



**pennsylvania**  
DEPARTMENT OF ENVIRONMENTAL PROTECTION



Bureau of Air Quality

# **Pennsylvania State Clean Diesel Grant Program FY2018**

## **Overview and Application Process Webinar**

### **February 4, 2019**

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Bureau of Air Quality

# Webinar Agenda

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3. Eligibility Information
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  - b. Ineligible Applicants
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# Background and Scope

- PA has one of the largest vehicle populations, including a large population of diesel vehicles and equipment.
- PA is a major freight corridor, for both rail and trucking, for the Northeast US.
- PA also contains a number of warehouses, intermodal facilities, several international airports, three ports used by commercial marine vessels, and numerous railroads.
- New EPA standards for diesel vehicles and equipment (2007 and 2010 standards) ensure that new MD and HD diesel engines will be less polluting.
- Diesel engines can operate for 25 to 30 years.
- Replacing, retrofitting, or repowering older diesel vehicles and engines can reduce precursor pollutants of PM<sub>2.5</sub> and ozone by as much as 90% or more.

# Background and Scope

- Goal – Improve PA’s air quality by decreasing emissions from diesel-powered mobile sources through funding diesel emission reduction projects.
- DEP will consider projects in all of the categories listed as eligible projects by applicants listed as eligible applicants.
  - A single proposal may target multiple fleets, fleet types, and/or diesel emission reduction solutions.
- Eligible projects include, but are not limited to:
  - exhaust controls; engine upgrades and remanufacture systems; verified idle reduction technologies; aerodynamic technologies and low rolling resistance tires; and/or certified vehicle, equipment, or engine replacements.
- Eligible diesel vehicles, engines, and equipment:
  - buses, medium-duty or heavy-duty trucks, nonroad engines, equipment or vehicles used in construction, cargo handling, agriculture, mining or energy production, marine engines and locomotive engines.

# Award Information

- Available Funding - The fiscal year (FY) 2018 funding available under the Pennsylvania State Clean Diesel Grant Program is \$2,672,298.
- Project Period – The date a grant agreement is fully executed to September 30, 2019. No extensions will be allowed, except NCTE.
- Funding Type – A reimbursement grant program.
- Technology Compatibility – Technology changes will not be allowed after a project has been selected for funding.

# Eligibility Information

## **Eligible Applicants:**

1. Businesses
2. 501(3)(c) Incorporated non-profit
3. State, local, and tribal government agencies including:
  - School districts.
  - Municipal governments and municipal authorities.
  - Other Commonwealth agencies.
4. Local, regional, or multi-state air quality or transportation organizations.
5. Metropolitan or rural planning organizations.
6. Federal government agencies

## **Ineligible Applicants:**

1. 501(4)(c) Non-profit organizations
2. Federal government agencies.
3. Individuals applying as individuals, not on behalf of an eligible applicant.

# Eligibility Information

## Eligible Diesel Vehicles, Engines, Equipment, and Project Types

Table 1: Exhaust Control Eligibility

### Medium and Heavy-Duty Trucks, Transit Buses, and School Buses Eligibility

Current Engine Model Year (EMY)	DOC+/- CCV	DPF	SCR
	+/- Tires and Aerodynamics		
older - 1994	No	No	No
1995 - 2006	Yes	Yes	Yes
2007 to 2009	No	No	Yes
2010 - newer	No	No	No

### Nonroad Engines

Current Engine Horsepower	Current Engine Model Year (EMY) and Tier	Verified Exhaust Control
0-50	2005 and Newer; Unregulated – Tier 2	Yes
51-300	1995 and Newer; Tier 0 – Tier 2	Yes
51-300	1995 and Newer; Tier 3	Yes
301+	1985 and Newer; Tier 0 – Tier 2	Yes
301+	1985 and Newer; Tier 3	Yes

# Eligibility Information

## Eligible Diesel Vehicles, Engines, Equipment, and Project Types

Table 2: Engine Upgrade and Remanufacture System Eligibility

### Nonroad Engines

Current Engine Horsepower	Current Engine Model Year (EMY) and Tier	Verified Engine Upgrade
0-50	2005 and Newer; Unregulated – Tier 2	Yes
51-300	1995 and Newer; Tier 0 – Tier 3	Yes
301-750	1985 and Newer; Tier 0 – Tier 3	Yes
751+	1985 and Newer; Tier 0 – Tier 2	Yes

### Marine Engines

Current Engine Tier	Certified Remanufacture System	Verified Engine Upgrade
Unregulated – Tier 2	Yes	Yes
Tier 3 - 4	No	No

### Locomotive Engines

Current Locomotive Tier	Certified Remanufacture System
Unregulated - Tier 2	Yes
Tier 2+ switcher	Yes
Tier 2+ line haul	Yes
Tier 3 – Tier 4	No



# Eligibility Information

## Eligible Diesel Vehicles, Engines, Equipment, and Project Types

Table 3: Idle Reduction Technology Eligibility

Locomotives		Class 8 Long Haul Trucks and School Buses	
Current Locomotive Tier	Idle- Reduction Technology	Current Engine Model Year (EMY)	Verified Idle Reduction
Unregulated - Tier 2	Yes*	older - 1994	No
Tier 2+ switcher	Yes*	1995 - 2006	Yes
Tier 2+ line haul	Yes*	2007 to 2009	Yes**
Tier 3 – Tier 4	No	2010 - newer	No

\*Automatic Engine Start-Stop technologies are only eligible to be installed on locomotives certified to Tier 0 or unregulated.

\*\*Auxiliary Power Units and generators are not eligible on vehicles with EMY 2007 or newer.

- Marine Shorepower Connection System
- Electrified Parking Spaces/Truck Stop Electrification (EPS/TSE)

# Eligibility Information

## Eligible Diesel Vehicles, Engines, Equipment, and Project Types

### Verified Aerodynamic Technologies and Low Rolling Resistance Tires Eligibility

- Long haul Class 8 trucks can be retrofitted with aerodynamic trailer fairings, or the fairings can be provided as new equipment options. EPA-verified aerodynamic technologies include:
  - gap fairings that reduce the gap between the tractor and the trailer to reduce turbulence;
  - trailer side skirts that minimize wind under the trailer; and
  - trailer rear fairings that reduce turbulence and pressure drop at the rear of the trailer.
- Certain tire models can provide a reduction in NO<sub>x</sub> emissions and fuel savings, relative to the “standard” new tires for long haul Class 8 trucks, when used on all axles.
  - includes both dual tires and single wide tires
  - Low rolling resistance tires can be used with lower-weight aluminum wheels to further improve fuel savings; however, aluminum wheels are not eligible for funding under this project solicitation.

# Eligibility Information

## Eligible Diesel Vehicles, Engines, Equipment, and Project Types

Table 4: Engine Replacement Eligibility

Nonroad					Highway		
Current Engine Horsepower	Current Engine Model Year (EMY) and Tier*	Engine Replacement: EMY 2017+*			Current Engine Model Year (EMY)	Engine Replacement: EMY 2017+ (2012+ for Drayage)	Engine Replacement: Electric**
		Tier 0 - 3	Tier 4	All-Electric			
0-50	2005 and Newer; Unregulated – Tier 2	No	Yes	Yes	older - 1994	No	No
51-300	1995 and Newer; Tier 0 – Tier 3	No	Yes	Yes	1995 - 2006	Yes	Yes
301-750	1985 and Newer; Tier 0 – Tier 3	No	Yes	Yes	2007 to 2009	No	Yes
751+	1985 and Newer; Tier 0 – Tier 2	No	Yes	Yes	2010 - newer	No	No

\*Nonroad – Tier 3 and Tier 4 interim (4i) allowed for vehicle/equipment replacement only when Tier 4 final is not yet available from OEM for 2017 model year equipment under the Transition Program for Equipment Manufacturers (TPEM).

\*\*Highway – Hydrogen fuel cells are only eligible for repowers for eligible urban transit buses and eligible drayage trucks, as defined in this project solicitation.

# Eligibility Information

## Eligible Diesel Vehicles, Engines, Equipment, and Project Types

Table 5: Vehicle and Equipment Replacement Eligibility

### Highway and Drayage

Current Engine Model Year (EMY)	Vehicle Replacement: EMY 2017+ (2012+ for Drayage)	Vehicle Replacement: Electric
older - 1994	No	No
1995 - 2006	Yes	Yes
2007 to 2009	No	Yes
2010 - newer	No	No

### Nonroad

Current Engine Horsepower	Current Engine Model Year (EMY) and Tier	Vehicle/Equipment Replacement: EMY 2017+			
		Tier 0 - 2	Tier 3 - 4i	Tier 4	All- Electric
0-50	2005 and Newer; Unregulated – Tier 2	No	No	Yes	Yes
51-300	1995 and Newer; Tier 3	No	No	Yes	Yes
301+	1985 and Newer; Tier 3	No	No	Yes	Yes

\*Nonroad – Tier 3 and Tier 4 interim (4i) allowed for vehicle/equipment replacement only when Tier 4 final is not yet available from OEM for 2017 model year equipment under the Transition Program for Equipment Manufacturers (TPEM).

# Eligibility Information

## Eligible Diesel Vehicles, Engines, Equipment, and Project Types

Table 5: Vehicle and Equipment Replacement Eligibility

Locomotives

Current Locomotive Tier	Locomotive Replacement: EMY 2017+* or Electric		
	Tier 0+ - 3	Tier 4	All- Electric
Unregulated - Tier 2	No	Yes	Yes
Tier 2+ switcher	No	Yes	Yes
Tier 2+ line haul	No	No	No
Tier 3 – Tier 4	No	No	No

\*Locomotive – Previous engine model year engines may be used if the engine is certified to the same emission standards applicable to EMY 2017.

# Eligibility Information

## Fleet Expansion, Replacement Criteria, and Normal Attrition

- No funds awarded under this program may be used for the purchase of vehicles, engines, or equipment to expand a fleet.
- Replacement projects are eligible for funding on the condition that the following criteria are satisfied:
  - Replacement vehicle, engine, or equipment will continue to perform the same function and operation as the vehicle, engine, or equipment that is being replaced.
  - Replacement vehicle, engine, or equipment will be of the same type and similar gross vehicle weight rating or horsepower as the vehicle, engine, or equipment being replaced.
- Nonroad: Horsepower increases of more than 25 percent will require specific approval by DEP prior to purchase, and the applicant may be required to pay the additional costs associated with the higher horsepower equipment.
- Highway: The engine's primary intended service class must match the vehicle's weight class. Exceptions may be granted for vocational purposes but will require specific DEP approval prior to purchase.

# Eligibility Information

## Fleet Expansion, Replacement Criteria, and 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 generally defined as a replacement that is scheduled to take place within 3 years of the project start date. 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 school 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.

# Eligibility Information

## **Ineligible vehicles, engines, and equipment:**

1. Class 1-4 vehicles (Vehicles with a gross vehicle weight rating (GVWR) of 16,000 or fewer pounds).
2. Non-diesel-powered vehicles, engines, and equipment.
3. Vehicles, engines, and equipment with less than three years of useful life remaining or scheduled for replacement within less than 3 years of the project completion date are not eligible for funding.
4. A bus or medium-duty or heavy-duty highway vehicle that is a MY 1994 vehicle or older.
5. Nonroad engines and equipment that operate 500 hours per year or less.
6. Locomotive or marine engines that operate 1,000 hours per year or less.
7. Marine shore connection system projects that are expected to be utilized less than 1,000 MW-hr/year.
8. Locomotive shore connection system projects that are expected to be utilized less than 1,000 hours/year.
9. Vehicles, engines, or equipment designated for retrofit, repower, or replacement where most of its annual operation time DOES NOT occur within the Commonwealth.
10. Vehicles being replaced or repowered that are not operational or that DO NOT have a valid Pennsylvania state registration, if required.



# Eligibility Information

## Ineligible projects:

1. Projects already completed or started prior to submitting an application to DEP.
2. Projects physically located entirely outside of Pennsylvania.
3. Projects that are intended for fleet expansion.
4. The repair or salvaging of a disabled vehicle, or scheduled or routine maintenance and repairs due to accidents or neglect.
5. Projects that were previously funded by a different state or federally funded grant program.
6. Projects that replace or repower an alternative fuel vehicle, engine or equipment.
7. Projects with no measurable environmental net benefit for the Commonwealth.
8. Replacements that would have occurred through normal attrition.
9. Projects for the purchase of single-wide wheels except where a fleet is retrofitting from standard dual tires to SmartWay-verified single-wide low rolling resistance tires. In this case, the cost of single-wide wheels would be acceptable as additional equipment necessary to use the SmartWay verified technology.
10. Projects to purchase of exhaust controls, idle reduction technologies, low rolling resistance tires or advanced aerodynamic technologies if similar technologies have previously been installed on the truck or trailer.
11. Projects to retrofit, replace, upgrade or install idle reduction technologies on eligible locomotives or marine engines that operate less than 1,000 hours per year.

# Funding Restrictions

## **Funding cannot be used to:**

- To fund the costs of emission reductions that are mandated under federal law, pursuant to 42 U.S.C. 16132(d)(2) or any other federal, state or local mandates.
- 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 PA State Clean Diesel 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 PA State Clean Diesel Grant Program grant application.

# Funding Restrictions

## Funding cannot be used to:

- For vehicle title, registration and inspection fees, permit fees, or any other fees not approved by DEP in writing.
- For administrative costs
- For the purchase of formerly verified technologies.
- For replacements and repowers that would have occurred through normal attrition.
- For the purchase of vehicles, engines, or equipment to expand a fleet.
- To fund any projects not identified as eligible on the charts on the previous slides or in the program guidelines document.

# Cost Share, Scrappage and Program Income

## Mandatory Cost-Share Requirement

Project Type	DEP Cost-Share	Applicant Mandatory Cost Share	Restrictions
Verified Exhaust Controls	<b>100%</b>	<b>0%</b>	
Engine Upgrades/ Remanufacture - Locomotives, Marine, or Nonroad	<b>40%</b>	<b>60%</b>	
Idle Reduction - Locomotives	<b>40%</b>	<b>60%</b>	
Idle Reduction - Marine Shore Power	<b>25%</b>	<b>75%</b>	
Idle Reduction - Truck Stop Electrification/ Electrified Parking Spaces	<b>30%</b>	<b>70%</b>	
Idle Reduction - Highway Vehicles	<b>25%</b>	<b>75%</b>	Class 8 long-haul trucks and school buses only.
Verified Aerodynamic Technologies and Verified Low Rolling Resistance Tires	<b>100%</b>	<b>0%</b>	Only if combined on same vehicle with new installation of one or more Verified Exhaust Controls.

# ➤ Cost Share, Scrappage and Program Income

## Mandatory Cost-Share Requirement

<b>Project Type</b>	<b>DEP Cost-Share</b>	<b>Applicant Mandatory Cost Share</b>
Certified Engine Replacement - Diesel or Alt Fuel	<b>40%</b>	<b>60%</b>
Certified Engine Replacement - Electric	<b>60%</b>	<b>40%</b>
Certified Engine Replacement - Low NOx	<b>50%</b>	<b>50%</b>
Certified Vehicle/Equipment Replacement - Locomotive and Nonroad	<b>25%</b>	<b>75%</b>
Certified Vehicle/Equipment Replacement - Highway and Buses	<b>25%</b>	<b>75%</b>
Certified Vehicle/Equipment Replacement - Low NOx	<b>35%</b>	<b>65%</b>
Certified Vehicle/Equipment Replacement - Electric	<b>45%</b>	<b>55%</b>
Certified Vehicle/Equipment Replacement - Drayage	<b>50%</b>	<b>50%</b>

# ➤ Cost Share, Scrappage and Program Income

## **Voluntary Cost-Share Requirement**

- Applicants may provide a voluntary cost-share or overmatch to improve the environmental outputs and outcomes of the project and to score higher during evaluation.

## **Program income**

- gross income received by the grantee or sub-recipient that is directly generated by a grant supported activity or earned as a result of the grant award during the period of performance.
- generally limited to the sale of scrapped or remanufactured engines/chassis or salvaged engine/vehicle/equipment components and does not include revenue generated through the commercial use of vehicles and equipment.
- Program income can be used in several ways, but generally must be put back toward the project.

## **Scrappage**

- The vehicle, equipment, and/or engine being replaced must be scrapped or rendered permanently disabled within ninety (90) days of being replaced.

# General Conditions, Reporting, and Project Monitoring

- Public Disclosure of Application Documents –
  - PA State Clean Diesel Grant Program applications are public documents and subject to disclosure to the public upon request.
  - Proprietary information must be clearly marked as proprietary. (APCA)
- 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.
  - All projects must be consistent with the applicable provisions of the Keystone Principles for Growth, Investment and Resource Conservation; a description of the Keystone Principles is available at:  
[www.phmc.state.pa.us/bhp/pkp.pdf](http://www.phmc.state.pa.us/bhp/pkp.pdf).

# 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 Project Completion Date, 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 PA State Clean Diesel Grant Program and any matching funds provided by the applicant and any program income generated as a result of the project.
- All funding must be spent in accordance with the spending plan included in the grant agreement.
- 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

- Scoring criteria includes but is not limited to:
  - Eligibility – review of basic eligibility requirements.
  - Small business status – points awarded for small businesses.
  - Cost effectiveness – Higher points awarded for more cost-effective projects.
  - Emission Reductions – Points for annual and lifetime total NOx reductions.
  - Fleet Size – Points based on the size of the fleet proposed for funding.
  - Match Funding – Points for meeting or exceeding match funding requirements.

# Scoring

- Scoring criteria includes but is not limited to:
  - Project Location – Points based on project location (environmental justice areas, priority counties, high-pollution areas, Act 47 municipalities, etc.).
  - Population and Traffic Density – Points based on density at project location for each.
  - Project Narrative – Points are awarded if the applicant has adequately addressed all required information for the project narrative.
  - Applicant Fleet Description – Points will be awarded if the applicant has filled out the provided spreadsheet with enough information to evaluate if the proposed fleet is valid for the proposed project.

# Scoring

- Project Selection
  - Complete applications will be reviewed and evaluated by a panel of air quality experts using the criteria defined on the previous slides.
  - 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 is accepting applications for the PA State Clean Diesel Grant Program January 18 – February 28, 2019.
- DEP may request missing information or modifications to the application from the applicant.
- DEP may also offer an additional opportunity to apply for funds through the PA State Clean Diesel Grant Program within the same fiscal year.
- Additional application opportunities would be announced in the Pennsylvania Bulletin and on the DEP Web site.
- Complete submissions must be submitted by 4 P.M. February 28, 2019.
- All applications must be submitted through DEP's electronic application system.

# How to Apply

- The PA State Clean Diesel Grant Application must be submitted through the Department of Community and Economic Development's (DCED) Electronic Single Application website, also referred to as the eGrants application system, found at: <https://www.esa.dced.state.pa.us/Login.aspx>.
- 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 717.705.7686 or by e-mail at [saharmon@pa.gov](mailto:saharmon@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

- Online Application Walk-Through



## –Questions?

### Contact:

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.

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 at [RA-EPVWMITIGATION@pa.gov](mailto:RA-EPVWMITIGATION@pa.gov).