

Recovery Act Information – Diesel Emissions Reduction

Background:

The Recovery Act provided \$300 million for activities under the Diesel Emission Reduction Act (DERA). Of the \$300 million total nationally, 30 percent (\$90 million) is direct grants to states and the other 70 percent in competitive grants. The \$90 million in state grants will be allocated equally among the 50 states and the District of Columbia, assuming all opt in. After deducting administrative cost, EPA will allocate approx. \$1.7 million to each state.

DERA program criteria:

DERA establishes a voluntary national and state-level grant and loan program to reduce diesel emissions.

Specifically, DERA project criteria for the state allocation funding have the following priorities:

- Public fleets and projects that are more cost-effective, and affect the greatest number of people
- Maximize public health benefits, including air quality improvements
- Diesel fuel conservation benefits and diesel emissions reductions
- Cost-effectiveness and cost-benefits of grant or loan programs
- Serve areas of high population density or poor air quality; areas with toxic air pollutant concerns; or that have a disproportionate quantity of air pollution
- Require program accountability

Grant processing requirements:

The Recovery Act package added very tight timelines for development and implementation of these projects in order to both reduce diesel emissions and get the money into the economy. This includes the following timelines:

March 6, 2009 - DAQ must provide US EPA with a Notice of Intent to Apply in order to show there are order-ready projects

- This will ensure that the \$1.7 MM will be set aside for WV via the state allocation process

March 20, 2009 - DAQ must submit a final Work Plan to US EPA, under a new grant

June 30, 2010 - All funding must be spent by project partners, or US EPA will re-allocate the funding to other states

DAQ project selection criteria:

In light of the above constraints to reduce diesel emissions, promote fuel efficiency, and maximize public health benefits, while saving otherwise public funding sources and meeting very tight timelines, DAQ is using the following criteria:

- Coordination with previous partners to determine the status of projects that are order-ready and can meet the DERA timelines, including:
 - WV Department of Transportation – Public Transit Office – affects the public (and air quality) across the state
 - Public Transit Fleets – building on current project with KRT and expanding to TTA (non-profits)

- WV Department of Education – school bus fleets across the state
- These projects with public transit and school bus fleets help ensure energy efficiency (and costs savings) and that air quality is benefited in ways that help the citizens of the state as they travel to-and-from homes, jobs and schools.

Currently, DAQ has identified projects and partners for the majority of the \$1.7 MM in state allocated funds. There is still competitive grant funding available (approx. \$16.6 million in EPA Region 3) to non-profits organizations, or entities partnering with non-profits.