AGENCY: INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT (IDEM)

TITLE: 2019 DIESELWISE INDIANA - CLEAN DIESEL ACROSS INDIANA

ACTION: GRANT ANNOUNCEMENT FOR SOLICITATION OF CLEAN DIESEL PROJECTS

DATES: The closing date for receipt of applications is **February 22, 2019, 5:00 p.m. ET.** Grant applications may be submitted via postal or express overnight mail, or electronically. Grant applications submitted via postal or express overnight mail must be postmarked by the closing date. The elements of a grant application are described in Section IV, B below. Electronic grant applications must be submitted in Microsoft Word or PDF format to Mr. Shawn M. Seals at 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 across Indiana.

FUNDING and AWARDS: The total estimated funding for this competitive grant opportunity is approximately $585,000. DieselWise Indiana anticipates awarding cooperative agreements from this announcement ranging from $20,000 to $250,000, 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.

Preference will be given to applicants that are willing to provide a financial match and/or in-kind match (over and above any required matches as detailed in Section I, B below), provide actual historic idling hours, supply pre-installation and post-installation idling hours on any current equipment utilizing idle reduction technology, provide annual fuel

usage estimates, and a demonstrated commitment to maximize the use of any installed diesel emissions reduction technology.

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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 across Indiana. Approximately $585,000 is being made available. Although the solicitation for projects includes statewide eligibility, some—but not all—projects must involve diesel engines and vehicles (public or private) that serve public needs in Northern Indiana. Public-private partnerships are eligible provided the improved vehicles are owned and operated by entities serving a public need. Applications that meet all requirements but are located outside of these specific areas and are within the Northern Indiana Public Service Company's electric service territory will also be considered. This electric service territory can be found at: https://www.nipsco.com/docs/default-source/about-nipsco-docs/serviceterritorymap-sept-2011.pdf. As a member of the Midwest Clean Diesel Initiative (MCDI), DieselWise Indiana has implemented clean diesel projects on over 2,200 vehicles across Indiana with a total investment of roughly $10.5 million. Funding for this DieselWise Indiana program will be in the form of cooperative agreements, which 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.

The effect of diesel emissions on air quality and human health is a concern to DieselWise Indiana and the citizens of Indiana. IDEM began an initiative to reduce diesel emissions in 2000. IDEM's early focus was on reducing diesel emissions in Northwest Indiana. This initiative is commonly referred to as the Northwest Indiana Diesel Emissions Initiative. Lake, Porter, and LaPorte counties have a high volume of heavy-duty diesel traffic, a large number of long-term parking facilities, and a significant amount of long-term idling. This area also contains a large population with many residential neighborhoods located in close proximity to these facilities. In partnership with the School Transportation Association of Indiana (STAI), IDEM introduced a voluntary reduced idling program. This policy was unanimously adopted by STAI members at the

annual conference in 2004. In 2005, IDEM introduced the DieselWise Indiana program to take the clean diesel lessons learned in Northwest Indiana across the remainder of the state. Since that time, the DieselWise Indiana program has worked with municipal, school, and public transportation entities, as well as private companies across Indiana to retrofit vehicles with diesel oxidation catalysts (DOCs), diesel particulate filters (DPFs), closed crankcase ventilation systems, aerodynamic technologies, low rolling resistance tires, and idle reduction technologies. Diesel engine and vehicle replacement projects have also included alternative fuel options including compressed natural gas (CNG) and liquefied petroleum gas (LPG/Propane). In addition to these diesel emission reduction projects, the DieselWise Indiana program has partnered with public entities and private companies on nonroad and marine diesel engine replacement and repowers projects. The DieselWise Indiana program has also provided funds for clean diesel projects at Indiana port and rail facilities. All of these projects have dramatically reduced harmful diesel emissions and improved the quality of life for Indiana citizens living and working in the area.

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 $585,000 will be awarded to eligible projects that include onroad or nonroad diesel-powered equipment in the State of Indiana. Eligible diesel emission reduction technologies include, but are not limited to, exhaust retrofit technologies, idle reduction technologies, diesel engine upgrades, diesel engine repowers, diesel vehicle replacements, aerodynamic technologies, and low rolling resistance tires. Diesel emission reduction projects involving engine repowers or vehicle replacements can include diesel, alternative-fuel, electric-power and/or hybrid technologies. All emission reduction technologies must be certified or verified by the California Air Resources Board (CARB) and/or U.S. EPA.

Diesel Emissions Reduction Project Proposal Areas

Exhaust 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 eligible **exhaust retrofit projects**.

Idle Reduction Technologies: An idle reduction project is defined as the installation of a technology or device to onroad or 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. Diesel-powered auxiliary power units and generators are not eligible for vehicles with 2007 or newer certified engine configurations on long haul Class 8 vehicles. Non-diesel-powered auxiliary power units and generators (i.e. battery air conditioning systems, fuel operated heaters, and thermal storage systems) are eligible for funding for vehicles with 2007 and newer certified engine configurations.
A list of U.S. EPA verified idle reduction technologies is available at 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 application specified on the list (i.e. long haul trucks, school buses, locomotives, etc. as identified on the verification website). The technology categories include:

1. Auxiliary power units and generator sets;
2. Battery air conditioning systems;
3. Thermal storage systems;
4. Electrified parking spaces (truck stop electrification);
5. Fuel operated heaters;
6. Shore connection systems and alternative maritime power;
7. Shore connection systems for locomotives; and,
8. Automatic shutdown/start-up systems for locomotives.

Please note that technologies for the electrification of engines/vehicles/equipment other than those specifically listed above cannot be considered verified idle reduction technologies, but may be eligible as a Repower (removal of a diesel engine and its replacement with an electric power source) or a Replacement (replacement of a diesel-powered engine/vehicle/equipment with an eligible electric engine/vehicle/equipment).

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 the idle reduction technology on **long-haul trucks and school buses**.

DieselWise will cover up to **30%** of the total cost of U.S. EPA SmartWay verified **truck stop electrification** projects.

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 and marine 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. Engine replacements may include replacement for use with a cleaner fuel such as compressed natural gas, re-calibrations, or other components

or the addition of newer, cleaner technologies to reduce the emissions from the engines. DieselWise Indiana is particularly interested in engine replacements that include combined, verified improvements which will further reduce emissions (i.e. through the addition of verified retrofit technologies such as DOCs, DPFs, or crankcase emission control). 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, nonroad and onroad engine replacements** powered by 2018 or newer model year standards for the appropriate application.
>
> DieselWise will cover up to **60%** of the total cost of **locomotive, marine, nonroad and onroad diesel engine replacements** with **electric motor** or **electric power source** for the appropriate application.

Diesel Vehicle and Equipment Replacements: Onroad and 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). 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 2018 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. Onroad diesel vehicles and equipment - Funding under this program may cover the cost of a newer, cleaner vehicle or piece of equipment, powered by an engine certified to the 2018 or newer model year standards for onroad heavy-duty diesel engines, (except for drayage vehicles as detailed below), provided the vehicle or piece of equipment:
   a. is particulate filter-equipped (or catalyst-equipped in the case of a compressed natural gas engine); and,
   b. meets regulatory requirements for vehicles or equipment manufactured in 2018 or later.
3. 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.
4. Replacements for Drayage Vehicles - DieselWise Indiana may fund a portion of the replacement cost of eligible drayage trucks.
   a. Vehicle Eligibility Requirements: DieselWise Indiana may fund the cost of a replacement drayage truck that meet U.S. EPA's 2012 or newer emission levels for heavy-duty onroad vehicles, and:
      i. is particulate filter-equipped (or catalyst-equipped in the case of a compressed natural gas engine); and,
      ii. meets regulatory requirements for heavy-duty onroad vehicles manufactured in 2012 or later model year.
   b. Scrappage Requirements for Drayage Vehicles: The purchaser of the eligible drayage truck must scrap an existing drayage truck, following the Repower and Replacement Proposal criteria described below. If your proposal is selected for funding, the grant recipient will be required to establish guidelines to insure that the scrapped vehicle has a history of operating on a frequent basis over the prior year as a drayage truck.
   c. Drayage Operating Guidelines: If your proposal is selected for funding, the grant recipient will be required to establish guidelines to insure that all drayage trucks receiving grant funds are operated in a manner consistent with the definition of a drayage truck, as defined below.
   d. Required/Scheduled Maintenance: DieselWise Indiana may fund the required/scheduled vehicle maintenance, as specified in the owner's manual, which is necessary to meet the warranty requirements for diesel particulate filters installed on drayage trucks. Funding for required maintenance is available for the duration of the project period.
   e. Definition of Drayage Truck: A "Drayage Truck" means any Class 8b in-use, on-road vehicle with a gross vehicle weight rating (GVWR) of greater than 33,000 pounds operating on or transgressing through port or intermodal rail yard property for the purpose of loading, unloading or transporting cargo, such as containerized, bulk or break-bulk goods.

DieselWise will cover up to **25%** of the total cost of **locomotive, onroad, and nonroad vehicle replacements** powered by U.S. EPA certified **model-year 2018 or newer equipment**.

DieselWise will cover up to **45%** of the total cost of **locomotive, onroad and nonroad diesel engine replacements** with **electric motor** or **electric power source** for the appropriate application.

DieselWise will cover up to **50%** of the total cost of **drayage** vehicle replacements powered by U.S. EPA certified **model-year 2012 or newer equipment**.

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.

Verified Aerodynamic Technologies and Low Rolling Resistance Tires*:* To improve fuel efficiency, long haul Class 8 trucks can be retrofitted with aerodynamic trailer fairings or the fairings can be provided as new equipment options. Certain tire models can provide a reduction in nitrogen oxide (NO_x) emissions and fuel savings, relative to the "best selling" new tires for long haul Class 8 trucks, when used on all three axles. DieselWise Indiana is particularly interested in projects that combine aerodynamic technologies with verified retrofit technologies which will further reduce emissions, e.g.,

through the addition of exhaust retrofit technology such as a DOC, DPF, or crankcase emission control. A list of U.S. EPA verified aerodynamic technologies and low rolling resistance tires is available at www.epa.gov/verified-diesel-tech/smartway-verified-list-aerodynamic-devices. Advanced aerodynamic technologies are not eligible for funding if installed on trucks that have NO_x aftertreatment.

> DieselWise will cover up to **100%** of the total cost of **aerodynamic technologies or low rolling resistance tires** if the technology is installed **on the same vehicle and at the same time as a new eligible verified exhaust retrofit technology**.

***Alternative Fuel Infrastructure**:* To reduce diesel emissions and dependency on foreign oil, many diesel engines and vehicles can be fueled with alternatives to traditional diesel fuel. DieselWise Indiana is particularly interested in public and/or public-private partnership alternative fuel projects that combine necessary infrastructure with committed fleets that serve a public need. Private alternative fuel infrastructure projects can be deemed eligible with a public usage demonstration. For example, a private fuel infrastructure project combined with a demonstrated commitment from a local municipal (or other public) entity may be found eligible under this DieselWise Indiana solicitation. Eligible infrastructure-related costs include those related to the construction of a new alternative fueling facility or necessary upgrades to an existing alternative fueling facility that provides compressed natural gas (CNG) or liquefied natural gas (LNG); costs may include the purchase and installation of new fueling and pumping equipment and devices, such as all mechanical, electrical, and electronic components of fueling and pumping systems, and storage vessels with connecting infrastructure including flexible or hard pipe per standard codes. The diesel engines and vehicles committed to using a proposed private fuel infrastructure are eligible for funding through this program. Public-private partnership project applications should include all information as detailed in Section IV of this document for both the public and private portions of the overall project. These public-private partnership details should include all details related to the infrastructure as well as the diesel engines and vehicles that will utilize the infrastructure with a clear demonstration of serving a public need. Although public-private partnership applications should be submitted in a single document, match percentages and total award caps will be applied to the public and private components separately.

> DieselWise will cover up to **50%** of the total cost of **CNG and/or LNG alternative fuel infrastructure** for projects located in the appropriate geographic areas as detailed in Section I, A of this solicitation.

Funds made available to the DieselWise Indiana program come from a variety of sources. Some of the funding sources carry legally binding geographic, financial, applicability and other requirements. The funding levels for the 2018 DieselWise Indiana program can be found in the table below.

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

Technology Type or Combination	Maximum % Funding Available
Exhaust Retrofits	Up to 100%
Idle Reduction Technologies	Up to 40%
Diesel Engine Upgrades and Remanufacture Systems	Up to 40%
Diesel Engine Replacements	Up to 60%
Diesel Vehicle and Equipment Replacements	Up to 50%
Aerodynamic Technologies and Low Rolling Resistance Tires	Not Eligible as Stand Alone
Alternative Fuel Infrastructure	Up to 50%

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.

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. **Restriction for Mandated Measures:** Pursuant to 42 U.S.C. 16132(d)(2), no funds awarded under this solicitation shall be used to fund the costs of emission 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 U.S. EPA Administrator under the Clean Air Act. Voluntary or elective emission 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 emission 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 emission 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). Projects which include locomotives and/or marine engines and/or stationary engines must provide the state and U.S. EPA a clear and concise justification for why/how the proposed emission reduction are 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 Program will be implemented prior to the effective date of any applicable federal requirements; and/or
- emission reductions funded under this solicitation 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.

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

   (a) The replacement vehicle, engine, or equipment will perform the same function and operation as the vehicle, engine, or equipment that is being replaced (e.g., an excavator used to dig pipelines would be replaced by an excavator that continues to dig pipelines).

   (b) 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 (e.g., a 300 horsepower bulldozer is replaced by a bulldozer of similar horsepower). 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.

(c) The engine being replaced will be scrapped or rendered permanently disabled within ninety (90) days of the replacement, or remanufactured to a certified cleaner emission standard. Permanently disabling the engine while retaining possession of the engine is an acceptable scrapping method. 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. Remanufacturing shall be performed by the original engine manufacturer, or by a dealership/distributor that has a service program that is sponsored/backed by original engine manufacturer warranties (i.e. the new, remanufactured and upgraded engine is warranted by the OEM). Non-road engines shall be remanufactured to the cleanest certified emission standard possible. Highway engines shall be remanufactured to Model Year (MY) 2018 or newer certified emission standards. Remanufacturing must be completed during the project period. Other acceptable scrappage methods may be considered and will require prior written approval from the DieselWise Indiana Administrator. If scrapped or remanufactured engines are to be sold, program income requirements apply.

(d) The vehicle/equipment being replaced will be scrapped or rendered permanently disabled within ninety (90) days of the replacement, or remanufactured to a certified cleaner emission standard. Permanently disabling the chassis and disabling or remanufacturing the engine (see above) while retaining possession of the vehicle/equipment is an acceptable scrapping method. The engine will be scrapped or disabled as described above in 3(c). 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. Vehicle/equipment components that are not part of the engine or chassis may be salvaged from the unit being replaced (e.g. plow blades, shovels, seats, etc.). If scrapped or remanufactured vehicles/equipment or salvaged vehicle/equipment

chassis or components are to be sold, program income requirements apply.

(e) Evidence of appropriate disposal (such as digital photos of the engine tag showing serial number, engine family number, and engine model year, and of the destroyed engine block and cut frame rails or other structural components) is required in a final assistance agreement report submitted to DieselWise Indiana.

(f) For tire replacement projects, the original tires should be scrapped according to local or state requirements, or the tires can be salvaged for reuse or retreading. If salvaged tires are sold, program income requirements apply.

3. **Formerly Verified Technologies:** No funds awarded under this solicitation 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, and CARB's formerly verified lists can be found at: www.arb.ca.gov/diesel/verdev/vt/fv1.htm, www.arb.ca.gov/diesel/verdev/vt/fv2.htm, and www.arb.ca.gov/diesel/verdev/vt/fv3.htm.

4. **Single-Wide Wheels:** No funds awarded under this solicitation shall be used for the purchase of single-wide wheels except where a fleet is retrofitting from standard dual tires to SmartWay-verified single-wide low rolling resistance tires. In this case, the cost of single-wide wheels would be acceptable as additional equipment necessary to use the SmartWay verified technology.

5. **Tires and Aerodynamics:** No funds awarded under this solicitation shall be used for the purchase of low rolling resistance tires or advanced aerodynamic technologies if similar technologies have previously been installed on the truck or trailer.

6. **Auxiliary Power Units:** No funds awarded under this solicitation shall be used for the purchase of APUs or generators for vehicles with 2007 or newer certified engine configurations on long haul Class 8 vehicles.

7. **On-highway Model Year:** No funds awarded under this solicitation shall be used to retrofit, repower, convert or replace a transit bus, medium-duty, or heavy-duty highway vehicle with engine model year 1994 and older or 2011

and newer, or to retrofit engine model year 2007 or newer with DOCs or DPFs, or retrofit engine model year 2011 or newer with SCR, or replace engine model year 2007-2010 with other than with an all-electric motor or power source. Refer to Table 1 for further explanation.

Table 1: Medium and Heavy-Duty Trucks, Transit Buses and School Buses Funding Restrictions

Current Engine Model Year	DOC +/- CCV	DPF	SCR	Verified Idle Reduction, Tires, or Aerodynamics	Vehicle or Engine Replacement: EMY 2018+ (2012+ for Drayage)	Vehicle or Engine Replacement: Electric	Clean Alternative Fuel Conversion
1994 and Older	No	No	No	No	No	No	No
1995 to 2006	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2007 to 2009	No	No	Yes	Yes*	No	Yes	Yes
2010 and Newer	No	No	No	No	No	No	No

* Auxiliary Power Units and generators are not eligible on vehicles with EMY 2007 or newer.

8. **Operating Hours:** No funds awarded under this solicitation shall be used to retrofit, repower, upgrade or replace a nonroad engine or equipment that operates less than 1,000 hours per year.

9. **Nonroad Repower/Replacement:** No funds awarded under this solicitation shall be used to repower or replace nonroad Tier 0 (unregulated) engines to a nonroad Tier 1 or lower nonroad engine standard or from a Tier 2 nonroad engine standard to a Tier 3 or lower nonroad engine standard. Refer to Table 2 for further explanation.

Table 2: Nonroad Engine Funding Restrictions

Current Engine Horsepower	Current Engine Model Year (EMY) and Tier	Vehicle/Equipment Replacement: EMY 2018+				Verified Exhaust Control
		Tier 0 – 2	Tier 3 – 4i	Tier 4	All-Electric	
0 – 50	2005 and Newer; Unregulated – Tier 2	No	No	Yes	Yes	Yes
51 – 300	1995 and Newer; Tier 0 – Tier 2	No	Yes*	Yes	Yes	Yes
301+	1985 and Newer; Tier 0 – Tier 2	No	Yes*	Yes	Yes	Yes
301+	1985 and Newer; Tier 3	No	No	Yes	Yes	Yes

Current Engine Horsepower	Current Engine Model Year (EMY) and Tier**	Engine Replacement: EMY 2018+*			Verified Engine Upgrade
		Tier 0 – 3	Tier 4	All-Electric	
0 – 50	2005 and Newer; Unregulated – Tier 2	No	Yes	Yes	Yes
51 – 300	1995 and Newer; Tier 0 – Tier 3	No	Yes	Yes	Yes
301 – 750	1985 and Newer; Tier 0 – Tier 3	No	Yes	Yes	Yes
751+	1985 and Newer; Tier 0 – Tier 2	No	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 2018 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 for the same emission standards applicable to EMY 2018.

10. **Locomotive and Marine Operating Hours:** No funds awarded under this solicitation shall be used to retrofit, repower, replace, upgrade or install idle reduction technologies on eligible locomotives or marine engines that operate less than 1,000 hours per year.

11. **Marine Engine Tier:** No funds awarded under this solicitation shall be used to repower, replace or upgrade Tier 3 or Tier 4 marine engines, or to repower or replace marine engines with a Tier 2 or lower marine engine standard to Tier 1 marine engine standard, or from a Tier 2 marine engine. Refer to Table 3 for further explanation.

Table 3: Marine Engines Funding Restrictions

Current Engine Tier	Engine Replacement: EMY 2018+			Certified Remanufacture System	Verified Engine Upgrade
	Tier 1 – 2	Tier 3 – 4	All-Electric		
Unregulated – Tier 2	No	Yes	Yes	Yes	Yes
Tier 3 – 4	No	No	No	No	No

12. **Marine Shore Connection:** No funds awarded under this solicitation shall be used for marine shore connection system projects that are expected to be utilized less than 1,000 MW-hr/year.

13. **Locomotive Retrofit/Repower/Replacement/Upgrade:** No funds awarded under this solicitation shall be used to replace any locomotive engine with a Tier 3 or lower engine. No funds awarded under this solicitation shall be used to replace Tier 2+ line-haul locomotive engines. No funds awarded under this solicitation shall be used to install Automatic Engine Start-Stop technologies

on locomotives currently certified to Tier 0+ or higher. Refer to Table 4 for further explanation.

Table 4: Locomotive Engines Funding Restrictions

Current Locomotive Tier	Locomotive Replacement or Engine Replacement: EMY 2018+* or Electric			Verified Exhaust Controls	Idle-Reduction Technology	Certified Remanufacture System
	Tier 0+ - 3	Tier 4	All-Electric			
Unregulated and 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 for engine replacement if the engine is certified for the same emission standards applicable to EMY 2018.
** 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 remanufactured 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.

14. **Locomotive Shore Connection:** No funds awarded under this solicitation shall be used for locomotive shore connection system projects that are expected to be utilized less than 1,000 hours/year.

D. Anticipated Outcomes

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

1. Examples of the benefits of onroad or nonroad emission reduction technologies that can be implemented in other areas and applications.

2. Improved air quality via the reduction of NO_x, 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. What is the Amount of Funding Available?

The total estimated funding for this competitive grant opportunity is approximately $585,000. DieselWise Indiana anticipates awarding cooperative agreements from this announcement ranging from $20,000 to $250,000, 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 announcement may be awarded funding from these additional funds.

B. Funding Allocations

Note: Although an applicant may receive multiple awards, no individual award shall exceed $250,000 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 solicitation will result in a formal agreement between the Grantee and IDEM. An example agreement is included in Appendix A. 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.

C. What is the Project Period for Awards Resulting from this Solicitation?

All projects implemented as a result of grant awards under this program must be completed by **September 30, 2019** to qualify for reimbursement.

D. Are Matching Funds Required?

Yes. Preference will be given to proposals that include a financial cost-share or in-kind 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 2016 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, Evaluation Criteria, for further information.

Section III – Eligibility Information

Eligible Entities

This is a competitive grant program open to public and private entities that operate diesel powered equipment. Public entities, for example, may include school bus, city bus, public works, and sanitation fleets. Private entities may include private bus fleets, private trucking companies with a local hub and localized routes, industrial equipment, and nonroad equipment or machinery (i.e. construction equipment).

Section IV – Application and Submission Information

A. How to Apply

An electronic copy of this solicitation for clean diesel projects can be requested from Mr. Shawn M. Seals at (317) 233-0425 or 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 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 an MWBE Commitment Form. 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 Solicitation 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.

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 including any in-kind resources.

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, 2019.

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 and in-kind).

x. A detailed fleet description of the vehicles to be improved through this grant program. This information must be provided by completing the DieselWise Indiana Fleet Sheet (DIFS). Information included in the DIFS will not count towards the 10-page limit of the narrative work plan.

C. Submission Methods and Deadlines

1. Grant applications may be submitted via postal or express overnight mail, or electronically. Grant applications submitted via postal or express overnight mail must be post marked by the closing date. Electronic grant applications must be submitted in Microsoft Word or PDF format to Mr. Shawn M. Seals at 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. Facsimile and late submissions will not be accepted.
2. DieselWise Indiana highly recommends that applicants who do not submit their grant applications electronically use a service that requires IDEM to sign off when receiving the application. Grant applications should be sent to:

Indiana Department of Environmental Management
Attn: Mr. Shawn M. Seals, DieselWise Indiana Administrator
100 North Senate Avenue
Mail Code 61-50 IGCN 1003
Indianapolis, IN 46204-2251

3. DieselWise Indiana proposes the following estimated timeline:

Project Milestone	Approximate Date of Completion	Approximate Accumulated Time from Web Posting
Proposal Receipt Deadline	February 22, 2019	6 Weeks

Proposal Review, Prioritization, and Selection	March 8, 2019	8 Weeks
Selected Proposal Notification	March 22, 2019	10 Weeks
Grant Agreements Fully Executed	April 19, 2019	14 Weeks
Projects Complete and Fully Implemented	September 30, 2019	37 Weeks

Section V – Application Review Information

Each eligible application will be evaluated according to the criteria set forth below. 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. An additional 5 points are possible for Indiana owned and operated enterprises, as well as an additional 5 points for a commitment to purchase and install equipment with a direct Indiana business benefit. Projects will be evaluated and scored based on the following criteria:

Evaluation Criteria

Criteria	Points
Project's total emission reduction potential (based on type of project and/or the use of vehicle).	25
Level of commitment from the equipment owner/operator. This includes the willingness of the owner/operator to provide a financial match to leverage grant funds and/or provide an in-kind match, as well as a documented commitment to ensure project goals are met.	25
Proximity to sensitive populations such as daycare facilities, schools, nursing homes, and residential areas.	15
Term remaining of useful vehicle life.	15
Reduction in fuel and oil consumption and other fluid or solid wastes from idling diesel engines.	15

Willingness to establish and enforce an Idle Restriction and Use Policy to maximize the use of onroad or nonroad idle reduction technologies and exhaust retrofit technologies.	5
BONUS: Bonus points will be provided to Indiana owned and operated business enterprises (include Indiana Economic Impact documentation).	5
BONUS: Active participant in the State of Indiana Minority/Women/Veterans Business Enterprise Participation Plan (include MBE/WBE/VBE documentation).	5

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 Grant Announcement for Solicitation of Clean Diesel Projects Across Indiana 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 Grant Announcement for Solicitation of Clean Diesel Projects Across Indiana may be directed to Mr. Shawn M. Seals at (317) 233-0425 or 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.

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