

NH Department of Environmental Services

**American Recovery and
Reinvestment Act of 2009**

and

**Diesel Emission Reduction
Act Stimulus Funding**

February 27, 2009



American Recovery and Reinvestment Act

- President Obama signed the Act into law February 17, 2009
- \$789 billion economic stimulus bill that includes:
 - Diesel Emission Reduction Act - \$300 million
 - grants for diesel emission reduction projects
 - DOE Clean Cities Program - \$300 million
 - grants for alternative fuel vehicle projects



American Recovery and Reinvestment Act

These funds are in addition to the funding provided under the 2008 DERA program and the pending 2009 DERA program and follow different project selection criteria, funding levels, and implementation timelines.



Four ARRA DERA Program Opportunities:

- National Competitive Request for Assistance
- SmartWay Finance RFA
- Emerging Technologies RFA
- ***State Grant Allocation Program***



Common Criteria for all DERA Program Areas

- Promote economic recovery
- Preserve and/or create jobs
- Reduce diesel emissions
- Implement quickly – 12 to 15 months



State Grant Allocation Program or NH DERA



NH DERA

Eligible Project Categories

- Retrofit Technologies
- Idling Reduction Technologies
- Cleaner Fuel Use
- Engine Repower
- Engine Upgrades
- Vehicle and Equipment Replacements
- School Bus Replacement



Retrofit Technologies

- Any device, fuel, or system that achieves emissions reductions beyond EPA requirements.
- Must be EPA or CARB verified.
- Includes options such as:
 - diesel oxidation catalyst
 - diesel particulate filters
 - crank case controls
 - engine re-calibration
- Funding covers 100% of equipment costs.



Idle Reduction Projects

- Installation of idling reduction technology on a vehicle, such as:
 - medium and heavy duty on-road
 - marine and locomotive
 - non-road engines including construction equipment, cargo handling, and energy production
- Installation of in-ground equipment that would reduce vehicle idling.
- Funding may cover 100% of the cost of equipment.



Clean Fuel Projects

- Eligible fuels include:
 - Natural gas
 - Biodiesel
 - propane
 - EPA and CARB verified additives
 - ULSD (in non-road engines)
- Funding may cover 100% of the incremental cost of the fuel.
- Funding is not available for fueling infrastructure.



Engine Repowers

- Removal of existing engine and replacement with a newer or cleaner engine.
- May include replacement with an alternative fuel engine.
- May be combined with retrofits.
- Existing engine must be scrapped or remanufactured.
- Funding may cover 50% of project cost.



Engine Upgrades

- Application of manufacturer recommended upgrades or kits to certified or verified configurations.
- Must be on the EPA or CARB verified technologies list or EPA certified.
- Funding covers 100% of the cost of the kit or upgrade, but does not cover full engine rebuild costs.



Vehicle Replacements

- Non-road and highway vehicles and equipment.
- Replace with newer, cleaner engines or equipment of comparable HP that use diesel, hybrid, or alt. fuels and perform the same function.
- Must meet more stringent emission standard, priority given to replacement of pre-certification engines.
- Old engines/equipment must be disposed or returned for remanufacture.
- Funding covers incremental cost – defined as up to 25% of cost.



School Bus Replacement

- Funding dependant on certification level of new engine:
 - 25% for MY '07 to '09 engines meeting 2007 emissions standards and equipped with PM filters (diesel) or catalysts (CNG) and not exceeded specified emission levels, or
 - 50% for MY '07 to '09 engines meeting 2010 standards.



Anticipated Funding

- If all 50 states plus Washington, DC participate each state will receive ~\$1.7 million.
- States may use up to 15% of the funds to administer the program, remaining funds go directly to projects.
- The funds must be for new grants, not continuation of existing grants or projects.
- Unexpended funds revert back to the National program.



NH DERA Implementation

- DES will issue a solicitation for project proposals.
- Abbreviated application form will provide core information to allow DES to quickly narrow down projects.
- DES will seek additional information from projects selected for further review.
- DES will select final projects based on a ranking against the EPA guidance criteria.



NH DERA Implementation (cont.)

- DES will enter into a contractual agreement with grant recipients.
- All equipment purchases will be based on a competitive bid which may, depending on final project selection, be conducted by the State.
- Recipients must meet EPA reporting requirements (guidance pending).
- Funds not expended within specified time frames will revert back to the national DERA program.



NH DERA Time Frames

- DES will submit a Notice of Intent to Apply the week of March 2nd.
- EPA is issuing guidance documents next week or the following week.
- Mid-March – EPA will notify NH of the total amount of funding.
- State program plans will be due by about the 3rd week of March.
- Funding will be received in late May or early June.
- DES must go through Governor and Executive Council approval process to accept the funds.



ARRA DERA Reporting Requirements

- Funding from the ARRA will have reporting requirements that:
 - may be more frequent than usual quarterly reporting.
 - will require reporting on job creation and retention aspect of projects.
 - will be posted on www.recovery.gov.



National ARRA DERA Program

- Competitive funding programs – details available in “early March.”
- See www.epa.gov/otaq/diesel/grantfund.htm for program details and updates.
- We anticipate similar project categories as NH DERA with the addition of “vehicle equipment and financing.”
- Applicants have been required to use www.grants.gov for past applications. Register now!



National ARRA DERA Program Priorities

- Maximize public health benefits
- Are the most cost effective
- Serve areas with highest population density that are in poor air quality areas
- Maximize the useful life of any certified engine configuration, verified technology, or emerging technology
- Conserve diesel fuel
- Use diesel fuel with a sulfur content of less than or equal to 15 ppm (for nonroad engines)



Preparing for release of National ARRA DERA Solicitation

- Assess diesel fleets and identify eligible vehicles.
- Establish eligible partnerships.
- Prepare fleet and proposal descriptions.
- Evaluate costs effectiveness and emission reductions of the proposed project using the [Diesel Emission Quantifier](http://cfpub.epa.gov/quantifier/view/index.cfm).
(<http://cfpub.epa.gov/quantifier/view/index.cfm>)
- Review prior NCDC competitive announcements.



US DOE Clean Cities Funding

- Intent of grant is to further domestic manufacture and use of energy efficient advanced transportation vehicles (ATVs), alternative fuel vehicles (AFVs), and alternative fuels (AFs).
- Eligible applicants are any public or private entity in conjunction with their Clean Cities coalition (except AOI #4).
- Barbara Bernstein, NH DES, is the Granite State Clean Cities Coalition Coordinator.
- Solicitation was amended by ARRA to include an additional \$300 million in stimulus funds.

• WWW.GRANTS.GOV FOR MORE INFORMATION



Clean Cities Funding Area of Interest 1

Refueling Infrastructure for AFVs

1A. Biofuel Retail Infrastructure Program

- Publicly accessible E85 and B20 stations

1B. Terminal Blending & Other Alternative Fuel Infrastructure

- local or regional biodiesel blending facilities
- biogas recovery infrastructure (landfills, etc.)
- natural gas and propane fueling infrastructure
- Anticipated Award Size: \$150,000 to \$1 million
- 50 % cost share



Clean Cities Funding Area of Interest 2

Incremental Cost of Dedicated AFVs

- Funds can be used to help reduce the incremental cost for the purchase of new OEM AFVs or the retrofit/conversion/repower of new or used conventional vehicles
 - Only on-road, highway-certified vehicles that operate exclusively on alternative fuels will be considered.
 - DOE has particular interest in funding medium and heavy-duty vehicles and school buses as well as light-duty vehicles used in high fuel-use fleet applications.
 - Vehicles with hybrid-electric or hydraulic-hybrid drive systems that are powered exclusively by alternative fuels are also of interest.

- 50 % cost share



Clean Cities Funding Area of Interest 3 Education and Outreach Workshops for Petroleum Reduction Fuels and Technologies

- Projects that will raise awareness and foster a greater understanding of alternative fuels and advanced vehicle technologies through a targeted outreach and education effort.
- 4 Subtopic Areas of Interest: Ethanol (Subtopic 3A), Biodiesel (3B), Natural Gas & Propane (3C), Fuel Economy & Idle Reduction (3D).
- No cost share.



Clean Cities Funding Area of Interest 4 Alternative Fuel and Advanced Technology Vehicles Pilot Program

- Projects that expand the use of alternative fueled vehicles and advanced technology vehicles.
- Installation or acquisition of infrastructure necessary to directly support an alternative fueled vehicle or advanced technology vehicle is also eligible.
- Limited expenses associated with operation and maintenance of vehicles, infrastructure and other associated equipment acquired through the program are also allowable.



Clean Cities Funding Area of Interest 4 AF and ATV Pilot Program (cont.)

- Applicants are limited to State or local governments, or a metropolitan transportation authority, or combinations of these, AND a designated Clean Cities Coalition (any of these 4 entities may be the lead applicant).
- Special preference shall be for “Shovel Ready” applications that can rapidly implement vehicles and/or supporting fueling infrastructure projects while accelerating job creation and economic benefit.
- Extended application period for this category, with applications due May 29, 2009.
- 50% cost share.



Clean Cities Funding Area of Interest 4

AF and ATV Pilot Program (cont.)

Eligible Vehicles:

Light, Medium and Heavy Duty Vehicles - including AFVs, Fuel Cell Vehicles, Electric Hybrid Vehicles, and Plug-in Hybrid Electric Vehicles

Light Duty Vehicles (only) – including Neighborhood Electric Vehicles (only if replacing full size on-road vehicles) and Diesel Vehicles with 2009 MY or later emissions compliant (only if replacing gasoline powered vehicles and in conjunction with biodiesel fuel use)

Medium- and Heavy-Duty Vehicles (only) – including Hydraulic Hybrid Vehicles

Off-Road/Non-Road Alternative Fuel or Advanced Technology Vehicles – including Ground Support Vehicles at Public Airports, Medium and Heavy duty freight loading and handling high fuel use vehicles at ports or intermodal freight operations, and other limited applications in conjunction with primarily on-road project



Clean Cities Funding Area of Interest 4

AF and ATV Pilot Program (cont.)

Refueling Infrastructure Requirements:

New dispensing facilities, additional equipment or upgrades, and improvements to existing refueling sites.

Upgrading or modifying private fueling stations to allow public and/or shared fleet access.

Facility upgrades or building modifications that are necessary to accommodate alternative fuels for fleet garages and other maintenance/service centers



Federal Websites

- www.recovery.gov
- www.epa.gov/otaq/diesel/grantfund.htm
for DERA competitive grant info
- www.epa.gov/otaq/diesel/dera2008/2008-prgstate.htm for 2008 state DERA program info
- www.epa.gov/otaq/retrofit/verif-list.htm
- www.arb.ca.gov/diesel/cv.htm



DES Contact Information

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www.des.nh.gov – look for link on home page to stimulus funding under the “What’s New” section



Your Input

- Questions
- Comments
- Suggestions



Things to do Right Now

- Prepare for implementation of this State grant ARRA allocation program.
- Prepare for other RFAs as applicable.
- Stay in close contact with DES Air Resources Division.
- Communicate with potential fleet partners.

