

Questions and Answers: 2021 Diesel Emissions Reduction Act (DERA) Tribal and Insular Area Grants (RFA# EPA-OAR-OTAQ-21-04)

Thursday, July 1, 2021

The following Questions and Answers have been compiled for the benefit of organizations considering applying for a grant under the above Request for Applications (RFA).

- A. Applicant Eligibility
- B. Project Eligibility
 - i. Vehicle and Equipment Replacements
 - ii. Engine Replacements
 - iii. Certified Remanufacture Systems
 - iv. Verified Idle Reduction Technologies
 - v. Verified Retrofit Technologies
 - vi. Clean Alternative Fuel Conversions
 - vii. Verified Aerodynamic Technologies and Low Rolling Resistance Tires
 - viii. Miscellaneous
- C. Vehicle, Equipment, and Engine Eligibility
- D. Application Process
- E. Project Administration
 - i. Competitive Procurement Requirements
 - ii. General

Please note that many questions are variations of each other so your exact question may not be listed; please look for similar questions.

A. Applicant Eligibility

A.1: *How does the RFA define tribal agency and intertribal consortium?*

Answer: Tribal agencies are defined as Federally recognized Indian tribal governments, which are any Indian Tribe, band, nation, or other organized group or community (including Alaska Native villages) certified by the Secretary of the Interior as eligible for the special programs and services provided through the Bureau of Indian Affairs as well as any organization or intertribal consortium that represents Federally recognized tribes. For the purposes of this RFA, "intertribal consortium" is defined as a partnership between two or more eligible tribal governments, as defined above, that is authorized by the governing bodies of those tribes to apply for and receive assistance under this program. Intertribal consortia are eligible to receive assistance under this program only if the consortium demonstrates that all members of the consortium meet the eligibility requirements for the program and authorize the consortium to apply for and receive assistance by submitting to EPA documentation of (1) the existence of the partnership between Indian tribal governments, and (2) authorization of the consortium by all its members to apply for and receive the assistance.

Date Posted: 5/6/2021

A.2: *Which insular areas are eligible?*

Answer: As defined in 48 U.S.C. §1469a [Congressional declaration of policy respecting "Insular Areas"], insular areas eligible to apply for funding under this RFA include the U.S. Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

Date Posted: 5/6/2021

A.3: *Can multiple tribes collaborate on a grant application?*

Answer: Yes, there are two ways tribes can collaborate: 1) one eligible tribe could apply with others as subrecipients/beneficiaries and 2) the tribes could form an intertribal consortium. For the purposes of this RFA, "intertribal consortium" is defined as a partnership between two or more tribes that is authorized by the governing bodies of those tribes to apply for and receive assistance under this program. Please see Section III.A of the RFA for additional information about intertribal consortiums.

Date Posted: 5/6/2021

A.4: *Do applicants have to be located in areas with poor air quality to be eligible?*

Answer: No. All eligible applicants, as defined in the RFA, are eligible to apply for the DERA Tribal and Insular Area Grant Program, regardless of air quality in the project location. However, projects located in areas of poor air quality will be given priority as described in Section V.A of the RFA. A list of priority areas for the 2021 Tribal and Insular Area RFA can be found at www.epa.gov/dera/tribal and in Appendix F of the RFA.

Date Posted: 5/6/2021

A.5: *How does EPA define jurisdiction over transportation or air quality?*

Answer: Jurisdiction is generally defined as the ability to make decisions which impact transportation and/or air quality. A Tribe/Native village which owns or operates diesel vehicles and equipment is considered to have jurisdiction over transportation and/or air quality. Eligible entities should explain how they fit the definition in their proposal.

Date Posted: 5/6/2021

A.6: *Can individuals or private companies apply for funding under this competition?*

Answer: No. Only eligible entities as defined in the RFA are eligible to apply directly to EPA for Funding under this RFA. However, both public and private fleets may benefit from program activities and EPA encourages private fleet owners to partner with eligible entities for the implementation of diesel emission reduction projects. There are several ways that an eligible entity can provide funding/benefits to fleet owners, including subgrants, rebates, or other types of partnerships. Please see Section III.A of the RFA for more information. For networking opportunities, you may wish to get involved with your local Regional Diesel Collaborative. More information is available at www.epa.gov/dera/epa-regions-diesel-colaboratives.

Date Posted: 5/6/2021

A.7: *Are non-tribal schools eligible to apply?*

Answer: No. Under this solicitation, only tribal governments (or intertribal consortia) and Alaska Native villages, and insular area government agencies, which have jurisdiction over transportation or air quality, are eligible to apply for assistance.

Tribal governments are defined as Federally recognized Indian tribal governments, which are any Indian Tribe, band, nation, or other organized group or community (including Alaska Native villages) certified by the Secretary of the Interior as eligible for the special programs and services provided through the Bureau of Indian Affairs as well as any organization or intertribal consortium that represents Federally recognized tribes.

For the purposes of this RFA, "intertribal consortium" is defined as a partnership between two or more eligible tribal governments as defined above, that is authorized by the governing bodies of those tribes to apply for and receive assistance under this program. Intertribal consortia are eligible to receive assistance under this program only if the consortium demonstrates that all members of the consortium meet the eligibility requirements for the program and authorize the consortium to apply for and receive assistance by submitting to EPA documentation of (1) the existence of the partnership between Indian tribal governments, and (2) authorization of the consortium by all its members to apply for and receive the assistance.

As defined in 48 U.S.C. §1469a, "insular areas" include the U.S. Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

Date Posted: 5/6/2021

A.8: *Are there specific entities that private companies in insular areas must partner with?*

Answer: Although private fleet owners are not eligible to apply directly to EPA for DERA funding, both public and private fleets can benefit from the programs implemented by eligible DERA grant applicants. Under this RFA, insular area government agencies are eligible to apply for funding for projects in the U.S. Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

Date Posted: 6/24/2021

B. Project Eligibility

i. Vehicle and Equipment Replacements

B.i.1: *What types of replacement projects are eligible?*

Answer: Replacement projects can include the replacement of diesel vehicles/equipment with new, cleaner diesel, hybrid, or alternative fuel vehicles/equipment such as CNG, LNG or propane, or zero emission technologies such as battery or fuel cell where applicable.

Date Posted: 5/6/2021

B.i.2: *Are transport refrigeration unit (TRU) replacement projects eligible?*

Answer: Yes. Diesel powered TRUs and TRU gen sets are eligible as nonroad equipment replacements if the existing TRU nonroad engine meets the applicable nonroad eligibility criteria. Please see the TRU Factsheet found at www.epa.gov/dera/tribal for information on TRUs and eligible TRU projects.

Date Posted: 5/6/2021

B.i.3: *Is a microgrid system to replace the use of backup diesel generators eligible for funding under this RFA?*

Answer: It depends. A backup diesel generator may qualify for replacement if it meets the ownership, usage and remaining life requirements as defined in the RFA. Eligible replacement equipment includes generators powered by diesel or clean alternative fuel engines (including gasoline), electric generators (gensets), hybrid engines, and zero tailpipe emissions power sources (grid, battery or fuel cell).

Eligible costs for grid electric powered engine and equipment replacement projects can include the purchase and installation of certain equipment required for power delivery directly related to the new equipment. Eligible costs include design and engineering, electrical panels, upgrades to existing electrical panels or electrical service, transformers, wiring/conduit, and installation. Ineligible costs include power distribution to the property line, electricity, operation and maintenance, stationary energy storage systems that power the equipment (e.g., batteries) and their installation, and on-site power generation systems that power the equipment (e.g., solar and wind power generation equipment) and their installation. Applicants and their partners may add these components at their own expense outside the scope of the grant.

Eligible costs for battery electric powered vehicle, equipment and engine replacement projects can include the purchase and installation of one charging unit per vehicle, including the unit and charging cable, mount and/or pedestal. Ineligible costs include power distribution to the pedestal, electrical panels and their installation, upgrades to existing electrical panels or electrical service, transformers and their installation, wiring/conduit and its installation, electricity, operation and maintenance, stationary energy storage systems that power the equipment (e.g., batteries) and their installation, and on-site power generation systems that power the equipment (e.g., solar and wind power generation equipment) and their installation.

Ineligible costs, including matching funds, include stationary energy storage systems that power the equipment (e.g., batteries) and their installation, on-site power generation systems that power the equipment (e.g., solar and wind power generation equipment) and their installation. Applicants and their partners may add these components at their own expense outside the scope of the grant.

Date Posted: 6/24/2021

ii. Engine Replacements

B.ii.1: *Can a Tier 3 nonroad engine be replaced with a Tier 3 marine engine in a stationary power generation application in rural Alaska?*

Answer: Stationary generators in the Alaska rural areas are eligible for replacement with certified marine engines. Applicants must commit to using Tier 4 engines if Tier 4 engines with the appropriate physical and performance characteristics are available. Tier 3 engines may be used for engine replacement only if Tier 4 is demonstrated to not be available or feasible through a best achievable technology analysis as defined in Section I.B.4.a of the RFA. Applicants anticipating the use of lower tiered engines should discuss their rationale for

proposing lower tiered engine replacements in Section 1 of their project narrative. If selected for funding, applicants will be required to submit a best achievable technology analysis to EPA for approval before Tier 1, Tier 2, Tier 3 or Tier 4i vehicles, equipment, or engines can be purchased, as defined in the RFA. This analysis is not required at the time of grant application submittal. Costs for engineering analysis may be included in the project budget.

Date Posted: 6/24/2021

iii. Certified Remanufacture Systems

No questions at this time.

iv. Verified Idle Reduction Technologies

B.iv.1: *Are idle reduction technologies eligible for funding under this RFA?*

Answer: Yes. Idle reduction projects are eligible for funding. Lists of eligible, EPA verified idle reduction technologies are available at: www.epa.gov/verified-diesel-tech/smartway-technology.

Date Posted: 5/6/2021

B.iv.2: *Is adding electrified parking spaces to a truck stop eligible?*

Answer: Yes. EPA will fund eligible electrified parking space technologies, including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the equipment functional. This includes the installation (i.e., construction) of electrical infrastructure to support the EPS technology.

Date Posted: 5/6/2021

v. Verified Retrofit Technologies

B.v.1: *Are retrofit technologies required to have EPA/CARB verification prior to proposal submission?*

Answer: The type of retrofit technology (e.g., DOC, DPF, SCR, upgrade kit, etc.) proposed for funding must be verified by either EPA or CARB for use on the specific vehicle/engine specified in the proposal at the time of proposal submission to EPA. A list of eligible, EPA verified retrofit technologies is available at: www.epa.gov/verified-diesel-tech/verified-technologies-list-clean-diesel a list of eligible, California Air Resources Board (CARB) verified retrofit technologies is available at: www.arb.ca.gov/diesel/verdev/vt/cvt.htm. The actual retrofit technology used by the grant recipient must be specifically named on EPA or CARB's Verified Exhaust Retrofit Technologies lists at the time of acquisition and used only for the specific vehicle/engine for which it is verified.

Date Posted: 5/6/2021

B.v.2: *Which fuels are considered cleaner fuels?*

Answer: Eligible cleaner fuels and additives are limited to those verified by EPA and/or CARB to achieve emission reductions when applied to an existing diesel engine, such as biodiesel. EPA will not fund stand-alone cleaner fuel/additive use. To be eligible for funding, verified fuels and additives must be for new or expanded use, and must be used in combination, and the same vehicle, with a new eligible verified engine retrofit or an eligible upgrade or an eligible certified engine, vehicle, or equipment replacement.

Date Posted: 5/6/2021

vi. Clean Alternative Fuel Conversions

B.vi.1: *Are alternative fuel conversions eligible?*

Answer: Yes. Funding can cover an eligible certified or compliant clean alternative fuel conversion. Eligible conversions are limited to those systems that have been certified by EPA and/or CARB, and those systems that have been approved by EPA for Intermediate-Age engines. EPA's lists of "Certified Conversion Systems for New Vehicles and Engines" and "Conversion Systems for Intermediate-Age Vehicles and Engines" are available at www.epa.gov/ve-certification/lists-epa-compliant-alternative-fuel-conversion-systems; CARB's list of "Approved Alternate Fuel Retrofit Systems" is available at www.arb.ca.gov/msprog/aftermkt/altfuel/altfuel.htm. To be eligible for funding, conversion systems for engine model years 2006 and earlier must achieve at least a 30% NOx reduction and a 10% PM reduction from the applicable certified emission standards of the original engine. To be eligible for funding, conversion systems for engine model years 2007 and newer must achieve at least a 20% NOx reduction with no increase in PM from the applicable certified emission standards of the original engine.

Date Posted: 5/6/2021

vii. Verified Aerodynamic Technologies and Low Rolling Resistance Tires

No questions at this time.

viii. Miscellaneous

B.viii.1: *Are projects for fueling infrastructure for the production and distribution of fuel biodiesel eligible?*

Answer: No. Funding cannot be used for fueling infrastructure.

Date Posted: 5/6/2021

B.viii.2: *Can funds be used for a project that has already been started or will be started before the expected award date?*

Answer: No. Any funding awarded under this announcement must be used for activities that will 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: 5/6/2021

B.viii.3: *What project types are eligible under the Tribal and Insular Area RFA?*

Answer: Eligible diesel emissions reduction solutions include vehicle and equipment replacements, engine replacement, remanufacture systems, verified idle reduction technologies, verified retrofit technologies, clean alternative fuel conversions, and verified aerodynamic technologies and verified low rolling resistance tires. Projects must utilize an EPA or CARB certified engine configuration and/or a verified technology. Please review the full text of the RFA and supporting information for detailed project eligibility information: www.epa.gov/dera/tribal.

Date Posted: 5/6/2021

B.viii.4: *May we expand our fleet with new vehicles?*

Answer: No. New vehicle purchases must replace an existing, older, diesel-powered vehicle. Old vehicles must be scrapped to ensure emissions reductions are achieved.

Date Posted: 5/6/2021

B.viii.5: *What types of projects are eligible for a Tier 3 marine engine?*

Answer: Please see Table 4 in Section I.B.4 of the RFA for marine engine project eligibility. Below 803 HP, there is no Tier 4 marine engine standard. Therefore, Tier 3 engines may be replaced with zero emission power systems, or Tier 3 engines may be upgraded with a certified remanufacture system or a verified engine upgrade.

Replacement: Tier 3 powered marine vessels are eligible for engine/vessel replacement with zero emissions options such as battery electric.

Certified Remanufacture Systems: An EPA certified remanufacture system (i.e. kit) can be applied during an engine rebuild and involves the removal of parts on an engine and replacement with parts that cause the engine to perform like a newer engine. Engine remanufacture systems may not be available for all engines.

To be eligible for funding, remanufacture systems for marine engines must be certified by EPA at the time of acquisition. List of certified remanufacture systems are available at: www.epa.gov/compliance-and-fuel-economy-data/engine-certification-data, and additional information on remanufacture systems is available at: www.epa.gov/vehicle-and-engine-certification/remanufacture-systems-category-1-and-2-marine-diesel-engines.

Verified Retrofit Technologies: Retrofit technologies are products that may be added to reduce emissions from existing engines such as diesel oxidation catalysts (DOCs) and diesel particulate filters (DPFs). EPA and CARB verify technologies that have demonstrated performance and have quantified the levels of emissions reductions the technology can achieve. A few marine engine upgrades have been verified as retrofits, however there are no currently verified upgrades that are applicable to Tier 3 engines.

To be eligible for funding, verified retrofit technologies must be on EPA's (www.epa.gov/verified-diesel-tech/verified-technologies-list-clean-diesel) or CARB's (www.arb.ca.gov/diesel/verdev/vt/cvt.htm) Verified Technologies lists at the time of acquisition, must be used only for the vehicle/engine application specified on the lists, and must meet any applicable verification criteria.

Date Posted: 5/20/2021

B.viii.6: *If the tribe does not have an existing vehicle, can they apply for a vehicle for a new location?*

Answer: No, funding under this RFA cannot be used for the purchase of vehicles, engines, or equipment to expand a fleet.

Date Posted: 5/27/2021

B.viii.7: *Can you please distinguish the eligible and ineligible costs for electric vehicle charging stations?*

Answer: DERA funds cannot be used for "stand-alone" electric vehicle charging stations. If you are buying an electric vehicle with DERA funds, then DERA funds may also be used for a pedestal and charging cable for the DERA purchased vehicle. The charger should be installed where the DERA purchased vehicle will do most of its charging. Ineligible costs include power distribution to the pedestal, electrical panels and their installation, upgrades to existing electrical panels or electrical service, transformers and their installation, wiring/conduit and its installation, electricity, operation and maintenance, stationary energy storage systems that power the equipment (e.g. batteries) and their installation, and on-site power generation systems that power the equipment (e.g., solar and wind power generation equipment) and their installation.

Date Posted: 5/27/2021

C. Vehicle, Equipment, and Engine Eligibility

C.1: *Please describe eligible diesel trucks.*

Answer: For the purposes of this RFA, eligible heavy-duty highway vehicles are defined as Class 5 through Class 8: Class 5 (16,001 -19,500 lbs GVWR); Class 6 (19,501 - 26,000 lbs GVWR); Class 7 (26,001 - 33,000 lbs GVWR); Class 8 (33,001 lbs GVWR and over). Class 1 - Class 4 vehicles (i.e., 16,000 lbs or less GVWR) are not eligible.

Date Posted: 5/6/2021

C.2: *Is there a minimum usage requirement for highway vehicles under this RFA?*

Answer: Yes. The usage requirement depends on the applicant and vehicle type.

Tribal government (or intertribal consortia) and Alaska Native village applicants:

- School buses must have accumulated at least 5,000 miles per year during the two years prior to upgrade, or during calendar year 2019.
- All other highway vehicles must have accumulated at least 5,000 miles per year during the two years prior to upgrade.

Insular area government agency applicants:

- School buses must have accumulated at least 1,000 miles per year during the two years prior to upgrade, or during calendar year 2019.
- All other highway vehicles must have accumulated at least 1,000 miles per year during the two years prior to upgrade.

The mileage of two or more units may be combined to reach the thresholds above where two or more units will be scrapped and replaced with a single unit. The existing vehicle, engine, or equipment must be fully operational and in current, regular service.

Date Posted: 5/6/2021

C.3: *Is there a time requirement for a company to have owned vehicles or equipment before they can be included in a project?*

Answer: Yes. Fleet owners must have owned and operated the vehicle during the two years prior to upgrade.

Date Posted: 5/6/2021

C.4: *Are backup diesel generators eligible for funding under this RFA?*

Answer: A backup diesel generator may qualify if it meets the minimum usage requirements, but most do not due to their limited use. Please see Section I.B.6. of the RFA for usage requirements. However, engine hours may be combined to reach the threshold where two or more engines will be scrapped and replaced with a single engine.

Date Posted: 5/6/2021

C.5: *What are the nonroad, locomotive and marine usage requirements?*

Answer: To be eligible, nonroad engines must meet these minimum operating requirements:
Agricultural pumps: at least 250 hours per year during the two years prior to upgrade. All other nonroad engines: at least 300 hours per year during the two years prior. Locomotive and marine engines: at least 500 hours per year during the two years prior to upgrade. The engine operating hours of two or more units may be combined to reach the thresholds above where two or more units will be scrapped and replaced with a single unit. The existing vehicle, engine, or equipment must be fully operational and in current, regular service.

Date Posted: 5/6/2021

C.6: *Which engine model years are eligible for funding?*

Answer: Engine model year or tier eligibility will depend on the type of project. Please see Sections I.B.4 and I.B.6.of the RFA for full details on eligibility criteria.

Date Posted: 5/6/2021

C.7: *Are vehicles that are scheduled for retirement next year eligible?*

Answer: No. To be eligible for funding, existing vehicles, engines, equipment and technologies must have at least two years of remaining life as defined in Section I.B.6.c.

Date Posted: 5/6/2021

C.8: *How do we demonstrate remaining life?*

Answer: Remaining life is the fleet owner's estimate of the number of years until the unit would have been retired from service if the unit were not being upgraded or scrapped because of the grant funding. The remaining life estimate is the number of years of operation remaining even if the unit were to be rebuilt or sold to another fleet. The remaining life estimate depends on the current age and condition of the vehicle at the time of upgrade, as well as things like usage, maintenance, and climate. Please provide your best estimate given these considerations.

Date Posted: 5/6/2021

C.9: *What are the eligibility requirements for qualifying nonroad equipment?*

Answer: Diesel powered nonroad engines, equipment and vehicles that are eligible for funding include, but are not limited to, those used in construction, handling of cargo (including at ports and airports), agriculture, mining, or energy production (including stationary generators and pumps). Eligible nonroad equipment also includes transport refrigeration units (TRUs). See Table 1 in Section I.B.2, and Table 3 in Section I.B.4 for additional information.

Date Posted: 5/6/2021

C.10: *Can eligible entities receive funding for fleets comprised of both tribal and corporate vehicles?*

Answer: Yes. Corporate vehicles are eligible for funding as long as the applicant is an eligible entity. An eligible entity can provide funding/benefits to private fleet owners through subawards and rebates.

Date Posted: 5/6/2021

C.11: *Is a gas engine eligible for replacement under the DERA Tribal and Insular Area Grant?*

Answer: No, the existing engine must be a diesel engine. The DERA program is specifically focused on reducing diesel emissions.

Date Posted: 5/6/2021

C.12: *Are vehicles leased with an intent to own eligible?*

Answer: No. In order to satisfy RFA requirements, vehicles must be paid in full before the end of the grant project period (typically 2-3 years). Therefore, current DERA policy does not allow vehicle leasing.

Date Posted: 5/6/2021

C.13: *We would like to reduce emissions from our marine auxiliary generators. Is replacing the engine in a marine auxiliary generator an eligible project?*

Answer: Yes. Replacing the engine in an existing diesel-electric genset consists of replacing the existing diesel engine in the genset, but the existing electric generator component will not be replaced.

Date Posted: 5/6/2021

C.14: *May we replace a class 5 diesel vehicle with a Class 4 electric vehicle?*

Answer: Yes, the replacement vehicle may be the same weight class or smaller vehicle than the vehicle being replaced. For highway vehicle, engine, or equipment replacement, the vehicle replacement vehicle must not be in a larger weight class than the existing vehicle (Class 5, 6, 7, or 8). Exceptions may be granted for vocational purposes where justified and will require specific EPA approval prior to purchase.

Date Posted: 5/13/2021

C.15: *Is diesel equipment that a tribe owns in partnership with a federal agency eligible?*

Answer: No. While the tribe does not need to own the equipment, equipment owned by a federal agency is not eligible for replacement or retrofit. By definition, in 2 CFR Part 200, recipients and subrecipients of federal awards must be non-Federal entities. Further, federal cooperative agreement funds may not be used to acquire property or services for the Federal Government's direct benefit or use.

Date Posted: 5/13/2021

C.16: *Is a vehicle used to transport passengers (e.g., shuttles, transit buses) eligible for replacement?*

Answer: Yes, per section I.B.2 of the RFA, eligible transit buses include diesel powered medium-duty and heavy-duty transit buses as long as it is a Class 5 or above vehicle and meets the ownership, usage, and remaining life requirements defined in the RFA.

Date Posted: 5/13/2021

C.17: *Is the two-year remaining life at time of upgrade something we find out through the Diesel Emission Quantifier (DEQ)?*

Answer: No, the DEQ does not give remaining life estimates. To be eligible for funding, existing vehicle, engine, equipment, and technologies must have at least two years of remaining life as defined in Section I.B.6.c. of the RFA. Remaining life is the fleet owner's estimate of the number of years until the unit would have been retired from service if the unit were not being upgraded or scrapped because of the grant funding. The remaining life estimate is the number of years of operation remaining even if the unit were to be rebuilt or sold to another fleet. The estimate depends on the current age and condition of the vehicle at the time of upgrade, as well as things like usage, maintenance, and climate.

Documentation is not required at the time of application submittal to EPA but is required as part of programmatic reporting to verify the eligible use of grant funds. A sample eligibility statement may be found at www.epa.gov/dera/tribal, as defined in Section 1B.6f of the RFA.

Date Posted: 5/27/2021

C.18: *Is a Tier 2 marine engine funded through a 2012 DERA Tribal Grant eligible? We would like to replace it with a Tier 3 engine or higher.*

Answer: Yes, if the engine meets the marine engine ownership, usage, and remaining life eligibility requirements listed in Sections I.B.4 (including Table 4) and I.B.6 of the RFA it may be eligible for replacement under DERA. The horsepower, tier, and other variables listed on Table 4: Marine Engine Project Eligibility in sections I.B.4 can provide additional information on specific project eligibility for marine engines.

Date Posted: 6/17/2021

C.19: *We want to replace the 2 diesel engines that power a single excavator. Is this considered two projects because it is two engines or is it a single project?*

Answer: It is a single project/application. Each engine should be defined separately in the application and supporting fleet sheet description for eligibility determination purposes. Each engine must meet the usage requirements, however the engine operating hours of two or more engines may be combined to reach the usage thresholds where two or more engines will be scrapped and replaced with a single engine.

Date Posted: 6/24/2021

New C.20: *Is there a maximum eligible age of the existing school bus in a zero-emission school bus replacement project?*

Answer: No, there is no maximum age for vehicle eligibility. Existing vehicles must meet the ownership, usage, and remaining life requirements defined in Section I.B.6 of the RFA to be eligible for funding. The existing bus must be operational, and the participating fleet owner must have owned and operated the vehicle during the two years prior to upgrade. The existing vehicle must have at least two years of remaining life at the time of upgrade. Remaining life is the fleet owner's estimate of the number of years until the unit would have been retired from service if the unit were not being upgraded or scrapped because of the grant funding. The remaining life estimate is the number of years of operation remaining even if the unit were to be rebuilt or sold to another fleet. The remaining life estimate depends on the current age and condition of the vehicle at the time of upgrade, as well as things like usage, maintenance, and climate. To be eligible for funding, school buses must meet the following usage requirements: For Tribal applicants, the existing vehicle must have accumulated at least 5,000 miles per year during the two years prior to upgrade, or during calendar year 2019. For insular area applicants, the existing vehicle must have accumulated at least 1,000 miles per year during the two years prior to upgrade, or during calendar year 2019. Please note that 2010 and newer existing vehicles can only be replaced with zero emission or certified Low-NOx vehicles, as shown in Section I.B.4, Table 2, of the RFA.

Date Posted: 7/1/2021

D. Application Process

D.1: *Can applicants get assistance with the Diesel Emissions Quantifier?*

Answer: Yes, you may contact the DEQ Helpline by emailing DEQhelp@epa.gov for assistance. We recommend you start working with the Quantifier early.

Date Posted: 5/6/2021

D.2: *The application checklist does not include the scrappage statement and the eligibility statement. Should these be included in the application?*

Answer: No, the eligibility statement and scrappage statement are not required at the time of

application. If selected for funding, the statements are required to be submitted to document the eligible use of funds. In the workplan, applicants should state that all vehicles will meet the applicable eligibility requirements and that all vehicles will be scrapped.

Date Posted: 5/6/2021

D.3: *Will Information Session slides or recordings be available online?*

Answer: The Information Session slides will be posted at: www.epa.gov/dera/tribal after the first information session. A recording will not be available.

Date Posted: 5/6/2021

D.4: *May we purchase an extended warranty that extends past the project period?*

Answer: Yes, an extended warranty may be included in the purchase price of the equipment.

Date Posted: 5/6/2021

D.5: *Where is the application for the grant program?*

Answer: The Request for Applications (RFA Number EPA-OAR- OTAQ-21-04) contains all project eligibility and application submission information. The RFA, as well as a project narrative sample template and an applicant fleet description template, may be found at www.epa.gov/dera/tribal. Applicants can download an application package, including required forms, from www.grants.gov under Funding Opportunity Number EPA-OAR-OTAQ-21-04. Applicants must upload the project narrative and all supporting documents to the application package in grants.gov, and the full package submitted to EPA through www.grants.gov. Please refer to the proposal submission checklist in Appendix G of the RFA to ensure that all required information is included in your package.

Date Posted: 5/6/2021

D.6: *What is the applicant's mandatory cost share requirement?*

Answer: No cost sharing/matching funds are required under this RFA, but applicants may propose to provide voluntary cost share or leveraged resources.

Date Posted: 5/6/2021

D.7: *What is the total amount of funding available under this RFA?*

Answer: EPA anticipates awarding approximately \$5 million in DERA funding under this announcement. A total of \$4.5 million will be made available to tribal governments (or intertribal consortia) and Alaska Native villages, and \$500,000 will be made available to insular area governments.

Date Posted: 5/6/2021

D.8: *How many applications may be submitted?*

Answer: Applicants may submit two (2) applications. Each application must be for a different project and must be submitted separately. An applicant cannot submit two applications that both request funding for the same project (i.e. the same target fleet or group of fleets).

Date Posted: 5/6/2021

D.9: *What is the maximum federal funding request under this RFA?*

Answer: Tribal governments (or intertribal consortia) or Alaska Native villages may request up to \$800,000 per application and insular area government entities may request up to \$250,000 per application,

Date Posted: 5/6/2021

D.10: *Are we eligible to apply if we have received DERA funding through another opportunity?*

Answer: Yes, you may apply for funding under this funding opportunity. Participation in one program does not preclude you from participating in others; however, an applicant may not accept funding from multiple programs for the same vehicle.

Date Posted: 5/6/2021

D.11: *Do I have to include emissions reductions in my application?*

Answer: Yes, applicants must calculate the anticipated outputs and outcomes of the project and attach their emissions reduction calculations. If using EPA's Diesel Emissions Quantifier (DEQ), attach a printout of the DEQ results spreadsheet showing DEQ results and inputs. If quantifying using an alternative method, please thoroughly describe and document your methods and results. The inputs used for emissions calculations should match the information provided by the applicant in the applicant fleet description.

Date Posted: 5/6/2021

D.12: *Where can I find information about the merit criteria/selection process?*

Answer: First, application must meet the threshold eligibility criteria defined in Section III.C of the RFA. If the threshold requirements are not met the application will be found ineligible. Then, eligible applications will be evaluated against the ranking criteria in Section V.A of the RFA.

Date Posted: 5/27/2021

D.13: *Does each vehicle need a separate application?*

Answer: No. A single application may target multiple vehicles, fleet types and/or types of upgrades. Each applicant can submit a total of two (2) separate and distinct applications, as defined in Section IV.A. However, each application must be for a different project and must be submitted separately. An applicant cannot submit two applications that both request funding for the same project (i.e. the same target fleet or group of fleets).

The amount of federal funding requested per application by the tribal governments (or intertribal consortia) or Alaska Native villages must not exceed \$800,000, and the amount requested per application by the insular area government entities must not exceed \$250,000, as specified in Section II.A.

Date Posted: 5/27/2021

D.14: *Can a tribe use their EPA CAA 105 air program grant funds to prepare a DERA grant application?*

Answer: Proposal costs for federal grants cannot be charged as a direct expense to any federal grant (2 CFR 200.460), but can be included in the indirect cost rate, which is the only way for any grant proposal costs to be covered by any federal grant.

Date Posted: 6/17/2021

D.15: *What is the school bus rebate program?*

Answer: The DERA School Bus Rebate program provides for the replacement of old diesel school buses with new, cleaner buses. Typically, the rebate application period opens in the fall and projects are completed in less than one year. Additional information on EPA's School Bus Rebates can be found at www.epa.gov/dera/rebates.

Date Posted: 6/24/2021

D.16: *Is a copy of a successful application available to use as a guide?*

Answer: No. However, templates and resources for applicants are available at www.epa.gov/dera/tribal.

Date Posted: 6/24/2021

D.17: *May we delete the sectors and target fleet lists from the project narrative sample template?*

Answer: Yes. Applicants should briefly describe their project using the sector(s) and corresponding target fleet type(s) from the included lists. Include the number of affected vehicles and the type of emission upgrade(s). The unused sector and target fleet bullets should be deleted.

Date Posted: 6/24/2021

D.18: *Are there any other DERA funding opportunities for later this year?*

Answer: The 2021 DERA School Bus Rebate Program is anticipated in September-October 2021. The 2022 DERA National RFA is anticipated in December 2021. Future funding is contingent upon Congressional appropriation. EPA will announce any future DERA funding opportunities via the website and email list.

Date Posted: 6/24/2021

D.19: *Does DERA funding cover federal excise taxes (FET)?*

Answer: In general, taxes that the grant recipient is required to pay are eligible grant costs. Tax should be billed according to the organization's normal billing practices. Costs incurred for freight, express, cartage, postage, and other transportation services relating either to goods purchased, in process, or delivered, are allowable. When such costs can readily be identified with the items involved, they may be charged directly as transportation costs or added to the cost of such items. Acquisition cost means the cost of the asset including the cost to ready the asset for its intended use. Acquisition cost for equipment, for example, means the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Ancillary charges, such as taxes, duty, protective in transit insurance, freight, and installation may be included in or excluded from the acquisition cost in accordance with the non-Federal entity's regular accounting practices.

Date Posted: 6/24/2021

New **D.20:** *Can a tribe use their CAA 103 and 105 air program grant funds to pay for the work associated with preparing a DERA application?*

Answer: DERA funding is authorized under the Diesel Emission Reduction Act of 2010, which means DERA programs can only fund eligible activities as defined by the authorization. CAA 103 and 105 funding is authorized under the Clean Air Act and may only be used for eligible activities under those programs. To be allowed, grant costs need to be necessary and allocable for the performance of the award. Charging costs related to another program are not necessary and allocable for the performance of that grant. This means costs related to DERA, such as the preparation of a DERA application, cannot be charged to a CAA 103 or 105 grant. The one exception are GAP grants because these grants are for the development and establishment of environmental protection programs in Indian country. For more information on federal cost principles under Subpart E of 2 CFR Part 200, please visit www.ecfr.gov/cgi-bin/text-idx?SID=cc20ffa7fe2162ff3977615f4a6e5fd7@mc=true&node=sp2.1.200.e&rgn=div6.

Date Posted: 7/1/2021

New **D.21:** *Does the applicant fleet description need to include vehicle information on our entire fleet or only the vehicles in the fleet being proposed in the application?*

Answer: The applicant fleet description should only contain information on the vehicles included in the project application. The purpose of the applicant fleet description is to describe in detail the specific vehicles and engines targeted for emissions reductions as well as the diesel emissions reduction solution(s) to be implemented under the proposed project. The information in the fleet description is used to calculate the emission benefits of the project.

Date Posted: 7/1/2021

E. Project Administration

i. Competitive Procurement Requirements

E.i.1: *Are grantees required to use competitive bidding for procurements?*

Answer: Yes, all recipients of EPA grant funds 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 2 CFR Part 200, as appropriate. However, an existing contact may be utilized if the grantee or subgrantees can demonstrate that the vendor was selected through a competitive process that meets the requirements. Refer to EPA's Best Practice Guide for Procuring Services, Supplies, and Equipment Under EPA Assistance Agreements for EPA's policies on competitive procurements.

Date Posted: 5/6/2021

ii. General

E.ii.1: *What is the project period for this funding opportunity?*

Answer: In general, the project period for awards resulting from this solicitation is expected to begin on December 1, 2021. EPA anticipates most projects can be completed within 24 months; however, initial project periods of up to 36 months will be allowed where justified by the activities, timeline, and milestones detailed in the workplan.

Date Posted: 5/6/2021

E.ii.2: *How can tribal VW beneficiaries use funds towards EPA's Tribal and Insular Area RFA?*

Answer: Should tribal VW beneficiaries choose EMA 10 (the DERA Option), tribal entities can use VW mitigation trust funds as non-federal voluntary matching funds under this funding opportunity. For more information, see www.epa.gov/dera/vw-dera-option-tribes-supporting-documents.

Date Posted: 5/6/2021

E.ii.3: *Once an application is received and is awarded a certain amount of money, is the applicant obligated to continue?*

Answer: If selected for award, an EPA Award Official will make an official offer of an award to the applicant. The applicant must formally accept or deny the award. If an award is accepted, the applicant may terminate the award for convenience, and return the funding, at any time.

Date Posted: 5/6/2021

E.ii.4: *Is DERA funding contingent on Buy American qualifications?*

Answer: No. Buy American requirements do not apply to grants awarded under this funding announcement.

Date Posted: 5/6/2021

E.ii.5: *How can we demonstrate that an engine meets operating hour requirements?*

Answer: Participating fleet owners must attest to the ownership, usage, and remaining life criterion in Section I.B.6.a.-e. of the RFA in a signed eligibility statement which includes each vehicle make, model, year, vehicle identification number, odometer/usage meter reading, engine make, model, year, horsepower, engine ID or serial number, and vehicle/equipment registration/licensing number and state. This documentation is not required at the time of application submittal to EPA but is required as part of programmatic reporting to verify the eligible use of grant funds. A sample eligibility statement may be found at www.epa.gov/dera/tribal.

Date Posted: 5/6/2021

E.ii.6: *Do you have more information on combining VW Trust Funding with DERA?*

Answer: The Volkswagen Environmental Mitigation Trust for Indian Tribe Beneficiaries, under Environmental Mitigation Action Number 10 (the DERA Option), allows tribal entities to use trust funds as non-federal voluntary matching funds under EPA's DERA Tribal Grants program. For additional information on the Volkswagen settlement and the DERA Option, please visit: www.epa.gov/dera/volkswagen-vw-settlement-dera-option.

Date Posted: 5/27/2021