

Request for Projects

September 19, 2023

Request for Projects to be funded by Potential EPA Competitive Clean Diesel Grant

In August 2023 the United States Environmental Protection Agency (EPA) opened the application period for the 2022-2023 Diesel Emissions Reduction Act (DERA) National Competitive Grant Program. The goal of this program is to achieve significant reductions in diesel emissions. Projects involving both public and private fleets may be included in an application submitted by a state, local, or tribal government or by an eligible nonprofit organization.

The Nebraska Department of Environment and Energy (NDEE) is considering applying for a DERA National Competitive Grant as a supplement to the annual Nebraska Clean Diesel Rebate Program (see box to the right). The department is soliciting information on potential projects that could be included in such an application.

General Eligibility Criteria

NDEE is requesting proposals from public school districts, private schools that operate school buses, and private contractors that provide transportation services to public school districts. Eligible projects that could receive funding are:

- Replacement of a diesel school bus with engine model year 2009 or older by a diesel, gasoline, or low-emission propane-fueled bus with engine model year 2021 or newer.
- Replacement of a diesel school bus with engine model year 2010 or newer by a low-emission propane-fueled bus with engine model year 2021 or newer.
- NDEE will accept one proposal for one bus replacement per school district or contractor.

Additional requirements:

- The vehicle being replaced must be a diesel school bus (Type A, B, C, or D) in working order and under current ownership for at least the past two years.
- The diesel bus being replaced must have been driven at least 7,000 miles in each of the past two calendar years (2021 and 2022).
- The diesel bus being replaced must have at least 3 years of remaining life at the time of the proposal (as judged by the owner based on age, usage, and condition).

NDEE receives funds from the EPA each year to operate the Nebraska Clean Diesel Rebate Program, which carries out projects to reduce diesel emissions in the state. These noncompetitive funds are allocated to participating states by formula. NDEE expects to open the application period for the 2023 Clean Diesel Rebate Program around October 1, 2023, with funding available only for all-electric replacements of diesel irrigation engines. The Competitive Grant opportunity described here would be in addition to the annual Clean Diesel Rebate Program.

- The bus being replaced must be scrapped within **90 days** of delivery of the replacement bus.
- The replacement bus must be in the same or lower Gross Vehicle Weight Rating (GVWR) class as the bus being replaced. **GVWR Class 4** = 14,001 to 16,000 lbs, **Class 5** = 16,001 to 19,500 lbs, **Class 6** = 19,501 to 26,000 lbs, **Class 7** = 26,001 to 33,000 lbs, **Class 8** >= 33,001 lbs.

If NDEE's application is successful, funds will be distributed as rebates (reimbursements) upon completion and documentation of individual projects. NDEE will reimburse:

- 35% of the base purchase cost of a new or used school bus powered by a propane engine certified to meet 2021 or later California Air Resources Board (CARB) Optional Low-NOx Standards: 0.1 g/bhp-hr, 0.05 g/bhp-hr, or 0.02 g/bhp-hr NOx. The maximum rebate amount is \$35,000.
- 25% of the base purchase cost of a new or used school bus powered by a diesel or gasoline engine certified to meet 2021 or later EPA or CARB emissions standards. The maximum rebate is \$24,000.
- The project applicant is responsible for the remainder of the project costs (mandatory cost-share) and must submit a Cost Share Commitment Letter with the proposal.
- No other federal grant funds may be used to cover any portion of the mandatory cost-share.

Information and Documentation Required with Proposal

- Completed and signed proposal form.
- Copy of one price quote for the replacement bus, including estimated delivery dates.
- Photocopy of the Nebraska vehicle registration for the bus being replaced.
- Photocopy of the title of the bus being replaced.
- Documentation of usage and annual mileage for the previous two years (e.g. maintenance records showing odometer readings).
- Photograph of the bus (side profile) being replaced showing the vehicle unit number.
- Photograph of the diesel engine emissions label showing the EPA Engine Family (see below).
- A current inventory (listing) of the district buses with fuel type and engine model year.
- Copy of the district's idle reduction policy or guidelines.

Proposal and Project Timeline

- November 15, 2023: Deadline for interested parties to submit proposal forms and cost-share commitment letters to NDEE.
- November 20, 2023: proposers notified whether or not their project has been selected for inclusion in NDEE's application for the program.
- December 1, 2023: close of EPA application period.
- March 2024: Anticipated notification of selection by EPA.
- June to August 2024: EPA issues award document to NDEE. NDEE issues commence work notification to proposers. **Funding is not guaranteed until NDEE receives the award from EPA. Expenditures incurred before you receive the commence work notification from NDEE will not be reimbursed.**

Diesel Emissions Label and Engine Family

The EPA Engine Family is a 12-character (letters and numbers) identifier assigned when a diesel engine model is certified in compliance with EPA emission standards; it is shown on the engine emissions label. The first character in the EPA Engine Family identifier is a code for the model year of the engine. Some examples of diesel engine emission labels showing the EPA Engine Family are shown below.



Submission of Project Proposal and Cost-Share Commitment Letter

NDEE's proposed application for the DERA National Competitive Grant Program must identify each vehicle that is to be replaced along with quoted purchase costs. We must also include information on the engine and the annual vehicle miles or hours of use; this information is used to determine project eligibility and to estimate the emission reductions to be achieved by the project.

Interested parties should use the proposal form provided on the program web page to submit the required information for their school bus project. Proposals that do not include all of the information listed on the proposal form will not be considered.

Along with your project proposal you must also submit a Cost-Share Commitment Letter stating that if your project is selected for funding, you will provide the funds needed for the mandatory cost-share for your project. A template for a Cost-Share Commitment Letter is posted on the program web page.

Please submit the proposal form, cost-share commitment letter, and other required documentation no later than Wednesday, November 15th, 2023.

Submission of a proposal does not guarantee selection or funding. Submit materials via e-mail to NDEE.AirQuality@nebraska.gov or send by mail to:

Nebraska Clean Diesel Rebate Program
Nebraska Department of Environment and Energy
P.O. Box 98922
Lincoln, NE 68509-8922

You may contact us with questions at
NDEE.AirQuality@nebraska.gov
or at (402) 471-4272

Clean Diesel web page: <http://dee.ne.gov/NDEQProg.nsf/OnWeb/NCDGP>