

# Marine and Rail Freight Movers Grant Program Guidelines

Ferries, Tugs, and Freight Switchers

*A Driving PA Forward Funding Program*



**pennsylvania**

DEPARTMENT OF ENVIRONMENTAL  
PROTECTION

**Tom Wolf**  
Governor

**Patrick McDonnell**  
Secretary

**Calendar Year (CYs) 2020-2021**  
*(Round 2 – Revised September 2020)*

## **What's New and Important Information**

**Project Funding** – The Pennsylvania Department of Environmental Protection (DEP) offered a total of \$10,000,000 for reimbursement grants from for calendar years (CYs) 2020-2021 under the Marine and Rail Freight Movers Grant Program. Of that initial allocation, \$8,470,000 remains available for a second round of funding under the CYs 2020-21 allocation.

**Project Period** – The project period will begin upon execution of a grant agreement and end three years later. Extension requests will be evaluated on a case-by-case basis by DEP.

**Submission Format** – The application is available online through the Department of Community and Economic Development's (DCED) Electronic Single Application web site at <https://www.esa.dced.state.pa.us/Login.aspx>. Paper and faxed copies will not be accepted.

**Application Submission Period** – The application submission period for the Marine and Rail Freight Movers Grant Program will begin upon public notice of availability and will close at 4:00 p.m. on March 19, 2021. DEP will review and score applications after the application submission period end date. It may be several weeks after the close of the application submission period before DEP announces successful applicants.

**Application Scoring** – A description of the application scoring process and the application scoring criteria are included in this document.

**Webinar** – A recorded presentation providing an overview of the program and application process will be available on the Department's Driving PA Forward website under the 'Marine and Rail Freight Movers Grant Program' heading during the application period. See Section VII.

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## I. Funding Opportunity Description

### A. Background

Reducing emissions from diesel engines is one of the most significant air quality challenges facing the Commonwealth of Pennsylvania. To help Pennsylvania meet its diesel emissions reduction goals, the Wolf Administration has developed new grant and rebate programs under the Driving PA Forward initiative to improve air quality in Pennsylvania and drive transformation from older, polluting diesel engines to clean technologies. New engine technologies like electric, compressed natural gas, propane, and clean diesel can significantly reduce pollutants from freight and delivery trucks, transit and school buses, cargo handling equipment, ocean going vessels in port, forklifts, tugs, and freight switchers that rely on older diesel technology.

The goal of the Governor's initiative is to permanently reduce oxides of nitrogen (NO<sub>x</sub>) emissions by as much as 27,700 tons. Of the mobile source NO<sub>x</sub> emissions, diesel sources, including aviation, marine, and rail sources, account for approximately 61 percent of the emissions.

The Marine and Rail Freight Movers Grant Program is one of the Driving PA Forward financial incentive programs that DEP has developed to fund Eligible Mitigation Actions (EMAs) from Pennsylvania's \$118.5 million allocation from the State Mitigation Trust, resulting from the emissions cheating lawsuit settlement.<sup>1</sup> Pennsylvania will have at least 10 years to use its allocation of the Trust to fund EMAs. All expenditures from the State Mitigation Trust will require the approval of the Trustee.<sup>2</sup>

### B. Scope of Work

The primary goal of the Marine and Rail Freight Movers Grant Program is to improve the Commonwealth's air quality by reducing NO<sub>x</sub> emissions produced by nonroad equipment like freight switcher locomotives, ferries, and tugboats. Under this program, applicants can apply for funding to (1) repower or replace diesel-powered, pre-Tier 4 freight switcher locomotives, that operate 1,000 hours or more per year, with any new EPA or CARB-certified diesel, alternative fuel, or all-electric engine, or (2) repower or upgrade unregulated, Tier 1 or Tier 2, diesel-powered marine engines in ferries or tugboats with an EPA Certified Remanufactured system or an EPA Verified Engine Upgrade. See full eligibility information for applicants and project types in Section III. A single project may target multiple fleets or an individual fleet.

This is a competitive application process. If selected for project funding, applicants will enter into a contract with DEP. The contract will state the funding amount and include additional conditions. Applicants selected for funding will have three years to complete their project(s) once the contract is executed.

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<sup>1</sup> A \$2.866 billion environmental mitigation trust (State Mitigation Trust) was established by the Environmental Mitigation Trust Agreement for State Beneficiaries filed by the United States (U.S.) Department of Justice, with the U.S. District Court for the Northern District of California on October 2, 2017, in the case, *In Re: Volkswagen "Clean Diesel" Marketing, Sales Practices, and Products Liability Litigation* (No. 3:15-md-02672-CRB (N.D. Cal.), MDL No. 2672). Additional information about the case and the settlement are available on DEP's website.

<sup>2</sup> A Trustee, Wilmington Trust, N.A., was approved by the Court on March 15, 2017, to administer the State Trust Agreement and disburse the funds from the State Mitigation Trust.

## II. Award Information

### A. Available Funding

The total funding available for CYs 2020-2021 under the Marine and Rail Freight Movers Grant Program is \$10,000,000, of which \$8,740,000 remains for Round 2 funding. Multiple projects may be awarded to an applicant from the total available and partial funding is possible, if deemed appropriate by DEP staff.

### B. Project Period

The project period for CYs 2020-2021 Marine and Rail Freight Movers Grant Program will begin upon execution of a grant agreement and end three years later. Extension requests will be evaluated on a case-by-case basis by DEP. ***Any applicant who begins a project and incurs costs before receiving a fully executed grant agreement does so with the understanding that the costs may not be reimbursed.***

### C. Funding Type

The Marine and Rail Freight Movers Grant Program is offering funding as a reimbursement grant program. This means a grantee will pay all project costs and submit proof that project invoices have been paid, proof of project work completion, and proof of scrappage with a reimbursement request to DEP. If DEP approves the reimbursement request, DEP will request a disbursement from the Commonwealth's trust fund allocation from the Trustee, to provide the funds for payment to the grantee.

Please note, this payment process may take several months from the approval of the reimbursement request to complete. Detailed invoice requirements and submission instructions will be provided to successful applicants. DEP will not approve reimbursement requests for unpaid invoices.

### D. Technology Compatibility

DEP strongly encourages applicants to ensure that the technology selected for their proposed project is compatible with other elements of the proposed project (i.e. equipment connections, project location, etc.) prior to submitting their application. DEP strongly discourages changing technologies after a grant has been awarded but will consider requests to modify grant agreements on a case-by-case basis.

## III. Eligibility Information

### A. Eligible Applicants

Organizations that own or operate eligible ferries or tugboats (including push boats), or eligible freight switcher locomotives, that are based and operate predominately in Pennsylvania, may apply to the Marine and Rail Freight Movers Grant Program. See glossary for definitions.

Eligible applicants include:

1. Businesses
2. Incorporated Nonprofits
3. State, Local, or Tribal Government Agencies
4. Air Quality or Transportation Organizations

5. Metropolitan or Rural/Regional Transportation Planning Organizations
6. Federal Government Agencies

**B. Ineligible Applicants**

Ineligible applicants include:

1. Businesses not incorporated in or registered with the Pennsylvania Department of State, Bureau of Corporations and Charitable Organizations, to do business in the Commonwealth, if incorporation or registration is required by Pennsylvania law.
2. Individuals applying as individuals, not on behalf of an eligible applicant. Please note sole proprietors are eligible to apply as a business.

**C. Eligible Vehicles and Engines**

1. Freight Switchers eligible for repower or replacement include:
  - a. Pre-Tier 4 diesel-powered switcher locomotives that operate 1,000 or more hours per year.
2. Ferries and Tugboats eligible for repower or upgrade include:
  - a. Unregulated, Tier 1, or Tier 2 diesel-powered engines for tugboats (or push boats).
  - b. Unregulated, Tier 1, or Tier 2 diesel-powered engines for ferries.
3. See glossary for definitions.
4. Eligible vehicles or engines that are replaced must be scrapped.
5. Eligible vehicles or engines that are replaced must have been operated in the applicant's fleet and used for their intended purpose for at least three (3) years prior to the application date. DEP may request supporting documentation in the form of maintenance records, telemetry data, or any equivalent documentation.
6. Eligible vehicles or engines that are replaced must have at least 10 years of useful life remaining, based on the applicant's normal attrition schedule.
7. Eligible vehicles or engines must have a base of operation in Pennsylvania and operate predominately in Pennsylvania at the time of application. Operating predominately in Pennsylvania means that at least 50 percent of a vehicle or engine's annual operating time must occur within the boundaries of Pennsylvania or within the navigable waters bordering Pennsylvania, including the Delaware River adjacent to the Pennsylvania border, and the portion of Lake Erie within the jurisdiction of Pennsylvania.

**D. Eligible Project Types**

Eligible projects for replacement, repower, or upgrade are listed below. See glossary for definitions. Also see Section IV for cost share information for each project type.

**1. Freight Switchers -**

- a. Eligible freight switchers may be repowered with any new EPA or CARB-certified (or otherwise approved if certification is not required) diesel, alternative fuel, or all-electric engine, including Generator Sets.
- b. Eligible freight switchers may be replaced with any new EPA or CARB-certified (or otherwise approved if certification is not required) diesel, alternative fuel, or all-electric Freight Switcher, including Generator Sets.
- c. The repowered engine or new freight switcher must be certified (or otherwise approved if certification is not required) to meet the applicable EPA emissions standards (or other more stringent equivalent State standard) as published in the Code

of Federal Regulations (CFR) for the engine model year in which the replacement or repower occurs.

- i. Spreadsheets listing EPA-certified locomotive engines are available here:  
<https://www.epa.gov/compliance-and-fuel-economy-data/annual-certification-data-vehicles-engines-and-equipment>.

## 2. **Ferries and Tugboats -**

- a. Unregulated, Tier 1, or Tier 2 diesel-powered marine engines may be repowered with a Tier 3 or Tier 4 diesel engine, an alternative fuel engine, or with all-electric engines.
  - i. Spreadsheets listing EPA-certified marine engines are available here:  
<https://www.epa.gov/compliance-and-fuel-economy-data/annual-certification-data-vehicles-engines-and-equipment>.
- b. Unregulated, Tier 1, or Tier 2 diesel-powered marine engines may be upgraded with an EPA Certified Remanufacturer System or an EPA Verified Engine Upgrade.
  - i. A list including EPA-certified upgrade kits is available here:  
<https://www.epa.gov/verified-diesel-tech/verified-technologies-list-clean-diesel>.  
A list showing EPA-Certified Remanufacturer Systems is available here:  
<https://www.epa.gov/ve-certification/remanufacture-systems-category-1-and-2-marine-diesel-engines>.

## E. Ineligible Vehicles, Engines, and Project Types

The following are ineligible vehicles and/or engines:

1. Tier 3 or Tier 4 diesel-powered marine engines in ferries and tugboats.
2. Tier 4 switcher engines or locomotives.
3. Vehicles, engines or equipment designated for replacement, repower, or upgrade where at least 50 percent of the annual operation time of the engine or vehicle DOES NOT occur within the boundaries of Pennsylvania, or adjacent waters, as described above.
4. Vehicle, engines or equipment being replaced, repowered, or upgraded that have not been routinely operated in the applicant's fleet in the previous three (3) years.
5. Vehicles, engines, or equipment that do not meet remaining useful life requirements.

The following types of projects are not eligible for funding:

1. Projects already completed or that have incurred costs prior to submitting an application to DEP. Applicants may make planning decisions and receive quotes prior to submitting an application.
2. Projects to replace, repower, or upgrade vehicles, engines, or equipment operating predominately outside of Pennsylvania.
3. Projects that do not have a base of operation in Pennsylvania.
4. Projects that are intended for fleet expansion.
5. The repair or salvaging of a disabled vehicle, engine, or equipment; or scheduled or routine maintenance and repairs due to accidents or neglect.
6. Projects that were previously or currently funded by a different state or federally funded grant program, unless that funding is eligible to be used as match funding for this program.
7. Projects that replace or repower an alternative fuel or gasoline vehicle, engine, or equipment.
8. Projects where the vehicle, engine, or equipment is leased and not purchased outright. Financing of projects is allowed, as long as all vendors are paid in full and the applicant

will have ownership of the vehicle, engine, or equipment once all financing payments are completed.

9. Projects with no measurable environmental net benefit for the Commonwealth.

#### F. Eligible Project Costs

All project costs that are eligible for grant funding must be necessary for, and directly connected to, the purchase, installation, and operation of the eligible project types listed above. Eligible project costs include the following:

1. Purchase cost of the new vehicle, engine, or upgrade, including associated fees and taxes.
2. Installation costs directly associated with an eligible engine repower or upgrade.
3. Charging infrastructure costs directly associated with a new all-electric repower or replacement.
4. In addition to the costs listed above, eligible project costs for all-electric repowers or replacements may include, but are not limited to, the following:
  - a. Batteries included in the purchase cost of the new electric vehicle or engine, including associated fees and taxes.
  - b. Cost of onboard charging components for electric engines, if not included with the costs of the electric engine.
  - c. Cost of external electric charging infrastructure directly related to the operation of the new vehicle or engine including: local electrical work permit costs / fees, electric service upgrades, cables, cable management systems, distribution control systems, and power distribution components.
  - d. If charging capacity is being installed beyond what is required for the vehicle or engine funded by this grant program, DEP will consider the portion of the total project relevant to the vehicle or engine funded by this program to be eligible project costs.

#### G. Ineligible Project Costs

DEP will not consider costs associated with the following:

1. Cost to lease new vehicles or engines. Financing arrangements are allowed.
2. Purchase or rental of real estate.
3. Construction or general maintenance of facilities.
4. Permitting costs or fees.
5. Administrative costs.
6. Electric supply costs.
7. Costs associated with replacement, repower, or upgrade that are not directly necessary or directly connected to the acquisition, installation, and operation of the new vehicle or engine.

#### H. Funding Restrictions

Funds awarded under the Marine and Rail Freight Movers Grant Program may NOT be used:

1. to lobby, or intervene in local, state, or federal regulatory or adjudicatory proceedings, and cannot be used to sue the Commonwealth of Pennsylvania or any other government entity.
2. to cover expenses incurred prior to the project period set forth in any grant agreement funded by the Marine and Rail Freight Movers Grant Program, unless otherwise approved in writing in advance by DEP. 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, unless otherwise approved in writing in advance by DEP.

3. to prepare the Marine and Rail Freight Movers Grant Program application.
4. for vehicle title, registration and inspection fees, permit fees (other than electric infrastructure permits), or any other fees not approved by DEP in writing.
5. for administrative costs.
6. for projects involving locomotive and marine engines, if the emission reductions proposed for funding are required by EPA’s locomotive and marine rule, “Control of Emissions of Air Pollution from Locomotive and Marine Compression-Ignition Engines Less Than 30 liters per Cylinder.”

#### IV. Cost Share and Scrappage Requirements

The following section identifies the mandatory cost share requirements, specifically the project costs DEP will reimburse and the project costs that are the responsibility of the applicant. This section also provides the voluntary cost share options and scrappage requirements.

##### A. Mandatory Cost-Share Requirement

The following are the funding limitations and mandatory cost share requirements for eligible projects, as defined in Section III.D.:

##### Freight Switchers

Project Type	Fuel/Technology	Government Owned Cost Share	Non-Government Owned Cost Share
Repower	Diesel, alternative fuel, or Gen Set	Up to 60% reimbursement / minimum 40% from applicant	Up to 40% reimbursement / minimum 60% from applicant
Replacement	Diesel, alternative fuel, or Gen Set	Up to 60% reimbursement / minimum 40% from applicant	Up to 25% reimbursement / minimum 75% from applicant
Repower	All-electric	Up to 80% reimbursement / minimum 20% from applicant	Up to 75% reimbursement / minimum 25% from applicant
Replacement	All-electric	Up to 80% reimbursement / minimum 20% from applicant	Up to 75% reimbursement / minimum 25% from applicant

\*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.

## Ferries and Tugboats

Project Type	Fuel/Technology	Government Owned Potential Cost Share	Non-Government Owned Cost Share
Repower	Diesel or alternative fuel	Up to 60% reimbursement / minimum 40% from applicant	Up to 40% reimbursement / minimum 60% from applicant
Upgrade	Diesel or alternative fuel	Up to 60% reimbursement / minimum 40% from applicant	Up to 40% reimbursement / minimum 60% from applicant
Repower	All-electric	Up to 80% reimbursement / minimum 20% from applicant	Up to 75% reimbursement / minimum 25% from applicant

\*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.

### B. Voluntary Cost Share

1. Voluntary cost share, also referred to as an overmatch, is additional funds/resources, or those from third party sources, to support or complement the project, which are above and beyond mandatory cost share.
2. While it is not required that an applicant provide a voluntary cost share (or overmatch if a mandatory cost share applies) beyond any mandatory cost share as described above, applicants may provide a voluntary cost share or overmatch to improve the environmental outputs and outcomes of the project. A voluntary cost share or overmatch may also improve the cost-effectiveness of a project, resulting in a higher score during the evaluation process.
3. 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. Successful applicants will be required to provide details of the voluntary cost share and will be legally obligated to meet any proposed voluntary cost share or overmatch that is included in the approved project budget in the grant agreement.

### C. Scrappage

The vehicle or engine being replaced must be scrapped or rendered permanently disabled prior to a reimbursement request being submitted to DEP. Repowered or upgraded engines do not require scrappage if the complete engine is not replaced. Scrappage requirements will be detailed in the grant agreement.

1. All scrapped equipment must have been continuously operating in the applicant's fleet for at least the previous three (3) years. This can be demonstrated by providing DEP with maintenance records, telemetry data, or any equivalent method that is approved by DEP.
2. For engine replacements, the following scrappage methods are allowed:
  - a. Cutting a three-inch by three-inch hole in the engine block (the part of the engine containing the cylinders).
  - b. Crushing or shredding the entire engine.
  - c. Other acceptable scrappage methods may be considered and will require prior DEP approval.

3. For vehicle or equipment replacements, the following scrappage methods are allowed:
  - a. Cutting a three-inch by three-inch hole in the engine block (the part of the engine containing the cylinders) and cutting through the frame/frame rails or other significant structural component of the body that would disable the vehicle.
  - b. Having the full vehicle crushed or shredded.
  - c. Other acceptable scrappage methods may be considered and will require prior written approval from the DEP Project Officer.
4. The scrapped vehicle, engine, or equipment must match the one identified for replacement or repower in the application, unless otherwise approved in writing by DEP.
5. Evidence of appropriate scrappage or recycling is required in the final reimbursement request submitted to DEP.
  - a. Grantees must complete a “Certificate of Destruction,” including the required photographs, for each vehicle or engine that is scrapped. Digital photographs are acceptable. This form is a fillable PDF and can be completed electronically or by hand.
  - b. DEP will require a visual inspection of each scrapped vehicle or engine. This requirement can be met by either having DEP staff present during the scrapping of the vehicle or engine, or maintaining the scrapped vehicle or engine at a site that is accessible to DEP staff until an inspection is complete.
6. Vehicle and equipment 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.).

## **V. General Conditions, Reporting, and Project Monitoring**

### **A. Public Disclosure of Application Documents**

Marine and Rail Freight Movers Grant Program applications and supporting documentation are public documents and subject to disclosure to the public upon request. Please note that all documentation and records used to support a funding request submitted to the Trustee of the State Mitigation Trust, and all documentation and records in support of all expenditures of State Mitigation Trust funds, are required to be made publicly available, subject to applicable laws governing the publication of confidential business information and personally identifiable information. This may include information from the application and attachments, or reimbursement request documentation submitted by successful applicants during the grant period. Directions are provided in the Application Instructions for this program on how to format and submit any information that the applicant wishes the Commonwealth to consider as proprietary or confidential.

### **B. Additional Conditions**

The awarding of grant funding is subject to the following conditions:

1. DEP may consider past performance of applicants who have received state funded grants when determining grant eligibility. DEP reserves the right to not award or withhold funds to applicants that have not completed projects or have failed to adhere to grant agreement requirements, including interim and final reporting requirements, for projects funded by the Marine and Rail Freight Movers Grant Program or other state grant programs. This determination will be made by DEP on a case-by-case basis.
2. All projects must be in compliance with all applicable local, state, and federal laws and must adhere to DEP guidance and policies.

3. Applicants must not have any outstanding obligations (financial or otherwise) to the Commonwealth and must not have any unresolved environmental violations.
4. Grantees must secure all permits or approvals otherwise required for the project to proceed, including permits required by DEP.

C. Reporting Requirements

1. 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. Quarterly reports can be submitted through standard mail or through electronic mail sent to the DEP Program Administrator, unless superseded by updated reporting instructions. Grantees will, in quarterly reports, provide DEP with the status of the project work, as compared to the Work Plan included in the grant agreement. Detailed reporting requirements will be established in the grant agreement.
2. 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 or Project Period End Date established by the grant agreement or future amendments. Detailed requirements for the final report will be established in the grant agreement.
3. Annual Follow-Up Report: A follow-up report will be submitted to DEP, at the earliest, one year after the Project Completion Date. Annual reporting may be required for up to 5 years after the project completion date depending on the project type. Detailed requirements for the annual follow-up reports will be established in the grant agreement.

D. Financial Monitoring

1. Grantees must properly manage and account for funding received under the Marine and Rail Freight Movers Grant Program and any matching funds provided by the applicant. Appropriate records must be maintained to confirm compliance with the conditions of the grant agreement.
2. No credit will be given for funds spent prior to the period of performance, unless otherwise approved in writing by DEP. All funds must be spent in accordance with the spending plan included in the grant agreement.
3. Extensions of the grant period of performance (project period) will not be issued, unless DEP concludes it to be necessary based on its own determination or in response to an approved request from the grantee.
4. Projects may be subject to PA Prevailing Wage Act requirements.
  - a. Grantees shall ensure, where necessary, that construction projects with a cost in excess of \$25,000 that may be subject to PA's Prevailing Wage Act requirements are paid appropriate wages commensurate with the Act.
  - b. For information about the applicability of the Prevailing Wage Act requirements, applicants should contact the Department of Labor and Industry at 717-787-5279 or 800-932-0665 or visit the web site at [www.dli.pa.gov](http://www.dli.pa.gov). It is solely the responsibility of the grantee to ensure the act is followed, if applicable.
5. DEP reserves the right to terminate the project and/or recover funding from grantees not properly managing the funding in accordance with the conditions of the program and the grant agreement.
6. DEP reserves the right to inspect projects financed with Marine and Rail Freight Movers Grant Program funds and to audit, or require a third-party audit, of any project's financial transactions or compliance with agreement terms.

#### **E. Project Status and Monitoring**

1. Grantees will be required to provide a status report with each application for reimbursement, as outlined in the grant agreement.
2. DEP may, at any time during the project period, request an update on the status of the project, to ensure that the project activities are being completed according to the project Work Plan included in the grant agreement.
3. Project Completion:
  - a. The project must be completed in accordance with the specifics of the grant agreement. Modifications will not be considered, except for very limited scope and budget changes, including, but not limited to: replacements of equal quality and function, and reallocation of contract budget category dollar amounts to and from other budget categories, if the maximum contract dollar amount payable by DEP to the recipient is not exceeded. All changes must be approved by DEP.
  - b. In most cases, 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. DEP may waive this requirement and allow confirmation of project work in another form, to be determined on a case-by-case basis. DEP will send written notification to the grantee when it has confirmed that the project work is complete. On-site inspection, or other project confirmation activities, may occur during the project period if project work is completed early, but must occur no later than 30 days after the Project Completion Date or Project Period End Date, unless otherwise agreed to in writing by DEP.

### **VI. Application Review, Scoring, and Selection**

#### **A. Project Selection**

1. All complete applications will be reviewed and scored by DEP staff, based on a set of criteria, some of which are listed below.
2. Projects will be recommended for funding based primarily on the score received during the review process, but other criteria, such as applicant's past performance with DEP grants or the Commonwealth's economic and environmental priorities, may be considered.
3. DEP may offer applicants full or partial funding for their projects. For example, if remaining funds are not adequate to meet the funding request of the next applicant selected, DEP may contact the applicant to see if they would accept funding at a lower level than requested in the application.

#### **B. Notification of Applicants**

1. All applicants will receive notification from the DEP Secretary or designee, addressed to the contact person specified in the application, notifying the applicant if they are being offered grant funding.
2. If an application is not selected for funding, the applicant can contact DEP if they wish to discuss the details of why the application was not selected. Applications may not be awarded funding for incomplete or ineligible applications, lower score ranking than other applications, or lack of funds to award.
3. Successful applicants will be assigned a DEP project advisor; grantees may be required to

meet with DEP staff to review contract requirements.

4. After the announcement of a grant award, DEP will forward an electronic copy of the grant agreement to the successful applicant. Successful applicants will be required to execute the grant agreement, which includes approving a detailed scope of work, project schedule, detailed budget and other information, and signing the grant agreement using electronic signatures.

C. Application Review and Scoring

1. DEP will conduct a comprehensive review of the grant application and supporting documentation. DEP will not be responsible for an application that is rejected due to incomplete or inaccurate information. All complete applications will be reviewed and evaluated by a panel of air quality experts using a set of criteria, some of which are listed below.
2. Some of the scoring criteria include the following:
  - a. Small business status
  - b. Emission reductions, specifically NO<sub>x</sub> reductions
  - c. Cost effectiveness (\$ requested/ton NO<sub>x</sub> reduced)
  - d. Size of the fleet proposed for repower or replacement
  - e. Match funding requirements
  - f. Project location – environmental justice areas, priority counties, high-pollution areas, Act 47 municipalities
  - g. Population density

**VII. Webinar Information**

A recorded presentation providing an overview of the program and application process will be available on the Department’s Driving PA Forward website under the ‘Marine and Rail Freight Movers Grant Program’ heading during the application period. Applicants should use the contact information in Section IX. of these program guidelines to submit questions or request clarification about the presentation or the program documents.

DEP may also post additional tutorials or videos on the Driving PA Forward website to assist applicants in completing and submitting applications.

**VIII. How to Apply**

- A. See the Marine and Rail Freight Movers Grant Program Application Instructions for step-by-step directions for applying. All applications must be submitted through the Department of Community and Economic Development’s (DCED) Electronic Single Application web site, <https://www.esa.dced.state.pa.us/Login.aspx>. Applicants will not be able to submit their application unless all required information is completed.
- B. Application Submission Period – The application submission period for the Marine and Rail Freight Movers Grant Program will begin upon public notice of availability and will close at 4:00 p.m. on March 19, 2021. DEP will review and score applications after the application submission period closes. It may be several weeks after the close of the application submission period before DEP announces successful applicants.

C. Late submittals will not be accepted.

D. DEP Assistance and Contacts:

1. 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. The Service Center is open 8:30 a.m. - 5:00 p.m. EST Monday thru Friday.
2. Any questions about the contents of the program or the application process should be directed to the Bureau of Air Quality, Pennsylvania Department of Environmental Protection, 717-787-9495, ra-epvwmitigation@pa.gov.

## IX. Glossary

All definitions are for the purposes of this funding program and may vary from other commonly used definitions.

‘Air Quality or Transportation Organizations’ – Local, regional or multi-state air quality or transportation organizations that include a Pennsylvania state government agency, a municipal government, or a municipal authority as a member, and

1. owns or operates a diesel fleet located or operating predominately in Pennsylvania, or
2. have partnered with or is acting as a project manager for another eligible entity listed in this section.

‘All-Electric’ – powered exclusively by electricity provided by a battery, fuel cell, or the grid.

‘Alternate Fueled’ – an engine, or a vehicle or piece of equipment that is powered by an engine, which uses a fuel different from or in addition to gasoline fuel or diesel fuel (e.g., CNG, propane, diesel-electric Hybrid).

‘Alternative fuel’ – gaseous fuels such as hydrogen, natural gas, and propane; alcohols such as ethanol, methanol, and butanol; vegetable and waste-derived oils; and electricity. Other fuels may be considered for replacement projects on a case- by-case basis by DEP.

‘Business’ – corporations, partnerships, sole proprietorships, limited liability companies, business trusts or other legal business entities incorporated in or registered with the Pennsylvania Department of State, Bureau of Corporations and Charitable Organizations, to do business in the Commonwealth.

‘CFR’ – Code of Federal Regulations.

‘CNG’ – Compressed Natural Gas.

‘Certified Remanufacture System or Verified Engine Upgrade’ – engine upgrades certified or verified by EPA or CARB to achieve a reduction in emissions.

‘Commonwealth’ – Commonwealth of Pennsylvania.

‘DEP’ – Pennsylvania Department of Environmental Protection.

‘Diesel fuel’ – a fuel that is commonly or commercially known, sold or represented as diesel fuel, including any mixture of primarily liquid hydrocarbons that is sold or represented as suitable for use in an internal combustion, compression-ignition engine.

‘EPA Certified Remanufacturer System or an EPA Verified Engine Upgrade’ – see ‘Certified Remanufacture System or Verified Engine Upgrade.’

‘Electric vehicle or equipment’ – A vehicle or engine that uses electric motors and motor controllers for propulsion or operation of mechanical equipment in place of more common power sources such as the internal combustion engine (ICE).

‘Federal Government Agency’ – Federal agencies that have custody, control, or management of land (including, but not limited to, Clean Air Act Class I and II areas) within or contiguous to the territorial boundaries of the Commonwealth.

‘Ferries’ – shall mean dedicated vessels that transport passengers or passenger vehicles between an embarkation point and a destination point bordering a waterway based on a set, advertised schedule.

‘Freight Switcher’ – a locomotive that moves rail cars around a rail yard as compared to a line-haul engine that moves freight long distances. A switcher could operate from a port to a nearby distribution or intermodal facility, or between railyards near each other. To eligible for this program, the current and new switcher, if applicable, must be based in Pennsylvania.

‘Generator Set (gen set)’ – a switcher locomotive equipped with multiple engines that can turn off one or more engines to reduce emissions and save fuel depending on the load it is moving.

‘Government’ – a State or local government agency (including a school district, municipality, city, county, special district, transit district, joint powers authority, or port authority, owning fleets purchased with government funds), and a tribal government or native village. The term ‘State’ means the several States, the District of Columbia, and the Commonwealth of Puerto Rico.

‘Grantee’ – an applicant that has an executed grant agreement with DEP.

‘Hybrid’ – a vehicle that combines an internal combustion engine with a battery and electric motor.

‘Infrastructure’ – the equipment used to enable the use of electric powered vehicles (e.g., electric vehicle charging station).

‘Metropolitan or Rural/Regional Transportation Planning Organizations’ – Organizations as defined by the U.S. Department of Transportation at 49 U.S.C. § 5303(b), that are located in Pennsylvania.

‘MY’ – Model year

‘Non-Profit’ – An organization incorporated as a non-profit under Pennsylvania law or registered with the Pennsylvania Department of State, Bureau of Corporations and Charitable Organizations, to do business in the Commonwealth.

‘Replacement’ – replacement of non-road and highway diesel vehicles, engines and equipment with newer, cleaner vehicles, engines and equipment that operate on diesel, alternative fuels, or all-electric and use engines certified by EPA and/or CARB, if applicable, to meet a more stringent set of engine emissions standards.

‘Repower’ – to replace an existing engine with a newer, cleaner engine or power source that is certified by EPA and, if applicable, CARB, to meet a more stringent set of engine emission

standards. Repower includes, but is not limited to, diesel engine replacement with an engine certified for use with diesel or a clean alternative fuel, diesel engine replacement with an electric power source (e.g., grid, battery), diesel engine replacement with a fuel cell, diesel engine replacement with an electric generator(s) (genset), diesel engine upgrades in Ferries/Tugs with an EPA Certified Remanufacture System, and/or diesel engine upgrades in Ferries/Tugs with an EPA Verified Engine Upgrade. All-Electric and fuel cell Repowers do not require EPA or CARB certification.

‘Scrapped’ – to render inoperable and available for recycle, and, at a minimum, to specifically cut a 3-inch hole in the engine block for all engines. If any Eligible Vehicle will be replaced as part of an Eligible project, scrapped shall also include the disabling of the chassis by cutting the vehicle’s frame rails completely in half.

‘Tier 0, 1, 2, 3, 4’ – EPA engine emission classifications for nonroad, locomotive, and marine engines.

‘Tugs’ – dedicated vessels that push or pull other vessels in ports, harbors, and inland waterways (e.g. tugboats, towboats, or push boats).