



Washington State Diesel Reduction Combined Funding Program

Diesel Reduction & Volkswagen Enforcement Action Grants 2027 Funding Guidelines

Authors: Diesel Reduction Unit

Air Quality Program

Washington State Department of Ecology
Olympia, Washington

September 2026, Publication 26-02-017

Publication Information

This document is available on the Department of Ecology's website at:
<https://apps.ecology.wa.gov/publications/summarypages/2602017.html>

Contact Information

Air Quality Program

P.O. Box 47600
Olympia, WA 98504-7600
Phone: 360-407-6800

Website¹: [Washington State Department of Ecology](http://www.ecology.wa.gov)

ADA Accessibility

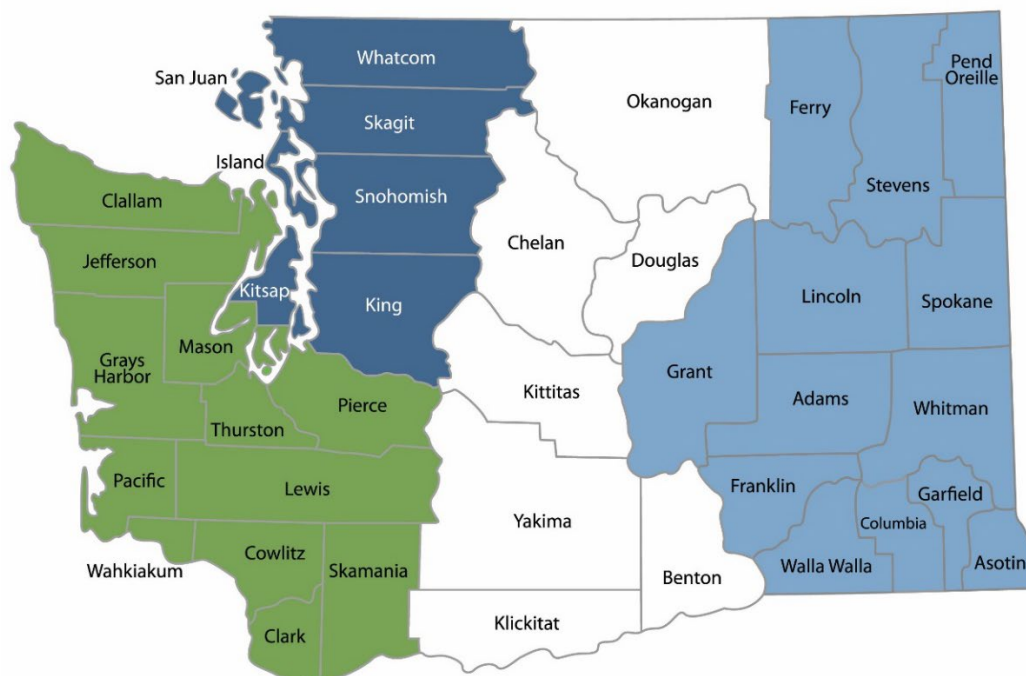
The Department of Ecology is committed to providing people with disabilities access to information and services by meeting or exceeding the requirements of state and federal laws.

To request an ADA accommodation, email AQPubs@ecy.wa.gov, call 360-407-6800, or call Ecology through the Washington Telecommunication Relay for services including text telephone (TTY) at 711 or through your preferred relay service provider. Visit ecology.wa.gov/ADA for more accessibility information.

Department of Ecology's Region Offices

Map of Counties Served

¹ www.ecology.wa.gov/contact



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
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 47600 Olympia, WA 98504	360-407-6000

Washington State Diesel Reduction Combined Funding Program

Diesel Reduction & Volkswagen Enforcement Action Grants 2027 Funding Guidelines

Air Quality Program
Washington State Department of Ecology
Olympia, WA

September 2026 | Publication 26-02-017



Table of Contents

Table of Contents

Publication Information.....	2
Contact Information	2
Definitions.....	6
Important Information	7
Background	9
Diesel emissions impact on public health and climate	9
Funding programs	9
Program goals	10
Environmental justice	10
Available Funding & Project Funding Levels.....	11
Eligibility.....	12
Eligible applicants	12
Eligible project categories.....	12
Eligible costs.....	13
Application Process	14
Step 1: Access or register for an EAGL Account.....	14
Step 2: Select the appropriate funding opportunity in EAGL.....	15
Step 3: Start an application.....	15
Step 4: Complete and submit application.....	15
Application Evaluation.....	16
Screening criteria.....	16
Scoring criteria.....	16
Award Selection Process.....	19
Unrequested, Unspent or Additional Funds.....	20
Agreement Development	21
Amendments.....	21
Terms and conditions	21
Recipient Requirements	22
Project general requirements	22
Vehicle destruction requirements	23
Vehicle and charging infrastructure purchase installation requirements	24
Reporting and closeout requirements	25

Definitions

All-electric: Powered exclusively by electricity provided by a battery, fuel cell, or the grid.

Cargo-handling equipment: Equipment used to load, unload, and move goods on ports, warehouses, and other intermodal facilities. Airport ground support equipment is not considered cargo handling equipment for the purposes of this funding opportunity.

Emergency vehicles: A vehicle used by police, ambulance, and firefighting organizations to respond to accidents or emergency situations. Examples include but are not limited to fire trucks and ambulances.

Government: A state or local government agency (including a school district, municipality, city, county, special district, transit district, joint powers authority, or port authority, owning fleets purchased with government funds), and a Tribal Government or Native village.

Infrastructure: The equipment used to enable the use of electric powered vehicles. Including but not limited to fixed location and mobile electric vehicle charging stations.

Local Freight Vehicle: Local freight vehicles are specifically designed to transport goods within a limited geographic area, typically within a city, metro area, or nearby counties. These trucks, including commercial trucks, are used to deliver cargo and freight.

Non-road vehicles/equipment: Vehicles and equipment that are not authorized for use on public roads typically used for industrial or commercial tasks.

On-road vehicles: Vehicles registered and licensed to be run on highways and roadways.

Project location: A project location is the distinct address of new vehicle's primary fueling location.

Terminal tractors/yard trucks: Trucks used in moving trailers and containers short distances around freight terminals, port facilities, warehouses, and other facilities.

Vocational vehicle: A vehicle built to handle a specific job or task such as a refuse truck, sweeper, or other utility vehicle.

Weight classifications: Based on "Gross Vehicle Weight Rating (GVWR)", which means the maximum weight of the vehicle, as specified by the manufacturer. GVWR includes total vehicle weight plus fluids, passengers, and cargo. Class 1-3 vehicles are not eligible under this grant program. GVWR for Class 4-8 included below:

- Class 4: 14,001-16,000 lb.
- Class 5: 16,001-19,500 lb.
- Class 6: 19,501-26,000 lb.
- Class 7: 26,001-33,000 lb.
- Class 8: $\geq 33,001$ lb.

Important Information

Apply to: Washington State Department of Ecology Air Quality Program

Title: Diesel Reduction & Volkswagen Enforcement Action Grants 2027

Action: Request for Grant Funding

Application Period: September 8, 2026, through December 10, 2026, **5:00 PM PT**. Applications must be submitted via [Ecology's Administration of Grants and Loads \(EAGL\)](#).²

Summary: This notice announces funding available on a competitive basis to help public and private diesel fleets in Washington reduce toxic and greenhouse gas emissions from medium and heavy-duty diesel vehicles/equipment by transitioning their fleets to zero emissions.

Amount of Funding Available: Approximately \$18.5 Million is available for eligible projects. Funding may increase as additional funds become available.

Eligible Applicants: Eligible applicants for each funding category include:

- Organizations licensed in Washington State, including but not limited to:
 - Corporations
 - Partnerships
 - Limited liability companies
 - Other legal business entities
 - Non-profit organizations (such as 501(c)(3))
 - Investor-owned utilities and contracted municipal utilities
 - Multi-unit/multi-family residential buildings
- State, Local, or Tribal governments and related entities in Washington State, including but not limited to:
 - Cities and towns
 - State and local parks
 - Counties
 - Special districts (such as health districts, fire districts, college districts, school districts, metropolitan municipal corporations)
 - Port Authorities or Public utility districts and municipal utilities
 - Air pollution control authorities and clean air agencies

² <https://ecology.wa.gov/about-us/payments-contracts-grants/grants-loans#Apply>

Eligible Project Categories: Replacing or repowering the following diesel vehicles/equipment with zero-emissions vehicles/equipment and installing corresponding charging infrastructure:

On road vehicles, class 4-8, engine model year 1992-2017

- Emergency vehicles
- Local freight vehicles
- Vocational vehicles (sweepers³, refuse, etc.)

Non road vehicles

- Forklifts ($\geq$ 8,000 lb. lift capacity)
- Cargo handling equipment
- Yard trucks /terminal tractors

New replacement vehicles/engines must be all-electric, except for emergency vehicles which may have an auxiliary engine. Auxiliary engines for emergency vehicles should only be used in case of emergency, testing, or maintenance.

Applicants must apply separately for each eligible vehicle/piece of equipment. Applicants may submit more than one application. See application instructions for more information.

Funding opportunities: These guidelines include two funding opportunities. Each funding opportunity has unique vehicle eligibility and a separate application in Ecology's Administration of Grants and Loans (EAGL) system. Refer to the Application Process section for details about eligible vehicles and corresponding funding opportunities.

Grants Application Deadline⁴: Applicants must submit applications via the online EAGL system by 5 PM PST, December 10th, 2026. Ecology reserves the right to extend the application period.

Notice of Awards: Ecology anticipates notifying successful recipients of awards by February 2027.

Grant Period: Projects should be completed by June 30, 2029. Ecology will consider an extended period of performance for long lead-time projects on a case-by-case basis.

³ If applying for a sweeper to perform stormwater maintenance, consult an Ecology-approved stormwater management manual ([Stormwater manuals - Washington State Department of Ecology](#)). Contact your stormwater permit manager for questions about selecting an appropriate zero-emissions sweeper capable of meeting water quality goals.

⁴ Ecology has an electronic grant and loan application system called EAGL (Ecology's Administration of Grants and Loans). See Application Process for more details.

Background

Diesel emissions impact on public health and climate

Diesel exhaust contains toxic particles that are responsible for two-thirds of Washington's airborne cancer risk. These emissions increase the risk of respiratory diseases and worsen the health of people with asthma, heart disease, and lung disease.

In addition to toxic particles, diesel exhaust contains carbon dioxide and other pollutants, which contribute to climate change. Climate change indirectly impacts public health because it increases the chances of extreme weather conditions and the occurrences of wildfires. The Governor and Legislature have created policies and initiatives to improve public health and reduce impacts from climate change by moving from fossil fuels to a zero-emission transportation system.

Funding programs

These funding guidelines include two funding opportunities funded from different sources, the Diesel Reduction program and the Federal Volkswagen settlement. Funding through these sources supports the transition to zero-emissions transportation systems in Washington.

Diesel reduction program

The Diesel Reduction program (previously known as the Clean Diesel program) plays a pivotal role in curtailing greenhouse gases and reducing hazardous diesel emissions through grants. This program funds the replacement of diesel vehicles and equipment with cleaner alternatives, including electrifying school buses.

Federal Volkswagen settlement

Washington received over \$130 million dollars as a result of the automaker Volkswagen (VW) violating federal emissions standards. On November 6, 2018, Washington filed its mitigation plan, outlining how the funds will be invested to make transformative progress to reduce emissions across Washington's transportation sector.

The mitigation plan includes the following goals, principles, and priorities to help focus project selection:

Goals

- Reduce emissions from diesel engines in the state where the 2.0- and 3.0-liter Volkswagen vehicles were, are, or will be operated.
- Fully mitigate the total, lifetime excess NOx emissions of the subject vehicles.

Principles

- Improve air quality for communities that have borne a disproportionate share of the air pollution in Washington.
- Provide air quality benefits in addition to NOx reductions.
- Maximize air quality benefits that improve public health.

Priorities

- Accelerate adoption of all-electric vehicles, equipment, and vessels.
- Promote electrification technologies in public transportation fleets.
- Accelerate fleet turnover to the cleanest vehicles.
- Achieve substantial additional emission reductions, beyond what would already occur, absent trust funding.
- Ensure cost-effectiveness.
- Leverage additional matching funds.

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-emission vehicles.
- Increase public awareness of zero-emission vehicle technology feasibility.

This program also aligns with the state's objectives under the:

- Washington Clean Air Act
- Washington GHG emission reduction limits (70a.45 RCW)
- Washington Fuel Usage Goals for Publicly Owned Vehicles (43.19.648 RCW)
- Washington State Clean Energy Fund
- Results Washington Clean Transportation and Healthy Air Goal
- State and local government vehicle procurement rules (194-28 and 194-29 WAC)
- Washington Climate Commitment Act
- Washington's Healthy Environment for All Act

Environmental justice

Environmental justice means 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, rules, and policies. Environmental justice includes addressing disproportionate environmental and health impacts in all laws, rules, and policies with environmental

impacts by prioritizing vulnerable populations and overburdened communities, the equitable distribution of resources and benefits, and eliminating harm ([RCW 70A.02.010](#)⁵). Ecology equitably distributes funding through grant programs using the best available tools, as outlined in the scoring criteria.

Available Funding & Project Funding Levels

Approximately \$18.5 million total is available from the Volkswagen Settlement and the Diesel Reduction Program.

All-electric replacements and repowers, including associated charging infrastructure, are eligible for an award up to 75% of eligible project costs, up to the following maximum award amounts per vehicle:

On road vehicles, Class 4-8:

- Local Freight: up to \$400,000
- Vocational Vehicles (sweepers⁶, refuse trucks, etc.): up to \$750,000
- Emergency vehicles: up to \$1,500,000
 - Note: emergency vehicles with an auxiliary engine are subject to the following maximum award amounts:
 - Government Owned: 75% of eligible project costs, up to \$1,500,000 per replacement or repower
 - Non-Government Owned: 40% of eligible project costs up to \$1,500,000 per repower or 25% of eligible project costs up to \$1,500,000 per replacement.
 - **Replacement vehicles with an auxiliary engine are not eligible for charging infrastructure funding**

Non road vehicles/equipment:

- Terminal tractors/Yard trucks: up to \$400,000
- Cargo Handling Equipment: up to \$1,000,000
- Medium Forklifts (8,001–34,000 lb. lift capacity): up to \$400,000
- Large Forklifts (>34,000 lb. lift capacity): up to \$750,000

Important Note: These funding guidelines outline the requirements for two funding opportunities. Each funding opportunity has unique vehicle eligibility. Refer to Application Process on page 14 to see eligible vehicles/equipment and corresponding funding opportunities.

⁵ <https://app.leg.wa.gov/RCW/default.aspx?cite=70A.02&full=true#70A.02.010>

⁶ If applying for a sweeper to perform stormwater maintenance, consult an Ecology-approved stormwater management manual ([Stormwater manuals - Washington State Department of Ecology](#)). Contact your stormwater permit manager for questions about selecting an appropriate zero-emissions sweeper capable of meeting water quality goals.

Eligibility

Eligible applicants

Eligible applicants must own eligible vehicles as defined in the Eligible project categories below.

Eligible applicants include:

- Organizations licensed in Washington State, including but not limited to:
 - Corporations
 - Partnerships
 - Limited liability companies
 - Other legal business entities
 - Non-profit organizations (such as 501(c)(3))
 - Investor-owned utilities and contracted municipal utilities
 - Multi-unit/multi-family residential buildings
- State, Local, or Tribal governments and related entities in Washington State, including but not limited to:
 - Cities and towns
 - State and local parks
 - Counties
 - Special districts (such as health districts, fire districts, college districts, school districts, metropolitan municipal corporations)
 - Port Authorities or Public utility districts and municipal utilities
 - Air pollution control authorities and clean air agencies

Eligible project categories

Eligible vehicles/equipment categories for repower or replacement

On road, class 4-8 ($\geq 14,001$ lb.), engine model year 1992-2017 vehicles including:

- Emergency vehicles
- Local Freight Vehicles
- Vocational vehicles (sweepers⁷, refuse trucks, etc.)

Non road vehicles/equipment

- Terminal Tractor/Yard Trucks
- Cargo handling equipment
- Forklifts (greater than 8,000 lb. lift capacity)

⁷ If applying for a sweeper to perform stormwater maintenance, consult an Ecology-approved stormwater management manual ([Stormwater manuals - Washington State Department of Ecology](#)). Contact your stormwater permit manager for questions about selecting an appropriate zero-emissions sweeper capable of meeting water quality goals.

Eligible vehicles/equipment requirements

Eligible vehicles/equipment to be replaced or repowered must:

- Be powered by diesel
- Be owned by the applicant
- Have been licensed and operational in Washington for two (2) years prior to October 2026
- Be replaced with vehicles of the same project category and same use case. Replacement vehicles must be the same vehicle class (for on-road vehicles); exceptions may be granted and require specific Ecology approval.

Replacement vehicles/equipment requirements

New replacement vehicles/engines must be all-electric, except for emergency vehicles which may have an auxiliary engine that should only be used in case of emergency or testing. All vehicles purchased with grant funds must operate within the State of Washington for 5 years after purchase.

Eligible costs

The following costs are eligible for reimbursement under this grant. All vehicles and equipment must be ordered after agreement execution to be eligible for reimbursement. Do not order vehicles or equipment prior to an executed agreement. All services must be performed after agreement execution to be eligible for reimbursement.

Note: All purchases under agreements generated from this solicitation must adhere to all applicable Washington State procurement laws. For more information regarding procurement requirements, please review [Grant & loan guidance - Washington State Department of Ecology](https://ecology.wa.gov/about-us/payments-contracts-grants/grants-loans/grant-loan-guidance#yellowbook).⁸

Eligible vehicles/equipment replacement costs:

- Purchase of new eligible zero-emission vehicles/equipment.
- Services and equipment to repower vehicles/equipment to zero-emissions.

Eligible infrastructure

Applicants may request funds to purchase and install or upgrade electric charging infrastructure associated with the new all-electric vehicles. All costs must be necessary for and directly connected to the acquisition, installation, and/or upgrading of the charging infrastructure.

⁸ <https://ecology.wa.gov/about-us/payments-contracts-grants/grants-loans/grant-loan-guidance#yellowbook>

Examples of eligible reimbursable costs include:

- Project/site design
- Electric charging equipment
- Optional equipment (e.g., RFID card readers)
- Installation costs directly associated with and required for the safe operation of charging infrastructure
- Electric service upgrades from start of property line to charger (e.g., transformer, electrical wiring, conduit, trenching and repaving trenched area, electrical panel)
- EV charging station connection to electrical service, if applicable
- Permitting costs/fees
- Internet connection
- Extended warranty for the charging equipment for up to five years.
- Charging station equipment maintenance agreement for up to five years.

Examples of ineligible, non-reimbursable costs include:

- Purchase or rental of real estate
- Construction or general maintenance of buildings and parking facilities
- New paving and landscaping. Note: repaving or replanting directly related to the project may be eligible.
- Administrative costs
- Electric supply costs
- Operating costs, including ongoing internet costs

Recipients are encouraged to consider future charging infrastructure needs to expand zero emission vehicles/equipment in the fleet beyond this grant opportunity. This may include the installation of conduit and electrical service box of adequate size and disconnect capacity to allow additional electrical cables to be run to the site for future installation of charging stations and the ability to upgrade higher power stations.

Application Process

Step 1: Access or register for an EAGL Account

All applicants must apply through the electronic grant and loan system called EAGL (Ecology's Administration of Grants and Loans). To apply through EAGL, applicants must first have or register for a Secure Access Washington (SAW) account and have or register for 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>. Ecology cannot guarantee that new EAGL registrations received after December 3, 2026, can be processed in time to apply to this opportunity. New SAW account registrations may take additional time.

Step 2: Select the appropriate funding opportunity in EAGL

These guidelines include funding available under two funding opportunities:

- Air Quality Diesel Reduction Grant Program (AQDR-2027)
- Air Quality Volkswagen Settlement Ports and Wheels (AQVWPW-2027)

Each funding opportunity has unique vehicle eligibility. Table 1 shows eligible vehicles/equipment and corresponding funding opportunity.

Table 1. Eligible vehicles/equipment and corresponding funding opportunity

Vehicle/equipment category	Air Quality Volkswagen Settlement Ports and Wheels (AQVWPW-2027)	Air Quality Diesel Reduction (AQDR-2027)
Emergency, freight, and vocational vehicles	Engine model year 1992 -2009	Engine model year 2010-2017
Cargo-handling equipment & yard trucks/terminal tractors	Operated On Port	Operated Off Port
Forklifts	Any location	Not eligible

Step 3: Start an application

A separate application is required for each vehicle or piece of equipment.

If applying for more than five (5) vehicles/equipment to the same funding opportunity, contact the corresponding grant team to request additional application(s):

- Air Quality Volkswagen Settlement Ports and Wheels AQVWPW-2027: vwsettlements@ecy.wa.gov
- Air Quality Diesel Reduction AQDR-2027: AQCleanVehicleGrants@ECY.WA.GOV

This can take 3-5 business days. Ecology cannot guarantee that additional application requests received after December 3, 2026, can be completed.

Step 4: Complete and submit application

For all project proposals, be prepared to provide the following information into the EAGL application forms:

- Project description including intended goals and outcomes.
- The amount of funding requested to purchase each new vehicle and associated infrastructure, see Available Funding & Project Funding Levels for allowable funding amounts.
- Price quotes for replacement vehicle and charging infrastructure.

Note: Do not place any orders. Any item ordered prior to a signed grant agreement will not be eligible for funding.

- Vehicles/Equipment Specification sheet of vehicle to be scrapped or repowered (Downloadable template available in EAGL). The specification sheet will require vehicle/equipment and engine specifications (make, model, and age) annual operation (hours or miles), fuel use, remaining life, years licensed in WA, and disclosure of other funding being used for the project.
- Site-Host agreement signed by the property owner if applicant does not own the property on which the infrastructure will be installed.

Application Evaluation

Screening criteria

Applications will be screened for compliance with the screening criteria, below. Applications that fail any of the screening criteria may be disqualified and eliminated.

- The applicant is an eligible applicant.
- The project is an eligible project, see page 12.
- The applicant is not on the Employment Security Washington Call Center Jobs Act List RCW [50.76.030](#)).

Scoring criteria

Ecology will use the competitive scoring criteria in Table 2 below to score and rank eligible applications.

Table 2: Evaluation criteria and points available

Criteria	Criteria Title	Points Available
1	Diesel pollution exposure and impact	30
2	Sensitive or vulnerable populations	15
3	Project located on land managed by Tribal Government	20
4	Average annual fuel consumption	20
5	Engine model year or tier	15
	Total points available	100

Ecology will score applications based on the following scoring criteria:

1. Diesel pollution exposure and impact: 30 points available

Projects will be awarded points based on the diesel exposure of the new vehicle's/equipment's fueling infrastructure location. The evaluation team will use two Washington Tracking Network's Environmental Health Disparities Map⁹ layers:

- "proximity to heavy traffic roadways" measure rank OR
- "risk from diesel and other air toxics" measure rank

The evaluation team will use the higher of the two census tract scores to award points.

Projects with fueling infrastructure located in:

A census tract with a rank of "9" or "10" will receive 30 points

A census tract with a rank of "8" will receive 20 points

A census tract with a rank of "7" will receive 10 points

A census tract with a rank of "1" through "6" will receive 0 points

2. Sensitive or vulnerable populations: 15 points available

Projects will be awarded the following points based on the location of the fueling infrastructure that will support the new vehicle using the Washington Tracking Network's Environmental Health Disparities Map¹⁰ 'sensitive populations' theme rank

Projects with fueling infrastructure located in:

A census tract with a rank of "9" or "10" will receive 15 points

A census tract with a rank of "8" will receive 10 points

A census tract with a rank of "7" will receive 5 points

A census tract with a rank of "1" through "6" will receive 0 points

⁹ <https://doh.wa.gov/data-and-statistical-reports/washington-tracking-network-wtn/washington-environmental-health-disparities-map>

¹⁰ <https://doh.wa.gov/data-and-statistical-reports/washington-tracking-network-wtn/washington-environmental-health-disparities-map>

3. Project located on land managed by a Tribal Government: 20 points available

Projects will be awarded points based on the location of the fueling infrastructure that will support the new vehicle.

Projects located on land managed by a Tribal Government¹¹: 20 points

Projects not located on land managed by Tribal Government: 0 points

4. Average annual fuel consumption: 20 points available

Points will be awarded based on the average annual fuel consumption over the last five years of the diesel vehicle proposed for repower or scrap.

Average fuel use of $\geq 9,000$ gallons/year: 20 points

Average fuel use of 6,000-8,999 gallons/year: 15 points

Average fuel use of 3,000-5,999 gallons/year: 10 points

Average fuel use of 1,500-2,999 gallons/year: 7 points

Average fuel use of 500-1,499 gallons/year: 5 points

Average fuel use of 0-499 gallons/year: 0 points

5. Engine model year/tier: 15 points available

Points will be awarded based on the engine model year of on road vehicles and the engine tier of non road vehicles/equipment proposed for scrap.

Table 3: Scoring for engine emission based on engine model year tier or engine model year

On road engine model year	Non road engine tier	Points Awarded
N/A	Unregulated/Tier 1	15
1992-1995	Tier 2	10
1996-2005	Tier 3	8
2006-2009	N/A	5
2010-2017	Tier 4	0

¹¹ Considering the Governor's Executive Order 25-10 "A New Foundation for Washington State's Governmental Relations with Sovereign Tribal Nations", the team will follow the most current agency guidance on mapping tools available at time of application scoring to identify Tribal lands.

Award Selection Process

Ecology will use the process described below to offer grant awards.

Step 1: Applications for AQVWPW-2027 will be scored separately from applications for AQDR-2027.

- AQVWPW-2027: Ecology will rank applications from the highest scoring application to the lowest within each of the project categories:
 - On road vehicles, class 4-8, engine model year 1992-2009
 - Emergency vehicles
 - Local freight vehicles
 - Vocational vehicles (sweepers¹², refuse, etc.)
 - Non road vehicles
 - Forklifts (≥ 8,000 lb. lift capacity)
 - On Port Cargo handling equipment including yard trucks /terminal tractors
- AQDR-2027: Ecology will rank all applications from the highest scoring application to the lowest. No scoring subcategories will be used.

Step 2: Within each project category, Ecology will offer a grant award for the highest scoring application to the lowest, until all projects are funded or no funds remain. The maximum amount to be awarded in each category is outlined below:

Funding Opportunity	Project Category	Maximum Funds Available to Award
AQVWPW-2027	Emergency vehicles	\$4,500,000
	Local freight vehicles	\$1,200,000
	Vocational vehicles	\$1,500,000
	Forklifts	\$2,800,000
	On Port Cargo Handling Equipment including yard trucks /terminal tractors	\$4,000,000
AQDR-2027	All applications	\$4,500,000

¹² If applying for a sweeper to perform stormwater maintenance, consult an Ecology-approved stormwater management manual ([Stormwater manuals - Washington State Department of Ecology](#)). Contact your stormwater permit manager for questions about selecting an appropriate zero-emissions sweeper capable of meeting water quality goals.

Ecology may:

- Cap the total number of vehicles of any type, to ensure funds are available for all vehicle types.
- Award funding as needed to comply with the Beneficiary Mitigation Plan
- Adjust awards based on high environmental need.
- Adjust project funding levels to meet program priorities.
- Award funding based on program and leadership priorities.
- Increase the available funding in any category if more grant funding becomes available.
- Recommend partial funding for any proposal. In this event, the applicant and the Grants Manager shall meet and reach agreement on a reduced scope of work commensurate with the level of available funding.
- Move funds from one category to another if funds available after all eligible projects in that category are awarded.
- Retain funds for future funding opportunities.

Tie Breaker: In the event of a tie, Ecology will break the tie between applications with the same score according to the points awarded for scoring Criterion 1 above (diesel pollution exposure and impact). If applications are still tied, Ecology will break the tie between applications with the same score based on the average lifetime NOx emissions reductions of the vehicle. Ecology will use EPA's Diesel Emissions Quantifier or other evidence-based calculation methodology to calculate NOx emissions reductions.

Unrequested, Unspent or Additional Funds

If:

- Applicants that are initially awarded funds withdraw or cancel their application, or
- Funds remain after all eligible applicants are offered an award, or
- Additional funding is allocated for this grant program

Ecology may, at its discretion:

- Increase funding for awarded projects.
- Award funds to projects from the remaining eligible unfunded applicants.
- Negotiate additional projects with existing applicants.
- Reopen the grant application window and establish a new submission deadline to accept additional applications.
- Revise the grant program and accept a new round of applications.

Priority for reallocated funding may be given to applicants partially funded by the original round of funding.

Agreement Development

The Ecology Project and Financial Managers develop grant agreements and monitor grantee performance after an agreement is signed. The Project Manager and Financial Manager use information from the application to develop the grant agreement. Changes to the scope of work after application submission may result in Ecology withdrawing or modifying a funding offer. Any changes that affect how the project would have been scored will not be allowed.

Grant agreements include standard language, general terms and conditions, and other conditions required by state or federal law.

When the agreement is finalized, Ecology's Financial Manager will send a final copy to the grantee for signature. The grantee's authorized signatory must sign the final agreement and return it to Ecology's Financial Manager for the final signature by the Air Quality Program Manager or the authorized designee. This will be done electronically. Once the agreement is signed by Ecology, a fully executed original will be returned to the recipient. The Applicant becomes the Recipient once the agreement is signed. Contractors assisting with the project may not sign on behalf of the recipient.

Amendments

If modifications to the grant agreement are needed during the grant period, the recipient must submit any proposed amendment or changes in writing to the Ecology Project Manager. The recipient and Ecology's Project and Financial Managers will negotiate changes and document the changes as an amendment to the funding agreement. All proposed changes are subject to final approval by Ecology.

Modifications and changes that require an amendment include:

- Changes to the scope of work, deliverables, dates, or objectives of the project.
- Budget changes or redistribution between tasks.

Administrative changes such as telephone numbers, addresses, or contact persons for either Ecology or the recipient do not require an amendment.

Terms and conditions

Awards are conditional on receipt of any additional information requested by Ecology to clarify or verify any aspect of submitted information.

Each grant agreement resulting from this solicitation will include standard and general terms and conditions that establish the recipient's rights and responsibilities.

By signing the grant agreement, each applicant agrees 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 may 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.

Ecology recognizes Tribal sovereignty and will work with Tribes requesting modifications to standard and general terms and conditions. Please be advised that making modifications would require additional time as a result of review from the Attorney General's Office and Ecology's contracts office.

Recipient Requirements

Project general requirements

All applicants must agree to the following requirements. Ecology may withhold grant reimbursement, reject future grant applications from the grantee, or terminate an existing grant agreement if grantees fail to maintain compliance with these requirements through project implementation and operation.

If awarded a grant, recipients must:

- Respond to the award offer within two weeks of notification. Requests to extend the deadline may be considered at Ecology's discretion.
- Respond to all requests for information and agreement review within two weeks.
- Requests to extend the deadline may be considered at Ecology's discretion.
- Submit a Cultural Resources Review form (provided by Ecology) once award has been executed. You may not begin any ground disturbing work until Ecology completes the Cultural Resources Review process and notifies you that work may begin.
 - Grantees **may not** complete their own Cultural Resources Review Process. They must submit Ecology's Cultural Resources Review form and Ecology will complete all requirements and notify the grantee when work may begin.
 - If ground disturbing work is completed prior to Ecology completing the Cultural Resources Review process, work may not be eligible and may not be reimbursed.
- Acquire all necessary permits to complete the project. This must be completed before Ecology will approve reimbursement of project expenses. If the permit is required at the start of a project, the recipient must provide proof that permit is in place prior to beginning work.
- Be responsible for all costs incurred prior to the execution of a contract, which will not be

reimbursed.¹³

- Follow all procurement processes as outlined in the [Administrative Requirements for Recipients of Ecology Grants and Loans \(Yellow Book\) March 2026](#) . Grant recipient must provide written confirmation that they have a procurement process in place that will be followed, or the documentation below. This may be submitted with the quarterly PRPR. Ecology recommends that applicants perform their due diligence by contacting vendors for estimates.
 - method of vendor notification of bid opportunity
 - how many bidders were notified
 - evaluation summary of bids received
 - award letter or notice of contract award
 - awarded contractor name, contract number, date contract was executed
- All applicants selected for an award are required to meet with the Ecology grant team for a pre-award meeting prior to the execution of the agreement. If the applicant does not meet with Ecology for the pre-award meeting, the award may be rescinded.
- Provide all required matching funds. Applicants may use other grants, rebates, or other incentives as match funds. The total of all grants, rebates, and incentives may not exceed the total cost of the project. If the grantee receives funding in addition to this grant, they must report this to Ecology. Ecology will work with the grantee to ensure funds are appropriately reimbursed. Applicants are responsible for adhering to all the terms and conditions of other funds used. Applicants may not profit from this grant opportunity.
- Complete projects by June 30, 2029. Requests to extend the deadline may be considered at Ecology's discretion.
- Ensure new vehicles are certified to operate in the State of Washington.

Vehicle destruction requirements

Recipients must:

- Not scrap the vehicle, equipment, or engine prior to a signed grant agreement.
- Use acceptable methods of permanent destruction required by the VW federal settlement agreement, including:
 - 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, if applicable.

¹³ Ecology will not increase an award due to unanticipated or underestimated costs. Ecology strongly recommends that applicants perform their due diligence by contacting vendors for estimates.

- Submit to Ecology a completed and signed Certificate of Destruction. This form is provided by Ecology and must be signed by the scrap yard and the recipient.
- Submit to Ecology photos of the permanent destruction.
 - For scrap and replace projects:
 - 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
 - Others, as needed.
 - For repower projects:
 - Engine label (showing serial number, family number, and engine model year)
 - Engine block, prior to hole
 - Engine block, after hole
 - Others, as needed.
- Other materials documenting the destruction may be acceptable with prior authorization from the Ecology project manager.

Vehicle and charging infrastructure purchase installation requirements

Recipients must:

- Not begin acquisition or installation prior to having a signed grant agreement in place.
- Ensure a Cultural Resources Review, as required by Governor’s Executive Order 21-02, has been completed by an Ecology Cultural Resources Contact prior to any ground disturbing activity for all infrastructure projects.
- 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.
- Ensure charging infrastructure is installed by a qualified licensed professional according to all federal, state, and local rules, including applicable permitting and inspection requirements.

- Have a site-host agreement that certifies the applicant has permission to install charging infrastructure for at least 5 years, if the recipient does not own the site at which the associated charging infrastructure will be installed.
- Ensure the new vehicle purchased under this agreement will operate in Washington State for a minimum of five years.

Reporting and closeout requirements

Deliverables

The following deliverables may be included in each grant agreement. Ecology may add deliverables, as needed.

Task 1: Purchase and install charging infrastructure

Deliverable #	Deliverable Description
1.1	Within 30 days of the end of each calendar quarter, the RECIPIENT will submit to ECOLOGY a quarterly Purchase Request/Progress Reports (PRPR) in EAGL.
1.2	Prior to any ground disturbances, the RECIPIENT will submit (by email) a completed Cultural Resources Review Form, provided by ECOLOGY. Please allow at least 60 days for completion of the Cultural Resources Review process.
1.3	Prior to any ground disturbances, the RECIPIENT will submit to ECOLOGY any deliverables required by the Cultural Resources Review findings. This may be included in the quarterly PRPR.
1.4	RECIPIENT will notify ECOLOGY and submit photos when the charging infrastructure is installed, activated, and available for use. This may be included in the quarterly PRPR. If the charging infrastructure is not complete prior to vehicle delivery, RECIPIENT will demonstrate the ability to fuel the vehicle before any reimbursement can be made.

Task 2: Scrap and replace or repower vehicle

Deliverable #	Deliverable Description
2.1	Within 30 days of the end of each calendar quarter, the RECIPIENT will submit to ECOLOGY a quarterly Purchase Request/Progress Reports (PRPR) in EAGL.
2.2	RECIPIENT will submit engagement and outreach materials related to the scope of this grant agreement to ECOLOGY. This should be included in the quarterly PRPR or submitted by email if appropriate.
2.3	The RECIPIENT must have a standard procurement process and follow applicable Washington State procurement laws for the solicitation of bids and the selection of vendors and contractors for the performance of any grant-assisted work. RECIPIENT must provide written confirmation that they have a procurement process in place that will be followed or the documentation below: • method of vendor notification of bid opportunity • how many bidders were notified • evaluation summary of bids received • award letter or notice of contract award • awarded contractor name, contract number, date contract was executed This may be submitted with the quarterly PRPR.
2.4	RECIPIENT will submit a copy of the purchase order to ECOLOGY. This should be included in the quarterly PRPR.
2.5	RECIPIENT will submit the Certificate of Destruction (provided by ECOLOGY) and required destruction photos to ECOLOGY. This should be included in the quarterly PRPR.
2.6	Prior to reimbursement, RECIPIENT will submit invoice and photos of the new vehicles as proof of delivery. This should be included in the quarterly PRPR.
2.7	RECIPIENT will complete and submit an Equipment Purchase Report in EAGL for any item costing more than \$10,000.
2.8	RECIPIENT will complete and submit a Recipient Close-Out Report in EAGL. This must be submitted before ECOLOGY approves the final payment request.

Payment request / progress report (PRPR)

Recipients must submit progress reports at least quarterly and with every payment request via EAGL. Progress reports should include a description of all progress made in the reporting period to meet the goals of the project, any deliverables due in that reporting period, any successes, problems, and delays that affect the project, and any other uploads of supporting or required documents necessary to the project. Ecology will withhold payments if the recipient has not submitted progress reports.

All PRPRs must:

- Comply with the scope of work for the grant agreement.
- Include invoices to support all payment requests that must comply with the grant budget and financial reporting requirements. Invoices must be itemized by task per the grant agreement with a line item for each cost incurred.
- Include backup documentation consistent with the expenditures submitted in EAGL and show how that cost was incurred. For instance, if the cost is a compilation of separate costs, details must be shown on the backup as to how that end cost was determined. If the line-item cost is a breakout from a larger cost, that breakout detail needs to be shown.

Equipment purchase report (EPR)

Recipients must submit Equipment Purchase Report (form in EAGL) for any single item with a purchase price of \$10,000 or more.

Closeout report and final documentation

Upon project completion, final invoices must be submitted via EAGL within 30 days of the grant agreement expiration date. A final project closeout report must accompany the final invoice. This must be submitted before Ecology approves the final payment request.

Grant period

All recipients should complete their projects by June 30, 2029. Ecology will consider extending this due date if recipients cannot meet this schedule on a case-by-case basis.