

National Clean Diesel Campaign Clean Diesel Programs

FY08 Clean Diesel Program Overview



WEST COAST COLLABORATIVE
A public-private partnership to reduce diesel emissions



National Clean Diesel Campaign

Why Clean Diesel?

- Reducing diesel emissions is one of our country's most important air quality challenges
- Diesel engines are the workhorses of the nation; the millions of diesel engines already in use continue to emit large amounts of nitrogen oxides, particulate matter and air toxics
- These emissions are linked to premature deaths, asthma attacks, lost work days, and other health impacts every year

The Good News

- Cost-effective solutions are available now
- Funding is available too
- How? The National Clean Diesel Campaign – Clean Diesel Programs



www.epa.gov/cleandiesel

Legislation Re-cap

- Authorization: Energy Policy Act of 2005
- Subtitle G, Sections 791-797
- Diesel Emissions Reduction Program (sometimes called Clean Diesel or “DERA”)
- \$200M per year for five years authorized; \$49.2M appropriated in FY08
- Separate authorization, not Clean Air Act 103 or 105
- Calls for “implementation” rather than “demonstration”

National Clean Diesel Program

\$49.2 Million for 2008

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 Finance Program \$3.4 M

State

\$14.8 Million (30%)



State Clean Diesel Grant Program \$14.8 M

State Base

Matching Bonus

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National Component

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SmartWay Clean Diesel Finance Program \$3.4 M

Clean Diesel Emerging Technologies Program
~\$3.4 M

Competitive grant
process managed
through EPA
regions

- Approx. \$5.1 million available through West Coast Collaborative
- RFP closes July 1

West Coast Collaborative Funding Assistance Program: Eligible Entities

- Regional, state, local, tribal or port agency with jurisdiction over transportation or air quality; and
- Nonprofit organization or institution that:
 - 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

West Coast Collaborative Funding Assistance Program: 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)



West Coast Collaborative Funding Assistance Program: Use of Funds

- Cannot fund the cost of emissions reductions mandated under federal, state or local law
- Grants are not for emissions testing

West Coast Collaborative Funding Assistance Program: Use of Funds

- Technologies and engines must be verified and/or certified by EPA or CARB
www.epa.gov/cleandiesel (select *Verified Technology List*)
- EPA can fund up to 100% of the cost of retrofit technologies and engine upgrades
- Incremental cost of engine or vehicle replacement (sent to be remanufactured or scrapped), engine repower, engine rebuild

West Coast Collaborative Funding Assistance Program: Use of Funds

- Idle Reduction Technologies (EPA approved)
 - Electrified Parking Spaces (truck stop electrification)
 - Auxiliary Power Units and Generator Sets
 - Fuel Operated Heaters
 - Battery Heating and Air Conditioning Systems
 - Thermal Storage Systems

<http://www.epa.gov/cleandiesel>
select *Idle Reduction*

West Coast Collaborative Funding Assistance Program: Use of Funds

- Cleaner fuels
 - Covers incremental costs of cleaner fuel versus conventional diesel fuel
- Finance programs for low-cost revolving loans
 - Regional or state specific programs
 - National programs would apply through the National Clean Diesel Finance Program

West Coast Collaborative Funding Assistance: Eligible Fleets and Equipment

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



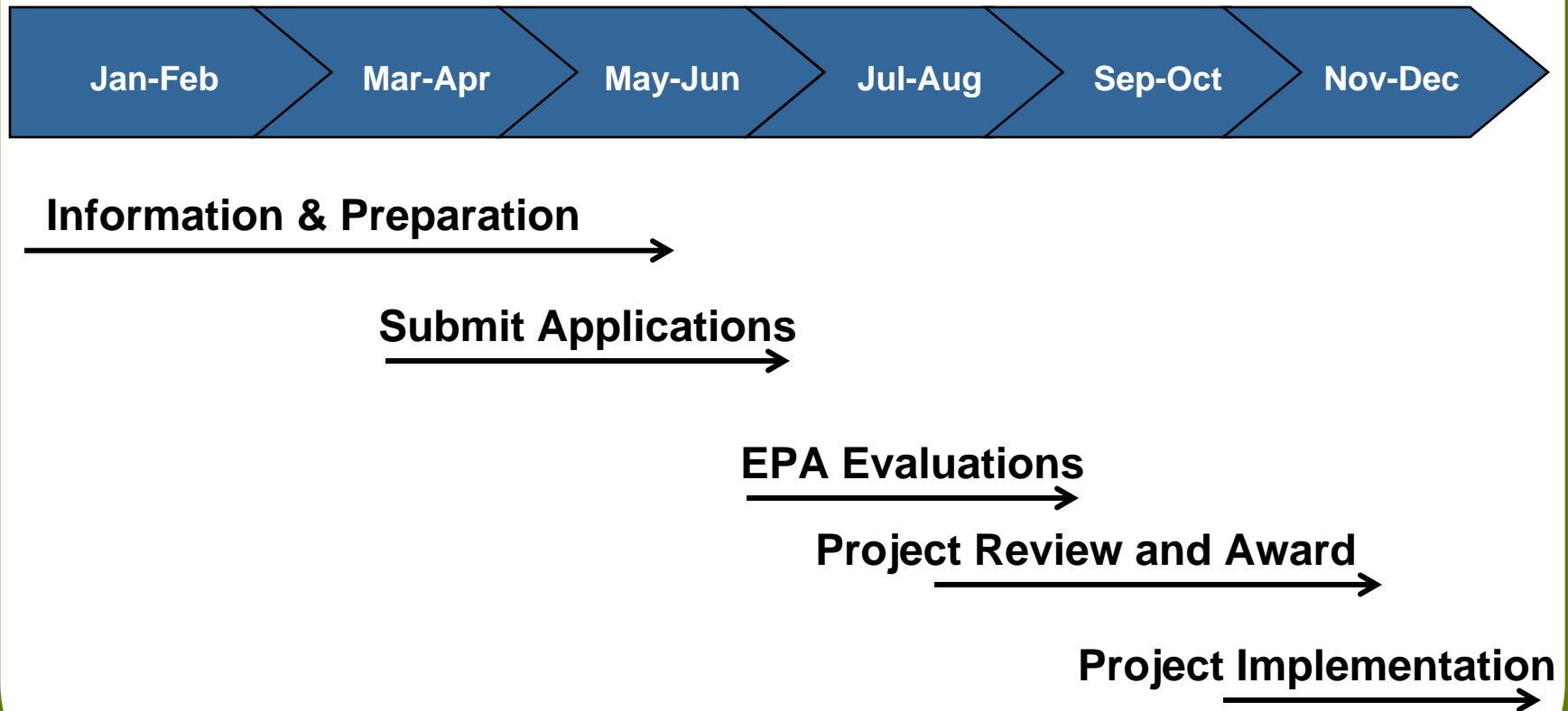
- Non-road engine, stationary engine or vehicle used for:
 - Construction
 - Handling of cargo (including at a port or airport)
 - Agriculture
 - Mining
 - Energy production

West Coast Collaborative Funding Assistance Program: Priority Projects

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

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

West Coast Collaborative Funding Assistance Program: FY08 Timeline



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SmartWay Clean Diesel Finance Program \$3.4 M

Clean Diesel Emerging Technologies Program
~\$3.4 M

**Competitive grant
program to
establish
innovative finance
mechanisms**

- National RFP closed June 9

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Clean Diesel Emerging Technologies Program
\$3.4 M

**Competitive grant
program to deploy
emerging
technologies not
yet verified**

- National RFP will be released soon!

Clean Diesel Emerging Technologies Program: Overview

~\$3.4 million in FY08

- Separate grant competition from the national funding assistance program
- Program is for projects that will use technologies not yet verified and/or commercialized but on EPA's Emerging Technology List
- Program does not pay for research and development
- Only eligible entities can apply

Clean Diesel Emerging Technologies Program: Manufacturers

- Manufacturers should partner with an eligible entity
- Manufacturers must be on EPA's Emerging Technology List
 - To get on this list, manufacturers must work with EPA or CARB to apply for verification and develop a test plan for evaluating their technology

www.epa.gov/cleandiesel
select *Emerging Technologies*

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State Clean Diesel Grant Program \$14.8 M

State Base

Matching Bonus

State Clean Diesel Grant Program: Overview

States play an important role
as partners in Clean Diesel

- Allocation program; not a competition
- All 50 States elected to participate this year

State Clean Diesel Grant Program: Permissible Use of Funds

- Funds can be used to establish and support clean diesel grant and loan programs which achieve significant reductions in diesel emissions
- Technologies may be verified and/or certified or EPA-approved idle reduction technologies

See *Federal Register* notice
for more information

Clean Diesel Programs: Wrap-Up

- Are you an eligible entity?
- Which program applies to you?
- Could you partner with an eligible entity?
- When are applications due?
- What is the best technology for your fleet?

Need more info? www.epa.gov/cleandiesel



National Clean Diesel Campaign

Resources

National Clean Diesel Campaign
<http://epa.gov/cleandiesel>

- State & local government tools and resources
- Diesel retrofit technology verification list
- Idle reduction technologies
- Cost-effectiveness of retrofit technologies

More information about the West Coast Collaborative:
www.westcoastcollaborative.org