

Nevada Division of Environmental Protection

Bureau of Air Quality Planning

Diesel Emission Mitigation Fund Competitive Application



Nevada Diesel Emission Mitigation Fund

Important Information

- Currently available online at <https://ndep.nv.gov/air/vw-settlement>
- Applications for 2018 funding will be accepted from June 1 through July 31, 2018
 - Announcements of selected projects are expected to come in late August
- This application is only for Categories 1-8 and 10 of the Eligible Mitigation Actions
 - Category 9 funds are being spent in partnership with the Governor's Office of Energy
- Completed applications must be submitted electronically to NevadaDEMF@ndep.nv.gov



Nevada Diesel Emission Mitigation Fund Agenda

- Introduction to the Diesel Emission Mitigation Fund (DEMF)
- General Information
- Applicant and Project Information
- Review process



Nevada Diesel Emission Mitigation Fund

Introduction

- Funding is the result of two Partial Settlements between the U.S., California, and Volkswagen (VW) that resulted in VW creating a \$2.925 billion Trust to offset excess NOx emissions
- Nevada is receiving \$24.8M (roughly \$17M for the DEMF) from the Environmental Mitigation Trust Agreement for State Beneficiaries
 - The DEMF is funded by this Trust Agreement
- The purpose of the DEMF is to provide funding for projects that will reduce harmful diesel emissions from public and privately owned fleets operating in Nevada in order to improve and maintain air quality



General Information

Categories of Eligible Mitigation Actions

1. Class 8 Local Freight Trucks and Port Drayage Trucks
2. Class 4-8 School Bus, Shuttle Bus, or Transit Bus
3. Freight Switchers (Locomotives)
4. Ferries/Tugs
5. Ocean Going Vessels (OGV) Shorepower
6. Class 4-7 Local Freight Trucks (Medium Trucks)
7. Airport Ground Support Equipment
8. Forklifts and Port Cargo Handling Equipment
10. Diesel Emission Reduction Act (DERA) Option



General Information

How to Apply

- Applications must be completely filled out in order to be eligible for funding
- NDEP may request additional information from applicants, they will have 10 days to respond to any request
- Applications are due by July 31, 2018
- Completed applications must be electronically submitted to NevadaDEMF@ndep.nv.gov



General Information

Quantifying Emissions Reductions

- NDEP will quantify project emissions reductions using the data that applicants provide
- Categories 1, 2, and 6 will be quantified using the Alternative Fuel Life-Cycle Environmental and Economic Transportation (AFLEET) Tool
- The remaining Categories of Eligible Mitigation Actions will be quantified using the Diesel Emission Quantifier (DEQ)
- If you are having trouble gathering all of the required information for this application, please contact the NDEP well in advance of the deadline to submit as we may be able to provide some assistance



General Information

Additional Information

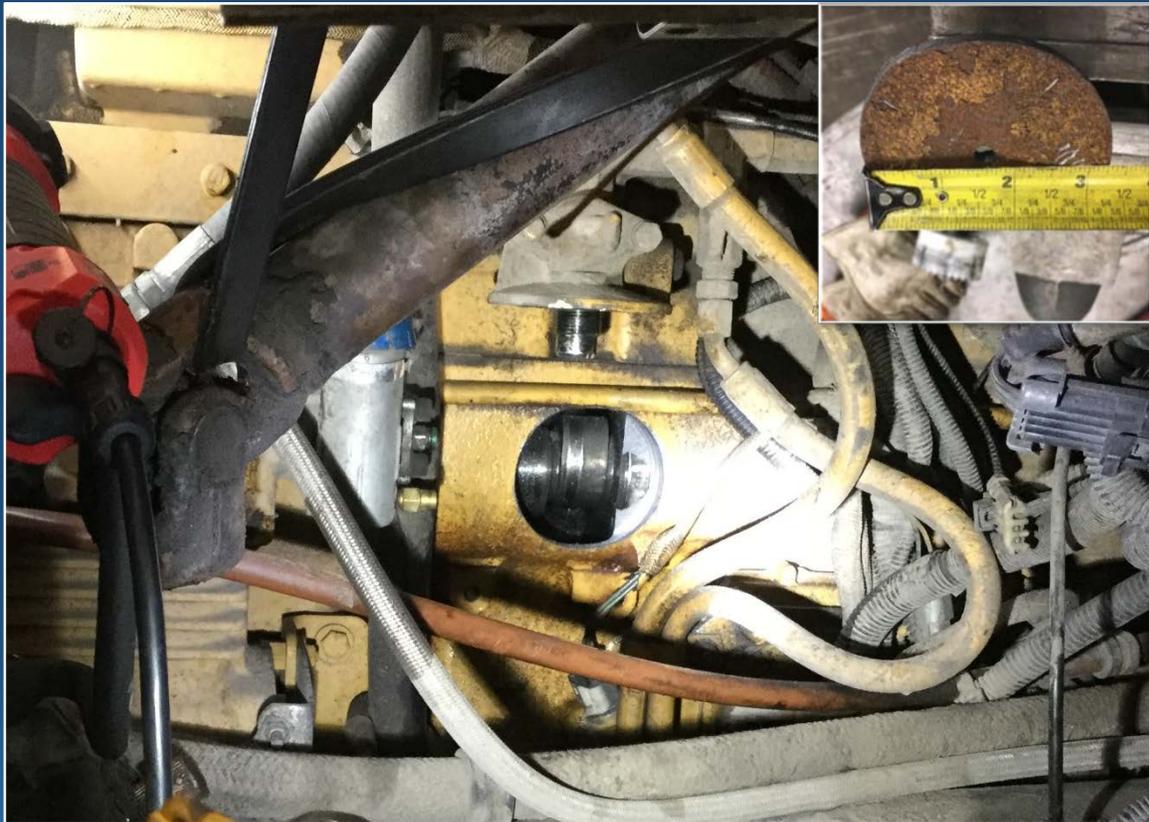
- Applicants will have two years to complete their project from the time a Subgrant Agreement has been signed by the NDEP and the Subgrantee
- Applicants should review the portions of Appendix D-2 of the Environmental Mitigation Trust Agreement for State Beneficiaries that apply to their funding request as well as Nevada's Beneficiary Mitigation Plan before completing the application
- The majority of categories of Eligible Mitigation Actions require the existing piece of equipment to be rendered permanently inoperable



General Information

Vehicle/Engine Scrappage Requirements

At a minimum, a 3-inch hole through the engine block as well as permanently disabling the chassis by cutting the frame rails in half



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Nevada Diesel Emission Mitigation Fund

Funding Levels

- Funding for selected projects depends on the Category of Eligible Mitigation Action, the fuel type of the replacement/repower, and whether or not it is a Government or Non-Government fleet
- Funding levels for Categories 3, 4, 5, and 8 will be determined on a per project basis
 - If they are selected for funding, it is anticipated that they will follow the Non-Government percentages listed in Appendix D-2 of the State Trust
- For Categories 1, 2, and 6, replacement projects selected for funding will be eligible to receive, on a per vehicle basis, the dollar amount or the percent incentive cap, whichever is less

Funding Levels

Category 1 – Eligible Large Trucks

Replacement	Diesel	Alternative Fuel	All-Electric
Government	\$ 25,000	\$ 40,000	\$ 50,000
	35%	35%	35%
Non-Government	\$ 25,000	\$ 40,000	\$ 40,000
	25%	25%	35%

Repower	Diesel	Alternative Fuel	All-Electric
Government and Non-Government	30%	40%	50%

Funding Levels

Category 2 – Eligible Buses

Replacement	Diesel	Alternative Fuel	All-Electric
School Bus	\$ 30,000	\$ 45,000	\$ 60,000
	25%	35%	35%
Transit Bus	\$ 40,000	\$ 60,000	\$ 80,000
	25%	35%	35%
Non-Government Owned Bus	\$ 30,000	\$ 45,000	\$ 45,000
	25%	35%	35%

Repower	Diesel	Alternative Fuel	All-Electric
Government and Non-Government	30%	40%	50%



Funding Levels

Category 2 – Eligible Buses

- The DEMF also has a special funding category for 1997 and older engine model year school buses that are regularly operated in the state
- If selected, these vehicles will be eligible to receive up to \$80,000 or 50 percent, whichever is less, of the replacement cost of the school bus
- The school bus must have passed their most recent safety inspection and a copy of that inspection must be included with the funding application

Funding Levels

Category 6 – Eligible Medium Trucks

Replacement	Diesel	Alternative Fuel	All-Electric
Government	\$ 20,000	\$ 30,000	\$ 40,000
	35%	35%	35%
Non-Government	\$ 20,000	\$ 30,000	\$ 30,000
	25%	25%	35%

Repower	Diesel	Alternative Fuel	All-Electric
Government and Non-Government	30%	40%	50%

Funding Levels

Category 7 – Airport Ground Support Equipment

- For both Government and Non-Government fleets, selected airport ground support equipment replacement or repower projects will be eligible to receive 60% of the cost to replace or repower their existing equipment with an all-electric replacement or all-electric engine

Funding Levels

Category 10 – the DERA Option

- Funding levels based on the percentages in the State Clean Diesel Program Information Guide
- Only those eligible diesel emission reduction solutions that are not also listed in the State Trust will be eligible for Category 10 funding
- For more information about the DERA program, visit:
<https://ndep.nv.gov/air/air-pollutants/clean-diesel-program>



Nevada Diesel Emission Mitigation Fund

Applicant/Project Information

- Applicants must completely fill out all information
- The questions in the Description of Proposed Project and Project Funding sections must also be answered
- These questions will be used to review/score applications as well as to put together the funding request for Wilmington Trust
 - Wilmington Trust is the Trustee for the Environmental Mitigation Trust Fund
 - For more information about the Trustee, visit:
<https://www.vwenvironmentalmitigationtrust.com/>



Nevada Diesel Emission Mitigation Fund

Vehicle/Equipment Information

- The NDEP has provided on our website a spreadsheet for applicants seeking funding for multiple vehicles/engines replacements/repowers and for applicants seeking funding through the DERA option
- All vehicle/engine information is required
- If you are planning on submitting an application for a Category 3, 4, 5, or 8 project, please contact the NDEP prior to submitting your application and no later than 30 days prior to the deadline to submit



Nevada Diesel Emission Mitigation Fund Review Process

- All complete applications will be processed by NDEP staff and reviewed by NDEP staff and air quality officials from Clark and Washoe counties
- Projects will be reviewed based on the information supplied by the applicant and then scored based on the Scoring Criteria in the application



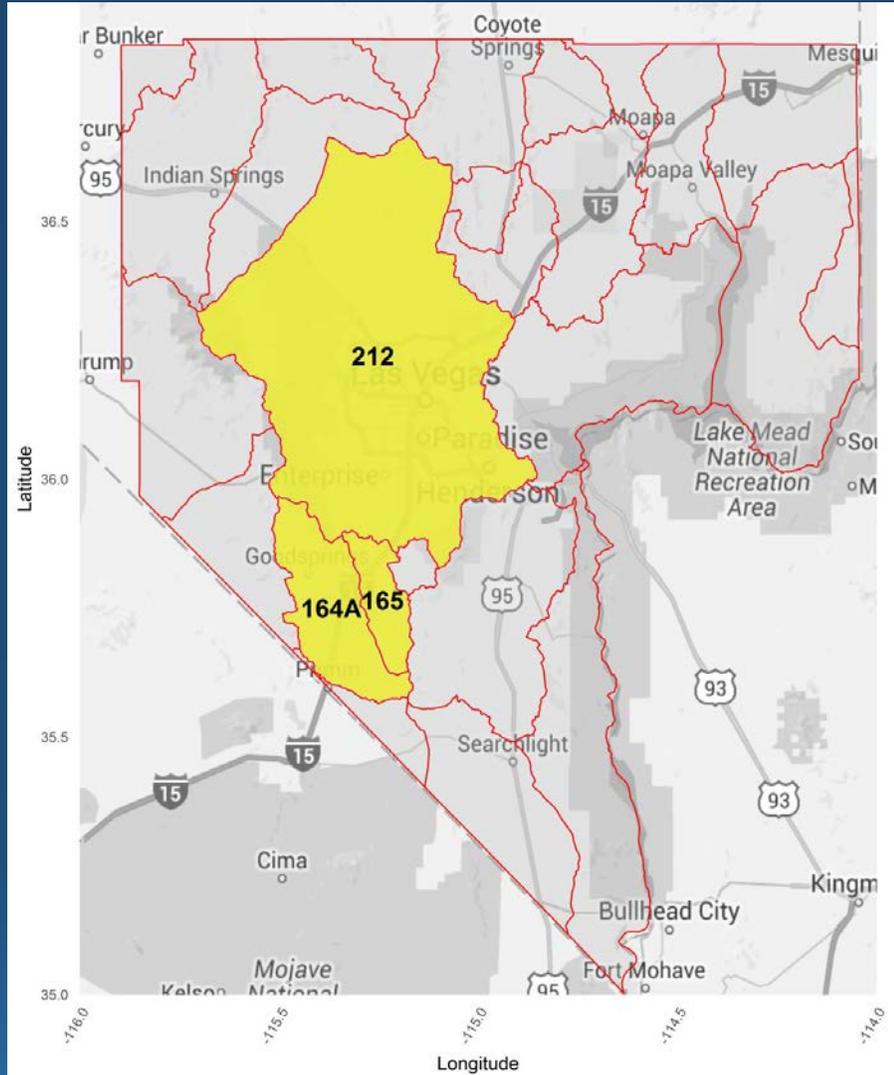
Nevada Diesel Emission Mitigation Fund

Review Process – Scoring Criteria

- Points are assigned to 6 criteria (100 points possible)
 1. NOx Emission Reductions and Cost-Effectiveness (25 points)
 2. Project Location (20 points)
 3. Environmental Co-Benefits (15 points)
 4. Likelihood of additional, future, emissions reductions (15 points)
 5. Project Feasibility (15 points)
 6. Societal Co-benefits (10 points)

Scoring Criteria

Project Location

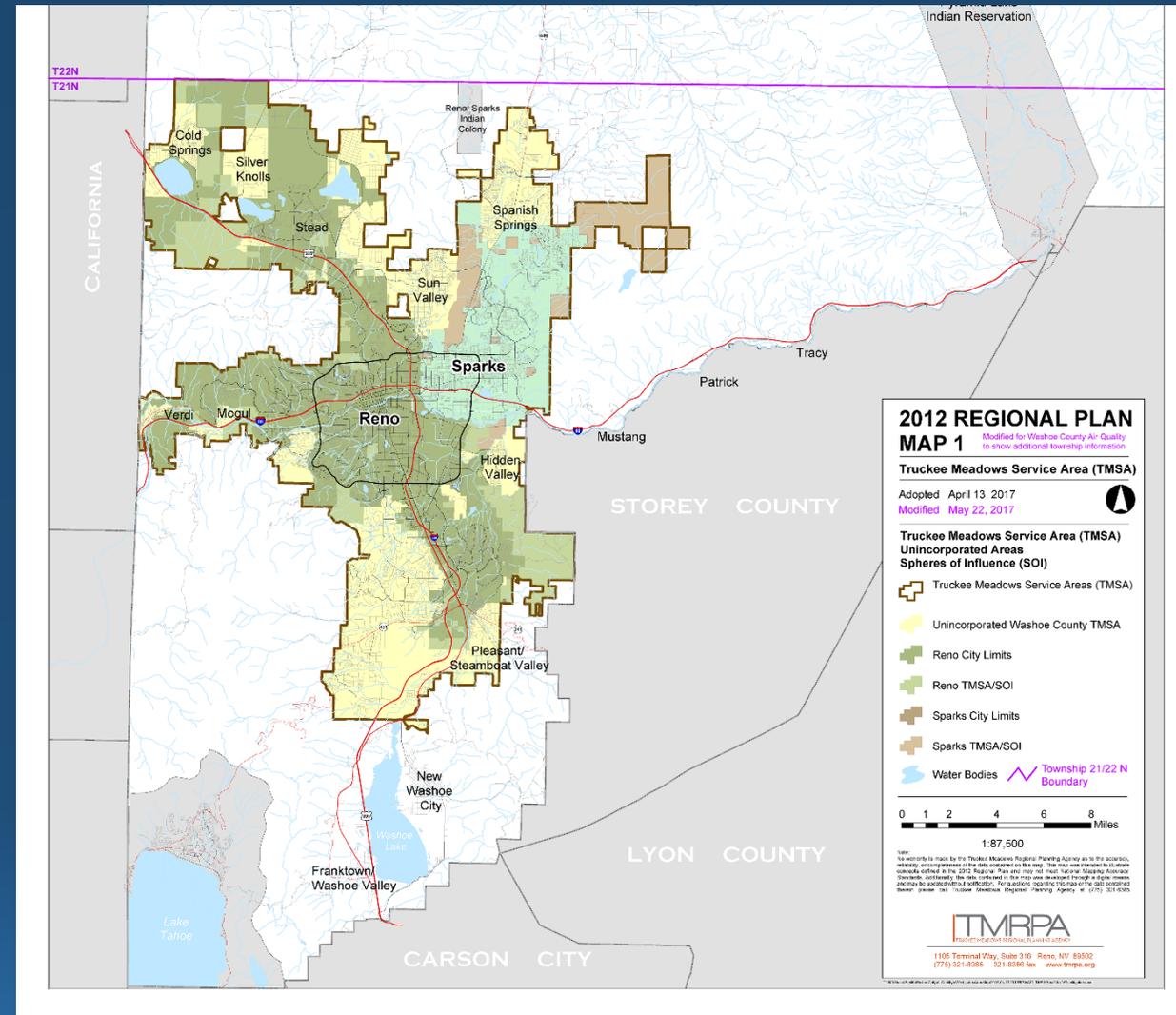


In Clark County, priority areas are locations within hydrographic areas 212, 164A, and 165 (yellow regions on the map)

Scoring Criteria

Project Location

The priority area of Washoe County is the portion of the County south of Township 22 North (pink line)



Scoring Criteria

Project Location

The NDEP is also considering Carson City, Douglas County, and urban centers in the counties adjacent to Clark and Washoe counties to be priority areas that will be eligible to receive points in this criterion



Scoring Criteria

Future Emissions Reductions

- Does the application demonstrate that additional, future, emissions reductions will occur from this project?
- Is this the beginning of a fleet-wide transition to an alternative fuel or electricity?
- Does the project require an investment in fueling/charging infrastructure that the fleet has already secured or is in the process of securing?

Scoring Criteria

Project Feasibility

- NDEP's expectations for a project's feasibility differ based on the dollar amount being requested
- The NDEP will consider whether the applicant supplied a proposed schedule detailing the necessary steps for executing the project
- The NDEP will also consider whether there was a description provided by the applicant that included the details showing the necessary technical, managerial, procurement, and financial capabilities and experience of the applicant organization and its personnel to execute on the project



Scoring Criteria

Societal Co-Benefits

- The quality and extent to which the proposal demonstrates how the proposed project will address the needs and concerns of affected communities, including any communities or populations that have faced or are facing environmental justice concerns
- The likelihood that “sensitive” populations including, but not limited to, asthmatics, children, or the elderly that are directly benefitted by the project

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Questions?