



Diesel Emission Reduction Grant 2016 RFP Response to Questions

Project: Diesel Emission Reduction Grant 2016 Request for Proposals

Agency Contacts for this Project

Contact for financial questions: Carolyn Watkins, Office of Environmental Education, 614-644-3768, Carolyn.Watkins@epa.ohio.gov

Contact for technical questions: Alan Harness, Division of Air Pollution Control, 614-644-4838, Alan.Harness@epa.ohio.gov

Ohio EPA and the Ohio Department of Transportation (ODOT) jointly administer the [Diesel Emission Reduction Grant \(DERG\) program](#), which has released a 2016 Request for Proposals for vehicle and equipment replacement, repower, retrofit and idle reduction projects in eligible Ohio counties. Applications are due by 5:00 p.m. on Friday October 7th.

A public information session will be held on Wednesday September 7th at 10:00 a.m. at ODOT headquarters, 1980 W. Broad St., Columbus, OH 43223. Conference calls are also scheduled Wednesday September 14 and Tuesday September 20 with program staff to take questions. This document summarizes questions of general applicability and interest received the week of August 15th, and responses from DERG program staff.

In an effort to help you review this document, the questions are grouped by topic and organized in a consistent format.

New questions added this week are in blue type.

[Remaining Useful Life](#)

Ohio EPA would like to clarify a response given in the September 20th OSBA webinar on school bus projects, and conference call with interested parties. In funding vehicle replacements, we would generally prefer to fund the replacement of vehicles of model year 2005 or older. However, in some cases, the program could fund replacement of very high mileage vehicles of newer model years. For transit fleets in particular, we will rely on guidance from the Federal Transit Administration on remaining useful life. All applicants should consider the Useful Life Guidelines in Appendix H of the DERG RFP.

Competitive Purchasing Requirements

Question 1: **Could a township use ODOT state bid contract #023-16 for the purchase of snowplow trucks to be reimbursed from a DERG grant?**

Response 1: Federal funds cannot be used to reimburse purchases made under contracts that include a Buy Ohio or other price preference for locally or regionally sourced equipment. This particular contract does not, and could be used to provide a price estimate for a DERG application. Carefully read the terms and expiration date of any posted state term contracts for vehicle purchases on sites like <http://procure.ohio.gov/proc/currentContracts.asp>. DERG awards are expected to be announced in December, 2016. New grant recipients wishing to purchase replacement vehicles will need to receive a Buy America waiver and federal authorization before initiating purchasing. This process can take several months.

Question 2: **Do you have to have an OAKS ID to be eligible for the grants, and how do I get one?**

Response 2: OAKS is the Ohio Administrative Knowledge System, the database for state purchasing. You do not need an OAKS ID in order to apply for DERG grants. Once a project is selected for funding, the grant recipient will need to register in OAKS as a supplier in order to receive grant payments. Local government agencies in Ohio should already have this ID. To register, download the OBM5657 Supplier Information Form from the Ohio Shared Services website <http://ohiosharedservices.ohio.gov/SupplierOperations/Forms.aspx> and email it to Supplier@ohio.gov.

Vehicle Eligibility

Question 3: **Would a university's campus transit buses qualify under either the Public Transit or School Bus carve outs in this year's DERG?**

Response 3: We would consider a campus transit system bus as a transit bus and eligible under the \$4 million set aside for transit buses.

Question 4: **Why are hybrid vehicle replacements or conversions not eligible under the DERG program if appropriately certified by US EPA?**

Response 4: Dual fuel projects funded previously under the DERG program failed, resulting in long delays and much time spent by the applicants and the program staff to revise project scopes. Congress clearly indicated, and Ohio EPA and ODOT clearly intend, that these CMAQ funds be used to bring about immediate reductions in diesel emissions. This program's purpose is not to demonstrate new or innovative technologies. Ohio EPA and ODOT have determined that the viability of dual fuel technology needs to be proven in the marketplace before we will consider devoting the limited public dollars available to it. Competition is one of the three primary tenets of the DERG program, so the

agencies will generally not consider funding technologies only available from a single vendor. Hybrid technologies that don't ensure that the engine is always operating in the most environmentally benign mode, or that cannot document the miles travelled or hours operated in that mode, will not be considered. US EPA also does not allow the use of DERA funds for these technologies.

Some confusion exists about the terminology between US EPA **certified** engine configurations, US EPA (or CARB) **verified** technology for emission reduction (see links in the application), and **exemptions** that US EPA has granted from the anti-tampering provisions of the federal Clean Air Act to alternative fuel conversion manufacturers who have demonstrated that the emission controls in the converted vehicle or engine will continue to function properly and that pollution will not increase as a result of the conversion. Please see the links on page 19 of the RFP. The phrase "EPA approved" is used inappropriately by some vendors, and it is the responsibility of the DERG applicant/fleet manager to ensure that the technology they select is eligible for DERG funding under CMAQ guidelines.

Question 5: **Would public transit vans and shuttles would qualify regardless of the vehicle class? If yes, would such vehicles be eligible for the full replacement category?**

Response 5: Yes, public transit diesel vans and shuttles of class 5 and above would qualify for full replacement under DERG and will be considered within the set-aside this grant cycle. Applicants should understand that some with smaller engines or shorter routes may not be as competitive in terms of the cost effectiveness of emission reductions as full-sized transit buses.

Question 6: **Would city-owned fire and rescue (EMS) trucks be eligible?**

Response 6: Diesel fire and rescue trucks are eligible for partial replacement, because they qualify as general services government fleets.

Question 7: **Could you please define short haul trucks?**

Response 7: In the chart in Appendix C of the RFP, we used the term "short haul trucks" to mean privately owned on-road vehicles that are driving routes at least 65% of the time in DERG-eligible Ohio counties, for example, routes between Cleveland and Cincinnati that run mostly through eligible counties. What we would call "long haul trucks" are those running routes across multiple states, that would probably not be able to meet the DERG requirement of operating at least 65% of the time in DERG-eligible Ohio counties. (Note: the Diesel Emissions Quantifier refers to short haul trucks as those moving less than 200 miles per day, but that is not what was meant in Appendix C of the DERG RFP.)

Question 8: **Instead of destroying the engine in an old bus we're replacing, can we move it to a low-use route or keep it as a spare?**

Response 8: The engine in any old bus replaced with DERG funding must be decommissioned, in keeping with CMAQ and DERG guidelines. Ohio EPA will consider some very narrow exemptions, for example, if the old bus is being donated to the automotive maintenance program at a career/tech center. Contact Carolyn Watkins at 614-644-3768 about possible exemptions.

Question 9: **We have a highly used old bus in regular route service, and an even older bus that we've been using as a spare that travels less frequently on shorter routes. We'd like to replace the older "spare" bus, place the new bus into the regular route, and move the first bus into "spare" status. Is that possible?**

Response 9: Yes. For purposes of estimating emission reductions, use the miles per year that the bus in regular service on that route is travelling. The engine in the older "spare" bus will have to be decommissioned.

Question 10: **We operate vessels on the Ohio River. Would those vessels qualify for the program?**

Response 10: Vessels that are operating at least 65% of the time (moving and idling hours) between or within ports in eligible counties on the Ohio side of the river would be eligible. A vessel that is based out of a port on the Kentucky or West Virginia side of the River and working a port directly across the River on the Ohio side may also be eligible. If you have questions about how a specific vessel operates, we'll be happy to discuss them.

Question 11: **Would the replacement of an older asphalt batch plant with a high efficiency asphalt drum plant be eligible for DERG funding? Both the existing asphalt batch plant and the proposed asphalt drum plant operate on #2 diesel fuel, recycled fuel oil, and natural gas. We have test data from the Federal EPA (AP-42 Emission Data) in addition to site specific test data that show a reduction of emissions between 30% - 50% for criteria pollutants is achievable.**

Response 11: This kind of project would not be eligible. CMAQ projects must demonstrate a reduction in mobile source emissions. While an asphalt plant is clearly providing a product that is used in the transportation industry, the

emissions associated with asphalt production are captured/recorded as an “area or point source” in a regional emissions inventory.

Question 12: Are pure electric terminal trucks eligible? This truck type is used on road (plated) and off road (non-plated) as 100% electric and moves cargo containers around their terminal yards for loading & unloading, etc. There locations include rail intermodal yards, distribution centers, manufacturing plants, waste consolidation facilities, ports, freight & parcel & TLT carriers, etc. Even when built to go on road(plated) they mostly work off road in the yard. On road use is generally because the trucks drove down the road to refuel at a local diesel fueling station OR to use municipal road to reach an adjacent part of a large campus environment (e.g. manufacturing plant with sites down the road from each other).

Response 12: This type of vehicle would be eligible for Diesel Emission Reduction Grant (DERG) funding for the replacement of existing diesel powered vehicles for the type of operations as described. The Diesel Emissions Quantifier (DEQ) is the standard tool Ohio EPA uses in the DERG program for emission reduction calculations. However, the DEQ lacks both the proper vehicle type and parameter selection for these specific type of operations (moving cargo containers around their terminal yards for loading & unloading, etc). Therefore, when these electric trucks are conducting the specific type of operations described, DERG applicants may perform emission reduction calculations based on hours of operation (in lieu of miles traveled), and a loading factor (0.65, Cargo Handling-Yard Trucks) that is consistent with methodology (equation) established by the California Air Resource Board (CARB) for off-road vehicles. NOx and PM2.5 emission factors that are part of the equation should be based on certified conformity documents for the diesel powered vehicles to be replaced.

Fueling Infrastructure

Question 13: If a fleet would like to add infrastructure to their federal request, how must emissions be calculated? If the applicant has sufficient data on other fleets that would use their publicly available station, would the applicant be able to include these other fleet emissions reductions as part of the cost-effectiveness calculation of their project? If not, is the applicant restricted to only quantifying the vehicles/engines requesting funding under their specific application?

Response 13: Applicants should fill out the online application form at https://odot.formstack.com/forms/2016_derq twice, once for the fleet vehicle/equipment information and again selecting “Related Infrastructure for Funding” as the project type. Each application will generate a cost effectiveness estimate. The DERG review

committee will consider the applications separately and in combination. Applicants should provide specific information on their own fleet that will be using the station, and may include **reasonable** estimates of the number of alternative fuel vehicles expected to use the publicly available fueling infrastructure, based on the expected operating hours and the percentage of alternative fuel vehicles registered in the vicinity that might be expected to use the fueling station. *Note this answer was further clarified in the questions and responses that follow.*

Question 14:

I have additional questions about the process for applying for refueling infrastructure. “Registered” vehicles in the vicinity of a station does not necessarily provide reasonable expectation of refueling at said station. Fleets can purchase or register a vehicle in one location and ultimately use them in another. Other registered vehicles remaining in the vicinity could have their own stations, fuel at other stations, or primarily fuel on routes without use of the applicant station. What criteria will the EPA use to determine the reasonableness of these projections of vehicles/usage? If a reasonable number of vehicles/usage can be determined, what is the process for baselining and for emission reduction calculations in these “other fleet vehicles” fueling at applicant stations? Even if a reasonable usage in terms of number of vehicles, fuel gallons, and hours can be assumed, how will the applicant and Ohio EPA determine the emission reductions? For example, the City of Columbus tracks the exact external gallons used at its two current CNG stations, however due to credit card and fleet card privacy rules, they cannot get the level of granular detail needed about their customers to calculate reasonable emissions reductions. Most other stations will be like this, however since they will be prospective stations, applicants may not even have this level of information.

How will the applicant and Ohio EPA determine the baseline model year, vehicle types, and new equipment emission displacements? For example, if a CNG station applicant cites 10,000 gallon equivalents of external CNG use per month from 20 vehicles, most stations/applicants will not be able to determine the exact vehicle makes, model years, and usage rate per CNG vehicle using the proposed fueling station. Even if the exact current or prospective vehicles can be identified, its seems especially hard to determine the baseline vehicle make/model/years of the previous conventional fuel vehicles in the respective fleets for calculation of emissions reductions associated with these projects. Will the Ohio EPA require this level of detail from applicants seeking infrastructure funding?

Response 14: In general, Ohio EPA and ODOT feel that the public funds in the DERG program are better allocated to achieving measurable emission reductions from fleets than providing supporting infrastructure, particularly given the long lead times and the agencies' desire to have projects completed quickly so that federal funds are not carried over from year to year. Ohio EPA and ODOT agree that applicants will not be able to provide credible, definitive information about the use of fueling infrastructure by other vehicle owners. Accordingly, in estimating the emission benefits of fueling infrastructure (other than truck stop electrification), we will only consider use by vehicles already owned and operated by the applicant and its directly controlled subsidiaries, for which specific engine data can be provided. Planned purchases of additional CNG vehicles cannot realistically be factored in.

Example: A fleet owner is applying to DERG for the purchase of 20 new CNG trucks, and a CNG fueling station. The station will also be used by 15 other CNG trucks already owned and operated by the fleet owner and its subsidiary company. The fleet owner will submit two DERG applications: One for the purchase of the 20 new CNG trucks, with engine data for the 20 diesel trucks that are being replaced and the new trucks requested; and a second application for the fueling station, with engine data and an emissions reduction estimate based on the 15 other trucks that the fleet owner controls and knows will be using the station. Ohio EPA and ODOT may opt to fund only the fleet application, and not the infrastructure application, based on the competitiveness of other applications received in the same grant cycle.

Question 15: Most infrastructure projects are years in the making. Given the needed FHWA "Buy America" waivers, competitive bidding requirements, and needed federal authorization to proceed, how early in the infrastructure planning process must an applicant be to be eligible? Can land have been purchased? Can the station plans be designed (even if the process of designing a station was previously bid out)? Will all infrastructure projects have to be at the beginning stages or will there be an exception made for stations already underway?

Response 15: Federal funds cannot be used to reimburse any project costs incurred before federal authorization was received, no exceptions. DERG funds cannot be carried over for years. Because of the long lead times, Ohio EPA and ODOT will not consider funding infrastructure project proposals unless the applicant owns the property where it is to be installed and the design process is already substantially complete with applicable environmental permit applications already submitted to the permitting authorities, or substantially completed and ready to be submitted. (For truck stop electrification projects, the applicant must secure firm written agreements with the property owners for specific sites, and submit these with the application, in order to be considered.) Ohio EPA and ODOT will not consider awarding DERG funding for CNG

fueling stations that do not already have high-pressure (or if applicable, medium pressure) fuel lines already in place on or immediately adjacent to the property. Applications for fueling infrastructure should include documentation attesting to this level of readiness.

Question 16: **What is the maximum amount that can be received for a fueling station?**

Response 16: The maximum DERG award (federal share of the project) is \$1 million. As explained above, the applicant will need to submit one application for the fleet of vehicles for replacement/repower/retrofit funds, and a separate application for the accompanying fueling station. We will consider the applications together, so the total amount requested (federal share) in *both* applications should not exceed \$1 million combined.

Estimating Emission Reductions

Question 17: **Based on RFP pg. 11, what criteria will the Ohio EPA use to determine if manual calculations are acceptable? What formula/method will be acceptable if an applicant is determined eligible for manual calculations?**

Response 17: A manual calculation will be accepted only in cases where US EPA's [Diesel Emissions Quantifier](#) tool (DEQ) does not provide adequate input parameters for a particular source type to calculate emission reductions. To date, this is typically locomotive projects and some marine projects. However, this gap is closing since US EPA's contractor has provided two revisions (updates) to the DEQ so far this year, most recently on July 27, 2016. It is now possible to use the DEQ for more kinds of projects. The latest revisions to the DEQ affect emission calculations for alternative fuel projects such as CNG and propane. In the past, the DEQ used a 50% NOx and 95% PM default percentage emission reduction in their calculations from baseline diesel. The latest revision does not use a default emission reduction percentage. It leaves those values to be filled in by the user.

This means the applicant will need to use published emission testing results for both NOx & PM (provided in the engine-specific conformity documents) for *both* the existing diesel engine and the new CNG or propane powered engine to calculate the percent emission reduction for both pollutants. A copy of the appropriate conformity documents should be included in the DERG application, along with the equation used to calculate the percent emission reduction. If the conformity document for an older existing diesel engine cannot be obtained, then the federal emission standard for NOx & PM for that make and model of diesel powered vehicle may be used. Applicants should review

the web links below, and check with Alan.Harness@epa.ohio.gov or 614-644-4838 to confirm that a manual calculation is appropriate for their project, and they are referencing the correct published emission testing results and conformity documents. Be sure to include the input pages as well as the output pages from the DEQ in the supporting documentation for your DERG application.

U.S. EPA Published Diesel Emission Standards:

<https://www.epa.gov/emission-standards-reference-guide/heavy-duty-highway-engines-and-vehicles-emission-standards>

<https://nepis.epa.gov/Exe/ZyPDF.cgi?Dockkey=P100O9ZZ.pdf>

DieselNet Reference Guide on EPA Diesel Engine Emission Standards:

<https://www.dieselnet.com/standards/us/>

Information on certified engines may be found at:

<http://www.arb.ca.gov/msprog/onroad/cert/cert.php>

<https://www3.epa.gov/otaq/certdata.htm>

Using a loan to finance vehicles/equipment prior to DERG reimbursements

Question 18: **What is the Ohio EPA and ODOT policy on vehicle financing through a bank or lender? We understand that leased vehicles are not allowed, however most private fleets finance vehicle purchases using banks or other lenders.**

Response 18: Applicants may propose vehicle purchases to be financed through a bank or lender. Because DERG allocated funds must be spent promptly and projects not carried over from year to year to year, ODOT and Ohio EPA would prefer to support projects with loan periods no longer than 36 months, and in no case will support projects with loan periods longer than 48 months. Grant recipients who use a loan to purchase vehicles must submit proof of purchase for the new vehicles, but will not be reimbursed for the full federal share of the vehicle cost until that portion of the loan has been paid. Grant recipients using a loan may request reimbursement payments no more frequently than quarterly, based on the amount of the loan principal that has been paid off that quarter, and by submitting proof of the amount of the loan/lien on the vehicle that has been paid.

Public Sponsorship by State Agencies

Question 19: **DERG Program Overview slides state: “Private sector applicants seeking Ohio EPA as a public sponsor should submit a complete application draft at least two weeks prior to the deadline.” How much time will the Ohio need to tell the fleet if they will sponsor?**

Response 19: Ohio EPA would prefer to receive a draft of the application and complete financial information required in Appendix F at least four weeks before the application deadline in order to determine whether we can serve as the public sponsor for the project before the application deadline.

Question 20: **Will Ohio EPA accept as proof of financial capacity a letter from an applicant's bank, stating the applicants credit history, ability to finance the project, and good standing with the institution? Will Ohio EPA work with consultants hired by applicants to finalize this process? Or only with the applicant?**

Response 20: The three state agencies have stated clearly in Appendix F the kind of financial demonstration required in order for them to put public dollars at risk by serving as the public sponsor for a proposed project. A letter as described in the question is not binding and therefore not acceptable. A formal, executed credit line with more than enough available funds to cover the entire cost of a project while awaiting reimbursement could be acceptable, but the grant recipient will be required to provide quarterly updates to the sponsoring agency indicating the dollar amount of the credit line that is still available, throughout the term of the project. Ohio EPA would prefer to receive company financial information directly from the company.

Appendix A: Applicant Certification Statement

Question 21: **Question 2 in the Applicant Certification Statement asks if the applicant has been a defendant in a civil or criminal action. What if our (county) (company) has been named in a large number of lawsuits that have nothing to do with our fleet operations?**

Response 21: We have allowed large corporations doing business in multiple states to submit a more limited set of information relative to suits pending in Ohio courts. Please check with Carolyn Watkins at (614) 644-3768 on what is needed for your organization's specific circumstances.

Submitting the Application

Question 22: **I couldn't find the DERG application in Grants.gov. Is there a federal Catalog for Domestic Assistance (CFDA) number for the DERG program?**

Response 22: Applicants don't need to use Grants.Gov for this program. Once you have assembled the information in the [DERG Request for Proposals](#), please complete the application online at

https://odot.formstack.com/forms/2016_derq and upload attachments including completed forms like Appendix A and B that are included in the DERG RFP.

If you are eventually awarded funding under the DERG program, you may need to use the CFDA number 20.205 in reporting all federal grant funds that your organization received.

Question 23: **I lost all the information in the online DERG application form and had to type it all in again. Is there someplace I can save my work?**

Response 23: As you are working in the application, please scroll down to the bottom of the form. Just above the “submit” button, you should find a gray bar with a link to **Save and Resume Later**.

Question 24: **It doesn't appear there's a specific place on the application site to upload some of the files with requested information, such as a commitment letter from the fleet, certificates of conformity or EPA certifications for new technology, and financial information for public private partnerships**

Response 24: We added a number of upload buttons to the online DERG application for the various attachments. We did not include a button for financial information because that should be provided directly to the agency that is being asked to sponsor the project.

Question 25: **What is the timeframe for approving applications? And when do these projects get funded?**

Response 25: We expect to announce awards in mid-December, and grant recipients seeking replacement vehicles should expect that it may take 3-6 months to receive their eligibility determination from FHWA, have their Plans, Specifications, & Estimates and Bidding process documents approved, complete the federally required Buy America Waiver process and enter into a formal LPA agreement with ODOT. Thus the earliest that grantees would likely be authorized to initiate purchasing would be in late spring of 2017. See sections 1.1 and 2.3-2.5 of the DERG Request for Proposals.
[Calculating Annual Miles](#)

Question 26: **For a school bus annual miles, should I list ONLY routine daily route mileage or TOTAL mileage for the year which would include field trips?**

Response 26: Include all the miles travelled by the bus in the most recent (or most typical) year, including miles on field trips and for maintenance.

End of Responses to Questions