

## **Diesel Emissions Reduction**

**Total Funding Available:** \$300 million (\$212 million for EPA to distribute; \$88 million directly to states based on formula)

**Southeast Diesel Collaborative Funding Available:** \$19.1 million

**N.C. Funding Available:** \$1.7 million

### **Overview:**

The National Diesel Emissions Reduction Program will receive funding under this legislation to supplement the existing funding. Administered by the Environmental Protection Agency (EPA), this stimulus funding will be distributed through four channels:

- **National Clean Diesel Funding Assistance Program** (\$156 million nationally; \$19.1 million regionally): This funding will be awarded **nationally/regionally** on a competitive basis to support diesel emission reduction programs. Of the \$156 million total, the **Southeast Diesel Collaborative expects to receive \$19.1 million**. North Carolina applicants will apply for funding through this Collaborative.

Eligible entities include municipalities, counties, school districts, metropolitan planning organizations, federally-recognized Indian tribes, and non-profits. Examples of projects are retrofits and upgrades to public school bus, medium- or heavy-duty trucks, cars, and marine engine fleets.

Generally, funds from this source can cover 75% of the cost of repowers, 25% of public school buses (50% if school bus meets 2010 standards), 100% for retrofits, 100% for idle reduction technologies, 100% for engine upgrades (kits only), and 100% for incremental cost of cleaner fuels. Funds cannot go toward emissions testing or infrastructure costs, such as acquisition of storage tanks, acquisition costs of fuel depots or biodiesel manufacturing facilities.

- **State Clean Diesel Grant Program** (\$88 million nationally; **\$1.7 million to North Carolina**): This funding will support clean diesel grant and loan programs administered by states. Projects may include the implementation of verified and/or certified retrofit technologies and EPA-verified idle reduction technologies. **The Division of Air Quality, part of the NC Department of Environment and Natural Resources, has formulated guidance for applications. This guidance contains specific conditions for each type of eligible project.**

Important items to note with this program include the elimination of the state match requirement and the requirement that states fund new grants with this funding. Projects must request between \$500,000 and \$2 million. Municipalities may submit a joint proposal to meet this threshold. **In addition,**

all projects must be complete by September 30, 2010.

- **SmartWay Clean Diesel Finance Program** (\$30 million nationally): This funding will support the creation innovative clean diesel financing programs. One example is a low-interest loan to diesel fleet owners to install idle controls.
- **National Clean Diesel Emerging Technology Program** (\$20 million nationally): This funding will support the use, development and commercialization of emerging technologies that reduce emissions from diesel engines. **Manufacturers are typical applicants for this program.**

**How to Access Funding:**

Applications for the **National Clean Diesel Assistance Program** will be accepted until **April 28, 2009**. Applications may be made to the Southeast Diesel Collaborative for this fund. EPA guidance may be found at <http://epa.gov/otaq/eparecovery/documents/recovery-act-national-clean-diesel-rfa.pdf>.

Applications for the **State Clean Diesel Program** will be accepted until **April 30, 2009**. Full guidance and application information is at <http://daq.state.nc.us/motor/NCDEER>.

Applications for the **SmartWay Clean Diesel Finance Program** will be accepted until **May 5, 2009**. Applications are made to EPA. EPA guidance may be found at <http://epa.gov/otaq/eparecovery/documents/recovery-act-emerging-technology-rfa.pdf>.

Applications for the **National Clean Diesel Emerging Technology Program** will be accepted until **April 28, 2009**. Applications are made to EPA. EPA guidance may be found at <http://epa.gov/otaq/eparecovery/documents/recovery-act-smartway-finance-clean-diesel-rfa.pdf>.

**Federal Contact:** [www.epa.gov/otaq/eparecovery/index.htm](http://www.epa.gov/otaq/eparecovery/index.htm) (specific to ARRA)  
<http://www.epa.gov/otaq/diesel/index.htm> (Clean Diesel program)

**Southeastern Diesel Collaborative Contact:** Alan Powell, (404) 562-9045  
[www.southeastdiesel.org](http://www.southeastdiesel.org)

**State Contact:** Anne Galamb, Division of Air Quality (DENR) (919) 715-6296 or  
Heather Hildebrandt, Division of Air Quality (DENR) (919) 733-1498.  
[www.ncair.org](http://www.ncair.org)

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