

# Funding Opportunities to Reduce Diesel Emissions

## Sustainable Fleet Technology Conference

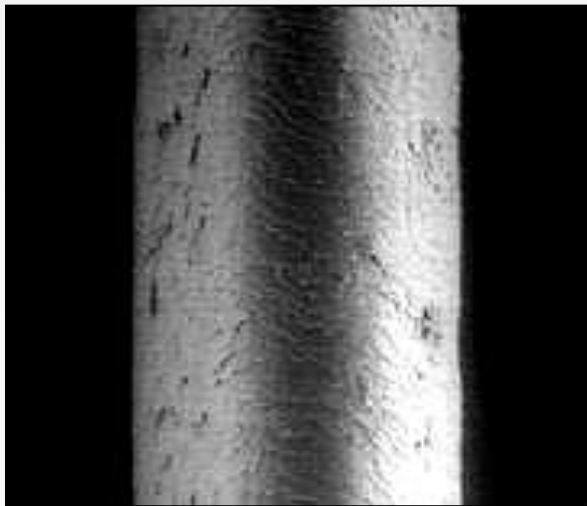
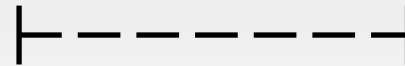
August 15th, 2023

William Carnright  
U.S. EPA Region 4

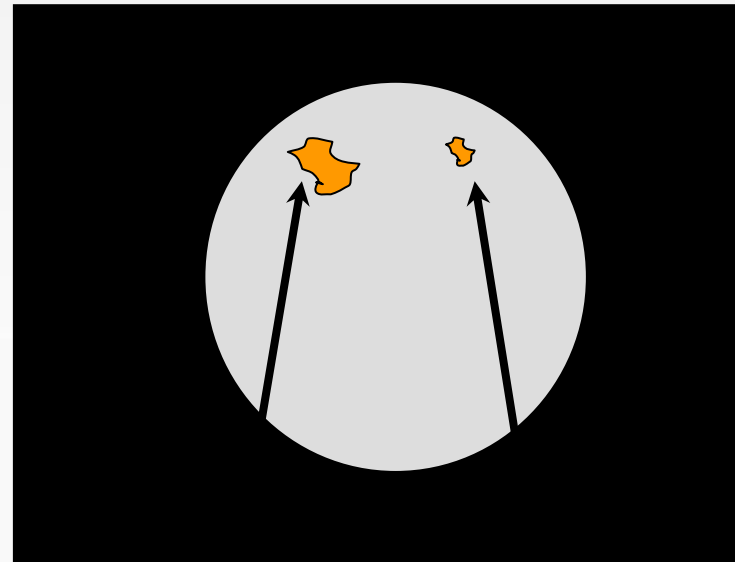
# Microscopic particles are very harmful to human health



Hair cross section (60  $\mu\text{m}$ )

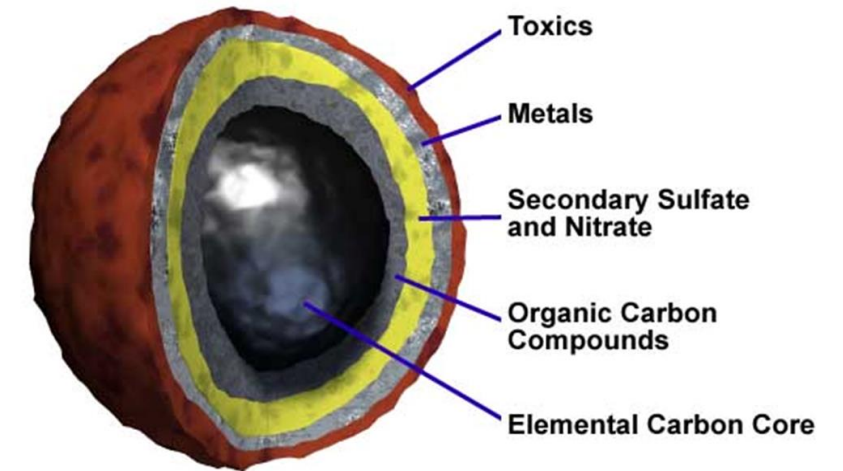


Source: U.S. EPA



PM10  
(10  $\mu\text{m}$ )

PM2.5  
(2.5  $\mu\text{m}$ )



# Diesel Engines and Emissions

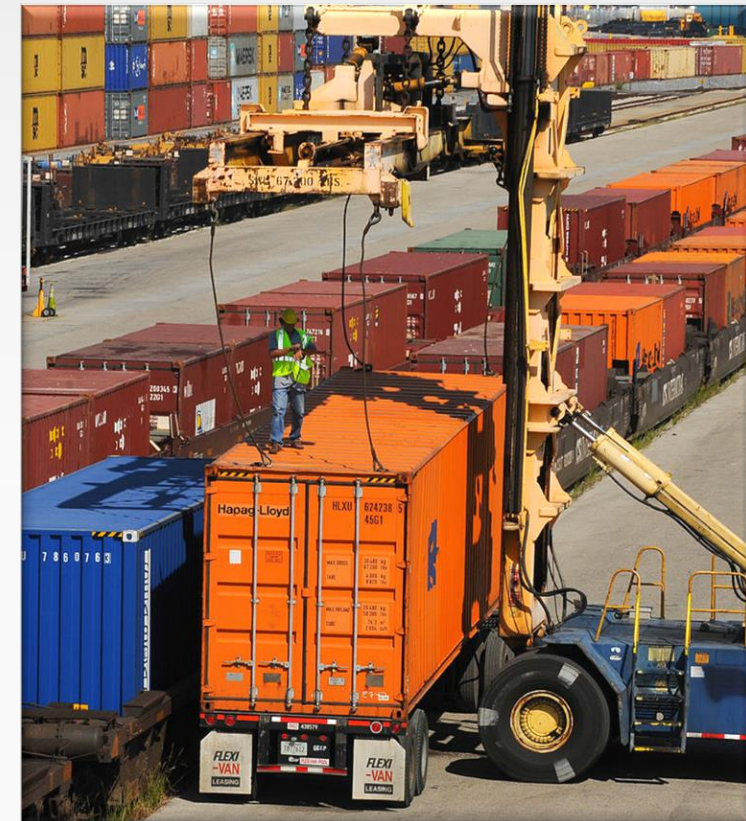


- Reducing emissions from current diesel engines is one of our most important air quality challenges
- Even with more stringent standards for new engines, millions of currently in-use engines will continue to emit large amounts of pollution
- This pollution will continue to cause premature mortality, asthma attacks, lost work days and many other health impacts

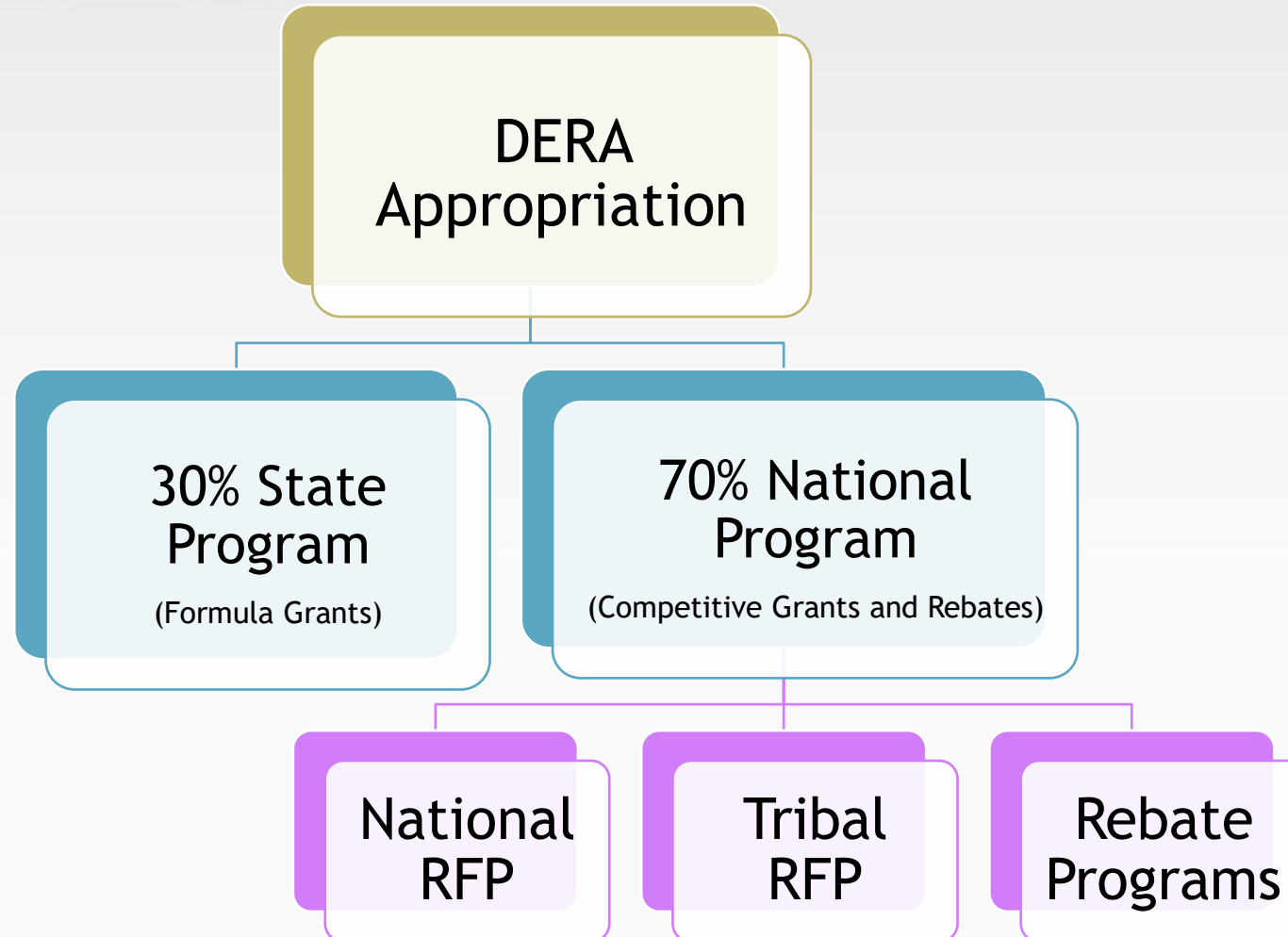
# Diesel Emissions Reduction Act



- DERA originally authorized under the Energy Policy Act of 2005 with bipartisan support
- Amended and reauthorized by the Diesel Emissions Reduction Act of 2010 (Public Law 111-364) with unanimous bipartisan support
- Provides project funding, on a competitive basis, to eligible entities, to achieve significant reductions in diesel emissions in terms of pollution produced and diesel emissions exposure, particularly from fleets operating in areas designated by the Administrator as poor air quality areas through funding vehicle replacements, engine replacements, retrofits, and other projects



# DERA Appropriation



# National Grant Program



## 2022/2023 RFA:

- EPA anticipates awarding a total of approximately \$115 million under this NOFO: \$58 million in Fiscal Year (FY) 2022 funding and \$57 million in FY 2023 funding.
- The vehicle, equipment, and/or engine being replaced must be scrapped or rendered permanently disabled within ninety (90) days of being replaced.
- Deadline for Applications is December 1st, 2023. Apply now at [epa.gov/dera/national](https://epa.gov/dera/national)

# National Grant Program



Eligible Technology	EPA Funding Limit	Mandatory Cost Share
Drayage Truck Replacement	50%	50%
Vehicle or Equipment Replacement with EPA Certified Engine	25%	75%
Vehicle or Equipment Replacement with CARB Certified Low-NOx Engine	35%	65%
Vehicle or Equipment Replacement with Zero-Tailpipe Emission Power Source	45%	55%
Engine Replacement with EPA Certified Engine	40%	60%
Engine Replacement with CARB Certified Low-NOx Engine	50%	50%
Engine Replacement with Zero-Tailpipe Emission Power Source	60%	40%

Note: Other project types not listed here may be eligible for funding and will have their own Cost Share Requirements. Check the NOFO for more information.

# National RFA – 2020 Selected Projects



Number of Projects*	Vehicle/Equipment Types
10	On-Highway (long-haul, short-haul, delivery, drayage)
5	School Bus
5	Marine
5	Nonroad
0 (in 2020)	Locomotive
4	Port Cargo Handling Equipment
3	Transit Bus
10	Refuse Hauler
1	Agriculture

\*Some projects contain multiple vehicle/equipment types.

Number of Projects*	Types of Technologies
32	Vehicle/Equipment Replacement
5	Engine Repower
0	Exhaust Retrofit
3	Idle Reduction Technology
0	Electrified Parking Spaces

\*Some projects contain multiple technology options.



# BIL Clean School Bus Program



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Under **Title XI: Clean School Buses and Ferries**, the Bipartisan Infrastructure Law (BIL) provides **\$5 billion** over five years (FY22-26) for the replacement of existing school buses with clean school buses and zero-emission school buses.

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These new clean school bus replacements will produce either zero or low tailpipe emissions compared to their older diesel predecessors.

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School bus upgrades funded under this program will result in cleaner air on the bus, in bus loading areas, and in the communities in which they operate.

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The first funding opportunity was the 2022 Clean School Bus Rebates. The second funding opportunity is the **2023 Clean School Bus Grants Program Notice of Funding Opportunity (NOFO)**, which opened on April 24, 2023 and will close on August 22, 2023.

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# 2023 CSB Grant Program Overview



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EPA anticipates awarding approximately **\$400 million** in CSB funding under this FY23 Notice of Funding Opportunity (NOFO).

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This NOFO **includes two sub-programs**, one for school district and Tribal applicants (School District Sub-Program) and one for third-party applicants (Third-Party Sub-Program).

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Eligible activities include the replacement of existing internal-combustion engine (ICE) school buses with electric, propane, or compressed natural gas (CNG) school buses, as well as the purchase and installation of electric vehicle supply equipment (EVSE) infrastructure.

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The CSB program statute enables the program to target communities with environmental justice concerns, that is, communities adversely and disproportionately affected by environmental, climate change, and human health harms or risks, and support a broad geographic distribution of funds.

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# 2023 CSB Grant Program Structure

## School District Sub-Program

Eligible entities: (1) State and Local Governmental Entities (e.g., school districts), (2) Public Charter School Districts, and (3) Indian Tribes, Tribal Organizations, or Tribally-controlled Schools

Minimum of **15 buses**  
Maximum of **50 buses**

Targeting large single-fleet turnovers that may have been limited by the 25-bus maximum in the rebate program.

## Third-Party Sub-Program

Eligible entities: (1) Nonprofit School Transportation Associations and (2) Eligible Contractors (including OEMs, Dealers, and Private Bus Fleets)

Minimum of **25 buses**  
Maximum of **100 buses**  
Application must include at least **4** school district beneficiaries.

Targeting school districts - particularly small, rural, Tribal, or low-income beneficiaries - that may benefit from third-party technical support, grant administration, and coordination (e.g., with utilities)



Application packages must be submitted to EPA via [Grants.gov](https://www.grants.gov) no later than 8/22/23 at 11:59 p.m. ET.  
For more information, please visit [www.epa.gov/cleanschoolbus](https://www.epa.gov/cleanschoolbus).



# CSB Funding Per Replacement Bus

School District Prioritization Status	Replacement Bus Fuel Type and Size					
	ZE* – Class 7+	ZE* – Class 3-6	CNG– Class 7+	CNG – Class 3-6	Propane – Class 7+	Propane – Class 3-6
Buses serving school districts that meet one or more prioritization criteria	Up to \$395,000 (Bus + Charging Infrastructure)	Up to \$315,000 (Bus + Charging Infrastructure)	Up to \$45,000	Up to \$30,000	Up to \$35,000	Up to \$30,000
Buses serving school districts that are not prioritized	Up to \$250,000 (Bus + Charging Infrastructure)	Up to \$195,000 (Bus + Charging Infrastructure)	Up to \$30,000	Up to \$20,000	Up to \$25,000	Up to \$20,000

**Vehicle and Infrastructure Costs:** Eligible project costs include the purchase price of eligible vehicles as shown on this slide and electric vehicle supply equipment (EVSE) infrastructure for new electric buses

**Project Implementation Costs:** Eligible additional project costs also include those costs directly related to the implementation, management, and oversight of the project. Please refer to the NOFO for additional specific information.



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# BIL CSB Prioritization Criteria

## \*2023 CSB Grants



### 1. High-need school districts and low-income areas

- Title I-funded public school districts and charter school districts not listed in the SAIPE data.
- Title I-funded large public-school districts (more than 35,000 students and/or more than 45 public schools) that do not meet the 20% SAIPE threshold.
- School districts located in the U.S. Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands
- School districts listed in the Small Area Income and Poverty Estimates (SAIPE) School District Estimates for 2020 as having **20% or more students living in poverty**

### 2. Rural school districts

- School districts identified with locale codes “43-Rural: Remote” by the National Center for Education Statistics (NCES)

### 3. Tribal school districts

- Bureau of Indian Affairs funded school districts and school districts that receive basic support payments for children who reside on Indian land

# Eligible Existing School Buses Must:

- **Be a vehicle model year 2010 or older diesel-powered school buses that will be scrapped if selected for funding.**
  - If a fleet has no eligible 2010 or older diesel school buses and is requesting zero-emission school bus replacements, the fleet can either:
    - Scrap 2010 or older non-diesel internal combustion engine buses; or
    - Scrap, sell, or donate 2011 or newer internal combustion engine buses
- Have a Gross Vehicle Weight Rating (GVWR) of 10,001 lbs or more
- Be fully operational at the time of application submission. Have provided **bus service for at least 3 days/week on average during the 2022/2023 school year** at the time of applying, excluding COVID-related or disaster-related school closures.

*\* Refer to the NOFO for specific eligibility information.*



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# Eligible New Replacement Buses Must:

Applications must include projects which replace existing ICE school buses with propane, CNG, and/or electric school buses. All replacement school buses must:

- **Have a battery electric, CNG, or propane drivetrain.**
- **Be a new EPA or California Air Resources Board (CARB) certified vehicle model year 2021 or newer.**
- Have a Gross Vehicle Weight Rating (GVWR) of 10,001 lbs or more.
- Be **purchased**, not leased or leased-to-own.
- Serve the school district listed on the application for **at least 5 years from date of delivery**,
  - *unless the award is to an eligible contractor and the contract with the school district ends before the end of the 5-year period, in which case those school buses may be operated as part of another school district eligible for the same or higher priority consideration.*
- **Not be purchased or otherwise subsidized with other federal grant funds.** The total of funds from the CSB grant and other eligible external funds allocated for the bus replacements cannot exceed the cost of the new buses.

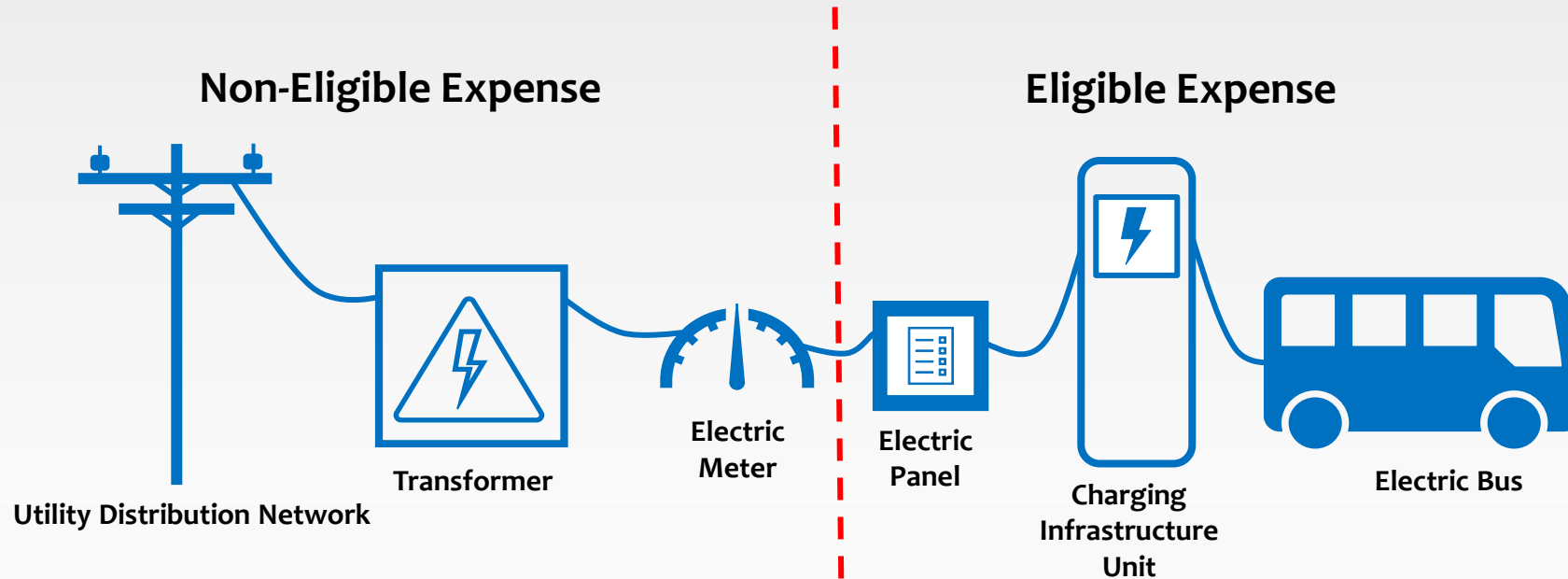
\* Refer to the NOFO for specific eligibility information.



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# BIL CSB Infrastructure Funding Restrictions



- EPA funding or infrastructure is limited to the fleet's side of the meter (as shown on the right side of the diagram).
- All Level 2 charging infrastructure purchased under this program must be [EPA ENERGY STAR certified chargers](#).
  - EPA strongly recommends that all other charging infrastructure under this program be listed by a Nationally Recognized Testing Laboratory (NRTL).



# FY23 Clean School Bus Grants

## NOFO Important Dates

<b>April 24, 2023</b>	<b>Notice of Funding Opportunity (NOFO) Opens</b>
<b>May 10, 2023 at 3:00 p.m. (ET)</b>	<b>1<sup>st</sup> Webinar Information Session</b> Webinar links and additional session dates can be found at: <a href="http://www.epa.gov/cleanschoolbus/clean-school-bus-program-grants">www.epa.gov/cleanschoolbus/clean-school-bus-program-grants</a>
<b>August 9, 2023</b>	<b>Final Date to Submit Questions for Q&amp;A Document</b>
<b>August 22, 2023 at 11:59 p.m. (ET)</b>	<b>NOFO Closes – Application Deadline</b> Application packages must be submitted electronically to EPA through Grants.gov ( <a href="http://www.grants.gov">www.grants.gov</a> ) no later than Tuesday, August 22, 2023, at 11:59 p.m. Eastern Time (ET) in order to be considered for funding
<b>November 2023 to January 2024</b>	<b>Anticipated Notification of Selection</b>
<b>February to March 2024</b>	<b>Anticipated Awards</b>



*Application packages must be submitted to EPA via Grants.gov no later than 8/22/23 at 11:59 p.m. ET.  
For more information, please visit [www.epa.gov/cleanschoolbus](http://www.epa.gov/cleanschoolbus).*



# Future CSB Funding Opportunities



- EPA intends to make additional funding available in FY23 for the Clean School Bus Program through the 2<sup>nd</sup> Rebate Program.
- Submit comments on program design to [cleanschoolbus@epa.gov](mailto:cleanschoolbus@epa.gov)
- Don't miss any updates- visit [epa.gov/cleanschoolbus](https://epa.gov/cleanschoolbus) to sign up for the listserv

# Inflation Reduction Act (IRA)



## EPA Funding:

- \$3B for new Clean Ports Program
- \$1B for Class 6-7 HD zero-emission vehicles
- \$60M in additional funding for DERA (Diesel Emissions Reduction Act)
- \$50M for Funding to reduce air pollution at schools
- \$27B for the Greenhouse Gas (GHG) Reduction Fund

EPA has hosted public listening sessions to collect feedback on program design.

# Questions?

