

NORTH TEXAS CLEAN DIESEL PROJECT

CALL FOR PROJECTS

2021 APPLICATION ROUND GUIDELINES

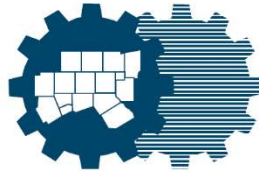
North Central Texas Council of Governments

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**North Central Texas
Council of Governments**

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INTRODUCTION

The North Central Texas Council of Governments (NCTCOG), using funds received through the Environmental Protection Agency's (EPA) Clean Diesel Funding Assistance Program Fiscal Year (FY) 2020 is offering rebate funding through the North Texas Clean Diesel Project (NTCDP) 2021 Call for Projects (CFP). This CFP will fund replacement of existing diesel-powered heavy-duty vehicles, engines or equipment operating in the Dallas-Fort Worth (DFW) ten-county ozone nonattainment.

Ten counties in the North Central Texas region were reclassified from moderate to serious nonattainment in August 2019 under the 2008 ozone National Ambient Air Quality Standards (NAAQS). This means ground-level ozone pollution levels in these counties are higher than the level that EPA has identified as safe for human and environmental health. Ozone is formed when nitrogen oxides (NO_x) and volatile organic compounds mix in the presence of sunlight and heat. Breathing ground-level ozone can result in several health effects that are observed in broad segments of the population. Observational studies indicate that higher daily ozone concentrations are associated with increased hospital admissions and other markers of morbidity.¹ In addition to threatening human health, high ozone concentrations pose a risk to the environment, wildlife, agriculture, and manufactured structures in the region. Ozone nonattainment can also cost the region economically, as funding to build new roadways could be placed at risk, and businesses could become subject to more strict regulations (e.g., requirements to install emission control devices).

Programs to reduce NO_x emissions from mobile sources (e.g., cars and trucks), which contributes approximately 67 percent of ozone-forming pollutants, are an important element of working toward ozone attainment. Despite exponential population growth, which results in more vehicle miles traveled in the DFW nonattainment area, ground-level ozone concentrations have improved substantially in the past twenty years. On October 26, 2015, the EPA lowered the 8-hour ozone NAAQS to ≤70 parts per billion² (2015 ozone NAAQS). Under the 2015 ozone NAAQS, nine counties were designated marginal nonattainment. With the adoption of the 2015 ozone NAAQS, it is important to continue implementing emissions-reductions projects to work toward lower and lower ozone levels. For additional information about ozone emissions and efforts to improve air quality in North Central Texas, visit www.nctcog.org/airquality.

CONTACT INFORMATION

Please submit any questions or comments to:

Email: AQgrants@nctcog.org

Subject Line: ATTN: NTCDP 2021

NCTCOG Project Staff:

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SCHEDULE

Applications will be accepted and reviewed on a competitive basis. See the “Application Process” section for more details.

Milestone	Estimated Timeframe
Call for Projects Opens	October 18, 2021
Project Application Deadline	Every three months, at 5 pm Central Time, Beginning January 14, 2022 and Continuing Until All Funds Awarded
Evaluate Proposals and Select Program Beneficiaries	Within 60 Days of Application Deadline
Develop Agreement or Award Letters with Program Beneficiaries	Within 60 Days of Rebate Announcement
All Approved Projects Must Be Implemented	January 31, 2024

Projects must be implemented, and final reimbursement request must be submitted by January 31, 2024. NCTCOG expects notifying rebate recipients of award within 60 days of the application deadline.

ELIGIBLE REBATE RECIPIENTS & PROJECT AREA

NCTCOG will open the CFP to private and public sector fleets for diesel vehicles and diesel equipment operating in the ten counties currently classified as nonattainment for the pollutant ozone under either the 2008 or 2015 ozone standards. This includes Collin, Dallas, Denton, Ellis, Johnson, Kaufman, Parker, Rockwall, Tarrant, and Wise counties. Projects located within Environmental Justice areas will receive additional considerations highlighted in Exhibit 1.

To be eligible, all rebate recipients must have adopted a policy which is consistent with the Regional Transportation Council (RTC) Clean Fleet Policy prior to the application submittal. To meet this requirement, the policy should include goals or elements which meet the following objectives:

- 1) Reduce emissions from fleet activities;
- 2) Reduce fuel consumption among fleet vehicles and equipment;
- 3) Decrease idling time;
- 4) Support partnership with the NCTCOG and DFW Clean Cities Coalition; and
- 5) Educate fleet personnel on air quality and fuel consumption efforts.

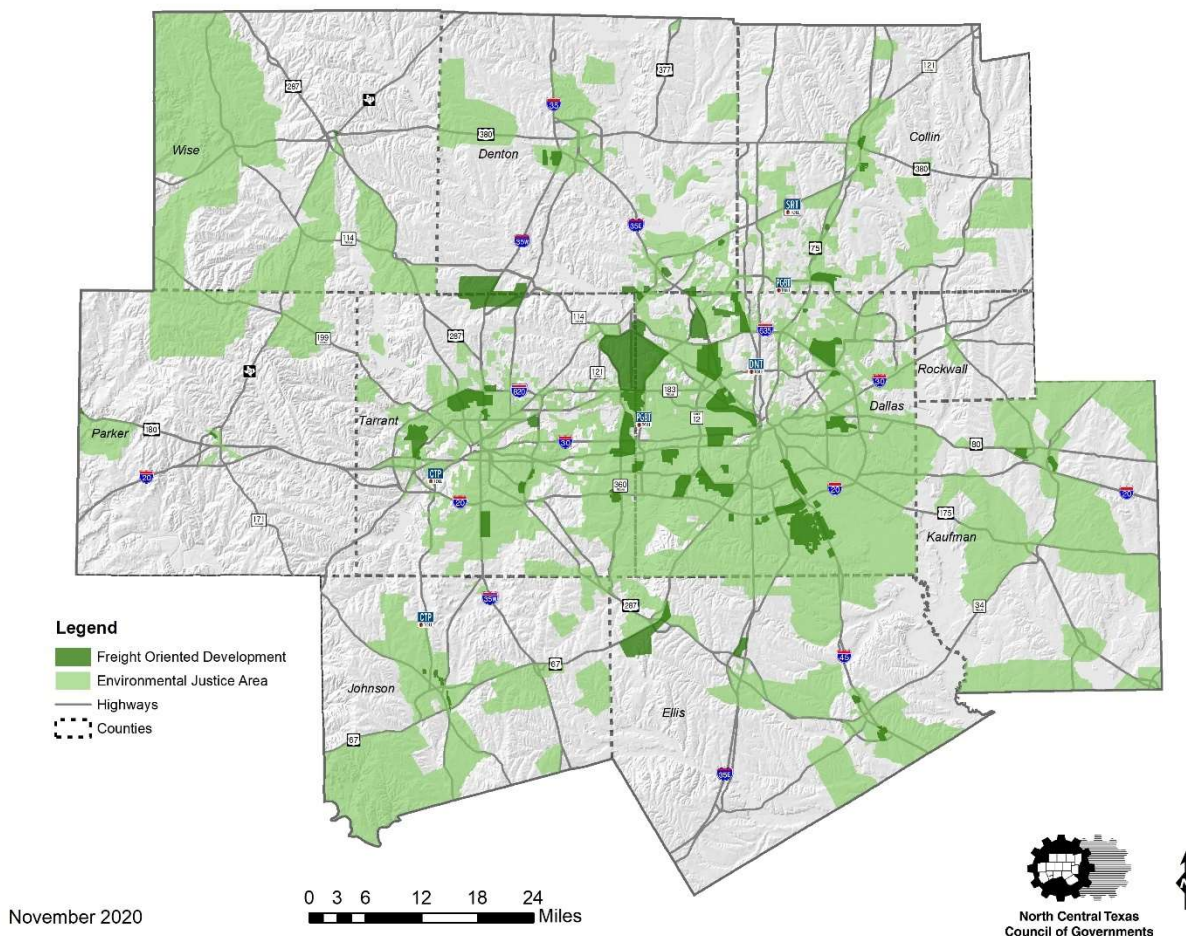
More information, including a template policy, guidance documents and details on what these five objectives entail, can be found at www.nctcog.org/fleetpolicy.

In addition, all rebate recipients must submit an online risk assessment:

- NCTCOG will conduct a risk assessment of all anticipated rebate recipients prior to final selection. This assessment includes the following elements:

- Financial/organizational capacity
 - History of performance for federal funds
 - Results of previous audits
 - Past performance on NCTCOG-related grants
- NCTCOG is not obligated to fund a proposal from a rebate recipient that has demonstrated marginal or unsatisfactory performance on previous grants or contracts with NCTCOG and/or other state or federal agencies.
 - NCTCOG is not obligated to fund a proposal from a rebate recipient based on a determination of the risks, including the financial condition of the recipient and other risk factors as may be determined by NCTCOG.

Exhibit 1: Project Area Map



PROJECT ELIGIBILITY

All projects must reduce NO_x emissions from existing diesel-powered engines, vehicles, or equipment, and fit one of the following categories:

The following requirements will apply to all rebate recipients under this program. NCTCOG reserves the right to withhold rebate payment or request return of funds if these requirements are not met and/or not sufficiently documented. Potential rebate recipients should consider these conditions carefully when evaluating whether to submit a rebate application.

Project Type 1: On-Road Replacements

On-road Vehicle Replacement

Replacement of an existing (old) diesel on-road vehicle with a newer model year on-road vehicle. The existing vehicle must be a diesel-powered vehicle with a gross vehicle weight rating of 16,001 or more pounds. To be eligible for funding, the existing on-road vehicle must have accumulated at least 7,000 miles during each 12 month period during the 24 months prior to upgrade.

See Table 1a below for more on-road vehicle details.

Table 1a: Replacement of Diesel On-road Vehicle Eligibility Details

Gross Vehicle Weight Rating (GVWR)	Existing Engine Model Years (EMY)	Vehicle Replacement: EMY 2018+ (2014+ for Drayage)	Vehicle Replacement: EMY 2018+ Zero Emissions or Low-NO _x **	Maximum Funding Levels
16,001 and Up	Older – 2009	Yes	Yes	45% Cost if New is Zero Emission*
	2010 – Newer	No	Yes	35% Cost if New is CARB Optional Low-NO _x Certified*** 25% Cost for All Others

* Eligible costs for battery electric powered vehicle, equipment and engine replacement projects can include the purchase and installation of one charging unit per vehicle, including the unit and charging cable, mount and/or pedestal. These costs are subject to the mandatory cost share requirements.

**Eligible fuel cell projects are limited to hydrogen fuel cell engine replacements for eligible urban transit buses, shuttle buses and drayage trucks, and hydrogen fuel cell engine replacements for eligible urban transit buses, shuttle buses, and drayage trucks.

***CARB=California Air Resources Board; a list of currently available engines certified to CARB's Optional Low-NO_x standards are available at:
https://ww2.arb.ca.gov/sites/default/files/classic/msprog/onroad/optionnox/optional_low_nox_certified_hd_engines.pdf
 Low-NO_x engine standards Factsheet found at [How to Identify Low NO_x Certified Engines: Diesel Emissions Reduction Act \(DERA\) Grants - Fact Sheet \(EPA-420-F-21-002, January 2021\)](#)

Table 1b: Drayage Replacement Eligibility Details

A “drayage truck” means any Class 8 highway vehicle operating on or transgressing through port or intermodal rail yard property for the purpose of loading, unloading or transporting cargo, such as containerized, bulk or break-bulk goods.

GVWR	Eligible Old EMY	Eligible New Vehicle EMY and Power Source	Maximum Funding Levels
33,001 and Up	Older-2009	2014 or Newer; Diesel, Alternative Fuel Vehicle, Gasoline, CARB Low-NOx or Zero Emission Vehicle	50% Cost
	2010- Newer	2018 or Newer; Zero Emission or CARB Low-NOx	

Additional drayage truck details:

Drayage truck must have a history of operating at the intermodal rail terminal(s) for at least 24 months. To be eligible for funding, the existing drayage vehicle must have accumulated at least 50 trips to one or more of the intermodal rail terminal(s) during each 12 month period during the 24 months prior to upgrade.

Drayage truck operator must hold a valid and current vehicle registration and driver's license issued in the United States. Operator must have proof that the existing truck has been covered for primary liability insurance over the last year.

[On-road Engine Replacement](#)

Replacement of an existing (old) diesel on-road vehicle engine with a newer model year onroad vehicle engine. To be eligible for funding, the existing on-road vehicle engine must have accumulated at least 7,000 miles during each 12 month period during the twenty-four months prior to upgrade.

See Table 1c below for more details.

Table 1c: On-road Engine Replacement Eligibility Details

GVWR	Eligible Old EMY	Engine Replacement: EMY 2018+ (2014+ for Drayage)	Engine Replacement: EMY 2018+ Zero Emission or Low-NOx*	Maximum Funding Levels
16,001 and Up	Older - 2009	Yes	Yes	60% Cost if New Engine is with Zero Emission
	2010 - Newer	No	Yes	50% Cost if New Engine is CARB Optional Low-NOx Certified** 40% Cost if New Engine is EPA Certified***

**Eligible fuel cell projects are limited to hydrogen fuel cell engine replacements for eligible urban transit buses, shuttle buses and drayage trucks, and hydrogen fuel cell engine replacements for eligible urban transit buses, shuttle buses, and drayage trucks.*

****CARB=California Air Resources Board; a list of currently available engines certified to CARB's Optional Low-NO_x standards are available at:**
https://ww2.arb.ca.gov/sites/default/files/classic/msprog/onroad/optionnox/optional_low_nox_certified_hd_engines.pdf

Low-NO_x engine standards Factsheet found at [How to Identify Low NO_x Certified Engines: Diesel Emissions Reduction Act \(DERA\) Grants - Fact Sheet \(EPA-420-F-21-002, January 2021\)](#)

*****EPA=Environmental Protection Agency; a list of currently available engines certified to EPA's standards are available at:** <https://www.epa.gov/emission-standards-reference-guide/all-epa-emission-standards>

Project Type 2: Non-Road Replacements

Nonroad Engines, Vehicles and Equipment Replacement

Replacement of an older diesel nonroad equipment that operates 500 or more hours per year, with a newer model year nonroad equipment. To be eligible for funding, nonroad engines must operate at least 500 hours during each 12-month period for the 24 months prior to upgrade. Agricultural pumps must operate at least 250 hours during each 12-month period for the 24 months prior to upgrade.

Table 2a: Replacement of Diesel Nonroad Vehicle and Equipment Eligibility Details

Eligible Existing Engine Tier	Vehicle/Equipment Model Year 2020 or Newer			Zero Emission**	Maximum Vehicle or Equipment Funding Levels
	Eligible New Compression Ignition Tier	Eligible New Spark Ignition Tier			
	Tier 3-4i*	Tier 4	Tier 2		
Unregulated through Tier 2	Yes	Yes	Yes	Yes	45% Cost if New is Zero Emission 35% Cost if New is CARB Optional Low-NO _x Certified***
Tier 3	No	Yes	Yes	Yes	25% Cost for All Others****

Table 2b: Replacement of Diesel Nonroad Engine Eligibility Details

Eligible Existing Engine Tier	Engine Model Year 2020 or Newer			Maximum Engine Funding Levels
	Eligible New Compression Ignition Tier	Eligible New Spark	Zero Emission**	

			Ignition Tier		
	Tier 3-4i*	Tier 4	Tier 2		
Unregulated through Tier 2	Yes	Yes	Yes	Yes	60% Cost if New Engine is Zero Emission
Tier 3	No	Yes	Yes	Yes	50% Cost if New Engine is CARB Optional Low-NOx Certified*** 40% Cost if New Engine is EPA Certified****

*Tier 3 and Tier 4 interim (4i) allowed for vehicle/equipment replacement only when Tier 4 final is not yet available from OEM for 2020 model year equipment under the Transition Program for Equipment Manufacturers (TPEM). Tier 3 and Tier 4i engines may be used for engine replacement only if Tier 4 is demonstrated to not be available or feasible through a best achievable technology analysis

**Eligible fuel cell projects are limited to hydrogen fuel cell equipment replacements for eligible terminal tractors/yard hostlers, stationary generators, and forklifts. Fuel cell engine replacement is not eligible.

***CARB=California Air Resources Board; a list of currently available engines certified to CARB's Optional Low-NO_x standards are available at:

https://ww2.arb.ca.gov/sites/default/files/classic/msprog/onroad/optionnox/optional_low_nox_certified_hd_engines.pdf

Low-NO_x engine standards Factsheet found at [How to Identify Low NOx Certified Engines: Diesel Emissions Reduction Act \(DERA\) Grants - Fact Sheet \(EPA-420-F-21-002, January 2021\)](#)

****EPA=Environmental Protection Agency; a list of currently available engines certified to EPA's standards are available at: <https://www.epa.gov/emission-standards-reference-guide/all-epa-emission-standards>

Project Type 3: Replacement of Diesel Transport Refrigeration Unit Equipment Eligibility

Table 3: Transport refrigeration units (TRUs) are eligible as nonroad equipment.

Existing Equipment	Equipment Replacement	Maximum Funding Level
Diesel TRU Trailer ONLY (does not include tractor or tractor trailer combo)	Zero Emission eTRU includes charging unit	45% Cost

The 45 percent EPA funding is only eligible if the new unit will operate solely on grid, battery, or other zero emission power sources. Any eTRUs powered by diesel engines or diesel gensets will not be eligible for funding. Please see the TRU Factsheet found at <https://nepis.epa.gov/Exe/ZyPDF.cgi?Dockkey=P100Y6MX.pdf>

Project Type 4: Locomotive Engine Replacement and Shore Power Connection Systems

Table 4a: Locomotive Engine Eligibility Details

Locomotive includes diesel powered line-haul, passenger, and switch engines and locomotives. To be eligible for funding, the existing locomotive engine must operate at least 1,000 hours during each 12-month period for the 24 months prior to upgrade.

Mandated Measures

No funds will be awarded to fund emission reductions mandated by federal statute. Specifically, projects involving locomotives are not eligible if the emissions reductions are required by EPA's locomotive and marine rule "Control of Emissions of Air Pollution from Locomotives and Marine Compression- Ignition Engines Less than 30 liters per Cylinder. Voluntary or elective emissions reduction measures shall not be considered "mandated," regardless of whether the reductions are included in the SIP. Applicants must be able to clearly demonstrate justification for why/how the proposed emissions reductions are not subject to the restriction for mandated measures by demonstrating:

- the engines are exempt from the requirements of EPA's rule; or
- emissions reductions funded with EPA funds will be implemented prior to the effective date of any applicable requirements under the rule; and/or
- emissions reductions funded with EPA funds will not be used to satisfy any applicable requirements under the rule but are in excess of (above and beyond) those required by the applicable mandate.

Table 4a: Locomotive Engine Replacement Eligibility

Existing Locomotive Tier	Engine Replacement		Maximum Funding Levels
	Tier	Zero Emission**	
Unregulated through Tier 2	Tier 3*; Tier 4	Eligible	60% Cost if Zero Emission Power Source
Tier 3	Tier 4	Eligible	50% Cost if CARB Certified Low NOx Engine
Tier 4	Not Eligible	Not Eligible	40% Cost if EPA Certified

*Tier 3 engines may be used for engine replacement only if Tier 4 is demonstrated to not be available or feasible through a best achievable technology analysis. Locomotive engine replacements must commit to using Tier 4 engines if Tier 4 engines with the appropriate physical and performance characteristics are available. Applicants anticipating the use of Tier 3 or Tier 4i engines should discuss their rationale for proposing Tier 3 or Tier 4i engine replacements. Tier 3 is not eligible for locomotive replacement.

**Fuel cell engine and locomotive replacements are not eligible.

Table 4b: Idling Control Strategies Eligibility Details

Eligible Equipment	Operational Minimum for Funding	Maximum Funding Levels
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Locomotive shore power connection systems. Technologies used must be on the EPA SmartWay verified list*	No funds shall be used for locomotive shore connection system projects that are expected to be used less than 1,000 hours/year.	40% Cost Coverage
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*SmartWay Verified locomotive technologies -- including the specified categories -- are listed in a table at: <https://www.epa.gov/verified-diesel-tech/smartway-verified-list-idling-reduction-technologies-irts-locomotives>

REBATE REQUIREMENTS

The following requirements will apply to all rebate recipients under this program. NCTCOG reserves the right to withhold rebate payment or request return of funds if these requirements are not met and/or not sufficiently documented. Potential rebate recipients should consider these conditions carefully when evaluating whether to submit a rebate application.

Existing Engine, Vehicle or Equipment:

- The existing vehicle, engine, or equipment must be fully operational. Operational equipment must be able to start, move in all directions, and have all necessary parts to be operational.
- The participating fleet owner must currently own and operate the existing vehicle or equipment and have owned and operated the vehicle during the 24 months prior to upgrade.
- The existing vehicle, engine, or equipment must have spent 51 percent or more of its time operating in one of the ten nonattainment counties and/or within the nonattainment area.
- The existing vehicle, engine, or equipment will need to be destroyed properly as detailed in the “REBATE ADMINISTRATION & PROJECT IMPLEMENTATION REQUIREMENTS” section of this application.
- The existing vehicle, engine, or equipment must have at least three years of remaining life at the time of upgrade. The remaining life is the fleet owner’s estimate of the number of years until the unit would have been retired from service if the unit were not being upgraded or scrapped because of the grant funding. The remaining life estimate is the number of years of operation remaining even if the unit were to be rebuilt or sold to another fleet. The remaining life estimate depends on the current age and condition of the vehicle at the time of upgrade, as well as things like usage, maintenance, and climate. Funding will not be awarded to replacement projects that would have occurred with less than three years of remaining life.

New Engine, Vehicle or Equipment for Replacement:

- The new replacement vehicle, engine, or equipment will continue to perform similar function and operation as the vehicle, engine, or equipment that is being replaced.
- The cost of optional components or “add-ons” that significantly increase the cost of the vehicle may not be eligible for funding under the grant; the replacement vehicle should resemble the replaced vehicle in form and function.

- The new replacement vehicle, engine, or equipment will be of similar type and gross vehicle weight rating or horsepower as the vehicle, engine, or equipment being replaced.
 - Nonroad: Horsepower increases of more than 40 percent will require specific approval by EPA prior to purchase, and the applicant may be required to pay the additional costs associated with the higher horsepower equipment.
 - Onroad: The replacement vehicle must not be in a larger weight class than the existing vehicle (Class 5, 6, 7, or 8). Exceptions may be granted for vocational purposes and will require specific EPA approval prior to purchase.
- The new replacement vehicle, engine, or equipment will need to spend 51 percent or more of its time operating in one of the ten nonattainment counties and/or within the nonattainment area.
- The new replacement vehicles, engines, or equipment must remain operational in the DFW ozone nonattainment area for at least five years.

COST ELIGIBILITY

Please note that rebate funds and matching funds cannot be used for stationary energy storage systems that power the equipment (e.g. batteries) and their installation, and rebate funds and matching funds cannot be used for on-site power generation systems that power the equipment (e.g., solar and wind power generation equipment) and their installation, applicants and their partners may add these components at their own expense outside the scope of the rebate.

Rebate recipients must notify NCTCOG of the value of any existing financial incentives that directly reduce the cost of the proposed activity, including tax credits or deductions, other rebates, anticipated scrap value, or any other financial assistance, to allow for accurate calculation of incremental cost.

Eligible and Ineligible Costs

- **Eligible project costs** include the purchase price of eligible vehicles, engines, and equipment.
- **Eligible project costs** can include mechanic/driver training related to the maintenance and operation of new technologies.
- **Eligible project costs** include fees associated with cooperative procurement organizations (e.g. BuyBoard, Sourcewell).
- **Eligible costs** for battery electric powered vehicle, equipment and engine replacement projects can include the purchase and installation of one charging unit per vehicle, including the unit and charging cable, mount and/or pedestal.
 - **Ineligible costs** include power distribution to the pedestal, electrical panels and their installation, upgrades to existing electrical panels or electrical service, transformers and their installation, wiring/conduit and its installation, electricity, operation and maintenance, stationary energy storage systems that power the equipment (e.g. batteries) and their installation, and on-site power generation systems that power the equipment (e.g., solar and wind power generation equipment) and their installation.

- **Eligible costs** for drayage truck replacement projects include the required/scheduled vehicle maintenance, as specified in the owner's manual, which is necessary to meet the warranty requirements for diesel particulate filters installed on drayage trucks. Funding for required maintenance is available for the duration of the project period.
- **Eligible costs** for grid electric powered engine and equipment replacement projects can include the purchase and installation of certain equipment required for power delivery directly related to the new equipment. Eligible costs include design and engineering, electrical panels, upgrades to existing electrical panels or electrical service, transformers, wiring/conduit, and installation.
 - **Ineligible costs** include power distribution to the property line, electricity, operation and maintenance, stationary energy storage systems that power the equipment (e.g. batteries) and their installation, and on-site power generation systems that power the equipment (e.g., solar and wind power generation equipment) and their installation.
- **Eligible costs** for engine replacement projects can include equipment and parts included in the certified engine configuration and/or are required to ensure the effective installation and functioning of the new technology. Eligible costs include design and engineering, parts and materials, and installation. For engine replacement with battery, fuel cell, and grid electric, eligible costs include electric motors, electric inverters, battery assembly, direct drive transmission/gearbox, regenerative braking system, vehicle control/central processing unit, vehicle instrument cluster, hydrogen storage tank, hydrogen management system and fuel cell stack assemblies.
 - **Ineligible costs** include cabs, tires, wheels, axles, paint, brakes, and mufflers.
- **Eligible costs** for locomotive shore power connection projects can include the purchase and installation of certain equipment required for power delivery directly related to the new equipment. Eligible costs include design and engineering, electrical panels, upgrades to existing electrical panels or electrical service, transformers, wiring/conduit, and installation.
 - **Ineligible costs** include power distribution to the property line, electricity, operation and maintenance, stationary energy storage systems that power the equipment (e.g. batteries) and their installation, and on-site power generation systems that power the equipment (e.g., solar and wind power generation equipment) and their installation.
- Other **ineligible costs** include;
 - Administrative costs and other internal costs of the rebate recipient including, but not limited to, personnel expenses, internal salaries, indirect costs, and travel.
 - Fees for a third-party consultant or dealer hired to coordinate the application or manage and administer rebate-funded activities, including coordination of the work and submission of reports and paperwork. This restriction is not intended to limit the ability of the equipment supplier or installer to include reasonable and necessary costs for managing the work to be performed in the price of the engine, equipment, or installation services. Per the Uniform Grant Management Standards, the cost-plus-percentage-of-cost method of contracting for professional services shall not be used.

APPLICATION REQUIREMENTS

Cost Estimate:

- Rebate recipients are advised to consult multiple sources to ensure that estimated costs are as accurate and realistic as possible. As part of the application, rebate recipients must attach at least one price quote from a sales company for each project type, that will be the basis for determining the applicable funding thresholds.

DUNS Number & SAM Registration:

- Rebate recipients are required to provide a Dun and Bradstreet (D&B) Data Universal Numbering System (DUNS) number or Unique Entity Identifier number, and a current registration with the System for Award Management (SAM). Rebate recipients can receive a DUNS number at no cost by calling the toll-free DUNS Number request line at 1-866-705-5711, or visiting the D&B Website at www.dnb.com/us/. Rebate recipients can receive free SAM registration at www.SAM.gov. If a DUNS number or SAM has not yet been assigned, please include the date the rebate recipient requested a number.

Emissions Credit:

- Rebate recipient must surrender all emissions reductions to NCTCOG to meet air quality requirements and goals. The recipient may not utilize emissions reductions to satisfy other air quality commitments unless otherwise agreed to by NCTCOG.

Voluntary Reductions:

- Projects must be voluntary in nature and not required by any local, state, or federal law, rule, regulation, memorandum of agreement, or other legally binding document.

APPLICATION PROCESS

Application forms are available through www.nctcog.org/aqfunding; click the “North Texas Clean Diesel Project 2021 Call for Projects” link under Hot Topics. Applications must include original signatures from the rebate recipient’s Authorized Official on the certification statements in Part 4 of the application. As part of applying, rebate recipients must also complete a Risk Assessment Questionnaire available at <https://www.surveymonkey.com/r/AQCFP2021>.

The first application deadline is 5 p.m. on Friday, January 14, 2022, with application deadlines continuing every three months until all funds are awarded.

Submit a hard copy application and all needed attachments by 5 p.m. on the deadline date. This hard copy submittal with original signatures will count as the official submittal and must be mailed or delivered to the following address by 5 p.m. Central Time on the appropriate deadline:

North Central Texas Council of Governments
Transportation Department
North Texas Clean Diesel Project 2021 Call for Projects
Attention: AQ Grants
616 Six Flags Drive
Arlington, TX 76011

In addition to the hard copy submittal, NCTCOG requires an electronic submission of the Application (in Excel format) and all needed attachments to aggrants@nctcog.org. **Electronic-only** submissions will **not** be evaluated.

Applications for the North Texas Clean Diesel Project 2021 Call for Projects will be accepted on a competitive basis. **Hard copy applications received “in hand” by 5 p.m. every three months beginning Friday, January 14, 2022, will be considered competitively with applications received since the preceding deadline. Evaluation will be based on the selection criteria outlined on pages 15 and 16.** Applications must be in a sealed envelope with a return address on the outside. Mailed applications which are postmarked by this time but have not yet been received are not considered “in hand.” Faxed applications will not be accepted. Applications received after the designated deadline will be considered with applications for the next application deadline if funds are available.

Rebate applicants are encouraged to submit in advance of the deadline to allow staff time to review for completeness.

Steps to Apply: All the items listed below must be “in hand” by the application deadline for a project to be deemed complete.

- ☐ Submit Online Risk Assessment Questionnaire (including any required attachments)
- ☐ Submit Completed and Signed Application Form (including Part 1, Part 2, Part 3, and Part 4)
- ☐ Price Quote (at least one price quote for each project type)
- ☐ Completed and Signed Copy of Clean Fleet Policy and Idle Reduction Policy (if not already on file with NCTCOG)

Use of Consultants:

Private consultants may be available to assist in completing and submitting an application. These consultants do not represent NCTCOG, and NCTCOG neither encourages nor discourages the use of a consultant to assist with the application process. NCTCOG has no agreement with any consultant and applications submitted by a particular consultant will not receive any more favorable treatment than other applications. Fees charged by a consultant are the responsibility of the applicant and may not be charged to the rebate, either directly or as an addition to the cost basis of the rebate-funded equipment. Moreover, NCTCOG staff are available to field application questions as needed.

SELECTION CRITERIA

NCTCOG will evaluate submitted applications based upon a competitive process using the following criteria:

- **Quantitative Analysis: Cost Effectiveness (70 percent of total project score)**
 - Cost per ton of NO_x reduced in the ten-county project area per year.
- **Qualitative Analysis: Rebate Recipient Oversight (25 percent of total project score)**
 - The project’s emissions benefits will be compared to NCTCOG’s burden to administer the project.

- NCTCOG will give scoring preference to projects where rebate recipients indicate they plan to install telematics and are willing to provide NCTCOG access to the information.
- **Qualitative Analysis: Geographic Impact (5 percent of total project score)**
 - NCTCOG will also give scoring preference to projects that are located or operate within environmental justice areas (Please refer to Exhibit 1)
 - Areas in which poverty levels are above regional percentages
 - Areas in which minority populations are above regional percentages
 - Areas in which poverty levels and minority populations are above regional percentages

NCTCOG may base funding decisions on factors associated with best achieving the purpose of the CFP and is not obligated to select a project for funding. Additionally, NCTCOG may select parts of an application for funding or offer to fund less than the amount requested in an application.

REBATE ADMINISTRATION & PROJECT IMPLEMENTATION REQUIREMENTS

Rebates are participant support costs used for subsidies, and similar one-time, lump-sum payments to recipients for the purchase of eligible emission control technologies and vehicle replacements. They are not considered subawards/subgrants as defined in 2 CFR Part 200, under this award and should not be treated as such.

NCTCOG will notify all rebate recipients whether the project has been awarded and, if so, rebate amounts awarded. The notification will be sent to all points of contact identified on the rebate application. *This notification is not authorization to begin work.* Entities selected to receive rebate funding will be required to execute an agreement with NCTCOG in order to formally accept rebate funding.

Rebate recipients who receive a rebate award will be required to meet with NCTCOG staff prior to implementing their project to explain all rebate expectations. If awarded, the steps to implement generally are as follows:

Step 1: Sign Agreement with NCTCOG

No rebate activities may begin until after the agreement between NCTCOG and the rebate recipient is fully executed. "Rebate activities" in this case includes vendor selection or placement of vehicle/equipment purchase orders. All activities must be on hold until execution of a rebate agreement by NCTCOG.

Step 2: Complete Purchases in Accordance with Agreement and Scope Requirements

Rebate recipients will be required to complete purchases per the executed agreement and as detailed in the project scope of work.

Step 3: Submit for Reimbursement

Rebates will be made on a reimbursement basis for eligible expenses incurred and paid by the rebate recipient. A cost may not be considered incurred until the rebate-funded vehicle/equipment has been paid for by the rebate recipient. Requests for

reimbursement shall include documentation to show that the vehicle/equipment has been received, expenses paid by the rebate recipient, and proper vehicle/equipment disposition has occurred. **All eligible expenses must be paid in full with cash on hand (not financed, etc.) in order to be reimbursed.** Reimbursement request forms are available at www.nctcog.org/aqfunding/forms.

Rebate recipients must notify NCTCOG of the value of any existing financial incentives that directly reduce the cost of the proposed activity, including tax credits or deductions, other rebates, anticipated scrap value, or any other public financial assistance, to allow for accurate calculation of incremental cost.

Rebate recipients must identify expected local match sources, which must fund at least 75, 65, 55, 50 or 40 percent of total replacement project cost depending on type of replacement vehicle/equipment. Matching funds should be sourced from cash in hand. Matching funds must not already be tied to other emission reduction commitments (i.e. funding from the Texas Emissions Reduction Plan or Texas Volkswagen Environmental Mitigation Program may not be used as matching funds).

Step 4: Disposition

All vehicles/equipment being replaced must be rendered permanently disabled. Disabling the engine requires cutting, drilling, or punching a three inch by three-inch (3" x 3") hole in the engine block. Disabling the chassis consists of cutting completely through the frame/frame rails on each side of the vehicle/equipment at a point located between the front and rear axles. Both the engine and chassis of each vehicle/equipment must be disabled for each replacement activity.

Rebate recipients must apply for a non-repairable vehicle title in advance of completing disposition.

NCTCOG staff must be present to witness vehicle/equipment and engine destruction and to take the required photos. Rebate recipients must schedule the destruction in coordination with NCTCOG to ensure staff attendance.

Complete documentation of vehicle/equipment disposition must be included with the reimbursement request submitted for preliminary review. Documentation will include a standard form identifying the destroyed vehicle/equipment and a standard set of photos. The Vehicle/Equipment and Engine Disposition Form (available for download at www.nctcog.org/aqfunding/forms) shows the highlighted fields to be completed by the rebate recipient. NCTCOG will facilitate completion of this documentation through the destruction site visit. **NCTCOG will notify performing party of preliminary approval of reimbursement, and if disposition should proceed.**

Alternative disabling methods must be approved by NCTCOG in advance on a case-by-case basis. If other, pre-approved scrappage methods are used, details and documentation must be submitted to NCTCOG. Disposition documentation requirements will apply and will be detailed as part of the NCTCOG approval.

Existing Eligible Vehicle Year for Scrappage	Replacement Vehicle Year	Requirement*
Older-2009 EMY	2010 EMY or newer	If a 2010 engine model year (EMY) or newer vehicle is replaced, the 2010 EMY or newer vehicle may be

		retained or sold if the 2010 EMY or newer vehicle will replace a pre-2009 EMY vehicle, and the pre-2009 EMY vehicle will be scrapped. It is preferred that the scrapped unit currently operates within the same project location(s) as the 2010 EMY or newer vehicle currently operates, however alternative scenarios will be considered. All existing and replacement vehicles are subject to the funding restrictions in this section of the RFA. All equipment must operate within the United States. Under this scenario, a detailed scrappage plan must be submitted and will require prior EPA approval.
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*The term “project location” 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.

While NCTCOG does not endorse nor recommend any particular facilities, the Texas Department of Motor Vehicles maintains a list of salvage dealer facilities. This list may be a useful reference for locating facilities who can ensure compliance with this rebate program’s requirements. A list of salvage yards is located at: <https://txdmv.force.com/dealers/salvagedealeragentstaging>. A list of used auto recyclers is located at: https://www.tdlr.texas.gov/dbproduction2/Ltuaprcl_rcy.csv.

Step 5: Reporting and Vehicle/Equipment Use

- **Project Status Report:** Rebate recipients must submit reports regarding project status on a monthly basis until final reimbursement is issued.
- **Annual Usage Reporting:** Rebate recipients will be required to submit annual reports which will be available through the NCTCOG website at www.nctcog.org/aqfunding/reporting. Required reporting will include, but is not limited to, the following information for each activity:
 - Hours/Mileage
 - Asset Condition
 - Location/Area of Operation
- **Geographic Area of Use:** All rebate-funded vehicles, engines, and equipment must be utilized 51 percent or more of its time in the ten-county nonattainment project area.
- **Automatic Vehicle Locator Service:** Rebate recipients who have automatic vehicle locator service (AVLS) device on rebate funded equipment may use the data for usage reporting.

- **Public Awareness:** To further enhance the partnership and marketing of emission reduction efforts, the rebate recipient must agree to place a label on rebate-funded vehicles/equipment if requested by NCTCOG.
- **Notification of Changes:** Recipients must agree to notify NCTCOG of changes in the following for the duration of the five-year operation requirement: termination of use, change in use or location, sale, transfer, or accidental or intentional destruction of rebate-funded equipment/engines.

Awarded rebate recipients are obligated to fulfill agreement requirements including, but not limited to, surrender of eligible emissions credits, and completion of reporting requirements to NCTCOG for the duration of the five-year operation requirement. Failure to comply with these requirements may result in return of all or a pro-rata share of the rebate funds to NCTCOG.

1 <https://www.epa.gov/ozone-pollution-and-your-patients-health/health-effects-ozone-general-population>

2 <http://www.gpo.gov/fdsys/pkg/FR-2015-10-26/pdf/2015-26594.pdf>

3 https://www.epa.gov/sites/production/files/2017-12/documents/tx_ltr_12_22_17.pdf