



# New Hampshire Clean Diesel Grant Program

## Air Resources Division/Technical Services Bureau



### Frequently Asked Questions (FAQ)

Updated 10/01/20

#### Where do I send the application form?

Applications must be submitted by email to Jessica Wilcox at [jessica.wilcox@des.nh.gov](mailto:jessica.wilcox@des.nh.gov)

#### Is a specific engine or vehicle eligible for the program?

To determine eligibility of medium and heavy-duty trucks, transit buses, and school buses please refer to [EPA's FY 2019-2020 State Clean Diesel Grant Program Information Guide](#) and reference **Table 2. Medium and Heavy-Duty Trucks, Transit Buses, and School Buses Funding Restrictions** on page 23. You will need to confirm the model year of the engine or vehicle you want to replace and use the chart to determine if it is eligible for your project type.

To determine eligibility of a non-road engine or piece of equipment please refer to [EPA's FY 2019-2020 State Clean Diesel Grant Program Information Guide](#) and reference **Table 3. Nonroad Engine Funding Restrictions** on page 24. The top portion of the chart is for Vehicle/Equipment Replacement (the bottom portion is for Engine Replacement). You will need to confirm engine horsepower (hp) and tier level of the piece of equipment or engine you want to replace and use the chart to determine if it is eligible for your project type.

To determine eligibility of marine engines please refer to [EPA's FY 2019-2020 State Clean Diesel Grant Program Information Guide](#) and reference **Table 4. Marine Engines Funding Restrictions** on page 25. You will need to confirm the tier level of the engine or vessel you want to replace and use the chart to determine if it is eligible for your project type.

To determine eligibility of locomotive engines please refer to [EPA's FY 2019-2020 State Clean Diesel Grant Program Information Guide](#) and reference **Table 5. Locomotive Engines Funding Restrictions** on page 25. You will need to confirm the tier level of the engine or locomotive you want to replace and use the chart to determine if it is eligible for your project type.

#### How much funding is available for a specific project?

To determine the funding limits for your project, please refer to [EPA's FY 2019-2020 State Clean Diesel Grant Program Information Guide](#) and reference **Table 6. DERA Funding and Mandatory Cost-Share Requirements** on page 27.

## **Does the vehicle and/or engine being replaced need to be destroyed?**

Yes, the goal of the replacement projects under this program is to remove older more polluting engines/vehicles/equipment from service and replace them with newer, more efficient engines/vehicles/equipment. Any engine being replaced through this funding must be destroyed by cutting a three-inch by three-inch hole in the engine block (the part of the engine containing the cylinders), and any vehicle being replaced must have the chassis disabled by cutting through the frame/frame rails on each side at a point located between the front and rear axles.

However, the air quality benefits in a replacement project may be applied to an older truck using the following provisions (in order to utilize either of these provisions, the applicant would need to identify the second vehicle being replaced in the application and provide a detailed scrappage plan):

- 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 an 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 EPA 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 EPA approval.

## **Is Fueling Infrastructure an eligible cost with Alternative Fuel Projects (e.g., Electric, Propane, Natural Gas)?**

This is contingent upon the type of Alternative Fuel the project utilizes. Per [EPA's FY 2019-2020 State Clean Diesel Grant Program Information Guide](#):

- **Under Item 6. Engine Replacement on P. 12”**

“For engine replacement with battery, fuel cell, and grid electric, examples of eligible engine replacement costs include, but are not limited to: electric motors, electric inverters, battery assembly, direct drive transmission/gearbox, regenerative braking system, vehicle control/central processing unit, vehicle instrument cluster, hydrogen storage tank, hydrogen management system, fuel cell stack assembly, and the purchase and installation of electrical infrastructure or equipment to enable the use of power. *Examples of ineligible costs include, but are not limited to, electricity, and operation and maintenance costs.*”

  - **DERA funding limits & cost share requirements are on P. 27:**  
Diesel Engine Replacement with Zero-Emissions = 60% DERA funding
- **Under Item 7. Vehicle & Equipment Replacements on P. 13:**

“For grid electric powered equipment replacements, examples of eligible replacement costs include, but are not limited to, the purchase and installation of electrical infrastructure or equipment to enable the use of power. *Examples of ineligible costs include, but are not limited to, electricity, and operation and maintenance costs.*”

  - **DERA funding limits & cost share requirements are on P. 27:**  
Diesel Vehicle/Equipment Replacement with Zero-Emissions = 45% DERA funding
- **Section IX. Funding Restrictions, Item E. on P. 19:**

“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.”

### **If matching funds for a project are already approved for use in a current Capital Improvement Plan, is this project still eligible for reimbursement?**

Applicants that have already received approval for funding in their capital improvement plan can still be funded under DERA. Please include this information in response to Question 6 (Q6.) of the grant application, as it impacts project scoring.

### **If I've been notified that my project has been selected, when can I start?**

Your contract is not final until approved by Governor and Executive Council. Should it be necessary to get an order placed, an applicant could, at their own risk, place such an order but any expenditures that might be incurred prior to Governor and Executive Council approval would not be reimbursable under the grant. Per this [2020 Request for Proposals](#) (Item 1.6): “No project costs may be incurred prior to approval of the contract by the Governor and Executive Council.”

### **What other funding restrictions are there?**

For other funding restrictions, please refer [EPA's FY 2019-2020 State Clean Diesel Grant Program Information Guide](#) and reference **SECTION IX. FUNDING RESTRICTIONS** starting on page 19. NHDES highly recommends that anyone applying for funding under this program review this section.

### **Does the new vehicle/engine/equipment need to be the same/similar to the vehicle/engine/equipment being replaced?**

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.

Nonroad: Horsepower increases of more than 25 percent will require specific approval by EPA prior to purchase, and the applicant may be required to pay the additional costs associated with the higher horsepower equipment.

Onroad (Highway): The replacement vehicle must not be in a larger weight class than the existing vehicle (Class 5, 6, 7, or 8). Exceptions may be granted for vocational purposes and will require specific EPA approval prior to purchase.

### **If I am replacing a vehicle/equipment what is considered an eligible cost?**

The eligible cost of a vehicle/equipment replacement includes the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the equipment functional. The cost of additional "optional" components or "add-ons" that significantly increase the cost of the vehicle may not be eligible for funding under the grant; the replacement vehicle should resemble the replaced vehicle in form and function. For example, the plow attachment on a plow truck would be eligible; however, the sander machine in the back of the truck may not be eligible.

For grid electric powered equipment replacements, examples of eligible replacement costs include, but are not limited to, the purchase and installation of electrical infrastructure or equipment to enable the use of power. Examples of ineligible costs include, but are not limited to, electricity, and operation and maintenance costs.

### **If I am replacing an engine what is considered an eligible cost?**

The eligible cost of engine replacement includes the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the equipment functional, including related labor expenses. Charges for equipment and parts on engine replacement projects are only eligible for funding if they are included in the certified engine configuration and/or are required to ensure the effective installation and functioning of the new technology but are not

part of typical vehicle or equipment maintenance or repair. Examples of ineligible engine replacement costs include, but are not limited to: tires, cabs, axles, paint, brakes, and mufflers.

For engine replacement with battery, fuel cell, and grid electric, examples of eligible engine replacement costs include, but are not limited to: electric motors, electric inverters, battery assembly, direct drive transmission/gearbox, regenerative braking system, vehicle control/central processing unit, vehicle instrument cluster, hydrogen storage tank, hydrogen management system, fuel cell stack assembly, and the purchase and installation of electrical infrastructure or equipment to enable the use of power. Examples of ineligible costs include, but are not limited to, electricity, and operation and maintenance costs.

### **What do I do if I have trouble opening the documents on the website?**

Contact Jessica at [jessica.wilcox@des.nh.gov](mailto:jessica.wilcox@des.nh.gov) to request the documents as email attachments.

### **Can we submit for multiple projects? If yes, how?**

Yes, you are welcome to submit multiple applications for various projects. If it makes it easier, simply copy and paste the answers if they apply to multiple project types.

If you are submitting a proposal for more than one vehicle/equipment/engine, please advise if the applications should be considered as separate projects or as one combined project.

### **When will applicants be notified about project selection?**

Reference item 1.5 “Program Schedule” on page 2 of the [2020 Request for Proposals](#).

### **How long do we have to complete the project/obtain the new vehicle?**

The project period is typically one year, however depending on the circumstances, there may be the potential to apply for an extension if there is a valid reason for the delay.

Per this [2020 Request for Proposals](#), Section 1.5 on page 2, projects (that have been selected by the Scoring Committee and approved by Governor & Council), are required to be completed by September 30, 2021.

### **How competitive is this grant?**

This is a competitive solicitation and projects will be reviewed and selected by a Scoring Committee. Reference the [2020 Scoring Criteria](#) document.

### **What are the grant deliverables/reporting requirements?**

Recipients will be required to submit Project Status Reports as specified in the contract agreement. Failure to report would be considered a violation of the terms of the agreement.

Once the grant agreement is finalized, quarterly reports on the status of the project are required until two years after the project is approved. Quarterly reports submitted prior to project completion consist of a quick status update including schedule update. Quarterly reports submitted for two years following project completion consists of a quick status update along with other data parameters. The parameters required will depend on the project type and will be outlined in the grant agreement.

Annual reports are required in January of each year for three years following the final quarterly report. Annual reports include a status update and the same data parameters required for the quarterly report for a full year.

### **Can a vehicle be purchased under a lease-to-own contract?**

Although lease-purchases are technically eligible under the EPA DERA program, the grant would need to remain open through the lease period until such time as it can be demonstrated that the cost-share has been met. Unfortunately, this is very difficult under the state program which is only open for a limited time period; therefore, NHDES has made the determination that we do not have the ability to manage a lease-to-own project unless it can be completed within the grant time period.