

US EPA ARCHIVE DOCUMENT



**MIDWEST CLEAN DIESEL**  
**INITIATIVE**

Leadership Group Meeting

September 17, 2009

# Topics

- USEPA Funding
  - Historic
  - American Recovery and Reinvestment Act (ARRA)
- FY2009/2010
- Available Tools

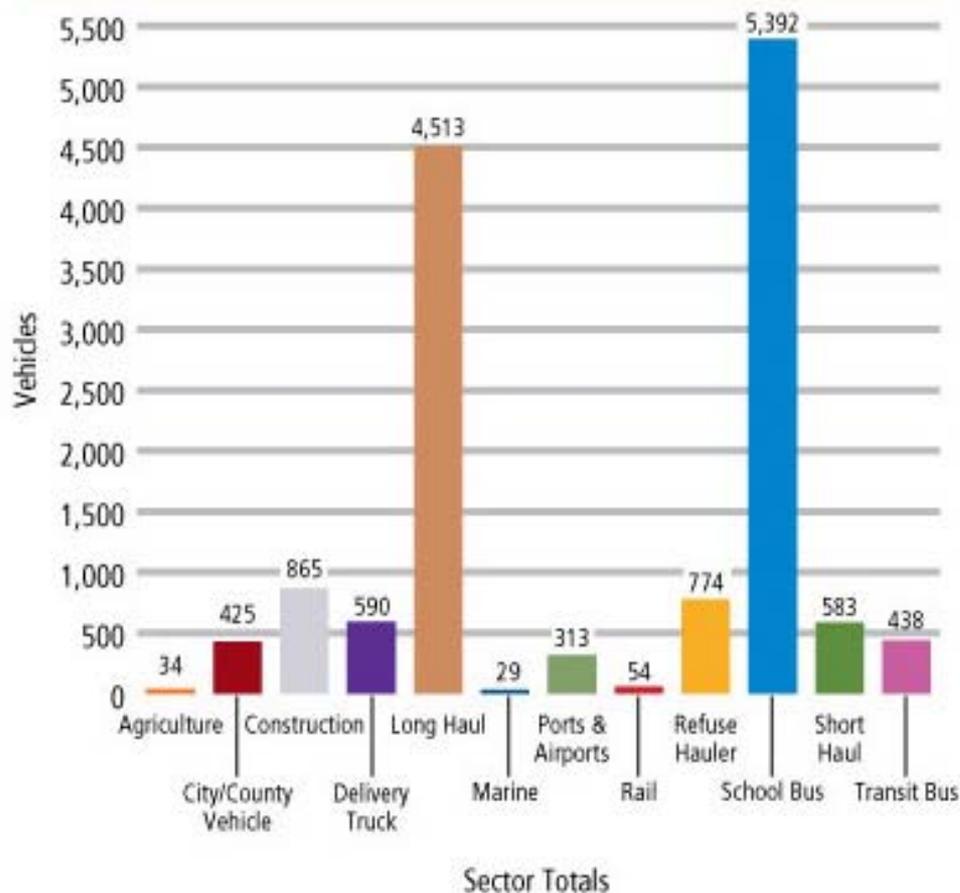
# Historic USEPA Funding

- FY 2003-2007 National Clean Diesel Campaign
  - \$32M nationally for school bus projects
  - \$7.6M nationally for non-school bus projects
- FY08 National Clean Diesel Campaign
  - \$49.2M nationally (combines all sectors)
- FY09 ARRA
  - \$300M nationally (combines all sectors)
- FY09 National Clean Diesel Campaign
  - \$60M nationally (combines all sectors)
- FY2010 National Clean Diesel Campaign
  - Estimated \$60M-\$75M (combines all sectors)

# FY08 Success Across Sectors

- \$49.2M - DERA grants cover wide range of sectors, technologies and areas of the country
- 119 grants affecting 14,000 vehicles and reducing over life of program:
  - 46,000 tons NOx
  - 2,200 tons PM
  - Benefit/cost ratio = up to 13:1
- First Report to Congress will be published in September

Figure 3. FY 2008 National Grants—Types and Numbers of Vehicles and Equipment



# American Recovery and Reinvestment Act (ARRA)

# Diesel Emissions Reduction Program

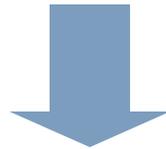
\$300 Million under ARRA of 2009 DERA

## 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 State Allocations

- \$1.73M per state
- Awarded April 2009
- States implemented/developed mechanisms to award funds
- See State Clean Diesel Coalition presentations

# Recovery Act Funding



Administrator Jackson announces first ARRA-DEIRA grants in Cincinnati, OH for school buses

- President Obama signed the American Recovery and Reinvestment Act (Recovery Act) into law on February 17, 2009
- \$300M for DERA to support job creation, stimulate economy and lower diesel emissions
  - 600 applications: \$2 billion in requests with over \$2 billion in matching dollars
  - 538 eligible applications
  - Programs in every state and DC
- At 200 Day mark, 96% of DERA funds are awarded
- <http://www.epa.gov/cleandiesel/projects.htm>

# Recovery Act Projects



- State Program: \$88M
  - 50 State grants (49 States + D.C.) \$1.73 M each
  - \$86.5M out of \$88.2M obligated; only Alaska pending
  
- National Program: \$206M (plus \$6M for Admin)
  - 90 grants awarded by EPA Regional Offices
  - 14 Emerging Technology Awards by September
  - 5 SmartWay Finance Awarded
  
- Projects will run through September 30, 2010
  
- Reporting process for grantees through [FederalReporting.gov](http://FederalReporting.gov) begins October 1
  - Reporting will be quarterly
  - Results will be public on [Recovery.gov](http://Recovery.gov)

# Region 5 Recovery Act Projects



Request for applications: Open March 19-April 28  
Number of applications: 81, 73 eligible  
Funding level requested: \$214M, \$200M eligible  
Funding Range: (\$500,000-\$5,000,000)  
Schedule: Awards made June/July  
Debriefings: 24 impacting 35 applications

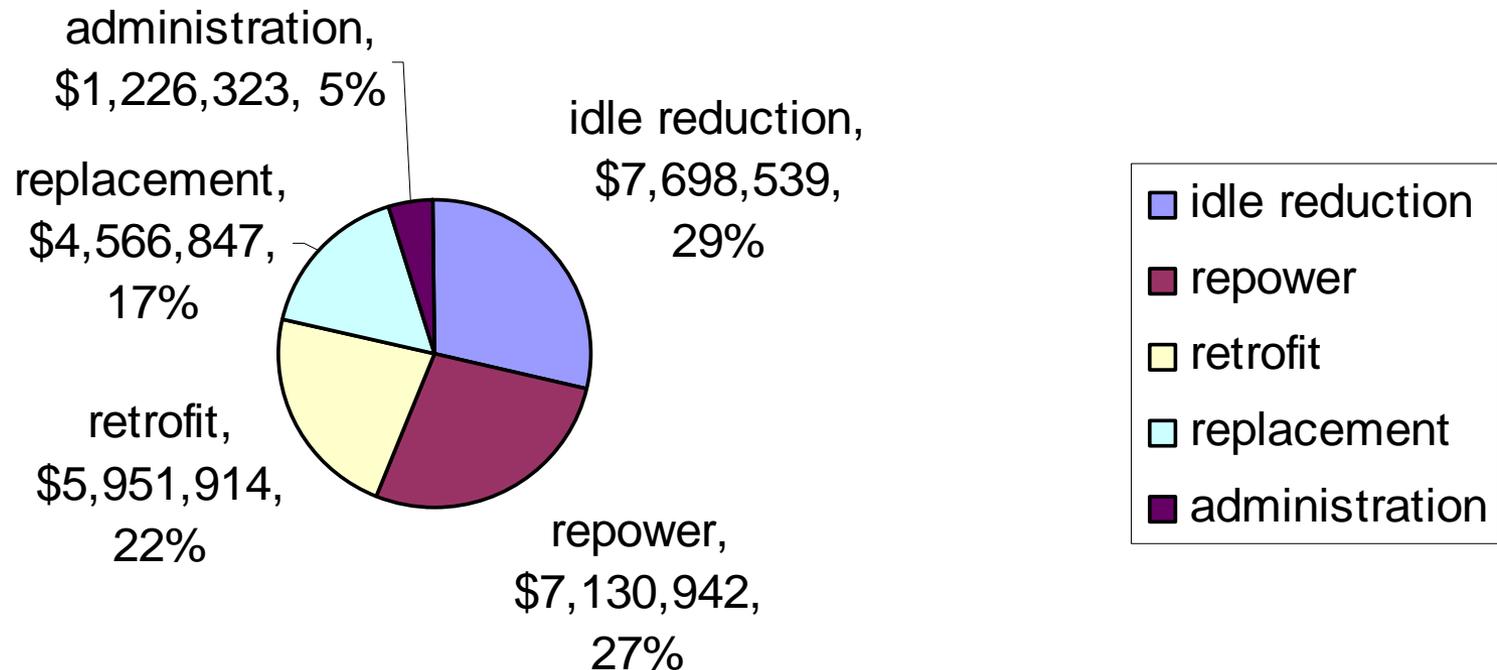
IL	15
IN	4
MI	11
MN	4
OH	13
WI	8
Multistate	18
Total	73



# Region 5 Recovery Act Projects Awarded

<b>Applicant Name</b>	<b>Federal Funds Awarded</b>
<b>American Lung Association - Upper Midwest</b>	<b>\$3,721,731</b>
<b>City of Chicago Department of Environment</b>	<b>\$1,000,000</b>
<b>Great Lakes Commission</b>	<b>\$1,209,049</b>
<b>Greater Lansing Area Clean Cities</b>	<b>\$1,073,528</b>
<b>Hamilton County Environmental Services</b>	<b>\$1,080,000</b>
<b>Illinois EPA</b>	<b>\$4,172,335</b>
<b>Lenawee School District</b>	<b>\$1,230,696</b>
<b>Minnesota Environmental Initiative</b>	<b>\$3,000,000</b>
<b>National School Transportation Association</b>	<b>\$2,442,983</b>
<b>Ohio Department of Development</b>	<b>\$5,000,000</b>
<b>Wisconsin Department of Commerce</b>	<b>\$2,073,135</b>
<b>Wisconsin DNR</b>	<b>\$571,107</b>
	<b>\$26,574,564</b>

# Region 5 Recovery Act Projects



# Recovery Act Projects (Smartway Finance Awards)



- Houston-Galveston Area Council: \$9 million for a revolving loan program to clean up trucks at the Port of Houston through replacements and retrofits using SmartWay-verified technologies.
- Oregon-based Cascade Sierra Solutions: \$9 million for revolving loan, lease or bond programs to replace older diesel trucks or upgrade them with clean, fuel saving technologies such as idle reduction equipment, fuel efficient tires and aerodynamic devices.
- Louisville Jefferson Metro County Government: \$2 million for a revolving loan program to replace, repower or retrofit older construction, agricultural and other nonroad diesel equipment.
- Additional Awards coming soon
- <http://www.epa.gov/smartway/transport/what-smartway/financing-clean-diesel-info.htm>

# Recovery Act Projects (Emerging Technology Awards)



- To be announced soon

# 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

Budget amounts for FY 2010 are  
estimated

# National Clean Diesel Campaign

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

**National Component**  
\$ 84Million  
(70%)



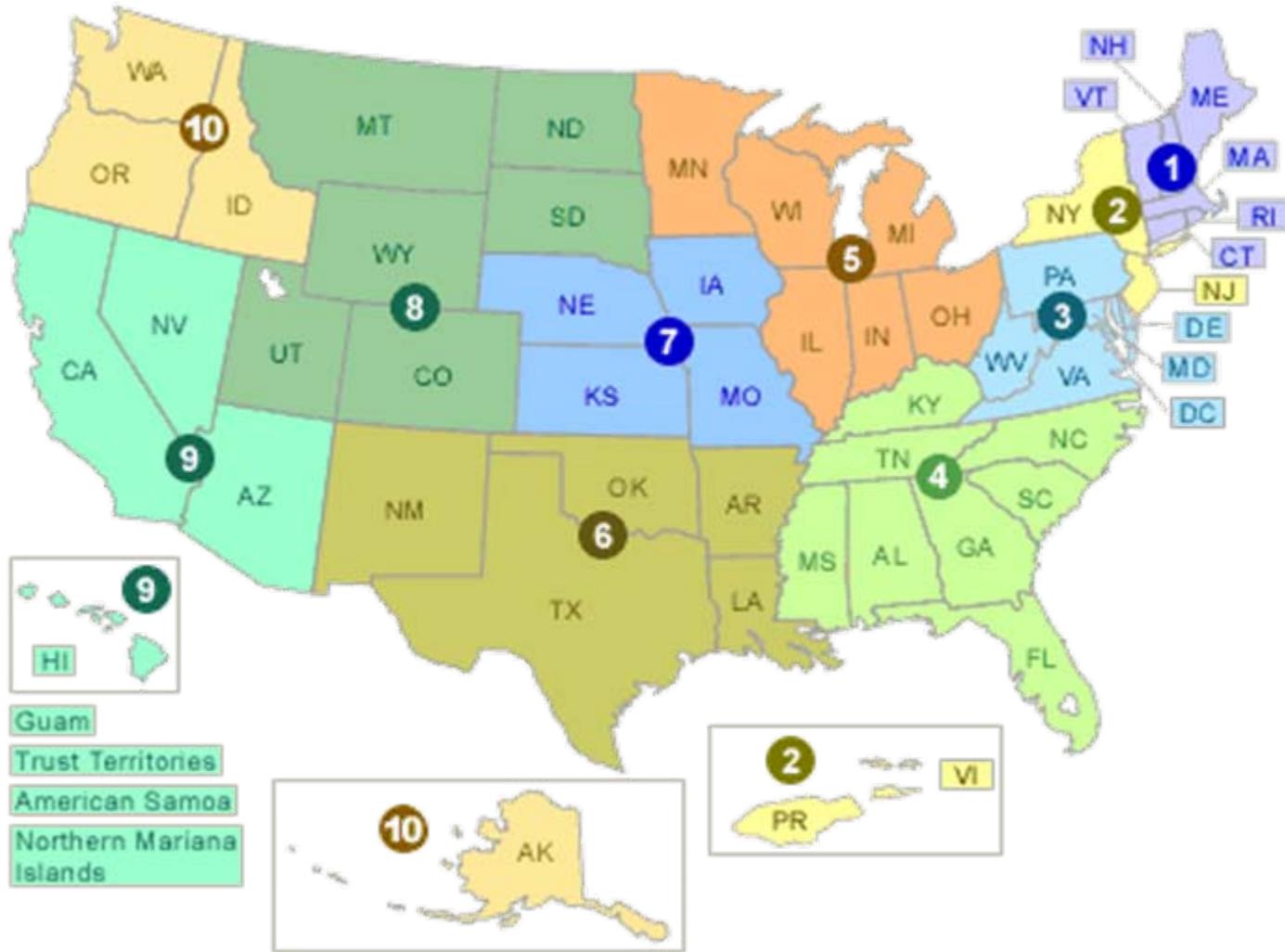
**National Clean Diesel Funding Assistance Program**  
\$32M for 2009, Estimated \$32M for 2010 = ~\$64M

SmartWay Clean Diesel Finance Program

Clean Diesel Emerging Technologies Program

**Competitive grant process. Single request for proposals. Apply to EPA Regions.**

# EPA Regions



# National Clean Diesel Funding Assistance Program

- One national Request for Proposals
  - Published in September
  - ~ \$64M for FY 09 and FY 10 combined
  - Two-year project periods
  - RFP = Submit only Forms 424, 424A, & Narrative Proposal
- The project must take place in the EPA Region in which the proposal is submitted
- There will be a required template for the narrative proposal
- See Request for Proposals for how to apply
- Likely to limit number of applications per applicant

# 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 principal purpose, the promotion of transportation or air quality

# National Clean Diesel Funding Assistance Program: Use of Funds

- Cannot fund the cost of emissions reductions mandated under Federal, State or Local law
  - Cannot fund after effective date of requirement
  - Can fund early compliance
  - Emission reductions and cost-effectiveness should be calculated only for the period up to the effective date of the requirement
- Grants are not for emissions testing
- Grants are not for fueling infrastructure, such as biodiesel manufacturing facilities or CNG fueling stations

# National Clean Diesel Funding Assistance Program: % of \$ for Technologies/Projects

- EPA's Clean Diesel funding will cover up to:
  - 100% for verified exhaust controls
  - 100% for certified engine upgrades
  - 100% for incremental cost of cleaner fuels
  - 75% for certified engine repowers
  - 25% for all certified replacements that meet model year 2007 emissions standards
  - 50% for school buses that meet model year 2010 emissions standards
  - 100% for verified idle reduction technologies
  - 100% for verified aerodynamic technologies and low rolling resistance tires

# National Clean Diesel Funding Assistance Program: Eligible Fleets and Equipment

Including but not limited to:

- 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 (genset)

# National Clean Diesel Funding Assistance Program: FY2009/2010 Funding Timeline

<b>Activity</b>	<b>Date</b>
Information and preparation of applications	August/September
Application submissions	Mid-September – Mid-November
EPA evaluations	November – January 2010
Project review and award	January – March 2010
Project implementation	Spring 2010

# National Clean Diesel Campaign

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

**National Component**  
\$ 84Million  
(70%)



National Clean Diesel Funding Assistance Program

SmartWay Clean Diesel Finance Program ~ \$12 M (estimated)

Clean Diesel Emerging Technologies Program

**Competitive grant  
program to  
establish  
innovative finance  
mechanisms**

# SmartWay Clean Diesel Finance Program: Overview

- Finance Program provides grant funds to establish national, regional, state, or local financial programs
  - Programs support the deployment of energy efficient technologies and emission control technologies
- Items similar to National Clean Diesel Funding Assistance Program:
  - Same eligible entities
  - Same eligible vehicles & equipment

# SmartWay Clean Diesel Finance Program: Examples

- **Examples of Finance Projects:**
  - Revolving Loans: Low-cost loans made for clean diesel retrofits or replacements
  - Loans leveraged with public or private funds (e.g., bonds)
  - Equity Investment:
    - An eligible entity uses grant funds as collateral to borrow funds from a lending institution at a lower interest rate

# SmartWay Clean Diesel Finance Program: FY2009/2010 Funding Timeline

<b>Activity</b>	<b>Date</b>
Information and preparation of applications	August – September
Application submissions	Mid-September – Mid-November
EPA evaluations	November – January 2010
Project review and award	January – March 2010
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# National Clean Diesel Campaign

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

**National Component**  
\$ 84 Million  
(70%)



National Clean Diesel Funding Assistance Program

SmartWay Clean Diesel Finance Program

Clean Diesel Emerging Technologies Program ~\$8M  
(estimated)

**Competitive grant  
program to deploy  
emerging  
technologies not  
yet verified**

# Clean Diesel Emerging Technologies Program: Overview

- Only eligible entities as defined under the National Program may apply
- Use of Funds
  - Type of technology
    - Technologies used must be on EPA's Emerging Technologies List by the close of the Request for Proposals
    - Verified Technologies are ineligible
  - Other uses of funding
    - Testing such as additional data logging/monitoring of the devices or measuring emissions with a portable emission measurement system is acceptable
  - Program does not cover research and development costs
  - Program does not cover cost of verifying technology

# Clean Diesel Emerging Technologies Program: Manufacturers

- Eligible entities must be partnered with a manufacturer to apply for funding.
- Eligible manufacturers must be on EPA's emerging technologies list prior to closing date of Request for Proposals
  - To get on this list, manufacturers must work with EPA to apply for verification and develop a test plan for evaluating their technology

[www.epa.gov/cleandiesel](http://www.epa.gov/cleandiesel)  
select *Emerging Technologies*

# Clean Diesel Emerging Technologies Grant Program: FY2009/2010 Funding Timeline

<b>Activity</b>	<b>Date</b>
Information and preparation of applications	August - September
Application submissions	Mid September – Mid-November
EPA evaluations	November - January 2010
Project review and award	January - March 2010
Project implementation	Spring 2010

# State Clean Diesel Grant Program: Overview

- “States shall use funds to develop and implement grant and low-cost revolving loan programs as appropriate to meet State needs and goals relating to the reduction of diesel emissions”
- Eligible for FY 09 State program grants:
  - 50 States
  - District of Columbia

# FY 09 State Program Funding - \$18M

- State Program receives 30% of DERA funds
  - 20% - Base for participating states (\$12M)
  - 10% - Bonus for matching states (\$6M)
- Match not required
- If State matches base allocation dollar for dollar, State receives an additional ~\$118K (50%) of base allocation (~\$235K)
- Any funding not utilized reverts to national program

# DERA State Program FY 2009 Schedule

<b>Activity</b>	<b>Date</b>
EPA begins process with States	October 1
States respond with Notice of interest	October 15
States submit revised statement of work and other appropriate forms for amendment/supplement (by)	December 11
Regions amend grants (by)	January 29

# Available Tools

- Diesel Emissions Quantifier (9/23 webinar)
  - Now with health benefits module
  - The benefits are presented as the dollar value of avoiding health effects that result from exposure to PM2.5, such as premature mortality, chronic bronchitis, asthma attacks, non-fatal heart attacks, and others.
- Q and A calls
- Webinars
- Outreach Meetings

# Need more info?

- NCDC Helpline:
  - 1-877-623-2322 (1-877-NCDC-FACTS)

or

- [cleandiesel@epa.gov](mailto:cleandiesel@epa.gov)
- Engineering/technical support
- Diesel Emissions Quantifier questions
- General clean diesel questions

Answers typically provided within one business day

# Need more info?

- Questions?