



MCDI: Program Overview
(with national tie-in)
and FY08 Funding Opportunities

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USEPA Regulatory Programs

- Clean Diesel Truck/Bus Rule (Dec 2000)
 - Ultra low sulfur diesel – Oct 2006
 - Model year 2007 engines
- Clean Air Non-road Diesel Rule (May 2004)
 - 2007 – 500 ppm, 2010 – 15 ppm
 - Phased in engine standards - 2008-2014
- Locomotive and Marine Rule (proposed)
- But what can be done with the 11 million engines in use today?

National Clean Diesel Campaign

- Goal: *reduce emissions from the legacy fleet of over 11 million diesel engines by 2014*
- Focus on five sectors:
 - Clean School Bus
 - Clean Ports
 - Clean Construction
 - Clean Agriculture
 - Smartway Transport
- <http://www.epa.gov/cleandiesel/>

The logo for the Midwest Clean Diesel Initiative features a blue wavy line that curves over the text. The words "MIDWEST CLEAN DIESEL" are written in a bold, dark blue, sans-serif font. Below this, the word "INITIATIVE" is written in a green, sans-serif font, with each letter separated by a small gap.

MIDWEST CLEAN DIESEL INITIATIVE

- Public-private partnership to accelerate diesel emission reductions in the Midwest
- Region 5 diesel engines
 - Approximately 3.3 million
- MCDI Goal:
 - reduce emissions from 1 million diesel-powered engines by 2010
- <http://www.epa.gov/midwestcleandiesel>

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MIDWEST CLEAN DIESEL INITIATIVE

- MCDI Formally Started in 2004
- Leadership Group
 - 33 Members Signed Collaborative Principles
 - Co-Chairs: Cummins, Illinois EPA, American Lung Association of Upper Midwest, US EPA
- Progress (As of Jan 2008)
 - Over 369,000 Engines Impacted
 - Over \$81 Million (Federal and Non Federal) Spent
 - Tens of millions allocated and in process of being spent
 - Over 4,000 tons of emissions per year reduced
 - 162 Smartway Partners, 25% of national partners
 - Working to build clean diesel coalitions in each state to generate funding sources and implement projects

State Clean Diesel Coalitions

Work through MCDI to implement goals

- Communications and funding pathways
- Every state in R5 has (or soon will have) a coalition
 - Multi-faceted, large scope grant applications
 - Easier/more fluid grant management
- <http://www.epa.gov/midwestcleandiesel/partnerships/index.html>

The 5 Rs + Operational Strategies

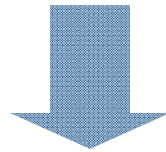
- Refuel- Use of advanced diesel fuels, i.e. ULSD can lower emissions
- Retrofit- Installation of exhaust aftertreatment devices such as Diesel Oxidation Catalyst (DOC), Diesel particulate filters (DPF), etc
- Repair/Rebuild- regular engine maintenance plays a critical role in maintaining emissions performance while engine rebuilding can upgrade emissions performance of older engines.
- Repower – replacing older engines with newer cleaner engines
- Replace- replacing the entire equipment to ensure that your new purchase utilizes the most cost effective emission reduction technology
- Operational Strategies- utilizing various strategies to reduce idling

National Clean Diesel Program, FY08 Funding Breakdown

\$49.2 Million for 2008

National

\$34.4 Million (70%)



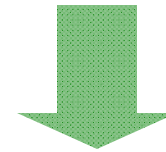
**National Clean Diesel
Funding Assistance Program \$27.6 M**
Region 5: \$5M
(Region 5 Applications due: June 12)

Clean Diesel Emerging Technologies Program \$3.4 M
(Applications due: TBA)

National Clean Diesel Finance Program \$3.4 M
(Applications due: June 9)

State

\$14.8 Million (30%)



State Clean Diesel Grant Program \$14.8 M

State Base: ~\$200k | Matching Bonus: ~\$100k

- All Region 5 states applied for the allocation
- All R5 states will match in 2008

National Clean Diesel Campaign

\$49.2 Million for 2008

National Component

\$34.4 Million
(70%)



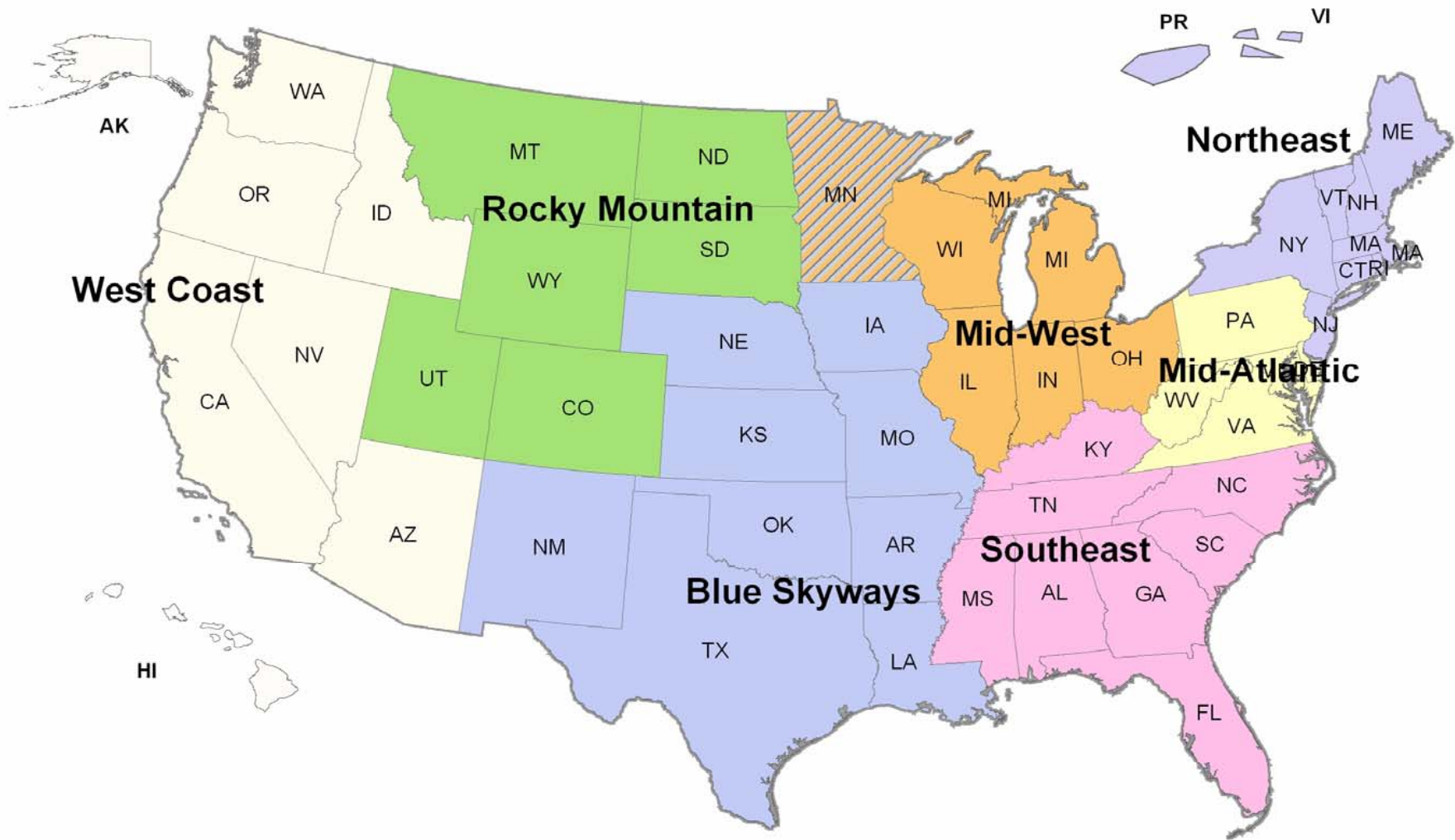
National Clean Diesel Funding Assistance Program
\$27.6 M

SmartWay Clean Diesel Innovative Finance
Program ~\$3.4 M

Clean Diesel Emerging Technologies Program
~\$3.4 M

Competitive grant
process managed
through EPA
regions

Regional Clean Diesel Collaboratives



Regional Collaboratives

- Northeast Diesel Collaborative (Regions 1, 2)
 - <http://www.northeastdiesel.org/>
- Mid-Atlantic Diesel Collaborative (Region 3)
 - <http://www.dieselmidatlantic.org/diesel/index.htm>
- Southeast Diesel Collaborative (Region 4)
 - <http://www.southeastdiesel.org/>
- Midwest Clean Diesel Initiative (Region 5)
 - <http://www.epa.gov/midwestcleandiesel/>
- Blue Skyways Collaborative (Regions 6, 7 plus Minnesota)
 - <http://www.blueskyways.org/>
- Rocky Mountain Clean Diesel Collaborative (Region 8)
 - <http://www.epa.gov/region8/air/rmcdc.html>
- West Coast Collaborative (Regions 9, 10)
 - <http://westcoastcollaborative.org/>

Eligible Entities

- Regional, state, local, tribal or port agency with jurisdiction over transportation or air quality; and
- Nonprofit organization or institution which
 - Represents or provides pollution reduction or educational services to persons or organizations that operate diesel fleets; or
 - Has, as its principle purpose, the promotion of transportation or air quality

Public Fleets

At least 50% of funding is dedicated for the benefit of public fleets

- Will include private fleets contracted or leased for public purpose, such as private school buses or refuse haulers
- Only eligible entities can apply directly for funds (i.e., school district applies on behalf of private school bus contractor)



Use of Funds

- Cannot fund the cost of emissions reductions mandated under Federal, State or Local law
- Grants are not for emissions testing

Use of Funds (continued)

- Technologies and engines must be verified and/or certified by USEPA or CARB
www.epa.gov/cleandiesel (select *Verified Technology List*)
- Incremental cost of engine replacement (sent to be remanufactured or scrapped), engine repower, engine rebuild

Use of Funds (continued)

- Idle Reduction Technologies (EPA verified)
 - Electrified Parking Spaces (truck stop electrification, shore power)
 - Auxiliary Power Units and Generator Sets
 - Fuel Operated Heaters
 - Battery Heating and Air Conditioning Systems
 - Thermal Storage Systems

<http://www.epa.gov/cleandiesel>
select *Idle Reduction*

Use of Funds (continued)

- Cleaner fuels
 - Covers incremental costs of cleaner fuel versus conventional diesel fuel
- Innovative Financing Projects
 - Regional or state specific programs (for vehicles or engines operating exclusively within a State, Territory or Tribal Land)

Eligible Fleets and Equipment

- Buses
- Medium or heavy duty trucks
- Marine engines
- Locomotives



- Nonroad engine, stationary engine or vehicle used for:
 - Construction
 - Handling of cargo (including at a port or airport)
 - Agriculture
 - Mining
 - Energy production

Priority Projects

Project proposals that align with these priorities will receive higher scores in the evaluation process:

- Maximize public health benefits
- Are the most cost-effective
- Are in areas with high population, air quality issues, and air toxic concerns
- Are in areas that receive a disproportionate quantity of air pollution (i.e. truck stops, ports)
- Maximize the useful life of the engine
- Conserve diesel fuel and utilize ULSD (early introduction of ULSD for nonroad projects)

FY08 Estimated Timeline



Information & Preparation



Submit Applications



EPA Evaluations



Project Review and Award



Project Implementation



Take Home Messages

- New funding opportunities for clean diesel activities, more than ever before
- Verified Technologies
 - Get them on our list!
 - Contact Dennis Johnson at (202) 343-9278, johnson.dennis@epa.gov
- Get to know your state clean air agency/clean diesel coalition!

For More Information

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