

SUMMARY PAGE

Project Title: Diesel Emission Reduction Act Program

Project Manager and Contact Information

Organization Name: Rhode Island Department of Environmental Management Office of Air Resources

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Project Budget Overview:

	2021
EPA Base Allocation	\$338,537
EPA Match Bonus (if applicable)	\$169,269
Voluntary Matching Funds (if applicable)	\$338,537
Mandatory Cost-Share	\$857,312
TOTAL Project Cost	\$1,703,655

Project Period

October 1, 2021 – September 30, 2023

Summary Statement

DERA funding will focus on reducing diesel emissions from numerous sources from both private and public fleets. Project proposals that include priority fleets of on-road heavy duty vehicles and marine engines will be given priority.

<http://www.dem.ri.gov/programs/air/diesel-reduction.php>

SCOPE OF WORK

The Rhode Island Clean Diesel Program is part of an overall strategy to address diesel emissions from numerous sources. Rhode Island began addressing diesel emissions in 2001, with the establishment of its heavy-duty diesel opacity program that authorized the Rhode Island State Police to check opacity of heavy-duty vehicles. Authority was also enacted for a heavy-duty diesel vehicle emission inspection program, currently in the development phase. In 2003, school buses in several communities were retrofitted with diesel oxidation catalysts and closed crankcase ventilation filters using CMAQ funds.

Through ongoing legislation beginning with the Anti-Idling Act passed in 2006, Rhode Island continues its commitment to addressing all diesel equipment in the state. Previous DERA funded projects included priority fleets retrofitted, replaced and targeted for improvements include (but not limited to) school buses, airport support equipment, shore-power connection, fire engines, marine engines, locomotives, and public work vehicles. Over the past few years DERA was opened to both private and public fleets, as well as marine projects. Starting in FY18 money was allocated to replace fishing vessel marine engines across Rhode Island. We plan to continue to provide participant support costs for this sector in FY21.

During FY17 The RI Clean Diesel Fund enabled DEM to receive appropriated money (\$1.9 million) and provide reimbursement grants to companies for the purpose of reducing emissions from heavy duty diesel vehicles operating on Rhode Island roads much like the DERA program. DEM received project proposals to allocate the full \$1.9 million but State budget cuts pursued and cut the program to approximately \$200,000.

DEM intends to continue to address the identified priority fleets using the State DERA grant for reducing emissions from all entities (private and public) that own and operate fleets within our state.

The work plan anticipates the replacement and/or retrofit of identified priority fleets of vehicles used by all entities (private and public) that own and operate fleets within our state. These will include on-road highway heavy duty vehicles, emergency vehicles, utility, construction/refuse equipment/vehicles, marine engines, and/or nonroad engines, equipment or vehicles. The work plan will be amended as the final project selection is ongoing between RIDEM and participants. All documentation will be kept in participants file and provided to EPA as required.

STATE/TERRITORY GOALS AND PRIORITIES: The primary area where the affected vehicles/engines operate and where the emissions benefits will be realized include (50-100% of the time) the entire State of Rhode Island with more localized benefits located in the subrecipients individual boundaries.

VEHICLES AND TECHNOLOGIES: Project(s) will consist of participant support costs to provide for replacement or retrofit of selected entities that operate diesel powered vehicles and equipment. Ownership of vehicles and equipment purchased with funding from this project will be retained by participants.

RIDEM identifies priority fleets of vehicles, based on criteria to maximize public health benefits, be cost effective and target areas with high population density, that are poor air quality areas (including nonattainment or maintenance of national ambient air quality standards for a criteria pollutant; or areas with toxic air pollutant concerns) or receive a disproportionate quantity of air pollution from diesel fleets including ports, rail yards, terminals, construction sites, depots, corridors). Certified engine configuration or verified technology would be used and consideration given to maximize the useful life of any certified engine configuration or verified technology used.

All vehicles and equipment will be scrapped and documentation will be kept in subrecipients file and provided to EPA in reports. Scrappage documentation will also include a signed certificate of destruction (to be provided by the EPA Project Officer), or alternative documentation as approved by the EPA Project Officer.

We anticipated that this year’s funds will be targeted for on-road heavy duty vehicles and marine engines. There may also be the potential to replace a diesel school bus with an electric school bus.

ROLES AND RESPONSIBILITIES: RIDEM will begin the program through providing a participant support cost for vehicle replacements, retrofits, etc. operated by fleet owners. We will ensure that all projects chosen meet eligibility criteria for DERA with necessary information provided. RIDEM will also provide EPA with quarterly reports on the progress of the grant and a final report within 90 calendar days of the completion of the period of performance.

TIMELINE AND MILESTONES: RIDEM will work to identify fleets prior to the October 2021 project start date. In the prior years, we have assessed fleets to identify projects after the project start date allowing for signature of a participation support cost agreement typically in December. RIDEM foresees the identification of projects prior to the start date which will allow for projects to be completed on-time.

Identification/RFP/Evaluation of project proposals: July/August 2021
Anticipated grants awarded: August/September 2021
Enter into agreement with participants (with project start date of October 1, 2021): September 2021
Participants solicit vendor quotes: October – December 2021
Participants enter into purchase agreement with vendor: October - December 2021
Install devices/purchase replacements: December 2021 – September 2022
Quarterly Reports submitted to EPA: December 2021 – January 2023
Wrap-up, Close-out, Final Report: January 2023

DERA PROGRAMMATIC PRIORITIES: RIDEM partners with fleets that operate in close proximity to areas with high population density and areas that receive a disproportionate quantity of air pollution. These communities generally have a greater susceptibility to adverse effects from environmental hazards. Subrecipients’ expressed interest in trying to reduce fuel consumption, increase efficiency and also provide benefits to the communities in which they

operate large pieces of equipment. A significant improvement in air quality for these communities will be realized by retrofitting and replacing older diesel engines.

EPA’S STRATEGIC PLAN LINKAGE AND ANTICIPATED OUTCOMES/OUTPUTS:

The goal of Rhode Island’s Clean Diesel Program is to reduce the overall emissions from diesel vehicles and equipment operating in the state. The goal will be met through the phasing out/replacement of older diesel equipment operating in our state. All of these actions result in reductions of local and regional air pollution in compliance with Goal 1 of EPA’s Strategic Plan.

RIDEM will monitor and report progress by tracking the number of projects on vehicles/equipment during the grant period. From these figures, estimates of the reductions in emissions of particulate matter (PM), nitrogen oxides (NOx), greenhouse gases (GHG) and/or fuel saved will be calculated using EPA’s Diesel Emission Quantifier.

For the purpose of this application, estimates of emissions reductions were calculated based on the assumed projects and the Diesel Emissions Quantifier (see table below). The actual breakdown of projects will depend on the results of the procurement process. DEM foresees five (5) to twelve (12) projects being completed with available grant funds. The VW Matching funds will be specifically used for electrification projects only. The activities below represent a typical project funded by State DERA funds. All replaced vehicles will be scrapped.

FY 2021 Anticipated Outputs and Outcomes		
Activities	Outputs	Outcomes
<i>Replacement of three (3) Drayage Vehicles</i>	<i>Replaced with compliant diesel vehicle</i>	<i>Lifetime Emissions Reductions = 9.5 tons NOx and 0.4 tons PM2.5</i>
<i>Replacement of two (2) Diesel School Buses with Electric School Buses</i>	<i>Replaced diesel engines with all-electric vehicles</i>	<i>Lifetime Emissions Reductions = 0.97 tons NOx and 0.08 tons PM2.5</i>
<i>Replacement of six (6) Marine Vessel Engine</i>	<i>Replaced a unregulated-Tier 1 marine engine with a Tier 3 engine</i>	<i>Lifetime Emissions Reductions = 80.6 tons NOx and 0.9 tons PM2.5</i>
<i>Replacement of four (4) trash collection trucks with CNG vehicles</i>	<i>Replaced diesel trucks with CNG trucks</i>	<i>Lifetime Emissions Reductions = 4.5 tons NOx and 0.3 tons PM2.5</i>

SUSTAINABILITY OF THE PROGRAM: The Rhode Island Clean Diesel Program is part of an overall strategy to address diesel emissions from numerous sources. Rhode Island began addressing diesel emissions in 2001, with the establishment of its heavy-duty diesel opacity program that authorized the Rhode Island State Police to check opacity of heavy-duty vehicles. Authority was also enacted for a heavy-duty diesel vehicle emission inspection program, currently in the development phase. In 2003, school buses in several communities were retrofitted with diesel oxidation catalysts and closed crankcase ventilation filters. Over \$2 million in past DERA/CMAQ funds have been allocated to Rhode Islanders.

Through ongoing legislation beginning with the Anti-Idling Act passed in 2006, Rhode Island continues its commitment to addressing all diesel equipment in the state. Focus will continue on priority fleets, similar to previously DERA funded projects which included retrofitting, replacing or repowering vehicles and equipment including (but not limited to) school buses, airport support equipment, fire engines/boats, locomotives, public work vehicles, and privately owned/operated fleets.

DEM intends to continue to address the identified priority fleets using the State DERA grant for reducing emissions from all entities (public and private) operating in our state.

BUDGET NARRATIVE

2021 Itemized Project Budget

Budget Category	EPA Allocation	Mandatory Cost-Share	Voluntary Match (if applicable)		Line Total
			VW Mitigation Trust Funds	Other Funds	
1. Personnel					
2. Fringe Benefits					
3. Travel					
4. Equipment					
5. Supplies					
6. Contractual					
7. Other	\$338,537	\$857,312	\$338,537	\$169,269	\$1,703,655
8. Total Direct Charges (sum 1-7)	\$338,537	\$857,312	\$338,537	\$169,269	\$1,703,655
9. Indirect Charges					
10. Total (Indirect + Direct)					
11. Program Income					

Matching Funds and Cost-Share Funds

The source of DEM's voluntary match is from interest earned on VW Settlement Fund Accounts held by Wilmington Trust.

The Rhode Island Department of Environmental Management (DEM) is proposing to expand Rhode Island's Volkswagen Beneficiary Mitigation Plan to include environmental mitigation action (EMA) #10, the "DERA Option", which allows beneficiaries to use trust funds for their non-federal voluntary match on state Diesel Emission Reduction Act (DERA) grants.

In the issuance of the [August 2018 Rhode Island Beneficiary Mitigation Plan \(BMP\)](#) DEM outlined a very specific plan on how the state would utilize the \$14,368,858 that was received under the proposed partial Consent Decree with the United States District Court for the Northern District of California in the lawsuit entitled In re: Volkswagen "Clean Diesel" Marketing, Sales Practices, and Products Liability Litigation, Case No: MDL No. 2672 CRB (JSC). It has come to our attention that while those funds were held in a trust account, interest was earned. DEM is proposing to expand the BMP and utilize VW trust funds earned interest to match its State DERA allocation.

Any voluntary matching funds provided by the state, including mitigation trust funds, are subject to the DERA funding limits defined in the applicable [State Clean Diesel Grant Program guidance](#). Many of the eligible project types under EPA's State Clean Diesel Grant Program are funded at less than 100% and therefore require a mandatory cost-share. These mandatory cost-share requirements are typically provided by project partners (e.g., fleet owners).

Upon EPA's approval of DEM's DERA Workplan, DEM will request public input on the proposed expansion of the BMP to include the "DERA Option" and submit all required documents to Wilmington Trust. The matching funds will become available once approved by Wilmington Trust and DEM requests the funds. The voluntary state match funds will only be used for electrification projects, which includes the electric school buses, charging infrastructure, and any other electrification opportunities that may arise with this year's grant applications.

Overall Goal for the Use of the Funds

The overall goal for the use of the voluntary state match funds will remain the same as outlined in the [August 2018 Rhode Island Beneficiary Mitigation Plan \(BMP\)](#). As such, the primary goal of the State's mitigation plan is to improve and protect ambient air quality by implementing eligible mitigation projects that will:

- Achieve significant and sustained reductions in diesel emission in terms of tons of reductions in diesel emission exposures in areas designated as poor air quality areas, areas with historical air quality issues, and areas that receive a disproportionate quantity of air pollution from diesel fleets, and
- Expedite development and widespread adoption of zero emission vehicles and engines.