

# Projects to Improve Air Quality at Ports 2013 DERA Funding Opportunity

## Request for Proposals Information Session

We will begin the webinar shortly.

All lines will be muted. Please type your questions into the question box at any time and we will address as many as possible after the presentation.

For a copy of the RFP and this presentation, please visit:

<http://epa.gov/otaq/ports/ports-dera-rfp.htm>

# Disclaimer

This presentation provides an overview of the Request for Proposals (RFP), “Projects to Improve Air Quality at Ports – 2013 DERA Funding Opportunity”

Applicants should carefully review the full RFP prior to preparing and submitting their application to EPA.

<http://www.epa.gov/air/grants/rfp-epa-oar-otaq-13-12.pdf>

# Improving Air Quality at Ports

- Ports are a key component of the U.S. economy.
- Most of the country's busiest water ports are located in or adjacent to large metropolitan areas, many with areas of poor air quality.
- Despite new engine and fuel standards, older in-use diesel engines continue to emit large amounts of nitrogen oxides, particulate matter, air toxics, and greenhouse gases.
- These emissions are linked to premature deaths, asthma attacks, lost work days, and climate change.

# EPA Office of Transportation & Air Quality's Ports Initiative

- EPA is offering funding as part of a broader effort to promote strategies that help build a more sustainable ports system to improve air quality for communities and reduce climate change risk while supporting our economy and jobs.
  - <http://epa.gov/otaq/ports/>
- EPA has initiated a dialogue with port stakeholders to help promote clean air strategies.
  - <http://epa.gov/otaq/ports/ports-dialogue.htm>

# Diesel Emissions Reduction Act (DERA)

- DERA was amended and reauthorized in 2010 (Public Law 111-364)
  - Authorizes funding through 2016
- Enables EPA to offer funding assistance for projects that reduce diesel emissions through the use of verified technologies and certified engine configurations.
- Provides priority to projects that:
  - Maximize public health benefits
  - Reduce emissions in areas of poor air quality
  - Use a multi-stakeholder collaborative process

# Basic Information

- Estimated funding: \$4 million
  - Maximum award size of \$2 million
- RFP closes Thursday, February 13, 2014
  - Specific times/instructions specified (Section IV, pg 23)
  - All proposals must be received by 4pm EST
- Two submittal options:
  - Via [www.grants.gov](http://www.grants.gov)
  - Overnight/Express hardcopy (FedEx, UPS, DHL)
- EPA anticipates announcing selections in March 2014

# Eligible Entities (Section III.A, pg 16)

- Public port authorities with jurisdiction over transportation and air quality at a marine or inland water port.
- Other entities such as community groups, terminal operators, local governments, and other entities involved in port operations are encouraged to participate through partnerships with eligible entities.
  - Award funds may be used to make subawards and subgrants to project partners, provided that the recipient complies with requirements of 40 CFR Part 30 and 31 are met.

# Eligible Project Locations (Section I.B.3, pg 11)

- Projects must reduce diesel emissions at a marine or inland water port located in an area of poor air quality.
  - <http://www.epa.gov/otaq/ports/documents/fy13-ports-county-area-list.pdf>
- Counties/areas have been designated poor air quality areas because they are:
  - Designated as Particulate Matter (PM) 2.5 or 8-Hr Ozone Nonattainment Areas or 8-Hr Maintenance Areas;
  - Areas where all or part of the population is exposed to more than 2.0 mg/m<sup>3</sup> of diesel particulate matter emissions;
  - Designated as Federal Class I areas; or
  - Participants in EPA's Ozone or PM Advance Program.



# Eligible Vehicles, Engines & Equipment

(Section I.B.1, pg 5)

- Projects are limited to the following emission source types:
  - Drayage trucks;
  - Marine engines;
  - Locomotives; and
  - Non-road engines, equipment or vehicles used in in the handling of cargo at a marine or inland water port.

# Eligible Projects (portion EPA will fund)

(Section I.B.2, pg 5)

- Verified Exhaust Control Technologies (100%)
- Verified/Certified Engine Upgrades (40%)
- Verified Idle Reduction Technologies
  - Locomotives (40%)
  - Marine Shore Connection Systems (25%)
- Certified Engine Repowers (40%)
- Vehicle and Equipment Replacements
  - Nonroad (25%)
  - Drayage Trucks (50%)
- Clean Alternative Fuel Conversions (40%)

# Certified Engine Repowers (Section I.B.2.d, pg 8)

- EPA will fund up to 40% of the cost of labor and equipment.
- New, replacement engine must be certified to a more stringent emission standard than the old engine.
- The engine being replaced must be scrapped, rendered permanently disabled, or returned to the original engine manufacturer for remanufacturing to the cleanest certified emission standard possible (nonroad) or a MY 2007+ emission standard (drayage).

# Vehicle & Equipment Replacements

(Section I.B.2.e, pg 9)

- Nonroad Vehicles & Equipment
  - EPA will fund up to 25% of the cost of the replacement
  - New vehicles/equipment must be powered by a 2013 or newer model year certified engine
- Drayage Vehicles
  - EPA will fund up to 50% of the cost of the replacement
  - New replacement truck must be powered by a 2010 or newer model year certified engine
  - Must meet operational guidelines and definition of a drayage truck, as stated in RFP (page 5)
- Replaced vehicle or equipment must be scrapped or engine remanufactured to the cleanest emission standard possible (nonroad) or MY 2007+ emission standard (drayage)

# Funding Restrictions (Section III.D, pg 19)

- Model year 1989 or older on-highway vehicles are NOT eligible
- Nonroad equipment that operate less than 500 hours/year, are smaller than 50hp, or have less than 7 years remaining useful life are NOT eligible
  - <http://epa.gov/cleandiesel/documents/fy13-nonroad-remaining-useful-life.pdf>
- Locomotives and Marine engines that operate less than 1000 hours/year are NOT eligible.
- Minimum usage requirement of 1000 hours/year for marine and locomotive shore connection systems

# Funding Restrictions, Cont'd (Section III.D, pg 22)

- Nonroad repower/replacement projects are eligible based on the original tier level and the new tier level
  - Not all projects are eligible

			Repowered or Replaced New Certified Engine				
			Tier 0/ Unregulated	Tier 1	Tier 2	Tier 3	Tier 4
Current Engine Tier	Tier 0/ Unregulated	Marine	NO	YES	YES	YES	N/A
		Other nonroad	NO	NO	YES	YES	YES
	Tier 1	Marine	NO	NO	YES	YES	N/A
		Other nonroad	NO	NO	YES	YES	YES
	Tier 2	Marine	NO	NO	NO	YES	YES
		Other nonroad	NO	NO	NO	NO	YES
	Tier 3	Marine	NO	NO	NO	NO	NO
		Other nonroad	NO	NO	NO	NO	YES

# Funding Restrictions Cont'd (Section III.D, pg 22)

- Nonroad repower/replacement projects are eligible based on the original tier level and the new tier level
  - Not all projects are eligible

			New Locomotive Tier				
			Tier 0+	Tier 1+	Tier 2+	Tier 3	Tier 4
Current Locomotive Tier	Tier 0/ Unregulated	Locomotive	Yes	YES	YES	YES	Yes
	Tier 0+/1	Locomotive	NO	YES	YES	YES	YES
	Tier 1+	Locomotive	NO	NO	YES	YES	YES
	Tier 2	Locomotive	NO	NO	YES	YES	YES*
	Tier 2+	Locomotive	NO	NO	NO	YES*	YES*

\* Applies to switcher locomotives only

# Funding Restrictions, Cont'd (Section III.D, pg 20)

- **Restriction for Mandated Measures:** No funds awarded under this RFP shall be used to fund the costs of emission reductions that are mandated under federal law.
- Specifically, locomotives and marine engines that are subject to the requirements of EPA's locomotive and marine rule, "Control of Emissions of Air Pollution from Locomotives and Marine Compression-Ignition Engines Less than 30 liters per Cylinder," will not be considered for funding under this RFP if the emission reductions proposed for funding are required by regulation.



# Restriction for Mandated Measures Locomotive and Marine Engines, Con't

- Proposals which include locomotives and/or marine engines must include a clear and concise justification for why/how the proposed emission reduction are not subject to the Restriction for Mandated Measures under this RFP. The justification must clearly demonstrate that:
  - the target locomotives and/or marine engines are exempt from the requirements of EPA's locomotive and marine rule;
  - emission reductions funded with EPA funds will be implemented prior to the effective date of any applicable requirements under the rule; and/or
  - emission reductions funded with EPA funds will not be used to satisfy any applicable requirements under the rule, but instead are in excess of (above and beyond) those required by the applicable mandate.

# Restriction for Mandated Measures Locomotive and Marine Engines, Con't

- Applicants must provide sufficient information to support the justification, including maintenance records, if applicable. The justification must also include a signed letter (Substantiation Letter) from the owner/operator of the subject locomotive(s) and/or marine engine(s) attesting to the accuracy of the information.
- This information should be included as an attachment to the proposal.
- Please see Appendix E (pg 52) of the RFP for additional information.

# Reminder!

- All lines are muted. Please type your questions into the question box at this time and we will address as many as possible after the presentation.
- If we are unable to answer your question during the webinar, we will list all questions and answers in the FAQ document available at <http://epa.gov/otaq/ports/ports-dera-rfp.htm#faq>

# Proposal Evaluation & Selection Process

- **Step 1: Threshold Criteria Review** (Section III.C, pg 18)
  - Must meet ALL seven threshold criteria
- **Step 2: Evaluation Criteria** (Section V.A, pg 28)
  - Eleven evaluation criteria
  - 100 points possible
- **Step 3: Funding Recommendation provided to EPA Approving Official**
  - Approving Official considers rank and may consider **Other Factors** (Section V.B, pg 31)

# Evaluation Criteria (Section V.A, pg 28)

Criteria	Points
Project Summary & Overall Approach	9
Results - Outcomes and Outputs	10
Benefits to Communities and Public Health	15
Partnerships	10
Promote and Sustain Efforts to Reduce Emissions from Port Areas	10
Diesel Emissions Reduction Effectiveness	20
Past Performance	8
Staff Expertise/Qualifications	4
Budget Resources	4
Expenditure of Awarded Grant Funds	5
Applicant Fleet Description	5

# Evaluation Criteria Highlights:

## Benefits to Communities and Public Health (Section V.A.3, pg 29)

Applicants will be evaluated based on the:

- (10 points) project's benefits to communities surrounding the port; and
- (5 points) level of community engagement.

Proposals should:

- Identify the affected communities, their proximity to the project area, and the impacts diesel emissions have had on the health and environmental conditions of the communities;
- Describe the population and identify groups with increased sensitivity to air pollution that are impacted by diesel emissions originating from the project area;
- Address how the project will benefit communities surrounding the marine or inland water port; and
- Describe how the applicant will engage surrounding communities in the development and implementation of the project.

## Evaluation Criteria Highlights: Partnerships (Section V.A.4, pg 29)

Applicants will be evaluated based on:

(10 points) their ability to demonstrate the use of existing and new partnerships with relevant port-related stakeholders to successfully complete the project.

Proposals should:

- Identify all parties involved, as well as a clear description of the roles of each partner and how each partner will contribute to the success of the project; and
- Include letters of commitment from all existing partners.
  - If a partnership does not yet exist, proposals should describe how the applicant plans to engage partners and establish working partnerships to complete the project.

## Evaluation Criteria Highlights: Promote and Sustain Efforts to Reduce Emissions from Port Areas (Section V.A.5, pg 29)

### Applicants will be evaluated based on:

(10 points) their ability to continue efforts to reduce emissions from port operations after EPA funding for the project has ended. This could include:

- The project's inclusion in a broader-based port environmental or air quality improvement plan;
- A documented commitment to continue to identify and address air quality issues at the port;
- The availability of a port emissions inventory; and/or
- Their plans for tracking and measuring progress toward reducing emissions from port operations after EPA funding for the proposed project has ended.



# Evaluation Criteria Highlights:

## Diesel Reduction Effectiveness (Section V.A.6, pg 29)

Applicants will be evaluated based on:

(20 points) the project's effectiveness at reducing diesel emissions, based on the expected life and activity level of the vehicle or equipment, and the cost and effectiveness of the emissions reduction strategy applied to the vehicle or equipment.

- If a proposal includes more than one vehicle/technology combination, each vehicle will receive a score under this criterion
  - Individual scores will be averaged to create one score for the criterion
- See Appendix D for scoring information

# Cost-Share (Section III.B, pg 17)

- Types of Cost-Share:
  - Mandatory and Voluntary (overmatch)
  - Specific definitions of each type in RFP
  - Must be included on SF-424 & SF 424A forms and in the proposal budget
  
- Including Voluntary cost-share may affect applicant's evaluation under Criterion #2 "Results - Outcome and Outputs"
  - The higher the cost-share, the more work that can be done and more emissions benefits will be achieved

# Potential Pitfalls

- Project changes mid-stream are not likely to be allowed
  - Potential competition issues – scores are based on vehicles/equipment, technologies, and cost-share
  - Applicants need to think through the project and anticipate technology challenges
- Emissions Reduction Strategy & Limitations
  - Not all technology combinations are appropriate for all vehicles
    - i.e. DPFs must meet exhaust temperature thresholds
  - Do as much homework ahead of time as possible to avoid complications

# Potential Pitfalls

- Thoroughly plan and document engine upgrades & repowers
  - Upgrades & repowers must achieve reductions based on verified levels or to more stringent standards
  - Many older vehicles cannot accept current technology engines
  - Check model years and tier levels of proposed engines to make sure they're eligible for funding
- Technology must be verified for *specific type* of vehicle and model year – check the EPA and CARB verified technologies lists
  - Thoroughly evaluate candidate vehicles
  - Obtain detailed documentation from vendors
  - Retain complete records for each installation

# Tools and Resources

- Applicant Fleet Description
  - Required part of the proposal – describes fleet in detail
  - Sample available at <http://epa.gov/otaq/ports/documents/fy13-ports-afd-sample.xls>
- Project Narrative Sample Format
  - <http://epa.gov/otaq/ports/documents/fy13-ports-narrative-sample.doc>
- Eligible Project Locations - Priority County and Area List
  - <http://epa.gov/otaq/ports/documents/fy13-ports-county-area-list.pdf>
- Model Years for Eligible Nonroad Engines and Equipment
  - [www.epa.gov/cleandiesel/documents/fy13-nonroad-remaining-useful-life.pdf](http://www.epa.gov/cleandiesel/documents/fy13-nonroad-remaining-useful-life.pdf)
- Diesel Emissions Quantifier (DEQ)
  - Can be used to show expected project results, cost-effectiveness, and public health benefits
  - [www.epa.gov/otaq/diesel/resources.htm](http://www.epa.gov/otaq/diesel/resources.htm)
- Technology Tips Guide
  - Helpful info about each type of project, technical issues to look out for, etc.
  - [www.epa.gov/cleandiesel/documents/420p11001.pdf](http://www.epa.gov/cleandiesel/documents/420p11001.pdf)

# Additional Support

- Frequently Asked Questions
  - Posted weekly
  - Will include questions from today's webinar
  - Deadline for submitting questions is Wednesday, February 5, 2014
  - Submit questions via email to [cleandiesel@epa.gov](mailto:cleandiesel@epa.gov)
    - Subject Line: "Ports RFP Question"

<http://epa.gov/otaq/ports/ports-dera-rfp.htm#faq>

# Thank You!

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