

National Clean Diesel Campaign Clean Diesel Programs

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U.S. EPA New England
November 18, 2008

Northeast
Diesel Collaborative
www.northeastdiesel.org



National Clean Diesel Campaign

Why Clean Diesel?

- Reducing diesel emissions is one of our country's most important air quality challenges
- Diesel engines are the workhorses of the nation; millions of diesel engines already in use continue to emit large amounts of nitrogen oxides, particulate matter and air toxics
- These emissions are linked to premature deaths, asthma attacks, lost work days, and other health impacts every year
- Clean diesel projects offer immediate public health and air quality benefits, especially important in areas of poor air quality such as nonattainment areas

The Good News

- Cost-effective solutions are available now
- Funding is available for a second year (Fiscal Year 2009)
 - An estimated \$49.2M is available in FY 09
 - Appropriations can vary from year to year so watch EPA's web site for any updates
 - Final budget amount → TBD

www.epa.gov/cleandiesel



National Clean Diesel Program

\$49.2 Million for 2009 [estimated]

National

\$34.4 Million (70%)



National Clean Diesel
Funding Assistance Program \$27.6 M

Clean Diesel Emerging Technologies Program ~\$3.4 M

SmartWay Clean Diesel Finance Program ~\$3.4 M

State

\$14.8 Million (30%)



State Clean Diesel Grant Program \$14.8 M

State Base

Matching Bonus

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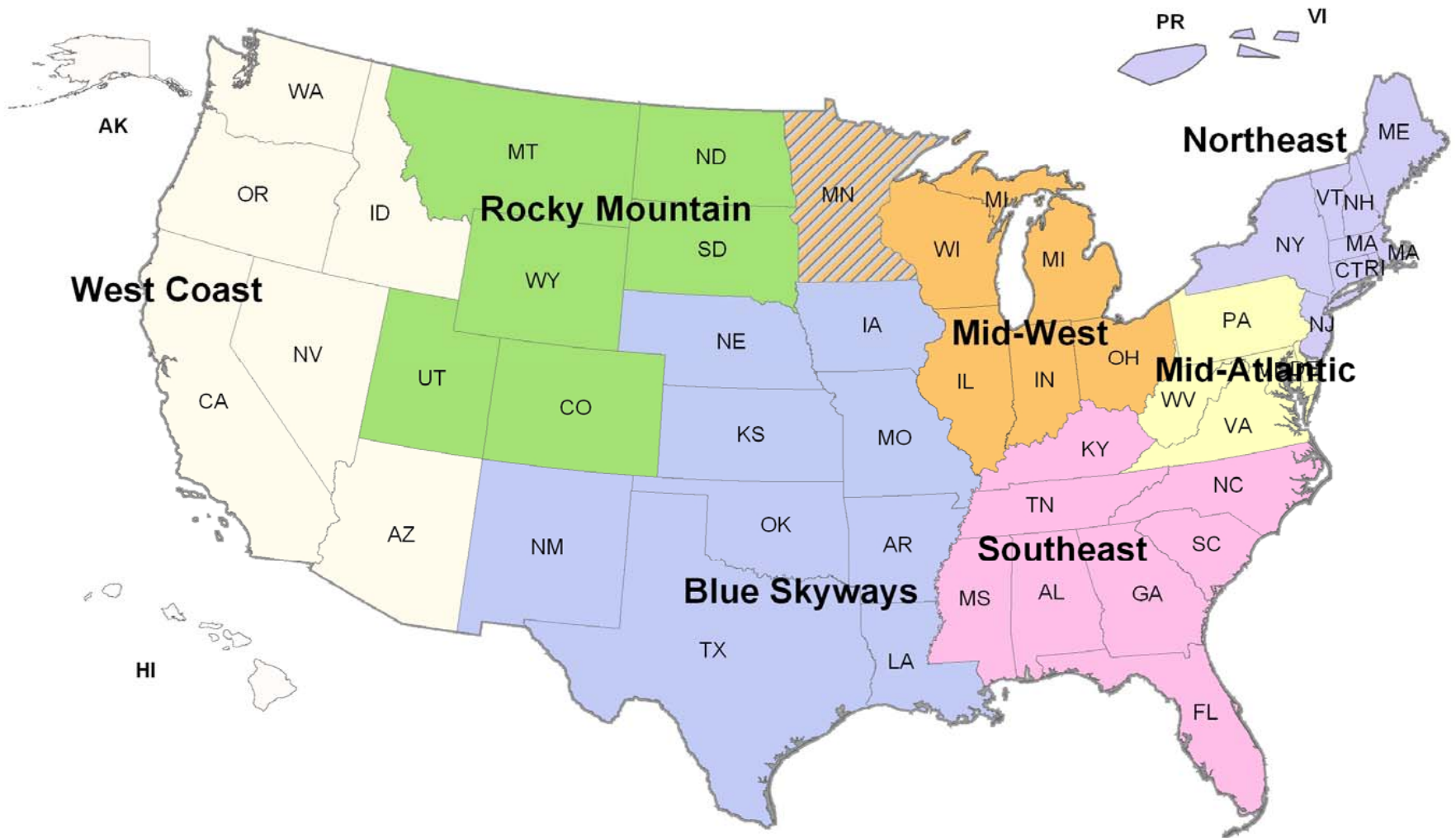
National Clean Diesel Funding Assistance Program
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SmartWay Clean Diesel Finance Program ~\$3.4
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Clean Diesel Emerging Technologies Program
~\$3.4 M

Competitive grant
process managed
through EPA
regions

Regional Clean Diesel Collaboratives



National Clean Diesel Funding Assistance Program: Eligible Entities

- Regional, state, local, tribal or port agency with jurisdiction over transportation or air quality; and
- Nonprofit organization or institution which
 - Represents or provides pollution reduction or educational services to persons or organizations that operate diesel fleets; or
 - Has, as its principle purpose, the promotion of transportation or air quality

National Clean Diesel Funding Assistance Program: Use of Funds

- Technologies and engines must be verified and/or certified by USEPA or CARB
www.epa.gov/cleandiesel (select *Verified Technology List*)
- Incremental cost of engine replacement (sent to be remanufactured or scrapped), engine repower, engine rebuild

National Clean Diesel Funding Assistance Program: Use of Funds

- Idle Reduction Technologies (EPA verified)
 - Electrified Parking Spaces (truck stop electrification)
 - Shore Connections Systems and Alternative Maritime Power
 - Auxiliary Power Units and Generator Sets
 - Fuel Operated Heaters
 - Battery Heating and Air Conditioning Systems
 - Thermal Storage Systems

<http://www.epa.gov/cleandiesel>
select *Idle Reduction* for updates

National Clean Diesel Funding Assistance Program: Use of funds

- **Cleaner fuels**
 - Covers incremental costs of cleaner fuel versus conventional diesel fuel
- **Innovative Finance Projects**
 - Regional or state -specific programs (for vehicles or engines operating exclusively within a State, Territory or Tribal Land)
 - Should offer improvement on rates, FICO scores, availability, etc.

National Clean Diesel Funding Assistance Program: Use of Funds

- Cannot fund the cost of emissions reductions mandated under Federal, State or Local law
 - Early compliance can be funded
- Grants are not for emissions testing
- Grants are not for cleaner-fuels infrastructure, such as tanks, fueling stations, etc.

National Clean Diesel Funding Assistance Program: Eligible Fleets and Equipment

- Buses
- Medium or heavy duty trucks
- Marine engines
- Locomotives



- Nonroad engine, stationary engine or vehicle used for:
 - Construction
 - Handling of cargo (including at a port or airport)
 - Agriculture
 - Mining
 - Energy production

National Clean Diesel Funding Assistance Program: Priority Projects

Project proposals that align with these priorities will rank higher in the evaluation process:

- Maximize public health benefits
- Are the most cost-effective
- Are in areas with high population, air quality issues, and air toxic concerns
- Are in areas that receive a disproportionate quantity of air pollution (i.e. truck stops, ports)
- Maximize the useful life of the engine
- Conserve diesel fuel and utilize ULSD (early introduction of ULSD for nonroad projects)

2009 NEDC Emissions Reduction Request for Proposals

- RFP issued in February 2009
- ~**\$5 million** in grants and innovative financing to significantly reduce diesel emissions and improve public health in EPA Regions 1 and 2
- For more information:
www.northeastdiesel.org/funding

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Competitive grant
program to
establish
innovative finance
mechanisms

SmartWay Clean Diesel Finance Program: Overview

- Two distinct funding opportunities for innovative financing for DERA eligible projects
 - EPA will award grants based on vehicle or equipment travel:
 - If the vehicle or equipment operates exclusively within the State, Territory, or Tribal Land for the duration of the project period, then the proposal should be sent to the EPA regional grant solicitation
 - If the vehicle or equipment travels through States, Territories, or Tribal Lands for the duration of the project period, then the proposal should be sent to the EPA National Clean Diesel Finance Program
- Everything else is the same as the national program
 - Same eligible entities
 - Same eligible vehicles & equipment
 - Same priority projects

SmartWay Clean Diesel Finance Program: Examples

Examples of Innovative Finance Projects:

- Loan guarantee
- Equity Investment
- Tax-exempt or taxable bonds
- Revolving loan fund

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Competitive grant
program to deploy
emerging
technologies not
yet verified

Clean Diesel Emerging Technologies Program: Overview

~\$3.4 million in FY09

- Separate grant competition from the national funding assistance program
- Program is designed to establish projects that will use technologies not yet verified and/or commercialized but on EPA's emerging technology list (see www.epa.gov/cleandiesel *emerging technologies*)
- Program does not pay for research and development
- Only eligible entities can apply

Clean Diesel Emerging Technologies Program: Manufacturers

- Manufacturers should partner with an eligible entity
- Manufacturers must be on EPA's emerging technologies list prior to closing date of RFP
 - To get on this list, manufacturers must work with EPA to apply for verification and develop a test plan for evaluating their technology

www.epa.gov/cleandiesel

select *Emerging Technologies*

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Matching Bonus

State Clean Diesel Grant Program: Overview

States play an important role
as partners in Clean Diesel

- Allocation program; not a competition
- Formula for allocation is in the legislation
- EPA encourages all States to participate

State Clean Diesel Grant Program: Funding Allocation [estimated]

- ~ \$10M for states that apply
 - If all 50 states + D.C. participate, 1.96% for each (\$193K)
 - If fewer than 50 + D.C. states participate, 1.96% plus population formula
- ~ \$5M reserved as incentive for state match
 - Match not required
 - If State matches allocation dollar for dollar, State receives an additional 50% of allocation above
 - Any funding not utilized reverts to national program
- Award amounts to states could range from \$193,000 to over \$500,000

State Clean Diesel Grant Program: Maine

- \$492,200 awarded to ME DEP:
 - \$295,320 in EPA Funding + \$196,880 in State Funding
- Funds will be used to reduce emissions from school buses, trucks, and locomotives through projects that include replacement and retrofit with idle reduction technologies

State Clean Diesel Grant Program: New Hampshire

- \$492,200 awarded to NH DES:
 - \$295,320 in EPA Funding + \$196,880 in State Funding
- Funds will be used to reduce emissions from state department of transportation vehicles and transit buses

Clean Diesel Programs: Wrap-Up

- Are you an eligible entity?
- Which program applies to you?
- Could you partner with an eligible entity?
- When are applications due?
- What is the best technology for your fleet?

Need more info? www.epa.gov/cleandiesel



National Clean Diesel Campaign

Resources

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www.northeastdiesel.org

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