

The background features a large, faint watermark of the EPA logo. The logo is circular and contains the text "UNITED STATES ENVIRONMENTAL PROTECTION AGENCY" around the perimeter. In the center of the logo is a stylized flower with three leaves and a circular center.

EPA's Clean Diesel Rebate Program

**2012 School Bus Replacement Funding Opportunity
(pilot)**

November 15, 2012



WELCOME!

- Background (DERA reauthorization)
- General Information
- Eligibility
 - Entities
 - Vehicles
- Rebate Process
- Questions



Why Clean Diesel?

- Diesel engines are the workhorses of the nation; millions of diesel engines already in use continue to emit large amounts of nitrogen oxides, particulate matter and air toxics.
- These emissions are linked to premature deaths, asthma attacks, lost work days, and other health impacts every year.



Diesel Emissions Reduction Act (DERA) of 2010 – Reauthorized

- Enables EPA to offer funding assistance
 - Goal to reduce diesel emissions
 - Authorized through 2016
 - Added “rebates” in addition to existing grant program

- First-ever Rebate Opportunity offered by EPA



How are Rebates Different than Grants?

- Non-competitive
- Specific project requirements & eligibility
- Streamlined application process
- Selectees complete all work, then get reimbursed for that work
- Rebate amount is established up-front



Initial Pilot Program – School Bus Replacements

- Children's health a high priority for agency
- Health benefits are achieved by scrapping old vehicles & engines, and replacing with cleaner ones
- Targeted approach to most cost-effective replacements
- This is the first time DERA has offered direct funding to Private Fleets
- Applicants should read the entire Program Guide for additional details not covered here
- www.epa.gov/cleandiesel/dera-rebate.htm



Eligibility – Entities (Section 2.1)

- Applicant must be a regional, state, local or tribal agency (including school districts & municipalities; or
- private company operating school buses.
 - Private companies must have an existing contract with an entity above, to provide transportation services to a specific school district
- Eligibility for the pilot is more narrow than for the grant program



Eligibility - Entities

- Applicant must own the school buses to be replaced at the time of application.
 - Copy of vehicle title and registration must be provided as proof of ownership.
 - Buses owned by federal agencies (e.g. Bureau of Indian Affairs) are not eligible.
- Applicant must commit to operating the replacement bus for three years after receipt of rebate in the same manner as the replaced bus. (Section 4.1.3)



Eligibility – Existing School Bus (Section 2.2)

- Diesel-powered, Class 3 – 8
- Powered by an engine with model year 1994 to 2003
- Transports 10 or more pre-primary, primary or secondary school students to schools or homes
- Operational and in regular use at the time of application
- Usage requirements:
 - Accumulated at least 10,000 miles over most recent 12 months, OR
 - Been in use for at least three days per week during the current school year



Eligibility – New School Bus (Section 2.2)

- Must be equipped with a certified 2012 or newer model year engine, or operate solely on electricity
- New bus may be conventional or alternatively fueled, e.g.:
 - CNG
 - Propane
 - Battery electric
 - Hybrid
 - LNG
 - other alt fuels
- Must be operated in the same manner and over similar routes
- An applicant may NOT purchase a bus larger than that being replaced



Scrappage Requirements (Section 3.5.2)

- Replaced school buses must be scrapped by:
 - Drilling a hole in the engine block, AND
 - Cutting the chassis in half
- Proof of scrappage is required via:
 - Written explanation
 - Proof pictures
- Equipment not part of the engine or chassis may be salvaged (i.e. seats, tires, etc.)



Scrappage Requirements

- Proof pictures include:
 - Side profile of the bus
 - Vehicle Identification Number (VIN)
 - The engine tag that includes:
 - Engine serial number
 - Engine family identifier
 - Chassis cut in half
 - Engine block, prior to hole being drilled
 - Engine block, after hole has been drilled



Funding Amounts (Section 2.4)

- Funding is determined based on the Class of the new bus

Class	Rebate Amount
Class 3 – Class 5	\$20,000
Class 6 – Class 7	\$25,000
Class 8	\$30,000

- Appendix B shows how to find the Class based on the bus Gross Vehicle Weight Rating (GVWR)



Rebate Process (Section 3)

- Step 1 – Application Submission
- Step 2 – Selection of Participants
- Step 3 – Notification of Selectees
- Step 4 – Purchase Order Submittal
- Step 5 – Delivery and Scrappage
- Step 6 – Payment Request
- Step 7 – Payment



Rebate Process – Application Submission

- On November 13, EPA began accepting applications
- Applicants must :
 - Have a DUNS number www.dnb.com
 - Be registered in the System for Award management www.sam.gov
- Application package includes:
 - One-page form available on our webpage
 - **Applicants must include vehicle title and registration**
- Email application package to CleanDieselRebate@epa.gov by **Friday, December 14, 4:00pm EST.**



Rebate Process – Application Form

- Applications must include:
 - 1) Vehicle Identification Number (VIN)
 - 2) Engine Model Year
 - 3) Vehicle Class
 - 4) Engine Manufacturer
 - 5) Engine Family Name
 - 6) Annual Miles Traveled
 - 7) Annual Fuel Consumption
 - 8) Annual Hours Idling
 - 9) Location of operation of the school bus (County and State)
 - 10) Rebate Amount



Rebate Process – Selection of Participants

- EPA eligibility review
- Eligible applications chosen by lottery
 - Applications are chosen randomly until all funds are “reserved”
 - Remaining eligible applications will be put on a waiting list



Rebate Process – Notification of Selectees

- Notification and posting of selection results
 - Lottery results posted online
 - Letters to successful applicants (Selection Letter)
 - Amount of funds reserved
 - Additional conditions to be met before rebate is issued
 - Waitlisted applicants notified
 - Ineligible applicants notified



Rebate Process – Purchase Order Submittal

- Within 90 days of notification of selection
 - Submit proof of a purchase order
 - Cannot pre-date the date of selection letter



Rebate Process – Delivery and Scrappage

- Receive delivery of new bus(es)
- Scrap old bus(es) (see slides #11 and #12)



Rebate Process – Payment Request

- No later than nine months after the date of the Selection Letter, submit to CleanDieselRebate@epa.gov:
 - Payment request form (provided to selectees)
 - Proof of scrappage
 - Copy of bus invoice
 - Copy of bill of lading (proof of delivery)
- If requirements aren't completed within specified timeframe:
 - Forfeit reserved rebate funds
 - Funds offered to next applicant on waitlist



Rebate Process – Payment

- EPA will review the Payment Request and supporting documentation.
- If all requirements are met, EPA will issue funds electronically to the Selectee



Additional Requirements (Section 4.1)

- Bus must be available for follow-up inspection for three years after receipt of rebate, if requested by EPA or its designee
- Funds are not allowed to be used to fund the cost of emission reductions that are mandated under federal law
- Selectees must maintain all records and supporting documents for three years



Additional Information

- DERA Rebate Webpage
www.epa.gov/cleandiesel/dera-rebate.htm
- FAQ document
<http://epa.gov/cleandiesel/documents/2012-dera-rebate-faq.pdf>
- Email additional questions to:
 - CleanDieselRebate@epa.gov