

# MIDWEST CLEAN DIESEL INITIATIVE

## *CICCA Hybrid and Electric Vehicles Workshop*

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of Environmental Management  
Office of Air Quality*

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The logo for the Midwest Clean Diesel Initiative features a light blue, wavy ribbon that loops around the text. The words "MIDWEST CLEAN DIESEL" are written in a bold, dark blue, sans-serif font. Below this, the word "INITIATIVE" is written in a green, sans-serif font, with each letter spaced out.

**MIDWEST CLEAN DIESEL**  
**INITIATIVE**

FY 2008 DERA Recap  
ARRA of 2009 Update  
Potential FY09 Funds

The logo for the Midwest Clean Diesel Initiative features the text "MIDWEST CLEAN DIESEL" in a bold, dark blue, sans-serif font. Below it, the word "INITIATIVE" is written in a green, sans-serif font. A light blue, wavy ribbon-like graphic curves behind the text. The logo is flanked by two purple shapes: a solid rectangle on the left and a semi-circle on the right.

# MIDWEST CLEAN DIESEL INITIATIVE

- MCDI Formally Started in 2004
- Leadership Group
  - 33 Members Signed Collaborative Principles
    - Co-Chairs: Cummins, Illinois EPA, American Lung Association of Upper Midwest, US EPA
- Progress
  - Over 600,000 Engines Impacted
  - Over \$120 Million (Federal and Non Federal) Spent
  - Tens of millions allocated and in process of being spent
  - Over 4,000 tons of emissions per year reduced
  - Building clean diesel coalitions in each state to generate funding sources and implement projects

# USEPA Clean Diesel Funding History

- **FY 2003-2006**
  - \$25 million for Clean School Bus USA
  - \$6.1 million for non – Clean School Bus USA projects
- **FY07 Clean School Bus USA**
  - \$7M nationally divided equally to the Regions
  - \$700,000 to Region 5 (Midwest Clean Diesel)
- **FY07 National Clean Diesel Campaign**
  - \$1.5M nationally divided among Regions
  - \$230,000 to Midwest Clean Diesel Initiative
- **FY08 \$49.2M**
  - ~\$5M to Midwest Clean Diesel Initiative

# FY08 Indiana Projects

## Awarded

- NW Indiana Forum Foundation (\$164,033)
  - Repower
- Indiana Department of Environmental Management (\$334,500)
  - APU loan program
  - APU, DOC, DPF grants

# FY08 State Allocations

<b>State</b>	<b>Federal Base</b>	<b>Year 1 State Match</b>	<b>Federal Bonus</b>
<b>Illinois</b>	<b>\$196,880</b>	<b>\$200,000</b>	<b>\$98,440</b>
<b>Indiana</b>	<b>\$196,880</b>	<b>\$198,419</b>	<b>\$98,440</b>
<b>Michigan</b>	<b>\$196,880</b>	<b>\$200,000</b>	<b>\$98,440</b>
<b>Minnesota</b>	<b>\$196,880</b>	<b>\$196,880</b>	<b>\$98,440</b>
<b>Ohio</b>	<b>\$196,880</b>	<b>\$196,880</b>	<b>\$98,440</b>
<b>Wisconsin</b>	<b>\$196,880</b>	<b>\$196,880</b>	<b>\$98,440</b>
<b>Total</b>	<b>\$1,181,280</b>	<b>\$1,189,059</b>	<b>\$590,640</b>

<http://www.epa.gov/midwestcleandiesel/grants/mcdirfp08.html#FY08Results>

# New Opportunity: American Recovery and Reinvestment Act of 2009 Funding

- President Obama signed Bill into Law on February 17, 2009
- \$789 Billion economic stimulus package includes funding for EPA's DERA program

# ARRA of 2009 DERA Details

- **DERA Final Allocation**
  - \$300M for National and State Programs
  - National and State program funding split 70%-30%
  - State program matching incentive provision removed
  - 2% for EPA Administrative costs
- All ARRA of 2009 DERA grants will focus on promoting economic recovery, preserving and/or creating jobs, and reducing diesel emissions.

# Diesel Emissions Reduction Program

\$300 Million under ARRA of 2009 DERA

## National Program

By statute  
70% of funding - \$206M

## State Program

By statute  
30% of funding -- \$88M



National Clean Diesel  
Funding Assistance Program  
Regional Grant Competitions  
\$156M

SmartWay Clean Diesel Finance Program - \$30M

Clean Diesel Emerging Technologies Program  
By statute  $\leq$ 10% of funding - \$20M

Note: EPA may use up  
to 2% (\$6M) for  
administrative costs

# ARRA of 2009 DERA Details

- All grants will be new
- Grants will have new/different requirements in addition to DERA requirements
  - Reporting on job creation/retention
  - More frequent reporting on finances, projects
  - Milestones for expenditures
  - Project/budget period through Sept. 30, 2010
- Grants must be awarded quickly

# National Clean Diesel Funding Assistance Program: Eligible Entities

- 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 principle purpose, the promotion of transportation or air quality

# National Clean Diesel Funding Assistance Program: Eligible Fleets and Equipment

- Buses
- Medium or heavy duty trucks
- Marine engines
- Locomotives



- Nonroad engine, stationary engine or vehicle used for:
  - Construction
  - Handling of cargo (including at a port or airport)
  - Agriculture
  - Mining
  - Energy production

# National Clean Diesel Funding Assistance Program: Priority Projects

Project proposals that align with these priorities, along with job creation/retention, will receive higher scores in the evaluation process:

- Maximize public health benefits
- Are the most cost-effective
- Are in areas with high population, air quality issues, and air toxic concerns
- Are in areas that receive a disproportionate quantity of air pollution (i.e. truck stops, ports)
- Maximize the useful life of the engine
- Conserve diesel fuel and utilize ULSD (early introduction of ULSD for nonroad projects)

# National Clean Diesel Funding Assistance Program: Use of Funds

- Technologies and engines must be verified and/or certified by USEPA or CARB  
[www.epa.gov/cleandiesel](http://www.epa.gov/cleandiesel) (select *Verified Technology List*)
- Incremental cost of engine/vehicle replacement (old engine must be sent to be remanufactured or scrapped), engine repower, engine rebuild
- Cleaner fuels
  - Covers incremental costs of cleaner fuel versus conventional diesel fuel
- Idle Reduction Technologies (EPA approved)

# National Clean Diesel Funding Assistance Program: % of \$ for Technologies/Projects

- EPA's Clean Diesel funding will cover up to:
  - 75% for engine repowers
  - 25% for all replacements except
    - 50% for school buses that meet 2010 standards
  - 100% for retrofit technologies
  - 100% for idle reduction technologies
  - 100% for engine upgrades (kits only)
  - 100% for incremental cost of cleaner fuels

# FY09 DERA Funding

- Expected to be similar or greater than FY08 funding
- Same national/state funding structure as FY08
- Request for applications will be released late summer/fall



# Indiana Clean Diesel Coalition

Indiana Clean Diesel Coalition Partners  
FY 2008 DERA Grant Awards  
DieselWise Indiana Upcoming Opportunities



# Indiana Clean Diesel Coalition

- Indiana Clean Diesel Coalition (ICDC)
  - Formed in 2008
  - Current partners (IDEM, SSCC, CICCA)
  - Joint goals and objectives (Fuel conservation and air quality)
- Progress
  - Over 1,100 engines impacted
  - Over \$1.5 million (Federal and Non Federal) Spent
  - Over \$750 thousand currently allocated to clean diesel projects
  - Over 7.25 tons of emissions per year reduced in Indiana
  - Developing 2009 clean diesel work plan

# 2009 DieselWise Indiana and ICDC Opportunities

- DieselWise Indiana
  - Approximately \$500 thousand available now
  - Estimated minimum ARRA funding of \$1.7 million
  - Anticipated application for ARRA competitive grants
  - Anticipated application for 2009 DERA competitive grants
  - Request for Proposals to coming out soon and posted to DieselWise Indiana Web page – [This Means You!](#)
- Indiana Clean Diesel Coalition (ICDC)
  - Low interest revolving loan program for diesel emission reduction technologies actively under development
  - Approximately \$85 thousand in current project awards
  - Anticipated application for 2009 DERA competitive grants
  - 2009 clean diesel work plan currently being developed

# Indiana Resources and Contact Information

- ✚ DieselWise Indiana Web Page:  
<http://www.in.gov/idem/5255.htm>
  
- ✚ IDEM DieselWise Indiana Contact:  
Shawn Seals:  
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