



RHODE ISLAND
DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR RESOURCES
235 Promenade Street, Room 230
Providence, Rhode Island 02908

October 13, 2017

Dear Clean Diesel Stakeholders:

Subject: Funds Available for Diesel Reduction Projects

The Rhode Island Department of Environmental Management (DEM) is announcing the anticipated availability of approximately \$224,000 in new federal funds for the reduction of diesel emissions in our state. This money is authorized under the federal Diesel Emissions Reduction Act (DERA) and is administered by the U.S. Environmental Protection Agency (EPA). These funds provide an opportunity to save money and support green technologies while addressing the public health and environmental concerns posed by diesel emissions in Rhode Island.

DERA and EPA require that DEM use these funds to provide grants for projects that reduce diesel emissions. Projects must be completed by August 31, 2018. DEM seeks grant proposals from state agencies, municipalities, and non-profit organizations for diesel reduction projects that are environmentally and economically-beneficial, can be initiated promptly, and will be completed quickly.

All interested parties are encouraged to apply, submitting their proposals on the enclosed application form. Completed forms and inquiries with the subject line '2017 DERA State Grant' should be directed to Allison.Callahan@dem.ri.gov (401-222-2808 x2035); proposals must be submitted **no later than November 27, 2017**.

Sincerely,

Laurie Grandchamp, Chief

Department of Environmental Management
Office of Air Resources

Enclosure

Clean Diesel Projects Eligible for State Funding

Additional information regarding this opportunity, including definitions for key terms used below, may be found at <https://www.epa.gov/cleandiesel/clean-diesel-state-allocations>. Please note that EPA expressly requires this year's proposals to be consistent with FY 2017 State Clean Diesel Grant requirements as specified in the information guide available at <https://www.epa.gov/sites/production/files/2017-02/documents/fy17-state-program-guide-2017-02.pdf> and in the following list of eligible projects:

1. **Exhaust emission control technologies** (a.k.a. emission system retrofits) that are verified or certified by EPA or CARB can be funded up to 100%.
2. **Engine upgrades** (a.k.a. engine rebuilds) that are verified or certified by EPA or CARB can be funded up to 40% of the cost of the eligible upgrade.
3. **Cleaner Fuels Use:** include but are not limited to, biodiesel and other certified alternative fuels. The state may not fund stand-alone cleaner fuel use.¹
4. **Verified Idle Reduction Technologies** Stationary idle reduction technologies, such as electrified parking spaces (truck stop electrification), power sources for hybrid transport refrigeration units (TRUs), and auxiliary power systems at distribution centers, intermodal facilities, and other places where trucks congregate, can be funded up to 30%.
 - Locomotive Idle reduction technologies can be funded up to 40%.
 - Marine Shorepower: Reimbursement for eligible marine shorepower connection systems, including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the equipment functional can be funded up to 25% of the cost (labor and equipment).
 - Highway Idle Reduction Technologies: Funding for auxiliary power units and other idle reduction technologies for long haul trucks and school buses can be funded up to 25%.
5. **EPA-Verified Aerodynamic Technologies and Low Rolling Resistance Tires:** Funding for installation on long haul Class 8 trucks is available up to 100%, but only if combined with EPA or CARB-verified exhaust emission control technologies.
6. **Certified Engine Replacement (Locomotive, Marine, Nonroad, Highway Diesel)²:**
 - Reimbursement for repowering/engine replacement with diesel or clean alternative fuel engine configurations certified by EPA or CARB can be funded up to 40%.
 - Reimbursement for early replacement with a 2017 MY or newer engine certified to meet CARB's Optional Low-NOX Standards can be funded up to 50%.
 - Reimbursement for replacing a diesel engine with an electric motor or electric power source can be funded up to 60% of the cost (labor and equipment).

¹ See page 9 of FY17 State Clean Diesel Grant Program Guide (<https://www.epa.gov/sites/production/files/2017-02/documents/fy17-state-program-guide-2017-02.pdf>)

² See page 12 & 13 of FY17 State Clean Diesel Grant Program Guide (<https://www.epa.gov/sites/production/files/2017-02/documents/fy17-state-program-guide-2017-02.pdf>)

7. Vehicle & Equipment Replacements:

- Reimbursement for early replacement with 2017 model year (MY) or newer diesel or clean alternative fuel vehicles and equipment can be funded up to 25%.
- Reimbursement for early replacement of a drayage truck with 2017 MY or newer drayage truck can be funded up to 50%.
- Reimbursement for early replacement with a vehicle powered by a 2017 MY or newer engine certified to meet the California Air Resources Board's (CARB's) Optional Low-NOX Standards of 0.1 g/bhp-hr, 0.05 g/bhp-hr, or 0.02 g/bhp-hr NOX can be funded up to 35%.
- Reimbursement for early replacement with new, all-electric replacement vehicles and equipment can be funded up to 45% of the cost.

Application Review Process

Applications received by the grant deadline (November 27, 2017) will be reviewed by DEM-Office of Air Resources (OAR) staff. Late applications will not be considered for review.

Proposed projects will be evaluated based on diesel emission reductions, cost effectiveness (including the applicant's ability to provide matching funds if required) and the potential for completion by August 31, 2018.

Projects also will be prioritized based on the degree to which they meet the six criteria listed below. Locational criteria are based on where the vehicle operates, which may not be the same as the vehicle owner's business address.

- Areas that receive a disproportionate quantity of pollution from diesel fleets, including ports, rail yards, terminals, construction sites, school bus depots/yards, and distribution centers
- Location in an environmental justice community
- Proximity to transportation hubs or corridors
- Location in an urban area, as defined by the U.S. Census Bureau
- Inclusion of a motor vehicle anti-idling education and outreach program
- Timeliness of implementation

Mandatory Cost-Share Requirement

This is a reimbursement program; award recipients will be required to demonstrate payment for the project before receiving awarded funds³. Funding cannot be guaranteed for projects completed and invoiced after that date.

³ See Page 24 (Table 5. DERA Funding Limits and Mandatory Cost-Share Requirements) of FY17 State Clean Diesel Grant Program Guide (<https://www.epa.gov/sites/production/files/2017-02/documents/fy17-state-program-guide-2017-02.pdf>)