



EPA's Mobile Source Funding Opportunities

May 2024

Esperanza Perez / M Miglio
U.S. Environmental Protection Agency – Region 9



AGENDA



Mobile Source Funding Overview/Timeline



CSB Program – Overview



Clean Heavy-Duty Vehicles (CHDV) Grant

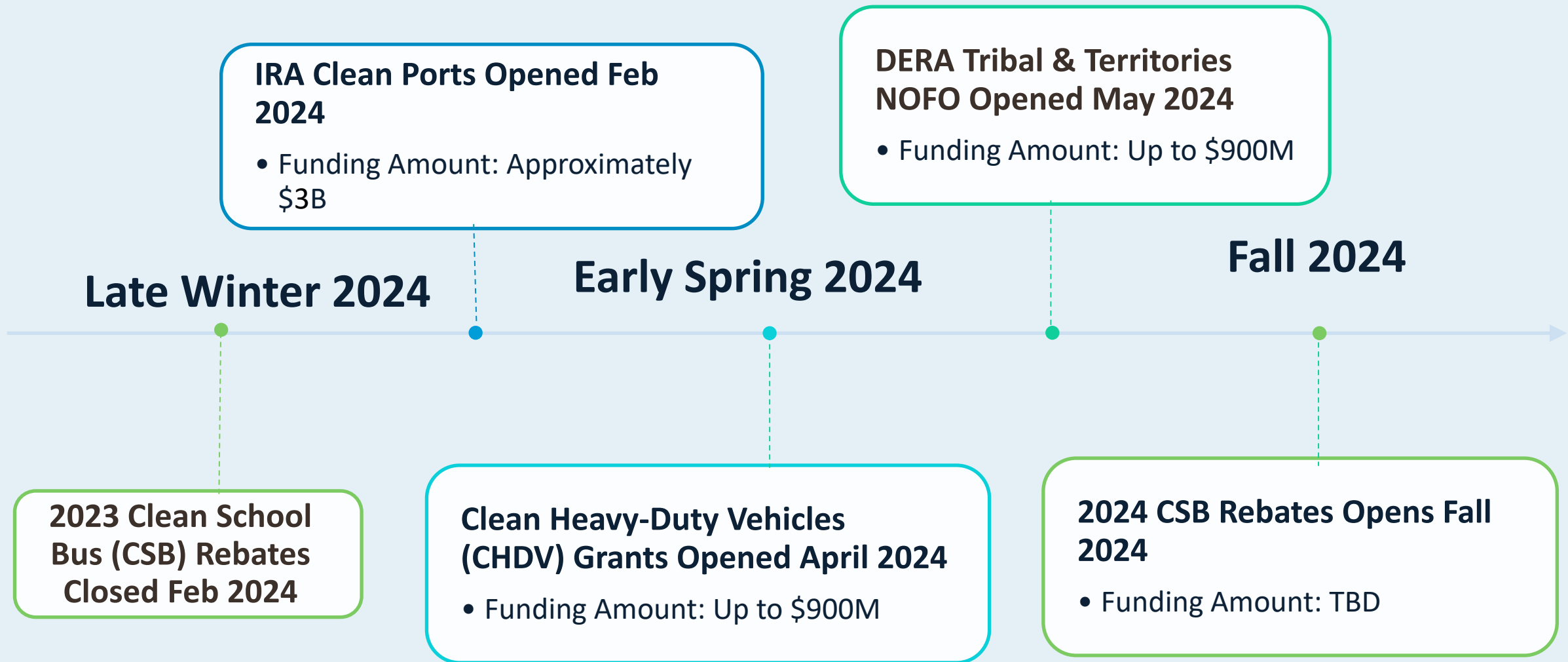


Diesel Emission Reduction Act (DERA) Program



Summary

2024 IRA & BIL Funding Opportunities Timing





Overview of the Clean School Bus Program

- **Bipartisan Infrastructure Law**
 - Under **Title XI: Clean School Buses and Ferries**, the Bipartisan Infrastructure Law (BIL) provides **\$5 billion** over five years (FY22-26) for the replacement of existing school buses with zero-emission and clean school buses.
- **CSB Funding Opportunities**
 - EPA has offered rebates and grants in past funding opportunities.
 - EPA will offer more rounds of funding.

CSB Rebates versus CSB Grants

While both grants and rebates provide selectees with award funds prior to purchasing eligible buses and infrastructure, there are a few differences between these types of funding programs:

	Rebates 	Grants 
Application Process	Quick and simple; applications submitted through EPA portal	Longer, more detailed; applications submitted through grants.gov
Selection Process	Random number generated lottery process	Evaluation of application materials and scoring criteria
Selectee support and flexibility	EPA provides less support and flexibility in funding to selectees	EPA may offer more support for selectees during the project, as well as flexibility in funding – e.g. covering project implementation costs - and timing of the project, such as extending project periods to complete the project.
Number of Replacement Buses	Funds the transition of smaller fleets (lower bus replacement minimum and maximum)	Funds the transition of larger fleets (higher bus replacement minimum and maximum)

Previous CSB Funding Opportunities

- 1st Rebate Program – 2022 CSB Rebates (\$965M)
- 1st Grant Competition – 2023 CSB Grant (\$965M)
- 2nd Rebate Program – 2023 CSB Rebates

In lieu of a 2024 CSB Grant, the 2024 CHDV Grant has a school bus sub-program

CHDV Grant Program Details



Clean Heavy-Duty Vehicles (CHDV) Grant Program Overview

The EPA anticipates awarding up to **\$932 million** in funding under this Notice of Funding Opportunity (NOFO).

Eligible activities include the **replacement of existing non-zero-emission Class 6 and/or Class 7 heavy-duty vehicles with zero-emission vehicles**, as well as the purchase and installation of **associated infrastructure**, and **workforce development and training**.

There are **two** sub-programs, one for school bus replacement projects (**School Bus Sub-Program**) and one for non-school-bus vehicle replacement projects (**Vocational Vehicles Sub-Program**).

There is a set-aside for **Tribal and territory applicants**.

EPA is committed to ensuring the CHDV Program delivers on the Justice40 Initiative to ensure that at least 40% of the benefits of certain federal investments flow to disadvantaged communities. Per the statute, **at least \$400 million** of the funding under this NOFO will go to applications that **replace vehicles to serve 1 or more communities located in a nonattainment area**.



* Please read Section III.D of the Notice of Funding Opportunity for the full list of eligible and ineligible costs and activities.

Vehicle Replacements

- EPA will offer funding to cover the **incremental** cost of replacing a non-zero-emission Class 6/7 heavy-duty vehicle with a **Class 6/7 zero-emission vehicle**. Zero emission vehicles include battery electric vehicles and hydrogen fuel cell vehicles.

Infrastructure

- Funding may be used for the **purchase and installation of infrastructure** that will support vehicles replaced under this program.

Workforce Development & Training

- Funding may be used to pay for **driver/mechanic training** related to the maintenance and operation of new technologies, and vehicle **warranties**.

Implementation Costs

- Funding may be used to cover costs **directly related to the implementation, management, and oversight of the project**, including recipient and subrecipient personnel and benefits, contractual services, consulting on vehicle deployments, travel, supplies, and indirect costs.

Eligible Applicants

States (including territories)

Municipalities (includes school districts)

Indian Tribes

Nonprofit school transportation associations

* Note, by statute third-party contractors (OEMs, Dealers, EaaS providers, private bus fleets, etc.) are NOT eligible to apply directly to this grant competition but may participate by encouraging eligible applicants to apply and subsequently participating in the bidding process during the procurement process after grants are awarded.

Eligible Vehicles

Class 6/7 School Buses

Non-School Bus Class 6/7 Vehicles

- Including (but not limited to):
 - Refuse Haulers/Dump Trucks
 - Class 6/7 Transit Buses
 - Delivery Trucks
 - Utility Trucks
 - Bucket Trucks
 - Class 6/7 Day Cab Tractors
 - Other box trucks

Class 6 and Class 7 Vehicles include vehicles with a Gross Vehicle Weight Rating (GVWR) between 19,501 and 33,000 lbs.

2024 CHDV Grant Program Structure

School Bus Sub-Program

Level of Funding: 70% of total funds

Eligible Vehicles: Class 6/7 school buses

Minimum of 10 buses per application

Vocational Vehicles Sub-Program

Level of Funding: 30% of total funds

Eligible Vehicles: Non-school-bus Class 6/7 vehicles, including, but not limited to, delivery trucks, utility trucks, bucket trucks, other box trucks, refuse haulers/dump trucks, and Class 6/7 transit buses

Minimum of 3 vehicles per application

EPA anticipates awarding at least 15 grants from either sub-program to eligible applicants from Tribes and territories under a Tribal/territory set-aside. Territories and Tribal applicants are not subject to vehicle minimums.

CHDV Funding per Replacement Vehicle

Vehicle Type	Battery-Electric Vehicles (BEVs)		Hydrogen Fuel Cell Vehicles (FCEVs)	
	EPA Cost Share Percentage of New Vehicle Price	Per-Vehicle Funding Cap (Vehicle + Infrastructure)	EPA Cost Share Percentage of New Vehicle Price	Per-Vehicle Funding Cap (Vehicle + Infrastructure)
School Bus	75%	\$280,000*	N/A	N/A
Straight/Box Truck	65%	\$190,000	80%	\$400,000
Step Van		\$160,000		\$340,000
Septic Truck or Bucket Truck		\$330,000		\$670,000
Other Vocational Vehicle		\$355,000		\$720,000
Refuse Hauler	50%	\$260,000	70%	\$600,000
Street Sweeper		\$315,000		\$720,000
Transit Bus	33%	\$265,000	60%	\$780,000

The EPA will fund up to the EPA cost share percentage of the new vehicle, up to the per-vehicle funding cap, as shown in the table. Applicants will be responsible for providing or securing the remaining costs. **Note, the applicant cost share is waived for Tribal and territory applicants, but such applicants are still subject to the per-vehicle cost caps shown in the table.**

Project Implementation Costs: Eligible additional project costs include those costs directly related to the implementation, management, and oversight of the project, including vehicle delivery costs. Project implementation costs are not included or subject to the per-vehicle caps listed in the table.

*ADA-compliant school buses are eligible for an additional \$20,000 per-vehicle funding cap (i.e., a total per-vehicle funding cap of \$300,000)



Application packages must be submitted to EPA via Grants.gov no later than July 25th, 2024 at 11:59 p.m. ET.

For more information, please visit <https://www.epa.gov/clean-heavy-duty-vehicles-program>.

Eligible Existing Vehicles Must*:

All Vehicles Must:

- Be a **Class 6 or Class 7 heavy-duty vehicle** with Gross Vehicle Weight Rating (GVWR) between 19,501 lbs to 33,000 lbs
- Be **fully operational** at the time of application submission
- Be an **engine model year (EMY) 2010 or older diesel-powered vehicle** that will be **scrapped** if selected for funding. If a fleet has no eligible EMY 2010 or older diesel-powered vehicles, the fleet can either:
 - Scrap an EMY 2010 or older non-diesel internal combustion engine (ICE)-powered vehicle
 - Scrap, sell, or donate an EMY 2011 or newer diesel or non-diesel ICE-powered vehicle
 - Move an EMY 2011 or newer diesel or non-diesel ICE-powered vehicle to a “reduced service” fleet and scrap an EMY 2010 or older reduced-service vehicle in its place

All School Buses Must:

- Have provided bus service to a public school district at least **3 days/week on average during the 2022/2023 school year** at the time of application, excluding emergency-related school closures

All Other Non-School Bus Vehicles Must:

- Have accumulated at least **7,000 miles/year** during each of the two years prior to replacement
 - The mileage of two or more vehicles may be combined to reach 7,000 miles/year where two or more vehicles will be scrapped, sold, or donated and replaced by a single vehicle
 - For **Tribal and territory applicants**, the mileage minimum is **5,000 miles/year** during each of the two years prior to replacement
 - If a vehicle does not meet the mileage requirement, the applicant can demonstrate that the vehicle has **idled at least 500 hours/year** during the two years prior to replacement

**Refer to Section III.D of the NOFO for specific eligibility information*

Eligible New Replacement Vehicles Must*:

All Vehicles Must:

- Be a **zero-emission** vehicle
 - Vehicles which have been converted to a zero-emission drivetrain after the first retail sale are *not* eligible
 - The conversion of a vehicle to a battery-electric drivetrain is *not* an eligible cost or activity
- Be a **Class 6 or Class 7 heavy-duty vehicle**
- Be an **engine model year 2023** or newer that is certified to **conform with all applicable Federal Motor Vehicle Safety Standards**
- Be **ordered only after receiving official notification of award** for EPA funding
- Be **purchased**, not leased or leased-to-own
- **Not be manufactured or retrofitted with, or otherwise have installed, a power unit or other technology that creates air pollution within the vehicle**, such as an unvented diesel passenger heater
- **Not be purchased or otherwise subsidized with other federal grant funds.** The total of funds from the CHDV grant and other eligible external funds allocated for the vehicle replacements cannot exceed the cost of the new vehicles

Build America Buy America (BABA) requirements will be discussed later in the presentation.

**Refer to Section III.D of the NOFO for specific eligibility information*

Eligible Infrastructure Equipment*

For Electric Vehicle Supply Equipment (EVSE):

- Eligible infrastructure is limited to installations and upgrades behind the meter up to the charging port, including (but not limited to):
 - Charging equipment (such as alternating current (AC) Level 2 charging equipment, direct-current (DC) fast charging equipment, or vehicle-to-grid (V2G) enabled equipment);
 - Design and engineering
 - Installation costs such as trenching, wiring and electrical upgrades, labor, and permitting;
 - Related intelligent equipment and software designed to monitor vehicle and infrastructure performance (such as telematics or charge management software)
- **Build America, Buy America requirements apply to eligible vehicle charging infrastructure equipment**
- EPA funds cannot be used for any infrastructure costs associated with work in front of the electrical meter

For Hydrogen Fueling Infrastructure:

- Eligible infrastructure includes (but is not limited to):
 - Storage tanks
 - Liquid and gaseous pumps and vaporizers
 - Compressors
 - Heat exchangers
 - Chillers
 - Piping and pipelines within the relevant facility
 - High-pressure dispensers (including hose, nozzles, and meters)
- **Build America, Buy America requirements apply to eligible hydrogen fueling infrastructure equipment**

All electricians installing, operating, or maintaining EVSE are required to be certified from the [Electric Vehicle Infrastructure Training Program](#) (EVITP), or another program approved by the EPA in consultation with the Department of Labor and Department of Transportation. To find an EVITP-certified electrician in your area, visit <https://evitp.org/>.

**Refer to Section III.D of the NOFO for specific eligibility information*

Next Steps – How to Apply



1. Visit the Clean Heavy-Duty Vehicles Website for Tools and Resources



2. Register Your Organization with Grants.gov and Sam.gov



3. Prepare Application Package



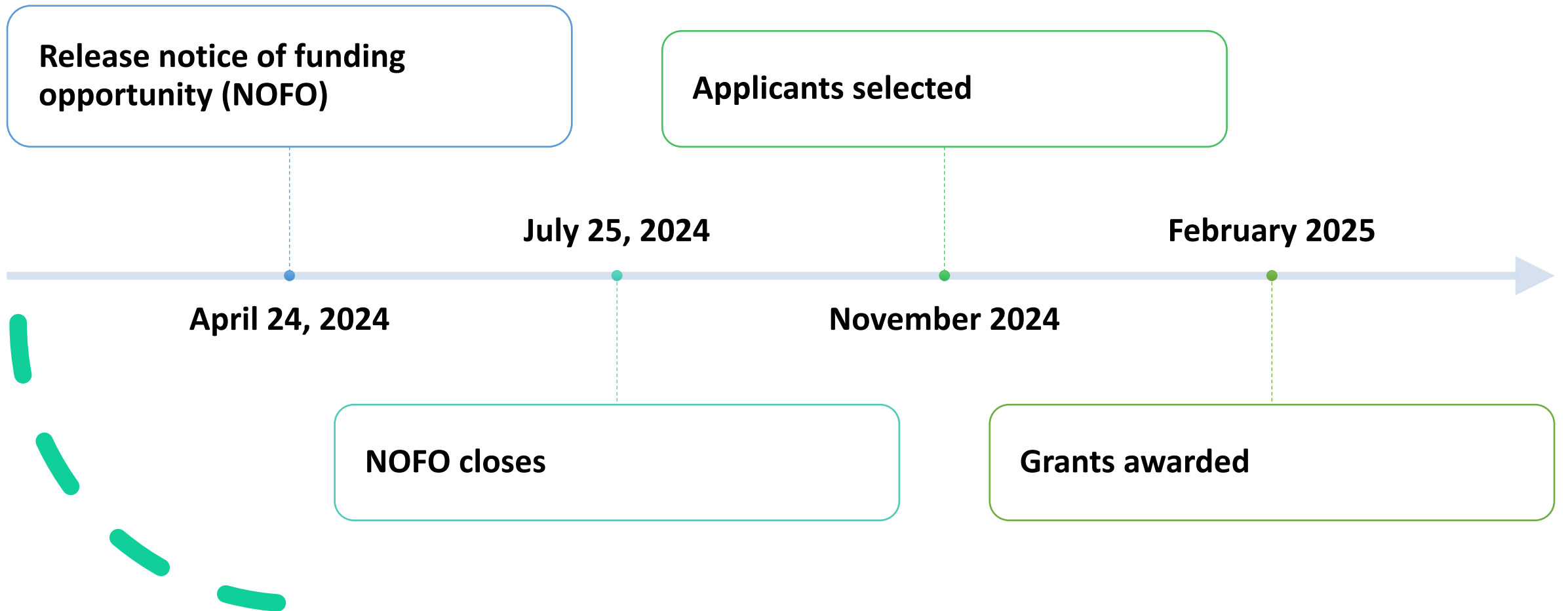
4. Submit Application Package on Grants.gov by July 25, 2024 at 11:59pm ET

Clean Heavy-Duty Vehicles Important Dates

Important Dates

Wednesday, April 24, 2024	Notice of Funding Opportunity (NOFO) Opens
Anticipated June 2024 – Date TBA	CHDV Webinar: Evaluation Criteria, Grant Forms, and Popular Q&A Registration information will be made available at http://www.epa.gov/clean-heavy-duty-vehicles-program under the “Webinars” section
Monday, July 8, 2024 at 11:59 PM ET	Final Date to Submit Questions
Thursday, July 25, 2024 at 11:59 PM ET	NOFO Closes – Application Deadline Application packages must be submitted electronically to EPA through Grants.gov (www.grants.gov) no later than Thursday, July 25, 2024, at 11:59 p.m. Eastern Time (ET) in order to be considered for funding
November 2024	Anticipated Notification of Selection
December 2024	Anticipated Awards

Anticipated Timeline





Diesel Emission Reduction Act (DERA)

Diesel Emission Reduction Act (DERA)



- Diesel engines emit NO_x, PM_{2.5}, and other pollutants, which contribute to serious public health problems, approximately 10 million legacy diesel engines are still in use
- DERA permits EPA to accelerate the upgrade and turnover of diesel fleets to reduce diesel air emissions from medium- and heavy-duty vehicles or nonroad engines.
- Funding opportunities are provided by through an annual appropriation by Congress to DERA and subject to the availability of funds, the quality of applications received and other considerations.
- DERA supports environmental justice by prioritizing emissions reductions in areas receiving disproportionate impacts.
- DERA has three grant program funding opportunities: State, National and Tribal & Territory grants

Moving Toward Cleaner Air
Reducing emissions that impact our health

Overview of DERA Grant Programs

State Grants



- EPA allocates DERA funds to eligible U.S. states and territories for the establishment of diesel emissions reduction programs.

<https://www.epa.gov/dera/state>

National Grants



- Program solicits applications for projects that achieve significant reductions in diesel emissions and exposure, particularly from fleets operating in designated poor air quality areas.

<https://www.epa.gov/dera/national>

Tribal and Territory



- Program solicits applications from Tribal governments (or intertribal consortia), Alaska Native Villages, and territory governments for projects that achieve reductions in diesel emissions and exposure.

<https://www.epa.gov/dera/tribal>

Tribal and Territory Grants Program

- The United States maintains a government-to-government relationship with the 574 federally recognized Native American Indian tribes and Alaska Native entities
- Recognizing that Tribes and territories have various administrative, technical, and financial considerations that other National grant program applicants may not, EPA has established a separate funding opportunity with flexibilities to address the unique considerations of Tribal and territory applicants so they can compete for DERA funds separately and implement diesel emissions reduction projects.
- EPA's Tribal DERA competition was established in 2014 and the territory program (formerly known as the 'Insular Area' program) was added in 2021.

NOW OPEN: 2024 DERA Tribal and Territory NOFO

- The DERA Tribal and Territory Notice of Funding Opportunity (NOFO) opened May 7th, 2024
- The DERA Tribal and Territory Grants program was formerly known as the DERA Tribal and Insular Area Grants program and changed in FY2024 in response to partner feedback.
- **Approximately \$8M available for Tribes**
 - **No mandatory cost share requirement**
- Separate review by EPA staff of the tribal & territory applications
- Please note that EPA did not offer a DERA Tribal and Territory funding opportunity program during calendar year 2023.
 - The 2024 DERA Tribal and Territory NOFO is the first funding opportunity since the FY2022 DERA Tribal and Insular Area NOFO.

Tribal and Territory Grants Program Requirements

WHO CAN APPLY?

Eligible entities include Tribal governments (or intertribal consortia) and Alaska Native Villages, or territory government agencies which have jurisdiction over transportation or air quality.

The DERA Tribal and Territory program includes the following variations from the DERA National program:



1. Longer Application Period



2. Less Stringent Eligibility Requirements for Vehicles & Equipment



3. No Mandatory Cost Shares

- Although funds are offered under a single funding opportunity, Tribal applicants only compete against other Tribal applicants, and territories only compete against other territories.
 - Applicants must apply through Grants.gov, per agency requirements.

2024 DERA Tribal and Territory Funding

Tribal Grants

- Approximately \$8M available
- Funding Limit per Application: \$800,000
- Application Limit per Applicant: 2
- EPA anticipates awarding 12 to 18 cooperative agreements to Tribal (or intertribal consortia) governments and Alaska Native Villages.

Territory Grants

- Approximately \$1M available
- Funding Limit per Application: \$400,000
- Application Limit per Applicant: 2
- EPA anticipates awarding 3 to 5 cooperative agreements to territory governments

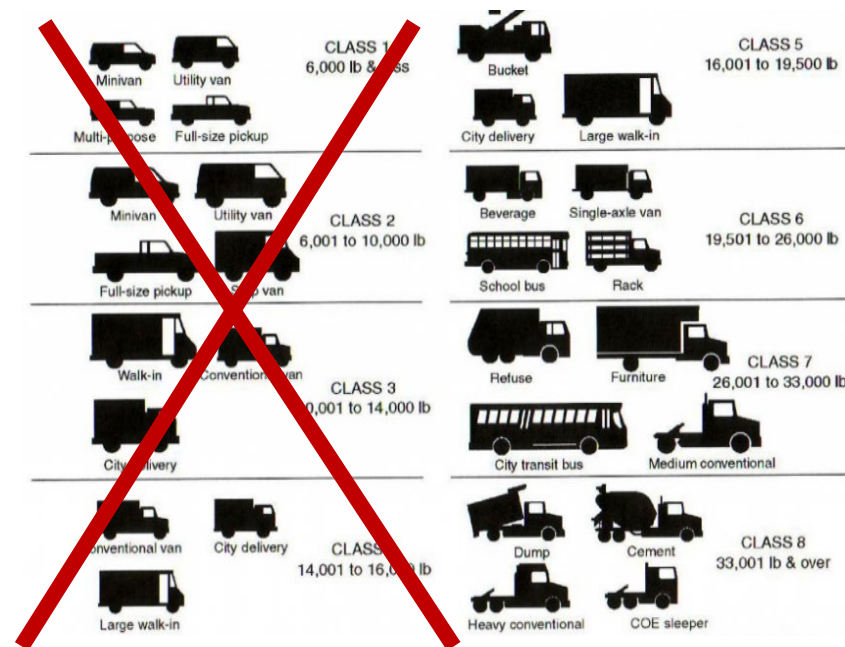


Eligible Diesel Vehicles, Engines & Equipment

- Reduce diesel air emissions from medium- and heavy-duty vehicles or nonroad engines
- Scrap an existing, currently operating older diesel engine; replace it with new, cleaner similar vehicle type
- Some eligible diesel vehicles and equipment include:

Eligible Diesel Vehicles, Engines & Equipment

- Buses
 - Transit, school
- Class 5-8 medium & heavy-duty highway trucks
 - Drayage, Delivery, long- & short haul, trash, fire, rescue, dump, utility
- Marine engines
- Locomotive engines
- Nonroad engines, equipment or vehicles
 - Forklifts
 - Cargo handling- at a port, airport or warehouse
 - Yard Hostler
 - Construction
 - Agriculture



Requirements for Existing Older Diesel Vehicles or Engines Being Replaced

- Must be fully operational
- Must have +2 years of remaining life
- Tribe/Territory must have owned the vehicle +2 years prior
- Confirm meeting the minimal hours or miles of operation per year
- Confirm the new engine will perform a similar function/operation as the one being replaced
- Must attest to the ownership, usage & remaining life requirements

Requirements for New Vehicle or Engine Replacements

- Highway engines must be certified by the EPA and/or CARB to meet emission standards
- Replacement vehicle or equipment must be similar type, gross vehicle weight or horsepower as equipment being replaced
- Replacement vehicle must continue to perform similar function as the equipment being replaced
- Replacement vehicles must resemble the replacement vehicle in form and function
- Purchase and installation of one charging unit for battery electric powered replacements including charging cable, are eligible

DERA Tribal Grant Program: Grant Application Documents

- Standard Form 424
- Standard Form 424A
- EPA Form 4700-4
- EPA Form 5700-54
- **Project Narrative- 14 pages maximum**
- **Fleet Description- template provided**
- **Estimated Emission Reduction Calculations**
 - Use EPA's Diesel Emission Quantifier (DEQ) tool
- **Cost Share Commitment Letters- if applicable**
- **Partnership Letters- if applicable**
- **Mandatory Measures Justification- if applicable**

2024 DERA Tribal and Territory NOFO Next Steps

1. Visit the DERA Tribal and Territory Website

- For all applicant & grantee resources, including the latest Questions and Answers (Q&As), Webinar Information, and more at: www.epa.gov/dera/tribal-and-territory

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

- ALL DERA applications must be submitted electronically via www.grants.gov
- The registration process requires that your organization have a Unique Entity Identifier (UEI) and a current registration with the System for Award Management (SAM, www.sam.gov) and the process of obtaining both could take several weeks. Grants.gov offers 24-hour support.

3. Prepare your Application Package for Grants.gov

- [Standard Form SF 424 \(pdf\)](#) – Application for Federal Assistance
- [Standard Form SF 424A \(pdf\)](#) – Budget Information for Non-Construction Programs
- [EPA Form 4700-4 \(pdf\)](#) - Pre-Award Compliance Review
- [EPA Key Contacts Form \(pdf\)](#)
- [DERA Supplemental Application Template \(xlsx\)](#) (Applicant Fleet Description - EPA Form: 5900-681)
- [2024 Tribal and Territory Sample Project Narrative \(docx\)](#)

Other Attachments, as applicable:

- Emissions Reduction Calculations
- Cost Share Commitment Letters
- Partnership Letters
- Mandated Measures Justification
- Resumes

4. Submit Application Package by Friday, December 6th, 2024, at 11:59 PM.

NOFO Opened: Tuesday, May 7 | **NOFO Closes:** Friday, December 6, 2024

2024 DERA Tribal and Territory NOFO Timeline and Important Dates

Activity	Date
Now Open: 2024 DERA Tribal and Territory Notice of Funding Opportunity	Tuesday, May 7th, 2024
Information Session Webinars	Webinar 1: Wednesday, May 22, 2024 (2:00PM – 3:00PM ET)
	Webinar 2: Tuesday, June 18, 2024 (7:00PM – 8:00PM ET)
	Webinar 3: Thursday, August 15, 2024 (2:00PM – 3:00PM ET)
	Webinar 4: Wednesday, October 16, 2024 (7:00PM – 8:00PM ET)
	Webinar 5: Wednesday, November 13, 2024 (2:00PM – 3:00PM ET)
Deadline for Submission of Questions	Friday, November 8th, 2024, at 11:59 PM ET
Deadline for Applications	Friday, December 6th, 2024, at 11:59 PM ET
Anticipated Notification of Selected Applicants	February 2025 to March 2025
Anticipated Funding of Awards	May 2025 to June 2025



Application packages must be submitted to EPA via [Grants.gov](https://www.grants.gov) no later than December 6th, 2024 at 11:59 p.m. ET.

For more information, please visit www.epa.gov/dera/tribal-and-territory.

Region 9 DERA
Project Spotlight:
**FY18-19 TRIBAL
GRANT – Blue Lake
Rancheria**

New Fire Emergency Vehicle



Emission Reductions

- NOx= 0.26 tons
- PM2.5= 0.01 tons
- CO2= 16.88 tons

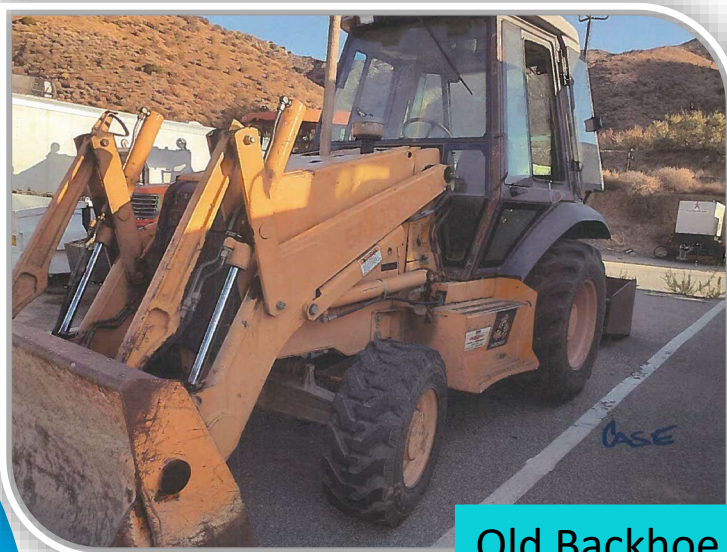
Scrapped and Replaced a 1992 Fire Engine Replacement with cleaner diesel engine model



Old Fire Emergency Vehicle

Region 9 DERA
Project Spotlight:

**FY18-19 TRIBAL
GRANT – Morongo
Band of Mission
Indians**



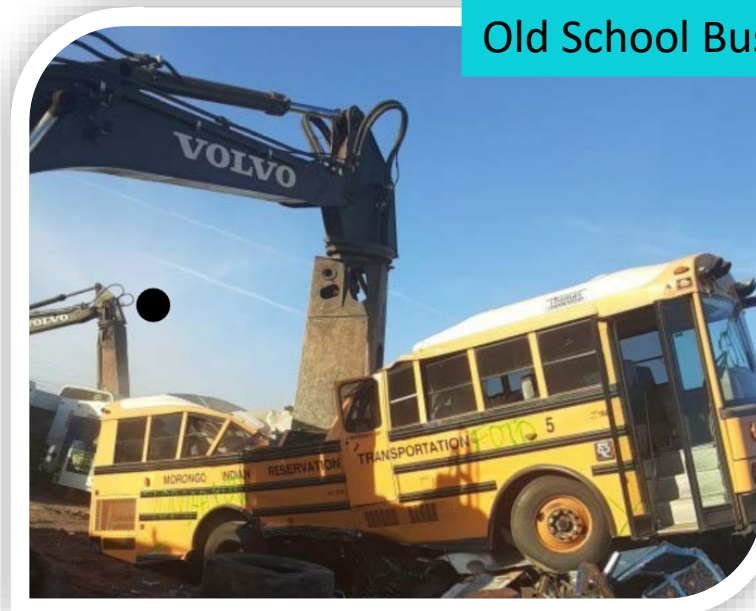
Old Backhoe

**Lifetime Emission
Reductions**

- 0.082 tons of PM2.5
- 0.743 tons of NOx
- 0.359 tons of CO
- 0.108 tons of HC

Scrapped & Replaced
with cleaner diesel
vehicles:

Two (2) school buses
Two (2) backhoes



Old School Bus

Summary

2024 CHDV NOFO

- Q&A documents will be posted bi-weekly on the CHDV webpage.
- The CHDV helpline (cleanhdvehicles@epa.gov)
- Registration for the **Evaluation Criteria, Grant Forms, and Popular Q&A Webinar** will be available on the CHDV website
- Application packages must be submitted to the EPA via Grants.gov no later than **Thursday, July 25, 2024 at 11:59 p.m. ET.**

2024 DERA Tribal & Territory

- Q&A documents will be posted bi-weekly on the T&T webpage.
- The DERA helpline (dera@epa.gov)
- Registration for the **Webinars** will be available on the website
- Application packages must be submitted to the EPA via Grants.gov no later than **Friday, December 6, 2024 at 11:59 p.m. ET.**

EPA anticipates announcing another round of Clean School Bus Rebates Fall 2024



Thank
you!

R9 Points of Contact

Esperanza Perez (she/her)
Perez.Esperanza@epa.gov

M. Miglio (they/them)
Miglio.M@epa.gov