



Department of Development

Diesel Emissions Reduction Grant Program

**Request For Proposal Conference Call
January 12, 2009 10:00 a.m. to 11:00 a.m.**

Question and Answers:

Q: Please explain what type of record maintenance is expected to be developed for Section 2.4.

A: The RFP includes a number of references to the requirement that DERG-financed vehicles or equipment be operated at least 65% of the time in Ohio nonattainment or maintenance areas. The DERG Program is financed with Federal Congestion Mitigation and Air Quality (CMAQ) Program funds. CMAQ funding is eligible only for financing projects in nonattainment or maintenance areas. These requirements assure that the mobile source emission reductions resulting from CMAQ/DERG financed projects directly contribute air quality improvements where they are most needed. Accordingly, project sponsors awarded DERG funding are required to **maintain records**, over the useful life of vehicles or equipment, demonstrating that they have been used at least 65% of the time in Ohio nonattainment or maintenance areas.

Q: The "Note" under 5.1, "The FHWA Ohio Division Office will not approve CMAQ funding to finance the entire cost of private fleet." Does that mean private fleets are not eligible for replacement?

A: FHWA will not participate in the full costs of replacing private fleet vehicles. For private vehicles, FHWA will only participate in the vehicle components that directly contribute to the vehicle emissions.

Q: By component do you mean repower, or retrofit or anti-idle?

A: Yes; that is basically it. In terms of the replacement costs for an entire private fleet vehicle, the project sponsor will provide a cost break down of the major vehicle components. FHWA will then make a determination of what portion of that total vehicle replacement cost is eligible for federal funding.

Q: Can you provide an example?

A: We went through this recently for a locomotive replacement and they were able to come up with a breakdown of component cost for that and then we were able to look at that and negotiate with them which parts are effecting the emissions. In that case we came up with 60% of the total vehicle cost. So, that is how we have to do it. We have to have some sort of analysis, something to look at regarding the cost and which components will contribute to the air quality. And again: this is for the private vehicles.

Q: If we are looking at replacing standard diesels with hybrid diesels, I am assuming that we are now looking at 80% of incremental cost difference between the standard and hybrid?

A: That is correct. When we are going from standard to hybrid, that is just the difference in cost at the 80% level.

Q: Please provide clarification on the vehicle replacement as it pertains to hybrid. The authorizing legislation in the AB1 19 specifically called out the use of hybrid as defined under guidance form FHWA and CMAQ. The section 4.1 refers to the EPA verified technology list as the only eligible projects. There is no provision for hybrid in the verification list with EPA, please provide clarification.

A: The RFP will be clarified to state that the incremental costs of replacing a diesel-fueled vehicle with a hybrid vehicle is an eligible DERG project type. The RFP will also clarify that hybrid vehicles are not included on US EPA-verified technology lists.

Hybrid vehicles: EPA does not have a verified technology list for Hybrid vehicles. For a vehicle to be considered "hybrid" under EPA, it would need to have a Certified Engine configuration. This certified engine configuration will be the vehicle specification (from the manufacturer). EPA treats hybrid vehicles like replacements, scrapping the old vehicle.

Vehicle and Equipment Replacements: Non-road and highway diesel vehicles and equipment can be replaced under this program with newer, cleaner vehicles and equipment that operate on diesel or alternative fuels and meet a more stringent set of engine emissions standards. Replacement projects can include the replacement of diesel vehicles and equipment with newer, cleaner diesel or hybrid or alternative fuel vehicles/equipment. These projects can also include the replacement of non-road vehicles/equipment with highway models if the engine's operating cycles make the replacement technically feasible. EPA encourages the

replacement of older vehicles and equipment containing engines that were manufactured prior to the implementation of emissions standards. As with engine replacements, proposals must specify how the vehicles/equipment will be disposed. This funding covers the incremental costs of new vehicles and equipment.

Q: Is there an exception for anti-idle? The language reads that with the anti-idle you have to be on that list.

A: Anti-idle projects are not included on US EPA verified technology lists.

Anti-idle: EPA **does not** have a verified technology list for Anti-Idle technologies. EPA has evaluated idle reduction technologies as part of grants, cooperative agreements, emission testing, engineering analysis, modeling, and external peer reviewed reports. EPA has approved the following idle reduction technologies:

- Electrified Parking Spaces (truck stop electrification)
- Shore Connection Systems and Alternative Maritime Power
- Auxiliary Power Units and Generator Sets
- Fuel Operated Heaters
- Battery Air Conditioning Systems
- Thermal Storage Systems

Q: Is the EPA verification list is for specific technologies that are not really in that hybrid genre?

A: Yes. The incremental cost of purchasing a hybrid vehicle is eligible under the CMAQ regulations as well as another type of project that would be associated with USEPA-verified technologies.

Eligible DERG program project types include: the incremental cost of hybrid vehicles, alternative fueled vehicles technologies, anti-idle projects, and retrofit projects consistent with US EPA's verified technologies lists.

Q: Is the hybrid eligible for up to 80% of the incremental costs?

A: That is consistent with the CMAQ regulations.

Under Section D.3, under *non-transit vehicles*, it clarifies with respect to hybrid vehicles, that when private vehicles are purchased only the cost differential between alternative fuel vehicles and comparable conventional fuel vehicles is eligible. So, the cost differential is specifically referencing private vehicles. A public vehicle, a hybrid vehicle could conceivably be eligible in its entirety if it is replacing a vehicle of similar use.

Q: Closed crankcase ventilation infiltration systems are verified with the DOC's but are not necessarily verified with the DPF's. If you apply for a closed crankcase filtration system do you have to couple with a DOC or can you do a DPF as well?

A: We are going to look to the documentation that the applicants provide and the source of that documentation to document the emission reductions and the pollutants involved in the reductions for the respective applications.

Q: (Reference Section 6, c. Percent of funds matched on the project.) For every percentage does that give you an extra point or is it every five percentage points over will give you an extra point? If I gave a 25% match would that give me 5 extra points or would that give me 1 extra point?

A: The scoring system will be included on the website. It will not be each percentage, but will be based upon a range.

Q: Does the 5% set-a-side for transit? Does that include school buses?

A: No. School buses do not qualify for the \$5 million set-aside. That set-aside is for public transit systems.

Q: Are you going to require these (the applications) to be submitted in electronic format on a disc in PDF and Word as has been done on other grants or is this strictly going to be a paper application?

A: We are going to require them on paper. You must submit one original and two copies. This time it is all on one application versus before when there were multiple, different copies. You can check which application it is at the top.

Q: Will you be able to do an example of the Sample Emissions Calculator?

A: When you plug in this data you will see that this is a much more straightforward way to go at this.

Q: Are these forms going to be a spreadsheet so they can be a fill-in-the-blank?

A: It is currently a PDF, but we are going to put it in a spreadsheet.

"Fill in the blanks" means that you have to find the emission factor that is appropriate for the application that you are using. The form is not quite a

“fill in the blank”. You have to search out the data to plug into it to make it work.

Checklist Form:

There is one change we are going to make on the website. We made a checklist so we can make it easier for you to get the right forms submitted. We stated at the top of the form, “Submit an original and two copies ...”, but at the first sentence it states “please initial all applicable attachments...”. We are removing the word ‘applicable’ because they all are applicable. They are not optional; they all are applicable. As you look down in the second paragraph there, the use of biodiesel is an option and below that the emission near PM2.5 is an option. So, those are the only two with options and we will put in parentheses, “These two are options”.

We will make that change on our website today and remove the word ‘applicable’ at the top. As you check off this application checklist, please make a checkmark in front so you realize that every form listed is required. The staff will go through all the forms to verify they are included. We included this form so that you would realize that the W-9 and Vendor Information Form are required.