

# **Georgia Department of Natural Resources**

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Chris Clark, Commissioner

**Environmental Protection Division**

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August 14, 2009

## **MEMORANDUM**

**TO:** Board of Natural Resources

**FROM:** Carol A. Couch, Director  
Environmental Protection Division

**SUBJECT:** Action on Grant Criteria for American Recovery and Reinvestment Act (ARRA)  
State Clean Diesel Grant Program

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I request the Board's consideration and approval of the eligibility and selection criteria for the American Recovery and Reinvestment Act (ARRA) State Clean Diesel Grant Program. The primary purpose is to add a new grant program to assist public school systems and public transit systems in purchasing and/or installing technologies to reduce particulate matter emissions from heavy-duty diesel engines on school buses and transit buses.

This new grant program is as follows:

### **American Recovery and Reinvestment Act (ARRA) State Clean Diesel Grant Program.**

Grants are available under the ARRA State Clean Diesel Grant Program for installing emission control devices, repowering, and replacing school buses and transit buses and rebuilding school and transit bus engines.

These grants are funded by the American Recovery and Reinvestment Act of 2009. The total available funding for this project is one million five hundred sixty seven thousand eight hundred eleven dollars (\$1,567,811).

Attached is the program description that specifies the eligibility and criteria for awards. With the Board's approval, the description will be filed with the Secretary of State's office to comply with the Fair and Open Grants Act.

CAC:JC

Attachment

**PROPOSED DESCRIPTION:**

**DEPARTMENT OF NATURAL RESOURCES**  
**ENVIRONMENTAL PROTECTION DIVISION**  
**GRANTS PROGRAM**  
**CHAPTER 391-3-21**

**391-3-21-.12 American Recovery and Reinvestment Act (ARRA) State Clean Diesel Grant Program**

(1) American Recovery and Reinvestment Act (ARRA) State Clean Diesel Grant Program General Scope and Purpose. Grants are available under the ARRA State Clean Diesel Grant Program for installing emission control devices on, repowering, and replacing school buses and transit buses located in Georgia and for rebuilding school and transit bus engines for school and transit buses operated in Georgia.

(a) General Terms and Conditions of the Grant.

1. Projects submitted for funding under this grant must identify the vehicles or engines that are planned for retrofit, which includes the installation of emission control devices, repowering, rebuilding, and/or early replacement. Projects proposing to retrofit buses must identify the type of emission control equipment to be used; the make, model, model year, fuel type, and emission certification for the engine to be used; the make, model, model year, fuel type, and emission certification for the replacement bus; and/or the components to be used and the cleaner standard that will be met for rebuilt engines.

2. Submitted projects must conform to all applicable administrative and programmatic conditions including, without limitation, the coordination with EPD personnel; use of emission control technologies, rebuilds, or engines that have been or will be verified or certified under EPA's Retrofit or Certification Program or by the California Air Resources Board (CARB); new buses purchased for replacement of older buses are certified by CARB; submission of quarterly reports; submission of a final report; compliance with applicable Federal procurement and sub-grant procedures; certification that the emission control equipment, engine rebuild, and/or engine repower was properly installed and is in working condition; certification that the bus replacement meets applicable new engine standards and meets all other applicable specifications; proper maintenance of vehicles and, where applicable, retrofit equipment and enforcement of warranty claims against vendors if a maintenance problem arises; and use of the emission control equipment, repowered bus, rebuilt engine, or replacement bus for a minimum of four years unless the equipment or engine is damaged beyond repair or the bus becomes inoperable and is unable to be repaired.

3. Selected projects must be completed by September 30, 2010.

(b) Eligible Recipients of the Grant. An eligible applicant is any public school system or public transit fleet that is located and operating in Georgia and own or have control over the buses included in a submitted project.

(c) Criteria for the Award. This project is limited to applications that install emission control devices on, repower, or replace school or transit buses located or operated in Georgia or rebuild engines for school or transit buses that will be located or operated in Georgia. School and transit systems must use equipment and/or engines that have been or will be verified or certified by EPA or CARB. New diesel buses or new diesel engines procured under this grant must meet the applicable CARB heavy-duty engine standards. Projects for repowering buses require a minimum 25% local or state match. Projects for replacing buses require a minimum 75% local or state match. In the event that the costs of the projects submitted exceed the available funding, EPD will determine the projects to be selected as follows:

1. First priority will be given for public school systems whose fleets are based in counties that have not been officially designated as nonattainment for the PM2.5 standard and that install emission control devices on school buses.
2. Second priority will be given for public school systems whose fleets are based in counties that have been officially designated as nonattainment for the PM2.5 standard and that install emission control devices on school buses.
3. Repowering and/or replacement of school buses and/or rebuilding school bus engines are third priority and will be ranked on the cost effectiveness of the project (\$/ton of emission reduction over lifetime of the project).
4. Transit buses are fourth priority and will be ranked on the cost effectiveness of the project (\$/ton of emission reduction over lifetime of the project).
5. Buses installed with emission control devices will be prioritized according to the following:
  - (i) engine model year 2000 through 2006 buses are equipped with devices that reduce PM by a minimum of 50%; and
  - (ii) the cost effectiveness of the project (\$/ton of emission reduction over lifetime of the project).

(d) Deadline for Submittal. EPD will send out the first solicitation for request for applications on or before September 1, 2009. Applications will be due by close of business on September 25, 2009. The projects will be evaluated based on the criteria stated above. A second solicitation will be opened if all of the funds are not obligated in the first solicitation. The second solicitation will remain open until all funding has been obligated and spent.

(2) Directions For Submitting Applications for the American Recovery and Reinvestment Act State Clean Diesel Grant. Requests for copies of the general guidelines and proposal forms and submittal of applications for the ARRA State Clean Diesel Grant should be made to:

Georgia Environmental Protection Division  
Mobile and Area Sources Program  
Attn: Stacy Allman  
4244 International Parkway, Suite 136  
Atlanta, Georgia 30354  
e-mail: [stacy.allman@dnr.state.ga.us](mailto:stacy.allman@dnr.state.ga.us)

(3) Award of the American Recovery and Reinvestment Act State Clean Diesel Grant is subject to Federal funding provided to EPD. EPD may fund individual projects less than the requested amounts if necessary to distribute funds among equally ranked projects.

Authority: O.C.G.A. § 12-9-6