



Clean Diesel Program Recipient Support Cost Guidelines

EPA State DERA 2020

Washington State Department of Ecology
Olympia, Washington

October, Publication 21-02-027

Publication Information

This document is available on the Department of Ecology's website at:

<https://apps.ecology.wa.gov/publications/summarypages/2102027.html>

This document contains federal and state guidelines for administration of the 2020 EPA State Diesel Emission Reduction Act (DERA) Grant Program. (Notice of Funding Opportunity Number EPA-CEP-01 CDFA# 66.040) These guidelines apply to Ecology as the primary applicant for the grant and any sub-applicants requesting Ecology pass-thru any of these funds via an Ecology sub-grant.

Contact Information

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ADA Accessibility

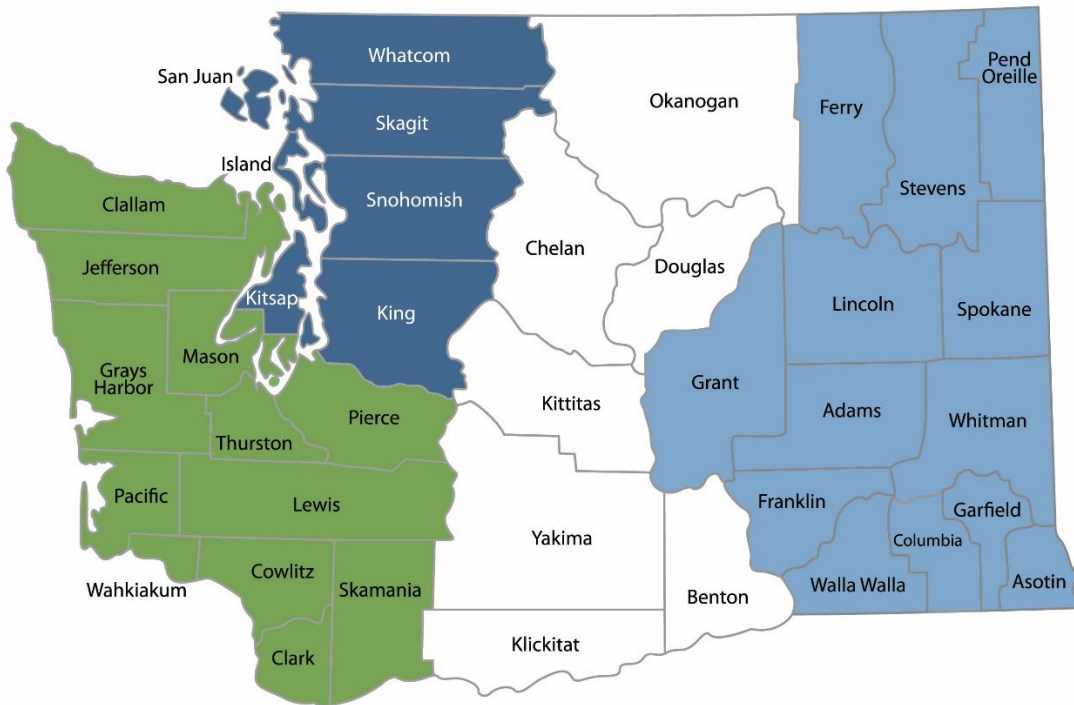
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To request an ADA accommodation, contact Ecology by phone at 360-407-6800 or email at melanie.forster@ecy.wa.gov. For Washington Relay Service or TTY call 711 or 877-833-6341. Visit Ecology's website for more information.

¹ www.ecology.wa.gov/contact

Department of Ecology's Regional Offices

Map of Counties Served



Southwest Region 360-407-6300	Northwest Region 206-594-0000	Central Region 509-575-2490	Eastern Region 509-329-3400
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Region	Counties served	Mailing Address	Phone
Southwest	Clallam, Clark, Cowlitz, Grays Harbor, Jefferson, Mason, Lewis, Pacific, Pierce, Skamania, Thurston, Wahkiakum	P.O. Box 47775 Olympia, WA 98504	360-407-6300
Northwest	Island, King, Kitsap, San Juan, Skagit, Snohomish, Whatcom	P.O. Box 330316 Shoreline, WA 98133	206-594-0000
Central	Benton, Chelan, Douglas, Kittitas, Klickitat, Okanogan, Yakima	1250 West Alder Street Union Gap, WA 98903	509-575-2490
Eastern	Adams, Asotin, Columbia, Ferry, Franklin, Garfield, Grant, Lincoln, Pend Oreille, Spokane, Stevens, Walla Walla, Whitman	4601 North Monroe Spokane, WA 99205	509-329-3400
Headquarters	Statewide	P.O. Box 46700 Olympia, WA 98504	360-407-6000

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I. Overview

EPA's Office of Transportation and Air Quality solicited proposals from eligible states and territories for participation in the 2020 Diesel Emission Reduction Act (DERA) State Grants. EPA anticipates approximately \$87 million available for all fiscal year 2020 DERA programs. In accordance with DERA, EPA makes 30 percent (approximately \$27 million for fiscal year 2020) of the annual allocation available to states and territories in the form of assistance agreements under the State Grants. Funding can support grant, rebate, and loan programs administered by eligible states or territories that are designed to achieve significant reductions in diesel emissions.

The DERA State Grants program is not a competition; it is an allocation process in which the eligible states and territories submit their interest to participate to EPA, and EPA awards a specific allocation by formula, based on the number of states and territories with approved applications that participate.

Eligible diesel emissions reduction solutions include verified emissions control technologies such as engine retrofits, cleaner fuels, engine upgrades, verified idle reduction technologies, verified aerodynamic technologies and low rolling resistance tires, certified engine replacements, and certified vehicle or equipment replacements.

Eligible diesel vehicles, engines and equipment may include buses, Class 5 – Class 8 heavy-duty highway vehicles, marine engines, locomotives and nonroad engines, equipment or vehicles used in construction, handling of cargo (including at a port or airport), agriculture, mining or energy production (including stationary generators and pumps). All public materials for the DERA State Grants are available at www.epa.gov/cleandiesel/clean-dieselstate-allocations.

Rebates, subsidies, and similar one-time, lump-sum payments to program beneficiaries for the purchase of eligible emissions control technologies and vehicle replacements are eligible participant support costs under State DERA awards. Participant support costs for rebates must be supported by guidelines issued by Ecology and approved by EPA's Award Official or Grants Management Officer.

Puget Sound Clean Air Agency has been awarded grant funding as a DERA 2020 sub recipient. Under a sub-award from Ecology, Puget Sound Clean Air Agency can use some or all of the grant funding to establish a rebate program to scrap and replace diesel powered cargo handling equipment with all-electric cargo handling equipment.

The purpose of this document is to establish guidelines defining the rules, restrictions, timelines, programmatic requirements, reporting and transaction documentation requirements, eligibility, and funding levels that rebate beneficiaries must follow.

II. Participant Support Cost Guidelines

The purpose of this document is to establish guidelines defining the rules, restrictions, timelines, programmatic requirements, reporting and transaction documentation requirements, eligibility, and funding levels that rebate beneficiaries must follow

Rules and Restrictions

To be a beneficiary of a rebate, applicants must submit an application to the Puget Sound Clean Air Agency (Agency).

Applicants selected for award will need to do the following:

- 1) Sign and submit an eligibility statement
- 2) Sign a contract with the Puget Sound Clean Air Agency
- 3) Submit a scrapping plan to Puget Sound Clean Air Agency for approval
- 4) Scrap an eligible diesel-fueled cargo handling equipment
- 5) Purchase and operate an eligible all-electric cargo handling equipment
- 6) Provide all required invoice documentation and scrapping documentation prior to receiving a rebate.

The Puget Sound Clean Air Agency will require a virtual or in-person site visit to inspect the existing and new equipment.

Timeline

All new electric cargo handling equipment must be received by participants and deployed by June 30, 2023.

All old diesel-fueled cargo handling equipment must be scrapped by August 30, 2023.

All invoice documentation must be submitted to Puget Sound Clean Air Agency by October 30, 2023.

Rebates will be made within 30 days after the Puget Sound Clean Air Agency receives all required documentation...

Programmatic Requirements

Eligible beneficiaries may scrap and replace existing diesel-fueled cargo handling equipment with new all-electric equipment subject to the following requirements.

Existing cargo handling equipment must meet the following criteria to qualify for a rebate:

1. It is operational
2. It has been owned and operated by the applicant/beneficiary for the last two years
3. It has operated more than 500 hours per year for each of the last two years prior to a signed contract with the Puget Sound Clean Air Agency
4. It has 1,500 hours of expected useful life remaining

New all-electric CHE purchase must be functionally equivalent to the cargo handling equipment scrapped. Horsepower increases greater than 40 percent must be approved in advance Puget Sound Clean Air Agency, Ecology, and EPA.

Ecology will attach federal special terms and conditions as an attachment to the written sub-award agreement with Puget Sound Clean Air Agency. Ecology specific sub-award requirements will be specified within the sub-award agreement.

Reporting and Transaction Documentation Requirements

Eligible beneficiaries will submit the following documentation to Puget Sound Clean Air Agency:

1. A signed eligibility statement.
2. A finance questionnaire.
3. A scrapping plan for approval by the Agency.
4. An invoice from the applicant/beneficiary to the Agency that provides the date of the purchase, a description of the equipment purchased, the total cost of equipment, and the amount to be reimbursed.
5. A copy of the invoice from any CHE dealer that provided the new equipment.
6. Documentation of proof of payment to the CHE dealer (receipt for purchase).
7. A W-9 form.
8. Documentation showing the old yard truck was scrapped according to the Agency-approved scrapping plan (including Certificate of Destruction, photos, and corresponding documentation).
9. Signed statement verifying that no other federal funds were used as matching funds to purchase the CHE.
10. Documentation for any program income received from scrapping the approved diesel-powered CHE.

The eligible applicants/beneficiaries will also be required to do outreach about their project.

Eligibility

Eligible applicants/beneficiaries may be individual owner/operators or private or public fleet owners, however eligible applicants/beneficiaries cannot be employees, contractors or sub-recipients of the DERA grant recipient.

Eligible projects are/include scrapping and replacing eligible diesel-fueled CHE owned and operated by an eligible applicant with functionally equivalent all-electric CHE.

Funding Levels

Funding levels for reimbursement of beneficiaries will not exceed \$138,000 or 45% of eligible project costs.