

AGENCY: ENVIRONMENTAL PROTECTION AGENCY (EPA)

TITLE: National Clean Diesel Funding Assistance Program,

FY 2009/2010 Request for Proposals (RFP)

RFP NUMBER: EPA-OAR-OTAQ-09-10

Full RFP can be accessed at: http://www.epa.gov/air/grants/2009_10_6_final-dera.pdf

CATALOG OF FINANCIAL DOMESTIC ASSISTANCE NUMBER: 66.039

IMPORTANT DATES

OCTOBER 6, 2009 RFP OPENS

DECEMBER 8, 2009 RFP CLOSES – PROPOSALS DUE

FEBRUARY 2010 ANTICIPATED NOTIFICATION OF SELECTION

MARCH 2010 ANTICIPATED AWARD

The closing date for receipt of proposals is **Tuesday, December 8, 2009**. All hard copies of proposal packages must be received by the appropriate EPA contact by **Tuesday, December 8, 2009, 4:00 p.m. local time** in order to be considered for funding.

Electronic submissions submitted through e-mail must be received by the appropriate EPA contact by **Tuesday, December 8, 2009, 4:00 p.m. local time**. Applications received after the closing date and time will not be considered for funding. See Section IV of the RFP for EPA contacts and further submission information.

SUMMARY

EPA's National Clean Diesel Funding Assistance Program is soliciting proposals nationwide for projects that 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.

Eligible diesel emission reduction solutions include verified emission control technologies such as retrofit devices, cleaner fuels, and engine upgrades, verified idle reduction technologies, verified aerodynamic technologies and low rolling resistance tires, certified engine repowers, and/or vehicle or equipment replacement.

Eligible diesel vehicles, engines and equipment may include buses, medium-duty or heavy-duty trucks, marine engines, locomotives and non-road engines, equipment or vehicles used in construction, handling of cargo (including at a port or airport), agriculture, mining or energy production (including stationary generators and pumps). Eligible entities include regional, State, local or tribal agencies (or intertribal consortia) or port authorities with jurisdiction over transportation or air quality, and nonprofit organizations or institutions that a) represent or provide pollution reduction or educational services to persons or organizations that own or operate diesel fleets; or b) have, as their principal purpose, the promotion of transportation or air quality.

FUNDING / AWARDS

The total estimated funding for this competitive opportunity is approximately \$64 million, including all non-tribal and tribal awards. EPA regional offices will award the assistance agreements for projects resulting from this announcement. The anticipated number of non-tribal awards and eligible funding ranges for each EPA regional office are defined in Section II.A of this RFP, subject to availability of funds and the quality of nontribal proposals received. EPA also anticipates awarding approximately 5-10 tribal assistance agreements depending on the quantity and quality of tribal proposals received and funding considerations. The minimum eligible funding request for tribal proposals is

\$30,000. Funding will be in the form of cooperative agreements or grants.

Summary of What EPA Will Fund

- Verified Retrofit Technologies:** EPA will fund up to 100% of the cost of eligible exhaust controls and engine upgrades.
 - Verified/Certified Cleaner Fuel Use:** EPA will fund the cost differential between the eligible cleaner fuels and conventional diesel fuels.
 - Verified Idle Reduction Technologies:** EPA will fund up to 100% of the cost of eligible idle reduction technologies.
 - Verified Aerodynamic Technologies and Low Rolling Resistance Tires:** EPA will fund up to 100% of the cost of eligible aerodynamic and tire technologies.
 - Certified Engine Repower:** EPA will fund up to 75% of the cost (labor and equipment) of an eligible engine repower.
 - Certified Vehicle/Equipment Replacement:** EPA will fund the incremental cost of a newer, cleaner vehicle or piece of equipment, up to 25% of the cost of an eligible replacement vehicle or piece of equipment (except for school buses; see below).
 - School Bus Replacement:**
 - For replacement buses that meet EPA's 2010 emissions levels for heavy-duty highway vehicles, EPA will fund the incremental cost of a newer, cleaner school bus, up to 50% of the cost of an eligible replacement school bus.
 - For replacement buses that meet EPA's 2007 emissions levels for heavy-duty highway vehicles, EPA will fund the incremental cost of a newer, cleaner school bus up to 25% of the cost of an eligible replacement school bus.
- Pursuant to Section 792(d)(2) of the EPA Act of 2005, no funds awarded under this RFP shall be used to fund the costs of emissions reductions that are mandated under Federal, State, Tribal or local law.

1. National Programmatic Priorities: A principal objective of the assistance under this program is to achieve significant reductions in diesel emissions in terms of tons of pollution produced and reductions in diesel emissions exposure, particularly from vehicles, engines and equipment operating in areas designated by the Administrator as poor air quality areas (identified in part c.ii, below).

Under Section V of this RFP, applicants will be evaluated based on the extent and quality to which the proposed project addresses the National Programmatic Priorities.

Under EPA Act 2005, priority for funding under this RFP will go to projects that:

- a. Maximize public health benefits;
- b. Are the most cost-effective;
- c. Serve areas:
 - i. with the highest population density;
 - ii. that are poor air quality areas (including nonattainment¹ or maintenance of national ambient air quality standards for a criteria pollutant; Federal Class I areas²; or areas with toxic air pollutant concerns);
 - iii. that receive a disproportionate quantity of air pollution from diesel fleets;

including truck stops, ports, rail yards, terminals, and distribution centers; or
iv. that use a community-based multi-stakeholder collaborative process to reduce toxic emissions;

- d.** Include a certified engine configuration or verified technology that has a long expected useful life;
- e.** Maximize the useful life of any certified engine configuration or verified technology used or funded by the eligible entity;
- f.** Conserve diesel fuel; and
- g.** Utilize ultra low sulfur diesel fuel (15 parts per million of sulfur content) ahead of EPA's mandate (as applicable for non-road projects).

2. Regional Significance: This section only applies to non-tribal proposals. Tribal proposals do not have to address the Regional Significance factors.

The term "project location" as used in this RFP refers to the primary area where the affected vehicles/engines operate, or the primary area where the emissions benefits of the project will be realized.

The following Regional Significance factors highlight specific environmental issues that are focal points of the EPA regional office(s). Non-tribal proposals will be evaluated based on the extent and quality to which the proposed project advances the applicable goals and priorities listed below.

1. Regions 6 and 7 are jointly accepting non-tribal proposals for projects located within Arkansas, Iowa, Kansas, Louisiana, Missouri, Nebraska, New Mexico, Oklahoma and Texas.

Non-tribal Proposals for projects located in Regions 6 and/or 7 will be evaluated based on the quality and extent to which the proposed projects:

- Are in areas that have pollution levels that are approaching the NAAQS;
- Would mitigate acute exposure to diesel exhaust;
- Support the implementation of idle reduction strategies or technologies;
- Would mitigate exposure to diesel exhaust in environmental justice communities.

7. Regions 6 and 7: Only non-tribal proposals requesting EPA funding between \$200,000 and \$1,500,000 will be accepted. It is anticipated that 4-14 Region 6 and/or 7 assistance agreements will be made from this announcement.

D. Funding Restrictions

If a submitted proposal includes the following ineligible activities, that portion of the proposal will be ineligible for funding and may render the entire proposal ineligible for funding.

1. Restriction for Mandated Measures: Pursuant to Section 792(d)(2) of the EPA Act of 2005, no funds awarded under this RFP shall be used to fund the costs of emissions reductions that are mandated under Federal, State, Tribal 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.

If applicable, emission reduction benefits shall only be calculated for the period preceding the effective date or compliance deadline. Please see Appendix B for instructions on calculating emission reductions. Voluntary or elective emission reduction measures shall not be considered “mandated,” regardless of whether the reductions are included in a State Implementation Plan.