

Georgia Department of Natural Resources

2 Martin Luther King, Jr., Drive, S.E., Suite 1152 East, Atlanta, Georgia 30334-4100

Mark Williams, Commissioner

Environmental Protection Division

F. Allen Barnes, Director

Phone: 404/656-4713 FAX: 404/651-5778

February 11, 2011

MEMORANDUM

TO: Board of Natural Resources

FROM: F. Allen Barnes, Director
Environmental Protection Division

SUBJECT: **Action on Proposed Grant Criteria for Diesel Engine Retrofit Grants - 2009 and 2010 Diesel Emissions Reduction Act (DERA)**

I request the Board's consideration and approval of the eligibility and selection criteria for the Georgia Diesel Engine Retrofit Grant Program. The primary purpose of these grants is to assist public school systems in purchasing and installing technologies to reduce particulate matter emissions from heavy-duty diesel engines on school buses.

One type of grant will be available under the Georgia Diesel Emissions Reduction Program:

1. State Diesel Emissions Reduction Act (DERA) Georgia Diesel Emissions Reduction Program. Grants are available under this project to install emission control devices on school buses statewide with preference to those located or operated outside the 24 PM_{2.5} nonattainment area counties. These grants are funded through the EPA and the National Clean Diesel Campaign. This grant does not require matching funds from the applicant. The amount of funding currently available for this program is \$622,958; at an estimated cost of approximately \$6,000 per retrofit, these funds will allow for retrofit of approximately 100 buses.

Attached is a program description that specifies the eligibility and criteria for award. 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.

FAB:JC:JJ:klc

Attachment

PROPOSED DESCRIPTION

DEPARTMENT OF NATURAL RESOURCES
ENVIRONMENTAL PROTECTION DIVISION
GEORGIA DIESEL ENGINE RETROFIT GRANTS
CHAPTER 391-3-21

391-3-21-.15 Georgia Diesel Emissions Reduction Program

(1) Diesel Emissions Reduction Act (DERA) Georgia Diesel Emissions Reduction Program Scope and Purpose. Grants are available under the Diesel Emissions Reduction Act (DERA) State Clean Diesel Grant Program for retrofitting diesel vehicles that are located or operated in the State of Georgia.

(a) General Terms and Conditions of the Grant.

1. Projects submitted for funding under this Grant must identify the vehicles for retrofit and the type of emission control equipment to be used.

2. Submitted projects must conform to all applicable programmatic and administrative conditions including, without limitation, coordination with EPD personnel; use of retrofit technologies that have been or will be verified or certified under the U.S. Environmental Protection Agency's (EPA's) Retrofit Program or by the California Air Resources Board (CARB); submission of quarterly reports when applicable; submission of a final report when applicable; compliance with applicable Federal procurement and subgrant procedures; certification that the emission control equipment was properly installed and is in working condition; use of data-logging in accordance with manufacturer specifications of diesel vehicles that will be equipped with emission control equipment on existing routes to ensure proper exhaust temperature profiles; proper maintenance of vehicles and retrofit equipment and enforcement of warranty claims against vendors if a maintenance problem arises; and use of the emission control equipment on the vehicles for a minimum of four years unless the equipment is damaged beyond repair or the vehicle becomes inoperable and is unable to be repaired.

(b) Eligible Recipients of the Grant. An eligible applicant is any Georgia public school system that proposes to install emission control devices on school buses the system owns and operates.

(c) Criteria for the Award. In the event that the costs of the applications submitted for eligible projects 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 are adjacent to designated PM_{2.5} nonattainment or maintenance counties.

2. Second priority will be given for public school systems whose fleets are based in counties that have not been designated as nonattainment for PM_{2.5} and are not adjacent to designated

PM_{2.5} nonattainment or maintenance counties.

3. Third priority will be given for public school systems whose fleets are based in counties that have been officially designated as nonattainment or maintenance for the PM_{2.5} standard.

Within each priority, applications will be ranked according to the following criteria:

1. Retrofit of school buses with devices that reduce PM_{2.5} by a minimum of 50% on school bus engines with model years ranging from 2001 through 2006; and
2. Cost effectiveness of the project (cost per ton of emission reduced over the lifetime of the project).

(d) **Deadline For Submittal.** EPD will issue the first solicitation for applications on or before April 18, 2011. Applications will be due within six weeks after release of the solicitation. Funding will be distributed based on the criteria for award between eligible applicants that reply within the first solicitation period. If funds remain after grants are awarded to all qualified projects from the first solicitation or additional funds are received for this program after the initial solicitation, additional solicitation(s) will be issued until all of the funds have been obligated. For each solicitation, retrofit projects will be awarded based on the priority and order in which projects rank within the criteria selection process. The applications will be evaluated based on the criteria stated in Subsection (c).

(e) **Directions For Submitting Applications for the Georgia Diesel Emission Reduction Program.** Requests for copies of the general guidelines and proposal forms and submittal of applications for the DERA Georgia Diesel Emission Reduction Program should be made to:

Georgia Environmental Protection Division
Mobile and Area Sources Program
Attn: Stacy Allman
4244 International Parkway, Suite 134
Atlanta, Georgia 30354
e-mail: stacy.allman@dnr.state.ga.us

(f) Award of the Georgia Diesel Emission Reduction Program grants 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 or to reduce the project cost to the maximum allowable distribution.

Authority: O.C.G.A. § 12-9-6