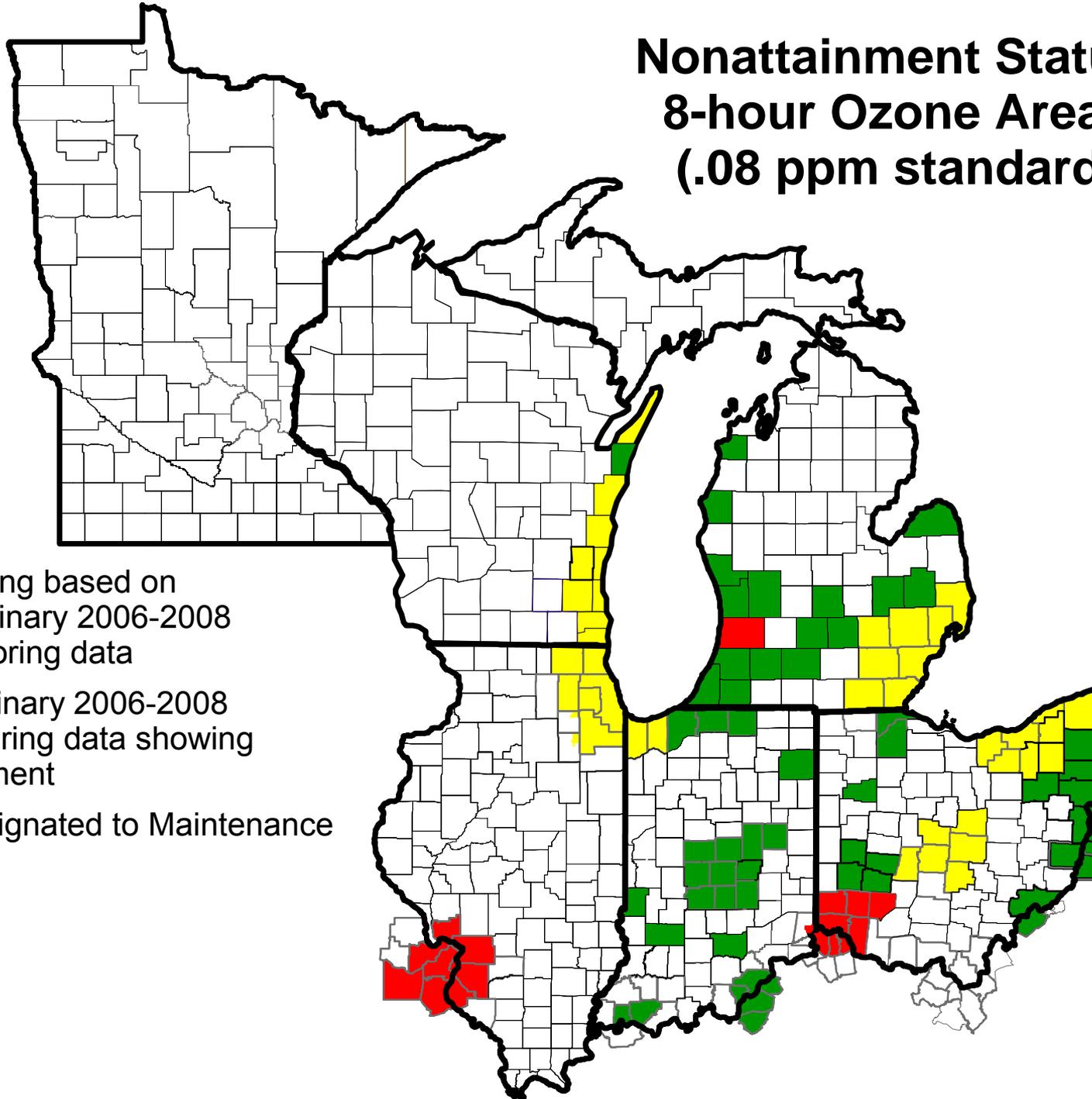
Agenda

- 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)



9/16/08

2008 8-Hour Ozone Standard

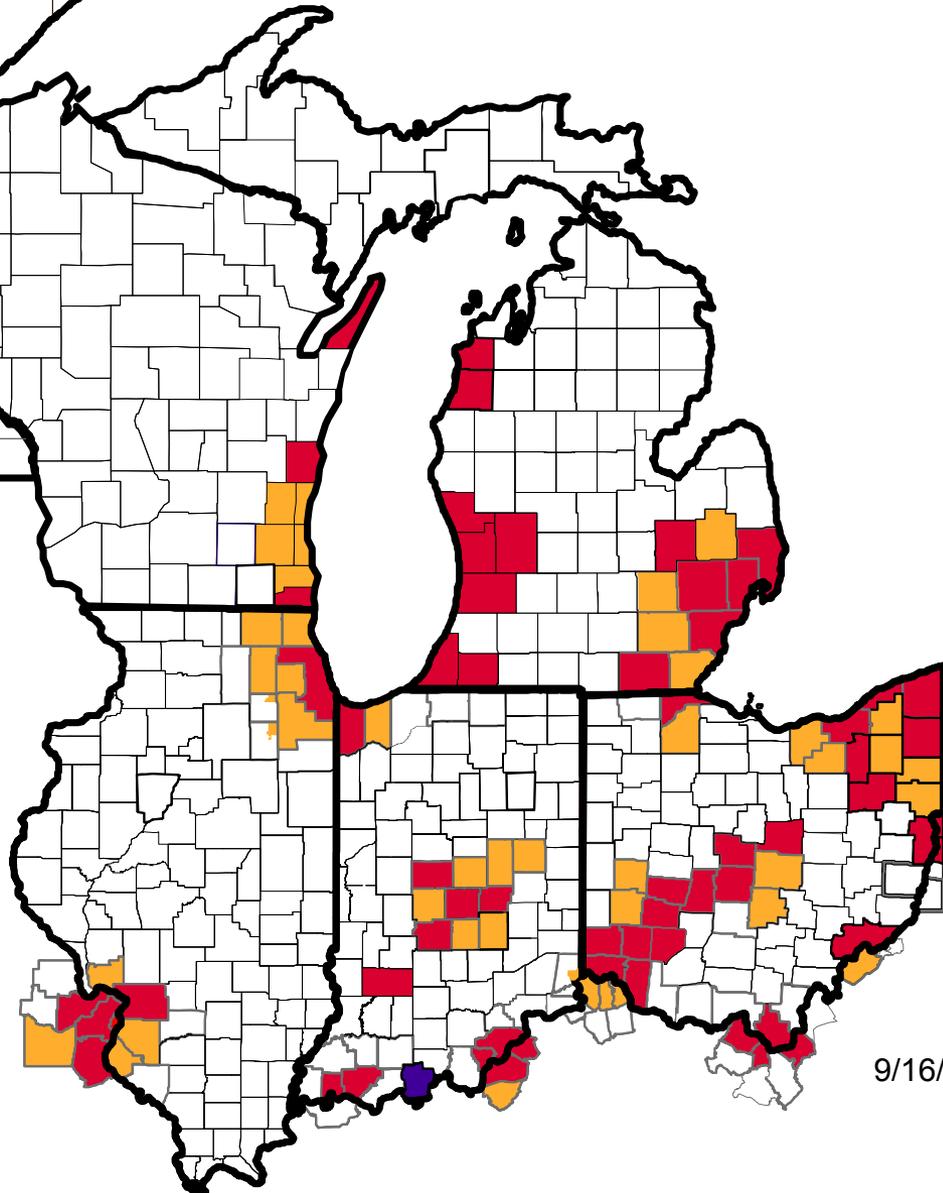
(.075 ppm aka 75 ppb)

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



9/16/08

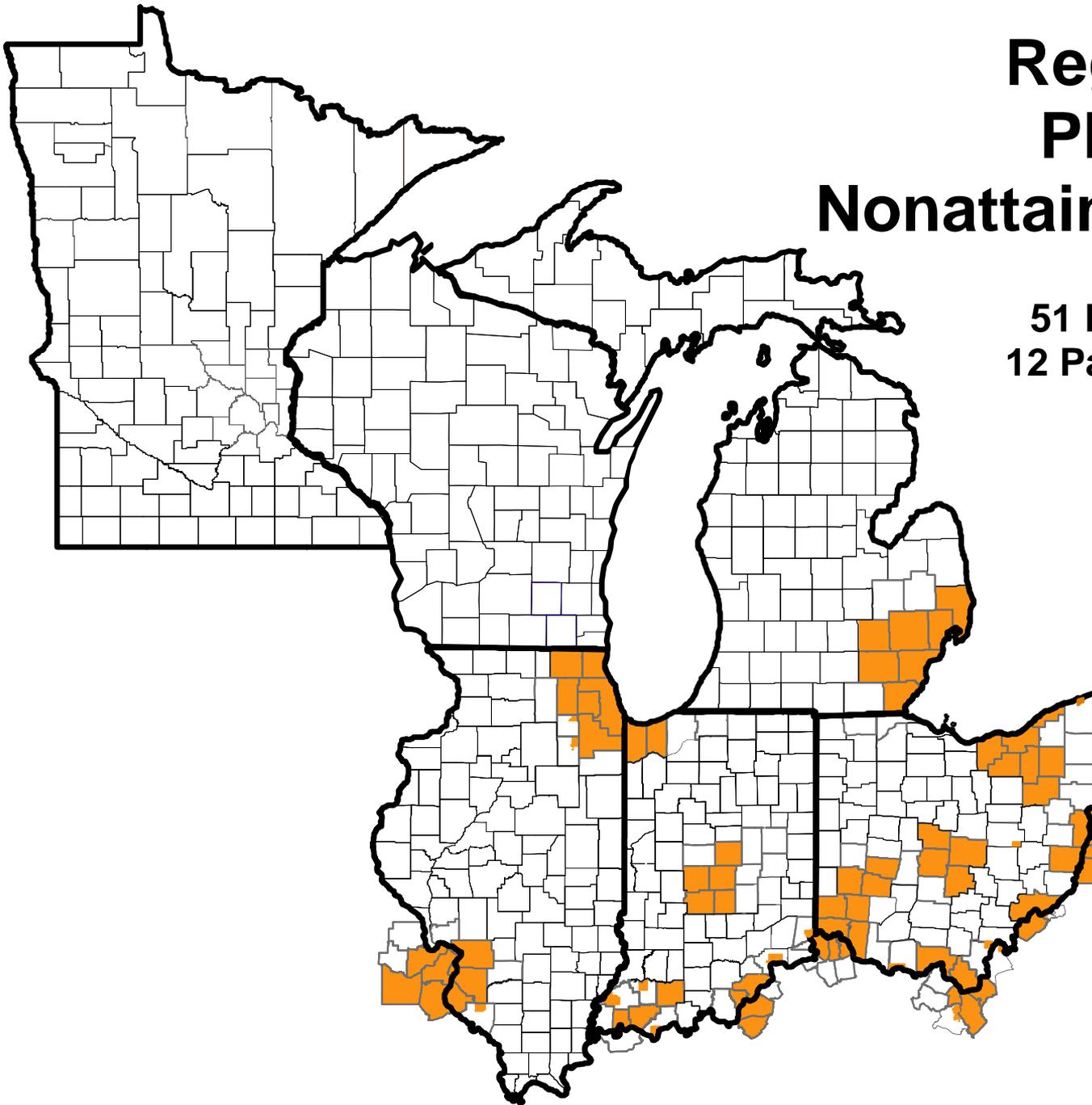
*Could be due to clean data or no monitor

1997 PM_{2.5} Standard

(15 $\mu\text{g}/\text{m}^3$ annual standard)

Region 5 PM 2.5 Nonattainment Areas

51 Full Counties
12 Partial Counties



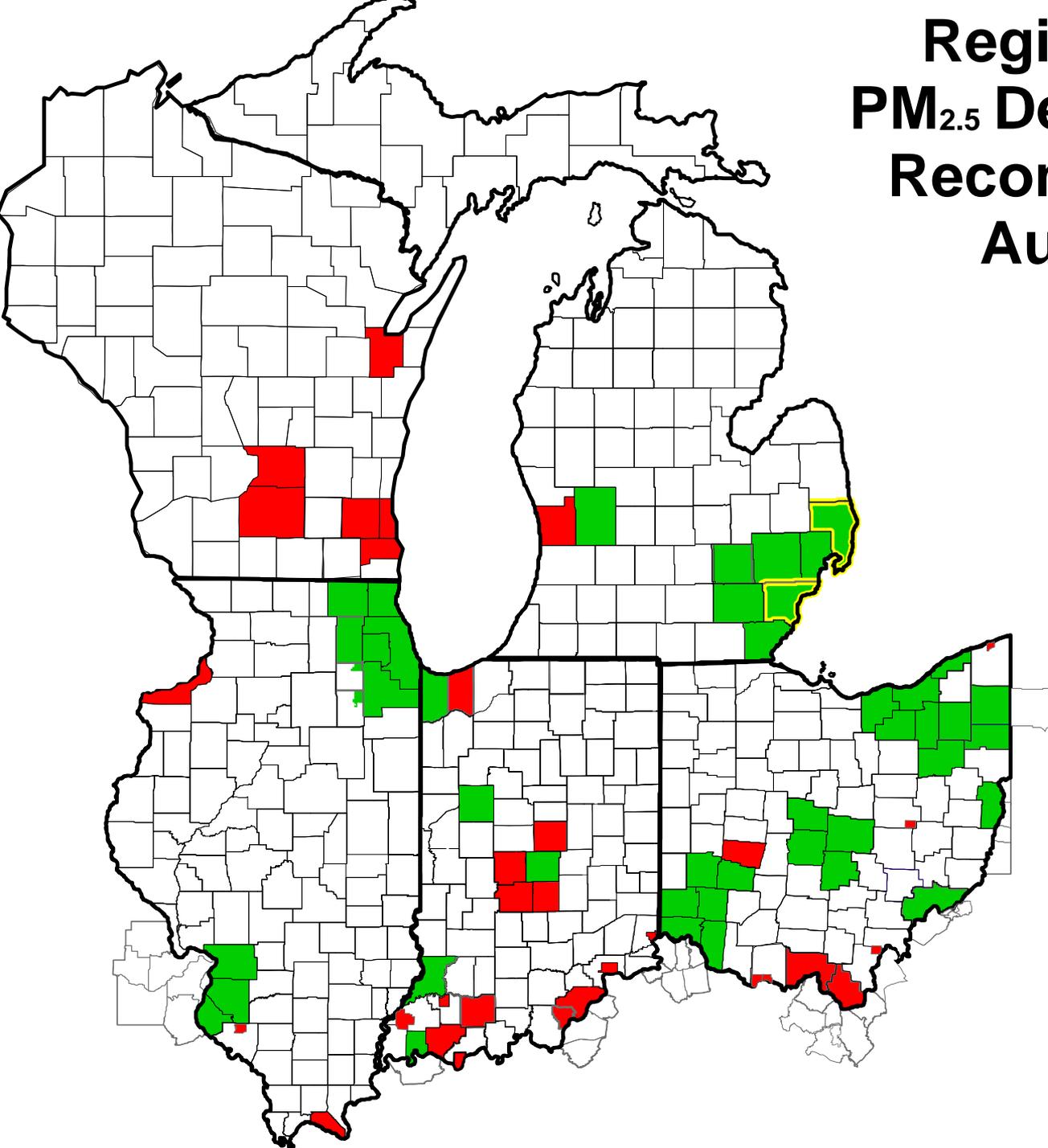
2006 PM_{2.5} Standard

(35 $\mu\text{g}/\text{m}^3$ 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
-  Additional nonattainment area in 120-day letter
-  Michigan Recommends 3 Separate Nonattainment Areas

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%)



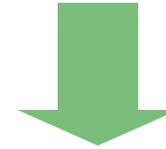
National Clean Diesel
Funding Assistance Program \$27.6 M
(MCDI approx \$5M)

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)
 - APUs
- 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>
- 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

State	Federal Base	Year 1 State Match	Federal Bonus
Illinois	\$196,880	\$200,000	\$98,440
Indiana	\$196,880	\$198,419	\$98,440
Michigan	\$196,880	\$200,000	\$98,440
Minnesota	\$196,880	\$196,880	\$98,440
Ohio	\$196,880	\$196,880	\$98,440
Wisconsin	\$196,880	\$196,880	\$98,440
Total	\$1,181,280	\$1,189,059	\$590,640

<http://www.epa.gov/midwestcleandiesel/grants/mcdirfp08.html#FY08Results>

Diesel Emission Reduction Program FY09 RFP Timeline

Activity	Nov-Dec	Jan-Feb	Mar-Apr	May-Jun	Jul-Aug	Sept-Oct
Outreach	National Grant					
	Finance					
	National Emerging Technology					
	State					
Application Process		National Grant				
		Finance				
		Emerging Technology				
		State				
Application Evaluation			National Grant			
			Finance			
				Em. Technology		
			State			
Award Grants	National Grant Announcement - Oct/Nov 09				National Grant	
	SmartWay Finance Announcement - Sept/Oct 09				Finance	
	Emerging Technology Announcement - Oct/Nov 09					Em. Technology
	State Grant Announcement - Sept/Oct 09				State	

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.

CARB Rule (Starting January 1, 2008 for sleeper berth trucks)

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>