## 2022-2023 Diesel Emissions Reduction Act (DERA) National Grants Notice of Funding Opportunity (NOFO)



Grant Webinar Information Session EPA Office of Transportation and Air Quality



### Agenda

Overview of the Diesel Emission Reduction Act (DERA) Program

2022-2023 DERA National Grant Program NOFO

Eligibility Requirements

**Funding Restrictions** 

**Application Evaluation Process** 

Next Steps on How to Apply and Resources

**Important Dates and Summary** 

### Overview of the Diesel **Emission Reduction Act** (DERA) **National Grants**

Despite EPA's diesel engine and fuel standards for new engines, the nearly eight million legacy diesel engines already in use continue to emit large amounts of NOx and PM2.5, which contribute to serious public health problems, including asthma, lung cancer and various other cardiac and respiratory diseases.

The DERA program, originally authorized under the Energy Policy Act of 2005, was reauthorized in the Diesel Emission Reduction Act of 2010 and in the Consolidated Appropriations Act, 2021. DERA enables EPA to offer funding to accelerate the upgrade and turnover of legacy diesel fleets.

The DERA legislation emphasizes maximizing health benefits, serving areas of poor air quality, such as non-attainment areas for PM and ozone, and conserving diesel fuel.

DERA supports environmental justice by prioritizing emissions reductions in areas receiving disproportionate impacts, particularly from fleets operating in areas designated by the Administrator as poor air quality areas.



## 2022-2023 DERA Grant Program Overview

EPA anticipates awarding approximately **\$115 million** in DERA funding under this FY22-FY23 National Notice of Funding Opportunity (NOFO) available at www.epa.gov/dera/national.



It is anticipated that approximately **4-10** cooperative agreements will be made per each of EPA's ten regions, subject to the availability of funds, the quantity and quality of applications received, and other applicable considerations.

Eligible diesel vehicles, engines, and equipment may include buses, heavy-duty highway vehicles, marine engines, locomotives, and nonroad engines, equipment, or vehicles.

Applications are due December 1, 2023 at 11:59 p.m. ET via Grants.gov.



# 2022-2023 DERA National Grant Program NOFO Details



## Eligible Applicants Who can apply?

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 principal purpose, the promotion of transportation or air quality Public and private fleets can benefit through partnerships with eligible entities



### **Application Submission Limit**

Each application may only request funding from one EPA regional office, as defined in the NOFO

Individual applications requesting EPA funding more than the amount specified below will not be considered. Please see the NOFO for more information on EPA's ten regions.

Applicants cannot submit more than ten applications nationally

Applicants cannot submit more than <u>two</u> applications per EPA Region

If applicant is submitting multiple applications, each application must include a different project(s) and must be submitted separately. Applicants cannot include the same project(s) in multiple applications. If an applicant submits more than one application that requests funding for the same project, the applicant will be contacted prior to EPA review of any of the applications to determine which application(s) the applicant will withdraw from the competition.



### How Much Funding is Available per Application?

Applicants must request funding from the EPA regional office which covers their geographic project location.

The geographic boundaries for each EPA regional office are defined in the NOFO.

### **Regional Funding Limits**

• Region 1: \$2,000,000

• Region 2: \$3,500,000

• Region 3: \$3,500,000

• Region 4: \$2,500,000

• Region 5: \$4,000,000

• Region 6: \$3,000,000

• Region 7: \$3,500,000

• Region 8: \$3,000,000

• Region 9: \$4,500,000

• Region 10: \$1,500,000



## Eligible Vehicles, Engines & Equipment

### May include, but are not limited to:

- Buses;
- Class 5 Class 8 heavy-duty highway vehicles;
- Marine engines;
- Locomotive engines; and
- Non-road engines, equipment or vehicles used in: Construction; Handling of cargo (including at a port or airport); Agriculture; Mining; or Energy production (including stationary generators and pumps)



### Ownership, Usage, and Remaining Life

The existing vehicle must be fully operational.

The participating fleet owner must have owned and operated the vehicle during the 2 years prior to upgrade.

The existing vehicle must have at least 3 years of remaining life at the time of upgrade. Remaining life is the fleet owner's estimate of the number of years until the unit would have been retired from service if the unit were not being upgraded or scrapped because of the grant funding.

Highway Usage: 7,000 miles/year during 2 years prior to upgrade.

- •Mileage of two or more units may be combined to reach the thresholds below where two or more units will be scrapped and replaced with a single unit.
- •If an applicant can demonstrate that a certified highway engine/vehicle is being used in a predominately nonroad application (e.g., firetrucks or utility trucks that idle for long periods to power auxiliary apparatus), engine operating hours as defined below in "nonroad usage" may be used for application eligibility purposes.

#### Nonroad, Locomotive and Marine Usage:

- Agricultural Pumps: 250 hours/year during 2 years prior to upgrade.
- All Other Nonroad Engines: 500 hours/year during 2 years prior to upgrade.
- Locomotive and Marine Usage: 1,000 hours/year during 2 years prior to upgrade.

#### **Documentation**

Requirements: Participating fleet owners must attest to the ownership, usage, and remaining life requirements in a signed eligibly statement. The documentation is not required at the time of application, but is required if the project is selected for funding. A sample eligibility statement may be found at <a href="https://www.epa.gov/dera/national#documents">https://www.epa.gov/dera/national#documents</a>





### **DERA Funding Limit And Cost Share**

Eligible Technologies	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%
EPA Certified Remanufacture Systems	100%	0%
EPA Verified Highway Idle Reduction Technologies when combined with new or previously installed exhaust after-treatment retrofit	100%	0%
EPA Verified Highway Idle Reduction Technologies without new exhaust after-treatment retrofit	25%	75%
EPA Verified Locomotive Idle Reduction Technologies	40%	60%
EPA Verified Marine Shore Connection Systems	25%	75%
EPA Verified Electrified Parking Space Technologies	30%	70%
EPA Verified Exhaust After-treatment Retrofits	100%	0%
EPA Verified Engine Upgrade Retrofits	100%	0%
EPA Verified Hybrid Retrofit Systems	60%	40%
EPA Verified Fuel and Additive Retrofits when combined with new retrofit, upgrade, or	Cost differential between	Cost of conventional
replacement	conventional diesel fuel	diesel fuel
EPA Verified Aerodynamics and Low Rolling Resistance Tires when combined with new exhaust after-treatment retrofit	100%	0%
Alternative Fuel Conversion	40%	60%



Current Engine Model Year (EMY)	DOC +/- CCV	DPF	SCR	Verified Idle Reduction , Tires, or Aero- dynamics	Vehicle or Engine Replacement: EMY 2021+ (2017+ for Drayage)	Vehicle or Engine Replacement: EMY 2021+ Zero Emission <sup>2</sup> or Low-NO <sub>x</sub> <sup>3</sup>	Clean Alternative Fuel Conversion
older - 2006	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2007 - 2009	No	No	Yes	Yes <sup>1</sup>	Yes	Yes	Yes
2010 - newer	No	No	No	Yes <sup>1</sup>	No	Yes	Yes

<sup>&</sup>lt;sup>1</sup>Auxiliary power units and generators are not eligible on vehicles with EMY 2007 or newer.



<sup>&</sup>lt;sup>2</sup>Eligible fuel cell projects are limited to hydrogen fuel cell engine replacements for eligible urban transit buses, shuttle buses and drayage trucks, and hydrogen fuel cell vehicle replacements for eligible urban transit buses, shuttle buses, and drayage trucks.

<sup>&</sup>lt;sup>3</sup> Please see the Low-NO<sub>x</sub> Engine Factsheet found on the <u>DERA National Grants</u> website for guidance on identifying engines certified to meet CARB's Optional Low NO<sub>x</sub> Standards.



Current Engine Tier	Com	pression Ign	ition	Spark Ignition	Zero	Verified Retrofit	
	Tier 0-2	Tier 3-4i	Tier 4	Tier 2	Emission <sup>3</sup>	Retront	
Unregulated – Tier 2	No	Yes <sup>1</sup>	Yes	Yes	Yes	Yes	
Tier 3	No	No	Yes	Yes	Yes	Yes	
Tier 4	No	No	No	No	Yes	No	
	Engine Replacement						
<b>Current Engine Tier</b>	Com	pression Ign	ition	Spark Ignition	Zero	Verified Engine	
	Tier 0-2	Tier 3-4i	Tier 4	Tier 2	Emission <sup>4</sup>	Upgrade	
Unregulated – Tier 2	No	Yes <sup>2</sup>	Yes	Yes	Yes	Yes	
Tier 3	No	No	Yes	Yes	Yes	Yes	
Tier 4	No	No	No	No	Yes	No	

<sup>1</sup>Tier 3 and Tier 4 interim (4i) allowed for vehicle/equipment replacement only when Tier 4 final is not yet available from OEM for 2021 model year equipment under the Transition Program for Equipment Manufacturers (TPEM).

<sup>2</sup>Tier 3 and Tier 4i engines may be used for engine replacement with approved best achievable technology analysis.

<sup>3</sup>Eligible fuel cell projects are limited to hydrogen fuel cell equipment replacements for eligible terminal tractors/yard hostlers, stationary generators, and forklifts.

<sup>4</sup>Fuel cell engine replacement is not eligible.



				Eng	gine & Vesse	el Replacement			
Engine Cate-	Engine Horse- Current Eng	Current Engine	Compre	ession Ignitio	on			Certified Re-	Verified
gory	power		Zero Emission <sup>2</sup>	manufacture System <sup>3</sup>	Engine Upgrade				
C1, C2	<803	Un-regulated – Tier 2	No	Yes	No	Yes	Yes	Yes	Yes
C1, C2	≥804	Un-regulated – Tier 2	No	Yes <sup>1</sup>	Yes	Yes	Yes	Yes	Yes
C1, C2	<803	Tier 3	No	No	No	Yes	Yes	No	No
C1, C2	≥804	Tier 3	No	No	Yes	Yes	Yes	No	No
C1, C2	≥804	Tier 4	No	No	No	No	No	No	No
<b>C</b> 3	All	Un-regulated - Tier 2	No	Yes	No	No	No	No	No
C3	All	Tier 3	No	No	No	No	No	No	No

<sup>&</sup>lt;sup>1</sup>Tier 3 engines may be used for engine replacement with approved best achievable technology analysis. Over 800 HP, Tier 3 engines are not eligible for full vessel replacement.

<sup>&</sup>lt;sup>3</sup>Some marine engine projects may be subject to the restriction on mandated measures.



<sup>&</sup>lt;sup>2</sup>Fuel cell engine and vessel replacements are not eligible.

Current	En	gine & Lo	comotive Repl		Idle-	Certified	
Locomotive Tier	Tier 0–2+	Tier 3	Tier 4	Zero Emission <sup>1</sup>	Verified Retrofit	Reduction <sup>2</sup> Technology	Remanufacture System <sup>4</sup>
Unregulated - Tier 2+	No	Yes <sup>3</sup>	Yes	Yes	Yes	Yes	Yes
Tier 3	No	No	Yes	Yes	Yes	Yes	Yes
Tier 4	No	No	No	No	No	Yes	No

<sup>&</sup>lt;sup>1</sup>Fuel cell engine and locomotive replacements are not eligible.



<sup>&</sup>lt;sup>2</sup>Automatic engine start-stop technologies are only eligible to be installed on locomotives currently certified to Tier 0 or unregulated, subject to the restriction on mandated measures.

<sup>&</sup>lt;sup>3</sup>Tier 3 engines may be used for engine replacement only if Tier 4 is demonstrated to not be available or feasible through a best achievable technology analysis as defined in Section III.D.2.b., below. Tier 3 is not eligible for locomotive replacement.

<sup>&</sup>lt;sup>4</sup>Some locomotive engine projects may be subject to the restriction on mandated measures.

### **Best Achievable Technology**

Applicants replacing nonroad, marine, and locomotive engines are expected to use Tier 4 engines if Tier 4 engines with the appropriate physical and performance characteristics are available.

Best Achievable Technology Analysis Requirements: If selected for funding, applicants will be required to submit a best achievable technology analysis to EPA for approval, as defined in the NOFO, before Tier 3 or Tier 4i engines can be purchased with grant funds.

The analysis must be prepared by the engine manufacturer or installer. Costs for engineering analysis may be included in the project budget.



### **Funding Restrictions**

DERA funds cannot be used for the following activities, as defined in Section III.C. of the NOFO

- Federal matching funds
- Expenses incurred prior to the project period
- Emissions testing
- Fueling infrastructure
- Federally mandated measures
- Leasing
- Fleet Expansion (i.e. scrappage is required)
- Replacement retrofit technologies

Some eligible and ineligible project costs are further defined in the NOFO.



# 2022-2023 DERA Grant Program Application Evaluation Process





### **Application Evaluation Process**

### Step 1:

Threshold Criteria Review

Applicant must meet threshold criteria to move on to Step 2

- ☐ Application submitted by deadline via Grants.gov.☐ Applications must support Goal 1, "Tackle the Climate
- Applications must support Goal 1, "Tackle the Climate Crisis" Objective 1.1, "Reduce Emissions that Cause Climate Change," per EPA's Fiscal Year (FY) 2022-2026 Strategic Plan
- ☐ Applications which request EPA assistance funds above the applicable regional amounts specified in Section II.A. of this NOFO are not eligible and will not be reviewed.
- ☐ Applicants cannot submit more than two applications per EPA Region and ten applications nationally.
- ☐ Applications must meet requirements as defined in the NOFO to be considered eligible.



### **Application Evaluation Process**

Step 2:

**Evaluation Criteria** 

Applicants should explicitly address these criteria as part of their application package submittal in the project narrative, following the content requirements set forth in the NOFO.

#### **Evaluation Criteria**

Overall Project and Approach

**Goods Movement** 

**Environmental Justice and Disadvantaged Communities** 

**Project Sustainability** 

Project Resilience to Climate Impacts

Workforce Development

**Environmental Results** 

Programmatic Capability and Past Performance

Budget

**Application Fleet Description** 



### **Application Evaluation Process**

### Step 3:

Selection and Notification

Anticipated Timing for Notification of Selection:

March 2024

- ☐ Applications will be reviewed by separate panels.
- ☐ In making the final funding decisions, the EPA selection official may also consider geographic distribution, diversity of funds, number and size of awards, environmental benefits, applicability of different business models, and other Agency and programmatic priorities.
- ☐ Selectees will be notified by telephone, e-mail or postal mail by U.S. Environmental Protection Agency.

## Next Steps on How to Apply and Resources



### Next Steps – How to Apply



1. Visit the DERA Website for Tools & Resources



2. Register your Organization with Grants.gov and SAM.gov



3. Prepare Application Package

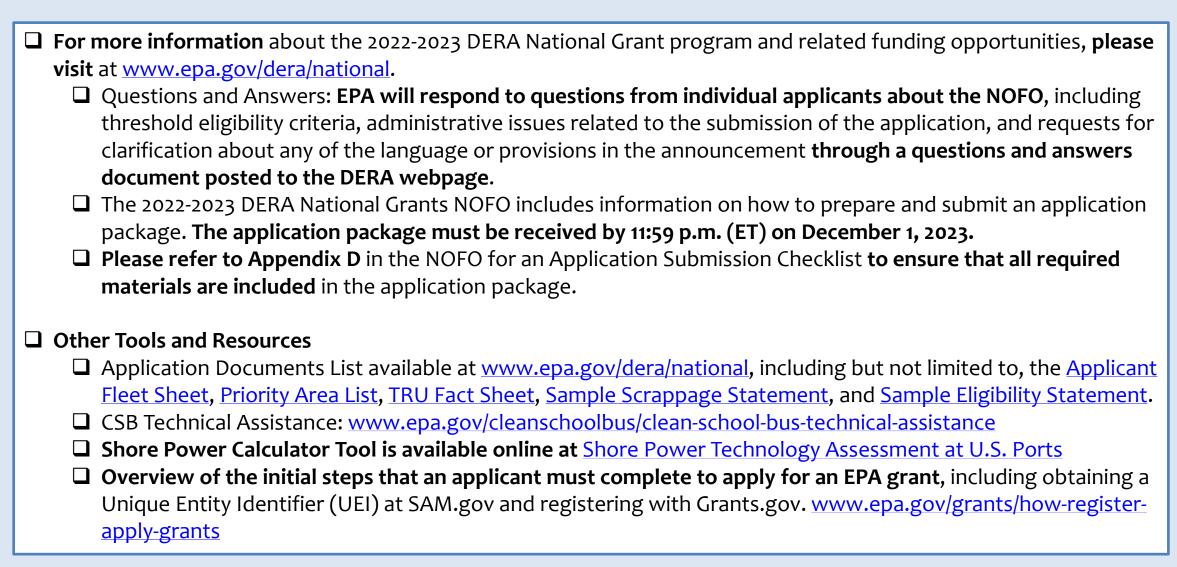


4. Submit Application Package on Grants.gov by December 1st at 11:59PM ET













**All EPA grant applications are submitted online.** Applicants must be registered in two government systems to apply for EPA grants:

- The System for Award Management (**SAM.gov**) registers organizations to conduct business with the U.S. Government, which includes federal grants.
- Grants.gov is the official system for managing all federal grant applications.



These two systems share information. Together, they provide access to everything needed to identify federal grant opportunities and to complete the online application process.

Note: **Both systems are accessed through a single user account set up in Login.gov.** Creating a Login.gov account is easy. If you do not have a Login.gov account, you will be prompted to create one when you register with SAM.gov or Grants.gov. Learn more about Login.gov.



Start Early: Completing the registration process usually takes a minimum of 10 business days. It can take much longer, especially if there are errors or inconsistencies in the information submitted.



Obtain Unique Entity Identifier (UEI)



### Step 1. Register Your Organization in SAM.gov

- Applicants must register with SAM.gov to obtain a
   Unique Entity Identifier (UEI), which is a 12-character
   alphanumeric identifier assigned to each unique
   organization. There is no fee for registering with
   SAM.gov and registration must be renewed annually.
- Registration in SAM.gov requires providing assertions, representations and certifications, and other information so that the federal government can verify the existence and uniqueness of the organization. Go to the SAM.gov Entity Registration page to get started.
- Organizations will need to designate an E-Business Point of Contact (EBiz POC). After the information submitted through the registration process is authenticated, the EBiz POC will receive an email from SAM.gov indicating that the registration is active.

Register POC & Create Profile with UEI



Step 2. Create a User Account and Applicant Profile in Grants.gov

After obtaining a UEI, an applicant must create a profile in Grants.gov in 2 steps:

- Create a user account in Grants.gov with the same email address used by the EBiz POC in SAM.gov.
- Create the applicant profile in Grants.gov using the UEI obtained from SAM.gov.

Step 3. Create Individual Grants.gov Accounts for Organization Members

Step 4. Learn How to Use Workspace in Grants.gov

For more detailed information visit:

www.epa.gov/grants/how-register-apply-grants



☐ Applicant Fleet Description

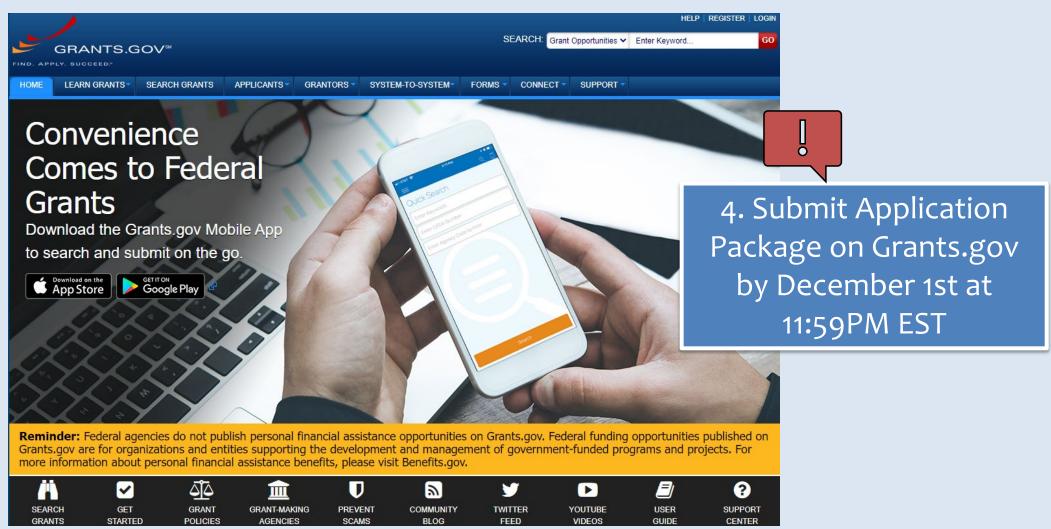


☐ SF-424, Application for Federal Assistance					
☐ SF-424A, Budget Information for Non-Construction Programs					
☐ EPA Form 4700-4, Pre-Award Compliance Review Report for All Applicants Requesting Federal Assistance					
☐ EPA Form 5700-54, Key Contacts Form					
Application Narrative Attachment Form (not to exceed 14 pages)					
☐ Cover Page					
☐ Workplan					
1. Project Summary and Approach	Use "Other Attachments Form				
🗖 2. Goods Movement	for:				
☐ 3. Environmental Justice and Disadvantaged Communities					
4. Project Sustainability Emission Reduction					
☐ 5. Project Resilience to Climate Impacts Calculations					
☐ 6. Workforce Development ❖ Partnership Letters, if					
☐ 7. Environmental Results  Applicable					
8. Programmatic Capability and Past Performance	Mandated Measures				
9. Budget	Justification Supporting				

- ments Form"
  - et Sheet uction
  - etters, if
  - easures upporting Information, if Applicable
  - \* Resumes, Optional







<b>Important Date</b>	es
-----------------------	----

August 2, 2023	Notice of Funding Opportunity (NOFO) Opens
August – October, 2023	Webinars on DERA National Grant Program  More information can be found on the <a href="www.epa.gov/dera/national">www.epa.gov/dera/national</a> website under the 'Important Dates' section.
November 10, 2023	Final Date to Submit Questions
December 1, 2023 at 11:59 p.m. (ET)	NOFO Closes – Application Deadline Application packages must be submitted electronically to EPA through Grants.gov (www.grants.gov) no later than Friday, December 1, 2023, at 11:59 p.m. Eastern Time (ET) in order to be considered for funding
March 2024	Anticipated Notification of Selection
June to August 2024	Anticipated Awards

### Summary

### 2023 DERA NOFO

- Application packages must be submitted to EPA via Grants.gov no later than 12/1/23 at 11:59 p.m.
   ET.
- Dates and topics for future webinars are on our website under the 'Important Dates' section.

#### Resources

- EPA's DERA Program website
- The DERA helpline (dera@epa.gov)
- Copies of this presentation will be available at: https://www.epa.gov/dera/national

### **Stay in Touch**

- View the full 2023 DERA Grant NOFO at www.epa.gov/dera/national
- If we are unable to answer your question at this time, we will list all questions and answers in questions and answers document posted to the DERA webpage available at: <a href="https://www.epa.gov/dera/national">https://www.epa.gov/dera/national</a>

Questions: Please type your questions into the question box at this time and we will address as many as possible.