

Onroad Rebate Program Guidelines:

Class 4-8 Trucks, Drayage Trucks,
School Buses, Shuttle Buses, and Transit Buses

A Driving PA Forward Funding Program



pennsylvania

DEPARTMENT OF ENVIRONMENTAL
PROTECTION

Tom Wolf
Governor

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Secretary

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I. Funding Opportunity Description

A. Background

Reducing emissions from diesel engines is a significant air quality challenge 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 cleaner, greener 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 NOx emissions by as much as 27,700 tons. Of the mobile source NOx emissions, diesel sources, including aviation, marine, and rail sources, account for approximately 61 percent of the emissions.

The Onroad Rebate 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, resulting from the emissions cheating lawsuit settlement.¹ Pennsylvania will have at least 10 years to use its allocation of the State Mitigation Trust to fund EMAs. All expenditures from the State Mitigation Trust will require the approval of the Trustee.²

B. Scope of Work

The primary goal of the Onroad Rebate Program is to improve Pennsylvania's air quality by reducing oxides of nitrogen (NO_x) emissions from diesel-powered mobile sources by funding diesel emission reduction projects. Eligible diesel emission reduction solutions include certified engine repowers and/or certified vehicle or equipment replacements. DEP encourages projects located in the priority areas, in accordance with DEP's Beneficiary Mitigation Plan. Areas qualifying as priority areas for funding will be identified in the application instructions. DEP anticipates awarding a minimum of 70 percent of the available funds to projects in priority areas.

II. Onroad Rebate Information

A. Available Funding

The Onroad Rebate Program is funded through Pennsylvania's allocation from the State

¹ 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.

² 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.

Mitigation Trust. The funding available under the calendar year (CY) 2021 Onroad Rebate Program is \$6,000,000. The Application Period for this round of funding will open on July 23, 2021. DEP will close the Application Period following the issue of \$6.0 million in vouchers, or by November 12, 2021- whichever occurs first. Applications for rebates will be accepted, reviewed, and approved on a first come, first served basis.

The Onroad Rebate Program will provide rebate vouchers that hold a certain amount of funding to be reimbursed to successful applicants once projects are complete. Rebate amounts will be calculated when the application is completed using a Rebate Calculator provided by DEP. The Rebate Calculator will determine the total maximum rebate amount that will be reimbursed per vehicle, and the combined maximum rebate amounts for all vehicles submitted. The total amount calculated by the Rebate Calculator is the maximum amount an applicant can receive, even if final project costs are higher than estimated. The maximum rebate amount per vehicle will be either the percentage of total, per-vehicle project costs, or the maximum dollars-per-vehicle amount listed in Table 1 below, whichever is less. Maximum reimbursement percentages or maximum per vehicle dollars vary by vehicle type and vehicle ownership. Rebates can be applied to project costs directly connected to the purchase and installation of an eligible engine(s) and /or equipment, or the purchase of an eligible vehicle(s) (see Section IV for a list of eligible and ineligible project costs).

Once approved, a successful Onroad Rebate Project awardee will be issued a rebate voucher, based on the amount calculated by the Rebate Calculator. The maximum rebate amount will be listed on the rebate voucher. The final rebate amount may be lower than the voucher amount, if final costs are lower than anticipated, but it will not be higher than the voucher amount. DEP will not issue more than \$500,000 in Onroad Rebate vouchers in total to any entity (government or non-government) at any time or allow any entity to hold active rebate vouchers for more than 5 vehicles at any time. If an applicant has reached the \$500,000 or 5 vehicle voucher maxima, additional rebate applications from the applicant will only be evaluated after DEP approves the redemption of a voucher or vouchers previously issued, such that the entity is then below the \$500,000 and 5 vehicle maxima. Additional rebate requests will only be reviewed if funding remains available.

The Onroad Rebate Program may be combined with other such rebates or subsidies to receive multiple benefits for the same project. However, other rebates or subsidies received or expected to be received for eligible costs for the project are subtracted from the project cost in the rebate calculator prior to determining the final rebate amount available under this program. Subsidies, rebates, or other funding that pays for ineligible costs does not need to be subtracted from the total project costs in the rebate calculator. This policy does not extend to the use of federal tax credits the applicant may receive for the project.

Table 1: Maximum Percentage and Reimbursement Amounts Per Vehicle

Project Category	Maximum Percentages	Maximum Reimbursements per Vehicle	Maximum Reimbursements per Vehicle for Act 47 Municipalities (or 100%)
Diesel and Alternative Fuels (G-Government Owned, NG-Non-government Owned)			
G - Class 4-5 Truck Alt Fuel Repower or Replacement	70%	\$70,000	\$100,000
G - Class 4-5 Truck Diesel Repower or Replacement	70%	\$56,000	\$80,000
G - Class 6-7 Truck Alt Fuel Repower or Replacement	70%	\$105,000	\$150,000
G - Class 6-7 Truck Diesel Repower or Replacement	70%	\$70,000	\$100,000
G - Class 8 Truck Alt Fuel Repower or Replacement	70%	\$157,500	\$225,000
G - Class 8 Truck Diesel Repower or Replacement	70%	\$122,500	\$175,000
G - Drayage Truck Alt Fuel Replacement	50%	\$112,500	\$225,000
G - Drayage Truck Alt Fuel Repower	40%	\$70,000	\$175,000
G - Drayage Truck Diesel Replacement	50%	\$112,500	\$225,000
G - Drayage Truck Diesel Repower	40%	\$70,000	\$175,000
G - School Bus Alt Fuel Repower or Replacement	30%	\$33,000	\$110,000
G - School Bus Diesel Repower or Replacement	30%	\$27,000	\$90,000
G - Shuttle Bus Alt Fuel Repower or Replacement	50%	\$75,000	\$150,000
G - Shuttle Bus Diesel Repower or Replacement	50%	\$65,000	\$130,000
G - Transit Bus Alt Fuel Repower or Replacement - Incremental Cost	100%	\$100,000	\$100,000
NG - Non-Government Owned			
NG - Class 4-5 Truck Alt Fuel Repower or Replacement	25%	\$25,000	\$100,000
NG - Class 4-5 Truck Diesel Repower or Replacement	25%	\$20,000	\$80,000
NG - Class 6-7 Truck Alt Fuel Repower or Replacement	25%	\$37,500	\$150,000
NG - Class 6-7 Truck Diesel Repower or Replacement	25%	\$25,000	\$100,000
NG - Class 8 Truck Alt Fuel Repower or Replacement	25%	\$56,250	\$225,000
NG - Class 8 Truck Diesel Repower or Replacement	25%	\$43,750	\$175,000
NG - Drayage Truck Alt Fuel Replacement	50%	\$112,500	\$225,000
NG - Drayage Truck Alt Fuel Repower	40%	\$70,000	\$175,000

Project Category	Maximum Percentages	Maximum Reimbursements per Vehicle	Maximum Reimbursements per Vehicle for Act 47 Municipalities (or 100%)
NG - Drayage Truck Diesel Replacement	50%	\$125,000	\$225,000
NG - Drayage Truck Diesel Repower	40%	\$60,000	\$175,000
NG - School Bus Alt Fuel Repower or Replacement	25%	\$27,500	\$110,000
NG - School Bus Diesel Repower or Replacement	25%	\$22,500	\$90,000
NG - Shuttle Bus Alt Fuel Repower or Replacement	25%	\$37,500	\$150,000
NG - Shuttle Bus Diesel Repower or Replacement	25%	\$32,500	\$130,000
NG - Transit Bus Alt Fuel Repower or Replacement - Incremental Cost	25%	\$25,000	\$100,000
Electric			
G or NG - Class 4-5 Truck Electric Repower or Replacement	60%	\$108,000	\$180,000
G or NG - Class 6-7 Truck Electric Repower or Replacement	60%	\$126,000	\$210,000
G or NG - Class 8 Truck Electric Repower or Replacement	60%	\$180,000	\$300,000
G or NG - Drayage Truck Electric Repower or Replacement	60%	\$180,000	\$300,000
G or NG - School Bus Electric Repower or Replacement	60%	\$150,000	\$250,000
G or NG - Shuttle Bus Electric Repower or Replacement	60%	\$121,200	\$202,000
G or NG - Short Range Transit Bus Electric Repower or Replacement - Incremental Cost	100%	\$100,000	\$100,000
G or NG - Long Range Transit Bus Electric Repower or Replacement - Incremental Cost	50%	\$250,000	\$500,000
Electric with Infrastructure			
G or NG - Class 4-5 Truck Electric with Infrastructure Repower or Replacement	60%	\$114,000	\$190,000
G or NG - Class 6-7 Truck Electric with Infrastructure Repower or Replacement	60%	\$132,000	\$220,000
G or NG - Class 8 Truck Electric with Infrastructure Repower or Replacement	60%	\$186,000	\$310,000
G or NG - Drayage Truck Electric with Infrastructure Repower or Replacement	60%	\$186,000	\$310,000
G or NG - School Bus Electric with Infrastructure Repower or Replacement	60%	\$156,000	\$260,000

Project Category	Maximum Percentages	Maximum Reimbursements per Vehicle	Maximum Reimbursements per Vehicle for Act 47 Municipalities (or 100%)
G or NG - Shuttle Bus Electric with Infrastructure Repower or Replacement	60%	\$127,200	\$212,000
G or NG - Short Range Transit Bus Electric with Infrastructure Repower or Replacement - Incremental Cost	100%	\$150,000	\$150,000
G or NG - Long Range Transit Bus Electric with Infrastructure Repower or Replacement - Incremental Cost	50%	\$250,000	\$500,000

1. See the glossary for definitions of vehicle types.
2. 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. Project Period

Purchases/installations may be made up to 30 days prior to submission of an application to the Onroad Rebate Program or during the rebate voucher period for approved applications. Following DEP approval, the rebate applicant will be issued a voucher that secures the approved rebate amount for 365 days. The voucher recipient must complete the project and provide all required documentation prior to the expiration date for the rebate voucher redemption request to be processed.

Applicants with vouchers that reach expiration date prior to project completion and submission of final documentation may reapply for a new voucher. DEP does not guarantee that a new voucher will be issued. If a new voucher is issued, retroactive project costs going back to the original application date may be considered.

C. Funding Type

The Onroad Rebate Program is offering funding as a rebate program. This means an applicant issued a rebate voucher will pay all project costs and submit proof that project invoices have been paid, proof of project work completion, and other documentation with a rebate voucher redemption request to DEP. If DEP approves the voucher redemption request, DEP will request funds from the Trustee for payment to the voucher holder by the Commonwealth.

D. Public Disclosure of Application Documents

Onroad Rebate 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 voucher redemption request documentation submitted by successful applicants. 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.

III. Eligibility Information

A. Eligible Applicants

Organizations that operate eligible Class 4-8 local freight trucks or school, shuttle, or transit buses registered or having an apportioned registration in Pennsylvania and operating predominately in the state may apply to the Onroad Rebate Program. See the glossary for definitions. Eligible applicants include a/an:

1. Business
2. Incorporated Nonprofit
3. State, Local, or Tribal Government Agency
4. Air Quality or Transportation Organization
5. Metropolitan or Rural/Regional Transportation Planning Organization
6. Federal Government Agency

Eligible applicants, or the entities they represent, must have a physical location or base of operations located within the boundaries of Pennsylvania, from which the vehicles proposed for repower or replacement operate.

B. Ineligible Applicants

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.
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 Diesel Vehicles

See the Section IX. Glossary for definitions. Eligible vehicles include the following diesel-powered sources:

1. Class 4-8 Local Freight Trucks with Engine MY 1992-2009, with at least three years remaining useful life.
2. Class 4-8 School Buses or Shuttle Buses, with Engine MY 2009 or older, with at least three years of remaining useful life.
3. Transit Buses with Engine MY 2009 or older, that currently meet, or are expected to meet within one year of application, the following useful life guidelines:
 - a. Buses that are less than 30 ft, are 15,000 lb. GVWR or less, are at least five years old, and have at least 150,000 miles on the odometer.
 - b. Buses that are less than 35 ft, are over 15,000 lb. GVWR, are at least 10 years old, and have at least 350,000 miles on the odometer.
 - c. Buses that are at least 35 ft, are over 20,000 lb. GVWR, are at least 12 years old, and have at least 500,000 miles on the odometer.

- d. See Section III.D. for eligible project type limitations for transit buses; they differ from other vehicle types.

Vehicles must be registered (full or apportioned) in Pennsylvania and operating predominately in Pennsylvania at the time of application.

1. Pennsylvania is a member of the International Registration Plan (IRP) which is a registration reciprocity agreement among jurisdictions of the United States and Canada. The agreement provides for registration fee payments on the basis of fleet distance operated in various jurisdictions.
2. Apportioned registration applies to vehicles that travel or are intended for travel in two or more of the member jurisdictions and is used for the transportation of persons for hire or is designed, used, or maintained primarily for the transportation of property, and:
 - a. is a power unit having a gross or registered weight in excess of 26,000 pounds, or
 - b. is a power unit having three or more axles regardless of weight, or
 - c. is used in combination when the weight of such combination exceeds 26,000 pounds gross vehicle weight.
3. Vehicles or combinations, having a gross vehicle weight of 26,000 pounds or less and two axle vehicles, may be apportioned at the option of the registrant.
4. Operating predominately in Pennsylvania means that greater than 50 percent of a vehicle's annual operating time or greater than 50 percent of a vehicle's annual mileage must occur within the boundaries of Pennsylvania.

D. Eligible Project Types

1. Current vehicles or engines must be scrapped or rendered permanently inoperable for all eligible project types.
2. Replace or repower eligible Class 4-8 trucks, school buses, or shuttle buses with a MY 2020 or newer diesel or alternative fueled engines, including all-electric engines.
3. Replace or repower eligible drayage trucks with a MY 2018 or newer diesel or alternative fueled engines, including all-electric engines.
4. Replace or repower eligible transit buses with MY2020 alternative fueled engines, including all electric engines. Diesel replacements or repowers of transit buses are not eligible for funding under this program.

E. Ineligible Vehicles, Engines, and Project Types

The following are ineligible vehicles and engines:

1. Local freight trucks or drayage trucks that are MY 1991 or older, or newer than MY 2009.
2. Any buses newer than MY 2009.
3. Any vehicle or engine that is not a diesel-powered Class 4-8 local freight truck, drayage truck, or Class 4-8 school, shuttle, or transit bus.
4. Engines or vehicles designated for repower or replacement where most of its annual operation time DOES NOT occur within the Commonwealth.
5. Engines or vehicles being replaced or repowered that are not operational or that DO NOT have a valid Pennsylvania state registration, or apportioned registration, if required.
6. Engines or vehicles that do not meet useful life requirements detailed above.
7. Vehicles that have not operated in the applicant's fleet for at least one year prior to the

application date.

8. Vehicles or engines purchased (paid for and delivered) more than 30 days prior to the date of the rebate application or any time after the rebate voucher period has closed.

The following are ineligible projects types:

1. Projects to repower or replace transit buses with new diesel buses.
2. Projects already completed or started more than 30 days prior to submitting an application to DEP.
3. Projects with vehicles or engines physically located entirely outside of Pennsylvania.
4. Projects that are intended for fleet expansion.
5. Projects where the original vehicle will not be scrapped using an approved method; or not scrapped at all.
6. The repair or salvaging of a disabled vehicle.
7. Scheduled or routine maintenance.
8. Repairs due to accidents or neglect.
9. Projects that were previously funded by a different state or federally funded grant program.
10. Projects that replace or repower an alternative fuel vehicle, engine, or equipment.
11. Projects with no measurable environmental net benefit for the Commonwealth.

IV. Project Costs

A. Eligible Project Costs

1. Eligible costs for a diesel or alternative fuel repower (except transit buses) include the cost of the new engine, including installation costs.
2. Eligible costs for an electric repower (except transit buses) include the cost of the engine, including installation costs and charging infrastructure associated with the new engine.
3. Eligible costs for a diesel or alternative fuel replacement (except transit buses) include the cost of the new vehicle.
4. Eligible costs for an electric replacement (except transit buses) include the cost of the new vehicle, including charging infrastructure associated with the new all-electric vehicle.
5. Eligible costs for an alternative fuel or electric repower for transit buses include the incremental costs of the new engine, including installation costs, above the cost of a comparable diesel engine, including charging infrastructure associated with the new all-electric vehicle.
 - a. For projects including electric vehicle infrastructure, the full or partial cost of the infrastructure may be included in the total project costs, but the engine purchase and installation costs are limited to incremental costs as noted above.
6. Eligible costs for an alternative fuel or electric replacement for transit buses include the incremental costs of the new vehicle, above the cost of a comparable diesel vehicle, including charging infrastructure associated with the new all-electric vehicle.
 - a. For projects including electric vehicle infrastructure, the full or partial cost of the infrastructure may be included in the total project costs, but the vehicle purchase costs are limited to incremental costs as noted above.

7. All project costs must be necessary for, and directly connected to, the purchase and installation of new engines or the purchase of new vehicles.
8. Project costs may include all applicable taxes and fees for eligible purchases and/or installations.
9. Project costs may include costs necessary for upgrades to purchase a new similarly outfitted vehicle. This means that any upgrades necessary to replace the function of the current vehicle, for example adding a dump truck package to a new basic chassis to replace an existing dump truck, is an eligible cost. Adding to the function of the new vehicle, such as installing a plow on the example above, would not be an eligible cost under this program.
10. Eligible infrastructure costs for electric charging infrastructure, if purchased and installed in conjunction with an eligible all-electric repower or replacement, include.
 - a. Electric vehicle supply equipment (EVSE) purchase cost.
 - b. EVSE installation costs.
 - c. Electric service upgrades.
 - d. Connecting EVSE to electrical service.

B. Ineligible Project Costs

DEP will not consider costs associated with the following:

1. Costs to upgrade vehicles beyond similar functions and amenities of the replaced vehicle.
2. Any fees associated with electric charging infrastructure not specified above.
3. Construction or modification of buildings and parking facilities to accommodate alternatively fueled vehicles.
4. Administrative costs.
5. Electric supply costs.

V. How to Apply

- A. 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>. Please see the Onroad Rebate Program Application Instructions document for detailed, step-by-step instructions for registering in eGrants and applying for the rebate.
- B. All applications will require the following information, at minimum, to be submitted via eGrants:
 1. Applicant name, address, EIN, contact information, SAP Vendor ID number (for successful applicants)
 2. Project location
 3. A brief narrative describing the project
 4. Applicant small business status, Act 47 status, and organization type
 5. Project type
 6. Current vehicle information such as type, model year, annual mileage, annual fuel use, and ownership
 7. New vehicle information such as type, model year, anticipated reduction in fuel use, and infrastructure requirements

8. New engine information such as horsepower and displacement, for engine repowers only.
9. Priority location status
10. Normal attrition schedule narrative
11. Rebate Calculator worksheet with estimated total project costs

Questions regarding the registration, access, and use of the eGrants application system should be directed to the DCED Customer Service Center at 1-800-379-7448 between the hours of 8:30 AM to 5:00 PM EST Monday through Friday.

Inquiries related to Onroad Rebate Program requirements, approved project milestones, and other aspects of this rebate program- including application requirements- should be directed to Driving PA Forward program staff at 717.787.9495, or by e-mail to RA-EPVWMITIGATION@pa.gov.

VI. 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 'Truck and Bus Fleet 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 post additional tutorials or videos on the Driving PA Forward website to assist applicants in completing and submitting applications.

VII. How to Redeem a Rebate Voucher

The rebate recipient must submit, at minimum, the information listed below following project completion to redeem the rebate voucher. Upon DEP approval of the final documentation, DEP will apply to the Trustee of the State Mitigation Trust for funds for rebate payment to the holder of the voucher by the Commonwealth. Due in part to the funding request processing time required by the Trustee, payment of the rebate may take up to 180 days. Submission instructions for redeeming the voucher will be included in the voucher packet provided to successful applicants. Required documentation:

- A. Final Rebate Calculation Worksheet.
- B. Copies of invoices for all eligible project costs.
- C. Proof of payment for all eligible project costs.
- D. Proof of scrapping of existing vehicle(s) or engine(s), including a Certificate of Destruction and all photographs required to be submitted with that document.
- E. SAP Vendor ID number.
- F. Photographs of the new vehicle(s)/engine(s).
- G. A copy of the new vehicle('s) title or other documentation providing the vehicle('s) or engine('s) identification or serial number(s); invoices may address this requirement if these numbers are included on the invoice(s).

VIII. Reporting Requirements

- A. All rebate recipients will be required to submit a one-year follow-up report after project completion. DEP will identify the submission due dates and provide reporting instructions upon completion of the project.
- B. If a rebate recipient fails to submit the information by its due date, DEP will not review and may suspend other rebate applications and voucher redemption requests from that recipient until the reporting requirement is fulfilled.
- C. The information submitted to DEP will identify one year of vehicle or engine usage data. The following information will be requested from each project. Additional data may be requested.
 - 1. Annual mileage/usage hours
 - 2. Annual fuel use
 - 3. Annual emission reductions

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 electric 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 (compressed-CNG or liquid-LNG), and propane-LPG; alcohols such as ethanol, methanol, and butanol; vegetable and waste-derived oils; and electricity. Other fuels may be considered for repower and 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.

‘CARB’ – California Air Resources Board

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

‘Class 4-7 Local Freight Trucks (Medium Trucks)’ – trucks, including commercial trucks, used to deliver cargo and freight (e.g., courier services, delivery trucks, box trucks moving freight, waste haulers, dump trucks, concrete mixers, and others) with a Gross Vehicle Weight Rating (GVWR) between 14,001 and 33,000 lbs.

‘Class 4-8 School Bus, Shuttle Bus, or Transit Bus (Buses)’ – vehicles with a Gross Vehicle Weight Rating (GVWR) greater than 14,001 lbs. used for transporting people. Also see definitions for school bus, shuttle bus, and transit bus.

‘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, and others).

‘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.

‘Drayage’ – a truck pickup from, delivery to, or operation within a seaport, border point, inland port, or intermodal terminal with both the trip origin and destination in the same local area. For the purpose of this program, local area is defined as within 20 miles of the trip origin.

‘Drayage Trucks’ – trucks used for drayage, limited to hauling cargo to and from ports and intermodal rail yards.

‘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).

‘EPA’ – United States Environmental Protection Agency

‘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.

‘Government Owned’ – owned exclusively by a Pennsylvania-based eligible applicant that meets the definition of ‘Government’ in Section II.A.

1. For the purpose of this program, privately-owned (non-government) school buses under contract with a public school in Pennsylvania are eligible for the ‘government-owned’ rebate level for school buses.

‘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.

‘Gross Vehicle Weight Rating (GVWR)’ – the maximum weight of the vehicle, as specified by the manufacturer. GVWR includes total vehicle weight plus fluids, passengers, and cargo.

- Class 1: < 6000 lb.
- Class 2: 6001-10,000 lb.
- Class 3: 10,001-14,000 lb.
- Class 4: 14,001-16,000 lb.
- Class 5: 16,001-19,500 lb.
- Class 6: 19,501-26,000 lb.

- Class 7: 26,001-33,000 lb.
- Class 8: > 33,001 lb.

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

‘Incremental Cost’ – the difference in cost between a vehicle or engine being replaced by a diesel-powered (conventionally fueled engine) vehicle or engine and an alternatively fueled vehicle or engine.

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

‘Intermodal Rail Yard’ – a rail facility in which cargo is transferred from drayage truck to train or vice-versa.

‘Intermodal’ – involving two or more different modes of transportation in conveying goods (i.e.- air, marine, on-road, rail).

‘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

‘New Engine’ – an engine approved for use in an eligible truck or bus that has never been installed or used before.

‘New Vehicle’ – a vehicle with fewer than 7,500 miles on the odometer at the time of purchase that otherwise qualifies for this program.

‘Non-Government Owned’ – owned exclusively by Pennsylvania-based eligible applicants that do not meet the definition of ‘Government’ in Section II.A.

‘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.

‘Plug-in Hybrid Electric Vehicle (PHEV)’ – a vehicle that is similar to a Hybrid but is equipped with a larger, more advanced battery that allows the vehicle to be plugged in and recharged in addition to refueling with gasoline or other fuels. This larger battery allows the car to be driven on a combination of electric and other fuels.

‘Port’ – a site located at a point along navigable waters (seaport), at a point along an international border (border point), or at a location away from navigable waters or international borders

that is used to facilitate the transfer of goods between modes of transportation including air, marine, rail, and truck (inland port or intermodal terminal).

‘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:

1. intercity passenger rail transportation provided by the entity described in chapter 243 (U.S. Code) (or a successor to any such entity);
2. intercity bus service;
3. charter bus service;
4. school bus service;
5. sightseeing service;
6. courtesy shuttle service for patrons of one or more specific establishments; or
7. intra-terminal or intra-facility shuttle services.

‘Replacement’ – replacement of non-road and highway diesel vehicles and/or equipment with newer, cleaner vehicles and/or 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 CARB (if applicable), 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 alternate 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.

‘School Bus’ – a Class 4-8 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 pre-primary, primary, and secondary school students to or from school, or an event related to school. (49 U.S.C. 30125). A school bus may be Type A, B, C, or D and be eligible. Vehicle(s) must be registered in Pennsylvania as a school bus.

‘Scrapped’ – to render inoperable and unrepairable, and available for recycle. At a minimum, scrappage includes cutting a 3-inch hole in the engine block for all engines. If any eligible vehicle will be replaced as part of an eligible project, scrappage shall also include the disabling of the chassis by cutting the vehicle’s frame rails completely in half. Both of these provisions may also be met by crushing, shredding, or otherwise destroying the entire vehicle. Alternate destruction methods may be permitted if pre-approved by DEP.

‘Shuttle Bus’ – a Class 4-8 bus that travels exclusively between two set points, by appointment or by a set schedule. For the purpose of this program, a shuttle bus must be capable of transporting at least six non-driver passengers and no more than 50 non-driver passengers.

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

1. Tier levels for various types of nonroad vehicles and equipment can be found here: <https://www.epa.gov/emission-standards-reference-guide/epa-emission-standards-nonroad-engines-and-vehicles>.

‘Transit Bus’ – A bus providing public transportation. (49 U.S. Code § 5302 – Definitions)

1. For the purpose of this program, a ‘Short Range Electric Transit Bus’ is defined as one that meets the other transit bus eligibility requirements and has a less than 100 kWh battery and an operating range of less than 50 miles.
2. For the purpose of this program, a ‘Long Range Electric Transit Bus’ is defined as one that meets the other transit bus eligibility requirements and has a more than 300 kWh battery and an operating range of more than 150 miles.

‘Zero Emission Vehicle (ZEV)’ – a vehicle that produces no emissions from the onboard source of power (e.g., All-Electric or hydrogen fuel cell vehicles).