



DEPARTMENT OF
ECOLOGY
State of Washington

Washington State Clean Diesel Grants Announcement of Funds Available and Grant Guidelines

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Washington State Clean Diesel Grants
Announcement of Funds Available and Grant Guidelines
for the 2015 – 2017 Biennium Funding Cycle
October 12, 2015

Apply to: Ecology Air Quality Program
Title: Clean Diesel Grants, 2015 - 2017 Funding Cycle
Action: Request for Grant Funding
Due Date: December 10, 2015

Summary: This notice announces funding available to help with purchasing and installing various clean diesel technologies, as described below, on publicly- and privately-owned heavy-duty diesel vehicles and equipment in Washington.

Amount of Funding Available: Approximately \$750,000 is available for eligible projects

Application Deadline: Applications must be submitted by **5 PM PST December 10, 2015** to receive priority consideration. **Note:** *Ecology has a new electronic grant and loan application system called EAGL (Ecology Administration of Grants and Loans). See below for more details.*

Notice of Awards: Ecology will email successful applicants about their award status by February 2016.

Application Process: All applications must be submitted through the electronic grant and loan application system called EAGL (Ecology Administration of Grants and Loans). Applicants must register for a Secured Access Washington (SAW) account and an EAGL account to apply. Detailed instructions for EAGL users are at <http://www.ecy.wa.gov/funding/EAGL-NewUser.html>. For more information or help, call Cindy James at (360) 407-6568 or email at cindy.james@ecy.wa.gov.

If you submitted an application before this funding announcement, you must submit a new application in EAGL. Old applications submitted before this funding announcement will not be considered for award.

For all project proposals, applicants must submit:

- an application,
- vehicle/equipment list, and
- a cover letter describing their proposed project, including other information related to the project such as estimated project costs, project time frame and location, population characteristics in project vicinity, partnerships, other funding contributions, emission reduction estimates, cost per ton of emissions reduced, etc.

Applications will be evaluated based on the project's ability to cost effectively reduce exposure to diesel emissions and improve people's health. Special consideration are given to projects that reduce exposure to:

- those at higher risk (children, the elderly, and people with existing health problems),
- areas with the most number of people living or working near the highest concentrations of diesel emissions (like urban areas and near ports),
- disadvantaged communities more likely to live or work in unhealthy areas.

Those applicants selected to receive awards will be notified by email with additional procedural details.

Background: Diesel emissions contain a hazardous mixture of pollutants that have serious health effects. Diesel exhaust has been linked to the onset or worsening of most major, chronic and/or terminal diseases, including cancer, emphysema, auto-immune disorders, asthma, heart disease, stroke, and the underdevelopment of children's lungs. When inhaled, fine particles in diesel exhaust penetrate the lungs and remain there indefinitely to aggravate or create both lung and heart conditions. Research also indicates diesel emissions cause premature deaths of people who are regularly exposed to these toxins. For this reason, diesel exhaust is one of the most toxic forms of air pollution.

Ecology and local clean air agencies work with public and private fleets to reduce harmful diesel emissions by installing retrofit emission control technologies on vehicles and equipment. These technologies effectively reduce toxic emissions by 50 to 90 percent. Statewide, Ecology and local clean air agencies have retrofitted more than 9,500 diesel vehicles with a variety of exhaust technologies. Most public fleets (including school districts, transit authorities, cities, counties, and public utility districts) have now retrofitted their fleets. Many private fleets (including garbage trucks, construction vehicles, and port cargo handling equipment) have also retrofitted their fleets.

Ecology also works with public and private fleets to:

- install idle reduction technologies,
- replace old vehicles and equipment that are not suitable for exhaust retrofits, and
- rebuild or repower vehicles and equipment with new lower emission engines.

A. Overview of the Award Process

Priorities: Ecology evaluates all applications to determine whether projects reduce exposure to diesel emissions and improve people's health. Special consideration are given to projects that reduce exposure to:

- those at higher risk (children, the elderly, and people with existing health problems),
- areas with the most number of people living or working near the highest concentrations of diesel emissions (like urban areas and near ports),
- disadvantaged communities that are more likely to be located in unhealthy areas.

All applications are also prioritized by:

- Publicly-owned fleets (those owned by cities, counties, public utility districts/co-ops, ports, transit, school districts, tribes, state agencies, local clean air agencies);
- Privately-owned vehicles and equipment that:
 - operate on port properties or are associated with port activities (such as cargo handling equipment, drayage trucks, switch locomotives, ocean-going vessels, and harbor vessels),
 - provide and maintain public services (such as garbage collection, recycling, and utilities),
 - build public roads and buildings.

Because of less money during the budget cycle 2015 – 2017, Ecology has reduced the types of eligible projects:

- Idle reduction for school bus fleets
- Idle reduction demonstration projects for non-school bus fleets
- Engine repowers for port-related fleets
- Vehicle/equipment replacements for port-related fleets
- Marine shore power systems
- Other port-related projects on approval

General Eligibility – Applicants: Cities, counties, public utility districts/co-ops, ports, transit authorities, school districts, state government, tribes, non-profit organizations, local clean air agencies, and private fleets as described above.

See Section B for special eligibility restrictions.

Awards Limited to Projects Needing Grant Assistance: This grant program is intended to help vehicle and equipment owners purchase and install clean diesel technologies that they would not otherwise be able to purchase and install within 18 months of grant award.

Note for Private Fleet Projects: Because Ecology does not have the resources to conduct, administer, and manage complex projects, Ecology will only consider private fleet projects with a public entity partner (e.g., state or local government, port, local clean air authority, or tribe). The public entity partner must:

- submit the application on behalf of the private fleet,
- conduct, administer, and manage the project on behalf of the private fleet
- be responsible for all project deliverables.

For idle reduction demonstration projects for non-school bus fleets, a public entity partner is not required.

General Eligibility – Vehicles and Equipment: All types of heavy-duty diesel vehicles and equipment with engines greater than 75 horsepower are eligible. Vehicles and equipment retrofitted with idle reduction technologies must have an estimated lifespan of at least 2 years remaining within the fleet. Vehicles and equipment that receive an engine repower must have an

estimated lifespan of at least 4 years remaining within the fleet. New replacement vehicles or equipment must remain in the fleet at least 4 years. Ecology may require different life spans on a project-by-project basis depending on technology type, technology cost, and other factors. All vehicles and equipment receiving grant funds must spend more than 50 percent of its operating time in Washington.

See Section B for special eligibility restrictions.

Award Notification: Ecology will email successful applicants about their award status by February 2016.

B. Eligible Project Categories for 2015 – 2017

- 1. Idle Reduction Projects:** Ecology currently has a contract for the purchase and installation of fuel-operated engine fluid pre-heaters and cab air heaters, and associated equipment. Only projects using the technologies on this contract will be considered. To request a copy of the contract, please call Cindy James at (360) 407-6568 or email at cindy.james@ecy.wa.gov.

Eligible Applicants for Idle Reduction Projects:

- All school bus fleets.
- Demonstration projects for non-school bus public and private fleets may be considered.

Amount of Award and Required Cost Share: Up to 100 percent of purchase and installation cost. Maximum grant amounts may be imposed depending on the amount of grant funds available, cost of idle reduction project, and other factors determined by Ecology.

- 2. Port-Related Projects:** Fleets that operate at ports (including airports) as described in Section A are eligible for the following types of projects. Private fleets must have a public entity partner as described in Section A.

- a. Engine Repowers:** Pre-1994 on-road engines and Tier 0 or unregulated non-road engines will receive first priority for awards. The new engine must be installed by a qualified professional installer. Replacement engines must meet or exceed EPA's 2007 (on-road) or Tier 3 (non-road) emissions standards. This includes electric engines and engines using alternative fuels such as natural gas. The replaced engine must be scrapped or otherwise rendered unusable.

Eligible Applicants for Repower Projects: Public and private fleets. Only port-related fleets are eligible. Marine harbor vessels operating more than 50 percent of the time on the Puget Sound will be given priority over other types of port fleets.

Amount of Award and Required Cost Share: Up to \$25,000 per engine repowered, not to exceed 50 percent of total cost of repower (total of equipment and labor to install). Maximum grant amounts may be imposed depending on amount of grant funds available, cost of repower project, and other factors determined by Ecology.

- b. Vehicle and Equipment Replacements:** Vehicles with pre-2007 on-road engines are eligible for replacement and must be replaced with a vehicle with a 2007 or newer on-road engine. Non-road equipment with Tier 1 and older engines are eligible for replacement and must be replaced with equipment with Tier 3 or newer engines. The replaced engine must be scrapped or otherwise rendered unusable.

Eligible Applicants for Replacement Projects: Public and private fleets. Only port related fleets are eligible. Private fleets must have a public entity partner as described in Section A.

Amount of Award and Required Cost Share: Up to \$30,000 per vehicle and equipment, not to exceed 50 percent of total replacement cost. Maximum grant amounts may be imposed depending on amount of grant funds available, cost of replacement project, and other factors determined by Ecology.

- c. Marine Shore Power Systems:** Electrical systems that allow marine vessels to plug into grid-supplied electricity and shut down their auxiliary and/or propulsion engines used for hoteling while berthed or docked.

Eligible Applicants for Shore Power Projects: Public and private marine vessel fleets. Only port-related fleets are eligible. Ecology will give first priority to shore power projects located at or near ports in the Puget Sound. Private fleets must have a public entity partner as described in Section A.

Amount of Award and Required Cost Share: Marine shore power projects for large ocean-going vessels are typically very expensive and beyond the scope of this grant program. However, smaller projects designed for harbor vessels such as tugs and work boats may be appropriate. Ecology will provide awards up to \$50,000, not to exceed 50 percent of the total cost. Maximum grant amounts may be imposed depending on amount of grant funds available, cost of the shore power project, and other factors determined by Ecology.

- d. Other Port-Related Projects:** Contact the Diesel Grants and Contracts Coordinator for eligibility about other port-related projects.

C. Special Instructions and Information

- 1. Limits on Eligible Project Administration Costs:** The amount that can be charged for project administration by the project applicant shall not exceed 10 percent of total project costs. Project administration includes: staff time, travel, lodging, benefits, and overhead (indirect). Higher rates may be allowed if the applicant can demonstrate the project has unusually high administration needs.