Diesel Emissions Reduction Act (DERA) Program Overview

ITEP – Tribal Clean Transportation Roundtable
October 4, 2023

Agenda

- Overview of DERA
- DERA Grant Programs Overview
- DERA National Grant Program
- DERA State Grant Program
- DERA Tribal and territory Program

Overview of the Diesel Emission Reduction Act (DERA) Program

Despite EPA's diesel engine and fuel standards for new engines, the nearly eight million legacy diesel engines already in use continue to emit large amounts of NOx and PM2.5, which contribute to serious public health problems, including asthma, lung cancer and various other cardiac and respiratory diseases.

The DERA program, originally authorized under the Energy Policy Act of 2005, was reauthorized in the Diesel Emission Reduction Act of 2010 and in the Consolidated Appropriations Act, 2021. DERA enables EPA to offer funding to accelerate the upgrade and turnover of legacy diesel fleets.

The DERA legislation emphasizes maximizing health benefits, serving areas of poor air quality, such as non-attainment areas for PM and ozone, and conserving diesel fuel.

DERA supports environmental justice by prioritizing emissions reductions in areas receiving disproportionate impacts, particularly from fleets operating in areas designated by the Administrator as poor air quality areas.

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Overview of DERA Grant Programs

State Grants

- EPA allocates DERA funds to eligible U.S. states and territories for the establishment of diesel emissions reduction programs.
- https://www.epa.gov/dera/state

National Grants

- Program solicits applications for projects that achieve significant reductions in diesel emissions and exposure, particularly from fleets operating in designated poor air quality areas.
- https://www.epa.gov/dera/national

Tribal and territory (formerly known as Insular Areas) Grants

- Program solicits applications from tribal governments (or intertribal consortia), Alaska Native Villages, and U.S. Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands for projects that achieve significant reductions in diesel emissions and exposure.
- https://www.epa.gov/dera/tribal-insulararea

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DERA State Grant Program

- Allocates funds to eligible states and territories to establish programs that reduce harmful heavy-duty diesel emissions
- States/territories can use funding for grant or rebate programs
- Total of $100 million allocated to DERA in EPA's FY 2023 budget.
  - ~$30 million set aside for the State Program
  - 2/3 of $30 million is split between the states and territories as their base funding amount
  - 1/3 of $30 million is set aside for the matching incentive (bonus)
    - States/territories that provide a voluntary match that equals or exceeds the base amount qualify for a bonus amount from EPA equal to ½ the base amount

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NOW OPEN: FY22-23 DERA National Grant Program

EPA anticipates awarding approximately **$115 million** in DERA funding under this FY22-FY23 National Notice of Funding Opportunity (NOFO) available at www.epa.gov/dera/national.

It is anticipated that approximately **4-10** cooperative agreements will be made per each of EPA's ten regions, subject to the availability of funds, the quantity and quality of applications received, and other applicable considerations.

Eligible diesel vehicles, engines, and equipment may include buses, heavy-duty highway vehicles, marine engines, locomotives, and nonroad engines, equipment, or vehicles. Please refer to the NOFO for more information on eligible technologies.

Applications are due **December 1, 2023 at 11:59 p.m. ET** via Grants.gov. Any questions can be sent to the DERA helpline (dera@epa.gov) until November 10th, 2023.

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Application packages must be submitted to EPA via Grants.gov no later than 12/01/23 at 11:59 p.m. ET.
For more information, please visit https://www.epa.gov/dera/national

DERA National Grants Program Eligible Applicants

Who can apply?

Regional, state, local, tribal or port agency with jurisdiction over transportation or air quality; and

Nonprofit organization or institution which

Represents or provides pollution reduction or educational services to persons or organizations that operate diesel fleets; or

Has, as its principal purpose, the promotion of transportation or air quality

Public and private fleets can benefit through partnerships with eligible entities

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Application packages must be submitted to EPA via Grants.gov no later than 12/01/23 at 11:59 p.m. ET.
For more information, please visit https://www.epa.gov/dera/national

FY22-23 DERA National Program Important Dates

August 2, 2023	**Notice of Funding Opportunity (NOFO) Opened**
August – September, 2023	**Webinars on DERA National Grant Program** *More information can be found on the www.epa.gov/dera/national website under the 'Important Dates' section.*
November 10, 2023	**Final Date to Submit Questions**
December 1, 2023 at 11:59 p.m. (ET)	**NOFO Closes – Application Deadline** *Application packages must be submitted electronically to EPA through Grants.gov (www.grants.gov) no later than Friday, December 1, 2023, at 11:59 p.m. Eastern Time (ET) in order to be considered for funding*
March 2024	**Anticipated Notification of Selection**
June to August 2024	**Anticipated Awards**

Application packages must be submitted to EPA via Grants.gov no later than 12/01/23 at 11:59 p.m. ET.
For more information, please visit https://www.epa.gov/dera/national

Tribal and territory (formerly known as Insular Area) Grants Program

- The United States maintains a government-to-government relationship with the 574 federally recognized Native American Indian tribes and Alaska Native entities
- Recognizing that Tribes and territories have various administrative, technical, and financial considerations that other National grant program applicants may not, EPA has established a separate funding opportunity with flexibilities to address the unique considerations of Tribal and territorial applicants so they can compete for DERA funds separately and implement diesel emissions reduction projects.
- EPA's Tribal DERA competition was established in 2014 and the Insular Area program was added in 2021. Moving forward, EPA will now be referring to the "DERA Insular Area" program as the "DERA territory" program.

COMING SOON:

FY23 DERA Tribal and territory Grant Program

The program is anticipated to open in late fall 2023.

Further program details will be made available at www.epa.gov/dera/tribal-insulararea.

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Resources and Recap

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Continue to check

www.epa.gov/dera

for latest program updates.

Submit questions and comments to: dera@epa.gov

EPA CLEAN SCHOOL BUS

Clean School Bus (CSB) Program Presentation Agenda

Overview of the Clean School Bus (CSB) Program

CSB Program Goals

CSB Rebates vs. Grants

Program Eligibility and Prioritization

CSB Awards

CSB Program Resources

Feedback and Lessons Learned

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Overview of the Clean School Bus Program

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 zero-emission and clean school buses.

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

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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Timeline of Clean School Bus Program Funding Opportunities

2022 Rebates – Selectees are in the process of submitting remaining payment request forms, receiving funds, transitioning to cleaner fleets, and closing out their rebates.

2023 Grants – Application closed on August 22, 2023. EPA anticipates making selection notifications between November 2023 and January 2024, and awarding funds between February and March 2024.

2023 Rebates – The 2023 Rebate Program is **NOW OPEN.** Previous applicants and selectees are able to apply again, but will need to submit a new application.

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Why Clean School Buses?

Reduced Greenhouse Gas Emissions
CSBs emit zero or low tailpipe emissions.

Cleaner Air
CSBs result in cleaner air on the bus, in bus loading areas, and in the communities in which they operate.

Cost Savings
Replacing diesel school buses with CSBs often reduces maintenance and fuel costs.

Resiliency
Vehicle-to-Grid (V2G) capable CSBs can provide power to the grid or buildings during power shutdowns.

Improved Student Attendance & Achievement
The transport of students with CSBs has been linked to student attendance and academic achievement improvements.

CSB Program Goals

Engage	Engage stakeholders in program development
Evolve	Evolve the program, as needed, based on successes and lessons learned
Promote	Promote cost parity between bus technologies
Allow	Allow school districts multiple opportunities to apply for funding
Maximize	Maximize the number of zero-emission and clean buses that get funded
Ensure	Ensure a broad geographic distribution of awards

CSB Rebates versus CSB Grants

While both grants and rebates provide selectees with award funds **prior** to purchasing eligible buses and infrastructure, there are a few differences between these types of funding programs:

	Rebates	Grants
Application Process	Quick and simple application process	Longer, more detailed application process
Selection Process	Selectees determined by a random number generated lottery process	Recipients are selected based on evaluation of application materials
Project period support, flexibility, and duration	Shorter project period; less support and flexibility in funding provided to applicants	Longer application period; may offer more support for applicants during the project, as well as flexibility in funding – such as providing funds for training and administrative costs - and timing of the project such as longer project periods to complete the project.

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CSB Program

Eligible Applicants*

- State and local governmental entities responsible for: 1) providing bus service to 1 or more public school systems; or 2) the purchase of school buses
- Nonprofit School Transportation Associations
- Indian Tribes, Tribal Organizations, and tribally controlled schools
- Eligible Contractors

Prioritized Applicants*

- High-Need School Districts and Low-Income Areas
- Rural School Districts
- Bureau of Indian Affairs Funded School Districts
- School Districts that Receive Basic Support Payments for Children who Reside on Indian Land

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***Please note that program eligibility and prioritization has differed between CSB funding opportunities and are subject to change in future rounds of funding;** The FY 2023 Consolidated Appropriations Act (AKA the Omnibus funding bill) included amendments to the CSB program that impacted the list of eligible applicants.

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CSB Feedback Efforts and Lessons Learned

Feedback Efforts

- CSB Grants and Rebates Listening Sessions
- Stakeholder meetings with EPA staff
- Stakeholder input received through CSB helpline

Summary of Feedback

- **Rebates worked for a majority of applicants**, especially school districts that had smaller fleets or wanted to slowly transition.
- **Grants worked better for school districts with larger fleets.**
- Applicants appreciated that bus and **infrastructure funds were combined** to provide them greater flexibility in purchasing.
- Some stakeholders have **concerns** about prioritization criteria, scrappage requirements, and funding levels for alternative fuels.
- Many selectees need **technical support to navigate the process of transitioning** to electric- or alternative fuel school buses.

Electric School Bus (ESB) Myths

MYTH: ESBs can't operate in hilly terrain

FACT: ESBs may need to use more energy than a conventional bus while traveling uphill, but regenerative braking while traveling downhill can capture extra energy to extend the ESB's range

Regenerative braking can reduce the use of the brake system to about 5 times less than a conventional diesel vehicle.

Source: AFDC Flipping the Switch

MYTH: The initially high cost of an ESB will never be recouped

FACT: While the purchase price of an ESB may be higher, ESBs usually end up costing a fleet less over the lifetime of the bus

ESBs usually make up for their higher purchase costs within 13 years of operation and save over $31,000 over the lifetime of the bus compared to a conventional diesel bus.

Source: Thomas Built Buses

MYTH: ESBs don't have enough range to cover a full school bus route

FACT: Most ESBs on the market have a range of about 100 miles, which is more than enough for most school districts

Type C ESBs have a range of up to 210 miles! If needed, buses can also be charged mid-day while not on the road to extend the range.

Source: WRI Electric School Bus Initiative

MYTH: ESBs don't work properly in cold climates

FACT: ESBs are still operational in cold climates but will use more energy to operate heaters, which can reduce range

A school district in Utah found that winter conditions cause ESB range to drop around 18%, but about 16% of additional range was gained through regenerative braking.

Source: WRI Electric School Bus Initiative

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