



DEPARTMENT OF
ECOLOGY
State of Washington

Washington State Clean Diesel Grants 2019-21 Funding Guidelines

Announcement of Funds Available and Grant Guidelines

Prepared by Ron Stuart
Senior Diesel Program Specialist
Air Quality Program

February 2020

Publication 20-02-001

Publication and Contact Information

This document is available on the Department of Ecology's website at:
<https://fortress.wa.gov/ecy/publications/summarypages/2002001.html>

For more information contact:

Air Quality Program
P.O. Box 47600
Olympia, WA 98504-7600
Phone: 360-407-6800

Washington State Department of Ecology – www.ecology.wa.gov

- Headquarters, Olympia 360-407-6000
- Northwest Regional Office, Bellevue 425-649-7000
- Southwest Regional Office, Olympia 360-407-6300
- Central Regional Office, Union Gap 509-575-2490
- Eastern Regional Office, Spokane 509-329-3400

To request ADA accommodation including materials in a format for the visually impaired, call Ecology at 360-407-6831 or email ecyadacoordinator@ecy.wa.gov. People with impaired hearing may call Washington Relay Service at 711. People with speech disability may call TTY at 877- 833-6341.

**Washington State
Clean Diesel Grants
2019-21 Funding
Guidelines**

*Announcement of Funds Available
and Grant Guidelines*

Air Quality Program

Washington State Department of Ecology

Olympia, Washington

This page is purposely left blank

Table of Contents

	<u>Page</u>
Important Information.....	vi
Purpose of Solicitation.....	vii
Background.....	1
Ecology Clean Diesel Program.....	1
Program goals	1
Eligible Project Categories and Funding	2
Eligible project categories.....	2
Project Funding Levels	4
Application process.....	6
Application Requirements	7
Eligible applicants.....	7
Terms and conditions.....	7
Awardee requirements	7
Evaluation and Process Criteria.....	9
Application evaluation	9
Application scoring.....	9

Important Information

Apply to: Ecology Air Quality Program
Title: Clean Diesel Grants, 2019-2021 Funding Cycle
Action: Request for Grant Funding
Due Date: Monday, April 7, 2020

Summary: This notice announces funding available to help diesel engine owners reduce toxic diesel emissions from publicly and privately-owned heavy-duty diesel vehicles, engines, vessels and equipment in Washington.

Amount of Funding Available: Approximately \$600,000 is available for eligible projects.

Application Deadline: Applicants must submit applications by 5 PM PST, April 7, 2020. To ensure a competitive application process and attract qualified projects, Ecology reserves the right to extend the application period, as necessary.

Note: Ecology has an electronic grant and loan application system called EAGL (Ecology Administration of Grants and Loans). See Application Process for more details.

Notice of Awards: Ecology anticipates notifying successful recipients of awards in May 2020.

Purpose of Solicitation

This is a competitive grant solicitation. The Washington State Department of Ecology (Ecology) announces the availability of up to \$600,000 in grants to install idle reduction technology for school buses, incentivize port shore power projects for harbor vessels and ships, and help scrap and replace the oldest and highest-polluting diesel engines while supporting projects not prioritized for Volkswagen settlement funding

Background

Ecology Clean Diesel Program

Ecology has identified diesel exhaust as the toxic air pollutant most harmful to public health. An Ecology air pollution cancer risk study shows that diesel exhaust causes or contributes to 70 percent of the airborne cancer risk in Washington¹. It makes healthy people more at risk for respiratory disease and worsens the health of people with asthma, heart disease, and lung disease. Tens of thousands of older, high-polluting diesel vehicles and equipment operate in Washington.

Program goals

The objectives of this grant are to:

- Reduce public exposure to harmful toxic and carcinogenic pollutants.
- Reduce health care costs for Washington citizens.
- Reduce deposition of harmful pollutants to run-off and surface waters, including Puget Sound.
- Reduce emissions that cause climate change.
- Reduce fuel use and equipment operating costs.
- Help public sector entities get access to scarce capital resources.

¹ Concerns about Adverse Health Effects of Diesel Engine Emissions, Publication # 08-02-032

Eligible Project Categories and Funding

This notice announces the availability of up to \$600,000 in grant funding to install idle reduction technology for school buses, incentivize port shore power projects for harbor vessels and ships, and help scrap and replace the oldest and highest-polluting diesel engines while supporting projects not prioritized for Volkswagen settlement funding.

Eligible project categories

Because of limited funds for the 2019-2021 biennium, Ecology will limit awards to the following project categories.

Idle reduction for school buses using fuel fired heaters

Ecology currently has a contract for the purchase and installation of fuel operated engine fluid pre-heaters, cab air heaters, and associated equipment. Only project proposals using this contract will be considered for this project category. To request a copy of the contract or information about the idle reduction technologies on the contract, please call or email Ron Stuart at (360) 407-6870 or ron.stuart@ecy.wa.gov.

School buses that are model year 2020 and older are eligible. School buses retrofitted with idle reduction technologies must have an estimated lifespan of at least two (2) more years remaining within the fleet.

Marine shore power systems for harbor vessels

Marine Shore Power Systems for harbor vessels are electrical systems that allow marine vessels to plug into grid-supplied electricity and shut down their diesel auxiliary and/or propulsion engines used for hoteling while berthed or docked. Eligible harbor vessel fleets include: tugboats, work boats, non-military government vessels, excursion vessels, etc. Recreational vessel and large ocean-going vessel projects are NOT eligible under this category. Shipside and landside costs are eligible, although priority will be given to landside costs. Vessels involved in a harbor vessel shore power project that receive ship side shore power equipment, must have an estimated lifespan of at least three (3) more years remaining within the fleet. The shore power system landside equipment must remain functional, in place, and actively used for at least three (3) years. The vessels must spend more than 50% of their operating time in Washington.

Marine shore power systems for ocean going vessels

Marine Shore Power Systems for Ocean Going Vessels are electrical systems that allow marine vessels to plug into grid-supplied electricity and shut down their diesel auxiliary and/or propulsion engines used for hoteling while berthed or docked. Eligible ocean going vessel fleets include: Container Ships, RORO, Passenger Curser, Reefer Tanker, Barge & Bulk. Recreational vessel and harbor vessel projects are NOT eligible under this category. Shore power projects funded by federal VW settlement funds, or state VW penalty funds are not eligible under this

category. Only landside costs are eligible under this category. The shore power system landside equipment must remain functional, in place, and actively used for at least three (3) years.

Scrap incentives for replacing highest polluting diesel vehicles, equipment and engines

Heavy-duty diesel vehicles and equipment are typically traded in or sold to another entity when the owner is purchasing a new vehicle or equipment. The old vehicles or equipment are then sold back into the fleet and continue to contribute to toxic air pollution. This program is intended to encourage owners to permanently destroy their old diesel engines rather than trade-in or sell.

Eligible projects include diesel engine or vehicle replacement of school buses, transit buses, marine engines, and cargo handling equipment. Vehicles and equipment being replaced or scrapped under other monetary incentive programs are NOT eligible.

Vehicle Replacement

Diesel school buses and transit buses that are engine model year 2006 and older are eligible. School buses and transit buses intended to be scrapped must be currently licensed and registered for on-road operation in Washington and must have been licensed and registered for at least one (1) previous year from date of award. School buses and transit buses intended to be scrapped must be currently insured for on-road operation and must have been insured for at least one (1) previous year from date of award. School buses and transit buses intended to be scrapped must have spent more than 50% of their operating time in Washington over the past one (1) year. The old school bus and transit bus being scrapped must be replaced with a vehicle that has a model year 2010 or newer diesel engine or an all-electric vehicle.

Cargo Handling Equipment with Non-Tier, Tier 1, Tier 2 and Tier 3 diesel engines are eligible. Cargo handling equipment being replaced must have operated over 500 hours during the previous calendar year and the replacement vehicle must remain in Washington State for at least 3 years after purchase and delivery. The cargo handling equipment being scrapped must be replaced with a vehicle powered by a 2019 model year or newer diesel engine certified to EPA emission standards, or a new electric engine.

Documentation of permanent destruction of vehicle or bus must be provided to Ecology and will include:

- Completing and signing a certificate of destruction provided by Ecology.
- Using acceptable methods of permanent destruction as approved by Ecology, such as cutting a 3 inch by 3 inch hole in the engine block and cutting the chassis frame rail in half.
- Digital photographs and other materials documenting the destruction.

Ecology will provide complete instructions on acceptable destruction methods and documentation prior to execution of award agreement.

Engine Replacement

Diesel school buses and transit buses that are engine model year 2006 and older are eligible. School buses and transit buses intended to be repowered must be currently licensed and registered for on-road operation in Washington and must have been licensed and registered for at least one (1) previous year from date of award. School buses and transit buses intended to be repowered must be currently insured for on-road operation and must have been insured for at least one (1) previous year from date of award. School buses and transit buses intended to be repowered must have spent more than 50% of their operating time in Washington over the past one (1) year. The old school bus and transit bus must be repowered with a model year 2010 or newer diesel engine or a new electric engine.

Marine Engines with Non-Tier, Tier 1 and Tier 2 diesel engines are eligible. Marine engines being replaced must have operated over 500 hours during the previous calendar year and the replacement engine must remain in Washington State for at least 3 years after purchase and delivery. The marine engine being scrapped must be replaced with an engine certified to meet EPA Tier 3 or newer diesel emission standards, or a new electric or hybrid electric engine system.

Documentation of permanent destruction of replaced engine must be provided to Ecology and will include:

- Completing and signing a certificate of destruction provided by Ecology.
- Using acceptable methods of permanent destruction as approved by Ecology, such as cutting a 3 inch by 3 inch hole in the engine block.
- Digital photographs and other materials documenting the destruction.

Ecology will provide complete instructions on acceptable destruction methods and documentation prior to execution of award agreement.

Pilot projects to improve cargo handling efficiency or improve electric vehicle range

A pilot project is a small scale project conducted in order to evaluate feasibility, duration, cost, and adverse events, and improve upon a project design prior to full-scale implementation. There are two types of eligible pilot projects:

1. Port cargo handling efficiency projects to reduce diesel equipment idling times or reduce diesel fuel consumption.
2. Inductive charging infrastructure projects as part of diesel to all-electric vehicle replacement, or diesel to all-electric engine replacement projects.

Project Funding Levels

Idle reduction for school buses:

- Funding level – 100% of purchase and installation.

Marine Shore power for harbor vessels:

- Funding level maximum of \$100,000 of total funding allocated towards shore power for harbor vessel projects. Funding level up to \$50,000 per project not to exceed 50% of the total cost.

Marine shore power for ocean going vessels

- Funding level maximum of \$300,000 of total funding allocated towards shore power for ocean going vessel projects. Funding level up to \$150,000 not to exceed 50% of the total project cost.

Scrapping and replacing highest polluting diesel vehicles, equipment and engines with low emission diesel or all-electric engines.

- Funding level-Up to \$35,000 per vehicle or engine replaced, not to exceed 50% of total cost of replacement.

Pilot projects to improve port cargo handling efficiency or improve the effective range or duty cycle of electric vehicles

- Funding level maximum of \$200,000 of total funding allocated towards pilot projects. Maximum of \$100,000 per project not to exceed 50% of the total project cost. Funding will not cover recipient administrative costs.

Application process

All applicants must submit an application through the electronic grant and loan application system called EAGL (Ecology Administration of Grants and Loans). To apply through EAGL, applicants must first register for a Secure Access Washington (SAW) account and an EAGL account. Detailed instructions for new and current EAGL users are at:

<https://ecology.wa.gov/About-us/How-we-operate/Grants-loans>

For more information or help, call Carrol Johnston at (360) 407-7534 or email carrol.johnston@ecy.wa.gov.

For all project proposals, applicants must submit an application using EAGL <https://ecology.wa.gov/About-us/How-we-operate/Grants-loans>

Application Requirements

Eligible applicants

This solicitation is open to cities, counties, public utility districts/co-ops, ports, transit authorities, school districts, state government, tribes, nonprofit organizations, and local clean air agencies.

Terms and conditions

Each grant agreement resulting from this solicitation will include standard and general terms and conditions that set forth the recipient's rights and responsibilities. By completing the grant agreement, each applicant enters into an agreement with Ecology to conduct the proposed project according to the terms and conditions that correspond to its organization, without negotiation.

Failure to agree to the terms and conditions by taking actions such as failing to complete the grant agreement or indicating that acceptance is based on modification of the terms will result in rejection of the application. Applicants must read the terms and conditions carefully. Ecology reserves the right to modify the terms and conditions prior to executing grant agreements.

Awardee requirements

All applications should address how the project proposal will comply with the following requirements. Failure to address these requirements may result in disqualification of the application during the Ecology review process. Failure of a grantee to maintain compliance with these requirements through project implementation and operation may result in withholding of grant reimbursement and/or rejection of future grant applications submitted by the grantee.

If awarded a grant, recipients must:

- Be responsible for all costs incurred prior to the execution of a contract, which will not be reimbursed².
- Complete construction, installation, and reporting by **June 30, 2021**. Awards may be rescinded, and the funds reallocated if not complete by that time.
- Comply with applicable federal, state, local laws and requirements.
- Comply with Washington State procurement laws for the solicitation of bids and the selection of vendors and contractors for the performance of any grant-assisted work.

² Awards will not be increased based on unanticipated or underestimated costs. It is strongly recommended that applicants perform their due diligence by contacting vendors for estimates.

- Comply with contract, audit, monitoring, and reporting requirements, including scheduled site visits as needed.

Evaluation and Process Criteria

Application evaluation

Applications will be evaluated and scored based on the applicant's response to the information requested in this solicitation. The entire evaluation process from receipt of applications to posting of the Notice of Proposed Award is confidential.

To evaluate all applications, Ecology will organize an Evaluation Committee. The Evaluation Committee will consist of Ecology staff.

1. Screening Criteria

Ecology's Grants and Contracts Coordinator will screen applications for compliance with the Administrative Screening Criteria. The Ecology staff will screen applications for compliance with the Technical Screening criteria. Applications that fail any of the Administrative or Technical Screening Criteria shall be disqualified and eliminated from further evaluation.

2. Determination of Complete Application

The application must include or comply with all of the following:

- The application is received by Ecology's Grants and Contracts Coordinator by the due date specified in this solicitation.
- The application form is signed where indicated.
- The application does not contain any confidential information or identify any portion of the application as confidential.
- The applicant has not included a statement or otherwise indicated that it will not accept the terms and conditions, or that acceptance is based on modifications to the terms and conditions.
- The applicant is an eligible applicant

3. Technical Screening Criteria

- The project is an eligible project

Application scoring

This is a competitive grant solicitation. The evaluation committee will use the Competitive Scoring Criteria below to rank applications. The evaluation committee will score all qualified projects and may award less funding than requested.

In order to achieve the project goals, the evaluation committee will score projects based on the following criteria.

1. **Pilot Projects:** 200 points possible

The project will be evaluated on whether meet the criteria of a pilot project as described in the eligible project categories section of this document.

- An application for an eligible pilot project receives 200 points
- An application that is not for an eligible pilot project receives 0 points

2. **Readiness to Proceed:** 100 points possible

Ecology prefers projects that are ready to execute and completed well before the grant end date of June 30th, 2021. Applications will be evaluated on the months to project completion after the notice of award.

- Projects that can be completed in 13 or more months receive 20 points
- Projects that can be completed in 7 to 12 months receive 50 points
- Projects that can be completed in 1 to 6 months receive 100 points

3. **Reduces Diesel Pollution in Disproportionately Impacted Communities:** 150 points possible

Applications will be evaluated on degree to which:

- The project provides potential benefit for communities disproportionality impacted by air pollution. Ecology staff will use the Washington Tracking Network “Diesel and Disproportionately Impacted Communities” Index (<https://fortress.wa.gov/doh/wtn/wtnibl/>) to describe the beneficial impact. Ecology staff will determine the score of the census tract by using the proposed project location described in the grant application. Project locations will score points in the following way:
 - in census tract with a score of 9 or 10 = 150 points
 - in census tract with a score of 8 = 100 points
 - in census tract with a score of 6 or 7 = 50 points
 - in census tract with a score of 1-5 = 0 points

4. **Reduces Diesel Emissions for Sensitive Populations:** 100 points possible

Operating and idling engines can create health exposure risks in or close to sensitive populations at schools, hospitals, nursing homes, and daycare centers.

Applications will be evaluated based on a project’s potential to reduce diesel emissions from school buses, emergency response vehicles, or vehicles providing transportation services for nursing homes or daycare centers.

- Projects that reduce diesel emissions from school buses, emergency response vehicles, or vehicles providing transportation services for nursing homes or daycare centers receive 100 points.
- All other projects receive 0 points

5. Supports Washington State GHG reduction goals through the use of zero emission technology: 100 points possible

Applications will be evaluated based on whether the project utilizes zero emissions technology. Zero emissions technologies are technologies that utilize zero tailpipe emissions power sources (grid, battery or fuel cell).

- Projects that reduces diesel emissions using zero emission technology receive 100 points
- All other projects receive 0 points

6. Supports projects not prioritized for VW settlement funds (based on location): 100 points possible.

VW settlement funds are prioritized, in part, based on the location of affected diesel vehicles registered in Washington. About 87% of these subject vehicles are registered in 13 counties, with King County predominating with 38%.

Applications will be evaluated based on the county project location.

- Projects located in counties not listed below receive 100 points.
- Projects located in Skagit, Yakima or Island County receive 60 points.
- Projects located in Benton, Franklin or Spokane Counties receive 50 points.
- Projects located in Thurston, Kitsap, or Whatcom Counties receive 40 points.
- Projects located in Clark County receive 30 points.
- Projects located in Snohomish or Pierce Counties receive 20 points.
- Projects located in King County receive 10 points.

7. Supports cost effective emission reduction projects: 100 points possible.

Applications will be evaluated based on cost effectiveness. All applicants will be required to provide the total project cost and the amount of funding requested. Scoring will be based on the percentage of total costs provided by the grant applicant.

- Applicant cost share of 90% or more will receive 100 points.
- Applicant cost share of 50% to 89% will receive 50 points.
- Applicant cost share of 25% to 49% will receive 25 points.
- Applicant cost share of 0% to 24% will receive 10 points.

Applicant total project cost does not include direct or indirect administration costs.

8. Tie breaker

In the event of a tie among applicants, Ecology will use the following process to make awards:

- Ecology will make awards to the applicant proposing a project in the census tract with the highest score for disproportionately impacted communities (according to the WTN tool).
- In the event that applications are still tied, Ecology will make awards to applicants with the best cost effectiveness.
- In the event that applications are still tied, Ecology reserves the right to negotiate with tied applicants to modify the project scopes of work commensurate with the level of funds available for the two projects. If Ecology is unable to successfully negotiate modifications with the tied applicants, Ecology reserves the right to not fund either project.