



Illinois Clean Diesel Grant Program Fact Sheet & Guidelines

Summary

This Fact Sheet & Guidelines document is to assist the applicant in understanding the objectives of the Illinois Clean Diesel Grant Program and the types of projects that the Illinois EPA is interested in funding. Be sure to read all of the documents contained in the links for the Illinois Clean Diesel Grant Program on our website at www.illinoisgreenfleets.org in order to submit a complete application.

Background

As part of the U.S. Environmental Protection Agency's National Clean Diesel Campaign and the Midwest Clean Diesel Initiative, the Illinois EPA is implementing the Illinois Clean Diesel Grant Program. The goal of this program is to reduce particulate matter emissions and other pollutants from diesel-powered vehicles and to improve public health. Studies have shown that diesel emissions pose a health threat to children, the elderly, those with respiratory illnesses, and others that are routinely exposed to particulate emissions. The Chicago and Metro-East St. Louis areas do not meet the national air quality standard for particulate matter. Other areas of Illinois are also at risk of violating this standard. The Illinois Clean Diesel Grant Program will assist the State and various fleets in reducing diesel emissions to provide a healthier environment and improved air quality in our communities.

Diesel engines often have long service lives and can be rebuilt. There are many engines still in use that were certified to less stringent emission standards in effect at the time of their manufacture and lack the advanced emission controls in existence today. Engines manufactured as recently as 2006 and those built during the 1990's do not have the most advanced technologies to reduce emissions as those built today. The engine manufacturers, the after-market diesel equipment retailers, and various retrofit manufacturers offer equipment and up-to-date engine retrofit technologies designed to reduce the emissions of existing diesel vehicles. A few of these after-market equipment options are also designed to reduce fuel consumption and to improve operational efficiencies.

Application/Project Information

1. Eligibility

The applicants eligible for this program include organizations in Illinois that operate diesel vehicles:

- Local governments
 - Colleges and Universities
 - Mass transit districts
 - Businesses, including small businesses
 - Truck Owners/Operators
 - Non-profit organizations
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School districts and individual schools interested in “clean diesel projects” for their school buses must complete the Illinois Clean School Bus Program application materials at www.illinoisgreenfleets.org.

Eligible applicants for the Illinois Clean Diesel Grant Program must be located in Illinois, the diesel vehicles must be domiciled in Illinois, and the majority of driving miles and routes of the vehicles must be in Illinois. For truck owners/operators, over-the-road trucks will be considered for funding (e.g., auxiliary power units) if the trucks are driven primarily in Illinois and throughout the Midwest. The diesel vehicles involved in this project should be “owned” by the fleet and not leased. However, leased vehicles may be considered if certain conditions are met. Call the Illinois EPA at (217) 557-1441 for more information.

2. Types of Vehicles

The types of diesel vehicles that the Illinois EPA is looking to fund for clean diesel projects in the Illinois Clean Diesel Grant Program include:

- Class 4 (14,001-16,000 GVWR): Delivery trucks and similar vehicles
- Class 5 (16,001-19,500 GVWR): Bucket trucks, delivery trucks, shuttle buses, and similar vehicles
- Class 6 (19,501-26,000 GVWR): Shuttle buses, beverage trucks, and similar vehicles
- Class 7 (26,001-33,000 GVWR): Transit buses, larger work trucks, and similar vehicles
- Class 8 (>33,000 GVWR): Over-the-road trucks, refuse trucks, dump trucks, cement trucks, and similar vehicles
- Diesel vehicles with engines manufactured in model year 1994 or later that will remain in service in the fleet for at least five more years, depending on the type of vehicle and how it is used. For over-the-road trucks, we will consider model years prior to 1994 to be outfitted with an auxiliary power unit (APU) if the truck has several more years of service-life.
- Vehicles that are in continuous service and not used as “reserve vehicles” to substitute for another unit on a short-term basis
- Except for over-the-road trucks, diesel vehicles that are primarily driven or used in urban areas, such as on city streets and highways, in or near parks and residential areas, or other areas where exposure to diesel emissions occur
- Off-road diesel equipment may be considered for funding if it meets the applicability criteria and objectives of the program.

3. Types of Retrofit Equipment and Technologies

There are several clean diesel product options that have been EPA-verified or EPA-certified to reduce diesel emissions. In addition, some diesel retrofit products are certified by the California Air Resources Board (CARB). Diesel retrofit products, including their manufacturer, must be on the EPA’s “Verified Technologies List” and/or on the CARB Verified Technologies List to be eligible for this grant program. For idling equipment, such as auxiliary power units and direct-fired heaters, the equipment and its manufacturer should be on the EPA “Idle Reduction Technologies” list. Both of these lists can be found at www.illinoisgreenfleets.org. The eligible

clean diesel retrofits, types of idling equipment, or other technology options for this program include:

- Diesel Oxidation Catalysts (DOC)
- Diesel Particulate Filters (DPF)¹
- Closed Crankcase Ventilation (CCV) Systems
- Diesel Multi-Stage Filters (DMF)
- Direct-Fired Heaters (DFH)² and similar equipment to reduce idling
- Auxiliary Power Units (APU)²
- Diesel Hybrid Vehicles, including diesel plug-in hybrids
- Other types of technologies that may not be listed above or are combinations of equipment (e.g., DOC & CCV) that are on the Verified Technologies List or the Idle Reduction Technologies List where the equipment is appropriate for the vehicle application and utilization will also be considered.

¹Vehicles selected for Diesel Particulate Filters should not have an Exhaust Gas Recirculation (EGR) engine, as these are often incompatible with DPFs. Please coordinate with your equipment vendor or the manufacturer's representatives in assessing whether DPFs are compatible for your type of vehicle, engine, and vehicle utilization.

²The California Air Resources Board (CARB) has more stringent emission requirements for APUs. If your grant application involves the purchase of an APU for affected trucks or buses that operate in the State of California at any time, the APU must be certified by CARB to meet its current regulations. Please click on the "APU Certification Requirements for Trucks Driving in California" link at www.illinoisgreenfleets.org for more information.

Idling equipment, such as direct-fired heaters (DFH), auxiliary power units (APU), and similar products, would be appropriate for vehicles that tend to have the main engine running to operate electrical systems, auxiliary equipment, to keep the engine and fluids warm during cold weather, and to heat or cool the cabin for the driver or passengers. The types of vehicles and their utilization appropriate for idling equipment include:

- Trucks in which the driver must keep the engines operating to keep cargo at a certain temperature (e.g., refrigerated truck)
- Long haul trucks in which the drivers are required, by federal law, to take a mandatory 10-hour rest period each day. Many long haul drivers keep the main engine running to power air conditioning, heat, televisions, microwaves, and other electronic items in the cab while resting. In addition, idling equipment on a truck benefits both the driver and the public at rest stops, truck stops, loading docks, businesses or near residential areas where the driver would otherwise need to run the engine while the vehicle is parked.

Diesel Hybrid Vehicles are appropriate for the following types of applications:

- Vehicles that do a lot of city driving in "stop and go traffic" where hybrid technology will improve fuel efficiency and reduce emissions.

- Buses, including mass transit, commercial, and shuttle buses, that drive in urban areas and normally idle while loading or unloading passengers to keep the vehicle cabin comfortable, are in use for many hours during the day, and have a lot of daily “standing time” in waiting for passengers to board.
- Vehicles that idle the main engine to provide auxiliary power to on-board equipment or other purposes in the scope of conducting their business (e.g., utility trucks).

Important Information in Applying for Diesel Hybrid Vehicles: Pursuant to U.S. EPA requirements for implementing diesel hybrid vehicles using federal or state grants, it is important for the applicant to understand that for each new diesel hybrid vehicle being acquired through this program, an existing in-service vehicle/engine must be scrapped or disassembled so that it is no longer operable. The scrapped or disassembled vehicle(s) must currently be in-service diesel vehicles that are similar to the hybrid(s) being purchased. If your proposed diesel hybrid project application is under consideration for approval, the Illinois EPA or its representative will contact you to discuss the procedures involving hybrid purchases and vehicle disassembly or scrapping.

4. Application & Funding Process

Before Developing the Project

- ☑ The Illinois EPA has made significant efforts in making the application process as easy as possible for fleet managers and equipment vendors while meeting the requirements for Federal and State grants. Please review the links on our website at www.illinoisgreenfleets.org under the Illinois Clean Diesel Grant Program section. All application and informational materials for this program, including this Fact Sheet & Guidelines document, the instructions, and the application form, can be found on this website. Be sure to download the current forms, instructions, and related materials. Do not use forms from previous years that you may have copied and saved, as our forms and other materials periodically change. The applicant is responsible for reviewing all of the information provided in the links under the Illinois Clean Diesel Grant Program heading and in following through the procedures outlined in the posted materials.
- ☑ The Illinois EPA is using several different federal funding sources and other types of funds for this program. Certain funds have geographic, vehicle-type, equipment options, or other project-related restrictions. It is anticipated that we will not be able to fund all submitted project applications. However, projects that cannot be provided grants with current funding will be placed “on hold” for future funding opportunities. Applications will not be approved on a “first come, first served” basis. The Illinois EPA will determine which projects are best suited to meet the objectives of the program and satisfy the criteria of the various funds being used. The “Current Funding” link on the website will provide information on the types of projects we are currently looking for, the geographic areas of the State that we have funding available, the amount of grant monies available or remaining for certain funds, and the application due dates for certain funds and funding cycles. We will match clean diesel project applications with a fund that meets the criteria of the submitted project proposal.
- ☑ If a project application does not appear to meet the criteria of our current funds outlined on the “Current Funding” link, we still encourage the prospective applicant to submit an application package. The Illinois EPA is expecting to receive additional federal and other

types of funding for this program. We have already been notified by the U.S. EPA that more federal funding opportunities for the states will be available in 2010, and we also receive other types of funding that may match project applications. In addition, if an application cannot be funded right away, either due to insufficient levels of current funding or the absence of a funding match, we will place the application “on hold” until additional funding becomes available. The Illinois EPA may need to “trim down” or otherwise change an application proposal so that it matches our current funding resources or criteria. If this is the case, we will contact the applicant in advance to make sure that any changes will still meet the fleet’s needs.

While Developing the Project

- The applicant needs to work in partnership with the truck dealer or equipment vendor that will be selling the diesel retrofit equipment, idling equipment, or new diesel hybrid truck or bus. The dealer/vendor can help the applicant decide the types of products that will best meet the vehicle and utilization needs.
- Check to make sure that the diesel retrofit equipment is on the EPA’s Verified Technologies List or, with idling equipment, the Idle Reduction Technologies List as discussed in Section 3 above. The vendor should be able to confirm this with the manufacturer’s representatives. If an applicant is applying for an APU or other type of idle reduction equipment and a truck travels through the State of California, be sure that it meets the new CARB requirements discussed in Section 3. See the link for “APU Certification Requirements for Trucks Driving in California” at www.illinoisgreenfleets.org.

Completing the Application

- Read the “Illinois Clean Diesel Grant Program Application Instructions,” and complete the Illinois Clean Diesel Grant Program Application Form and Vehicle Information Spreadsheet. Be sure to provide the “additional project information” as discussed in the instructions, along with the W-9 Form.
- Send a copy of the vendor’s “Cost Quote” with the completed application materials. The Cost Quote or estimate should include the unit cost, the installation cost, and the total cost.
- Applicants that are not tax-exempt are responsible for paying the sales tax and any other taxes on the product(s). The Illinois EPA will only provide a grant to pay for the costs associated with the purchase price and installation of the equipment.
- Cash matches from approved applicants may be required. Click on the “Required Matches” link on the website for information on whether you will need to provide a match.

Processing the Application

- After the applicable funding cycle and when all submitted applications have been reviewed, the Illinois EPA or its designee will contact the applicant to inform them of the status of their proposed project application. This may be done by letter, email, and/or phone.

- ☑ If an application is in the approval process, the Illinois EPA will check to make sure that nothing has changed with the project outlined in the application since the time it was submitted (e.g., several weeks or months may have elapsed during the funding cycle time period since the project was initially developed and submitted).
- ☑ Approved applicants will receive a “Grant Agreement” in the mail from the Illinois EPA. They are to sign the agreement and return it to the agency.
- ☑ After the Grant Agreement is signed by the applicant and the agency, a copy of the grant agreement will be sent to the applicant, along with a cover letter. This letter will inform the applicant that they may proceed with getting the equipment purchased and installed as defined by the application and grant agreement. **Important: The approved applicant is NOT to start the project until after the grant agreement has been signed and a letter has been issued by the Illinois EPA which will clearly state that the project may now proceed between the applicant and vendor.**
- ☑ The Illinois EPA must submit quarterly reports to the U.S. EPA on each project utilizing U.S. EPA funding, until the project is completed. It is expected that the applicant will provide any additional information before, during, or after the project is implemented or completed to assist the agency in fulfilling this federal reporting requirement.

Receiving the Grant

- ☑ When the work on the project is fully completed, the vendor and/or applicant needs to provide the Illinois EPA with the final invoice showing that the units were purchased and, if applicable, installed. The invoice must identify all associated costs incurred with the project and show that the project was paid for by the applicant (e.g., invoice should include amount of payment(s) and show a “zero balance”). The invoice needs to reference the name of the fleet or organization for which the work was performed. The invoice should accompany a brief cover letter from the applicant noting that the work is completed, a description of the payment(s) made, and that the applicant is requesting the grant amount.
- ☑ The Illinois EPA will begin processing the grant when the final invoice and cover letter have been submitted to the agency. Normally, it takes up to four weeks for a check issuance to be processed by the State for grant-related projects after receipt of the final invoice. If a match is required for the approved application, the applicant is responsible for paying the vendor the required match amount.