



**AGENCY:** INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT (IDEM)

**TITLE:** 2020 DIESELWISE INDIANA - DERA with Volkswagen DERA Option

**ACTION:** REQUEST FOR PROPOSALS FOR CLEAN DIESEL PROJECTS FOCUSED ON NONROAD VEHICLES AND EQUIPMENT

**DATES:** The closing date for receipt of applications is **November 25, 2020, 5:00 p.m. ET**. Indiana will only accept electronic grant applications in response to this RFP. Electronic grant applications must be submitted in Microsoft Word or PDF format, along with the DieselWise Indiana Fleet Spreadsheet in Microsoft Excel or similar spreadsheet format to Mr. Shawn M. Seals at [SSeals@idem.IN.gov](mailto:SSeals@idem.IN.gov). Electronic submissions will be considered timely upon receipt, not transmission. An e-mail response confirming receipt of electronic applications will be provided on or before the closing date when possible. Facsimile and late submissions will not be accepted.

**SUMMARY:** This action announces funding availability for projects designed to significantly reduce diesel emissions from nonroad vehicles and equipment across Indiana. Nonroad vehicles and equipment include vehicles, engines, and equipment used for construction, agriculture, cargo handling (port, airport, and others), rail transportation, marine transportation as well as others.

**FUNDING and AWARDS:** The total estimated funding for this competitive grant opportunity is approximately \$2,200,000. DieselWise Indiana anticipates awarding cooperative agreements from this announcement ranging from \$50,000 to \$750,000, subject to availability of funds and the quality of proposals received. Additional funds may be available in the near future. Project proposals submitted under this grant opportunity may be awarded from these additional funds.

## CONTENTS BY SECTION

- I. Grant Opportunity Description
- II. Award Information
- III. Eligibility Information
- IV. Application and Submission Information
- V. Application Review Information
- VI. Proposal Submission Checklist
- VII. Appendices

### Section I – Grant Opportunity Description

#### A. Background

IDEM’s DieselWise Indiana program (DieselWise Indiana) is announcing grant opportunities for clean air projects that will significantly reduce diesel emissions from nonroad vehicles and equipment across Indiana. Approximately \$2,200,000 is being made available through a combination of U.S. EPA Diesel Emission Reduction Act (DERA) and the “DERA Option” of the national Volkswagen Mitigation Trust program. As a member of the Midwest Clean Diesel Initiative (MCDI), DieselWise Indiana has implemented clean diesel projects on over 2,300 vehicles across Indiana with a total investment of over \$12 million. Funding for this DieselWise Indiana program will be in the form of cooperative agreements, and must be used to achieve significant reductions in diesel emissions in terms of: (1) tons of pollution produced; and (2) diesel emissions exposure, particularly from fleets operating in areas designated by the United States Environmental Protection Agency (U.S. EPA) as air quality nonattainment or maintenance areas.

IDEM, through its commissioner, is authorized to conduct clean diesel projects through the award of grant funds by [Indiana Code 13-17-3-9](#).

#### B. Scope of Work

Approximately \$2,200,000 will be awarded to eligible projects that include nonroad diesel-powered equipment in the State of Indiana. Eligible diesel emission reduction technologies under this RFP will be focused on nonroad vehicles and/or engines. All vehicle and/or engine replacements funded under this program must be certified or verified by the California Air Resources Board (CARB) and/or U.S. EPA.

#### Diesel Emissions Reduction Project Proposal Areas

***Verified Retrofit Technologies:*** A “retrofit” project is defined broadly to include any technology, device, or system that when applied to an existing diesel engine achieves

emission reductions beyond that required by U.S. EPA regulations at the time of the engine's certification. Retrofit technologies may include, but are not limited to, the following: U.S. EPA-verified exhaust retrofit technologies (i.e. those installed in the exhaust system like DOCs and DPFs or systems that include crankcase control, like a closed crankcase filtration system, and engine re-calibrations); and CARB-verified emission control technologies. The CARB-verified technology list can be found at: <http://www.arb.ca.gov/diesel/verdev/vt/cvt.htm>. U.S. EPA's Verified Technology List is located at <https://www.epa.gov/verified-diesel-tech/verified-technologies-list-clean-diesel>.

DieselWise will cover up to **100%** of the total cost of U.S. EPA verified retrofits applied to **locomotive, marine and nonroad engines**.

**Idle Reduction Technologies:** An idle reduction project is defined as the installation of a technology or device to nonroad diesel-powered engines that is designed to provide services (such as heat, air conditioning, or electricity) to vehicles and equipment that would otherwise require the operation of the main drive engine while the vehicle is temporarily parked or remains stationary or that reduces unnecessary idling of such vehicles or equipment. The reduction in idling must also lower emissions. A list of U.S. EPA verified idle reduction technologies is available at [www.epa.gov/verified-diesel-tech/smartway-technology](http://www.epa.gov/verified-diesel-tech/smartway-technology). Technologies proposed for funding under this category must be specifically named on this list, and may only be used for the vehicle or equipment application specified on the list. The technology categories include:

1. Auxiliary power units and generator sets;
2. Battery air conditioning systems;
3. Thermal storage systems;
4. Fuel operated heaters;
5. Shore connection systems and alternative maritime power;
6. Shore connection systems for locomotives; and,
7. Automatic engine stop/start systems for locomotives.

Following project implementation, DieselWise Indiana may monitor the Grantee to ensure that the emission and fuel consumption goals are met as set forth in Section I, D. For a period of 12 months after project completion, the Grantee may be required to provide quarterly reports to DieselWise Indiana that outline how the project has met the terms and conditions of the Grant Agreement.

DieselWise will cover up to **40%** of the total cost of U.S. EPA SmartWay verified idle reduction technology for **locomotives**. Automatic Engine Start-Stop technologies are only eligible to be installed on locomotives currently certified to Tier 0 or unregulated.

DieselWise will cover up to **25%** of the total cost of U.S. EPA SmartWay verified **marine shore power** connection system projects.

***Diesel Engine Upgrades and Remanufacture Systems:*** Some engines may be able to be upgraded to reduce their emissions by applying manufacturer recommended upgrades or kits to certified or verified configurations. An eligible engine upgrade project must include a manufacturer upgrade that is a retrofit verified by U.S. EPA and/or CARB as a package of components demonstrated to achieve specific levels of emission reductions. In the case of an engine upgrade with a “kit” applied at the time of rebuild, funding under this program cannot be applied to the entire cost of the engine rebuild, but only the incremental cost of the upgrade “kit” and associated labor costs for installation.

Note: Engine upgrades may not be available for all engines, and not all upgrades may achieve an emissions benefit. To be funded, the upgrade must either be verified or result in an emissions benefit by meeting a more stringent U.S. EPA emission standard. For an engine to be eligible for an upgrade, the engine must be currently operating and performing its intended function. DieselWise Indiana suggests that the application also include the availability of engine upgrades and indicate the pre and post project standard levels of the engines in order to ensure that the upgrade will result in an emissions benefit.

A list of eligible, U.S. EPA verified engine upgrade technologies as well as certified remanufacture systems for locomotives and marine engines is available at <https://www.epa.gov/verified-diesel-tech/verified-technologies-list-clean-diesel>. Verified or certified upgrades must exist for the specific vehicle/engine application specified in the proposal at the time of proposal submission to U.S. EPA. If selected for funding, verified technologies used by the grant recipient must be specifically named on U.S. EPA’s list of certified remanufacture systems or U.S. EPA or CARB’s Verified Exhaust Control Technologies lists at the time of acquisition, and used only for the vehicle/engine applications specified on the lists, in order to be eligible for funding.

DieselWise will cover up to **40%** of the total cost of U.S. EPA certified upgrades for **locomotive, marine and nonroad engines**.

***Diesel Engine Replacements:*** Engine replacement refers to the removal of an existing diesel engine and replacing it with a newer, cleaner engine that meets a more stringent set of engine emission standards. Please see the note below regarding engine replacement and vehicle and equipment replacement proposals for additional eligibility requirements, such as original engine disposal requirements.

For a repower that involves the removal of an existing diesel propulsion engine and its replacement with a diesel-powered electric generator (genset), the electric generator in a genset together with the newer, cleaner engine are both eligible costs of the repower, subject to the cost-share requirement defined above.

For a stationary or auxiliary genset, repower means the removal of the existing diesel engine from the genset and replacing it with a new, cleaner engine. Only the newer,

cleaner engine (labor and equipment) is an eligible cost of the repower, subject to the cost-share requirement defined above.

DieselWise will cover up to **40%** of the total cost of U.S. EPA certified **locomotive, marine, and nonroad engine replacements** powered by 2020 or newer model year standards for the appropriate application.

DieselWise will cover up to **60%** of the total cost of **locomotive, marine, and nonroad diesel engine replacements** with a **new, zero tailpipe emissions power source** for the appropriate application.

***Diesel Vehicle and Equipment Replacements:*** Nonroad diesel vehicles and equipment can be replaced under this program with newer, cleaner vehicles and equipment that operate on diesel or alternative fuels and use engines certified by U.S. EPA and, if applicable, CARB to meet a more stringent set of engine emission standards. Replacement projects can include the replacement of diesel vehicles/equipment with newer, cleaner diesel or hybrid or alternative fuel vehicles/equipment. The replacement vehicle/equipment must be of the same type and similar gross vehicle weight rating or horsepower as the vehicle/equipment being replaced (i.e. a 300 horsepower bulldozer is replaced by a bulldozer of similar horsepower). Horsepower increases of more than 25% will require specific written approval by DieselWise Indiana prior to purchase, and the applicant may be required to pay the additional costs associated with the higher horsepower equipment. The replacement vehicle/equipment must perform the same function as the vehicle/equipment that is being replaced (i.e. an excavator used to dig pipelines would be replaced by an excavator that continues to dig pipelines).

1. Nonroad diesel vehicles and equipment - Funding under this program may cover the cost of a newer, cleaner vehicle or piece of equipment powered by a 2020 or newer model year certified nonroad diesel engine. Nonroad engine emission standards are on U.S. EPA's website at <https://www.epa.gov/emission-standards-reference-guide/epa-emission-standards-nonroad-engines-and-vehicles>. <http://www.epa.gov/otaq/standards/nonroad/index.htm>.
2. For a stationary or auxiliary genset, replacement means the removal of the entire genset and its replacement with a newer, cleaner genset. The electric generator in a genset together with the newer, cleaner engine is an eligible cost of the replacement, subject to the cost-share requirement defined above.

DieselWise will cover up to **25%** of the total cost of **locomotive marine vessel, and nonroad vehicle or equipment replacements** powered by U.S. EPA certified **model-year 2020 or newer equipment**.

DieselWise will cover up to **45%** of the total cost of **locomotive marine vessel, and nonroad diesel vehicle or equipment replacements** with a **new, zero tailpipe emissions power source** for the appropriate application.

***Diesel Vehicle, Equipment, and Engine Replacement Proposals*** are eligible for funding on the condition that the following criteria are satisfied:

1. The purchase of new vehicles or equipment to expand a fleet is not covered by this program;
2. The replacement vehicle, engine, or equipment will perform the same function as the vehicle, engine, or equipment that is being replaced (i.e. an excavator used to dig pipelines would be replaced by an excavator that continues to dig pipelines);
3. The replacement vehicle, engine, or equipment will be of the same type and similar gross vehicle weight rating or horsepower as the vehicle, engine, or equipment being replaced (i.e. a 300 horsepower bulldozer is replaced by a bulldozer of similar horsepower);
4. The vehicle/equipment being replaced will be scrapped or rendered permanently disabled or returned to the original engine manufacturer for remanufacturing to a certified cleaner emission standard. Drilling a hole in the engine block and manifold and disabling the chassis while retaining possession of the vehicle/equipment is an acceptable scrapping method. Other methods may be considered and will require prior DieselWise Indiana approval. Equipment and vehicle components that are not part of the engine or chassis may be salvaged from the unit being replaced (i.e. plow blades, shovels, seats, tires, etc.). If scrapped or salvaged vehicles/parts are to be sold, program income requirements apply; and,
5. Evidence of appropriate disposal, including engine serial number (SN) and/or vehicle identification number (VIN), is required in a final assistance agreement report submitted to DieselWise Indiana. Evidence also includes a signed Certification of Vehicle Scrappage document.

Summary of Maximum DieselWise Indiana Funding Levels  
(including equipment and labor)

Project Type	DieselWise Funding	Applicant Funding
<b>Verified Retrofit Technologies</b>		
U.S. EPA or California Resource Board (CARB) verified retrofit technologies	Up to 100% funded	No required funding
<b>Idle Reduction Technologies</b>		
U.S. EPA SmartWay verified idle reduction technology	Up to 40% funded	At least 60% funded
U.S. EPA SmartWay verified marine shore power connection system projects	Up to 25% funded	At least 75% funded

<b>Diesel Engine Upgrades and Remanufacture Systems</b>		
U.S. EPA Certified locomotive, marine, and nonroad engine upgrade	Up to 40% funded	At least 60% funded
<b>Diesel Engine Replacements</b>		
U.S. EPA Certified locomotive, marine, and nonroad engine replacement	Up to 40% funded	At least 60% funded
U.S. EPA Certified locomotive, marine, and nonroad engine replacement with zero tailpipe emissions power source	Up to 60% funded	At least 40% funded
<b>Diesel Vehicle and Equipment Replacements</b>		
U.S. EPA Certified locomotive, marine vessel, and nonroad vehicle or piece of equipment replacement	Up to 25% funded	At least 75% funded
U.S. EPA Certified locomotive, marine vessel, and nonroad vehicle or piece of equipment replacement with zero tailpipe emissions power source	Up to 45% funded	At least 55% funded

Note: Maximum funding levels listed above are dependent upon the type of vehicle and other parameters. These parameters are detailed in the preceding reduction strategies detail section.

### **Project Eligibility Clarifications**

All equipment and vehicles funded through this program must be certified or verified by U.S. EPA or CARB.

Applicants proposing alternative fuel or all-electric equipment or vehicle projects must identify the availability of fueling and charging infrastructure in the area that would be utilized for the project. If the applicant does not own the fueling or charging infrastructure, the location of publicly available fueling or charging stations intended for use must be identified.

Leased equipment and vehicles are not eligible for funding through this program.

Any projects making use of any 3rd party funding beyond those being provided directly by the applicant must demonstrate that those 3rd party funds are “in-house” and “dedicated” to the project included in the application.

All project applications that include contingent funding from any source are not eligible under this program.

## C. Funding Restrictions

If submitted proposal includes the following ineligible activities, that portion of the proposal will be ineligible for funding and may render the entire proposal ineligible for funding.

1. No funds awarded under the RFP shall be used to cover expenses incurred prior to the commencement date set forth in any resulting Grant Agreement. Additionally, expenses incurred prior to the project period set forth in any Grant Agreement funded under the RFP are not eligible as a cost-share.
2. Fueling Infrastructure: No funds awarded under the Program shall be used for fueling infrastructure, such as that used for the production and/or distribution of biodiesel, compressed natural gas, liquefied natural gas, and/or other fuels.
3. **Restriction for Mandated Measures:** Pursuant to 42 U.S.C. 16132(d)(2), no funds awarded under this RFP shall be used to fund the costs of emissions reductions that are mandated under federal law. The restriction applies when the mandate takes effect (the effective date) for any affected vehicles, engines or equipment. This restriction does not apply to a mandate in a State Implementation Plan approved by the Administrator (U.S. EPA) under the Clean Air Act. Voluntary or elective emissions reduction measures shall not be considered “mandated,” regardless of whether the reductions are included in the State Implementation Plan.

Specifically, projects involving locomotives and marine engines are not eligible for funding if the emissions reductions are required by U.S. EPA’s locomotive and marine rule, “Control of Emissions of Air Pollution from Locomotives and Marine Compression-Ignition Engines Less than 30 liters per Cylinder.” Also, projects involving stationary engines will not be considered for funding if the emissions reductions proposed for funding are required by U.S. EPA’s RICE rule, “National Emission Standards for Hazardous Air Pollutants (NESHAP) for Stationary Reciprocating Internal Combustion Engines (40 CFR Part 63 Subpart ZZZZ). Applications which include locomotives and/or marine engines and/or stationary engines must provide U.S. EPA a clear and concise justification for why/how the proposed emissions reduction is not subject to the Restriction for Mandated Measures. The justification must clearly demonstrate that:

- the target engines are exempt from any federal requirements; or
- emission reductions funded under the RFP will be implemented prior to the effective date of any applicable federal requirements; and/or



- emission reductions funded under this RFP will not be used to satisfy any applicable federal requirements, but instead are in excess of (above and beyond) those required by the applicable mandate.

Applicants must provide sufficient information to support the justification, including maintenance records, if applicable. The justification must also include a signed letter (Substantiation Letter) from the owner/operator of the subject locomotive(s) and/or marine engine(s) attesting to the accuracy of the information. This information should be included as an attachment to the proposal and does not count towards the 10-page limit.

4. **Fleet Expansion:** Funding under this RFP cannot be used for the purchase of vehicles, engines, or equipment to expand a fleet. Engine, vehicle, and equipment replacement projects are eligible for funding on the condition that the following criteria are satisfied:

- (a) To be eligible for replacement, the vehicle, engine, or equipment must be fully operational and in current, regular service.
- (b) The replacement vehicle, engine, or equipment will continue to perform similar function and operation as the vehicle, engine, or equipment that is being replaced.
- (c) The replacement vehicle, engine, or equipment will be of similar type and gross vehicle weight rating or horsepower as the vehicle, engine, or equipment being replaced.

- 1. Nonroad: Horsepower increases of more than 25 percent require specific written approval from the DieselWise Indiana Administrator prior to purchase, and the grantee/subgrantee may be required to pay the additional costs associated with the higher horsepower equipment.

- (d) The vehicle, equipment, and/or engine being replaced must be scrapped or rendered permanently disabled within ninety (90) days of being replaced.

- 1. If a 2010 engine model year (EMY) or newer vehicle is replaced, the 2010 EMY or newer vehicle may be retained or sold if the 2010 EMY or newer vehicle will replace a 1996-2009 EMY vehicle, and the 1996-2009 EMY vehicle will be scrapped. It is preferred that the scrapped unit currently operates within the same project location(s) as the 2010 EMY or newer vehicle currently operates, however alternative

scenarios will be considered. The term “project location” as used in this program refers to the primary area where the affected vehicles/engines operate, or the primary area where the emissions benefits of the project will be realized. All existing and replacement vehicles are subject to the funding restrictions in this section of the program. All equipment must operate within the United States. Under this scenario, a detailed scrappage plan must be submitted and will require prior DieselWise Indiana Administrator approval.

2. If a Tier 2 or Tier 3 locomotive, marine, or nonroad vehicle, equipment and/or engine is replaced, the units may be retained or sold if they will replace a similar, lower Tiered unit, and the lower Tiered unit will be scrapped. It is preferred that the scrapped unit currently operates within the same project location(s) as the original Tier 2 or 3 unit currently operates, however alternative scenarios will be considered. The term “project location” as used in this program guide refers to the primary area where the affected vehicles/engines operate, or the primary area where the emissions benefits of the project will be realized. All existing and replacement equipment are subject to the funding restrictions in this section of the program guide. All equipment must operate within the United States. Under this scenario, a detailed scrappage plan must be submitted and will require prior DieselWise Indiana Administrator approval.
3. Cutting a three-inch by three-inch hole in the engine block (the part of the engine containing the cylinders) is the preferred scrapping method. Other acceptable scrappage methods may be considered and will require prior DieselWise Indiana Administrator approval.
4. Disabling the chassis may be completed by cutting through the frame/frame rails on each side at a point located between the front and rear axles. Other acceptable scrappage methods may be considered and will require prior written approval from the DieselWise Indiana Administrator.
5. Evidence of appropriate disposal is required in a final report submitted to the DieselWise Indiana Administrator at the time of the grantee reimbursement request and includes digital photos of the engine tag (showing serial number, engine family number, and engine model year), the destroyed engine block, and cut frame rails or other cut structural components, as applicable. Evidence also includes a signed certificate of destruction (provided online or from the DieselWise Indiana Administrator).

6. Equipment and vehicle components that are not part of the engine or chassis may be salvaged from the unit being replaced (e.g. plow blades, shovels, seats, tires, etc.). If scrapped or salvaged engines, vehicles, equipment, or parts are to be sold, program income requirements apply.
5. **Formerly Verified Technologies:** No funds awarded under this RFP shall be used for retrofit technologies on U.S. EPA's or CARB's, "Formerly Verified Technologies" lists. U.S. EPA's formerly verified list can be found at: [www.epa.gov/verified-diesel-tech/list-formerly-verified-technologies-clean-diesel](http://www.epa.gov/verified-diesel-tech/list-formerly-verified-technologies-clean-diesel), and CARB's formerly verified lists can be found at: [www.arb.ca.gov/diesel/verdev/vt/fv1.htm](http://www.arb.ca.gov/diesel/verdev/vt/fv1.htm), [www.arb.ca.gov/diesel/verdev/vt/fv2.htm](http://www.arb.ca.gov/diesel/verdev/vt/fv2.htm), and [www.arb.ca.gov/diesel/verdev/vt/fv3.htm](http://www.arb.ca.gov/diesel/verdev/vt/fv3.htm).
6. **Nonroad Operating Hours:** Engine hours may be combined to reach the thresholds below where two units will be scrapped and replaced with a single unit.
  - a. Agricultural Pumps: No funds awarded under this RFP shall be used to retrofit, replace or upgrade agricultural pumps that operate less than 500 hours per year.
  - b. Locomotive Hours: No funds awarded under this RFP shall be used to retrofit, replace, upgrade or install idle reduction technologies on eligible locomotives engines that operate less than 1,000 hours per year. Engine hours may be combined to reach the 1,000-hour threshold where two engines will be scrapped and replaced with a single engine.
  - c. Marine Operating Hours: No funds awarded under this RFP shall be used to retrofit, replace, upgrade or install idle reduction technologies on eligible marine engines that operate less than 500 hours per year. Engine hours may be combined to reach the 500-hour threshold where two engines will be scrapped and replaced with a single engine.
  - d. All Other Nonroad Engines: No funds awarded under this RFP shall be used to retrofit, replace, or upgrade all other nonroad engines that operates less than 500 hours per year.
7. **Nonroad Repower/Replacement:** No funds awarded under this program shall be used to retrofit, upgrade or replace a nonroad engine that is 50 HP or

less and engine model year 2005 or older, or between 51-300 HP and engine model year 1995 or older, or 301 HP or greater and engine model year 1985 or older. Refer to Table 1 for further explanation.

- a. Equipment and Vehicle Replacement: No funds awarded under this RFP shall be used to replace nonroad vehicles and equipment with vehicles/equipment powered by unregulated, Tier 1, or Tier 2 compression ignition (CI) engines. Vehicles/equipment powered by Tier 3 and Tier 4 interim (4i) CI engines are allowed when Tier 4 final CI engines are not yet available from the OEM for 2020 model year vehicles/equipment under the Transition Program for Equipment Manufacturers (TPEM). No funds awarded under this RFP shall be used to replace nonroad vehicles and equipment with vehicles/equipment powered by unregulated or Tier 1 nonroad large spark-ignition (SI) engines.
- b. Engine Replacement: No funds awarded under this RFP shall be used to replace nonroad engines with Tier 3 or lower CI engines. No funds awarded under this RFP shall be used to replace nonroad engines with Tier 1 or lower SI engines.

**Table 1: Nonroad Engine Funding Restrictions**

Current Engine Horse-power	Current Engine Model Year (EMY) and Tier	Vehicle/Equipment Replacement: EMY 2020+					Verified Retrofit
		Compression Ignition			Spark Ignition	Zero Emission	
		Tier 0 – 2	Tier 3 – 4i	Tier 4	Tier 2		
0 – 50	2006 and Newer; Unregulated – Tier 2	No	No	Yes	Yes	Yes	Yes
51 – 300	1996 and Newer; Tier 0 – Tier 2	No	Yes*	Yes	Yes	Yes	Yes
51 – 300	1996 and Newer; Tier 3	No	No	Yes	Yes	Yes	Yes
301+	1986 and Newer; Tier 0 – Tier 2	No	Yes*	Yes	Yes	Yes	Yes
301+	1986 and Newer; Tier 3	No	No	Yes	Yes	Yes	Yes

Current Engine Horse-power	Current Engine Model Year (EMY) and Tier	Engine Replacement: EMY 2020+**				Verified Retrofit
		Compression Ignition		Spark Ignition	Zero Emission	
		Tier 0 – 3	Tier 4	Tier 2		
0 – 50	2006 and Newer; Unregulated – Tier 2	No	Yes	Yes	Yes	Yes
51 – 300	1996 and Newer; Tier 0 – Tier 3	No	Yes	Yes	Yes	Yes
301 – 750	1986 and Newer; Tier 0 – Tier 3	No	Yes	Yes	Yes	Yes
751+	1986 and Newer; Tier 0 – Tier 2	No	Yes	Yes	Yes	Yes

\* Tier 3 and Tier 4 interim (4i) allowed for vehicle/equipment replacement only when Tier 4 final is not yet available from OEM for 2020 model year equipment under the Transition Program for Equipment Manufacturers (TPEM).

\*\* Previous engine model year engines may be used for engine replacement if the engine is certified to the same emission standards applicable to EMY 2020.

**8. Locomotive Hours:** No funds awarded under this RFP shall be used to retrofit, replace, upgrade or install idle reduction technologies on eligible locomotives engines that operate less than 1,000 hours per year. Engine hours may be combined to reach the 1,000-hour threshold where two engines will be scrapped and replaced with a single engine.

**9. Marine Operating Hours:** No funds awarded under this RFP shall be used to retrofit, replace, upgrade or install idle reduction technologies on eligible marine engines that operate less than 500 hours per year. Engine hours may be combined to reach the 500-hour threshold where two engines will be scrapped and replaced with a single engine.

**10. Marine Engine Tier:** No funds awarded under this RFP shall be used to replace or upgrade Tier 3 or Tier 4 marine engines and vessels with other than zero tailpipe emission technology, or to replace marine engines with a Tier 2 or lower CI marine engine. Refer to Table 2 for further explanation.

**Table 2: Marine Engines Funding Restrictions**

Current Engine Tier	Vessel or Engine Replacement: EMY 2020+*			Certi fied Remanufacture System	Veri fied Engine Upgrade
	Compression Ignition		Spark Ignition		
	Tier 1 – 2	Tier 3 – 4			
Unregulated – Tier 2	No	Yes	Yes	Yes	Yes
Tier 3 – 4	No	No	No	Yes	No

11. **Marine Shore Connection:** No funds awarded under this RFP shall be used for marine shore connection system projects that are expected to be utilized less than 500 MW-hr/year.

12. **Locomotive Retrofit/Repower/Replacement/Upgrade:** No funds awarded under this RFP shall be used to replace any locomotive or locomotive engine with a Tier 3 or lower locomotive or engine. No funds awarded under this RFP shall be used to replace Tier 2+ line-haul locomotives or locomotive engines. No funds awarded under this RFP shall be used to install Automatic Engine Start-Stop technologies on locomotives currently certified to Tier 0+ or higher. Refer to Table 3 for further explanation.

**Table 3: Locomotive Engines Funding Restrictions**

Current Locomotive Tier	Locomotive Replacement or Engine Replacement: EMY 2020+*			Veri fied Retrofit	Idle-Reduction Technology	Certi fied Remanufacture System
	Tier 0+ - 3	Tier 4	Zero Emission			
Unregulated - Tier 2	No	Yes	Yes	Yes	Yes**	Yes
Tier 2+ switcher	No	Yes	Yes	Yes	Yes**	Yes
Tier 2+ line-haul	No	No	No	Yes	Yes**	Yes
Tier 3 - 4	No	No	No	No	No	No

\* Previous engine model year engines may be used if the engine is certified to the same emission standards applicable to EMY 2020.

\*\* Automatic Engine Start-Stop technologies are only eligible to be installed on locomotives currently certified to Tier 0 or unregulated.

Note: Tier 0+, Tier 1+, and Tier 2+. Tier 3, and Tier 4 represent locomotives manufactured or under the more stringent Tier standards promulgated under the 2008 (current) locomotive and marine rule. Tier 0, Tier 1, and Tier 2 represent locomotives originally manufactured or remanufactured under the less stringent Tier standards promulgated in 1997.

13. **Locomotive Shore Connection:** No funds awarded under this RFP shall be used for locomotive shore connection system projects that are expected to be utilized less than 500 hours/year.

#### **D. Anticipated Outcomes**

Through these projects the DieselWise Indiana program anticipates the following benefits:

1. Examples of nonroad emission reduction technologies that can be implemented in other areas and applications.
2. Improved air quality via the reduction of NO<sub>x</sub>, hydrocarbon, carbon monoxide, particulate matter, and air toxic emissions from medium and heavy-duty diesel engines.
3. Reduced fuel and oil consumption and other fluid or solid waste from idling diesel vehicles.
4. Reduced maintenance costs associated with diesel vehicle idling.
5. Reduced noise levels associated with diesel vehicle idling.
6. Improved quality of life for the population residing in close proximity to the areas where diesel equipment operation is common.
7. After these projects are fully implemented, the DieselWise Indiana program will have the ability to assess the benefits of these projects for marketing similar diesel emission reduction strategies in the future.

### **Section II – Award Information**

#### **A. Funding Allocations**

**Note:** Although an applicant may receive multiple awards, no individual award shall exceed \$750,000 dollars. The number and amount of awards, and projected categorical funding allocations, are subject to both available funds and the quality of the proposals submitted. DieselWise Indiana reserves the right to partially fund proposals by funding discrete activities, portions, or phases of the proposed projects. If DieselWise Indiana decides to partially fund the proposal, it will do so in a manner that does not prejudice any Grantee or affect the basis upon which

the proposal was evaluated and selected for award, and that maintains the integrity of the competition and the evaluation process.

The awards resulting from this RFP will result in a formal agreement between the Grantee and IDEM. IDEM's DieselWise Indiana program role will be as follows:

1. Close monitoring of the Grantee's performance to verify the results proposed by the Grantee;
2. Collaborate during the performance of the scope of work;
3. Approve substantive terms of proposed grants and contracts;
4. Review qualifications of the Grantee's and contractor's key personnel;
5. Review and verify information contained in reports prepared under the cooperative agreements; and,
6. Reimbursement in arrears of monies spent by the Grantee in accordance with the formal agreement. This reimbursement will be for project-related costs paid by the Grantee directly to technology vendor. All payment obligations will be made in arrears in accordance with Indiana law and state fiscal policies and procedures.

**B. What is the Project Period for Awards Resulting from this RFP?**

All projects implemented as a result of grant awards under this program must be completed by **September 30, 2022** to qualify for reimbursement.

**C. Are Matching Funds Required?**

Yes. Preference will be given to proposals that include a financial cost-share match over and above those detailed in this announcement. This will enable the DieselWise Indiana program to maximize the total funds available. As a point of reference, selected applicants from the 2010 through 2019 DieselWise Indiana programs provided an average of roughly 110% or \$1.10 for each dollar provided by the DieselWise Indiana program. Please refer to Section V, Application Review Information, for further information.

## **Section III – Eligibility Information**

### **Eligible Entities**

This is a statewide competitive grant program open to public and private entities that operate diesel powered equipment. Public entities, for example, may include local, city, county, and state government and quasi-government entities. Private entities may include family owned businesses, partnerships, limited liability



corporations as well as corporations. Note that these are sample entities and may not represent an all-inclusive list of eligible entities.

## **Section IV – Application and Submission Information**

### **A. How to Apply**

An electronic copy of this RFP for clean diesel projects can be requested from Mr. Shawn M. Seals at (317) 233-0425 or [SSeals@idem.IN.gov](mailto:SSeals@idem.IN.gov). Copies may also be downloaded from the DieselWise Indiana Web site at <http://www.in.gov/idem/airquality/2561.htm>.

### **B. Content and Form of Application Submission**

The grant application must contain the following information, preferably in the sequential order shown:

1. Signed cover letter on the applicant's letterhead that briefly summarizes the applicant's proposal.
2. If the applicant is a privately-owned entity, the application must include a completed and signed copy of the Automated Direct Deposit Authorization Agreement. If the applicant is claiming an Indiana Business, governmental, or not-for profit preference, then the Indiana Economic Impact Proposals and Contracts Form must be included. If the applicant is claiming a Minority and Women's Business Enterprise preference, the application must include documentation that clearly demonstrates a measurable MBE/WBE/VBE participation requirement by applicant. If the applicant is claiming a Veterans Business Enterprise preference, the applicant must include verification that it is registered with the Indiana Veterans Business Enterprise program. These forms, where appropriate, can be found on the Indiana Commission on Public Records Forms.IN.gov Web page or via email upon request.
3. Narrative Work Plan. This document, a maximum of 10 pages in length, must conform to the following outline:
  - a. *Project Title.*
  - b. *Title of DieselWise Indiana RFP from which funds are being requested.*
  - c. *Category:* Each project proposal must clearly identify which of the diesel emission reduction project categories the applicant wishes to pursue as defined in Section I, B of this grant announcement.

- d. *Grantee Information:* Include applicant (organization) name, address, contact person, phone number, fax, and e-mail address.
- e. *General Fleet Information:* How many vehicles will be improved, current mileage or operating hours, estimated monthly operating hours, estimated monthly idle time, estimated monthly fuel consumption, estimated monthly use (in miles or hours), vehicle make, vehicle model year, and estimated years to remain in the active fleet. This information should be incorporated in the DieselWise Indiana Fleet Spreadsheet (DIFS) and provided electronically.
- f. *Funding Requested:* Specify the amount of monies being requested from DieselWise Indiana.
- g. *Total Project Cost:* Specify total cost of the project (including DieselWise Indiana funding and cost-share). Identify funding from other sources.
- h. *Project Period:* Provide beginning and ending dates (for planning purposes, Grantees should assume funds will be available by no later than 90 days after notification of award). All projects must be completed no later than September 30, 2022.
- i. *Project Description:* Explicit description of how the proposed project meets the category-specific guidelines established in Section I, B, Scope of Work, to include:
  - i. A detailed project summary, description of specific actions and methods to be undertaken, and the estimated timeline for each project.
  - ii. An explanation of how the project benefits air quality for citizens of Indiana, including an estimate (including explanation of stated estimate) of the number of citizens positively affected.
  - iii. A plan for tracking and measuring the progress toward achieving the anticipated outcomes identified in Section I, D of this announcement.
  - iv. An explanation of how project success will be evaluated.
  - v. A detailed summary describing the physical location(s) where diesel equipment operation occurs (i.e. place of business, warehouse(s), truck routes, etc.) and the hours per month operation occurs.
  - vi. A description of the roles of the Grantee and partners, if any.
  - vii. Contact information for all key personnel.

- viii. To the extent not covered above, information to address the evaluation criteria listed in Section V.
- ix. A detailed itemized budget specifying the project costs that will be incurred by the applicant (to include DieselWise Indiana funds as well as cost-share).
- x. A detailed fleet description of the vehicles to be improved through this grant program. This information must be provided by completing the DIFS found in Appendix B of this solicitation. The DIFS form MUST be submitted in Microsoft Excel or similar electronic format, not PDF. Information included in the DIFS will not count towards the 10-page limit of the narrative work plan and will be used by IDEM to calculate potential emission reductions for each project.

**C. Submission Methods and Deadlines**

1. Indiana will only accept electronic grant applications in response to this RFP. Electronic grant application narratives must be submitted in a single Microsoft Word or PDF document format, along with the DIFS in Microsoft Excel or similar spreadsheet format, to the DieselWise Indiana Program Administrator at [SSeals@idem.IN.gov](mailto:SSeals@idem.IN.gov). Electronic submissions will be considered timely upon receipt, not transmission. An e-mail response confirming receipt of electronic proposals will be provided on or before the closing date when possible. Hard-copy, facsimile, and late submissions will not be accepted.
2. DieselWise Indiana proposes the following estimated timeline:

<b>Project Milestone</b>	<b>Approximate Date of Completion</b>	<b>Approximate Accumulated Time from Web Posting</b>
Proposal Receipt Deadline	November 25, 2020	8 Weeks
Proposal Review, Prioritization, and Selection	December 4, 2020	9 Weeks
Selected Proposal Notification	December 16, 2020	11 Weeks
Grant Agreements Fully Executed	January 15, 2021	15 Weeks
Projects Complete and Fully Implemented	September 30, 2022	104 Weeks

## **Section V – Application Review Information**

### **A. Evaluation Criteria**

Each eligible application will be evaluated according to the criteria set forth below and other applicable considerations. The evaluation criteria detailed below will be used by DieselWise Indiana to score, evaluate, and rank potential projects. These criteria are not expected to be calculated or provided by the applicant. Applications that directly and explicitly address these criteria will have a greater likelihood of being selected for an award. Each application will be rated under a points system, with a total of 100 points possible. In addition to the quantitative evaluation, additional qualitative considerations will be given to applications that include:

- Reasonable geographic distribution of projects across the state.
- Direct quality of life benefit to nearby communities (i.e. rail switchyard, truck stop, etc. adjacent to a neighborhood or school).
- Collaboration among a diverse set of stakeholders to advance a broader environmental vision or goal for the area.
- Evidence that projects can be replicated with plans to expand the scope to other fleet/equipment owners.
- Evidence of regional support of a project.
- Evidence of a clear plan of action, milestones, and schedule for project completion.
- Evidence of commitment by owner to maintain vehicle emission control system for life of vehicles.
- Evidence of commitment to transform remaining fleet in the future years to alternative fuel and/or electric.
- Evidence of public health benefits by project taking place in a uniquely overburdened location.
- Evidence of commitment and ability to encourage other fleet owners to transform fleets to alternative energy platforms with estimated lower lifetime costs than diesel and great emission reductions of NO<sub>x</sub>, PM<sub>2.5</sub>, VOC, CO, CO<sub>2</sub> and toxic pollutants.
- Evidence of project implementation feasibility without significant obstacles to ensure continued use of the replacement vehicle.

Projects will be evaluated and scored based on the following criteria:

<b>Criteria</b>	<b>Points</b>
Cost effectiveness of project (\$ per ton of NOx reduced).	25
Transformational potential (potential to prove or maximize effectiveness of newer technology).	15
Project's total NOx emission reduction potential (based on type of project and/or the use of vehicle).	15
NAAQS sensitive areas as a percentage of current standards.	15
Air quality benefits to areas with sensitive populations or that bear a disproportionate share of the air pollution burden.	10
Leveraging of resources (financial only).	10
Entities registered with the Indiana Secretary of State that operate vehicles and equipment in conjunction with Indiana facilities (include Indiana Economic Impact documentation).	5
Active participant in the State of Indiana, Department of Administration or Department of Transportation Minority/Women/Veterans Business Enterprise Participation Plan (include measurable MBE/WBE/VBE participation requirements documentation) or in the case of a nonprofit or local unit of government has published guidelines that support MBE/WBE/VBE participation.	5

Note: Additional details on scoring criteria point awards can be found in Appendix A of this document.

**B. Disclaimer**

The DieselWise Indiana Program accepts no obligation for costs incurred by the applicant in anticipation of being awarded a grant. The State of Indiana creates no obligation expressed or implied by issuing this Grant Announcement for Solicitation of the DieselWise Indiana Program or by receipt of any projects submitted. The award of any grant monies shall be at the sole discretion of Indiana. Neither this grant announcement nor any response resulting from this announcement is to be construed as a legal offer.

Questions regarding this Grant Announcement may be directed to Mr. Shawn M. Seals at (317) 233-0425 or [SSeals@idem.IN.gov](mailto:SSeals@idem.IN.gov).

**Disclaimer**

The Indiana Department of Environmental Management accepts no obligation for costs incurred by the applicant in anticipation of being awarded a grant. The State creates no obligation expressed or implied by issuing this RFP or by receipt of any projects submitted. The award of any grant monies shall be at the sole discretion of DieselWise Indiana. Neither this grant announcement nor any response resulting from this announcement is to be construed as a legal offer.

Questions regarding this RFP may be directed to Mr. Shawn M. Seals at (317) 233-0425 or [SSeals@idem.IN.gov](mailto:SSeals@idem.IN.gov).

## **Section VI – Proposal Submission Checklist**

The grant application package *must* include all of the following materials. Use this checklist to ensure that all required materials have been included in your grant application package.

- Project Narrative (hard limit of no more than 10 pages)
  - Signed Cover Letter
  - Work Plan (see Section IV, B for detailed requirements)
- DieselWise Indiana Fleet Spreadsheet (not included in 10-page limit)
- Applicant-Share Commitment Letters, if applicable (not included in 10-page limit)
- State Form 47551 – Automated Direct Deposit Authorization Agreement (not included in 10-page limit)
- State Form 51778 – Indiana Economic Impact Form (not included in 10-page limit)

## **Section VII-- Appendices**

- A. Appendix A – Evaluation Criteria Scoring Details
- B. Appendix B – DieselWise Indiana Fleet Data Spreadsheet
- C. Appendix C - Sample Indiana Grant Agreement
- D. Appendix D - Certification of Vehicle Scrappage Document