

Truck and Bus Fleet Grant Program Guidelines

Fleets of Class 4-8 Trucks, Drayage Trucks,
School Buses, Shuttle Buses, and Transit Buses

A Driving PA Forward Funding Program



pennsylvania
DEPARTMENT OF ENVIRONMENTAL
PROTECTION

Tom Wolf
Governor

Patrick McDonnell
Secretary

Calendar Year (CY) 2021
(revised April 2021)

Important Information

Change in Program Name and Eligibility – This program was called the Class 8 Truck and Transit Bus Grant Program in 2018 and 2019. The name of the program has been revised to reflect significant changes to the program relating to eligibility of different vehicle/engine types and a change to focus on fleets of 6 or more eligible vehicles/engines.

Project Funding – There is \$3,000,000 available for reimbursement grants from the Pennsylvania Department of Environmental Protection (DEP) in calendar year (CY) 2021 under the Truck and Bus Fleet Grant Program.

Project Period – The project period will begin upon execution of a grant agreement and end two years later. Extension requests will be evaluated on a case-by-case basis.

Submission Format – The application is available online through the Department of Community and Economic Development's (DCED) Electronic Single Application website, eGrants, at <https://www.esa.dced.state.pa.us/Login.aspx>. Paper and faxed copies will not be accepted.

Application Submission Period – The Truck and Bus Fleet Grant Program application submission period will begin upon public notice of availability and will remain open until the application submission deadline at 4:00 PM on October 9, 2021. DEP will review and score applications after the submission period ends.

Application Scoring – A description of the application scoring process and the application scoring criteria are included in this document.

Webinar – A recorded presentation providing an overview of the program and application process will be available on the Department's Driving PA Forward website under the 'Truck and Bus Fleet Grant Program' heading during the application period. See Section VII.

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I. Funding Opportunity Description

A. Background

Reducing emissions from diesel engines is one of the most significant air quality challenges facing the Commonwealth of Pennsylvania. To help Pennsylvania meet its diesel emissions reduction goals, the Wolf Administration has developed new grant and rebate programs under the Driving PA Forward initiative to improve air quality in Pennsylvania and drive transformation from older, polluting diesel engines to clean technologies. New engine technologies like electric, compressed natural gas, propane, and clean diesel can significantly reduce pollutants from freight and delivery trucks, transit and school buses, cargo handling equipment, ocean going vessels in port, forklifts, tugs, and freight switchers that rely on older diesel technology.

The goal of the Governor's initiative is to permanently reduce NO_x emissions by as much as 27,700 tons. Of the mobile source NO_x emissions, diesel sources, including aviation, marine, and rail sources, account for approximately 61 percent of the emissions.

The Truck and Bus Fleet Grant Program is one of the Driving PA Forward financial incentive programs that the PA Department of Environmental Protection (DEP) has developed to fund Eligible Mitigation Actions (EMAs) from Pennsylvania's \$118.5 million allocation from the State Mitigation Trust, resulting from the emissions cheating lawsuit settlement.¹ Pennsylvania will have at least 10 years to use its allocation of the Trust to fund EMAs. All expenditures from the State Mitigation Trust will require the approval of the Trustee.²

B. Scope of Work

The primary goal of the Truck and Bus Fleet Grant Program is to improve the Commonwealth's air quality by reducing NO_x emissions from Class 4-8 local freight trucks and school, shuttle, and transit buses. A single grant proposal may target multiple types of vehicles/engines and project types. See full eligibility information for applicants and projects in Section III.

II. Award Information

A. Available Funding

The funding available for calendar years (CY) 2020 under the Truck and Bus Fleet Grant Program is \$3,000,000. Multiple projects may be funded from the total available and partial funding is possible, if deemed appropriate by DEP staff. The maximum award per applicant is \$1,500,000.

¹ A \$2.866 billion environmental mitigation trust (State Mitigation Trust) was established by the Environmental Mitigation Trust Agreement for State Beneficiaries filed by the United States (U.S.) Department of Justice, with the U.S. District Court for the Northern District of California on October 2, 2017, in the case, *In Re: Volkswagen "Clean Diesel" Marketing, Sales Practices, and Products Liability Litigation* (No. 3:15-md-02672-CRB (N.D. Cal.), MDL No. 2672). Additional information about the case and the settlement are available on DEP's website.

² A Trustee, Wilmington Trust, N.A., was approved by the Court on March 15, 2017, to administer the State Trust Agreement and disburse the funds from the State Mitigation Trust.

B. Project Period

The project period for the CY 2021 Truck and Bus Fleet Grant Program will begin upon execution of a grant agreement and end two years later. Extension requests will be evaluated on a case-by-case basis by DEP. *Any applicant who begins a project and incurs costs before receiving a fully executed grant agreement does so with the understanding that the costs may not be reimbursed.*

C. Funding Type

The Truck and Bus Fleet Grant Program is offering funding as a reimbursement grant program. This means a grantee will pay all project costs and submit proof that project invoices have been paid, proof of project work completion, and proof of scrappage prior to submission of or with a reimbursement request submission to DEP. If DEP approves the reimbursement request, DEP will request funds from the Trustee for payment to the grantee by the Commonwealth.

Please note that this payment process differs from other DEP grant programs and may take up to six months before the grantee receives a reimbursement payment. DEP will not approve reimbursement requests for unpaid invoices. Detailed reimbursement request requirements and submission instructions will be included with the executed grant agreement for successful applicants.

D. Technology Compatibility

Technology changes will not be allowed after a project has been selected for funding. If technology compatibility issues arise, DEP may elect to terminate the grant agreement, at which time any funding received by the grantee must be returned to DEP, unless otherwise stated in writing by DEP.

III. Eligibility Information

A. Eligible Applicants

Organizations that operate eligible Class 4-8 local freight trucks or school, shuttle, or transit buses registered or having an apportioned registration in Pennsylvania and operating predominately in the state may apply to the Truck and Bus Fleet Grant Program. See the glossary for definitions. Eligible applicants include a/an:

1. Business
2. Incorporated Nonprofit
3. State, Local, or Tribal Government Agency
4. Air Quality or Transportation Organization
5. Metropolitan or Rural/Regional Transportation Planning Organization
6. Federal Government Agency

Eligible applicants, or the entities they represent, must have a physical location or base of operations located within the boundaries of Pennsylvania, from which the vehicles proposed for repower or replacement operate.

B. Ineligible Applicants

1. Businesses not incorporated in or registered with the Pennsylvania Department of State, Bureau of Corporations and Charitable Organizations, to do business in the Commonwealth.
2. Individuals applying as individuals, not on behalf of an eligible applicant. Please note sole proprietors are eligible to apply as a business.

C. Eligible Diesel Vehicles

See Section IX- Glossary for definitions. Eligible vehicles include the following diesel-powered sources:

1. Class 4-8 Local Freight Trucks with Engine MY 1992-2009, with at least three years remaining useful life.
2. Class 4-8 School Buses or Shuttle Buses, with Engine MY 2009 or older, with at least three years of remaining useful life.
3. Transit Buses with Engine MY 2009 or older, that currently meet, or are expected to meet within one year of application, the following useful life guidelines:
 - a. Buses that are less than 30 ft, are 15,000 lbs GVWR or less, are at least five years old, and have at least 150,000 miles on the odometer.
 - b. Buses that are less than 35 ft, are over 15,000 lbs GVWR, are at least 10 years old, and have at least 350,000 miles on the odometer.
 - c. Buses that are at least 35 ft, are over 20,000 lbs GVWR, are at least 12 years old, and have at least 500,000 miles on the odometer.
 - d. See Section III, Subsection D for eligible project type limitations for transit buses- they differ from other vehicle types.

Vehicles must be registered (full or apportioned) in Pennsylvania and operating predominately in Pennsylvania at the time of application.

1. Pennsylvania is a member of the International Registration Plan (IRP) which is a registration reciprocity agreement among jurisdictions of the United States and Canada. The agreement provides for registration fee payments on the basis of fleet distance operated in various jurisdictions.
2. Apportioned registration applies to vehicles that travel or are intended for travel in two or more of the member jurisdictions and is used for the transportation of persons for hire or is designed, used, or maintained primarily for the transportation of property, and:
 - a. is a power unit having a gross or registered weight in excess of 26,000 pounds, or
 - b. is a power unit having three or more axles regardless of weight, or
 - c. is used in combination when the weight of such combination exceeds 26,000 pounds gross vehicle weight.
3. Vehicles or combinations, having a gross vehicle weight of 26,000 pounds or less and two axle vehicles, may be apportioned at the option of the registrant.
4. Operating predominately in Pennsylvania means that greater-than 50 percent of a vehicle's annual operating time or greater-than 50 percent of a vehicle's annual mileage must occur within the boundaries of Pennsylvania.

D. Eligible Project Types

See the glossary for definitions. See Section IV for cost-share information for each project type.

1. Replace or repower eligible Class 4-8 trucks, school buses, or shuttle buses with a MY 2019 or newer diesel or alternative fueled engines, including all-electric engines.
2. Replace or repower eligible drayage trucks with a MY 2017 or newer diesel or alternative fueled engines, including all-electric engines.
3. Replace or repower eligible transit buses with MY 2019 or newer alternative fueled engines, including all electric engines. Diesel replacements or repowers of transit buses are not eligible for funding under this program.

E. Ineligible Vehicles, Engines, and Project Types

The following are ineligible vehicles and engines:

1. Local freight trucks or drayage trucks that are MY 1991 or older, or newer than MY 2009.
2. Any buses newer than MY 2009.
3. Any vehicle or engine that is not a diesel-powered Class 4-8 local freight truck, drayage truck, or Class 4-8 school, shuttle, or transit bus.
4. Engine or vehicle designated for repower or replacement where the majority of its annual operation time or annual mileage DOES NOT occur within the Commonwealth.
5. Engines or vehicles being replaced or repowered that are not operational or that DO NOT have a valid Pennsylvania state registration, or an apportioned registration, if required.
6. Engines or vehicles that do not meet useful life requirements detailed above.
7. Vehicles that have not operated in the applicant's fleet for at least three years prior to the application date.

The following are ineligible projects types:

1. Projects to repower or replace transit buses with new diesel buses.
2. Projects already completed or started prior to submitting an application to DEP.
3. Projects with vehicles or engines physically located entirely outside of Pennsylvania.
4. Projects that are intended for fleet expansion.
5. The repair or salvaging of a disabled vehicle.
6. scheduled or routine maintenance.
7. Repairs due to accidents or neglect.
8. Projects that were previously funded by a different state or federally funded grant program.
9. Projects that replace or repower an alternative fuel vehicle, engine or equipment.
10. Projects with no measurable environmental net benefit for the Commonwealth.

F. Funding Restrictions

No funds awarded under the Truck and Bus Fleet Grant Program may be used:

1. For lobbying, or intervention in local, state, or federal regulatory or adjudicatory proceedings, and cannot be used to sue the Commonwealth of Pennsylvania or any other government entity.
2. To cover expenses incurred prior to the project period set forth in any grant agreement funded by the Truck and Bus Fleet Grant Program. Additionally, expenses incurred prior to the project period set forth in any grant agreement resulting from this project

solicitation are not eligible as a cost-share for proposed projects.

3. To prepare the Truck and Bus Fleet Grant Program grant application.
4. For vehicle title, registration and inspection fees, permit fees, or any other fees not approved by DEP in writing.
5. For administrative costs.

IV. Cost Share and Scrappage Requirements

The following section identifies the mandatory cost share requirements, specifically the project costs DEP will reimburse and the project costs that are the responsibility of the applicant. This section also discusses voluntary cost-share options and scrappage requirements.

A. Mandatory Cost-Share Requirement

The following are the funding limitations and mandatory cost-share requirements for eligible projects, as defined in Section III, Subsection D of this document:

Table 1: Maximum Percentage and Reimbursement Amounts Per Vehicle

Project Category	Maximum Percentages DEP will fund	Minimum Applicant Match Percentages	Maximum Reimbursements per Vehicle	Maximum Reimbursements per Vehicle for Act 47 Municipalities (or 100%)
Diesel and Alternative Fuels (G-Government Owned, NG-Non-government Owned)				
G - Class 4-5 Truck Alt Fuel Repower or Replacement	70%	30%	\$70,000	\$100,000.00
G - Class 4-5 Truck Diesel Repower or Replacement	70%	30%	\$56,000	\$80,000.00
G - Class 6-7 Truck Alt Fuel Repower or Replacement	70%	30%	\$105,000	\$150,000.00
G - Class 6-7 Truck Diesel Repower or Replacement	70%	30%	\$70,000	\$100,000.00
G - Class 8 Truck Alt Fuel Repower or Replacement	70%	30%	\$157,500	\$225,000.00
G - Class 8 Truck Diesel Repower or Replacement	70%	30%	\$122,500	\$175,000.00
G - Drayage Truck Alt Fuel Replacement	50%	50%	\$112,500	\$225,000.00
G - Drayage Truck Alt Fuel Repower	40%	60%	\$70,000	\$175,000.00
G - Drayage Truck Diesel Replacement	50%	50%	\$112,500	\$225,000.00
G - Drayage Truck Diesel Repower	40%	60%	\$70,000	\$175,000.00
G - School Bus Alt Fuel Repower or Replacement	30%	70%	\$33,000	\$110,000.00
G - School Bus Diesel Repower or Replacement	30%	70%	\$27,000	\$90,000.00
G - Shuttle Bus Alt Fuel Repower or Replacement	50%	50%	\$75,000	\$150,000.00

Project Category	Maximum Percentages DEP will fund	Minimum Applicant Match Percentages	Maximum Reimbursements per Vehicle	Maximum Reimbursements per Vehicle for Act 47 Municipalities (or 100%)
G - Shuttle Bus Diesel Repower or Replacement	50%	50%	\$65,000	\$130,000.00
G - Transit Bus Alt Fuel Repower or Replacement - Incremental Cost	100%	0%	\$100,000	\$100,000.00
NG - Class 4-5 Truck Alt Fuel Repower or Replacement	25%	75%	\$25,000	\$100,000.00
NG - Class 4-5 Truck Diesel Repower or Replacement	25%	75%	\$20,000	\$80,000.00
NG - Class 6-7 Truck Alt Fuel Repower or Replacement	25%	75%	\$37,500	\$150,000.00
NG - Class 6-7 Truck Diesel Repower or Replacement	25%	75%	\$25,000	\$100,000.00
NG - Class 8 Truck Alt Fuel Repower or Replacement	25%	75%	\$56,250	\$225,000.00
NG - Class 8 Truck Diesel Repower or Replacement	25%	75%	\$43,750	\$175,000.00
NG - Drayage Truck Alt Fuel Replacement	50%	50%	\$112,500	\$225,000.00
NG - Drayage Truck Alt Fuel Repower	40%	60%	\$70,000	\$175,000.00
NG - Drayage Truck Diesel Replacement	50%	50%	\$125,000	\$225,000.00
NG - Drayage Truck Diesel Repower	40%	60%	\$60,000	\$175,000.00
NG - School Bus Alt Fuel Repower or Replacement	25%	75%	\$27,500	\$110,000.00
NG - School Bus Diesel Repower or Replacement	25%	75%	\$22,500	\$90,000.00
NG - Shuttle Bus Alt Fuel Repower or Replacement	25%	75%	\$37,500	\$150,000.00
NG - Shuttle Bus Diesel Repower or Replacement	25%	75%	\$32,500	\$130,000.00
NG - Transit Bus Alt Fuel Repower or Replacement - Incremental Cost	25%	75%	\$25,000	\$100,000.00
Electric				
G or NG - Class 4-5 Truck Electric Repower or Replacement	60%	40%	\$108,000	\$180,000.00
G or NG - Class 6-7 Truck Electric Repower or Replacement	60%	40%	\$126,000	\$210,000.00
G or NG - Class 8 Truck Electric Repower or Replacement	60%	40%	\$180,000	\$300,000.00

Project Category	Maximum Percentages DEP will fund	Minimum Applicant Match Percentages	Maximum Reimbursements per Vehicle	Maximum Reimbursements per Vehicle for Act 47 Municipalities (or 100%)
G or NG - Drayage Truck Electric Repower or Replacement	60%	40%	\$180,000	\$300,000.00
G or NG - School Bus Electric Repower or Replacement	60%	40%	\$150,000	\$250,000.00
G or NG - Shuttle Bus Electric Repower or Replacement	60%	40%	\$121,200	\$202,000.00
G or NG - Short Range Transit Bus Electric Repower or Replacement - Incremental Cost	100%	0%	\$100,000	\$100,000.00
G or NG - Long Range Transit Bus Electric Repower or Replacement - Incremental Cost	50%	50%	\$250,000	\$500,000.00
Electric with Infrastructure				
G or NG - Class 4-5 Truck Electric with Infrastructure Repower or Replacement	60%	40%	\$114,000	\$190,000.00
G or NG - Class 6-7 Truck Electric with Infrastructure Repower or Replacement	60%	40%	\$132,000	\$220,000.00
G or NG - Class 8 Truck Electric with Infrastructure Repower or Replacement	60%	40%	\$186,000	\$310,000.00
G or NG - Drayage Truck Electric with Infrastructure Repower or Replacement	60%	40%	\$186,000	\$310,000.00
G or NG - School Bus Electric with Infrastructure Repower or Replacement	60%	40%	\$156,000	\$260,000.00
G or NG - Shuttle Bus Electric with Infrastructure Repower or Replacement	60%	40%	\$127,200	\$212,000.00
G or NG - Short Range Transit Bus Electric with Infrastructure Repower or Replacement - Incremental Cost	100%	0%	\$150,000	\$150,000.00
G or NG - Long Range Transit Bus Electric with Infrastructure Repower or Replacement - Incremental Cost	50%	50%	\$250,000	\$500,000.00

1. See the glossary for definitions of vehicle types.
2. Preference will be given to applicants that are approved distressed municipalities under Act 47, Financially Distressed Municipalities Act of 1987, by allowing up to 100 percent reimbursement for eligible projects. Such municipality must be identified on DCED's website to be eligible.

3. Eligible costs for a diesel or alternative fuel repower (except transit buses) include the cost of the new engine, including installation costs.
4. Eligible costs for an electric repower (except transit buses) include the cost of the engine, including installation costs and charging infrastructure associated with the new engine.
5. Eligible costs for a diesel or alternative fuel replacement (except transit buses) include the cost of the new vehicle.
6. Eligible costs for an electric replacement (except transit buses) include the cost of the new vehicle, including charging infrastructure associated with the new all-electric vehicle.
7. Eligible costs for an alternative fuel or electric repower for transit buses include the incremental costs of the new engine, including installation costs, above the cost of a comparable diesel engine, including charging infrastructure associated with the new all-electric vehicle.
 - a. For projects including electric vehicle infrastructure, the full or partial cost of the infrastructure may be included in the total project costs, but the engine purchase and installation costs are limited to incremental costs as noted above.
8. Eligible costs for an alternative fuel or electric replacement for transit buses include the incremental costs of the new vehicle, above the cost of a comparable diesel vehicle, including charging infrastructure associated with the new all-electric vehicle.
 - a. For projects including electric vehicle infrastructure, the full or partial cost of the infrastructure may be included in the total project costs, but the vehicle purchase costs are limited to incremental costs as noted above.

B. Voluntary Cost-Share

1. Voluntary cost share, also referred to as an overmatch, is additional funds/resources, or those from third party sources, to support or complement the project, which are above and beyond mandatory cost share.
2. While it is not required that an applicant provide a voluntary cost-share (or overmatch if a mandatory cost share applies) beyond any mandatory cost-share as described above, applicants may provide a voluntary cost share or overmatch to improve the cost-effectiveness and benefit of the project. A voluntary cost-share or overmatch typically results in an application receiving a higher score during the evaluation process.
3. If proposed, the voluntary cost share or overmatch funds must be included in the total for the match portion of the budget section of the application. Successful applicants will be required to provide details of the voluntary cost-share and will be legally obligated to meet any proposed voluntary cost share or overmatch that is included in the approved project budget in the grant agreement.

C. Scrappage

The vehicle, equipment, and/or engine being replaced must be scrapped or rendered permanently disabled prior to a reimbursement request being submitted to DEP. Detailed scrappage requirements will be provided with the executed grant agreement.

1. For engine repowers and replacements, the grantees or their vendors must:
 - a. Cut a minimum three-inch diameter hole in the engine block (the part of the engine containing the cylinders), or
 - b. Crush or shred the entire engine.

2. For vehicle replacements, the grantees or their vendors must:
 - a. Cut minimum three-inch diameter hole in the engine block (the part of the engine containing the cylinders) and disable the chassis by cutting through the frame/frame rails on each side at a point located between the front and rear axles, or
 - b. Have the full vehicle crushed or shredded.
3. Other acceptable scrappage methods may be considered and will require prior written approval from the DEP Grant Officer.
4. Evidence of appropriate scrappage or recycling is required in the final reimbursement request submitted to DEP.
 - a. Grantees must complete and submit a “Certificate of Destruction”, including the required photographs, for each vehicle or engine that is scrapped. Digital photographs in JPEG, PNG, or other common formats are preferred. The Certificate of Destruction form is a fillable PDF provided by DEP and can be completed electronically or by hand. **Failure to supply or account for all required photographs will result in denial of reimbursement requests.** Grantees should ensure that all required photographs are labeled and legible prior to submission to DEP.
 - b. Grantees must also provide a copy of a Nonrepairable Certificate for on-road vehicles. This Certificate should be obtained after the vehicle or engine has been delivered for scrappage or recycling. The Nonrepairable Certificate can be obtained by applying for a certificate using the Pennsylvania Department of Transportation’s Form MV-6 – Application for Nonrepairable or Salvage Certificate. When a Nonrepairable Certificate is issued, the vehicle may only be used as a source for parts or scrap and may NOT be issued a certificate of title or a salvage certificate. There is no fee to request a Nonrepairable Certificate.
5. Equipment and vehicle components that are not part of the engine or chassis may be salvaged from the unit being replaced (e.g. plow blades, shovels, seats, tires, etc.).
6. All vehicles or engines proposed to be scrapped must have been continuously operating in the grantee’s fleet for at least the previous three years.

V. General Conditions, Reporting, and Project Monitoring

A. Public Disclosure of Application Documents

Truck and Bus Fleet Grant Program applications and supporting documentation are public documents and subject to disclosure to the public upon request. Please note that all documentation and records used to support a funding request submitted to the Trustee of the State Mitigation Trust, and all documentation and records in support of all expenditures of State Mitigation Trust funds, are required to be made publicly available, subject to applicable laws governing the publication of confidential business information and personally identifiable information. This may include information from the application and attachments, or reimbursement request documentation submitted by successful applicants during the grant period. Directions are provided in the Application Instructions for this program on how to format and submit any information that the applicant wishes the Commonwealth to consider as proprietary or confidential.

B. Additional Conditions

The awarding of grant funding is subject to the following conditions:

1. DEP may consider past performance of applicants who have received state-funded grants when determining grant eligibility. DEP reserves the right to not award or withhold funds to applicants that have not completed projects or have failed to adhere to grant agreement requirements, including interim and final reporting requirements, for projects funded by the Truck and Bus Fleet Grant Program or other state grant programs. This determination will be made by DEP on a case-by-case basis.
2. All projects must be compliant with all applicable local, state, and federal laws and must adhere to DEP guidance and policies.
3. Applicants must not have any outstanding obligations (financial or otherwise) to the Commonwealth and must not have any unresolved environmental violations.
4. Grantees must secure all permits or approvals otherwise required for the project to proceed, including permits required by DEP.

C. Reporting Requirements

Detailed reporting requirements and procedures will be provided to grantees with fully executed grant agreements.

1. Quarterly Reports: Quarterly reports will be submitted to DEP within 14 days after the end of each quarter during the project period. Reporting quarters end March 31, June 30, September 30, and December 31. Grantees will, in quarterly reports, provide DEP with the status of the project work, as compared to the Work Plan included in the grant agreement.
2. Final Report: A final report will be submitted to DEP upon completion of the project, no later than 30 days after the Project Completion Date established by the grant agreement or future amendments.
3. 1-Year Follow-Up Report: A one-year follow-up report will be submitted to DEP, at the earliest, one year after the Project Completion Date, but no later than one year and 30 days after the Project Completion Date.

D. Financial Monitoring

1. Grantees must properly manage and account for funding received under the Truck and Bus Fleet Grant Program and any matching funds provided by the applicant. Appropriate records must be maintained in order to confirm compliance with the conditions of the grant agreement.
2. No credit will be given for funds spent prior to the project period, unless otherwise approved in writing by DEP. All funding must be spent in accordance with the spending plan included in the grant agreement.
3. Extensions of the grant project period will not be issued, unless DEP concludes it to be necessary based on its own determination or in response to an approved request from the grantee.
4. Projects may be subject to PA Prevailing Wage Act requirements.
 - a. Grantees shall ensure, where necessary, that construction projects with a cost in excess of \$25,000 that may be subject to PA's Prevailing Wage Act requirements are paid appropriate wages commensurate with the Act.
 - b. For information about the applicability of the Prevailing Wage Act requirements,

applicants should contact the Department of Labor and Industry at 717-787-5279 or 800-932-0665 or visit the website at www.dli.pa.gov. It is solely the responsibility of the grantee to ensure the act is followed, if applicable.

5. DEP reserves the right to terminate the project and/or recover funding from grantees not properly managing the funding in accordance with the conditions of the program and the grant agreement.
6. DEP reserves the right to inspect projects financed with Truck and Bus Fleet Grant Program funds and to audit or require a third-party audit of any project's financial transactions or compliance with agreement terms.

E. Project Status and Monitoring

1. Grantees will be required to provide a status report with each application for reimbursement, as outlined in the grant agreement.
2. DEP may, at any time during the project period, request an update on the status of the project, to ensure that the project activities are being completed according to the project Work Plan included in the grant agreement.
3. Project Completion
 - a. The project must be completed in accordance with the specifics of the grant agreement. Modifications will not be considered, except for very limited scope and budget changes, including, but not limited to: replacements of equal quality and function, and reallocation of contract budget category dollar amounts to and from other budget categories, as long as the maximum contract dollar amount payable to the grantee is not exceeded. All changes must be approved by DEP.
 - b. The project will not be considered complete until an on-site inspection of the project work is performed by DEP staff, unless this requirement is waived by DEP and replaced with an alternate project verification action. DEP will send written notification to the grantee when it has confirmed that the project work is complete. On-site inspection, or other project confirmation activities, must occur by the Project Completion Date, unless otherwise agreed to in writing by DEP.

VI. Application Review, Scoring, and Selection

A. Project Selection

1. All complete applications will be reviewed and scored by DEP staff, based on the set criteria, some of which are listed below.
2. Applications with the highest scores, that meet all other requirements, will be considered first for funding.
3. If additional funds remain, additional funding offers will be made to applicants that score well and meet other DEP programmatic goals, that meet all other requirements.
4. If remaining funds are not adequate to meet the funding request(s) of additional applicants, DEP may contact the applicants to discuss partial funding of the proposal.
5. If an applicant is not selected for funding only due to all of the program's allocated funding being obligated, the applicant may be reconsidered for funding if any funds are unobligated as a result of grantee withdrawal, project termination, or some other action.

B. Notification of Applicants

1. All applicants will receive notification from the DEP Secretary or designee, addressed to the contact person specified in the application, notifying the applicant whether or not they are being offered grant funding.
2. If an application is not selected for funding, the applicant can contact DEP if they wish to discuss the details of why the application was not selected. Applications may not be selected for funding for numerous reasons, including, but not limited to: incomplete or ineligible applications; lower score ranking than other applications; no or lower environmental net benefit than other applications; proposed project doesn't fully support the goals of the State Beneficiary Mitigation Plan; proposed project doesn't fully support the environmental and economic goals of the Commonwealth; or lack of funds to award.
3. Successful applicants will be assigned a DEP Grant Officer; grantees may be required to meet with DEP staff to review contract requirements.
4. After the announcement of a grant award, DEP will forward a grant agreement (electronically) to the successful applicant. Successful applicants will be required to execute the grant agreement, including a detailed scope of work, project schedule, detailed budget and other information.
5. Successful applicants will need both a Data Universal Numbering System (DUNS) Number and a Systems Applications and Products (SAP) Vendor Number. If applicants selected for funding do not have a DUNS Number or SAP Vendor Number at the time of award announcement, project work cannot begin until registration for both is complete. See the Application Instructions for additional information.

C. Application Review and Scoring

1. DEP will conduct a comprehensive review of the grant application and supporting documentation. DEP may reject an application due to incomplete or inaccurate information.
2. Some of the scoring and eligibility criteria include the following:
 - a. Small business status
 - b. Emission reductions, particularly NO_x reductions
 - c. Cost effectiveness (\$ requested/tons lifetime NO_x reduced)
 - d. Proposed project period
 - e. Size of the fleet proposed for repower or replacement
 - f. Match funding requirements
 - g. Project location – Environmental Justice Areas, priority counties, high-pollution areas (narrative description required), Act 47 municipalities (as applicant or project location)
 - h. Population density
 - i. Traffic density (project site location or area of operation (narrative description required))

VII. Webinar Information

A recorded presentation providing an overview of the program and application process will be available on the Department's Driving PA Forward website under the 'Truck and Bus Fleet Grant Program' heading during the application period. Applicants should use the contact

information in Section IX of this document to submit questions or request clarification about the presentation or the program documents.

DEP may also post additional tutorials or videos on the Driving PA Forward website to assist applicants in completing and submitting applications.

VIII. How to Apply

- A. DEP will begin accepting applications for the Truck and Bus Fleet Grant Program on the date noted on the Driving PA Forward website. Applicants will not be able to submit their application unless all required information is completed. Any additional application opportunity and application deadline will be announced on the DEP website and in the *Pennsylvania Bulletin*.
- B. See the Truck and Bus Fleet Grant Program Application Instructions for step-by-step directions on how to apply. Applications must be submitted through the Department of Community and Economic Development's (DCED) Electronic Single Application website, eGrants, <https://www.esa.dced.state.pa.us/Login.aspx>. A link to the application system is also provided on the Driving PA Forward website under the 'Truck and Bus Fleet Grant Program' heading.
- C. Application Submission Period – The Truck and Bus Fleet Grant Program application submission period will begin upon public notice of availability and will remain open until the application submission deadline at 4:00 PM on October 9, 2021. DEP will review and score applications after the submission period ends.
- D. Late submittals will not be accepted.
- E. DEP Assistance and Contacts
 1. Questions regarding the application process, including signing up for access and any issues with completing the online application, should be directed to the DCED Customer Service Center at 1-800-379-7448. The DCED Customer Service Center is open 8:30 A.M.-5:00 P.M. EST, Monday thru Friday.
 2. Any questions about responding to the application questions, deadlines, and the overview and application instruction presentation should be directed to the Bureau of Air Quality, Pennsylvania Department of Environmental Protection, 717-787-9495, ra-epvwmitigation@pa.gov.

IX. Glossary – Definitions are for the purpose of this funding program and may vary from other commonly used definitions.

‘Air Quality or Transportation Organizations’ – Local, regional, or multi-state air quality or transportation organizations that include a Pennsylvania state government agency, a municipal government, or a municipal authority as a member, and

1. owns or operates a diesel fleet located or operating predominately in Pennsylvania, or
2. have partnered with or is acting as a project manager for another eligible entity listed in this section.

‘All-Electric’ – powered exclusively by electricity provided by a battery, fuel cell, or the electric grid.

‘Alternate-Fueled’ – an engine, vehicle, or piece of equipment that is powered by an engine, which uses a fuel different from or in addition to gasoline fuel or diesel fuel (e.g., CNG, propane, diesel-electric hybrid).

‘Alternative fuel’ – gaseous fuels such as hydrogen, natural gas (compressed-CNG or liquid-LNG), and propane-LPG; alcohols such as ethanol, methanol, and butanol; vegetable and waste-derived oils; and electricity. Other fuels may be considered for repower and replacement projects on a case-by-case basis by DEP.

‘Business’ – corporations, partnerships, sole proprietorships, limited liability companies, business trusts or other legal business entities incorporated in or registered with the Pennsylvania Department of State, Bureau of Corporations and Charitable Organizations, to do business in the Commonwealth.

‘CARB’ – California Air Resources Board

‘Certified Remanufacture System or Verified Engine Upgrade’ – engine upgrades certified or verified by EPA or CARB to achieve a reduction in emissions.

‘Class 4-7 Local Freight Trucks (Medium Trucks)’ – trucks, including commercial trucks, used to deliver cargo and freight (e.g., courier services, delivery trucks, box trucks moving freight, waste haulers, dump trucks, concrete mixers, and others) with a Gross Vehicle Weight Rating (GVWR) between 14,001 and 33,000 lbs.

‘Class 4-8 School Bus, Shuttle Bus, or Transit Bus (Buses)’ – vehicles with a Gross Vehicle Weight Rating (GVWR) greater than 14,001 lbs. used for transporting people. Also see definitions for school bus, shuttle bus, and transit bus.

‘Class 8 Local Freight, and Port Drayage Trucks (Eligible Large Trucks)’ – trucks with a Gross Vehicle Weight Rating (GVWR) greater than 33,000 lbs. used for port drayage and/or freight/cargo delivery (including waste haulers, dump trucks, concrete mixers, and others).

‘Commonwealth’ – Commonwealth of Pennsylvania.

‘DEP’ – Pennsylvania Department of Environmental Protection.

‘Diesel fuel’ – a fuel that is commonly or commercially known, sold or represented as diesel fuel, including any mixture of primarily liquid hydrocarbons that is sold or represented as suitable for use in an internal combustion, compression-ignition engine.

‘Drayage’ – a truck pickup from, delivery to, or operation within a seaport, border point, inland port, or intermodal terminal with both the trip origin and destination in the same local area. For the purpose of this program, local area is defined as within 20 miles of the trip origin.

‘Drayage Trucks’ – trucks used for drayage, limited to hauling cargo to and from ports and intermodal rail yards.

‘Electric vehicle or equipment’ – A vehicle or piece of equipment that uses electric motors and motor controllers for propulsion or operation of mechanical equipment in place of more common power sources such as the internal combustion engine (ICE).

‘EPA’ – United States Environmental Protection Agency

‘Federal Government Agency’ – Federal agencies that have custody, control, or management of land (including, but not limited to, Clean Air Act Class I and II areas) within or contiguous to the territorial boundaries of the Commonwealth.

‘Government Owned’ – owned exclusively by a Pennsylvania-based eligible applicant that meets the definition of ‘Government’ in Section II, Subsection A.

1. For the purpose of this program, privately-owned (non-government) school buses under contract with a public school in Pennsylvania are eligible for the ‘government-owned’ rebate level for school buses.

‘Government’ – a state or local government agency (including a school district, municipality, city, county, special district, transit district, joint powers authority, or port authority, owning fleets purchased with government funds), and a tribal government or native village. The term ‘state’ means the several States, the District of Columbia, and the Commonwealth of Puerto Rico.

‘Grantee’ – an applicant that has an executed grant agreement with DEP.

‘Gross Vehicle Weight Rating (GVWR)’ – the maximum weight of the vehicle, as specified by the manufacturer. GVWR includes total vehicle weight plus fluids, passengers, and cargo.

- Class 1: < 6000 lb.
- Class 2: 6001-10,000 lb.
- Class 3: 10,001-14,000 lb.
- Class 4: 14,001-16,000 lb.
- Class 5: 16,001-19,500 lb.
- Class 6: 19,501-26,000 lb.

- Class 7: 26,001-33,000 lb.
- Class 8: > 33,001 lb.

‘Hybrid’ – a vehicle that combines an internal combustion engine with a battery and electric motor.

‘Incremental Cost’ – the difference in cost between a vehicle or engine being replaced by a diesel-powered (conventionally fueled engine) vehicle or engine and an alternatively fueled vehicle or engine.

‘Infrastructure’ – the equipment used to enable the use of electric-powered vehicles (e.g., electric vehicle charging station).

‘Intermodal’ – involving two or more different modes of transportation in conveying goods. (Air, marine, on-road, rail)

‘Intermodal Rail Yard’ – a rail facility in which cargo is transferred from drayage truck to train or vice-versa.

‘Metropolitan or Rural/Regional Transportation Planning Organizations’ – organizations as defined by the U.S. Department of Transportation at 49 U.S.C. § 5303(b), that are located in Pennsylvania.

‘MY’ – model year

‘New Engine’ – an engine approved for use in an eligible truck or bus that has never been installed or used before.

‘New Vehicle’ – a vehicle with fewer than 7,500 miles on the odometer at the time of purchase that otherwise qualifies for this program.

‘Non-Government Owned’ – owned exclusively by Pennsylvania-based eligible applicants that do not meet the definition of ‘Government’ in Section II, Subsection A.

‘Non-Profit’ – An organization incorporated as a non-profit under Pennsylvania law or registered with the Pennsylvania Department of State, Bureau of Corporations and Charitable Organizations, to do business in the Commonwealth.

‘Plug-in Hybrid Electric Vehicle (PHEV)’ – a vehicle that is similar to a hybrid but is equipped with a larger, more advanced battery that allows the vehicle to be plugged in and recharged in addition to refueling with gasoline or other fuels. This larger battery allows the car to be driven on a combination of electric and other fuels.

‘Port’ – a site located at a point along navigable waters (seaport), at a point along an international border (border point), or at a location away from navigable waters or international borders

that is used to facilitate the transfer of goods between modes of transportation including air, marine, rail, and truck (inland port or intermodal terminal).

‘Public Transportation’ – Regular, continuing shared-ride surface transportation services that are open to the general public or open to a segment of the general public defined by age, disability, or low income; and does not include:

1. intercity passenger rail transportation provided by the entity described in chapter 243 (U.S. Code) (or a successor to such entity);
2. intercity bus service;
3. charter bus service;
4. school bus service;
5. sightseeing service;
6. courtesy shuttle service for patrons of one or more specific establishments; or
7. intra-terminal or intra-facility shuttle services.

‘Replacement’ – replacement of non-road and highway diesel vehicles, engines, and/or equipment with newer, cleaner vehicles, engines, and/or equipment that operate on diesel, alternative fuels, or all-electric and use engines certified by EPA and/or CARB, if applicable, to meet a more stringent set of engine emissions standards.

‘Repower’ – to replace an existing engine with a newer, cleaner engine or power source that is certified by EPA and, if applicable, CARB, to meet a more stringent set of engine emission standards. Repower includes, but is not limited to, diesel engine replacement with an engine certified for use with diesel or a clean alternate fuel, diesel engine replacement with an electric power source (e.g., grid, battery), diesel engine replacement with a fuel cell, diesel engine replacement with an electric generator(s) (genset), diesel engine upgrades in Ferries/Tugs with an EPA Certified Remanufacture System, and/or diesel engine upgrades in Ferries/Tugs with an EPA Verified Engine Upgrade. All-electric and fuel cell repowers do not require EPA or CARB certification.

‘School Bus’ – a Class 4-8 passenger motor vehicle designed to carry a driver and more than 10 passengers, that is designated or likely to be used significantly to transport pre-primary, primary, and secondary school students to or from school or an event related to school. (49 U.S.C. 30125). A school bus may be Type A, B, C or D and be eligible. Vehicle(s) must be registered in Pennsylvania as a school bus.

‘Scrapped’ – to render inoperable, unrepairable, and available for recycle- at a minimum, to specifically cut a minimum 3-inch diameter hole in the engine block for all engines. If any eligible vehicle will be replaced as part of an eligible project, scrappage shall also include the disabling of the chassis by cutting the vehicle’s frame rails completely in half. Both of these provisions may also be met by shredding or otherwise destroying the entire vehicle. Other methods may be allowed if pre-approved by DEP.

‘Shuttle Bus’ – a Class 4-8 bus that travels exclusively between two set points, by appointment or by a set schedule. For the purpose of this program, a shuttle bus must be capable of transporting at least six non-driver passengers and no more than 50 non-driver passengers.

‘Tier 0, 1, 2, 3, 4’ – EPA engine emission classifications for nonroad, locomotive, and marine engines.

1. Tier levels for various types of non-road vehicles and equipment can be found here: <https://www.epa.gov/emission-standards-reference-guide/epa-emission-standards-nonroad-engines-and-vehicles>

‘Transit Bus’ – A bus providing public transportation. (49 U.S. Code § 5302 – Definitions)

1. For the purpose of this program, a ‘Short Range Electric Transit Bus’ is defined as one that meets the other transit bus eligibility requirements and has a less than 100 kWh battery and an operating range of less than 50 miles.
2. For the purpose of this program, a ‘Long Range Electric Transit Bus’ is defined as one that meets the other transit bus eligibility requirements and has a more than 300 kWh battery and an operating range of more than 150 miles.

‘Zero Emission Vehicle (ZEV)’ – a vehicle that produces no emissions from the onboard source of power (e.g., all-electric or hydrogen fuel cell vehicles).