

**Frequently Asked Questions – EPA Clean Diesel ARRA Grant Opportunity
UPDATED April 16, 2009**

Link to EPA's FAQ Document (www.epa.gov/otaq/eparecovery/documents/faq-national-rfa.pdf)

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NOTE: Highlighted questions are pending response

Updated answers

GENERAL

- 1) What is the project minimum for North Central Texas Council of Governments (NCTCOG) to submit to Environmental Protection Agency (EPA)? **\$500,000. NCTCOG will combine smaller projects into larger applications that meet this funding threshold.**
- 2) How much money will the five-state EPA Region 6 receive? How much will NCTCOG receive from EPA? **\$26.8 million is allocated for EPA Region 6, with \$156 million available nationwide. NCTCOG anticipates applying for the maximum amount of funding based on applications received.**
- 3) Do the projects have the same emission reduction requirements as Texas Emissions Reduction Plan (TERP)? **No.**
- 4) Is there a place where a grant writer can consult with fleets? Is partnership with a professional grant writer beneficial? **NCTCOG staff is available to facilitate completion of the project application. If a prospective applicant wishes to hire a professional grant writer, it is allowable, but NCTCOG cannot recommend for or against doing so. The grant writer can help with the application but cannot sign or submit the application for the applicant. The project partner must be the organization that signs and submits the application.**
- 5) What is the public-private split for funding? **Fifty percent of the total EPA allocation is anticipated to be awarded to public sector fleets with the remaining 50 percent going towards private sector fleets.**

- 6) Do the DERA funds allow for projects that are planned vehicle replacements? **No. Projects must demonstrate that they would not have taken place without the grant funding (i.e. funding for normal fleet attrition/turnover is not permitted). "Normal fleet attrition" is your regular fleet turnover schedule. EPA does not want to fund vehicle replacements that are already scheduled to occur. For example, if you typically keep vehicles for 10 years and you want to replace a nine-year old vehicle, this would not be eligible. EPA's intent is to provide funding for vehicle replacements which are not feasible without financial assistance.**
- 7) Can you seek funding for vehicles already ordered and/or purchased? **No. Orders cannot be placed until a contract is signed between the applicant and NCTCOG, and the applicant has received a notice to proceed.**
- 8) When will the projects be awarded? **EPA has indicated that they anticipate awards announced in May/June 2009 with projects beginning in June/July 2009. If awarded, NCTCOG will move into contracting with partner organizations once we have contracted with the appropriate federal agency.**
- 9) In terms of job creation/retention, will EPA evaluate that on a regional basis or nationally? **Question Submitted to EPA for Response.**
- 10) Is third-party grant assignment available? Are third-party grants or lease arrangements ok (for vehicles or for infrastructure)? **Yes. NCTCOG will require a W-9 from both the subgrantee and entity to which the payment is to be assigned. [UPDATED 4-19-09]**
- 11) What can be matched with the EPA funds? Can DOE Block Grant funds be matched with this? **Submitted to EPA for Response.**

VEHICLE OPERATION LOCATIONS

- 12) Does the vehicle have to operate in the nonattainment area or just EPA Region 6? **Yes, vehicles/equipment must operate in the nonattainment area at least a portion of the time.**
- 13) Are projects involving interstate trucking eligible if they travel outside the five-state EPA Region 6 area? **Yes, so long as a portion of travel occurs within the Dallas-Fort Worth (DFW) 9-county ozone nonattainment area which includes the counties of Collin, Dallas, Denton, Ellis, Johnson, Kaufman, Parker, Rockwall, and Tarrant.**
- 14) Does equipment have to be domiciled in a region for a minimum amount of time to apply for funding? **Question Submitted to EPA for Response.**
- 15) Can a vehicle currently operating in another region be replaced or repowered and then shifted to Region 6? **Question Submitted to EPA for Response.**

APPLICATION

- 16) Do you have to fill out the application on NCTCOG's Web site to apply or can you just tell NCTCOG what you are going to do? **Yes, an application must be completed by the deadline to be considered for funding. Applications can be downloaded on NCTCOG's Web site www.nctcog.org/AQFunding.**
- 17) Do I really have to submit the commitment letter AND application? **Yes. A signed commitment letter and application signifies that you are able and willing to move forward with your respective project upon receiving funding. By signing these documents, applicants attest that appropriate authorization to apply for and receive grant funding through NCTCOG has occurred.**

- 18) Do you have to have a DUNS number at the time of applying to NCTCOG? **No, but one will be required to receive grant funding if awarded.**
- 19) If I am interested in multiple focus areas, how many applications do I have to fill out? **A minimum of one application must be filled out for each focus area. (i.e. if you are applying for diesel reduction projects and electric vehicle projects, two applications must be filled out (one for each respective funding program)).**
- 20) Is there a limit on the number of applications one company can submit? **No.**
- 21) Can we use funds for purchases in 2010 in addition to purchases later this year? **All projects must be implemented (operational) by September 2010. If there is great certainty that the 2010 purchases will be in place by September, then yes they would be eligible.**
- 22) Should we submit one or more applications for different types of equipment (i.e. idle reduction, aerodynamics, etc.)? **It is up to the applicant how many applications to submit. NCTCOG has reserved the right to include partial projects in the final application to EPA depending on the level of interest received.**
- 23) I am a vendor. Can I help my customers with the application? **Yes, but the fleet MUST be the official applicant.**

PROJECT BUDGET

- 24) Truck stop electrification projects generate revenue over time. How is that revenue dealt with? **Funds from revenue would have to be put back into the project's objectives.**
- 25) Can consultant/grant writer expenses be included in the proposed budget? **No, these are not eligible expenses.**
- 26) Can diesel emissions testing equipment be purchased with EPA funds? **No.**
- 27) Can direct installation costs be included in the budget? **Yes.**
- 28) Will displacement or scrappage costs be eligible for funding? **The funds could arguably be used to pay for the scrappage costs, provided that the project is using a certified engine configuration or verified technology. Any money received for scrappage of old engines is not factored into EPA's grant funding percentages. However, if the old engine is sold for scrap metal (after being disabled), that money will be considered project income and needs to be spent on the objectives of the grant, above and beyond the grantee's cost-share. (See EPA's Frequently Asked Questions – B iv.3 & B iv.4 for additional information).**

PROJECT TYPES

29) Is non-road equipment that is used for landscaping eligible? **Question Submitted to EPA for Response.**

- 30) What is the difference between activity life and implementation timeframe?

Activity Life = Number of years the vehicle/equipment or engine being replaced would still be able to operate if it was not to be replaced or the number of years committed to using retrofit technology.

Implementation Timeframe = Amount of time allowed to complete project (i.e. order and take delivery of new vehicle/equipment, install new technology, and destroy old vehicle/equipment).

- 31) For replacement, could you replace a vehicle/equipment with higher or lower horsepower? **No. The replacement vehicle/equipment must be of the same type and similar gross vehicle weight rating or horsepower as the vehicle/equipment being replaced (e.g., a 300 horsepower bulldozer is replaced by a bulldozer of similar horsepower).**
- 32) If replacing a vehicle, may some parts be kept? **Yes, the engine must be destroyed and the chassis disabled, but the remaining parts may be kept for scrap.**
- 33) In these difficult economic times, companies are keeping vehicles longer than usual. If an organization does not have a written policy for vehicle replacement or repower, will the standards for maximum vehicle age be flexible for repowering? **There is no maximum age for repowering an old vehicle.**
- 34) What project types are eligible for funding and what is the required project length?

Project Type	Minimum Activity Life
Verified Retrofit Technologies	2 years
Verified Idle Reduction Technologies	2 years for on-vehicle idle reduction (i.e. auxiliary power units); 5 years for on-site infrastructure (i.e. electrified parking spaces)
Verified Aerodynamic Technologies	2 years
Verified Low Rolling Resistance Tires	2 years
Certified Engine Repowers	5 years
Certified Vehicle/Equipment Replacement	5 years
School Buses Only: Replacement with a Bus Powered by a 2010-Compliant Engine	5 years

- 35) What is the maximum EPA funding threshold for each type of project?
- 100% for Retrofit Technologies**
 - 100% for Idle Reduction Technologies**
 - 100% for Engine Upgrades (kits only)**
 - 100% for Incremental Cost of Cleaner Fuels**
 - 100% for Aerodynamic and Tire Technologies**
 - 75% for Engine Repowers**
 - 50% for School Buses Replacements That Meet 2010 Emission Standards**
 - 25% for All Other Vehicle Replacements**

IDLE REDUCTION

- 36) Should idle-reduction devices be both EPA and California Air Resources Board (CARB) verified? What if the trucks travel to California? **NCTCOG requires that the device be verified by EPA; CARB verification is not required in the State of Texas. However, if an applicant has equipment that must meet additional requirements to operate in California, then they may choose to purchase a device that has both approvals if they believe it is the best option for their business.**
- 37) A fleet is trying to decide between diesel-powered idle reduction and battery-powered (all electric) idle reduction technologies. Should they submit both or just one or the other? **Only one application can be received for one set of trucks (no double-applying for the same fleet). You may wish to evaluate the relative cost-effectiveness of the two technologies using the Diesel Emissions Quantifier (DEQ) from EPA (<http://cfpub.epa.gov/quantifier/view/index.cfm>). NCTCOG staff is available to assist with this calculator if need be.**
- 38) Idle-reduction equipment is available both with and without a diesel particulate filter. The filter is more expensive but achieves greater emissions reductions. Which should be purchased/quoted for the budget? **You may wish to evaluate the relative cost-effectiveness of the two technologies using**

the DEQ from EPA (<http://cfpub.epa.gov/quantifier/view/index.cfm>), NCTCOG staff is available to assist with this calculator if need be.

- 39) For truck stop electrification, would each individual site (truck stop) need separate applications if there are different owners? **Yes, each individual owner/company must fill out their own application to be a partner. If one owner has multiple sites, one application is sufficient as long as each location is clearly identified.**

PROJECT EVALUATION

- 40) How will NCTCOG determine when too many applications have been received? **Based on the applications received by the deadline, NCTCOG will strategically determine how to group projects in the final applications to EPA. Some projects may be combined and others split out depending on the need and interest.**
- 41) When does the competitive process go into effect? **Once the application deadline has passed, NCTCOG may instigate a competitive process depending on the magnitude of applications received. It is NCTCOG's intention to include all projects in final applications to EPA. However, upon the need to instigate a competitive process, NCTCOG will focus on three elements: emissions reductions, cost-effectiveness, and/or petroleum use reductions in addition to considering projects which help achieve the overall goals of the program.**
- 42) If a competitive selection process is initiated and few large fleets are using a significant portion of the money, would they be thrown out altogether in favor of maintaining partnerships with smaller companies? **It is NCTCOG's intention to include all projects in final applications to EPA. However, NCTCOG reserves the right to include partial projects in order to meet the \$5 million maximum requested funding amount allowable per application.**
- 43) What happens if the applicant is selected for a verified technology, but then upon implementation changes their mind? **By submitting an application and commitment letter, each applicant is committing to the implementation of such projects pending the award of grant funding. Changes to project scope after application submittal to EPA may be allowed under special circumstances; however, it will require authorization by NCTCOG and EPA.**
- 44) Does being a SmartWay Partner impact your chances of being selected? **Participation in the SmartWay Program or similar initiatives should be discussed in Part 1: Applicant Information when discussing "previous experience" with projects that reduce diesel emissions. If a competitive selection process is undertaken, such participation would weigh favorably as an item that helps achieve the overall goals of the program and NCTCOG.**
- 45) Are the EPA calculator and TERP calculator the same? **No, they are different. For this application, use of the EPA's DEQ is preferred due to its ability to quantify multiple pollutants.**
- 46) On what emissions reduction will NCTCOG evaluate applications? **Nitrogen oxides (NO_x) emissions reduction is the primary focus, with other pollutants, including particulate matter (PM) and carbon dioxide (CO₂), being a secondary consideration.**
- 47) Is there a minimum NO_x reduction required? **No; NO_x reductions are not required at all, but are highly preferred. There is no minimum threshold, but the more NO_x reductions achieved the more cost-effective the project will be if NCTCOG undertakes a competitive selection process.**
- 48) Is there a preference for on-road or off-road NO_x reductions? **No. There is not a preference.**
- 49) Does NCTCOG have default emission standards for diesel-fired heaters (Espar heaters)? **No. The manufacturer should be able to provide this information.**

PROJECT FUNDING/REPORTING

- 50) If my project is selected to be funded, what type and how much reporting is required? **See application for specific requirements. Semi-annual reporting to NCTCOG will be required, which may include information such as mileage, hours of operation and/or fuel use, and region of travel.**