



Indiana Department of Environmental Management

Protecting Hoosiers and Our Environment Since 1986



DieselWise Indiana and Volkswagen Mitigation Trust Funding

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Overview

DieselWise Indiana Program

- Why Clean Diesel?
- Eligible Grant Applicants
- Eligible Vehicles, Engines, and Equipment
- Available Funding
- Eligible Projects and Percentage of Project Costs Covered
- Application and Selection Process
- Evaluation Criteria

Indiana Volkswagen Mitigation Trust Program

- Background
- How the Trust Effective Date (TED) is Established
- Beneficiary Selection and Mitigation Plan Deadlines
- What Beneficiary Mitigations Plans Must Include
- Eligible Mitigation Projects



Why Clean Diesel?

- Diesel engines are the workhorses of the nation. Many diesel engines already have some form of emission controls, but the legacy fleet still in use continues to emit large amounts of nitrogen oxides, particulate matter, and air toxics.
- These emissions are linked to premature deaths, asthma attacks, lost workdays, and other health impacts every year.
- IDEM is working to reduce harmful tailpipe emissions through partnerships that advance clean diesel fuel, engine and retrofit technologies, and idle reduction.





Eligible Grant Applicants

- **Public diesel fleets** – Examples include state, county, city, municipal, school, and quasi-governmental fleets
- **Private diesel fleets** – Examples include single vehicle owner operators; large onroad fleets; mining, marine, and construction equipment; and locomotives
- **Public-private partnerships focused on alternative fuels** – Examples include a private alternative fuel infrastructure company along with a public need serving fleet partner
 - Public need is loosely defined as a public service that is often provided by a municipality that may be contracted to a private entity (i.e., school bus contracts, refuse and recycling collection, etc.)



Eligible Vehicles, Engines, and Equipment

Projects may include, but are not limited to:

- Buses
- Medium- or heavy-duty trucks
- Marine engines
- Locomotives
- Nonroad engines, equipment, or vehicles used in:
 - Construction, cargo handling (including at a port or airport), agriculture, mining, or energy production (including stationary generators and pumps).





Available Funding

\$750,000 is available for
Clean Diesel Projects!

- Minimum single grant award:
\$20,000
- Maximum single grant award:
\$300,000
- Applications due:
Thursday, August 31, 2017, by 5 p.m. ET
- Projects must be completed by:
September 30, 2018





Eligible Projects and Percentage of Project Costs Covered

- U.S. EPA and/or California Air Resources Board (CARB) Verified Retrofit Technologies
 - Examples include diesel oxidation catalysts, diesel particulate filters, and closed crank case ventilation systems.
 - *DieselWise Indiana will cover up to 100%.*
- U.S. EPA and/or CARB Verified Idle Reduction Technologies
 - Examples include auxiliary power units, fuel operated heaters, battery air conditioning systems, and thermal storage systems.
 - *DieselWise Indiana will cover up to 40%.*



Eligible Projects and Percentage of Project Costs Covered

- U.S. EPA Diesel Engine Upgrades and Remanufactures
 - Examples include the installation of hardware and/or software that lowers the levels of diesel emissions from the engine/vehicle.
 - *DieselWise Indiana will cover up to 40%.*
- U.S. EPA Certified Engine Replacements
 - Examples include pulling existing diesel engine from operating equipment, and replacing engine and emission control equipment.
 - *DieselWise Indiana will cover up to 60%.*
- U.S. EPA Certified Vehicle and Equipment Replacements
 - Examples include pulling entire vehicle/equipment out of service, and replacing with cleaner diesel alternative serving the same purpose.
 - *DieselWise Indiana will cover up to 50%.*



Eligible Projects and Percentage of Project Costs Covered

- U.S. EPA and/or CARB Verified Aerodynamic/Low Rolling Tires
 - Examples include trailer side skirts, trailer gap reducers, trailer boat tails, and single wide wheels and tires.
 - *Not eligible as stand-alone projects but can be funded in coordination with exhaust retrofit projects.*
- Public-private alternative fuel infrastructure/fleet partnerships
 - Examples include labor and equipment necessary for the installation of CNG and LNG infrastructure.
 - Public need fleets must demonstrate existing or future commitment to support adequate fuel volume of partner infrastructure.
 - *DieselWise Indiana will cover up to 50%.*



Application and Selection Process

1. Applicants submit proposals to DieselWise Indiana administrator via email or hard copy.
2. IDEM's technical staff reviews, scores, and ranks the proposals.
3. IDEM finalizes funding recommendations based on score, rank, and other factors.
4. IDEM develops a grant agreement and it is executed by all parties.
5. Upon full execution of the grant agreement, grant recipients begin their projects.





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 day care 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 POINTS will be provided to:	
• Indiana owned and operated business enterprises (include Indiana Economic Impact documentation).	5
• Active participants in the State of Indiana Minority and Women Business Enterprise Participation Plan (include MBE/WBE documentation).	5



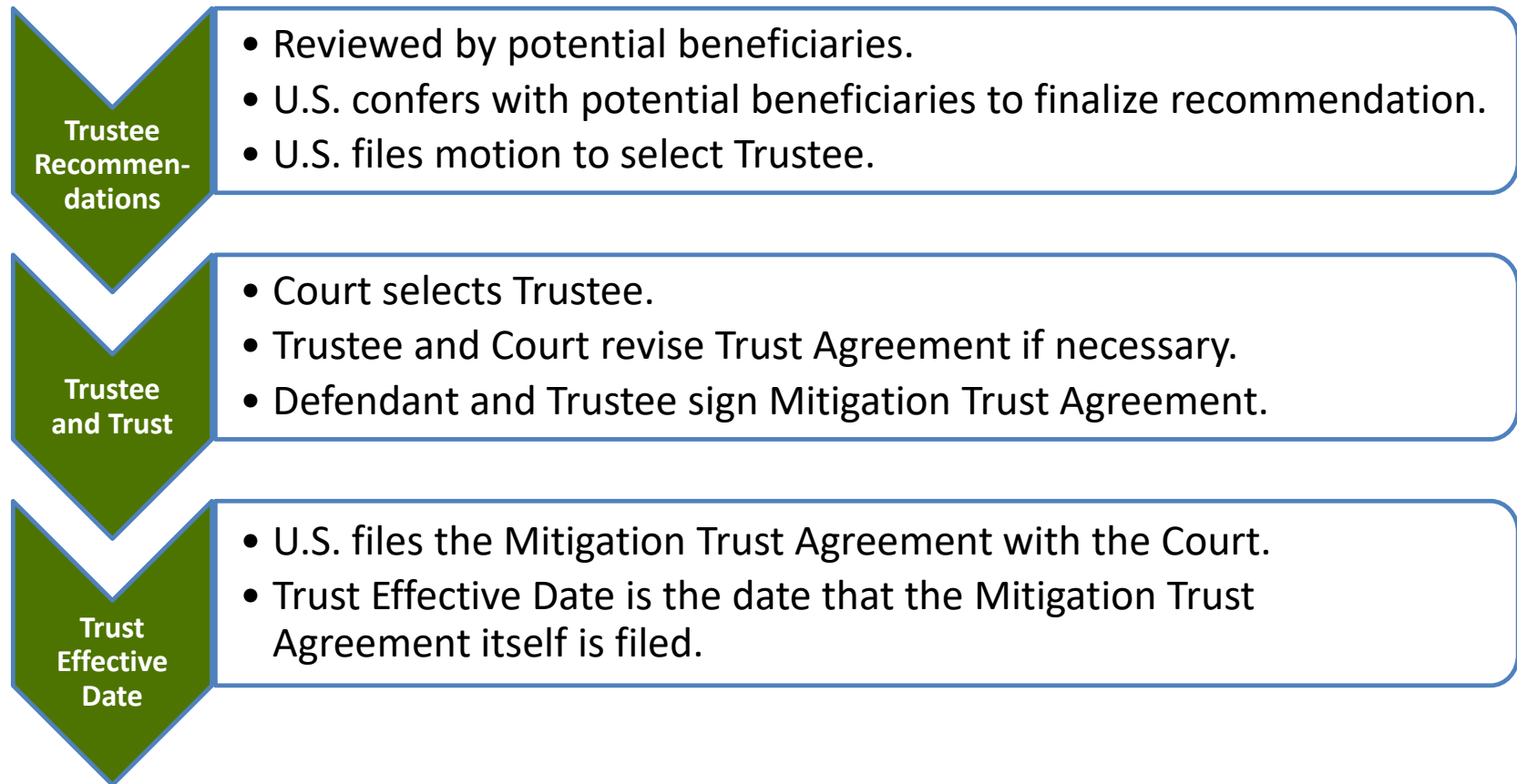
Indiana Volkswagen Mitigation Trust Program

Background:

- Partial consent decree requiring Volkswagen to establish and fund a \$2.7 billion mitigation trust to offset excess emissions from manufacturer's 2.0-liter diesel engines equipped with defeat devices.
- Indiana's portion of this total will be nearly \$39 million.
- Trustee recommendation, but not trust itself, already filed with the court.

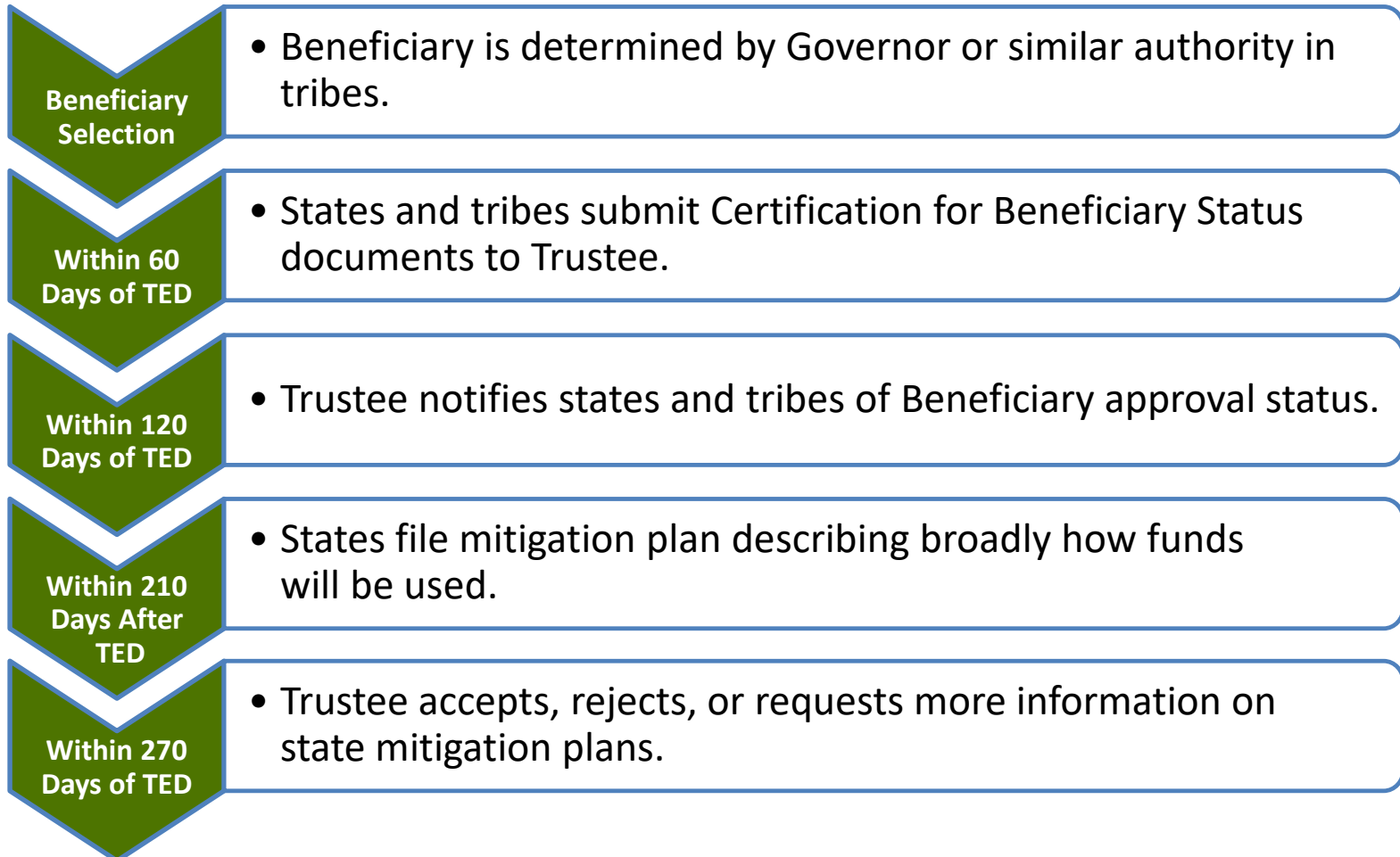


How the Trust Effective Date (TED) is Established





Beneficiary Selection and Mitigation Plan Deadlines





What Beneficiary Mitigation Plans Must Include

According to the Consent Decree and Mitigation Trust, the plan must:

- Explain the Beneficiary's overall goal for the use of the Trust funds.
- Describe the NO_x reductions the Beneficiary expects its plan to achieve.
- List the categories of projects the Beneficiary intends to implement.
- Explain how the Beneficiary will consider benefits to air quality in communities with a disproportionate air pollution burden and explain how it will seek and consider public input.
- Make other statements to allow the public and the Trustee to better understand the goals of the plan.



Eligible Mitigation Projects

According to the Consent Decree and Mitigation Trust, eligible projects are:

- Class 8 local freight trucks and port drayage trucks.
- Class 4-8 school/shuttle/transit buses.
- Freight switcher locomotives.
- Ferris/tugboats.
- Ocean and lake going vessels shorepower.
- Class 4-7 local trucks.
- Airport ground support equipment.
- Forklifts and cargo handling equipment at ports.
- Light duty zero electric vehicle supply equipment (up to 15% of allocation).
- Diesel Emission Reduction Act (DERA) Option.
 - Option to use Trust Funds for actions not specifically listed but otherwise eligible under DERA.
 - Projects funded under the DERA option will be required to meet the DERA cost share requirements.

Note: Public and private entities are both eligible, with funding percentages dependent upon type of emission reduction strategy.



For More Information



DieselWise Indiana Website

www.idem.IN.gov/airquality/2561.htm



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IDEM Air Quality in Indiana Website

www.idem.IN.gov/airquality