



# Washington State Clean Diesel Program

**Ecology's State DERA FY 2023-2024**

**Fuel Cell Transit Buses and Electric Yard Trucks**

**Grants Announcement and Grant Guidelines**

By

Ron Stuart

For the

**Air Quality Program**

Washington State Department of Ecology  
Olympia, Washington

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## Publication Information

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

<https://apps.ecology.wa.gov/publications/summarypages/2302106.html>

## Contact Information

### Air Quality Program

P.O. Box 47600

Olympia, WA 98504-7600

Phone: 360-407-6800

**Website**<sup>1</sup>: [Washington State Department of Ecology](http://www.ecology.wa.gov)

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<sup>1</sup> [www.ecology.wa.gov/contact](http://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

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

# Washington State Clean Diesel Program

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## Ecology's DERA FY2023-2024 Grant Guidelines

Air Quality Program  
Washington State Department of Ecology  
Olympia, WA

**September 2023 | Publication 23-02-106**



DEPARTMENT OF  
**ECOLOGY**  
State of Washington

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## Important Information

**Apply to:** Washington State Department of Ecology Air Quality Program  
**Title:** Ecology's DERA FY 2023-2024  
**Action:** Request for Grant Funding  
**Due Date:** Tuesday, February 27, 2024 at 5pm

### Summary:

This notice announces funding available on a competitive basis to help eligible applicants in Washington reduce toxics and greenhouse gas emissions by scrapping and replacing diesel transit buses with new fuel cell buses, and diesel yard trucks with new electric yard trucks.

### Amount of Funding Available:

Approximately \$2.24M is available for eligible projects. Available funding may increase, if additional funds become available. Funding will be available in two allocations. The first allocation of \$1.12M will be made available at the time of award. The second allocation of \$1.12M will be made in the fourth quarter of 2024 as a grant agreement amendment.

### Eligible Applicants:

Cities, counties, state agency, Tribal government, ports, clean air agency, transit authorities, and non-for-profit entity

### Eligible Project Categories:

Eligible projects include the scrap and replacement of diesel.

- transit buses with new fuel cell powered transit buses
- yard trucks with new electric yard trucks.

The vehicles being scrapped must:

- Be powered by diesel.
- Be owned by the applicant.
- Have operated in Washington for at least two (2) years prior to December 6, 2023.
- Have at least three (3) years of remaining life after December 6, 2023.
- Have accumulated at least 7,000 miles/year during the two years prior to December 6, 2023 for transit buses.
- Have operated at least 500 hours/year during the two years prior to December 6, 2023, for yard trucks.

### Application Deadline:

Applicants must submit applications by 5 PM PST, **on Tuesday February 27, 2024**. To ensure a competitive application process and attract qualified projects, Ecology reserves the right to extend the application period, as necessary.

### Notice of Awards:

Ecology anticipates notifying successful recipients of awards in March 2024.

## Purpose of Solicitation

This is a competitive grant solicitation. The Washington State Department of Ecology (Ecology) announces the availability of approximately \$2.24M million in grants to help accelerate the transformation of Washington’s transit bus and yard truck fleets to electric. The aim of this grant is to increase public awareness of the potential uses of zero-emission vehicle technology, to invest in zero-emission technologies that help address current air pollution problems, and to improve public health in communities disproportionately impacted by diesel pollution.

# Background

## Diesel emissions and public health

Transportation is the largest source of air pollution in Washington, accounting for about 43 percent of total greenhouse gas emissions in 2013. On-road gasoline and diesel vehicles account for about 72 percent of the transportation sector's greenhouse gas emissions. An Ecology air pollution study shows that diesel exhaust is responsible for 70 percent of Washington's airborne cancer risk<sup>2</sup>. Diesel exhaust increases the risk for respiratory disease and worsens the health of people with asthma, heart disease, and lung disease.

### EPA DERA State Grants

EPA's Office of Transportation and Air Quality solicited proposals from eligible states and territories for participation in the 2023-2024 Diesel Emission Reduction Act (DERA) State Grants. EPA anticipates approximately \$30 million for fiscal year 2023 and \$30 million for fiscal year 2024 annual allocation available to states and territories in the form of assistance agreements under the State Grants. All public materials for the DERA State Grants are available on [EPA's DERA Grant website](#)<sup>3</sup>

Ecology's Clean Diesel Program submitted their request to participate in 2023-2004 State DERA program and accepted \$1,345,000 in federal funds with an additional state contribution of \$896,000. EPA will allocate federal funding over two years with 50% allocated in October 2023 and 50% allocated in October 2024. Funding will be passed through to eligible grant recipients for eligible diesel emission reduction projects.

## Program goals

The objectives of this grant program are to:

- Reduce diesel pollution and greenhouse gases in disproportionately impacted communities.
- Help accelerate the transition of diesel vehicles to zero-emissions.
- Increase public confidence in zero-emission vehicle technology.

These grant awards also align with the state's objectives under the:

- Washington Clean Air Act
- Washington GHG emission reduction limits (70.235 RCW)
- Washington Fuel Usage Goals for Publicly Owned Vehicles (43.19.648 RCW)

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<sup>2</sup> Concerns about Adverse Health Effects of Diesel Engine Emissions, Publication 0802032: <https://fortress.wa.gov/ecy/publications/documents/0802032.pdf>

<sup>3</sup> <https://www.epa.gov/dera/state>



- Washington State Clean Energy Fund
- Results Washington Clean Transportation and Healthy Air Goal
- Washington Climate Commitment Act
- Washington’s Healthy Environment for All Act

## Environmental justice

Ecology is committed to the fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income with respect to the development, implementation, and enforcement of environmental laws, regulations, and policies. Ecology uses an intersectional lens to address disproportionate environmental and health impacts in all laws, rules, and policies with environmental impacts by prioritizing vulnerable populations in overburdened communities, equitably distributing resources and benefits, and eliminating harm.

### **Diesel and Disproportionately Impacted Communities**

Ecology is prioritizing investments that maximize air pollution reductions and improve public health in those communities that experience a disproportionate share of the diesel air pollution burden in Washington.

Along with the Washington Department of Health, local clean air agencies, and environmental justice community organizations, we used a variety of tools (Washington Tracking Network, Puget Sound Clean Air Agency’s Highly Impacted Communities analysis, Ecology Comprehensive Emissions Inventory, etc.) to identify and consider beneficial impacts of projects in disproportionately impacted communities. The Department of Health incorporated the new index, “Diesel Pollution and Disproportionate Impact”, into their [Washington Tracking Network online mapping tool](#)<sup>4</sup>.

The Diesel Pollution and Disproportionate Impact tool combines two factors — Pollution Burden and Priority Populations — to produce a score for a selected census tract relative to other census tracts in the state. The Pollution Burden factor represents the amount of diesel emissions allocated to a census tract. The Priority Populations factor averages a set of six socio-economic factors that include relative scores for each individual component:

- Limited English (LEP)
- No High School Diploma (%)
- People of Color (Race/Ethnicity)
- Population Living in Poverty (<185% of Federal Poverty Level) (%)
- Unaffordable Housing (>30% of income)
- Unemployed (%)

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<sup>4</sup> <https://www.doh.wa.gov/DataandStatisticalReports/WashingtonTrackingNetworkWTN>

## Overburdened Communities Highly Impacted by Air Pollution

Ecology is also prioritizing investments that maximize air pollution reductions and improve public health in overburdened communities highly impacted by air pollution. The Climate Commitment Act (CCA) works alongside other critical climate policies to help Washington achieve its commitment to reducing GHG emissions by 95% by 2050. The CCA puts environmental justice and equity at the center of climate policy, making sure communities that bear the greatest burdens from air pollution today see cleaner, healthier air as the state cuts greenhouse gases.

Washington state has many overburdened communities, and Ecology was tasked to identify a subset of these communities experiencing the highest levels of criteria pollution by conducting environmental justice, air quality, and the health impact reviews. In 2023 Ecology identified 16 overburdened communities highly impacted by air pollution and will take steps to reduce air pollution impacts within these communities<sup>5</sup>. Ecology is currently working with tribal governments to identify which of their communities are overburdened and highly impacted by criteria air pollution. Ecology will continue to work with Tribes, communities, environmental justice and community-based organizations, the state's Environmental Justice Council, and others to refine this process every six years.

## Eligibility and Funding Levels

This notice announces the availability of approximately \$2.24 million to scrap and replace diesel transit buses with new fuel cell buses and diesel yard trucks with new electric yard trucks.

### Eligible Applicants

This solicitation is open to cities, counties, state agency, Tribal government, ports, clean air agency, transit authorities, and non-for-profit entity.

### Eligible Projects

An eligible project is the scrap and replacement of:

- Diesel transit buses with new fuel cell buses
- Diesel yard trucks with electric yard trucks.

Vehicles being scrapped must be:

- Powered by diesel

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<sup>5</sup> Improving air quality in overburdened communities; <https://ecology.wa.gov/Air-Climate/Climate-Commitment-Act/Overburdened-communities>

- Owned by the organization scrapping and replacing the vehicle
- Operated in Washington for at least two (2) years prior to December 6, 2023
- Has at least three (3) years of remaining life after December 6, 2023
- Transit buses: Accumulated at least 7,000 miles/year during the two years prior to December 6, 2023
- Yard Trucks: Operated at least 500 hours/year during the two years prior to December 6, 2023

Participating fleet owners must attest to the ownership, usage, and remaining life requirements in a signed eligibility statement provided by Ecology.

## Eligible Costs

### Transit Bus Replacement

Eligible costs include the scrap and replacement of diesel fueled transit buses with new fuel cell powered transit buses. Costs for fueling infrastructure are not eligible.

### Yard Truck Replacement

Eligible costs include the scrap and replacement of diesel fueled yard trucks with new electric yard trucks. Costs for charging infrastructure are not eligible.

## Awards Amounts and Required Cost Share:

Ecology will make separate awards for Transit Bus and Yard Truck Categories. Funding will be awarded in two phases in coordination with EPA's State DERA 2023 and 2024 funding allocations. The 2023 award will be 50% of the category's total funding for one or more Transit Bus replacements and three or more Yard Truck replacements.

Contingent on EPA's DERA 2024 funding allocation to Ecology in the 3<sup>rd</sup> quarter of 2024, Ecology will amend the grant agreements to provide funding for one or more additional Transit Buses and three or more additional Yard Trucks.

Ecology reserves the right to increase or decrease the maximum award amount for each category

### Transit Bus

Ecology will award a maximum of \$1,170,000 for the transit bus category over funding years 2023 and 2024. The required recipient mandatory cost share is 55% of the replacement vehicle(s).

### Yard Trucks

Ecology will award a maximum of \$1,071,162 for the yard truck category over funding years 2023 and 2024. The required recipient mandatory cost share is 55% of the replacement vehicle(s).

# Application Process

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

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

Applications will be screened for compliance with the minimum criteria, below. Applications that fail any of the minimum criteria may be disqualified and eliminated. Applications that meet the minimum criteria will be evaluated according to the scoring criteria.

Applicants can only submit one application. Applications are limited to one vehicle replacement category.

## Application Minimum Criteria

Applications must meet minimum administrative and technical criteria. Ecology will disqualify and eliminate from further evaluation applications that fail any of the Administrative or Technical Screening Criteria.

### 1. Administrative Screening Criteria

- The applicant is an eligible applicant.
- The project is an eligible project that meets the minimum project requirements.

## Application Scoring and Evaluation:

All applications will be scored based on the following criteria:

### 1. Diesel Pollution and Disproportionate Impact: 35 points

Projects will be awarded the following points based on the operating location of the the new zero-emission vehicle using the Washington Tracking Network’s “Diesel and Disproportionately Impacted Communities” Index (<https://fortress.wa.gov/doh/wtn/wtnibl/>). Transit buses that that operate in multiple census tracts may choose the highest census track score.

- In a census tract with a score of “9” or “10” = 35 points
- In a census tract with a score of “8” = 20 points
- In a census tract with a score of “1” through “7” = 0 points

### 2. Overburdened Communities Highly Impacted by Air Pollution: 15 points

Projects will be awarded the following points based on the operating location of the new zero-emission vehicle. To determine whether the project is located within an overburdened

community highly impacted by air pollution, visit <https://ecology.wa.gov/Air-Climate/Climate-Commitment-Act/Overburdened-communities>

- At least one overburdened community highly impacted by air pollution: = 15 points
- Communities not identified as overburdened and highly impacted by air pollution in Washington = 0 points

Ecology will not consider any land managed by a Tribal government as an overburdened community highly impacted by air pollution without express interest and permission reached through Tribal decision-making processes. Because this engagement and consultation has not yet been completed, projects located on land managed by a Tribal government in Washington will receive full points in this scoring category.

For applications that include more than one vehicle/equipment operating in more than one location, Ecology will score each location individually based on the information above. The points awarded to each location will be averaged and rounded to the nearest whole number to award a total score for this criterion.

### **3. Estimated average annual fuel consumption: 25 points**

Points will be awarded based on the total fuel consumption over the last 12 months for the group of vehicles proposed for scrap and replacement.

- 9,000+ gallons/year = 25 points
- 6,000 – 8,999 gallons/year = 20 points
- 3,000 – 5,999 gallons/year = 15 points
- 1,500 – 2,999 gallons/year = 10 points
- 500 – 1,499 gallons/year = 5 points
- 0 – 499 gallons/year = 0 points

### **4. Engine Model Year: Up to 25 points possible**

Points will be awarded based on the engine model year of the vehicle/equipment proposed for scrap.

- 2007 or older = 25 points
- 2008 – 2009 = 10 points
- 2010 or younger = 0

For applications that include more than one vehicle/equipment, Ecology will award points to each vehicle/equipment based on the information above. The points awarded to each vehicle/equipment will be averaged and rounded to the nearest whole number to award a total score for this criterion.

## 5. Recipient Administration Costs

Points will be awarded based on the percentage of the total grant funding allocated to administration costs.

- 3.0% and greater Greater = 0
- Between 0% and 3.0% = 10
- 0% = 20

## Program Requirements:

- Grant recipients are responsible for meeting EPA grant program requirements as outlined in the 2023-2024 DERA State Grants Program Guide publication EPA-420-B-23-031 July 2023.
- Participating fleet owners must attest to the ownership, usage, and remaining life requirements in a signed eligibility statement. Requirements are listed in the Eligible Project section on page 10 of this document. An eligibility statement template will be provided by Ecology.
- Grant recipients will submit details of vehicle to be scrapped and replaced (Applicants must complete and upload the Fleet List template provided by Ecology)
- Acquisition and/or installation may not begin prior to the date of the application.
- Grantees are responsible for all costs incurred prior to the execution of a contract, which will not be reimbursed.
- Grantees must comply with:
  - applicable federal, state, and local utility laws and requirements.
  - Washington procurement laws for the solicitation of bids, and the selection of vendors and contractors for the performance of any grant-assisted work.
  - Contract, audit, monitoring and reporting requirements, including scheduled site visits, as needed.
- Grant recipients must provide to Ecology documentation of the permanent destruction of the eligible diesel vehicles. Documentation must include:
  - Certificate of destruction signed by a licensed scrap yard and the project manager.
  - Scrappage documentation including digital photographs (must include: Side profile of the vehicle, prior to disabling; VIN tag or equipment serial number; Engine label (showing serial number, engine family number, and engine model year); Engine block, prior to hole; Engine block, after hole; Cut frame rails or other cut structural components, as applicable; and others, as needed. Other materials documenting the destruction may be acceptable with prior authorization from project manager.

- Use of acceptable methods of permanent destruction required by Ecology includes:
  - rendering the vehicle inoperable and available for recycling;
  - at a minimum cutting a 3 inch by 3 inch hole in the engine block;
  - disabling the chassis by cutting the vehicle's frame rails in half.
- Grant recipients must submit quarterly reports updating on project progress and submitting any required deliverables throughout the implementation of the grant.

## Award Selection Process

Ecology will use the two-step process described below to select projects for grant awards.

Selection process for awards:

- Step 1: Ecology will make one award to the highest scoring eligible applicant in each project category.
- Step 2: If funds remain after one award is made to the highest scoring eligible applicant in each project category, another award may be made to the next highest scoring applicant.
- Awards will be offered to the highest scoring applications until funds are exhausted.

Awards are conditional on receipt of any additional information requested by Ecology to clarify or verify data, project scope or costs.

In the event of a tie, Ecology will offer an award to the applicant with the higher disproportionately impacted community census tract ranking, according to the Department of Health's Diesel Pollution and Disproportionate Impact tool.

Ecology reserves the right to recommend partially funding to any proposal. In this event, the applicant/proposed awardee and the Grants and Contracts Coordinator shall meet and reach agreement on a reduced scope of work commensurate with the level of available funding.



## Unrequested, Unspent or Additional Funds

If Ecology allocates additional funding to this grant program after the application deadline expires, Ecology may select projects from the remaining eligible unfunded applicants using the process described by the Award Selection Process. Unfunded applicants must be compatible with any new funding source restrictions to be selected.

If applicants that are initially awarded funds withdraw or cancel their application, Ecology may select projects from the remaining eligible unfunded applicants using the process described by Award Selection Process.

If unrequested or unspent funds remain after the application deadline expires, Ecology may reopen the grant application window and establish a new submission deadline to accept additional applications.

If unrequested or unspent funds remain after the application deadline expires, Ecology may revise the grant program and accept a new round of applications.

# Awardee Requirements

## Project proposal

All applicants should address how the project proposal will comply with the following requirements. Ecology may withhold grant reimbursement and/or reject future grant applications from the grantee if they fail to maintain compliance with these requirements through project implementation and operation.

If awarded a grant, recipients must:

- Be responsible for all costs incurred prior to the execution of a contract, which will not be reimbursed.<sup>6</sup>
- Submit signed scrap vehicle eligibility statements from participating vehicle owners attesting to vehicle eligibility criteria.
- Provide all necessary matching funds needed to fully purchase each new vehicle.
- 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.
- Comply with contract, audit, monitoring and quarterly reporting requirements, including scheduled site visits, as needed.

## Grant period

All recipients should order the new replacement vehicles by June 30, 2024, and take possession of the new vehicles by September 30, 2025. Ecology will consider extending this due date if manufacturers cannot meet this schedule.

## General Terms & 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.

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<sup>6</sup> Ecology will not increase an award due to unanticipated or underestimated costs. Ecology strongly recommended that applicants perform their due diligence by contacting vendors for estimates.

## Administrative Costs

Recipients may use grant funding to pay for administration costs. Administration costs are not to exceed five percent of the total grant funding.

## Scrap and replacement conditions

The to-be-scrapped vehicles must:

- Be powered by diesel
- Be scrapped by the participating vehicle owners
- Have operated in Washington for at least two years prior to December 6, 2023
- Have at least three years of remaining life after December 6, 2023
- Have accumulated at least 7,000 miles/year during the two years prior to December 6, 2023 or have operated at least 500 hours/year during the two years prior to December 6, 2023

The grant recipient must provide to Ecology documentation of the permanent destruction of the vehicle. The documentation must include:

- Completed and signed Certificate of Destruction (form provided by Ecology).
- Verification photos of the permanent destruction, which includes:
  - Side profile of the vehicle, prior to disabling;
  - VIN tag or equipment serial number;
  - Engine label (showing serial number, engine family number, and engine model year);
  - Engine block, prior to hole;
  - Engine block, after hole;
  - Cut frame rails or other cut structural components, as applicable; and
  - Others, as needed.

## Final Documentation

Upon completion of the project, grant awardees must submit the following documents to Ecology via EAGL submittal prior to reimbursement of all eligible costs:

1. Completed Payment Request/Progress Reports and Equipment Purchase Reports.
2. Completed and signed Certificate(s) of Destruction (form provided by Ecology).
3. Photos documenting the required scrapping of old buses or yard trucks.
4. Legible copies of all invoices showing the purchase price for the new transit bus or new yard trucks.

Once the above has been completed, a Recipient Close Out Report must be submitted in EAGL.