

Frequently Asked Questions: Recovery Act Funding for the National Clean Diesel Funding Assistance Program

Updated April 15, 2009

NOTE: Prior to the closing of this RFA, the last FAQ document will be posted April 22, 2009. Final questions must be submitted by April 17, 2009, 5pm EDT.

The American Recovery and Reinvestment Act of 2009 (Recovery Act) provides \$300 million in new funding to support the implementation of verified and certified diesel emission reduction technologies. This competitive Request for Applications (RFA) covers \$156 million that must be used to achieve significant reductions in diesel emissions in terms of tons of pollution produced and diesel emissions exposure (particularly from fleets operating in areas designated by the Administrator as poor air quality areas), and the funded projects must demonstrate the ability to maximize job preservation and creation.

Applicants must review and use the most recent version of this RFA when preparing their application packages for submission. Slight modifications were made to the RFA on March 23, 2009. See <http://www.epa.gov/otaq/eparecovery/index.htm> for more information.

The following Frequently Asked Questions are compiled for the benefit of entities that are considering applying for a grant under this Recovery Act RFA (Funding Opportunity EPA-ARRA-OAR-OTAQ-09-06).

A. Applicant Eligibility

B. Project Eligibility

- i. After-treatment and Anti-Idling Technologies
- ii. Clean and Alternative Fuels
- iii. Engine Replacements, Repowers, and Shutdowns
- iv. Scrappage Guidelines
- v. Miscellaneous: Shore Power, Hybrids, and more.

C. Application Process

D. Recovery Act Requirements

A. Applicant Eligibility

Question A.1: *Can an individual apply for funding under this ARRA RFA?*

Answer: No. Only the eligible entities listed in Section III of the RFA can apply for funding under this RFA.

Date Posted: Wednesday, April 01, 2009

Question A.2: *Will this RFA fund diesel emission reductions that are required by law?*

Answer: No funds awarded under this RFA can be used to fund the costs of emissions reductions that are mandated under Federal, State or local law. Refer to See Section 1.C.7: Restriction for Mandated Measures.

Date Posted: Wednesday, April 01, 2009

Question A.3: *The RFA states that award funds cannot be used to meet federal, state, or local emissions reduction mandates. What if a mandate has been passed or approved but has not yet gone into effect? Does an "anti-idling" mandate preclude the use of award funds for anti-idling technologies?*

Answer: Mandated emissions reductions are defined by the date the mandate goes into effect, not the date the mandate is passed or approved. For proposals that include activities covered by a mandate, those activities must be completed before the mandate goes into effect, regardless of the length of the grant project period. An "anti-idling" requirement that does not require that a specific type (or types) of technology be installed or used is not considered a mandate and does not preclude use of award funds for anti-idling technologies.

Date Posted: Wednesday, April 01, 2009

Question A.4: *Our school district currently contracts with a local bus company for the use of school buses. Would we be eligible to apply for funds under this RFA and provide the funding to the bus company to retrofit the school buses?*

Answer: Yes. EPA has funded this type of project in the past since so many school districts contract with private companies for pupil transportation services. The school district would have to be the applicant, would have to maintain and be accountable for the grant funds, set up the contract with the bus company, and ensure that all retrofits are properly installed.

Date Posted: Wednesday, April 01, 2009

Question A.5: *Is a college or university that owns buses eligible to apply for this grant?*

Answer: The college or university must first meet the eligible entity criteria in Section III (A) of the RFA. If the college or university falls into one of the eligible entity categories, the answer then depends on the actual project proposed. The project must meet all threshold eligibility criteria in Section III (C) of the RFA. All applicants should ensure that the project they are proposing is eligible based on these and any other requirements in the RFA.

Date Posted: Wednesday, April 01, 2009

Question A.6: *Are community colleges eligible to apply?*

Answer: No.

Date Posted: Wednesday, April 01, 2009

Question A.7: *Can a private company (i.e. school bus, transit bus, engine manufacturer, retrofit technology manufacturer, etc) apply for funding under this RFA?*

Answer: No. Only eligible entities as identified in Section III (A) of the RFA may apply. A private company may partner with an eligible entity but cannot apply on its own. EPA procurement rules must be followed for any contracts, partnerships, or subawards/subgrants, as explained in Section IV (G) of the RFA.

Date Posted: Wednesday, April 01, 2009

Question A.8: *If a private company partners with an eligible entity, can the eligible entity choose that company without competition?*

Answer: It depends on whether the entity is choosing a contractor or a subgrantee(s). Refer to the clause in Section IV.G for information on selecting subgrantees or contractors to help perform the project. In most cases, the eligible entity must select a contractor (i.e. technology or engine manufacturer) through a fair and open competitive process as required by the procurement rules. However, if the private company owns the fleet that will have the technology installed on its vehicles/equipment, then the eligible entity is partnering with the private company and does not have to select this private fleet owner through a competitive process. As a partner, the private company/fleet owner is considered a key component of the project.

Date Posted: Wednesday, April 01, 2009

Question A.9: *Can funds from the grant be used to pay for biodiesel infrastructure such as pumps or storage tanks?*

Answer: No. This funding cannot be used for fueling infrastructure, such as that used for the production and/or distribution of fuel such as biodiesel, or compressed natural gas fueling stations.

Date Posted: Wednesday, April 01, 2009

Question A.10: *Can a grant be used to rent a facility for biodiesel or to rent a transport vehicle for biodiesel?*

Answer: Renting of biodiesel storage or transportation services is considered infrastructure under this solicitation and is ineligible.

Date Posted: Wednesday, April 01, 2009

Question A.11: *The language in the RFA indicates that city or county agencies are eligible. Does this preclude a city or county government from applying?*

Answer: No. For this RFA, the term “agencies” is a general term that applies to all levels of government and does not exclude a city or county government.

Date Posted: Wednesday, April 01, 2009

Question A.12: *Is fuel tank cleaning an eligible expense?*

Answer: No.

Date Posted: Wednesday, April 01, 2009

Question A.13: *My fleet is not large enough for a project that falls within the award ranges in Section II. Can I include vehicles or equipment from other fleets in my proposal?*

Answer: Yes, but you must identify the other fleet(s) that you wish to include, and describe your relationship with such entity. In addition, you must also provide a description of vehicles/equipment belonging to the other entity that will be involved in the project. The recipient of any assistance agreement funds may then contract directly with the vendor/installer of the technologies to apply those technologies for all of the vehicles/equipment described under the proposal, provided that the conditions for procurement as described in Section IV (G) are followed.

Date Posted: Wednesday, April 01, 2009

Question A.14: *Can funds be used for a project that is already started or will be started*

before the expected award date?

Answer: No. Any funding awarded under this announcement must be used for activities that take place within the approved project period and may not be used for unauthorized pre-award costs. However, funding could be used for a new component of an on-going project. For example, if the applicant has a fleet of 500 school buses and has already retrofitted 200, the applicant can apply for funds to retrofit the remaining 300 buses.

Date Posted: Wednesday, April 01, 2009

Question A.15: *Can applications still be submitted for demonstration projects?*

Answer: No. Demonstration projects are not eligible under this RFA.

Date Posted: Wednesday, April 01, 2009

Question A.16: *Can we view the applications that were successful in obtaining federal funds?*

Answer: Yes, you would have to file a Freedom of Information Act (FOIA) request. To do so, contact the FOIA officer in the applicable EPA Regional office. Certain Confidential Business Information and other protected information would be withheld. Additionally, the National Clean Diesel Campaign website has a list of previously funded projects from past grant programs that could be used as a reference. See link for more information: www.epa.gov/cleandiesel/projects.htm

Date Posted: Wednesday, April 01, 2009

Question A.17: *Is replacing single-axle dump trucks with double-axle trucks eligible?*

Answer: Yes. There are several requirements however: 1) the new trucks should be able and assigned to perform the task that the old trucks did; 2) the old diesel trucks would need to be scrapped (see the definition in the RFA for scrappage); EPA will cover up to 25% of the cost of the replacement vehicle.

Date Posted: Wednesday, April 01, 2009

Question A.18: *We have already placed an order for new school buses but won't receive them or pay for them until June of 2010. Can we use this grant to pay for those buses?*

Answer: The EPA funding can not be used to pay for items which were procured outside of the award period. In the case of pre-ordering buses, the applicant must demonstrate that the pre-ordering does not constitute a procurement and commitment to purchase. If you

obligated your school district to pay for the buses prior to the beginning of the grant period, then you are not eligible for reimbursement under this program. In addition, this project is not for buses that would have been replaced through attrition, but rather, early replacement. In most cases, if the buses have already been ordered, the project would not be an early replacement project.

Date Posted: Wednesday, April 01, 2009

Question A.19: *For large projects like shore power with a relatively short timeline for completion, I would like to know what the guidelines are with regard to sole sourcing projects, or components of the overall project. The terms and conditions of the grant specify that competitive processes should be used for contracts.*

Answer: If successful applicants intend to use EPA funds to purchase goods or services, such applicants must generally compete the contracts for those goods and services, make efforts to provide small and disadvantaged businesses with opportunities to compete, and conduct cost and price analyses to the extent required by the fair and open competition for procurement provisions of 40 CFR Part 30 or 31. See clause IV.G in the RFA. While applicants are not required to identify contractors or consultants in their application if they do so it does not relieve the applicant of its obligations to comply with competitive procurement requirements, nor does it guarantee that costs incurred for such contractor/consultant will be eligible under the grant/cooperative agreement. Any mention of a specific vendor or fleet in an application does not imply that that vendor or fleet will be awarded a contract for goods or services or receive particular benefits under this program. Please note that applicants cannot award sole source contracts to consulting, engineering or other firms assisting applicants with the application based solely on the firm's role in preparing the application. EPA cannot accept sole source justifications for contracts for services or products that are otherwise readily available in the commercial marketplace. The regulations also contain limitations on consultant compensation. You can find the EPA guidelines on "Purchasing Supplies, Equipment and Services under EPA Grants" at <http://www.epa.gov/ogd/recipient/procurement.htm>. In some cases, however, the case for sole source justification may be made. These cases will be approved on a case-by-case basis after award by the EPA Project Officer.

Date Posted: Wednesday, April 01, 2009

Question A.20: *Should entities in rural areas apply, or is the competition focused on urban areas?*

Answer: The competition is open to all eligible entities – as defined in Section III (A) of the RFA – and EPA encourages all types of eligible entities to apply. Please refer to the selection criteria in Section V of the RFA for additional information on how the proposals will be evaluated and scored.

Date Posted: Wednesday, April 01, 2009

Question A.21: *Does the project have to be accomplished within the collaborative in which the grantee resides?*

Answer: No. The project must be accomplished within the Region to which the applicant applies for grant funding. Where the applicant physically resides does not matter.

Date Posted: Wednesday, April 01, 2009

Question A.22: *Is there a way that an eligible entity can preselect an equipment supplier for a retrofit program?*

Answer: If the eligible entity chooses to select an equipment supplier through a competitive process that meets the requirement of 40 CFR Parts 30 and 31 prior to submitting its application then the entity would not have to recompetete the work if its project was selected. For example, a school system wants to retrofit all of its school buses with diesel particulate filters but is unsure of the details needed to develop a winning proposal. They could select a supplier through a competitive process and then coordinate with the selected supplier to develop a strong proposal.

Date Posted: Wednesday, April 01, 2009

Question A.23: *During a recent Grants Workshop, it was mentioned that nonprofits that submit winning proposals must meet certain additional requirements. What are those requirements?*

Answer: There may be some additional requirements that affect awards to non-profit organizations. For example, see the Administrative Capability clause in Section VI.G of the RFA. In addition, effective October 1, 2007, grant specialists are including a new administrative condition in each grant award and increase amendment made to a non-profit organization. The condition, which is shown below, requires two employees of the recipient organization to take an on-line grants training course. No funds will be released for payments until the training is completed. New Administrative Condition: "The recipient acknowledges that two employees of this recipient organization must complete the mandatory on-line training, "EPA Grant Management Training for Non-Profit Applicants and Recipients." One person must

be the project manager, or equivalent, for this assistance agreement. The other individual must be the person authorized to draw down funds for this assistance agreement. The training must be completed by both employees prior to the return of the award document to EPA and the receipt of any grant funds. The course can be accessed at: <http://www.epa.gov/ogd/> At the end of the course the recipient must print out, sign and return the certificate of completion with the affirmation of acceptance to the appropriate grants office. The training certification will expire 3 years from the last training date. No funds will be released to the recipient by EPA until the required training is completed."

Date Posted: Wednesday, April 01, 2009

Question A.24: *Are demonstration project funds going to be available in 2009?*

Answer: No. Any funding appropriated for FY 2009 will be for the DERA portion of the Energy Policy Act of 2005. These funds are for implementation projects, not demonstration projects. There is also an open ARRA DERA competition for Emerging Technologies. More information can be found here: <http://www.epa.gov/otaq/eparecovery/progemerge.htm>

Date Posted: Wednesday, April 01, 2009

Question A.25: *What funding is there for GPS/AVL applications to help control idling?*

Answer: This RFA does not fund Global Positioning Systems (GPS) or Automatic Vehicle Locators (AVL).

Date Posted: Wednesday, April 01, 2009

Question A.26: *Will level II emissions devices still be funded now that level III's are available and better protect public health?*

Answer: Yes. All EPA and CARB verified technologies are eligible.

Date Posted: Wednesday, April 01, 2009

Question A.27: *How do we apply for reimbursement of our 2008 cost of biodiesel use and cold weather additives?*

Answer: This is ineligible. Only costs incurred during the RFA-specified period are eligible.

Date Posted: Wednesday, April 01, 2009

Question A.28: *Regarding the entities eligible to apply for American Recovery and Reinvestment Act Funding for the Clean Diesel Emerging Technologies Program, please clarify whether a county highway engineer's office or*

a small city with an engineer's office would be an eligible applicant with the appropriate jurisdiction over transportation or air quality. Similarly, would a Port Authority in a county which doesn't physically contain a port, but partners with a regional port to finance infrastructure projects, be an eligible applicant?

Answer: A local or regional government agency or port authority that has jurisdiction over transportation or air quality is eligible to apply for funds under this announcement.

Date Posted: Wednesday, April 01, 2009

Question A.29: *Can small school districts join together with other school districts to apply for funding to reach the \$500,000 grant minimum?*

Answer: Yes. But one entity must be the applicant and is responsible for project activities and expenditures. The others are partners in the project.

Date Posted: Wednesday, April 01, 2009

Question A.30: *On Sec. III. C. 6. "Applications that use funds for any casino or other gambling establishment..." We are a casino resort and we have has four busses that serve the Casino. We were hoping to include them in our fleet to be retrofitted. Does the above limitation prevent these four vehicles from being included in our fleet?*

Answer: Correct, those vehicles will not be eligible due to Section III.C.6.

Date Posted: Wednesday, April 01, 2009

Question A.31: *We are a private engine distributor responsible for Iowa, Minnesota, and North and South Dakota. Our engines are all off-road, and agricultural repowers would be our largest market, we believe. So, knowing that agriculture repowers are our focus, who can direct us to the interested entities and best candidates for the program?*

Answer: EPA recommends that you work with your regional collaborative. Visit this web site for more information on Diesel Collaboratives:
<http://www.epa.gov/otaq/diesel/whereyoulive.htm>

Date Posted: Wednesday, April 01, 2009

Question A.32: *We are a relatively small school district, and from what I gathered via the webinar, the only way we might qualify for any funding is by partnering with a larger agency. I went to your website as a resource and was wondering if there is any partnering going on within region 8 for school districts that I should look into. Any information you can send me would be helpful.*

Answer: As a school district, you certainly qualify as an eligible entity. Some smaller school districts do find meeting the \$100,000 minimum application amount difficult, however. If you do not feel that you can apply for a grant on your own, you can also contact the State Department of Public Health and Environment, who runs the Clean School Bus Program.

Date Posted: Wednesday, April 01, 2009

Question A.33: *If a "regional, state, local or tribal agency" applies, it has to be one of those entities that has jurisdiction over transportation or air quality? Or can it be A local government, such as a municipality?*

Answer: Yes, with both "jurisdiction" and "Agency" used informally. A local government, such as a municipality, would be eligible.

Date Posted: Wednesday, April 01, 2009

Question A.34: *Number 9 of the "Threshold Eligibility Criteria" references that "states must demonstrate that their Governor or State Legislature has agreed to accept Recovery Act funds for this program as required by section 1607 of the Recovery Act" (page 22 of RFA). What type of documentation is required to fulfill this requirement? Or does this apply only to state agencies submitting an application? Would a nonprofit have to demonstrate agreement from the governor or legislature?*

Answer: Information about this requirement can be found at <http://www.recovery.gov/?q=content/state-certifications&mode=table>

Date Posted: Wednesday, April 01, 2009

Question A.35: *I would be interested to know if non-profit 501c3 organization - would be eligible for funding to reduce diesel emissions by retrofitting or replacing trucks used for delivery of food to food pantries, soup kitchens, youth activity sites etc. We have a fleet of approximately 20 vehicles.*

Answer: Eligible organizations are U.S. regional, State, local or tribal agencies or port authorities with jurisdiction over transportation or air quality, or nonprofit organizations or institutions that: 1) represent or provide pollution reduction or educational services to persons or organizations that own or operate diesel fleets; or 2) have, as their principal purpose, the promotion of transportation or air quality. While we cannot fully determine the mission of your organization from your question, it appears that your organization does not fit the definition need for non-profit eligibility. As a result, in order for your organization to participate in this program, you'll have to partner with an eligible entity as described above.

Date Posted: Wednesday, April 01, 2009

Question A.36: *A large national construction company is interested in applying through two non-profit organizations. [Half of fleet listed with one, half with the other.] As long as they do not list the same equipment with each non-profit, is this acceptable?*

Answer: Yes.

Date Posted: Wednesday, April 01, 2009

Question A.37: *I have a local retrofit vendor who is willing to submit a grant application on behalf of a number of school districts who will not meet the \$500,000.00 minimum application in Region 9. The following questions arise: How does a vendor establish a consortium agreement? If we apply as part of a vendor's umbrella grant will I still need to provide my district's DUNS number and will I need to set myself up as an authorized representative of my district? What portions of the grant application will I still be responsible for?*

Answer: The vendor, as a private company, is not an eligible entity and so may not apply for this grant. However, the vendor may assist with writing the application, fostering partnerships and planning the clean diesel project. Note that if the application is chosen for award, there will be requirements for subcontracts and subawards, per Section IV.G. Contracts, Subawards and Partnerships. The school districts must pool their resources and combine efforts to submit one proposal to meet the \$500,000 minimum award amount. However, there can be only one official applicant, which is entirely responsible for grant activities and expenditures. This applicant can be one of the school districts or any other eligible entity, but not a vendor or private company. That applicant will supply the DUNS number, be the authorized representative, fill out all the forms, etc. Other partners, such as the school districts could supply vehicle information, project details to support the project narrative and a letter of support.

Date Posted: Wednesday, April 01, 2009

Question A.38: *Can you post information on how to submit an application for Intergovernmental Review in different states in Region 2?*

Answer: For applicants in New Jersey, New York, Puerto Rico, or the US Virgin Islands, please see the instructions beginning on page 35 of the "Grant Application Kit" available at <http://www.epa.gov/region02/grants/kit.htm>

Date Posted: Wednesday, April 01, 2009

Question A.39: *Would the diesel equipment used to care for a golf course qualify for funding under this program? Would they be classified as "agriculture" or another eligible use?*

Answer: The Recovery Act funding may not be used for particular activities, including activities for golf courses. Diesel equipment used at golf courses aren't eligible. However, this equipment may be eligible under EPA's annual clean diesel funding programs to be published later this summer.

Date Posted: Wednesday, April 08, 2009

Question A.40: *Are school districts who own their own school buses eligible to apply?*

Answer: Yes

Date Posted: Wednesday, April 08, 2009

Question A.41: *Would a privately held gas utility be considered in public service?*

Answer: It's possible that a privately held gas utility's fleet would be considered a public fleet. However, a privately held utility is not an eligible entity and thus cannot directly apply for funds. To be eligible for funding, the utility must partner with an eligible entity as defined in the RFA.

Date Posted: Wednesday, April 08, 2009

Question A.42: *Is replacing diesel powered temporary construction lights with solar panels eligible under the EPA solicitation?*

Answer: No, solar panels are not a verified diesel emissions reduction technology.

Date Posted: Wednesday, April 08, 2009

Question A.43: *How does EPA define "jurisdiction over air quality" for a municipality?*

Answer: Municipalities are eligible entities.

Date Posted: Wednesday, April 08, 2009

Question A.44: *Are state energy offices eligible for funding?*

Answer: Yes.

Date Posted: Wednesday, April 08, 2009

New Question A.45: *Do all school buses qualify for these grants, including private schools?*

Answer: Yes, in general, all school buses and school districts are eligible to

apply under the National Clean Diesel Funding Assistance Program.
Please refer to RFA for eligibility details.

Date Posted: Wednesday, April 15, 2009

New Question A.46: *Our state has passed a law in December 2006 which established deadlines for retrofitting certain vehicles with emission reduction technology. Under the law, applicable entities must retrofit 33% of their vehicle fleet by December 31, 2008; 66% by December 31, 2009; and 100% by December 31, 2010. There are, however, no final regulations in effect that explicitly state which vehicles are covered under the law. The State is currently reviewing public comments on the proposed regulations, which included requests to extend these deadlines. Given the above scenario, would entities in New York be eligible for DERA funding assistance?*

Answer: If there is a law in effect, vehicles/equipment subject to that law are not eligible for funding, unless the funded activities meet (a) or (b) below. The burden is on the applicant to demonstrate that the project meets the Restriction for Mandated Measures. In the absence of clarifying regulations, we would defer to the law for applicability.

Restriction for Mandated Measures: Pursuant to Section 792(d)(2) of the EPA Act of 2005, no funds awarded under this RFA shall be used to fund the costs of emissions reductions that are mandated under Federal, State or local law. The restriction applies when the mandate takes effect (the effective date) for any affected vehicles, engines or equipment. If the project takes place in an affected area, or includes affected vehicles, engines or equipment, the Applicant must clearly demonstrate that emission reductions funded with EPA funds:

- a. will be implemented prior to the effective date of the mandate; and/or
- b. are in excess of (above and beyond) those required by the applicable mandate.

Date Posted: Wednesday, April 15, 2009

New Question A.47: *We are an underground mine that is working towards achieving DPM and emission standards as set forth by MSHA (Mine Safety & Health Administration). As a result, are we excluded from receiving any RFA funding under Section #7 "Restriction for Mandated Measures?"*

Answer: Funds are not eligible for emission reductions used to meet mandated measures. You may be eligible for funding for diesel emission reduction activities implemented prior to the effective date of the mandate or are in excess of those required by the mandate.

Restriction for Mandated Measures: Pursuant to Section 792(d)(2) of the EPA Act of 2005, no funds awarded under this RFA shall be used to fund the costs of emissions reductions that are mandated under Federal, State or local law. The restriction applies when the mandate takes effect (the effective date) for any affected vehicles, engines or equipment. If the project takes place in an affected area, or includes affected vehicles, engines or equipment, the Applicant must clearly demonstrate that emission reductions funded with EPA funds.

Date Posted: Wednesday, April 15, 2009

New Question A.48: *Can the city department of public works, which oversees transportation projects be eligible, or does the applicant have to be a regional transportation planning entity?*

Answer: From the information you provided, if the public works department oversees transportation projects, they would be an eligible entity.

Date Posted: Wednesday, April 15, 2009

New Question A.49: *Under the National Clean Diesel Program-ARRA, in section 5.b states an idle reduction program that (2) reduces unnecessary idling of the main drive engine. Would an Insulated structure to house school buses owned by a school district fall within this criteria? It is a proven technology that would eliminate idling buses due to frost on windows and subzero weather. Further we currently use electric block heaters on timers and thermostats to shorten the idling time; however we still use 71,000 kwh annually that adds pollution. This pollution from electrical generation would be reduced as well. Building such a structure would provide jobs for numerous construction workers, and the pollution reduction would last for the life of the structure, not just for the life of the vehicle. Does this qualify under this grant?*

Answer: Although housing buses indoors is an effective idle reduction strategy, it is not an eligible activity under the National Clean Diesel Funding Assistance Program.

Date Posted: Wednesday, April 15, 2009

New Question A.50: *Our city has six citizen refuse drop off sites; trucks at these sites run / idle all day while packing refuse. The trucks do not move from the site so an auxiliary electric hydraulic power unit could be used to power the refuse packing mechanism thereby allowing the trucks to be shut off. Would this be eligible?*

Answer: From the information you provided, it seems that the refuse trucks would be eligible for funding under the National Clean Diesel Funding Assistance Program. Auxiliary power units, as well as other diesel

emissions reduction solutions are eligible for funding under this program. Please refer to the full announcement of the Request for Applications on our recovery funding website for a full description of eligible vehicles, activities, applicants, and the application process to be considered for grant funds.

Date Posted: Wednesday, April 15, 2009

New Question A.51: *In Texas, the Railroad Commission is the state's chief energy agency. It has statutory responsibility to administer programs to improve air quality through the use of alternative fuels, and has administered diesel school bus replacement programs since 1999. Is the Railroad Commission eligible to apply?*

Answer: Based on the information you provided, the Railroad Commission meets the definition of an eligible entity.

Date Posted: Wednesday, April 15, 2009

B. Project Eligibility

i. After-Treatment and Anti-Idling Technologies

Question Bi.1: *Are diesel particulate filters (DPFs) required for retrofits, or are we allowed to install diesel oxidation catalysts (DOCs) as well?*

Answer: Diesel particulate filters and/or diesel oxidation catalysts that are EPA verified technologies can be used for a project in this RFA. Please read the RFA, Section I (C), Eligible Diesel Emissions Reduction Solutions for more information.

Date Posted: Wednesday, April 01, 2009

Question Bi.2: *The RFA mentions that the funds can be used for idle reduction technologies. Can funds be used for a project to reduce idling through outreach programs (driver training, signs, etc.) and policy development? What are some examples of idle reduction technologies?*

Answer: No. Only verified idle reduction technologies can be funded. For examples of idle reduction technologies eligible for funding under this announcement, please refer to Section I(C) of the RFA.

Date Posted: Wednesday, April 01, 2009

Question Bi.3: *Would an engine that goes in a bus and runs on fuel and heats it up be allowable?*

Answer: As described on the web at <http://epa.gov/otaq/smartway/transport/what-smartway/verified->

technologies.htm, Fuel Operated Heaters (FOH) are approved idle reduction technologies. A FOH provides heat only. EPA has determined through its own test program that these devices reduce emissions on Class 8 trucks when compared to the truck's baseline emissions. In addition, the California Air Resources Board (CARB) has approved certain FOHs for compliance with applicable California emissions standards.

Date Posted: Wednesday, April 01, 2009

Question Bi.4: *Are we able to apply for funds related to Exhaust Gas Recirculation (EGR) equipment we have installed on our fleets from 2000-2009?*

Answer: No. The funding is for future improvements to diesel fleets and equipment. However, any experience you have can be used to demonstrate your programmatic capability and experience.

Date Posted: Wednesday, April 01, 2009

Question Bi.5: *Under the Recovery Act, grants that involve projects that are defined in guidance as "Infrastructure" have several additional requirements. What are those requirements?*

Answer: Only projects involving Truck-Stop Electrification (TSE) will be defined as infrastructure for this RFA. For those projects, there are requirements for Davis-Bacon Wage Rates and Buy American provisions for construction materials (iron, steel and manufactured construction materials). If a TSE project is selected for award, more information will be provided after award in the Terms and Conditions of the grant.

Date Posted: Wednesday, April 01, 2009

Question Bi.6: *Our project would be for a competition for subgrant projects. Since the competition has not happened, we don't know if there will be subgrants involving Truck-Stop Electrification.*

Answer: More information will be provided after award in the Terms and Conditions of the grant if the project could possibly include Truck-Stop Electrification.

Date Posted: Wednesday, April 01, 2009

Question Bi.7: *Could you please clarify the use of funds for verified technologies, when the possible use of those technologies may not be in specific accord with the category the device has been verified. Example: May an agency interested in funding the retrofit of off-road equipment use program grant funds for a device "verified" for On-road applications?*

Answer: No. You must use the technology within its proper verification criteria.

Date Posted: Wednesday, April 01, 2009

Question Bi.8: *We supply APU's for diesel fleets etc. Are the fleets eligible for grants when adding these APU's to their fleets? We are coming out with a certified DPF for retrofit to existing APU's for diesel particulate reduction are these eligible for grants etc.*

Answer: Eligible entities may apply for funds for the purchase of APUs and/or the retrofit of an APU with a DPF if the DPF is verified for use with the APU.

Date Posted: Wednesday, April 01, 2009

Question Bi.9: *Can a manufacturer of an aftermarket diesel emissions reduction technology qualify for these grants if it has received a Certificate of Conformity but has not been verified by the EPA?*

Answer: Aftermarket diesel emissions reduction technologies or retrofit technologies must be verified by EPA or ARB through their Diesel Retrofit Technology Verification Programs to qualify in project proposals. A certificate of conformity from a program such as EPA's aftermarket parts program does not qualify in project proposals.

Date Posted: Wednesday, April 01, 2009

Question Bi.10: *For the use of aftermarket diesel emissions reduction technologies, is verification required in all instances in order to qualify for these grants?*

Answer: Yes, for this competition. For information on an EPA competition for emerging technologies, see <http://www.epa.gov/otaq/eparecovery/progemerge.htm>

Date Posted: Wednesday, April 01, 2009

Question Bi.11: *Can a manufacturer pursue a Certificate of Conformity and verification simultaneously?*

Answer: Yes.

Date Posted: Wednesday, April 01, 2009

Question Bi.12: *Are idle timers (devices that adjust a vehicle's computer system to cause the engine to shut off after idling for a certain period of time) were eligible for funding?*

Answer: Yes, for locomotives, see EPA's Verified Idle Reduction Technologies (<http://www.epa.gov/otaq/smartway/transport/what-smartway/verified->

technologies.htm#shutdown) .

Date Posted: Wednesday, April 08, 2009

Question Bi.13: *Since a truck stop electrification system requires electricity to perform its design function, is the electrical supply portion of the TSE equipment (equipment needed to connect the heating/cooling hardware to the grid so that electricity can be supplied to the system) eligible for being funding under the DERA stimulus program, or is that considered "infrastructure" and not able to be funded?*

Answer: The electrical supply portion is eligible for funding.

Date Posted: Wednesday, April 08, 2009

Question Bi.14: *Would a land purchase for a truck stop electrification site be an allowable use of funding under this grant?*

Answer: No.

Date Posted: Wednesday, April 08, 2009

Question Bi.15: *Are new technology related to reducing carbon emissions from over the road trucks thru anti-idling laws not federally mandated yet, but mandated in 17 states eligible for this RFA?*

Answer: No. Pursuant to Section 792(d)(2) of the EPA Act of 2005, no funds awarded under this RFA shall be used to fund the costs of emissions reductions that are mandated under Federal, State or local law. The restriction applies when the mandate takes effect (the effective date) for any affected vehicles, engines or equipment. If the project takes place in an affected area, or includes affected vehicles, engines or equipment, the Applicant must clearly demonstrate that emission reductions funded with EPA funds:

- a. will be implemented prior to the effective date of the mandate; and/or
- b. are in excess of (above and beyond) those required by the applicable mandate.

Date Posted: Wednesday, April 08, 2009

Question Bi.16: *We are an eligible entity and we have a local company that has come up with something that is not on the EPA verified list? Can we apply if the product has been submitted but is not yet verified?*

Answer: You could submit an application that includes a technology that is pending verification. HOWEVER, realize that if the technology does not get verified by the close of the RFA, your application would

automatically be ineligible.

Date Posted: Wednesday, April 08, 2009

New Question Bi.17: *Could purchasing a machine to be used to clean diesel particulate filters qualify for funding assistance under the recovery program?*

Answer: DPF cleaning/regeneration stations are eligible for funding.

Date Posted: Wednesday, April 15, 2009

New Question Bi.18: *Are direct fired bus heaters eligible?*

Answer: Yes, diesel fired heaters are eligible under the Verified Idle Reduction Technologies category.

Date Posted: Wednesday, April 15, 2009

ii. Clean and Alternative Fuels

Question Bii.1: *Does "conventional diesel fuel" include low sulfur diesel (LSD)? In other words, can funding be used to displace LSD with ultra low sulfur diesel (ULSD) fuel (with less than 15 parts per million sulfur) use in off-road construction vehicles?*

Answer: Yes. You can use the grant funds to offset the cost of ULSD in non-road equipment. However, note that ULSD is required in 2010 so funds cannot be used for ULSD in some off-road scenarios after 2010. Only the incremental cost may be eligible.

Date Posted: Wednesday, April 01, 2009

Question Bii.2: *Can you include cost differential in the application even though you are already purchasing ULSD or biodiesel at a premium?*

Answer: EPA will pay for the cost differential for new fuel contracts or changes to existing contracts. If an entity is already purchasing biodiesel or ULSD at a premium, EPA will not provide reimbursement for that activity. However, EPA will pay the cost differential associated with renewing, extending or obtaining a new contract for cleaner fuel.

Date Posted: Wednesday, April 01, 2009

Question Bii.3: *Can an entity apply to fund the manufacturing process of biodiesel (or another cleaner fuel)?*

Answer: No. This competition is intended to be for implementation of verified or certified diesel emissions reduction technologies, and is not intended to fund the manufacture, research, or development of those emission

reduction technologies (fuel, equipment, etc.). Section II (E) of the RFA lists other funding restrictions and requirements.

Date Posted: Wednesday, April 01, 2009

Question Bii.4: *Is there any chance of a school district receiving grants for anything more than the incremental cost difference between a diesel bus and a CNG powered or fuel cell bus?*

Answer: EPA will pay up to 25% for the replacement of school buses that meet EPA's 2007 standards for heavy-duty on-highway vehicles. EPA will pay for up to 50% for the replacement of school buses that meet EPA's 2010 standards for heavy-duty on-highway vehicles

Date Posted: Wednesday, April 01, 2009

Question Bii.5: *What are the requirements for projects to add vegetable oil (such as strained and filtered old cooking oil) to diesel fuel?*

Answer: The vegetable oil must first be registered as a fuel additive. Vegetable oil, such as strained and filtered cooking oil, is not the same as biodiesel. EPA allows up to a 5% vegetable oil blend with diesel fuel, provided the diesel continues to meet ASTM diesel specifications. The manufacturer or facility producing the vegetable oil must have it registered as a fuel additive via EPA Form 3520-13, Fuel Additive Manufacturer Notification, available at:
<http://www.epa.gov/otaq/regs/fuels/ffarsfrms.htm>

Date Posted: Wednesday, April 01, 2009

Question Bii.6: *Our town is planning to use filtered, used vegetable oil from local restaurants in our highway department diesel vehicles and school buses. We would like to establish the infrastructure to collect, process and blend this vegetable oil with diesel fuel. Will this initiative fall under the guidelines for this program?*

Answer: No. Cooperative agreement funds cannot be used for fueling infrastructure, such as that used for the production and/or distribution of fuel such as biodiesel, or compressed natural gas fueling stations. SVO (straight vegetable oil) is not an EPA registered fuel. See the related question regarding vegetable oil use. The conversion kits to run an engine on SVO are not certified either and are not eligible for funding. If the SVO is converted to biodiesel that meets ASTM standards, the purchase and use of ASTM biodiesel is allowed under the grant program. The biodiesel manufacturer must have it registered as diesel fuel, using EPA Form 3520-12 at <http://www.epa.gov/otaq/regs/fuels/ffarsfrms.htm>. However, the infrastructure costs of making and distributing the fuel are not eligible

under the National Clean Diesel Funding Assistance Program.
Additionally, only the incremental cost for cleaner fuel is eligible.

Date Posted: Wednesday, April 01, 2009

Question Bii.7: *If our product is registered with the EPA as a fuel detergent is this considered registered?*

Answer: Yes.

Date Posted: Wednesday, April 01, 2009

Question Bii.8: *Are projects that convert a waste product (like oily shells or byproduct) into biodiesel covered by these grants (i.e. making veggie oil from wastes)?*

Answer: No.

Date Posted: Wednesday, April 01, 2009

Question Bii.9: *In a project that proposes to use biodiesel or other clean fuels, can funding be used for additives or a higher funding level be paid for premium blends that include additives?*

Answer: If it is not on the EPA or ARB verified technology list to reduce emissions, the additive may not be funded through this RFA. Similarly a premium price may not be paid for a fuel or fuel blend with unverified additives, as that would simply be a method to avoid the requirement that the additive be verified. Further, caution must be exercised when using any fuel or lubricant additives as these products may impact emission control system performance. Fuels and fuel additives must also comply with applicable registration requirements.

Date Posted: Wednesday, April 08, 2009

Question Bii.10: *Under the ARRA National Clean Diesel solicitation, is the incremental cost difference between ULSD (the only diesel fuel available in California) and natural gas (either compressed and liquefied) eligible for 100% grant funding for onroad and off-road OEM CNG vehicles, using OEM natural gas engines? For off-road engines, is the incremental cost difference between ULSD fuel and propane fuel eligible for LSI propane OEM engines?*

Answer: In this case, no. Because the engines were designed to operate on CNG or propane, there are no marginal emissions benefit.

Date Posted: Wednesday, April 08, 2009

Question Bii.11: *My organization sells a fuel supplement that reduces emissions, fuel consumption, and increases the life of diesel engines. Can the Clean Diesel RFA grant funds be utilized to sell our product to schools administrations in my state to be used in their buses? Second, can the grant funds be used to create long term employment for low income families by establishing distribution centers to be a primary supplier to school administrations?*

Answer: Your product must be verified either by EPA or CARB and placed on the respective verified technologies list, as stated in the RFA. If your product is listed, then, yes, grant funds could be used to purchase your product. Distribution centers are not an eligible expense under this RFA.

Date Posted: Wednesday, April 08, 2009

Question Bii.12: *Will fuel additives be considered as a fuel upgrade ?*

Answer: Fuel additives must be on EPA or CARB's verified list to be considered a verified technology.

Date Posted: Wednesday, April 08, 2009

New Question Bii.13: *Can this grant money go towards ethanol displacing diesel for reduction of emission?*

Answer: Under this RFA, eligible cleaner fuels include, but are not limited to, ultra-low sulfur diesel fuel (for non-road vehicles, engines and equipment prior to EPA's mandate), biodiesel, diesel emulsions or additives verified by EPA or CARB, compressed natural gas, propane and other certified alternative fuels.

Date Posted: Wednesday, April 15, 2009

New Question Bii.14: *Could I replace ULSD with LNG vehicles and only request funds for the incremental cost of LNG fuel instead of the whole cost of the new vehicle?*

Answer: Yes, an application solely for the incremental cost difference of a cleaner fuel is eligible. Under this RFA, projects must include one or more of the diesel emissions reduction solutions listed in Section I.C.5.

Date Posted: Wednesday, April 15, 2009

iii. Engine Replacement, Repowers, and Shutdowns

Question Biii.1: *Is replacing gasoline powered vehicles or equipment with new diesel powered vehicles or equipment eligible under this RFA?*

Answer: No, the replacement of gasoline-powered vehicles or equipment is not allowable under this RFA. However, replacement of diesel vehicles and equipment with newer, cleaner diesel or hybrid or alternative fuel vehicles or equipment is eligible for funding under this announcement per Section I(C) of the RFA.

Date Posted: Wednesday, April 01, 2009

Question Biii.2: *Is converting a truck to CNG considered an engine replacement, an engine upgrade or a retrofit?*

Answer: If the existing engine is converted to run on CNG through the installation of a "kit", it is an engine upgrade. The "kit" must be certified, and it is not verified as a retrofit. If the entire engine and fueling system are swapped out with a CNG engine configuration, it is a repower and it also must be certified.

Date Posted: Wednesday, April 01, 2009

Question Biii.3: *Would purchase of new CNG refuse trucks to replace diesel units qualify under this program?*

Answer: Yes, as an early replacement for an old diesel vehicle, CNG replacement would be an eligible activity under this RFA. Emission reductions that would have occurred through normal attrition are not eligible: it must be early retirement. In addition, the old diesel vehicle must be scrapped or remanufactured (see RFA for details).

Date Posted: Wednesday, April 01, 2009

Question Biii.4: *We would like to replace the 70 daily diesel truck trips with an approved state-of-the-art pipeline delivery system. Would this be eligible under the RFA?*

Answer: This project doesn't qualify under our program. Other Funding Opportunities offered by other Federal agencies besides EPA under the Recovery Act may cover such a project.

Date Posted: Wednesday, April 01, 2009

Question Biii.5: *Is the new purchase of alternative technology switcher locomotives (multi-engine gen sets) eligible for funding under this program? If so, what percentage of funding would this type of project be eligible to receive? If the new purchase is not eligible, could this type of project be funded as a replacement and be eligible for 25%?*

Answer: Yes, under a locomotive replacement program. The purchase of a new locomotive would not qualify if the overall fleet is expanding by the purchase and no comparable locomotive were removed from service.

The grant would cover the incremental cost of new vehicles and equipment, which would be up to 25% of the cost of the new vehicle or equipment. As a replacement project, the locomotive removed from service would have to comply with RFA requirements. The engine must be permanently disabled and the locomotive chassis must also be permanently disabled. If you are just replacing the engine, that would be re-power and EPA would pay up to 75%.

Date Posted: Wednesday, April 01, 2009

Question Biii.6: *Are trailer refrigeration units eligible for replacements under this RFA?*

Answer: Yes, they would be eligible, provided that the replacement is a certified cleaner engine, and the old refrigeration unit & engine is permanently disabled. Additionally, the applicant is responsible for complying with all laws for proper recycling and handling of refrigerants in this type of replacement project.

Date Posted: Wednesday, April 01, 2009

Question Biii.7: *Are diesel-powered standby gen sets eligible for program funding?*

Answer: Yes.

Date Posted: Wednesday, April 01, 2009

Question Biii.8: *Can the grant money be used to replace existing older style diesel generators? Can the grant money be used to buy new tier 2/3 diesel generators; for Sewer Lift Stations, Water-Wells?*

Answer: Replacement/ upgrade of engines are eligible activities and include replacement/upgrade of stationary engines. Please review the limitations for replacement and upgrades in Section I.B.

Date Posted: Wednesday, April 01, 2009

Question Biii.9: *How much does EPA cover if a diesel heavy-duty vehicle is replaced with a hybrid?*

Answer: EPA covers 25% of engine/vehicle replacements, except for school buses meeting the 2010 emissions standards, for which we cover 50%.

Date Posted: Wednesday, April 01, 2009

Question Biii.10: *Does the grant for cleaning agricultural diesel emissions include replacing diesel powered water pumps with electric pumps?*

Answer: Yes, our grant funding would cover a project that replaced diesel-

powered water pumps. The replacement engines would have to be certified by EPA or CARB.

Date Posted: Wednesday, April 01, 2009

Question Biii.11: *Does the term "school buses" mean buses which transport school pupils, or is a generic term in Section I.C.5.f.i in the RFA? We use school buses to transport inmates.*

Answer: The term is specific and refers to medium or heavy-duty buses which transport children to and from educational facilities.

Date Posted: Wednesday, April 01, 2009

Question Biii.12: *I am preparing an application for the ARRA Diesel Funding and would like to ask a clarifying question. We are applying for funds to administer a subgrant program for engine repowers. Engine repowers require a 25% cost share for the parts and installation, but if I include a request for funds to support staff and marketing assistance for the project, that funding use does not have a cost share requirement. Is this correct?*

Answer: The cost-share applies only to the repower costs (parts and labor).

Date Posted: Wednesday, April 01, 2009

Question Biii.13: *Are automatic shut-down systems to reduce idling eligible for funding?*

Answer: Yes, for locomotives

Date Posted: Wednesday, April 01, 2009

Question Biii.14: *Does an engine upgrade have to be EPA or ARB verified?*

Answer: An engine upgrade does not have to be verified by EPA or ARB. Some verified engine upgrades are included on EPA's Verified Technology List. An engine upgrade that changes an engine from one certified configuration to another certified configuration may not have to be included on a verified technology list.

Date Posted: Wednesday, April 01, 2009

Question Biii.15: *What is required for an engine upgrade?*

Answer: To achieve the goals of this RFA, an engine upgrade must achieve an emissions benefit by changing the engine to comply with a lower emission standard. Consequently, some engine upgrades may also be characterized as emissions upgrades.

Date Posted: Wednesday, April 01, 2009

Question Biii.16: *How does an engine upgrade differ from an engine replacement?*

Answer: An engine upgrade or emissions upgrade is the removal of parts on a certified engine configuration and replacement with parts that cause the engine to represent an engine configuration which was certified to a lower emission standard. An engine replacement is the removal of an older engine and installation of a new or remanufactured engine configuration that was EPA certified to a lower emission standard. Consequently, both an upgrade and replacement achieve an emissions benefit by moving from one standard category to a cleaner-lower emission standard category.

Date Posted: Wednesday, April 01, 2009

Question Biii.17: *Will you give an example of an engine upgrade and an engine replacement?*

Answer: An engine certified to the 5.0 NOx emissions standard in 1996 might be rebuilt and upgraded with parts to represent an engine configuration certified in 1999 to the 4.0 g/bhp-hr NOx standard. Similarly the 1996 engine could be replaced with an engine remanufactured to meet the 1999 emission standards. Please note that engine upgrades may not be available for all engines, and not all upgrades may achieve an emissions benefit. Similarly, it is not always possible to replace an engine with a newer cleaner engine because other vehicle/equipment modifications may be necessary. Proposals should be well researched to identify available upgrade / replacement options. If a project results in an upgrade or replacement that does not achieve an emissions benefit, the funding may be denied for failure to achieve the project purpose.

Date Posted: Wednesday, April 01, 2009

Question Biii.18: *What engine information is appropriate to include in an engine upgrade or replacement proposal?*

Answer: An engine upgrade (or emissions upgrade) or engine replacement project should include engine and vehicle information for the existing fleet. It is also appropriate to include a complete description of the engine configuration that will be achieved or installed through the project. Typically the EPA engine family name on the emission label of the engine is most useful as well as the other specific information listed in the RFA for engine and vehicle. To be funded, the upgrade or replacement must result in an emissions benefit by achieving a lower emission standard with the new engine configuration.

Date Posted: Wednesday, April 01, 2009

Question Biii.19: *If our school district is looking into purchasing new buses w/ this funding, is it accurate that the funding would pay for 25% of the cost of a current model year bus or 50% of a 2010 bus with the new emission standards.*

Answer: Yes.

Date Posted: Wednesday, April 01, 2009

Question Biii.20: *Can grantees use U.S. EPA funds to buy down a replacement vehicle by the 25% AND use the same funds to upgrade/repower the "old" vehicle to current standards?*

Answer: No, the 25% funding option can only be used for the purchase of the new vehicle. The old vehicle must be properly scrapped, and cannot be upgraded or repowered.

Date Posted: Wednesday, April 08, 2009

Question Biii.21: *For nonroad equipment replacement projects, what criteria methods are used to determine similar horsepower? In the RFA, there is the following statement: "The replacement vehicle/equipment must be of the same type and similar gross vehicle weight rating or horsepower as the vehicle/equipment being replaced (e.g., a 300 horsepower bulldozer is replaced by a bulldozer of similar horsepower)." If we replace a 210 hp yard tractor with a 240 hp yard tractor, is that similar horsepower? Or replacing a 105 hp forklift with at 160 hp forklift; is that similar horsepower? Is "similar horsepower" based on the how the EPA nonroad engine standards are grouped into horsepower ranges (less than 11 hp, 11 to 25 hp, 25 to 50 hp; 50 to 100 hp; 100 to 175 hp; 175 to 300 hp; 300 to 600 hp; 600 to 750 hp; 750 hp and above)? Or is there some other method?*

Answer: In general, the horsepower rating for the replacement engine must not be greater than 125 percent of the original manufacturer rated horsepower (baseline horsepower) for the old engine. In limited situations, such as equipment in the original horsepower range was not available or the higher horsepower equipment will result in equal or less annual emissions, EPA may approve a greater than 25 percent increase in horsepower. Documentation must be provided that the replacement vehicle/equipment will be executing the same job as the old vehicle/equipment.

Date Posted: Wednesday, April 08, 2009

Question Biii.22: *We currently have a fleet of 390 propane buses. Would accelerated replacement of these vehicles with new cleaner propane vehicles be eligible for funding?*

Answer: No. Funding under this RFA is specifically dedicated to reducing emissions from the existing diesel fleet.

Date Posted: Wednesday, April 08, 2009

Question Biii.23: *Can a project propose to, for example, replace a 5 year old vehicle with a brand new vehicle, and then subsequently replace a 10 year old vehicle with the 5 year old vehicle, with the 10 year old vehicle ultimately being scrapped? Is this type of project eligible for funding as a vehicle replacement project?*

Answer: EPA has approved this type of scrappage strategy in the past and may do so in the future. The engine must be of similar horsepower and function.

Date Posted: Wednesday, April 08, 2009

Question Biii.24: *As people have come to me with interest in replacing old buses, I've been telling them that we're going to ask for a few pieces of information to confirm that they're retiring buses early (our goal as well as yours): The number of buses they've retired the previous two years and the age of those buses. The total number they're retiring this year and the age of these buses (both regularly scheduled retirements and early retirements)*

If we see that someone has been retiring three buses per year, and this year they're retiring six, they'd only be eligible for funding for three buses through DERA, even if all six of the ones being retired are being retired early, correct? Or can they receive funding for all six, even if that means they're keeping the buses that had been scheduled for retirement in their fleet longer?

Answer: Yes, only 3 of the 6 would be eligible because of past retirement history - as being consistent with Section I.C.5.f.i.

Date Posted: Wednesday, April 08, 2009

Question Biii.25: *Please define "certified vehicle" for purposes of funding under the Vehicle Replacement Program element. In particular, please confirm that the vehicle described as follows would be certified: a heavy-duty vehicle with primary propulsion power from a certified diesel engine, and also equipped with a plug-in hybrid system used to power idle reduction equipment and provide a small amount of power used for vehicle propulsion.*

Answer: Heavy-duty vehicles are not specifically certified to emission standards. The engine itself must be EPA certified for use in a heavy-duty vehicle or nonroad application. An auxiliary power unit would typically use a

certified nonroad engine. An on-highway heavy-duty vehicle must use an engine certified to on-highway engine emission standards.

Date Posted: Wednesday, April 08, 2009

Question Biii.26: *Are stationary engines eligible for repowering under this RFA?*

Answer: Yes.

Date Posted: Wednesday, April 08, 2009

Question Biii.27: *I intend to replace the engine and keep the chassis and body of my diesel vehicle. Do I have to use a verified technology or can I use a new certified engine?*

Answer: If you are replacing the engine and not the entire vehicle, it is considered an engine repower. You may either use a verified technology listed on the verified technology page or a new engine certified to meet current or future EPA emission standards.

Date Posted: Wednesday, April 08, 2009

Question Biii.28: *In section C. Scope of Work 5. Eligible Diesel Emissions Reduction Solutions e. Certified Engine Repowers, it states that "Repower includes, but is not limited to, diesel engine replacement with an engine certified...highway engine." If proposing to repower electromotive (either AC or DC) diesel locomotives, will the 75% funding pay for replacement of the existing diesel engine and the existing electric generator set (s)?*

Answer: The 75% applies to repowering the existing diesel engine and/or the existing electric generator set. In this case, the engines would be removed and new engines would be installed.

Date Posted: Wednesday, April 08, 2009

Question Biii.29: *Under the guidelines of the current RFA, can a school district replace an existing old model gas powered school bus with a new qualified alternative fuel bus? Also, if they buy 4 new buses will they have to take 4 older buses out of service, in other words, one for one?*

Answer: This RFA does not cover the replacement of gas-powered vehicles. However, you are correct that if four new buses are purchased, four older buses must come out of service.

Date Posted: Wednesday, April 08, 2009

Question Biii.30: *Regarding the following paragraph on page 13 of the RFA*

"Fifty percent Level: This funding will cover up to 50% of the cost of a replacement school bus with engines manufactured in model year 2007, 2008, or 2009 that satisfy 2010 model year regulatory limits for emissions of PM, NOx and NMHC. The model year 2010 regulatory requirements are: PM at 0.01 grams per brake horsepower hour, NOx at 0.20 and NMHC at 0.14."

The school bus manufacturers have informed us that no 2010 compliant buses will come off the line until the first quarter of 2010. Are 2010 buses that come off the assembly line in 2010 eligible for the 50% level of funding?

Answer: Compressed natural gas –powered buses are already meeting EPA’s 2010 emissions standards and thus are eligible for the 50% funding level. Model year 2010 diesel buses meeting EPA’s emissions standards will be eligible for this level of funding when they become available on the market. Applicants should remember when constructing their timelines for these projects that projects should be concluded by September 30, 2010.

Date Posted: Wednesday, April 08, 2009

Question Biii.31: *A project involves converting a crane that is currently powered by a diesel engine to being powered electrically by connecting the crane to shore side power. The crane's diesel engine would be dismantled and scrapped. Would this project be classified as a repower, idle-reduction or replacement project?*

Answer: This project would be an engine repower.

Date Posted: Wednesday, April 08, 2009

New Question Biii.32: *i have a customer wondering about the grant program to swap his engine for a cleaner engine. What are the rules for the year model of engine; does it have to be new model year or just 2002 or newer?*

Answer: There is no specific model year requirement, only that the new engine be certified to a cleaner emission standard than the existing engine. However, a new 2007-2009 engine will produce the greatest emissions benefit.

Date Posted: Wednesday, April 15, 2009

New Question Biii.33: *The Q&A mentions that projects are 100% federally funded, but also states that EPA will only cover up to 25% of the cost to replace heavy duty buses with hybrid buses. Can you please clarify if there is a non-federal match requirement and any exceptions?*

Answer: There is a mandatory cost-share requirement for repower (engine

replacement) and vehicle/equipment replacement. All other types of eligible projects (retrofit, idle reduction, cleaner fuels) do not have a cost-share requirement. See RFA for more information on "Summary of What EPA Will Fund."

Date Posted: Wednesday, April 15, 2009

New Question Biii.34: *Regarding the status of the vehicle replaced in this program, can the replaced vehicle exhaust system be upgraded to tier III and the vehicle be sold or traded in to dealer, rather than destroying or scrapping the unit?*

Answer: From the information provided, you appear to be referencing retrofitting the exhaust of the replaced vehicle instead of remanufacturing the replaced vehicle engine to a cleaner emission standard. The engine must be upgraded/remanufactured to a cleaner emission standard, which may include the installation of an exhaust retrofit. However, exhaust retrofit alone will not meet the replacement criteria. Also, if the replaced vehicle is sold, program income requirements apply and the money received from the sold vehicle must go back into (supplement) the grant project. See RFA for additional requirements on engine replacements.

Date Posted: Wednesday, April 15, 2009

New Question Biii.35: *According to Page 12 of the RFA, "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 7 years, a bus that is currently in its 6th or 7th year of service is not eligible for replacement."*

This definition would exclude buses funded with federal funds and which could not be retired before the end of their service life. Is it this correct, and thus, these buses are not eligible for funding?

Answer: If a bus is at the end of its service life, as defined by the bus fleet owner's budget plan, operating plan, standard procedures, or retirement schedule, then that bus is not eligible for funding under the National Clean Diesel Funding Assistance Program.

If the fleet owner is prohibited from early retirement through a purchase agreement, contract, or other requirement, the issue should be taken up with the agency that is imposing the requirement. EPA will not provide funding for costs or penalties incurred due to early retirement.

Date Posted: Wednesday, April 15, 2009

New Question Biii.36: *Is replacing a Fire Truck part of the program receiving 25% of the funding and is a State or Costars Contract considered a competitive bid to purchase the new unit?*

Answer: A fire truck would be eligible for replacement (up to 25%) to the extent it meets the definition of eligible vehicles in the RFA. All procurements are subject to the competitive procurement requirements of 40 CFR Parts 30 and 31. If awarded funds, a recipient can work with their Project Officer to determine if a particular contract mechanism meets these requirements or if a new contract must be competed.

Date Posted: Wednesday, April 15, 2009

New Question Biii.37: *A fleet we are working with typically buys 30 to 40 new trucks a year. Would this year's purchase of new trucks be eligible for this funding, or would they be ineligible as this is considered "normal replacement" and not "early retirement"? How does EPA determine what is "normal" versus "early" replacement?*

Answer: Emission reductions 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 or repower that is already scheduled to take place between now and the end of the project period (September 30, 2010). 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 7 years, a bus that is currently in its 6th or 7th year of service is not eligible for replacement. A bus that is currently in its 5th year of service and has 2 years of useful life remaining is eligible for replacement.

Based on the information you provided, this year's purchase of new trucks would not be eligible for funding under this RFA.

Date Posted: Wednesday, April 15, 2009

New Question Biii.38: *With engine repowers, must an engine achieve the next certification level, or only provide for an emission improvement? Does a 1999 engine repower have to achieve the 2002 standard for on highway applications?*

Answer: Repower refers to the removal of an existing engine and its replacement with a newer or cleaner engine that is certified to a more stringent set of engine emissions standards.

Date Posted: Wednesday, April 15, 2009

New Question Biii.39: *What happens if a project is approved, but it is then determined that only half of the vehicles can be serviced. For example, say we want to retrofit 20 off - road vehicles with Level 3 devices (DPFs) Once the project is approved and the preliminary work is completed, it is determined that only 10 vehicles meet the duty cycle temperature requirement. Half the funding for the project then reverts back to EPA?*

Answer: If an applicant anticipates that some of the proposed vehicles may not meet the technical requirements of the proposed technology, the applicant may wish to propose an alternate technology or plan for those vehicles. Or, If a project is funded and duty cycle testing determines that the proposed technology is not technically feasible, the recipient may work with the EPA project officer at that time to determine the appropriate options for carrying out the project. Options may include amending the work plan to allow for other eligible activities (provided the new activities are within the original scope of work of the project), or closing the grant and returning any unspent funds to EPA.

Date Posted: Wednesday, April 15, 2009

New Question Biii.40: *We are a small school district and would like to replace some of our older school buses. Is there a vehicle age group (9, 10, 12, years old) that we should target for replacement? In other words is there a minimum vehicle age criteria?*

Answer: There is no minimum vehicle age criteria for replacement, however emission reductions 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 or repower that is already scheduled to take place between now and the end of the project period (September 30, 2010). 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 7 years, a bus that is currently in its 6th or 7th year of service is not eligible for replacement. A bus that is currently in its 5th year of service and has 2 years of useful life remaining is eligible for replacement.

Date Posted: Wednesday, April 15, 2009

New Question Biii.41: *Is replacing a 1999 diesel engine with an engine with a DPF considered a Repower?*

Answer: If the replacement engine includes a DPF as part of its certified configuration, then it is a repower.

Date Posted: Wednesday, April 15, 2009

New Question Biii.42: *For a replacement project, would the 25% include costs of the box on a heavy-duty onroad truck, if the entire old truck (including box) was scrapped?*

Answer: Yes, if the entire vehicle is scrapped (tractor and box), then the entire vehicle can be replaced. If the box is being salvaged for reuse, only the tractor is eligible for replacement.

Date Posted: Wednesday, April 15, 2009

New Question Biii.43: *Are lease-purchases of school buses eligible for funding? What is EPA's policy regarding the replacement of leased vehicles?*

Answer: In general, the replacement of leased vehicles is eligible. Care must be taken to ensure compliance with the lease agreement and that the vehicle owner is aware of and allows/approves any modification to or replacement of their vehicles (including scrappage requirements). Lease-purchases are eligible to the extent that the EPA funds and the mandatory cost-share funds can be expended during the grant project period.

Date Posted: Wednesday, April 15, 2009

iv. Scrappage

Question Biv.1: *What constitutes the "scrappage" of a vehicle after it is replaced? Are we allowed to sell it?*

Answer: If only the engine is replaced, it must be rendered either inoperable by drilling core holes (or other destructive method) or be recycled and upgraded through the original engine manufacturer. If the entire vehicle is replaced, then the vehicle can be sold, but the engine must be scrapped or upgraded through an OEM reuse program. The vehicle must be permanently disabled such as by cutting the frame. If a vehicle or engine is sold for parts or scrap, any income must be accounted for in the project. Evidence of appropriate disposal is required in a final assistance agreement report submitted to EPA. To be able to apply for this funding opportunity for replacement of a vehicle, engine, or equipment, the following requirements apply: 1. The vehicle, engine, or equipment being replaced will be scrapped, or the replaced engine would be returned to the original engine manufacturer for remanufacturing to a cleaner standard. 2. The replacement vehicle or engine will be of the same type and similar gross vehicle weight rating or horsepower as the vehicle or engine being replaced. The replacement vehicle/equipment must be of the same type and similar gross vehicle weight rating or horsepower as the vehicle/equipment being replaced (e.g., a 300 horsepower bulldozer is replaced by a bulldozer of similar horsepower). The replacement

vehicle/equipment must perform the same function as the vehicle/equipment that is being replaced (e.g., an excavator used to dig pipelines would be replaced by an excavator that continues to dig pipelines). These projects can also include the replacement of nonroad vehicles/equipment with highway models if the highway models are capable of performing the same functions as the nonroad models.

Date Posted: Wednesday, April 01, 2009

Question Biv.2: *I would like to apply for funds to scrap old diesel trucks. There would be no retrofitting involved, or the purchase of a replacement vehicle. Am I eligible?*

Answer: No. This RFA can only be used for projects using an EPA certified engine configuration or a verified technology. A scrappage project does not use a certified engine configuration or a verified technology as those terms are defined in DERA.

Date Posted: Wednesday, April 01, 2009

Question Biv.3: *I would like to apply for funds to purchase a new truck and simultaneously scrap an old diesel truck. Could the RFA money be used to pay the administrative cost of scrapping the old vehicle (drilling a hole in the engine block, towing to a scrap yard, etc)?*

Answer: The funds could arguably be used to pay for the scrappage costs, provided that the project is using a certified engine configuration or verified technology. For the cost to be eligible, you would have to determine whether the project involving the purchase of new trucks is a project using a certified engine configuration or a verified technology. For example, a grantee could use grant funds to purchase a new truck and pay for scrappage if the new truck purchased has a certified engine configuration (a new engine configuration that has been certified or verified by EPA or CARB that meets a more stringent set of emissions standards as determined by EPA). The scrappage would be part of the overall project using the certified engine configuration and the scrappage would contribute to the diesel emissions reductions.

Date Posted: Wednesday, April 01, 2009

Question Biv.4: *Does EPA only pay for the incremental cost of an engine/vehicle replacement AFTER the costs of scrapping the old engine are factored in?*

Answer: Although the old engines do need to be scrapped, any money received for the old engine is not factored into EPA's grant funding percentages. EPA covers 25% of engine/vehicle replacements, except for school

buses meeting the 2010 emissions standards, for which we cover 50%. However, if the old engine is sold for scrap metal (after being disabled), that money will be considered project income and needs to be spent on the objectives of the grant, above and beyond the grantee's cost-share. See the Program Income section of the RFA (Section VI.H.)

Date Posted: Wednesday, April 01, 2009

Question Biv.5: *After reading through the RFA "program income" requirements I found in 40 CFR 31.32 (c)(4) that "when acquiring replacement equipment, the grantee or subgrantee may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property, subject to the approval of the awarding agency." I know that in the RFA it states that equipment replacements require that the old equipment be disabled with a hole being drilled through the engine block and manifold, and the truck chassis must be cut in half, but once this is done would the old equipment be allowed to be scrapped and sold for parts with proceeds staying in possession of the subgrantee to offset their 75% of the cost that they paid for the new vehicle?*

Answer: Any proceeds from the sale of the vehicle would be considered program income and should be used for the purposes of the grant, above and beyond the required cost-share.

Date Posted: Wednesday, April 01, 2009

Question Biv.6: *We have a school district that is wondering if CNG buses can be traded in or if they have to be destroyed as part of the stimulus for new bus purchases. Do you have any information that I can pass on to them?*

Answer: CNG buses are not eligible under this RFA. Only diesel buses and vehicles are eligible for funding.

Date Posted: Wednesday, April 08, 2009

Question Biv.7: *Could you please confirm if other options for scrap exist outside the three listed above (scrap, return to OEM, sell with program income requirements).*

Answer: One vehicle or piece of equipment of the same use and horsepower must be scrapped for every new piece of equipment. In some limited cases, EPA might approve a trade to benefit various parties, as long as an engine was scrapped. For example, a replaced 1997 school bus would still be cleaner than a pre-1990s model year bus. A school district receiving an EPA replacement grant could give the 1997 school

bus to the neighboring district on the condition that the pre-1990 bus was scrapped.

Date Posted: Wednesday, April 08, 2009

Question Biv.8: *For replacements of diesel vehicles, the RFA says that one acceptable scrapping method is to drill a hole through the engine block and manifold, and disabling the chassis while retaining possession of the vehicle is acceptable, but other methods may be considered, and would require EPA approval. Here is the problem, when you disable the chassis (cut the frame in half), the vehicle is no longer transportable. Would it be acceptable to donate the truck to a scrap yard, on the condition that the engine block and manifold gets a hole drilled through it, and the scrap yard issues a letter of commitment to scrap the entire vehicle, stating that no parts will be reusable except for scrap metal purposes?*

Answer: Yes.

Date Posted: Wednesday, April 08, 2009

Question Biv.9: *Would it be possible for EPA come and take the trucks after they get replaced, and they gain possession of the old trucks, so that they would be responsible for ensuring that the trucks do not get used again?*

Answer: No. EPA cannot be responsible for removing the old trucks from service. Scrappage is the responsibility of the grant recipient.

Date Posted: Wednesday, April 08, 2009

New Question Biv.10: *Would an acceptable scrapping method be to sell the vehicles that are being replaced to an entity in another country, and ensure that they have been moved out of the United States?*

Answer: No, this is not an acceptable scrapping method.

Date Posted: Wednesday, April 15, 2009

v. Miscellaneous: Shore Power, Hybrids, and More

Question Bv.1: *Will the funding assistance cover all or a portion of the design and construction of a "cold-ironing" system to provide shore-side power to a ship at berth?*

Answer: The assembly of a cold-ironing system to provide shore-side power at a ship berth is an eligible activity and project funds can be used to fund this activity.

Date Posted: Wednesday, April 01, 2009

Question Bv.2: *How can hybrid vehicles be eligible for this RFA?*

Answer: There are a couple of opportunities for medium and heavy-duty hybrid vehicles in this RFA. First - A hybrid vehicle may go through the verification process to quantify the benefits of the hybrid vehicle compared to a comparable traditional drive vehicle. In this case, the manufacturer must submit an application for verification and follow the traditional verification process. Depending on the design, the hybrid vehicle may qualify under the Emerging Technology program. Second - A hybrid vehicle may qualify as a replacement vehicle under DERA. As a replacement strategy, the applicant would need to comply with other requirements described for replacement vehicle projects. In each of these cases, an appropriately certified engine must be used in the vehicle. Non-road engines may not be used in on-highway hybrid vehicles. Hybrid vehicles that use engines covered by a testing exemption are not eligible.

Date Posted: Wednesday, April 01, 2009

Question Bv.3: *Are railroads that are publicly or privately held companies not associated with a government or port eligible for this funding? (For instance, short line railroads or industrial operations.)*

Answer: Applicants must be eligible entities. Private companies are not eligible. Eligible entities for these funds include: A) A regional, State, local or tribal agency or port authority with jurisdiction over transportation or air quality; and B) A nonprofit organization or institution that— 1) represents or provides pollution reduction or educational services to persons or organizations that own or operate diesel fleets; or 2) has, as its principal purpose, the promotion of transportation or air quality. School districts, municipalities, metropolitan planning organizations (MPOs), cities and counties are all eligible entities under this assistance agreement program within the extent that they fall within the definition above. However, the railroad could partner with an eligible entity as outlined above and receive a subgrant or subcontract for an eligible project, if appropriate procedures are followed.

Date Posted: Wednesday, April 01, 2009

Question Bv.4: *If a company has been awarded funding from a state such as TCEQ can they apply for federal funding through DERA to make up the balance of a locomotive replacement cost?*

Answer: Yes, as long as the said “state funding” is not actually Federal funding that was allocated to the state. And for-profit entities are not eligible for this funding. So a private company would need to collaborate with an eligible entity in order to apply for funding.

Date Posted: Wednesday, April 01, 2009

Question Bv.5: *We have a project to replace two 1992 Heavy Duty buses with two Hybrid Transit Buses. Are we eligible?*

Answer: Yes, assuming you are an eligible entity. However, be aware though that EPA will only cover up to 25% of the cost of the hybrid buses if your application is approved. So be prepared to provide the remaining 75% of the cost.

Date Posted: Wednesday, April 01, 2009

Question Bv.6: *If a locomotive is currently certified at Tier 0 emission levels, would repowering with a Tier 2 engine that has lower emissions and burns less fuel be eligible for funding under this program?*

Answer: Yes

Date Posted: Wednesday, April 08, 2009

Question Bv.7: *Is outreach to diesel truck owners to avail them of the technologies and funding available to reduce diesel emissions an eligible expense under the National Clean Diesel Funding Assistance Program?*

Answer: No.

Date Posted: Wednesday, April 08, 2009

New Question Bv.8: *Will a charter fishing boat that wants to use B20 biodiesel qualify for funding if it partners with an eligible entity? Mainly the question is will the SEDC fund Fishing boats.*

Answer: In general, the use of B20 by a marine vessel is an eligible activity under this RFA.

Date Posted: Wednesday, April 15, 2009

C. Application Process

Question C.1: *Where do I get an RFA and where do I send the proposal?*

Answer: The Request for Applications (RFA) can be downloaded at EPA's web site: <http://www.epa.gov/otaq/eparecovery/index.htm> and is also available through www.grants.gov. The RFA contains information on how to submit an application and where to submit it. Please make sure you use the most recent version of the RFA when preparing your application since it has been slightly modified since it was originally

posted on March 19, 2009.

Date Posted: Wednesday, April 01, 2009

Question C.2: *Where do I find the actual form to submit the grant?*

Answer: Please go to www.epa.gov/ogd/AppKit/application.htm. You will find all the forms and the process to apply for funds under this RFA. Section IV (B) of the RFA includes detailed instructions on submission and application process.

Date Posted: Wednesday, April 01, 2009

Question C.3: *What is an example budget for the SF-424A?*

Answer: The proposed budget must have budget categories that reflect those on the SF- 424A. An example of a detailed budget is provided as Appendix A of the RFA. The budget should indicate what portion of the cost will be paid by EPA, and what portion will be paid by the applicant or other partners. Leveraged funds are not included in the approved budget for the project.

Date Posted: Wednesday, April 01, 2009

Question C.4: *How do I demonstrate that an area is economically disadvantaged?*

Answer: One way to demonstrate that an area is economically disadvantaged is to cite data from the U.S. Census Bureau Web site (www.census.gov) concerning the percent of area residents living in poverty. The Area Profile tool on this Web site can provide this statistic, as can using the Bureau's Small Area Income and Poverty Estimates Web site (<http://www.census.gov/hhes/www/saipe/saipe.html>).

Date Posted: Wednesday, April 01, 2009

Question C.5: *Is there a required match when applying for funding?*

Answer: There is no general match requirement for this program. However, there is a match requirement for certain repower and replacement projects as well as school bus projects. Please see section I.C and III.B for more information on replacement and repower projects.

Date Posted: Wednesday, April 01, 2009

Question C.6: *Past Performance: Is it necessary to list every federally funded grant the applicant has received in the last 3 years, if the applicant is a large organization that has received a large number of grants?*

Answer: No. If the applicant has performed grants that are not similar in size, scope and/or relevance to the proposed project, it is not necessary to

list them. And the RFA says to list not more than 3.

Date Posted: Wednesday, April 01, 2009

Question C.7: *Past Performance: What if the applicant has received grants similar in scope, size and relevance, but the agreement was closed out more than 3 years ago? Can they still be listed?*

Answer: The RFA specifies that they must have been performed in the last 3 years. Agreements that were implemented and closed out more than 3 years ago will not be considered in the scoring process.

Date Posted: Wednesday, April 01, 2009

Question C.8: *Will project awards go directly from the EPA Regional Office to the recipient, or will they pass through the State of the award?*

Answer: The awards for this program will go directly from the EPA Regional office to the recipient. Once the recipient is awarded the grant, the organization commences work. As the work is completed, the organization presents invoices to EPA and funds are transferred to the organization.

Date Posted: Wednesday, April 01, 2009

Question C.9: *Is the project implementation timeline presented in the grant announcement and running from June 9, 2009 to September 30, 2010 a requirement for a) the obligation of money to a project b) the beginning of project work c) the substantial completion of a project d) the completion of a project?*

Answer: The Sept 30, 2010 date is a goal for the work to be completed, with 90 days for the last invoicing and final technical report and wrap-up of the project. If the work is not completed, the organization can ask EPA for a no-cost extension to complete the work. The Recovery Act appropriation expires on September 30, 2010, so EPA cannot obligate any Recovery Act funds after that date.

Date Posted: Wednesday, April 01, 2009

Question C.11: *Is it all right if a proposal is for multiple entities in more than one state? Would EPA prefer separate proposals for each state?*

Answer: Multiple entities within a single EPA Region can apply under the same proposal, as long as there is one primary applicant.

Date Posted: Wednesday, April 01, 2009

Question C.12: *We submitted a 2-year application in (08-09 cycle). Do we need to*

apply for 09?

Answer: Yes, you will need to apply again for the 09 (2009-2010) cycle under this RFA. All of the grants under the Recovery Act will be new awards.

Date Posted: Wednesday, April 01, 2009

Question C.13: *Can you put outputs and outcomes in table form?*

Answer: Yes. You should make sure that you adequately explain the benefits of your project, in addition to the table.

Date Posted: Wednesday, April 01, 2009

Question C.14: *Are applicants required to submit the Lobbying Certification when they submit their proposal package?*

Answer: Yes. The required application materials are listed in Section IV.C of the RFA.

Date Posted: Wednesday, April 01, 2009

Question C.15: *How do we calculate job creation/retention?*

Answer: An applicant will only have to measure and report on jobs created/retained as a direct result of the project funding (recipients and tier one sub-grantees or contractors). In the application, the applicant must demonstrate how the proposed project will promote economic recovery and job creation and/or preservation.

Date Posted: Wednesday, April 01, 2009

Question C.16: *Is there a maximum amount of program administration funding that an eligible entity can request?*

Answer: No. However this will affect "cost-effectiveness" which is a criterion against which applications will be evaluated.

Date Posted: Wednesday, April 01, 2009

Question C.17: *Is there a place to look up a list of covered costs for repower and replacement by component?*

Answer: No. Allowable costs are expressed only as a percentage of the total cost of repower or replacement; up to 75% for repowers and up to 25% for replacements (except in the case of school buses that meet 2010 standards, in which case the percentage covered is up to 50%).

Date Posted: Wednesday, April 01, 2009

Question C.18: *The American Recovery and Reinvestment Act (Recovery Act) notes "That none of the funds appropriated herein for Diesel Emission Reduction Act grants shall be subject to the State Grant and Loan Program Matching Incentive provisions of section 793(c)(3) of such Act." Yet the grant notice indicates that matching funds will be required for certain projects. Can you please explain?*

Answer: The State Clean Diesel program ordinarily offers a matching incentive provision for States, but for the Recovery Act this provision was waived. For the National Clean Diesel Funding Assistance Program the only required match is for repowers and replacement projects, where there are funding limitations for what EPA will cover. For example, we only cover up to 75% for engine repowers -- the organization receiving the grant must supply the remaining 25% (or more). Since this is required for the project, it's termed a "match."

Date Posted: Wednesday, April 01, 2009

Question C.19: *Where are the priorities of Regions 1, 6 and 9 located in the RFA?*

Answer: The priorities of Regions 1, 6 and 9 are grouped in Section 1.C.3 of the RFA with Regions 2, 7 and 10, respectively.

Date Posted: Wednesday, April 01, 2009

Question C.20: *Please provide a description of the Vehicle Classes 5, 6, 7, 8, 8A and 8B as used in the optional Applicant Fleet Description spreadsheet.*

Answer: Check Appendix A, Table A.2 of the Diesel Emissions Quantifier User's Guide (<http://cfpub.epa.gov/quantifier/view/userguide.cfm>).

Date Posted: Wednesday, April 01, 2009

Question C.21: *Does the "50% for public fleets" restriction apply to all DERA funding categories?*

Answer: DERA legislation requires that 50% of the funds for the National program be used for the benefit of public fleets. The 50% applies nationally across all eligible vehicles and the National funding programs of DERA (National, SmartWay, and Emerging Technologies). Since the 50% is a national target, applicants do not have to meet any specific percentage regarding public fleets in their application.

Date Posted: Wednesday, April 01, 2009

Question C.22: *Will the 15 percent administration cost apply to regional grants?*

Answer: No.

Date Posted: Wednesday, April 01, 2009

Question C.23: *How many vehicles make a fleet?*

Answer: One or more vehicles, engines (i.e. APUs), and/or equipment (i.e. stationary generator).

Date Posted: Wednesday, April 01, 2009

Question C.24: *Are private utilities (such as an electricity distribution company) fleets considered "public fleets"?*

Answer: Vehicles that serve a public purpose can be considered a public fleet. However, a private company is not an eligible entity and must partner with an eligible entity to apply for this RFA.

Date Posted: Wednesday, April 01, 2009

Question C.25: *The EPA Diesel Emission Quantifier on EPA's website can calculate the emissions contributed from the project vehicles, and the emissions reduced through the project, but I can not find in the RFA where this information would need to be placed in the project narrative. Is this information required, and where in the narrative should the information be placed?*

Answer: The information is required in the Project Narrative, as outlined in Section IV.C.2.b.vii "Results: Outputs and Outcomes." In addition, the section on National Programmatic Priorities Section IV.C.2.b.iii.2 asks for information on cost-effectiveness, which can be calculated using EPA's DEQ.

Date Posted: Wednesday, April 01, 2009

Question C.26: *Is there a list of EPA or CARB certified engine configurations (names of certified engine configurations and manufacturer names) where one could look up what engines would be eligible for engine repowers?*

Answer: Please visit EPA's engine certification website <http://www.epa.gov/otaq/certdata.htm#largeng>

Date Posted: Wednesday, April 01, 2009

Question C.27: *If a substantial portion of our project will be completed by September 1, 2009, can I include a second phase for the summer of 2010?*

Answer: Yes. All projects must be completed by September 30, 2010,

however. Both phases of the project should be included in the Statement of Work and budget documents.

Date Posted: Wednesday, April 08, 2009

Question C.28: *If an eligible entity partners with a private fleet owner for a project and the project is selected, how is the funding distributed? In other words, would the eligible entity or the fleet owner have to come with their own capital first and then get reimbursed, or is a check simply given to the eligible entity?*

Answer: The funding for this program will go directly from the EPA Regional office to the eligible entity. Once the recipient is awarded the grant, the recipient organization commences work. As the work is completed, the recipient presents invoices to EPA and funds are transferred to the recipient within three business days. EPA awards funds to one eligible applicant as the recipient even if other eligible applicants are named as partners or co-applicants or members of a coalition or consortium. The recipient is accountable to EPA for the proper expenditure of funds.

So in a way, yes there is a reimbursement procedure, but it has a very short turnover rate.

Date Posted: Wednesday, April 08, 2009

Question C.29: *We are a metropolitan planning organization who is compiling an application on behalf of multiple entities. The RFA indicates that "subrecipients (first-tier) must have a DUNS number". Does this mean that, if awarded, all our subgrantees must have a DUNS number? Also, would all our subgrantees be required to maintain a profile in the Central Contractor Registration database?*

Answer: Yes, all subgrantees must have a DUNS number for purposes of reporting activities for these ARRA DERA grants. However, only subcontractors would be required to maintain a profile in the Central Contractor Registration database.

Date Posted: Wednesday, April 08, 2009

Question C.30: *For equipment, should I break out my equipment, separately from the contractual even if I plan to pay for the equipment and installation in the same invoice?*

Answer: Yes. This is because you are purchasing goods instead of services from the contractor.

Date Posted: Wednesday, April 08, 2009

Question C.31: *Somewhere in the EPA information I read something about the work having to be done in the region that provides the funding. If the repowered locomotives are to be used in the Kansas City area, EPA Region 7, but the railroad only has a maintenance shop in Shreveport, LA, which is in Region 6, can the repower work be done in Region 6 and the repowered locomotives be assigned to Region 7, where the emissions benefits will be realized?*

Answer: Yes. Since the vast majority of the emissions reductions will take place in Region 7, the application should go to Region 7.

Date Posted: Wednesday, April 08, 2009

Question C.32: *Past experience with EPA grant: My grant with the EPA was set up using the words milestones and goals--do I need to convert this language to outcomes and outputs to avoid missing out on points?*

Answer: The RFA specifies a number of items in the project narrative that are required to receive consideration under the evaluation criteria, including outcomes and outputs.

Date Posted: Wednesday, April 08, 2009

Question C.33: *Leveraged resources and project partners: Would it be appropriate to discuss complementary educational programs regarding air quality funded by other sources? Could you provide an example.*

Answer: You do need to explain any other sources of funding that are going into the project. For instance, if you are doing school bus retrofits and the school district is contributing a certain amount of money to print educational pamphlets for students and parents, you should include that in your application as a leveraged resource.

Date Posted: Wednesday, April 08, 2009

Question C.34: *I am filling out the SF- 424 application for the National Clean Diesel Funding Assistance Program. I do not know where to get the Funding Opportunity Number (#12) or the Competition Identification Number (#13) and the titles. Can someone tell me where I can locate this information?*

Answer: This information is located on the first page of the RFA.

Date Posted: Wednesday, April 08, 2009

Question C.35: *The Program Income section of the RFA states that the money must be spent on the project. Please confirm that the following is an appropriate interpretation for a \$100,000 new truck:*

*\$ 25,000 from NCDC
\$ 10,000 from Program Income from selling scrapped part to OEM
\$ 65,000 from applicant
\$100,000 total project cost for low-emission replacement truck*

Answer: Yes, that is correct. The program income is above and beyond the applicant match of \$65,000.

Date Posted: Wednesday, April 08, 2009

Question C.36: *The instructions for the SF-424, item 9, (Type of Applicant) state "Select up to three applicant type(s) in accordance with agency instruction. As a fire department -- we'd like to replace inefficient diesel engines on fire boats -- is "Other" the appropriate choice?*

Answer: Yes

Date Posted: Wednesday, April 08, 2009

Question C.37: *Could you please confirm what, if any, grant impact there would be if the engine was returned to the OEM for remanufacturing and returned to the fleet (at the fleet's cost) [for a replacement or repower project].*

Answer: There would be no impact on the grant, as the condition to scrap or remanufacture the engine would be met.

Date Posted: Wednesday, April 08, 2009

Question C.38: *Could you please confirm what, if any, grant impact there would be if the engine was returned to the OEM for remanufacturing and re-sold by the OEM. Under this scenario, could the fleet realize any of the proceeds from the sale? How would that affect its grant?*

Answer: The net revenue from such a sale would be considered program income and would have to be put towards the objectives of the grant.

Date Posted: Wednesday, April 08, 2009

Question C.39: *Instead of selling the unit to the OEM, could the fleet sell the unit outside the country? How would that impact the NCDC grant?*

Answer: Regardless of where the sale occurs, the money from that sale would be counted as part of the project income, which needs to be reported and put towards the objectives of the project.

Date Posted: Wednesday, April 08, 2009

Question C.40: *Our city started a replacement program three years ago, and to date we have replaced about 2/3 of the fleet. Our program is already*

accelerated and set for a six year cycle for medium heavy trucks as frontline vehicles. Would our current program qualify for matching funds?

Answer: You could apply for funds to accelerate your six-year purchasing cycle for the remaining 1/3 of your fleet.

Date Posted: Wednesday, April 08, 2009

Question C.41: *Who should an applicant contact to negotiate an indirect cost rate, if it doesn't already have one?*

Answer: In addition to direct costs, the EPA supports a policy of full reimbursement of indirect costs also known as facilities and administrative (F&A) costs or overhead for most grant programs. EPA will review the indirect cost budget line. Universities negotiate their rates with the Department of Health and Human Services. Tribes negotiate their rates with the Department of Interior. EPA accepts rates negotiated by other Federal agencies. If the applicant does not have an approved rate the GMO will term and condition the grant appropriately.

What are Indirect Costs:

Indirect costs are those costs of an institution or organization that are not readily identifiable with a particular project or activity but are necessary to the general operation of the organization and the conduct of its grant activities.

Allowable indirect costs may include:

- Depreciation use allowance;
- Facilities operations and maintenance;
- General administration and general expense;
- Departmental administration; and
- Sponsored project administration

These costs are documented and assigned to the indirect pool from which they are distributed to all activities of an organization on the basis of a rate. The rate is a ratio of the indirect costs to a direct cost base.

An indirect cost rate is simply a device for determining fairly and expeditiously the proportion of general (non-direct) expenses that each project will bear. It is the ratio between the total indirect costs of an applicant and some equitable direct cost base. The applicant must comply with the applicable OMB Circular.

More information can be found at:

<http://www.epa.gov/ogd/manual6/4review.htm>

Date Posted: Wednesday, April 08, 2009

Question C.42: *Do Davis-Bacon and/or Prevailing Wage provisions apply to the stimulus DERA program?*

Answer: Yes, to certain projects which are defined as "infrastructure." Although, most diesel fleet projects will not be defined as infrastructure. If a project is selected for award, more information will be provided after award in the Terms and Conditions of the grant.

Date Posted: Wednesday, April 08, 2009

Question C.43: *How do we determine if we are in a "high population density" area and/or in a "poor air quality area (including non-attainment or maintenance of national ambient air quality standards for a criteria pollutant or toxic air pollutant concerns"?*

Answer: Consult your State Air Agency and/or EPA's web site for more information (<http://www.epa.gov/air/oaqps/greenbk/>).

Date Posted: Wednesday, April 08, 2009

Question C.44: *For the cost effectiveness calculation, do we use the total project cost or do we just use the EPA grant funding request which is lower than total cost (ie total cost vs. grant funding for cost in CE).*

Answer: For more information, see VIII. Other Information, "A. Quantifying Environmental Outputs, 2. Cost-Effectiveness Calculation," in the RFA.

Date Posted: Wednesday, April 08, 2009

Question C.45: *We are a railway company interested in joining with local air quality agencies to repower some old locomotives, some of which may be already certified to Tier 0 levels and others which may be unregulated, with modern, Tier 2 low emissions engines that consume less fuel. Would it be permissible to perform the repower projects in our own locomotive shop using our own labor (as opposed to being required to contract out the work)? The labor cost, estimated at 25-30% of the total repower cost, would be our contribution to the projects*

Answer: Yes, it would be permissible to perform the labor in your own locomotive shop. The labor costs (personnel) could be an allowable cost for a match, although it cannot be determined from the information provided above whether the labor costs would be 25% of the entire project cost.

Date Posted: Wednesday, April 08, 2009

Question C.46: *I am a state agency that operates a fleet of vehicles. I plan to apply for funding to replace some of these vehicles. I will properly scrap the engine and chassis, and then auction off the scrap. (Auction of excess*

state property is required.) The proceeds of that auction process will not come back to my agency, but rather will go into the state treasury. Because the proceeds will not come back to me, because the auction process may take place outside the grant period, and because the proceeds will be very difficult to estimate before the auction is conducted, am I excused from representing these proceeds in my application as program income?

Answer: You should document the fact that they are being auctioned off, and that the proceeds are going to the State Treasury. But since the funds are not going to the agency, then yes, it is not considered program income.

Date Posted: Wednesday, April 08, 2009

Question C.47: *There was a statement at a presentation that multiple projects can be applied for in one region. I assume this means the public entity can only apply within one region, but a private company could partner with public entities in multiple regions for diesel projects at their various locations. Is this correct?*

Answer: Yes, a private company can partner with many public entities within the same region or across different regions. An eligible entity may submit more than one proposal within a region, as long as the proposals are different (although the entity should realize that the proposals would be competing with each other within that region).

Date Posted: Wednesday, April 08, 2009

Question C.48: *EPA provides a spreadsheet to fill in with vehicles proposed. It is relatively clear how to fill this in for vehicles which are receiving upgrades such as exhaust retrofits or aerodynamic devices. But if we are replacing vehicles, would you like details for the vehicles that are being replaced, or the new vehicles?*

Answer: You document the old vehicle in its entirety, and then for "Technology," you can put in " Vehicle Replacement." And realize that while the spreadsheet doesn't allow too much space to elaborate on the new vehicle, you can give more information in the workplan narrative.

Date Posted: Wednesday, April 08, 2009

Question C.49: *In my reading the RFA and the instructions, there was no mention of using the grant.gov to file the application. Is filing the proposal by way of grant.gov an option for those who have registered and have access to grant.gov?*

Answer: You may not use grants.gov to apply. Follow the directions per IV.B.

Date Posted: Wednesday, April 08, 2009

Question C.50: *I am looking into the ARRA Funding and I could not identify in the packet if there is an authority needed at our level in order to present this to you. Is something like a City Council Resolution needed?*

Answer: The Standard Forms must be signed by an authorized representative. Usually this is someone within the executive branch of the government or organization, such as a superintendent, department head, executive director. A City Council Resolution would not be needed.

Date Posted: Wednesday, April 08, 2009

Question C.51: *What is the minimum font size that can be used in preparing the Project Narrative?*

Answer: There is no minimum font size specified, but please be kind and use something legible. In the past we suggested Times New Roman 12.

Date Posted: Wednesday, April 08, 2009

Question C.52: *In the answer to question C.18 in the "Questions and Answers about the ARRA DERA RFA", EPA explains that the "organization receiving the grant" is responsible for the remaining portion of the project not funded by EPA. As a pass-through governmental agency applying for this grant, we would contract with the organization or business receiving the emission-reducing technology to provide the remaining portion of the funding needed for the project. Therefore, we are providing the match by contracting with the owners of the equipment to provide the remaining funding. It is our understanding that this satisfies the required match under the AARA DERA RFA. Can you please confirm this understanding, and provide direction for how to clearly address this in our DERA proposals?*

Answer: Your understanding is correct. You just need to clearly document in the project narrative and budget details the match amount and how it will be calculated. Note that your organization, as the recipient, will be responsible for the match even though it is being provided by another party. If that party(ies) fail to make the match, your organization is still responsible for that amount.

Date Posted: Wednesday, April 08, 2009

Question C.53: *I am developing a project with multiple partners in different parts of my state. How do you address Air quality for this type of project? Should I mention the air quality for each area?*

Answer: There is no set way to reflect air quality information for a multi-regional project. The applicant should use best judgment to reflect AQ

information from multiple areas in order to clearly reflect the potential positive impacts of the project.

Date Posted: Wednesday, April 08, 2009

Question C.54: *We are looking at a project that has a variety of fleet components but are unsure of the exact vehicles that will be in the program. What should I use for Diesel Emissions Quantifier (DEQ) calculations?*

Answer: In the case of a project where you are issuing sub grants and are unsure of the exact fleet, you should use your best judgment and any past history you have with such a program to make estimates in the DEQ.

Date Posted: Wednesday, April 08, 2009

Question C.55: *The DEQ have buttons for B-20 and B-100 but nothing in between. The RFA indicates that any blend of Biodiesel (B-5 to B100) is eligible. Are any blends eligible or just B20 and B100. How do I use the DEQ to calculate emission reductions?*

Answer: Yes, any blend of Biodiesel is eligible. However, the DEQ at this time is not able to accommodate blends other than B20 and B100. Realize that the DEQ is simply a tool for estimates and you are welcome to seek out other tools that may be more geared toward fuels.

Date Posted: Wednesday, April 08, 2009

Question C.56: *In previous RFAs, it was clearly stated that I should use the DEQ for estimating emission reductions. This RFA does not state that. What should I use?*

Answer: Actually, this RFA does say to use the DEQ as a way to estimate reduction. See Section I.D.2.c. Although, you are certainly welcome to use other tools/methods for estimation as long as you explain how and why they were used.

Date Posted: Wednesday, April 08, 2009

Question C.57: *Do VIN numbers have to be included in the application?*

Answer: You have to identify the fleet that you are replacing or retrofitting. This is necessary to check emission calculations and to demonstrate that you have thoroughly developed your proposal.

Date Posted: Wednesday, April 08, 2009

Question C.58: *What kind of paper work do you need to show for a public private partnership?*

Answer: There is no specific requirement for agreements between partners. However, a letter of support from the partnering organization which details what activities they will perform does help demonstrate that there is a good partnership and commitment to perform the proposed tasks.

Date Posted: Wednesday, April 08, 2009

Question C.59: *We are looking at partnering with several private companies. Some of those companies have business both in EPA Region 4 and in other Regions. If we submit an application which includes projects outside of the Region, will the project be considered? If we submit a single proposal for activities both inside and outside of Region 4 will it be considered or will it be disqualified?*

Answer: Section I.C.3. of the proposal shows that any project submitted to a specific region must take place within that region. Applications are considered as a whole so if a portion of the project will take place outside of the region, it will not be considered.

Date Posted: Wednesday, April 08, 2009

Question C.60: *When you say activities have to occur in a certain region, do you mean the work has to be done there?*

Answer: Projects must involve that region's fleets or engines and it is anticipated that most of the retrofit/repower activities will occur in that region. However, in some circumstances an engine must be sent to other locations for repower or rebuild. This is acceptable.

Date Posted: Wednesday, April 08, 2009

Question C.61: *We have fleet which travel in and out of Region 4, would we have to commit to keeping that fleet in Region 4 the entire time?*

Answer: No.

Date Posted: Wednesday, April 08, 2009

Question C.62: *In our past Regional 8 call when we (as the state) were the qualifying entity for a private firm, had asked whether both the private firm the state as submitting partner must fill out one each of the application forms, and were told only the 424 and 424A: Not * Assurances, Non-Construction Programs (SF-424B) * Pre-Award Disclosure of Lobbying Activities (SF-LLL) * Pre-Award Compliance Review Report for All Applicants Requesting Federal Financial Assistance (EPA Form 4700-4) * Key Contacts Form (EPA Form 5700-54) In reading the RFA, it is not clear. Are these the only forms each has to fill out? (or do both fill*

out a set each?) And in filling out Form 424A, it appears that one or both would need to include the required repower match in the 424A and Appendix budget sheets (RFA pages 29 and 30), but is this in both 424A's or just for the entity providing the match?

Answer: Only the eligible entity fills out the forms, including the 424A and 424B. The eligible entity has the entire responsibility for the project. The partnering private firm or other organization can write a letter in support of the project which can be included with the application. All the forms you listed above must be included with the application for this RFA and be signed by the authorized representative on behalf of the applicant organization. This may be a change from previous competitions.

Date Posted: Wednesday, April 08, 2009

Question C.63: *EPA Regions 6 and 7 together comprise the Blue Skyways Collaborative, and their regional priorities are lumped together. Is the Blue Skyways Collaborative considered a single region for the purpose of completing projects (and ensuring that all project activities are completed within the EPA region which funded the project)?*

Answer: Regions 6 and 7 have worked together to build the Blue Skyways Collaborative and so they have common regional priorities. However, each application must be for a project within one region only. Applicants wishing to propose projects within both Region 6 and Region 7 must send in an application to each, covering only the States within that Region's borders.

Date Posted: Wednesday, April 08, 2009

Question C.64: *In the budget, should postage go under supplies?*

Answer: Yes

Date Posted: Wednesday, April 08, 2009

Question C.65: *We are having trouble getting prices for the 2010 buses. How do we handle that in an application?*

Answer: Obtain the best estimates you can using your existing procurement programs.

Date Posted: Wednesday, April 08, 2009

New Question C.66: *We are applying on behalf of a number of school districts and municipal fleets. One school district is interested in funding for replacement buses. In many New York State school districts, a public vote decides if funding will be available for new school buses. This vote will occur in May.*

This school district is fairly confident that the vote for new buses will pass. However, does EPA hold the school district to their cost match if we receive the grant and the public does NOT vote for new buses?

Answer: The grant recipient is responsible to EPA for the cost-share on all school bus replacement purchases. Your application should explain that the cost-share for these particular buses is not yet secured, is subject to vote, and may not come through. In the event of the funding being voted down, these particular buses could be removed from the project and budget and the rest of the project (with all required cost-sharing) could continue. This may require a formal amendment to the grant agreement. You and your partners/subgrantees should also be aware of the Repower and Replacement Restrictions as outlined in the RFA.

Date Posted: Wednesday, April 15, 2009

New Question C.67: *We are a high school district and have a one time chance to use (CMAQ) funds as our 50% match to replace old diesel buses with CNG buses. Is this allowable? They are Federal funds but are controlled through our local County Government along with Cal-Trans.*

Answer: Federal funds can not be used to match Federal funds, therefore CMAQ is not an eligible match for the National Clean Diesel funding.

Date Posted: Wednesday, April 15, 2009

New Question C.68: *Our municipality wishes to replace an existing vehicle with an International brand truck to maintain brand uniformity in our fleet. Also, the state has an open bid for Internationals, which the county may utilize as a subsidiary. Is specifying an International brand replacement truck allowed under project guidelines?*

Answer: It is best not to name specific vendors in the application. Procurements are subject to the competition requirements in 40 CFR Parts 30 and 31, as applicable. It may be possible for the county to use the State bid to satisfy the procurement competition requirements. If a grant is awarded, the recipient can work with the EPA Project Officer to work out the details and ensure compliance with the procurement regulations.

Date Posted: Wednesday, April 15, 2009

New Question C.69: *Is sales tax (state and local taxes, FET taxes) on new trucks included in the funding, or do our customers need to ask for 25% of the pre-tax amount?*

Answer: An applicant may include tax in the purchase price of the truck.

Date Posted: Wednesday, April 15, 2009

New Question C.70: *The RFA states that “Each regional office will only accept applications for projects that take place solely within that EPA region”. However, Region 8 priorities specifically include “long distance freight trucks”. Many trucking fleets operate over a broader geographical range than one EPA region. Consider if an eligible applicant was partnered with a private trucking fleet to implement eligible technology. The fleet is based in one EPA region (to which the application would be submitted), but its trucks are long distance and therefore also frequently operate outside that EPA region. Would such a project be permissible? If so, are there any stipulations that would apply to the application we should be aware of.*

Answer: Long distance truck fleets are eligible. The applicant needs to make a judgment call as to where the application should be submitted and provide justification as to why that Region was selected - whether it is the Region where the truck fleet is based, or the Region where the truck fleets operates the majority of the time, or other factors that would justify why a particular Region would want to fund a particular project.

Date Posted: Wednesday, April 15, 2009

New Question C.71: *If there is a trucking/ loading facility in Missouri but the headquarters of the company is in Illinois, can I submit one application to Region 7 without submitting another one to Region 5? Also, except for off-road diesel equipment, it may be difficult to separate fleet vehicles as either Missouri or Illinois serving vehicles.*

Answer: Long distance or bi-state and bi-regional fleets are eligible. The applicant needs to make a judgment call as to where the application should be submitted and provide justification as to why that Region was selected - whether it is the Region where the truck fleet is based, or the Region where the truck fleet operates the majority of the time, or other factors that would justify why a particular Region would want to fund a particular project. However, the same vehicles may not be included on separate applications submitted to separate Regions.

Date Posted: Wednesday, April 15, 2009

New Question C.72: *In section iii. (National Programmatic Priorities) of the Recovery Act National Clean Diesel RFA, item number 4 asks to "...include information on the quantity of air pollution produced by the diesel fleets in the area affected by the project". Is this referring to emissions associated with all diesel vehicles in the project area or only emissions from vehicles affected by the project?*

Answer: Applicants should answer the question to the best of their ability. The question is asking for emissions associated with all diesel vehicles in

the project area. The emissions from the vehicles affected by the project should be included as part of the emission benefit calculations.

Date Posted: Wednesday, April 15, 2009

New Question C.73: *If a partner provides funding above the required match percentage, is the additional funding considered 'leveraged' funds, or should all funds from the partners be considered 'match'? Do leveraged funds have a place on the SF424a budget forms?*

Answer: In addition to any mandatory cost-share, recipients and partners may choose to contribute additional leveraged funds. Leveraged funds may take the form of 1) a voluntary cost-share, or 2) additional or other Leveraged funding.

Applicants may include leveraged funds in the form of a voluntary cost-share in the official project budget. However, if EPA accepts an offer for a voluntary cost-share, applicants must meet their sharing commitment as a condition of receiving EPA funding. Applicants can use their own funds or other resources for voluntary cost-share if the standards at 40 CFR 30.23 or 40 CFR 31.24, as applicable, are met. Only eligible and allowable costs can be used for voluntary cost-share. To be included in the total project budget, voluntary cost-share funds should be indicated in at least one of the following blocks in Section 15, Estimated Funding, on the SF-424: b. Applicant; c. State; d. "Local" or "Other." The cost-shared funds must also be indicated in Sections A-C of the SF-424A, and in the Budget Detail portion of the Work Plan. Additional or other Leveraged resources need not be for eligible and allowable project costs under the EPA assistance agreement, and are not included on the 424A. Additional or other Leveraged resources and their source should be included in the budget detail and narrative (Appendix A of the RFA) as well as an explanation of if and how the leveraged resources will be secured.

Date Posted: Wednesday, April 15, 2009

New Question C.74: *For replacement of school buses, our school district normally has funds of approximately \$690,000 budgeted annually to replace busses. In our grant application, we would like to request approximately \$4.92 million to replace 41 busses which qualify under this program. The district would like to know if the matching fund requirement of 50% can be financed using our \$690,000 budgeted annually? This would mean that we would use our \$690,000 budgeted for the next four years to match this grant to pay for financing on these buses. Also, do we need to submit two separate applications because we are planning to apply for both the Replacement for School Bus funds and the Idle Reduction for the entire fleet?*

Answer: All grant funds (EPA funds and any mandatory matching funds) must

be spent during the grant period. Due to the nature of the Recovery Act funding, grants funded under this announcement will have an initial project period of June 2009 through September 2010. If you are unable to secure the matching funds to replace your entire fleet during this time frame, EPA anticipates that additional funding will be available under separate competitions for its 2009, 2010, and 2011 annual appropriations. One application may be submitted that covers replacement, idle reduction, and any other eligible diesel emission reduction solutions.

Date Posted: Wednesday, April 15, 2009

New Question C.75: *The checklist provided for applications requests: "Quality assurance narrative statement, if applicable"*

I have not been able to find anything in the RFA providing guidelines as to what circumstances would require this. Can you please advise?

Answer: Quality Assurance requirements apply to projects that collect environmental data, such as testing or monitoring. Testing and monitoring are not eligible activities under the National Clean Diesel Funding Assistance Program and the SmartWay Clean Diesel Finance Program - therefore the Quality Assurance narrative statement is not applicable to these programs

Date Posted: Wednesday, April 15, 2009

New Question C.76: *In regards to the Budget Detail section of the work plan, do we have to list the personnel staff and their salaries if we are only requesting funding for the equipment and installation cost?*

Answer: The budget detail section of the workplan must contain all federal funds requested as well as any mandatory cost-share funds. There is no requirement to list additional costs if they are not part of the federal share or mandatory cost-share. Please see Section III.B of the RFA for additional information on cost-share and leveraged resources.

Date Posted: Wednesday, April 15, 2009

New Question C.77: *We are thinking of applying for Clean Diesel Funding to replace some of our diesel fuel with B-20. I understand that the program pays for the incremental cost between regular and biodiesel. My question is how can we determine how much that cost will be when the diesel rate we pay fluctuates regularly?*

Answer: You should base your application on a conservative estimate/average/projection of your diesel fuel costs to allow for price fluctuations.

Date Posted: Wednesday, April 15, 2009

New Question C.78: *Is there money set a-side for Tribes under this RFA?*

Answer: No, under the Recovery Act Funding for the National Clean Diesel Funding Assistance Program, there is no funding set aside for Tribes. Tribal applications will be considered equally against all other eligible applications received.

Date Posted: Wednesday, April 15, 2009

New Question C.79: *The “award offer,” signed by the EPA Award Official, is identified as an “authorizing document.” At what point, if at all, does a grant applicant have the opportunity to review the award offer and decline the award offer? Does an applicant have the ability to reject a cooperative agreement or grant offered by EPA after the EPA’s evaluation of its application? Will the cooperative agreements or grants with the EPA specifically designate the federal laws that shall apply to the applicant, and/or contain negotiable terms?*

Answer: An applicant may withdraw their application at any point in the review, evaluation, and award process. If an applicant is selected for award, the award documents and all applicable Terms and Conditions must be signed and returned to EPA as an official acceptance of the award.

Date Posted: Wednesday, April 15, 2009

New Question C.80: *We are trying to figure out if there is some type of consideration for the fact that Schools have to BID these buses. Sometimes there are loopholes regarding bidding. We have a lot of schools interested in buying the new Blue Bird Propane Vision, but there is NOT enough time to bid these buses. In Ohio, schools have to bid anything over \$25,000.00, where in Indiana it is anything over \$150,000.00. As you can see, this does not even meet the \$500,000.00 minimum.*

Answer: An applicant may contact vendors/manufactures to conduct market research to obtain estimates of product pricing in order to complete the grant application, however specific vendors and manufacturers should not be named in the grant application. If an applicant is selected for award, all procurements of goods and services by EPA grant recipients are required to comply with competitive procurement/bidding requirements (see Section IV.G of the RFA). Any procurement and bidding would take place after an award is made to a grant recipient.

The minimum amount of federal funds requested refers to the entire project, not the cost of individual vehicles. For example, an application requesting replacement of 20 buses @ \$100,000 each bus = total

project cost of \$2,000,000. Factoring in a 75% recipient cost share required for model year 2009 buses, the federal funds requested for the project = \$500,000 - thereby meeting the minimum funding threshold.

Date Posted: Wednesday, April 15, 2009

New Question C.81: *When is the 50% EPA grant applied to the cost of a bus, specifically a propane-powered bus? For the buses being replaced they use a sliding computation based on vehicle age and mileage. Additionally, there was a federal excise tax rebate that amounted to \$7,000.00 per bus. Is the EPA grant based on the total cost of the bus before or after applying any other grants/rebates?*

Answer: The % of EPA funding is applied to the buyers purchase price of the bus. If a buyer is receiving a discounted price on a bus due to rebates or other incentives the purchase price of the bus to the buyer is reduced.

Date Posted: Wednesday, April 15, 2009

New Question C.82: *Does the EPA want applicants and partners of funding to report progress over the Central Data Exchange (www.exchangenetwork.net)? If not, what is the CDX to be used for as it is mentioned in VI.J of the RFA? Does it have any bearing with the application?*

Answer: If an applicant receives an award, the final reporting requirements and methods will be defined in the Terms and Conditions of the award (and may or may not require the use of the CDX). Applicants do not need to provide information about the CDX in their application.

Date Posted: Wednesday, April 15, 2009

New Question C.83: *On the application checklist, Biographical Sketch is one of the items to be checked, but the RFA does not reference what a biographical sketch is. Also, it has Complete Application Receipt Letter (if you want to receive notification of receipt). Please provide more information on what is required for the biographical sketch and application receipt letter.*

Answer: The application content instructions allow for the optional attachment of resumes for key personnel named in the application. A biographical sketch and a resume are considered the same thing.

If an applicant wishes to receive notification that EPA received the application, the applicant should draft a letter of receipt to be signed by EPA upon receipt of the application and mailed back to the applicant.

Date Posted: Wednesday, April 15, 2009

New Question C.84: *Although a truck is eligible to receive funding for up to 25% of the cost, can EPA award a project less than the 25% of the truck cost? If an award is made by EPA, will the award definitely be for the amount applied for? Is it an "all or nothing" type of award, or can EPA make adjustments to the awards?*

Answer: Yes, EPA will fund up to 25% of the purchase price of a new truck. An applicant may request EPA funding for less than the 25%.

In appropriate circumstances, EPA reserves the right to partially fund applications by funding discrete portions or phases of proposed projects. If EPA decides to partially fund an application it will do so in a manner that does not prejudice any applicants or affect the basis upon which the application (or portion thereof) was evaluated and selected for award, thereby maintaining the integrity of the competition and selection process.

Date Posted: Wednesday, April 15, 2009

New Question C.85: *A fleet we are working with has been told by their salesman that "they will definitely get them the 25% discount" from the EPA NCDC program if they just switch from the brand of truck they are thinking of buying, to the brand the salesman is selling. Is there anyway that someone can guarantee they will get the funding from the EPA Program?*

Answer: There is no way for anyone (inside or outside of EPA) to guarantee the receipt of funding. All applications must be competitively selected according to the process defined in Section V of the RFA. In addition, grantees must compete contracts for services and products, and conduct cost and price analyses, to the extent required by the procurement provisions of the regulations at 40 CFR Parts 30 or 31, as appropriate. Applicants are not required to identify subgrantees and/or vendors/contractors in their application. However, if they do, the fact that an applicant selected for award has named a specific subgrantee, contractor, vendor in the application EPA selects for funding does not relieve the applicant of its obligations to comply with subgrant and/or competitive procurement requirements as appropriate.

Date Posted: Wednesday, April 15, 2009

New Question C.86: *We are working with a number of large national fleets and there is a lot of confusion about how they need to apply in the event they want to deploy new trucks in a number of different EPA regions. Can you please confirm if an eligible non-profit organization can submit a single application to EPA, on behalf of a large national fleet to deploy new*

trucks all over the country in different EPA regions? Or, must individual applications be submitted to each individual EPA region where the vehicles will be deployed?

Answer: Applicants must submit their applications to the EPA regional office which covers the project location. Each regional office will only accept applications for projects that take place solely within that EPA region. Applicants are allowed to submit multiple applications under this RFA so long as each application is for a separate project, is separately submitted and takes place within only one EPA region. If an applicant is selected to receive funding for multiple projects and/or from multiple EPA regions, EPA will coordinate and streamline the funding of multiple projects through one award, as appropriate.

For long-distance trucking fleets, or vehicles/equipment that are used in more than one Region, the applicant needs to make a judgment call as to where the application(s) should be submitted and provide justification as to why that Region was selected - whether it is the Region where the truck fleet is based, or the Region where the truck fleets operates the majority of the time, or where the majority of the emissions benefits will occur, or other factors that would justify why a particular Region would want to fund a particular project. If part of the fleet spends the vast majority of its time in one Region and part of the fleet spends the vast majority of its time in another Region, an applicant may want to consider submitting a separate application for a separate project to each Region. The same vehicles may not be included on separate applications submitted to separate Regions.

Date Posted: Wednesday, April 15, 2009

New Question C.87: *Can projects be bundled together in one proposal? We had been under the assumption that this was acceptable, but the following language in the RFA was troubling.*

“Applicants must submit their application to the EPA regional office which covers the project location. Each regional office will only accept applications for projects that take place solely within that EPA region. Each application must be for a project within one region only. Applicants are allowed to submit multiple applications under this RFA so long as each application is for a separate project, is separately submitted, and each project takes place within only one EPA region. Applicants requesting funds for projects outside of the EPA region to which the application was submitted, and applications covering projects in more than one region, will not be reviewed.”

Answer: "Project" refers to all of the activities under one application. Multiple fleets and multiple diesel emission reduction solutions can be bundled into one project/application, provided all of the activities are in the

same Region. For example, construction retrofits and marine vessel retrofits that all take place in Region 3 may all be included on one project/application that is submitted to Region 3.

For long-distance trucking fleets, or vehicles/equipment that are used in more than one Region, the applicant needs to make a judgment call as to where the application(s) should be submitted and provide justification as to why that Region was selected - whether it is the Region where the truck fleet is based, or the Region where the truck fleets operates the majority of the time, or where the majority of the emissions benefits will occur, or other factors that would justify why a particular Region would want to fund a particular project. If part of the fleet spends the vast majority of its time in one Region and part of the fleet spends the vast majority of its time in another Region, an applicant may want to consider submitting a separate application for a separate project to each Region. The same vehicles may not be included on separate applications submitted to separate Regions.

Date Posted: Wednesday, April 15, 2009

New Question C.88: *With cash flow an issue with many cities, states and school districts, is it possible for applicant to utilize a bank loan to pay the required match for replacement/repower projects?*

Answer: Yes, provided all of the cost-share requirements and restrictions defined in the RFA are met.

Date Posted: Wednesday, April 15, 2009

New Question C.89: *Could school districts in Texas use Texas Emissions Reduction Plan (TERP) funding as part of their matching funds for diesel school bus replacements under this EPA program?*

Under the TERP program, the applicant is required to certify that "The applicant verifies that any activity funded under this initiative is not required by any state or federal law, rule, regulation, memorandum, or agreement, or other legally binding document. The applicant agrees that the emission reductions generated over the activity life of the equipment are transferred to the Texas Commission on Environmental Quality (TCEQ) for the state implementation plan and those reductions are permanently retired."

Does the EPA program require applicants to transfer the emissions reductions under the National Clean Diesel Funding Assistance Program toward the State Implementation Plan as well?

Answer: Yes, TERP funds may be used to match DERA funds provided that the source of the TERP funding is not Federal. An applicant should verify

with their TERP contact that the TERP funds are not from a Federal source.

The EPA program does not require the applicant to transfer emission credits to the State Implementation Plan.

Date Posted: Wednesday, April 15, 2009

New Question C.90: *We are considering a public-private partnership project, whereby a public sector transit agency would act as grant applicant/administrator, and the clean diesel vehicle initiatives would be carried out on a privately-owned intercity bus fleet operating regularly scheduled public transportation services in a region. Only grant-eligible capital expenses of the project will be included on the private partner side of the project; can the public transit agency include reasonable and documented management fees to cover administrative and monitoring expenses involved with the project? Do you have any guidelines or guidance as to what percent of the total project expenses these administrative expenses should be limited to?*

Answer: Yes, the grant applicant can request EPA funding for project management/administration costs. There are no guidelines on what percent of the total these costs should be limited to.

Date Posted: Wednesday, April 15, 2009

New Question C.91: *Our marine repower market has a limited number of engine suppliers. Some in the towing industry have corporate policies to stay with the same type of equipment for their entire fleet. Do they need to go with the lowest price proposal in the competitive bidding process?*

Answer: Applicants must compete contracts for services and products, including consultant contracts, and conduct cost and price analyses, to the extent required by the procurement provisions of the regulations at 40 CFR Parts 30 or 31, as appropriate. Awards shall be made to the bidder or offeror whose bid or offer is responsive to the solicitation and is most advantageous to the recipient, price, quality and other factors considered. So no, they do not have to go with the lowest price, necessarily. However, they must provide justification for the bidder that they do select.

Date Posted: Wednesday, April 15, 2009

New Question C.92: *Are applicants required to use the EPA fleet description spreadsheet provided at:
<http://www.epa.gov/otaq/diesel/documents/appl-fleet-2009.xls>
or may they provide a spreadsheet in their own format?*

Answer: We definitely encourage all applicants to use the Applicant Fleet Description spreadsheet, especially if there are a large number of fleets. However, use of the spreadsheet is optional, not mandatory.

Date Posted: Wednesday, April 15, 2009

New Question C.93: *Is there a place one could find a list of certified or verified kits or engine configurations for upgrades or repowers that would convert a diesel engine to a an engine that would operate with CNG or Propane?*

Answer: EPA and CARB's verified technology lists do not contain any verified alternative fuel engine upgrade kits. Engine Certification data and information can be found at <http://www.epa.gov/otaq/certdata.htm>.

Date Posted: Wednesday, April 15, 2009

New Question C.94: *Is there a Minority Business Enterprise/Woman Business Enterprise (MBE/WBE) goal or is it waived because my application is only purchase and installation.*

Answer: Yes, this program has a MBE/WBE requirement. The rule (40 CFR Part 33) applies to procurement under grants. If the grantee is not involved in any procurement, they still have to report. Information and forms can be found on: <http://www.epa.gov/osbp/grants.htm>

Date Posted: Wednesday, April 15, 2009

New Question C.95: *Can you post information on how to submit an application for Intergovernmental Review in different states?*

Answer: Executive Order 12372, Intergovernmental Review of Federal Programs may be applicable to awards resulting from this announcement. Applicants selected for funding may be required to provide a copy of their application to their State Point of Contact (SPOC) for review, pursuant to Executive Order 12372, Intergovernmental Review of Federal Programs. Please visit the SPOC (state point of contact) website at <http://www.whitehouse.gov/omb/grants/spoc.html> to see if your state is listed, and if so contact the SPOC for specific submission instructions.

Not all States require such a review. States that are not listed on this page have chosen not to participate in the intergovernmental review process, and therefore do not have a SPOC. If you are located within a State that does not have a SPOC, you may send application materials directly to a Federal awarding agency.

Date Posted: Wednesday, April 15, 2009

New Question C.96: *Can an eligible entity submit more than one bid package. For example - if a Trucking Association is working with several trucking fleets for Idle reduction can they submit in separate bids for each fleet up to the maximum award amount or is the maximum award amount limited to each eligible entity.*

Answer: Applicants are allowed to submit multiple applications under this RFA so long as each application is for a separate project. The same vehicles may not be included in multiple applications. If an applicant is selected to receive funding for multiple projects and/or from multiple EPA regional offices, EPA will coordinate and streamline the funding of multiple projects through one award, as appropriate. The maximum award amount applies to each application.

Date Posted: Wednesday, April 15, 2009

New Question C.97: *For the purpose of this grant, what is the definition of an "Environmental Justice Area"?*

Answer: This RFA does not request information on "Environmental Justice Areas." Under this RFA, programmatic priorities include projects that are in areas: with high population density, that are poor air quality areas (including nonattainment or maintenance of national ambient air quality standards for a criteria pollutant; Federal Class I areas; with toxic air pollutant concerns); that receive a disproportionate quantity of air pollution from diesel fleets, including truck stops, ports, rail yards, terminals, and distribution centers or that use a community-based multi-stakeholder collaborative process to reduce toxic emissions.

Date Posted: Wednesday, April 15, 2009

New Question C.98: *I am having problems using the Diesel Emissions Quantifier (DEQ). When I try to access it, I receive an error message.*

Answer: The DEQ tends to malfunction when many users are logged on at once. We advise everyone to plan ahead as traffic will be high around the close of the RFAs and to try using the DEQ during off-peak hours (early morning or late evening, depending on your time zone, and possibly weekends). If you are unable to access the DEQ, please try again later.

Date Posted: Wednesday, April 15, 2009

D. Recovery Act Requirements

Question D.1: *What requirements does the American Recovery and Reinvestment Act (Recovery Act) impose on this program that makes Recovery Act funded projects different than projects funded under the regular DERA RFP?*

Answer: The Recovery Act includes certification requirements, Buy American requirements, Wage Rate requirements, Quick-start requirements, and special reporting requirements, and most importantly, Recovery Act Criteria concerning job creation/preservation and economic stimulation. We are developing Recovery Act FAQs to address the requirements imposed by the Recovery Act.

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