Connecticut Department of
ENERGY &
ENVIRONMENTAL
PROTECTION

79 Elm Street • Hartford, CT 06106-5127 www.ct.gov/deep Affirmative Action/Equal Opportunity Employer

August 3, 2015

Subject: Funds Available for Diesel Reduction Projects

Dear Clean Diesel Stakeholders:

The Connecticut Department of Energy and Environmental Protection (DEEP) anticipates the receipt of approximately $127,000 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 Connecticut.

DERA and EPA require that DEEP use these funds to provide grants for projects that reduce diesel emissions. Projects must be completed by August 31, 2016. DEEP seeks grant proposals from municipalities, organizations, and individuals for diesel reduction projects that are environmentally and economically-beneficial, can be initiated promptly, and will be completed quickly.

Clean Diesel Projects Eligible for State Funding

Additional information regarding this opportunity, including definitions for key terms used below, may be found at http://www.epa.gov/cleandiesel/prgstate.htm. Please note that EPA expressly requires this year's proposals to be consistent with FY 2014 national clean diesel requirements as specified in the RFP available at http://www.epa.gov/air/grants/rfa-epa-oar-otaq-14-05.pdf and in the following list of eligible projects:

- Early Replacement or Repower:
  - Reimbursement for early replacement can be funded up to 25% for vehicle/equipment replacement, or up to 50% for drayage truck[1] replacement.
  - Reimbursement for repowering/engine replacement with engine configurations certified by EPA or the California Air Resources Board (CARB) can be funded up to 40%.
- Engine upgrades that are verified or certified by EPA or CARB can be funded up to 40% of the cost of the eligible upgrade.
- EPA-Verified Idle Reduction Technologies:
  - Stationary idle reduction technologies, such as shore connections and electrified truck stops, can be funded up to 25%.
  - Idle reduction technologies for locomotives can be funded up to 40%.
  - Funding for auxiliary power units and other idle reduction technologies for 2006 MY and older Class 8 trucks can be funded up to 100%, but only if EPA or CARB-verified exhaust emission controls are included on the vehicle.
- Funding for EPA-verified aerodynamic technologies and low rolling resistance tires on long haul Class 8 trucks is available up to 100%, but only if combined with EPA or CARB-verified exhaust emission control technologies on the truck.

[1] 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.

- Exhaust emission control technologies that are verified or certified by EPA or CARB can be funded up to100%.
- Clean alternative fuel conversions can be funded up to 40%. Aftermarket alternative fuel conversion systems must be certified for the specific vehicle or engine family that is being converted, whether they are CARB or EPA-certified, provided the vehicle being converted is CARB or 50-state certified and is otherwise eligible for sale in the state of Connecticut. Additionally, conversions must be consistent with any applicable Connecticut Department of Motor Vehicles safety policies for alternatively-fueled vehicles so as to ensure public safety.

EPA guidelines for this year's funding restrict replacement projects to those that would not have occurred through normal attrition within three years of the project start date. As a result, any application for an early replacement project must specifically identify the vehicle(s) to be replaced and must include a copy of the vehicle or fleet owner's budget plan, operating plan, standard procedures or retirement schedule to confirm that any vehicle to be replaced is eligible for the program.

DERA rules require that vehicle or technology vendors be selected through an open and competitive process that will ensure a low price for the item. The equipment owner who receives the grant is obligated to demonstrate compliance with these rules for open and competitive procurement of contractual services, replacement vehicles, and/or technologies used on the project. Award recipients also must enter into a contract with the State of Connecticut, and all recipients must comply with state and federal contracting requirements. Applicants should verify that there are no prohibitions or restrictions on the use of federal funds for the proposed project.

Proposed projects will be evaluated based on diesel emission reductions, cost effectiveness (including the applicant's ability to provide matching funds) and the potential for completion by August 31, 2016. Funding cannot be guaranteed for projects completed and invoiced after that date. Projects also will be prioritized based on the degree to which they meet the seven 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.

- Location in an EPA-designated maintenance area for particulate matter
- 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
- Areas that receive a disproportionate quantity of air pollution from diesel fleets, including ports, rail yards, terminals, construction sites, school bus depots/yards, and distribution centers
- Inclusion of a motor vehicle anti-idling education and outreach program
- Consistency with the transportation section of the 2013 Comprehensive Energy Strategy for Connecticut and the state's clean fuels/clean vehicles initiative

All interested parties must submit their proposal on the enclosed form, which can also be found at: http://www.ct.gov/dep/cwp/view.asp?a=2684&q=322100&depNav_GID=1619. Completed forms and inquiries should be directed to Patrice.Kelly@ct.gov, and proposals must be submitted no later than September 3, 2015.

Sincerely,

Robert J. Klee
Commissioner