



**pennsylvania**  
DEPARTMENT OF ENVIRONMENTAL PROTECTION



Bureau of Air Quality

# **Class 8 Truck and Transit Bus Grant Program CY2018-2019**

## **A Driving PA Forward Program**

### **Overview and Application Process Webinar**

### **December 4, 2018**

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Bureau of Air Quality

# Webinar Agenda

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7. How to Apply
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# Background and Scope

- Reducing emissions from diesel engines is a significant air quality challenge facing the Commonwealth of Pennsylvania.
- The Wolf Administration has developed new grant and rebate programs under the Driving PA Forward initiative
  - to improve air quality in Pennsylvania
  - drive transformation from older, polluting diesel engines to clean technologies
  - reduce (NOX) emissions from diesel-powered mobile sources through funding diesel emission reduction projects.
- New engine technologies can significantly reduce pollutants from vehicles and engines that rely on older diesel technology.
- The Class 8 Truck and Transit Bus Grant Program is one of the Driving PA Forward financial incentive programs that the PA Department of Environmental Protection (DEP) has developed to fund Eligible Mitigation Actions (EMAs) from Pennsylvania's \$118.5 million allocation from the State Mitigation Trust.

# Background and Scope

## Definitions

- ‘Class 8 Local Freight, and Port Drayage Trucks (Eligible Large Trucks)’ – trucks with a Gross Vehicle Weight Rating (GVWR) greater than 33,000 lbs. used for port drayage and/or freight/cargo delivery (including waste haulers, dump trucks, concrete mixers).
- ‘Bus’ – a motor vehicle with motive power (except a trailer) designed to carry more than 10 individuals.
  - For the purposes of this application and guidance, the term bus includes school buses of Type A, B, C, and D. School buses are defined as “a passenger motor vehicle designed to carry a driver and more than 10 passengers, that the Secretary of Transportation decides is likely to be used significantly to transport preprimary, primary, and secondary school students to or from school or an event related to school. (49 U.S.C. 30125). See ‘school bus’ below.
  - For the purpose of this application and guidance, the term bus also includes medium- and heavy-duty transit or urban buses. See ‘medium- and heavy-duty highway vehicle’ definition.

# Background and Scope

## Definitions

- ‘Public Transportation’ – Regular, continuing shared-ride surface transportation services that are open to the general public or open to a segment of the general public defined by age, disability, or low income; and does not include:
  - intercity passenger rail transportation provided by the entity described in chapter 243 (U.S. Code) (or a successor to such entity);
  - intercity bus service;
  - charter bus service;
  - school bus service;
  - sightseeing service;
  - courtesy shuttle service for patrons of one or more specific establishments; or
  - intra-terminal or intra-facility shuttle services.

# Award Information

- Available Funding - CY2018-2019 funding available under the Class 8 Truck and Transit Bus Grant Program is \$6.4 million.
- Project Period – The date a grant agreement is fully executed to 1 year later. Extensions are allowed and will be considered on a case-by-case basis.
- Funding Type – A reimbursement grant program.
- Technology Compatibility – Technology changes will not be allowed after a project has been selected for funding.

# Award Information

## Class 8 Truck and Transit Bus Grant Reimbursement Chart

Project Type	Fuel/Technology	Government Applicant* Cost Share	Non-Government Applicant Cost Share
Repower	Diesel or Alternative Fuel	Up to 90% reimbursement / minimum 10% from applicant	Up to 40% reimbursement / minimum 60% from applicant
Repower	Electric	Up to 90% reimbursement / minimum 10% from applicant	Up to 75% reimbursement / minimum 25% from applicant
Replacement	Diesel or Alternative Fuel	Up to 90% reimbursement / minimum 10% from applicant	Up to 25% reimbursement / minimum 75% from applicant
Replacement	Electric	Up to 90% reimbursement / minimum 10% from applicant	Up to 75% reimbursement / minimum 25% from applicant

# Eligibility Information

## Eligible Applicants:

1. Businesses
2. Incorporated non-profit
3. State and Local Government
  - a. Including: school district, municipality, city, county, special district, transit district, joint powers authority, or port authority, owning fleets purchased with government funds; or tribal governments
4. Local, regional, or multi-state air quality or transportation organizations.
5. Metropolitan or rural planning organizations.
6. Some Federal agencies

## Ineligible Applicants:

1. Businesses not incorporated or registered in PA
2. Individuals applying as individuals, not on behalf of an eligible applicant.

# Eligibility Information

## Eligible Diesel Vehicles and Engines

- Class 8 Local Freight Trucks with Engine Model Years (MY) 1992-2009, with at least three (3) years remaining useful life.
- Class 4-8 Transit Buses with Engine MY 2009 or older, that have reached their useful life limit of at least 12 years or at least 500,000 miles on the odometer.
- Vehicles must be registered (full or apportioned) in Pennsylvania and operating predominately in Pennsylvania at the time of application.

## Eligible Project Types

- Repower with a MY 2018 or newer diesel or alternative fueled engine, including all-electric engines.
- Replacement with a MY 2018 or newer diesel or alternative fueled vehicle, including all-electric vehicles.

# Eligibility Information

## **Ineligible Diesel Vehicles, Engines, and Project Types**

The following are ineligible vehicles and engines:

- Local freight trucks that are MY 1991 or older, or newer than MY 2009.
- Transit buses newer than MY 2009.
- Any vehicle or engine that is not a diesel-powered Class 8 local freight truck or Class 4-8 transit bus.
- Engine or equipment designated for repower or replacement where most of its annual operation time DOES NOT occur within the Commonwealth.

The following are types of projects that are not eligible for funding:

- Projects already completed or started prior to submitting an application to DEP.
- Projects with equipment physically located entirely outside of Pennsylvania.
- Projects that are intended for fleet expansion.
- The repair or salvaging of a disabled vehicle, or scheduled or routine maintenance and repairs due to accidents or neglect.
- Projects that were previously funded by a different state or federally funded grant program.
- Projects that replace or repower an alternative fuel vehicle, engine or equipment.
- Projects with no measurable environmental net benefit for the Commonwealth.

# Eligibility Information

## Normal Attrition

- Normal Attrition:
  - Engine, vehicle, and equipment replacements that would have occurred through normal attrition are considered to be the result of normal fleet turnover and are not eligible for funding under this program.
  - Normal attrition is replacements that are scheduled to take place regardless of available grant funding. Normal attrition is typically defined by the vehicle or fleet owner's budget plan, operating plan, standard procedures, or retirement schedule.
  - For example, if a bus fleet typically retires vehicles after 20 years, a bus that is currently in its 18th or 19th year of service is not eligible for replacement. A bus that is currently in its 17th year of service and has three years of service remaining (as defined by the fleet's retirement schedule) is eligible for replacement.
  - Normal attrition does not include replacements that must occur due to a state or local mandate.

# Funding Restrictions

## Funding cannot be used to:

- As matching funds for other federal grants, lobbying, or intervention in local, state, or federal regulatory or adjudicatory proceedings, and cannot be used to sue the Commonwealth of Pennsylvania or any other government entity.
- To cover expenses incurred prior to the project period set forth in any grant agreement funded by the Class 8 Truck and Transit Bus Grant Program. Additionally, expenses incurred prior to the project period set forth in any grant agreement resulting from this project solicitation are not eligible as a cost-share for proposed projects.
- To prepare the Class 8 Truck and Transit Bus Grant Program grant application.
- For vehicle title, registration and inspection fees, permit fees, or any other fees not approved by DEP in writing.
- For administrative costs.

# Cost Share and Scrappage

## Class 8 Truck and Transit Bus Grant Reimbursement Chart

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\* Note: Preference will be given to applicants that are approved distressed municipalities under Act 47, Financially Distressed Municipalities Act of 1987, by allowing up to 100 percent reimbursement for eligible projects. Such municipality must be identified on DCED's website to be eligible.

# Cost Share and Scrappage

## Mandatory Cost-Share Requirement

- Eligible Costs include:
  - Eligible costs for a diesel or alternative fuel repower include the cost of the new engine, including installation costs.
  - Eligible costs for an electric repower include the cost of the engine, including installation costs and charging infrastructure associated with the new engine.
  - Eligible costs for a diesel or alternative fuel replacement include the cost of the new vehicle.
  - Eligible costs for an electric replacement include the cost of the new vehicle, including charging infrastructure associated with the new all-electric vehicle.

## Voluntary Cost Share

- Voluntary cost share/overmatch - additional funds/resources above and beyond mandatory cost share.
- Not required but a voluntary cost share or overmatch may improve the environmental outputs and outcomes of the project; may also improve the cost-effectiveness of a project, resulting in a higher score during the evaluation process.
- If proposed, the voluntary cost share or overmatch funds must be included in the total for the match portion of the budget section of the application.

# Cost Share and Scrappage

## Scrappage Requirements

- The vehicle, equipment, and/or engine being replaced must be scrapped or rendered permanently disabled prior to a reimbursement request being submitted to DEP. Scrappage requirements will be detailed in the grant agreement.
- Approved methods vary by project type but include: For engine repowers and replacements, the following scrappage methods are allowed:
  - Cutting a three-inch by three-inch hole in the engine block.
  - Disabling the chassis by cutting through the frame/frame rails on each side at a point located between the front and rear axles.
  - Crushing or shredding the entire engine or vehicle.
- Evidence of appropriate scrappage or recycling is required in the final reimbursement request submitted to DEP.
  - “Certificate of Destruction”, including the required photographs, for each vehicle or engine that is scrapped.
  - Nonrepairable Certificate for onroad vehicles.
- Equipment and vehicle components that are not part of the engine or chassis may be salvaged from the unit being replaced (e.g. plow blades, shovels, seats, tires, etc.).
- All vehicles or engines proposed to be scrapped must have been continuously operating in the grantee’s fleet for at least the previous three years.

# General Conditions, Reporting, and Project Monitoring

- **Public Disclosure of Application Documents**
  - Class 8 Truck and Transit Bus Grant Program applications and supporting documentation are public documents and subject to disclosure to the public upon request.
- **Additional Conditions**
  - DEP may consider past performance of applicants who have received state funded grants when determining grant eligibility.
  - All projects must be in compliance with all applicable local, state, and federal laws and must adhere to DEP guidance and policies.
  - Applicants must not have any outstanding obligations (financial or otherwise) to the Commonwealth and must not have any unresolved environmental violations.
  - Grantees must secure all permits or approvals otherwise required for the project to proceed, including permits required by DEP.

# General Conditions, Reporting, and Project Monitoring

- Reporting Requirements
  - Quarterly Reports: Quarterly reports will be submitted to DEP within 14 days after the end of each quarter during the project period. Reporting quarters end March 31, June 30, September 30, and December 31.
  - Final Report: A final report will be submitted to DEP upon completion of the project, no later than 30 days after the Project Completion Date established by the grant agreement or future amendments.
  - 1-Year Follow-Up Report: A 1-year follow-up report will be submitted to DEP, at the earliest, one year after the completion of the project, but no later than one year and 30 days after the Project Completion Date.
- Financial Monitoring
  - Grantees must properly manage and account for funding received under the Class 8 Truck and Transit Bus Grant Program and any matching funds provided by the applicant.
  - All funding must be spent in accordance with the spending plan included in the grant agreement.
  - No credit will be given for funds spent prior to the period of performance, unless otherwise approved in writing by DEP.
  - See guidelines for additional requirements.

# General Conditions, Reporting, and Project Monitoring

- Project Status and Monitoring
  - Provide DEP with the status of the project work, as compared to the Project Work Plan in quarterly reports.
  - Provide a status report with each application for reimbursement.
  - DEP may, at any time during the project period, request an update on the status of the project.
  - Project Completion
    - Must be completed in accordance with the specifics of the grant agreement.
    - Must adhere to scrappage requirements, when applicable.
    - The project will not be considered complete until an on-site inspection of the project work is performed by DEP to confirm the project work is complete.

# Scoring

- DEP will conduct a comprehensive review of the grant applications and supporting documentation.
- Some of the scoring criteria include the following:
  - Small business status
  - Emission reductions, particularly NO<sub>x</sub> reductions
  - Cost effectiveness (\$/ton NO<sub>x</sub> reduced)
  - Size of the fleet proposed for repower or replacement
  - Match funding requirements
  - Project location – environmental justice areas, priority counties, high-pollution areas, Act 47 municipalities
  - Population density
  - Traffic density

# Scoring

- **Project Selection**
  - Complete applications will be reviewed and evaluated by a panel of air quality experts using the criteria defined on the previous slide.
  - Applications with the highest scores will be considered first for funding.
  - Additional projects if additional funds remain, based on scoring.
  - Remaining applicants may be offered funds at levels below request.
- **Notification of Applicants**
  - All applicants will receive notification whether or not they are being offered grant funding.
  - Unsuccessful applicants can contact DEP to discuss the details of why the application was not selected.
  - Successful applicants will be assigned a DEP project advisor; grantees may be required to meet with DEP staff to review contract requirements.
  - Successful grantees - execute the grant agreement, including a detailed scope of work, project schedule, budget and other information.
  - Project work cannot begin until registrations for DUNS Number or SAP Vendor Number are complete.

# How to Apply

- DEP began accepting applications for the Class 8 Truck and Transit Bus Grant Program November 15, 2018.
- The program will remain open until December 31, 2019, or until funds are exhausted, whichever occurs first, but the last application deadline is in September.
- 3 application deadlines:
  - January 11, 2019
  - May 10, 2019
  - September 23, 2019
- See the Class 8 Truck and Transit Bus Grant Program Application Instructions document for detailed, step-by-step instructions for registering in eGrants and applying for the grant.

# How to Apply

- DEP will only accept rebate applications submitted through the Department of Community and Economic Development's (DCED) Electronic Single Application website, eGrants, at: <https://www.esa.dced.state.pa.us/Login.aspx>.
- Minimum application information
  - Applicant and organization information
  - Project location
  - Project Type
  - Project summary
  - Current and new vehicle/engine information

# How to Apply

- DEP Assistance and Contacts
  - Questions regarding the application process, including signing up for access and any issues with completing the online application should be directed to the DCED Customer Service Center at 1-800-379-7448. They are open 8:30 am-5:00 pm EST Monday thru Friday.
  - Any questions about the contents of the application questions, deadlines, and webinar registration should be directed to Samantha Harmon at 717.787.9495, or by e-mail to [RA-EPVWMITIGATION@pa.gov](mailto:RA-EPVWMITIGATION@pa.gov).

# Website

- Program Guidelines, Application Instructions (including screenshots), and a link to the eGrants log-in webpage are available here under Diesel Programs:
- <http://www.depgis.state.pa.us/DrivingPAForward/>

# ▶ Application Instructions and Walk-through

- Live Demonstration of Application Process
- Screenshots available in Application Instructions

## Questions?

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