

# MICHIGAN CLEAN DIESEL PROGRAM

[www.michigan.gov/deqcleandiesel](http://www.michigan.gov/deqcleandiesel)

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# MICHIGAN CLEAN DIESEL PROGRAM



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# AGENDA

- Overview of Clean Diesel Program, 2017 Diesel Emissions Reduction Act (DERA) Request for Proposal (RFP)
  - Program objectives and priorities
  - Applicant eligibility
  - Project types and basic requirements
  - Match requirements
  - Elements of a complete application
- Question and answer

Disclaimer – All application requirements can not be addressed in this webinar. Please go to the Clean Diesel website [www.michigan.gov/deqcleandiesel](http://www.michigan.gov/deqcleandiesel) to determine eligibility and to find the list of requirements for a complete application.

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# DIESEL EMISSIONS REDUCTION ACT (DERA) 2017 REQUEST FOR PROPOSAL (RFP)

- The DEQ administers federal funding authorized by the DERA.
- On November 28, 2016, DEQ released a RFP for \$475,000 for DERA eligible projects in Fiscal Year 2017.
- The RFP and additional required documents can be found at: [www.michigan.gov/deqcleandiesel](http://www.michigan.gov/deqcleandiesel). (RFP 53 pages)
- All grant proposals must be between \$50,000 and \$245,000 excepting an applicant's matching funds.
- Matching funds from 50% to 75% are required.
- RFP Closes February 10, 2017 at 5:00 p.m.
- Projects must be completed by August 31, 2017.

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# DERA 2017 MICHIGAN CLEAN DIESEL PROGRAM REQUEST FOR PROPOSAL

## Grant Objectives:

- To implement vehicle or equipment replacements that reduce diesel engine particulate matter (PM2.5) and NOx emissions.
- To assist the DEQ in gaining or maintaining attainment of PM2.5 and Ozone levels under the federal National Ambient Air Quality Standards.
- To provide increased health benefits for near-roadway populations in high-traffic urban/residential areas, and in areas where the air quality is affected by diesel engine emissions from nearby stationary or mobile emission sources.

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# DERA 2017 MICHIGAN CLEAN DIESEL PROGRAM REQUEST FOR PROPOSAL

Funding is available statewide; however, the DEQ is targeting projects in the following priority counties and areas:

- Allegan
- Berrien
- Genesee
- Ingham
- Kent
- Livingston
- Macomb
- Monroe
- Muskegon
- Oakland
- St. Clair
- Washtenaw
- Wayne
- Isle Royale National Park
- Seney Wilderness Area

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# WHO IS ELIGIBLE TO APPLY?

Eligible applicants include:

- § Cities, townships, and villages
- § County government agencies
- § Port authorities
- § Public school districts
- § Private schools
- § Other non-profit organizations or institutions that have the promotion of transportation or air quality as their focus
- § Metropolitan Planning Organizations
- § Private business and industry

All applicant and partner entities must have continuous and ongoing business operations that include a physical location in Michigan.

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# PROJECT TYPES

Grant funds are to support the early replacement of eligible diesel vehicles and equipment.

Projects may include, but are not limited to diesel emission reduction solutions from the following heavy-duty diesel emission source types:

- School Buses
- Non-school Buses
- Medium-duty or heavy-duty trucks; and
- Nonroad engines, equipment, or vehicles used in:
  - § Construction/demolition;
  - § Handling of cargo (including at a port, airport or train yard);
  - § Agriculture;
  - § Industry; or
  - § Energy production (including stationary generators and pumps).

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# EARLY REPLACEMENT

- For vehicle/equipment replacements, supporting evidence that the replacement activity is an “early replacement” is required.
- Supporting evidence of “early replacement” includes:
  - Fleet characterization showing fleet age ranges and average turnover rates per vehicle.
  - Fleet owner’s budget plan, operating plan, standard procedures, or retirement schedule.

Funds cannot be used for the purchase of vehicles, engines, or equipment to expand a fleet.

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# ELIGIBILITY INFORMATION

- The grantee and partners must agree to operate vehicles, engines, and equipment purchased with grant funds in Michigan for at least five years after the grant ends.
- Activities involving education and outreach are not eligible under this grant.

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# MATCH REQUIREMENTS

DEQ will fund **up to 25%** of eligible replacement vehicles and equipment.

**Minimum match of 75% is required** for all replacement vehicles and equipment except for drayage vehicles.

DEQ will fund **up to 50%** of a drayage truck.

**Minimum match of 50% is required** for drayage trucks

A “Drayage Truck” means any Class 8b in-use on-road vehicle with a gross vehicle weight rating of greater than 33,000 pounds 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.

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# EQUIPMENT ELIGIBILITY

Table 1: Medium Duty and Heavy-Duty Trucks and Transit Buses Funding Restrictions

Current Engine Model Year	DOC	DPF	SCR	Replace with 2010 or Newer (Dray Only)	Replace with 2013 or Newer	Repower or Conversion of Engine to Higher Certification Level	Repower, Replacement or Conversion to All-Electric (Includes Dray)
1991 to 2003	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2004 to 2006	Yes	Yes	Yes	No	No	Yes	Yes
2007 to 2009	No	No	Yes	No	No	No	No
2010 to current	No	No	No	No	No	No	No



# EQUIPMENT ELIGIBILITY

Table 2: School Bus Funding Restrictions

Current Engine Model Year	DOC	DOC + CCV	DPF	Replace with 2013 or Newer	Repower or Conversion of Engine to Higher Certification Level	Repower, Replacement or Conversion to All-Electric
1991 to 2003	Yes	Yes	Yes	Yes	Yes	Yes
2004 to 2006	Yes	Yes	Yes	No	Yes	Yes
2007 to Current	No	No	No	No	No	No

# EQUIPMENT ELIGIBILITY

Table 3: Nonroad Engine Funding Restrictions

Current Engine Tier	Repowered or Replaced 2013 or Newer Certified Engine				
	Tier 0	Tier 1	Tier 2/3	Tier 4	All-Electric
Tier 0/1	No	No	Yes	Yes	Yes
Tier 2/3	No	No	No	Yes	Yes

- No funds awarded under this RFP shall be used to replace nonroad engines and equipment that operate less than 500 hours per year.
- No funds awarded under this RFP shall be used to replace a nonroad engine or equipment that has less than seven years of useful life remaining.

# EQUIPMENT ELIGIBILITY

**Table 4: Marine Engines Funding Restrictions**

Current Engine Tier	Repowered or Replaced New Certified Engine			
	Tier 1	Tier 2	Tier 3	Tier 4
Unregulated	Yes	Yes	Yes	Yes
Tier 1	No	Yes	Yes	Yes
Tier 2	No	No	Yes	Yes
Tier 3 and Tier 4	No	No	No	No

- No funds awarded under this RFP shall be used to replace marine engines that operate less than 1000 hours per year.

# EQUIPMENT ELIGIBILITY

Current Locomotive Tier	New Locomotive Tier				
	Tier 0+	Tier 1+	Tier 2+	Tier 3	Tier 4
Unregulated and Tier 0	Yes	Yes	Yes	Yes	Yes
Tier 0+ and Tier 1	No	Yes	Yes	Yes	Yes
Tier 1+	No	No	Yes	Yes	Yes
Tire 2	No	No	Yes	Yes	Yes*
Tier 2+	No	No	No	Yes*	Yes*

\*Applies to switcher locomotives only

- Note: Tier 0+, Tier 1+, Tier 2+, Tier 3, and Tier 4 represent locomotives manufactured or remanufactured under the more stringent Tier standards promulgated under the 2008 (current) locomotive and marine rule. Tier 0, Tier 1, and Tier 2 represent locomotives originally manufactured or remanufactured under the less stringent Tier standards promulgated in 1997.
- No funds awarded under this RFP shall be used to replace locomotive engines that operate less than 1000 hours per year.



Department of Environmental Quality  
2017 Michigan Clean Diesel Program  
Request for Proposal  
Grant Proposal Template

Project Name:	
Applicant/Organization's Name:	
City:	
County:	

I. Project Summary

II. Work Plan

III. Commitment to the U.S. EPA, regional MCDI and the DEQ's Programmatic Priorities

- This certifies that my organization is committed to helping the U.S. EPA, the MCDI, the Michigan Clean Diesel Program, and the DEQ achieve clean diesel programmatic priorities as outlined in the "Instructions" section of this document and the project proposal.

IV. Description of Administrative Abilities, Staff Expertise and Previous Project History

Staff and Partner Roles and Responsibilities

Name of Project Staff	Title of Staff	Affiliated Organization	Role/Responsibility (List project tasks, deliverables and who is responsible for each task)

Previous (Grant) Project Experience

Name of Grant Project	Start and End Dates of Grant	Name of Grantor/ Agency	Grant Project Number

V. Timeline and a description of Tasks/ Milestones

Anticipated Timeline for Completion	Task or Milestone to Achieve

VI. Anticipated Outputs/Outcomes

Outputs – Type of Fleet -Vehicles Used in Project

Applicant Name:	City:	County:			
Fleet Type	Fleet Owner	Industry	Technology	Total Number of Vehicles/Eq.	Total Number of Engines Affected

Outcomes – Short, Medium and Long-Term

- Short-term and Medium-term Outcomes: [ ]
- Long Term Outcomes: [ ]

Outcomes - Cost Effectiveness Calculations

Type of Pollutant	Annual Emission Reductions (tons/yr.)	Lifetime Emissions Reductions (tons/yr.)	Total Grant Cost Effectiveness
NOx			
PM			
HC			
CO			
CO2			
Amount of Grant Funding Used for Project Activities: \$ [ ]			

Source of Cost Effectiveness Calculations: [ ]

VII. Budget Form

An editable version of the budget sheet can be accessed on the Michigan Clean Diesel Program Web site at [www.michigan.gov/deqcleandiesel](http://www.michigan.gov/deqcleandiesel). Your budget must be completed and submitted on the correct form to fulfill the budget requirement of your proposal. Alternate budget forms will not be considered.

VIII. Audit Review Letter

IX. U.S. EPA Fleet Description Spreadsheet

An editable version of the U.S. EPA Fleet Description Spreadsheet can be accessed on the Michigan Clean Diesel Program Web site at [www.michigan.gov/deqcleandiesel](http://www.michigan.gov/deqcleandiesel). Also, include supporting evidence indicating that proposed replacement projects constitute an "early replacement."

X. Letters of Commitment

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# DIESEL EMISSIONS QUANTIFIER

The screenshot shows the EPA website interface for the Clean Diesel Diesel Emissions Quantifier (DEQ). The top navigation bar includes the EPA logo, the text 'United States Environmental Protection Agency', and language options: Español, 中文: 繁體版, 中文: 简体版, Tiếng Việt, and 한국어. Below this is a search bar for 'Search EPA.gov' and a navigation menu with categories: Learn the Issues, Science & Technology, Laws & Regulations, and About EPA. The main content area is titled 'Clean Diesel' and features a left-hand sidebar with links: Clean Diesel Home, Learn About Clean Diesel, National Grants, Tribal Grants, Rebates, State Allocations, Diesel Emissions Quantifier (DEQ), Clean School Bus, Ports Initiative, Construction & Agriculture, and SmartWay Transport. The main content area displays 'You are here: EPA Home » Clean Diesel » Diesel Emissions Quantifier (DEQ)' and 'Quantifier: My Account'. A box contains the 'Clean Diesel Helpline: 1-877-623-2322 [cleandiesel](mailto:cleandiesel@epa.gov) (cleandiesel@epa.gov)'. Below this are buttons for 'Read Me First', 'Input Checklist', 'Results and Outputs', and 'More Help'. A 'Not logged in | [login](#)' link is present. A notice states: 'On July 27, 2016, portions of the DEQ were updated, including new emission factors for on-highway vehicles. You may notice some changes to your results.' The 'My Account Information' section includes the text 'Logging in allows you to save and retrieve your inputs for review and/or revision.' and a login form with fields for 'Email Address' and 'Password', and a 'login' button. A breadcrumb trail at the bottom left reads '/clean-diesel-national-grants'.

<https://cfpub.epa.gov/quantifier/>

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# ADDITIONAL RESOURCES TO COMPLETE FLEET SHEET

Resources to assist in completing the spreadsheet and in determining diesel engine emission levels based on type of vehicle/equipment, on road or off road status, and model year of engine include:

- “DieselNet”: [www.dieselnet.com/standards/](http://www.dieselnet.com/standards/)
- U.S. EPA’s “Emissions Standards Reference Guide”: [www3.epa.gov/otaq/standards/heavy-duty/index.htm](http://www3.epa.gov/otaq/standards/heavy-duty/index.htm)
- U.S. EPA’s Engine Certification Data: [www.epa.gov/otaq/certdata.htm](http://www.epa.gov/otaq/certdata.htm)

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# PROOF OF SUCCESSFUL AUDIT

New this year! – Applicants are required to submit a copy of their full financial audit signed by a Certified Public Accountant.

The audit must have been completed within 24 months prior to the RFP closure date. The audit must be of the applicant organization – No fiduciary arrangements will be accepted.

Note: The audit date is based on the audit period and not the date of the audit or the audit letter.

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# APPLICATION CHECKLIST



**Department of Environmental Quality  
2017 Michigan Clean Diesel Program  
Request for Proposals  
Checklist for Proposal Submission**

- Grant Proposal Cover Sheet (page 1 of the proposal)
  - Signed by Grant Acceptance Authority
- Grant Project Proposal (pages 2 -10 of the proposal)
- Budget Form (Be sure to select the appropriate form that applies to your organization.)

If your organization has a federally negotiated indirect cost-rate agreement (NICRA), you will also need to attach a copy of your NICRA to the proposal.
- Copy of a full, current audit from a Certified Public Accountant documenting that the organization has undergone a successful financial audit. The audit must have been completed within 24 months prior to the RFP closure date.
- U.S. EPA Fleet Description Spreadsheet, including additional supporting evidence indicating that replacement activity is an "early replacement".
- Letters of Commitment
- Two hard copies of the entire proposal and appendices, sent by postal or overnight delivery mail or hand delivery as follows:

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# DERA 2017 MICHIGAN CLEAN DIESEL PROGRAM

- Proposals are due by 5:00 p.m. on February 10, 2017.

- Send grant applications to:

Michigan Clean Diesel Program  
Michigan Department of Environmental Quality  
Waste Management and Radiological Protection Division  
2017 Michigan Clean Diesel Grant Program  
P.O. Box 30241  
Lansing, Michigan 48909

- Direct questions to Debbie Swartz at [swartzd@michigan.gov](mailto:swartzd@michigan.gov) or 517-284-6903

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# FOR MORE INFORMATION

- DERA Michigan Clean Diesel Program Request for Proposal
- DEQ Clean Diesel Website: [www.michigan.gov/deqcleandiesel](http://www.michigan.gov/deqcleandiesel)

Contact:

- § Debbie Swartz, DEQ, Waste Management and Radiological Protection Division, [swartzd@michigan.gov](mailto:swartzd@michigan.gov)
- § Chad Rogers, DEQ, Waste Management and Radiological Protection Division, [rogersc1@michigan.gov](mailto:rogersc1@michigan.gov)
- § Breanna Bukowski, DEQ, Air Quality Division, [bukowskib@michigan.gov](mailto:bukowskib@michigan.gov)

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# Questions?

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