

DERA:

School Bus Rebates and Grant Programs

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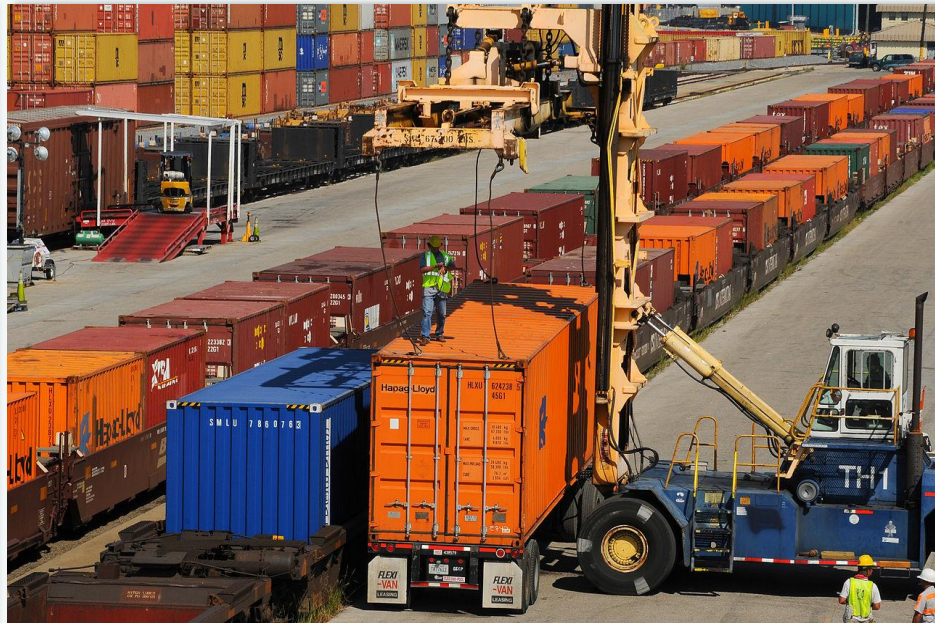
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- Justice 40



What Is DERA?

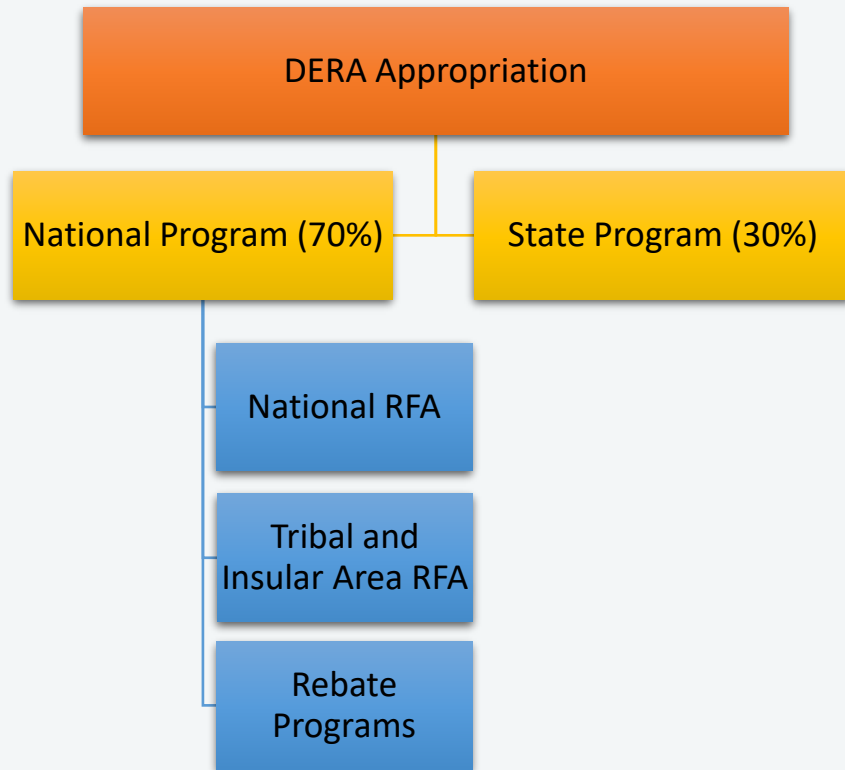
Diesel Emissions Reduction Act (DERA): provides funding to achieve reductions in diesel emissions and exposure from the nation's legacy diesel fleet, particularly in areas of poor air quality.

How? By incentivizing fleet owners to purchase new, cleaner vehicles and engines and removing the old, polluting engines from service.

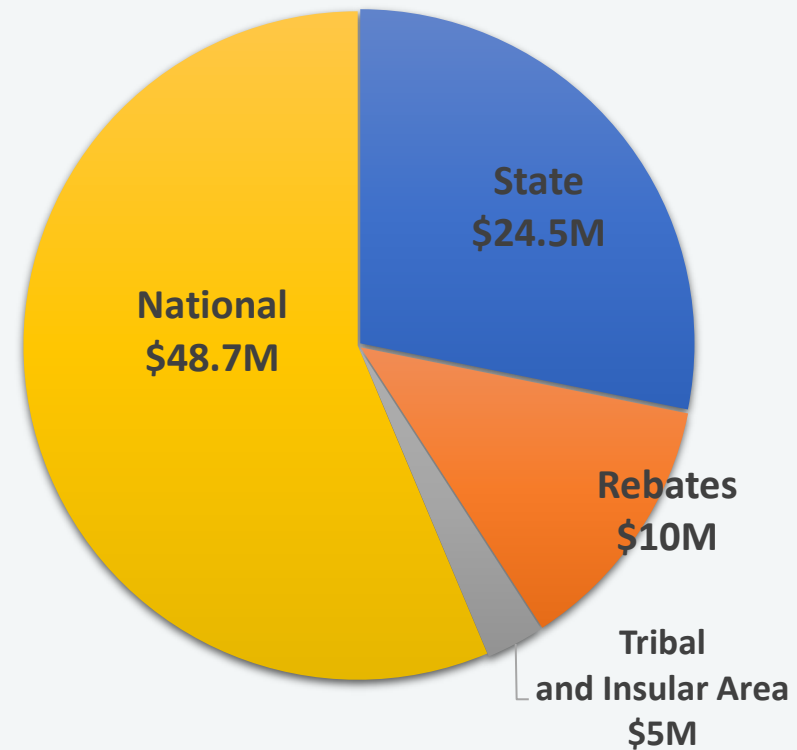


What Is DERA?

Funding Allocation



2021 Funding by Program (\$90M appropriation)



Program Overview



- Replace old, dirty diesel school buses with new, significantly cleaner, diesel and alt-fuel buses
- Simple 1-page application
- Lottery selection process
- Fleets are reimbursed **\$20k-\$65k** per bus depending on fuel type
- Less than 1 year start to finish
- Old vehicles must be scrapped before receiving rebate payment
- **2021 program opened September 29, 2021. Applications due November 5, 2021.**
- For more info, visit:
<https://www.epa.gov/dera/rebates>

Eligible Applicants

- State or local or tribal agency with jurisdiction over transportation and air quality, **including public school districts and municipalities.**
- **Private entities operating school buses** under a contract with an entity listed above
- Fleets with up to 100 school buses may submit **one** application listing up to **10** buses
- Fleets with more than 100 school buses may submit up to **two** rebate applications, each listing up to **10** different buses

Eligible Vehicles

- **2006 or older** model year engines
- **Transport 10+** students to or from schools
- **Driven 10,000 or more miles** over the last 12 months or in use 3+ days/week during the current school year
- **Owned by applicant** without any active liens
- **Class 3-8** diesel-powered buses (greater than 10,000 lb Gross Vehicle Weight Rating)

Program Overview



- The American Rescue Plan Act of 2021 (ARP) appropriated funds to the EPA for: “Activities that identify and address disproportionate environmental or public health harms and risks in minority populations or low-income populations”
- ARP will offer **\$7 million** to eligible school districts and private fleet owners for the replacement of old diesel school buses with new electric school buses
- Fleets are reimbursed **\$300k** per bus
- 2021 program opened **September 29, 2021**.
Applications due November 5, 2021.
- For more info, visit:
<https://www.epa.gov/dera/rebates>

2021 American Rescue Plan (ARP) Electric School Bus Rebates

Eligible Applicants

- Public school districts listed on the ARP Electric School Bus Rebates Eligibility List
- Tribal schools, including federally recognized tribal governments responsible for providing school bus transportation
- Private fleets that operate school buses under a contract with an eligible entity listed above

Who is on the eligibility list?

Public school districts listed on the [ARP Electric School Bus Rebates Eligibility List](#) (Districts on the eligibility list are estimated to have 30% or more students living in poverty based on the [US Census Small Area Income and Poverty Estimates \(SAIPE\) School District Estimates for 2019](#). States with zero school districts that make this cutoff will have one school district with the highest percent of students in poverty represented in the eligibility list.)

Program Overview



- Non-competitive grant to state air agencies
- State agencies select projects according to DERA's eligibility and cost-share requirements
- Fleets may be able to participate through partnerships and state-run grant and rebate programs
- For more info, visit:
<https://www.epa.gov/dera/state>

Program Overview



- Annual competitive Request for Applications (RFA)
- Eligible activities include the retrofit or replacement of existing diesel engines, vehicles and equipment with EPA and California Air Resources Board (CARB) certified engine configurations and verified retrofit and idle reduction technologies.
- Other eligible project costs include recipient and subrecipient personnel and benefits, equipment, contractual, travel, supplies, subgrants and rebates, and indirect costs required for grantee implementation, management, and oversight of the project.

Eligible Applicants

- **Regional, state, local, tribal or port agency** with jurisdiction over transportation or air quality
- **Nonprofit organizations or institutions** which
 - Represent or provide pollution reduction or educational services to persons or organizations that operate diesel fleets
 - Promote of transportation or air quality as their principal purpose
- **Private entities are not eligible to apply directly to EPA for DERA funding**
 - Both public and private fleets can receive DERA funding through partnerships and programs with DERA grant recipients.

Eligible Vehicles, Engines, and Equipment

- Buses
- Class 5–Class 8 heavy-duty highway vehicles
- Marine engines
- Locomotive engines
- Non-road engines, equipment, or vehicles used for example in:
 - Construction
 - Cargo handling equipment
 - Agriculture
 - Mining
 - Energy production

Ownership, Usage and Remaining Life

- Each year's competition has specific engine and vehicle eligibility requirements
- 2021 RFA existing engine requirements:
 - Must be fully operational at time of upgrade
 - Participating fleet owner must have owned and operated the vehicle for the 2 years prior to upgrade.
 - Must have three years of remaining life at time of upgrade.
 - Highway Usage: 7,000 annual miles
 - Agricultural Pumps: 250 annual hours
 - All Other Nonroad Engines: 500 annual hours
 - Locomotive and Marine Usage: 1,000 annual hours

Funding Restrictions

- Each application may only request funding from one EPA regional office (plan projects accordingly)
- Federal funding limits per application vary by Region (~\$4M Region 9; ~ \$1M Region 10)
- Recipients may target vehicles and equipment that are owned by the recipient organization or may partner with public and private fleet owners and provide them with subgrants or rebates.
- Replacement projects require scrappage

2021 Eligible Technologies and Funding Levels

Eligible Upgrades	EPA Funding Limit	Mandatory Cost Share
Drayage Truck Replacement	50%	50%
Vehicle or Equipment Replacement with EPA Certified Engine	25%	75%
Vehicle or Equipment Replacement with CARB Certified Low NOx Engine	35%	65%
Vehicle or Equipment Replacement with Zero-tailpipe Emission Power Source	45%	55%
Engine Replacement with EPA Certified Engine	40%	60%
Engine Replacement with CARB Certified Low NOx Engine	50%	50%
Engine Replacement with Zero-tailpipe Emission Power Source	60%	40%
Certified Remanufacture Systems	100%	0%
Highway Idle Reduction Technologies when combined with new or previously installed exhaust after-treatment retrofit	100%	0%
Highway Idle Reduction Technologies without new exhaust after-treatment retrofit	25%	75%
Locomotive Idle Reduction Technologies	40%	60%
Marine Shore Connection Systems	25%	75%
Electrified Parking Space Technologies	30%	70%
Exhaust After-treatment Retrofits	100%	0%
Engine Upgrade Retrofits	100%	0%
Hybrid Retrofit Systems	100%	0%
Fuel and Additive Retrofits when combined with new retrofit, upgrade, or replacement	Cost differential	Cost of conventional
Aerodynamics and Low Rolling Resistance Tires when combined with new exhaust after-treatment retrofit	100%	0%
Alternative Fuel Conversion	40%	60%

Where Do I Start?

1. Visit the DERA National Grants webpage: <https://www.epa.gov/dera/national>
2. Download, save, and read the following documents:
 - [Request for Applications](#) (pdf)
 - Sample Project Narrative (word)
 - Sample Applicant Fleet Description (excel)
3. Review other supporting information on the DERA National Grants webpage:
 - Priority Area List
 - Sample Drayage Operating Guidelines
 - TRU Factsheet
 - Sample Scrappage Statement
 - Sample Eligibility Statement
 - Questions and Answers



Preparing the Application

4. Write the Project Narrative

- Must substantially comply with the specific instructions, format, and content as defined in Appendix B of the RFA

5. Write the Applicant Fleet Description

- Applicants must provide details on the existing and new vehicles and technologies that can be used to determine eligibility and calculate emissions.

6. Quantify emission reductions

- Most projects can use EPA's Diesel Emission Quantifier (DEQ) tool. Follow instructions in Appendix C of RFA.

7. If applicable, obtain Cost Share Commitment Letters and Partnership Letters

Submitting the Application

- Applications must be submitted electronically via www.grants.gov
 - Begin the grants.gov registration process at least 1 month before the due date
 - Set up the appropriate grants.gov accounts, Workspace, and authorized officials
 - Must have a DUNS number and a current registration with the System for Award Management (SAM)
 - Appendix A of the [RFA document](#) contains detailed guidance on using grants.gov and submitting your application
 - Applicants must download the application package to their grants.gov workspace, fill out the forms, and then upload the completed application package.

PACKAGE FORMS:

Mandatory Forms
(Click to Preview)

- » [Application for Federal Assistance \(SF-424\) \[V2.1\]](#)
- » [EPA Form 4700-4 \[V2.1\]](#)
- » [Project Narrative Attachment Form \[V1.2\]](#)
- » [EPA KEY CONTACTS FORM \[V1.1\]](#)
- » [Budget Information for Non-Construction Programs \(SF-424A\) \[V1.0\]](#)
- » [Assurances for Non-Construction Programs \(SF-424B\) \[V1.1\]](#)
- » [Other Attachments Form \[V1.2\]](#)

Evaluation Criteria

Criteria	Points
Project Summary and Approach	
Project Location	
Benefits to the Community	
Community Engagement and Partnerships	
Project Sustainability	
Environmental Results – Outputs, Outcomes, and Performance Measures	
Programmatic Capability and Past Performance	
Budget	
Applicant Fleet Description	

Federal Government Justice40 Initiative

Executive Order 14008 created government-wide Justice40 initiative with goal of delivering 40% of overall benefits from federal investments in climate and clean energy to disadvantaged communities.

Interim Guidance directs federal agencies to:

- Develop a plan to engage with communities and other stakeholders
- Identify benefits of programs
- Propose methods to calculate and report on program benefits for disadvantaged communities

DERA/Ports Initiative is one of six EPA programs participating in the Justice40 pilot across federal government.

DERA Funding and Environmental Justice (EJ)

DERA prioritizes projects and emissions reductions in communities with EJ concerns by awarding points to applicants that demonstrate the project will:

- Take place in nonattainment areas or areas with disproportionate exposure to diesel emissions, and in or near ports, railyards, or other goods movement centers.
- Provide benefits to underserved communities, community engagement, and project sustainability.

Project Location

Community
Engagement and
Partnerships

Project
Sustainability

Tools & Resources

- <https://www.epa.gov/dera/national>
 - DERA@epa.gov
- **Diesel Emissions Quantifier (DEQ)**
 - <https://cfpub.epa.gov/quantifier/index.cfm?action=main.home>
 - DEQhelp@epa.gov
- Sign up for [listserv](#)