

Birth And Growth of EPA Voluntary Approaches to Diesel Emissions (continued)

National Clean Diesel Campaign

- Goal: *reduce emissions from the legacy fleet of over 11 million diesel engines by 2014*
- Focus on five sectors:
 - Clean School Bus
 - Clean Ports
 - Clean Construction
 - Clean Agriculture
 - SmartWay Transport Partnership
- <http://www.epa.gov/cleandiesel/>

Growth of EPA Voluntary Approaches to Diesel Emissions (continued)

Funding growth:

- Pre-2008:
 - Enforcement actions (SEPs)
 - Federal Highway's Congestion Mitigation and Air Quality (CMAQ) program funds
 - Private funding
 - (Where possible) State funding
- 2008:
 - Diesel Emission Reduction Act (DERA), part of Energy Policy Act (Created in 2005, first allocation in 2008) (\$50 M)
- 2009:
 - American Recovery and Reinvestment Act (ARRA) (\$300M)

Minnesota Efforts

- Congestion Mitigation Air Quality (CMAQ) - \$625,000 of FHWA money
 - By Dec. 2010 all Twin Cities metro area public vehicles will be retrofitted w. exhaust control devices
 - Coordination with 2 vendors, 7+ public entities
- Legislature awarded \$2.4 million state funds for school bus retrofits
 - Awarded to Project Green Fleet for statewide work
- Small Business Environmental Improvement Loan Program
 - 70 loans totaling \$800,000 for APU purchases

Clean Diesel Funding Opportunities

- Diesel Emissions Reduction Act (DERA) passed as part of the 2005 Energy Policy Act
- 2008 Authorized funds for U.S. EPA's National Clean Diesel Campaign, at about ~\$50-60M annually

National Clean Diesel Program

\$49.2 Million for 2008, ~\$60 Million for 2009

NOTE: 2008 funding structure shown here

National

\$34.4 Million (70%)



**National Clean Diesel
Funding Assistance Program \$27.6 M**

Clean Diesel Emerging Technologies Program ~\$3.4 M

**SmartWay Clean Diesel Innovative Finance Program ~
\$3.4 M**

State

\$14.8 Million (30%)



State Clean Diesel Grant Program \$14.8 M

State Base

Matching Bonus

State Portion from Regular DERA funding

Minnesota - \$590,000 (over 2 years)

- School Bus retrofits
- Small Business APU Loans
- Increase Technical Assistance

National Clean Diesel Campaign

\$49.2 Million for 2008

National Component

\$34.4 Million
(70%)



National Clean Diesel Funding Assistance Program
\$27.6 M

SmartWay Clean Diesel Innovative Finance
Program ~\$3.4 M

Clean Diesel Emerging Technologies Program ~
\$3.4 M

Competitive grant
process managed
through EPA regions

Fiscal Year 2008 Region 5 DERA Competitive Grants (\$4,879,033)

- **Illinois** Green Fleets (statewide): \$678,604
- **Chicago** Public Schools (City of Chicago): \$373,909
- Northwest **Indiana** Forum Foundation, Inc. (ArcelorMittal steel, NW Indiana): \$164,032
- **Indiana** Department of Environmental Management (statewide): \$334,500
- NextEnergy Center (Southeast **Michigan**): \$250,000
- Lenawee Intermediate School District (Lenawee County, MI): \$154,381
- Elkton-Pigeon-Bay Port Laker School District (Huron County, MI): \$251,100
- Clean Energy Coalition (**Michigan** - statewide): \$250,000
- **Minnesota Environmental Initiative (statewide): \$400,000**
- Clean Fuels **Ohio** (statewide): \$412,554
- **Ohio** Environmental Council (Franklin and Cuyahoga Counties): \$394,589
- Stark County Educational Service Center (Ohio): \$465,364
- **Wisconsin DOT(statewide): \$750,000**

DERA: Eligible entities

- Regional, state, local, tribal or port agency with jurisdiction over transportation or air quality; and
- Nonprofit organization or institution which
 - Represents or provides pollution reduction or educational services to persons or organizations that operate diesel fleets; or
 - Has, as its principle purpose, the promotion of transportation or air quality

DERA: Public Fleets

At least 50% of funding is dedicated for the benefit of public fleets

- Includes private fleets contracted or leased for public purpose, such as private school buses or refuse haulers
- Only eligible entities can apply directly for funds (i.e., school district applies on behalf of private school bus contractor)



DERA: Eligible Fleets and Equipment

- Buses
- Medium or heavy duty trucks
- Marine engines
- Locomotives



- Nonroad engine, stationary engine or vehicle used for:
 - Construction
 - Handling of cargo (including at a port or airport)
 - Agriculture
 - Mining
 - Energy production

DERA: Priority Projects

Proposals that align with these priorities will receive higher scores in the evaluation process:

- **Maximize public health benefits**
- **Are the most cost-effective**
- **Areas with large population, air quality issues, and air toxic concerns**
- **Areas that receive a disproportionate quantity of air pollution (i.e. truck stops, ports)**
- **Maximize the useful life of the engine**
- **Conserve diesel fuel and utilize ULSD (early introduction of ULSD for nonroad projects)**

DERA:

Percent of Funding for Technologies/Projects

- EPA's DERA Clean Diesel funding will cover up to:
 - 50% for engine repowers
 - 25% for all replacements except
 - 50% for school buses that meet 2010 standards
 - 100% for retrofit technologies
 - 100% for idle reduction technologies
 - 100% for engine upgrades (kits only)
 - 100% for incremental cost of cleaner fuels

Regular DERA: FY09 and FY2010

- Anticipate larger amounts of funding (\$60M for 2009)
- EPA not yet sure of FY09 and FY10 applications timeframe
 - EPA may combine FY09 and FY10 funds
 - We'll know more by the Fall

But, in the meantime...

American Recovery and Reinvestment Act of 2009

- President Obama signed Bill into Law on February 17, 2009
- \$789 Billion economic stimulus package includes funding for EPA's DERA program

ARRA:

Percent of Funding for Technologies/Projects

- EPA's ARRA Clean Diesel funding will cover up to:
 - **75%** for engine repowers
 - 25% for all replacements except
 - 50% for school buses that meet 2010 standards
 - 100% for retrofit technologies
 - 100% for idle reduction technologies
 - 100% for engine upgrades (kits only)
 - 100% for incremental cost of cleaner fuels

ARRA Diesel Emissions Reduction Program

\$300 Million under ARRA of 2009 DERA

National Program

By statute
70% of funding - \$206M

State Program

By statute
30% of funding -- \$88M



**National Clean Diesel
Funding Assistance Program
Regional Grant Competitions**
\$156M

SmartWay Clean Diesel Finance Program - \$30M

Clean Diesel Emerging Technologies Program
By statute $\leq 10\%$ of funding - \$20M

Note: EPA may use up to
2% (\$6M) for
administrative costs

Region 5 ARRA Info

All 6 **States** requested and received ~\$1.7M each in allocated funds

- Each state is running a competitive grant program (most have closed)

Competitive **Federal** grants:

- In the process of awarding grants to entities across Region 5
 - 12 applicants selected for award across R5

In Minnesota...

- ARRA Funds utilized for:
 - 65 Grants Awarded (contracts in process) \$1.5 M
 - Non-road
 - Repowers for Reefer units, Construction equipment, marine engines
 - On-Road
 - Idle Reduction Equipment
 - Emission Reduction Equipment

Current State Funding Opportunities

Minnesota:

- Small Business APU Loan Program
 - \$1,000 - \$50,000 for purchasing APUs

Wisconsin:

- Diesel Truck Idling Reduction Grants (soon)
- Nonroad Construction Legacy Fleet Diesel Engine Repower Grants

For More Information

Minnesota Pollution Control Agency

www.pca.state.mn.us/air/cleandiesel

Mark Sulzbach, Clean Diesel Specialist

651-757-2770, mark.sulzbach@state.mn.us

APU Loan Program:

Mike Nelson

Small Business Ombudsman

(651) 757-2121 or (800) 985-4247

For More Information

Wisconsin:

<http://dnr.wi.gov/air/mobile/CleanDieselGP.htm>

<http://commerce.wi.gov/dieselgrantprogram>

Tom Coogan

WI Department of Commerce

(608) 267-9214

<http://www.dot.wisconsin.gov/safety/vehicle/dera-grant-prog.htm>

John Glaze (608) 264-9525

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Thanks!

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