

Wisconsin Clean Diesel Grant Program – Guidelines & Instructions

THOROUGHLY READ THESE INSTRUCTIONS AND PROGRAM REQUIREMENTS.

Information and forms for this program can be found at: <http://dnr.wi.gov/Aid/CleanDiesel.html>

FUNDING SOURCE: The WDNR received grant funds from the U.S. EPA through the Diesel Emission Reduction Act (DERA). Approximately \$115,000 is available in this program to help fund projects that reduce diesel emissions from on-road, off-road and stationary sources in Wisconsin.

PARTICIPATION PROCESS OVERVIEW:

1. ONLY ONE APPLICATION PER FLEET/APPLICANT for a maximum request of \$50,000.
2. Determine eligibility by reviewing the guidelines in this document.
3. Decide what pieces of equipment you want to address and the types of technologies best suited for the equipment. Dealers/vendors can help with this process. All technologies must be EPA or CARB verified (see page 2).
4. Obtain price quotes from qualified vendors using the program's Price Quote Form. Obtain proof of EPA or CARB verification from vendors if acquiring quotes for retrofit devices or upgrade kits and EPA or CARB engine emission certificate of conformity for all engine repowers and equipment replacements.
5. Complete all required documents and use the Application Checklist form or call with any questions to ensure a complete application. **Incomplete applications may be rejected.** Applicants who submit incomplete applications before the deadline will be notified and have time to correct by the deadline. Required documents include:
 - Application Worksheet* completed in Microsoft Excel
 - Price Quote Form* completed by vendor for each product you intend to acquire, including:
 - For retrofit devices and upgrade kits - Proof of EPA or CARB verification from vendor
 - For engine repowers and equipment replacements - EPA or CARB engine certificate of conformity from vendor, as well as evidence of early replacement (see details on page 4 under *Application Instructions*)
 - Certification Statement Form*
 - Written approval from owner* - If the applicant is not the owner of the eligible equipment, obtain written approval from owner acknowledging permission to participate in this project.
6. Submit forms and supporting documents (if applicable) **postmarked by August 23, 2013** to:
Wisconsin Department of Natural Resources
Clean Diesel Grant Program – AM/7
P.O. Box 7921
Madison, WI 53707-7921
7. Grant applicants will be notified if selected for funding or not approximately 60 days after application deadline. If grant is awarded, recipients must review, complete, and submit Agreement and other required documents within 30 days of the award notification date.
8. After award documents are signed and returned, purchase and install the awarded devices. **Items purchased and/or installed before execution of award agreement will NOT be reimbursed.**
9. Submit a request for reimbursement with invoice(s) and other required documents by the date specified in the agreement (typically within 120 days of the agreement date).
10. Submit a Final report.

ELIGIBLE EQUIPMENT:

- Operates on diesel fuel
- Is an on-road vehicle (medium heavy-duty, heavy heavy-duty class 5 and higher), off-road equipment, or stationary engine
- Equipment impacted with these funds must remain in your fleet for the remaining useful life of the vehicle/equipment. If the vehicle/equipment on which the technology is installed is sold or reaches the end of its useful life, but the technology itself still has one or more years left of useful life, the technology must be transferred to another piece of equipment if possible.
- Has had a NOx reflash/low NOx rebuild, if applicable (on pre-1999 on-road vehicles affected by the federal Heavy Duty Diesel Engine Consent Decree)

ELIGIBLE APPLICANT:

- Owns the equipment or, if leased, the applicant must provide a written statement from owner providing permission to alter the equipment.
- Is headquartered in Wisconsin or has an operational base office in Wisconsin
- Is able to meet the minimum match requirements (if applicable). Match is to be provided by actual cash outlay. Other federal or state grants *cannot* be used as match on this grant.
- Has an Affirmative Action Plan if requesting \$50,000 or more, unless exempt, or will have one in place if awarded. The complete instructions for Affirmative Action Requirements can be downloaded from <http://vendornet.state.wi.us/vendornet/contract/contcom.asp>.

ELIGIBLE TECHNOLOGIES, COSTS, AND MATCH REQUIREMENTS:

Grant awards are capped at a **maximum amount of \$50,000 per applicant** (excludes match dollars) and can include a combination of any of the technologies below. Eligible costs are for the costs of the technology, necessary installation hardware, installation (only if performed by vendor), and any applicable taxes.

- ➔ **Exhaust Control Retrofits¹** - grant covers 100% of cost for EPA or CARB verified retrofit devices, which must be verified for the specific equipment. If equipment is already outfitted with a retrofit device: it must not have been funded with a previous grant, it must be listed on the application form, and the new device must achieve higher emission reductions. Check for verified products at: <http://www.epa.gov/cleandiesel/verification/verif-list.htm> & <http://www.arb.ca.gov/diesel/verdev/vt/cvt.htm>
- ➔ **Engine Emission Upgrades** - grant covers 100% of EPA or CARB verified engine emission upgrade kits to enable engine to meet cleaner standards. Grant only covers the cost of the emission upgrade kit, not the entire cost of an engine rebuild. Check for verified kits at the links above.
- ➔ **On-board Idling Reduction Devices** - grant covers 50% of cost for EPA verified devices that are installed on the vehicle. Model year 2007 and newer trucks are not eligible for diesel-powered APUs, unless the APU is equipped with a particulate filter (newer trucks may apply for other verified idling technologies). If vehicle is already equipped with an idling device: it must not have been funded with a previous grant, it must be listed on the application form, and the new device must achieve higher emission reductions. Check for verified products at: <http://www.epa.gov/smartway/technology/idling.htm>
- ➔ **Engine Repower²** - grant covers 50% of cost for replacing, at least 3 years ahead of normal schedule, older engines with engines of similar horsepower that are certified to more stringent emission standards. Repowers consist of replacing an engine and with a newer engine and any component(s) necessary to enable the operation of the new engine (e.g. cooling and air systems, controls). EPA or CARB engine certificate of conformity must be included with application. Old engine must be disposed. *See footnote for restrictions.*
- ➔ **Vehicle/Equipment Replacement²** - grant covers 25% of cost of diesel replacement (or 30% of total cost for certified electric hybrid, natural gas, or propane equipment), at least 3 years ahead of normal attrition schedule, older equipment with equipment of the same type, size, horsepower and function that is certified to more stringent engine emission standards. EPA or CARB engine certificate of conformity must be included with application. Old engine and chassis must be disposed. *See footnote for restrictions.*

¹ Eligible retrofit devices include technologies installed on the exhaust system or engine, not for fuel-based “retrofits”.

² Eligible engine and equipment replacements must not have been planned to occur before September 30, 2016. The engine or equipment being replaced must be permanently disabled (hole through engine block and manifold, running engine with sodium silicate solution, chassis cut in half) or returned to manufacturer for remanufacturing. The old engine cannot be kept in fleet, traded or sold, but may be used for parts after disabling. If parts of the old vehicle/equipment are sold or funds received from salvage of equipment, any income received must be reported to DNR and will be subtracted from the total project cost.

INELIGIBLE COSTS:

- Items purchased and/or installed before execution of award contract
- Installation costs if performed by the applicant
- Using grant to fund technologies to help meet any federally mandated emission requirements. If the reductions are required as part of any federal law, this grant cannot assist.
- Using these grant funds as "match" on another grant or combining this grant award with funds received under another grant program to fund the same project (i.e., cannot combine multiple grants to cover costs for the same technology on the same vehicle)
- Replacing a device that was acquired with previous grant funds
- Engine and equipment replacements that were planned to occur before September 30, 2016 as part of normal turnover (if it is due, scheduled, or will reach end of life by this date as determined by applicant's standard procedures, retirement schedule, operating plan, or budget). Evidence of early replacement is required with application. (see *Application Instructions*, p.4)
- Purchase of additional equipment (grant is for replacements only, not additions)
- Use of funds for back-up/stand-by/reserve equipment. These funds are only intended for active equipment in continuous service.
- Disposal costs for engine and equipment replacements or any devices that are removed (old engine and chassis must be permanently disabled or returned to manufacturer to be rebuilt to cleaner standards)
- Operation and maintenance costs
- Infrastructure cost and optional accessories that are in addition to the basic unit
- Cost for low NOx rebuild on applicable pre-1999 vehicles, as required under terms of eligibility

APPLICATION PROCESS:

- **PLEASE READ FORM INSTRUCTION TAB ON APPLICATION WORKSHEET. Applicants must fully complete the Application Worksheet and should use Microsoft Excel** to utilize the drop-down menus in some of the cells and to access the Form Instructions tab at the bottom of the Worksheet. This will ensure the form is properly completed using only the allowed selections. If unable to complete the form electronically, applicants may request or print a hard copy of the selections (available in the "DO NOT USE" tab at the bottom of the worksheet).
- Print Application Worksheet on legal sized paper (8.5"x14") or provide on a CD if legal size paper is unavailable.
- Applicants can submit only one application, but may apply for all sectors on the same application (on-road, non-road and stationary). The total amount requested for all sectors combined may not exceed \$50,000 (excluding match).
- Applicants may apply for multiple vehicles/equipment and different types of technologies within each sector, but each individual piece of equipment is only eligible to receive funding for one technology.
- Applicants should only apply for projects up to the maximum award amount of \$50,000 (excluding match). Please do not include projects in excess of this limit. The exact maximum award amount of \$50,000 may be requested if applicant indicates in the Applicant Match portion of the application worksheet that they intend to exceed their match requirement and pay the difference between Total Project Cost and Funding Amount Requested.

APPLICATION INSTRUCTIONS (if you are an eligible applicant with eligible equipment):

- If leasing the equipment, obtain written permission from owner(s) to alter the equipment.
- Obtain written price quote(s) for the clean diesel technologies you wish to have installed under this grant using the Price Quote Form. *Award recipients must use a competitive process for obtaining products or services and conduct a price analysis to the extent required by Federal, State or local requirements and prudent business practices. Purchases must be conducted in a manner providing free and open competition to the maximum extent practicable.* This process should be used to obtain price quotes *before* applying to secure the best desired product/service at the lowest price.
- Proof of EPA or CARB verification must accompany quotes for exhaust control retrofit devices and emission upgrade kits. Obtain from vendor.

- ☑ An EPA or CARB engine emission Certificate of Conformity must accompany quotes for engine repowers and equipment replacements. Obtain from vendor.
- ☑ Evidence of early repower or replacement must be submitted for engine repower and equipment replacement projects. Applicant must demonstrate that the repower or replacement was not planned to occur within the next three years as part of their normal attrition (via standard procedures, retirement schedule, operating plan, or budget). Evidence should include a statement showing that the repower or replacement would not have occurred before September 30, 2016 without this financial assistance. Verify statement with documentation of average similar equipment turnover rates in your fleet, documentation of similar equipment age ranges in the fleet, and/or copy of retirement schedule or standard procedures.
- ☑ Complete Application Worksheet electronically
- ☑ Sign Certification Statement
- ☑ **By August 23, 2013**, submit **1.)** Application Worksheet, **2.)** Signed Certification Statement, **3.)** Price Quote Form(s) (only submit the quotes of those products you intend to purchase with grant), **4.)** Proof of verification for exhaust retrofit devices and upgrade kits, **5.)** Engine certificate of conformity for repowers and replacements, **6.)** Evidence of early repower or replacement, and **7.)** Written permission from owner (for leased equipment).
 - If awarded, local government recipients will be required to submit an [Authorizing Resolution](#) with the contract agreement to document which authorized representatives are handling each of the grant activities. Please consider routing Resolution for signatures now in preparation for potential award as the award documents will need to be returned promptly.

SELECTION PROCESS:

- Each sector (on-road, off-road, and stationary) will have its own grant selection process. Equipment on each application will be put into its respective sector for scoring.
- Each piece of equipment (project) will be scored individually. Preference will be given to projects that are the most cost-effective, occur in areas that will maximize health benefits, and conserve fuel.

REQUIREMENTS IF AWARDED:

- ☑ Sign Agreement with DNR and submit with a W-9 Taxpayer Identification Number Verification form and Affirmative Action Plan or exemption documents (for awards \$50,000 or more). An Authorizing Resolution is also required for local governments.
- ☑ Purchase and install devices
- ☑ Notify all equipment operators on proper use of the technologies
- ☑ Within the time frame specified on the agreement, submit reimbursement request(s) with invoices and proof of payment (cancelled check). Proof of NOx reflash on applicable vehicles, proof of proper engine/vehicle disposal for repowers and replacements, and proof of any income generated from disposal of replaced equipment is also required at this time. **PLEASE NOTE: If recipient is delinquent in payment of Wisconsin taxes, their payments under this grant may be levied by the State of Wisconsin** (ss. 71.91 (4),(5) and (6), Wis. Stats).
- ☑ Submit Final Report by date specified on the agreement using form supplied by the DNR
- ☑ Keep equipment for the remainder of its useful life (see details on page 2 under *Eligible Equipment*)

Questions?

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