



Oregon Diesel Engine Repower Grant Application

First round applications are due March 29, 2012 at 5 p.m. DEQ will continue to accept application after this date but will review them only if funding is still available.

State of Oregon
Department of
Environmental
Quality

1. Name/Address

Project contact name _____ title _____

Applicant's Legal name _____

Contact phone _____ email _____

Contact Address

City _____ State _____ Zip _____

2. List any other state or federal funds (tax credits or other grants) used to reduce the cost of the proposed repower project.

\$ _____ Source _____
Amount

\$ _____ Source _____
Amount

3. All projects must use a Qualified Installer. Enter name of Qualified Installer selected for the project or "Qualified Installer not yet selected."

Name of Qualified Installer

4. List the budget of the proposed repower project.

Total Project Cost \$ _____

Estimated cost for existing engine rebuild \$ _____

Grant Applied For \$ _____

Maximum grant amount is 25% of eligible costs less rebuild costs.

5. Project Scope

Estimated Start _____

Estimated Completion _____

6. Does this project benefit sensitive populations or areas with elevated diesel particulate matter? (use additional pages as necessary)

No Yes, describe:

7. Does your organization have a commitment to making additional diesel emission reductions? (See Definition of Terms in attached Guidelines) (use additional pages as necessary)

No Yes, describe:

9. The applicant certifies that:

- The applicant, and vehicle and its diesel engine, meet the Standards for Qualifying Oregon Diesel Engine Repower Projects as provided in the guidelines to this application,
- The information in this application and the attachments accurately represent the proposed repower, and
- At least 50% of the use of the engine, as measured by miles driven or hours operated, will occur in Oregon for three years following the installation of the repower

10. Complete the *Repower Fleet List Spreadsheet* available at <http://www.deq.state.or.us/aq/diesel> and mail or email it with this application to Kevin Downing at the addresses listed on the last page.

Oregon Diesel Engine Repower Grant Guidelines

Any applicant may apply to the Department of Environmental Quality (DEQ) for a diesel engine repower grant if the project meets the Standards for Qualifying Oregon Diesel Engine Repower Projects. You may submit multiple applications or include multiple engines on one application.

Qualifying Projects

An engine qualifies to apply for the grant if the following conditions are met:

The engine is used in non-road vehicle or equipment.

The repowered engine will be used in Oregon at least 50% of the time, as measured in miles driven or hours of operation.

The old engine must be scrapped. Proof that the engine was destroyed will be required before grant funds are disbursed.

The repower reduces diesel particulate matter emissions by 25% or more.

The project uses a Qualified Installer for installation of the repower equipment.

About the Grant Process

A complete application means all elements in items 1 through 8 of the application have been addressed and each field in the *Repower Fleet List Spreadsheet* must be completed for each engine that is part of the project claimed for grant funds. DEQ will review applications and request additional information if the application is incomplete.

Once an application is complete, DEQ will notify you of a funding decision within 30 days. DEQ will choose projects based on preferences listed below. If your project is awarded a grant, the condition of the award is that the applicant must maintain the repowered engine, retain maintenance records, record engine hours operated or miles driven, and agree to possible audits for at least three years following the repower.

The deadline for submitting grant applications is **March 29, 2012 at 5 p.m.** You may mail or email (preferred) your grant application. DEQ will continue to accept applications after this date, but will only review them if funding is still available.

Project Preferences

In determining which project to fund, DEQ will score projects based on the following preferences:

- Benefit to sensitive populations or areas with elevated diesel particulate matter (20 points)
- Use of engine in Oregon over 50% of the time during the next 3 years (10 points)
- Reduction in diesel particulate matter emissions more than the required 25% (10 points)
- Length of time that the repowered engine will be maintained (10 points)
- Match or leverage funding¹ (10 points)
- Commitment of the applicant to making additional diesel emission reductions, (10 points)
- Cost effectiveness of the project. (15 points)
- Completion by September 30, 2012 or soon thereafter (15 points)

Eligible Costs

DEQ may require the applicant provide project cost documentation. The following costs are eligible for funding:

- The repower equipment, including delivery charges;

¹ The maximum grant amount is 25 percent of eligible costs less estimated engine rebuild costs.

- Supplies directly related to the installation of the repower;
- Labor, including any re-engineering of the vehicle or repower equipment needed to install the repower equipment if performed by a Qualified Installer; and
- Other costs directly related to the repower, subject to Department approval.

Ineligible Costs

Ineligible costs will be subtracted from the claimed project cost. Ineligible costs include:

- The program will pay only for the incremental cost of repowering an engine. This excludes what would normally have been spent on rebuilding an engine;
- Expenses for applicant travel;
- Interest and warranty charges;
- Costs of ordinary maintenance, operation, repair or replacement, including spare parts;
- Legal fees and associated costs, fees to finance the project;
- Any labor of the owner or operator's employees not listed in eligible costs unless approved by DEQ;
- The cost of any portion of repower undertaken to comply with any applicable local, state, or federal pollution or emissions law.
- Costs incurred after the expiration date of the grant or loan agreement;
- Ordinary operating expenses not directly related to the project; or
- Other costs that DEQ may determine ineligible.

Oregon Diesel Engine Repower Terms

Repower means to scrap an old diesel engine and replace it with a new engine, a used engine or a remanufactured engine, or with electric motors, drives or fuel cells, with a minimum useful life of seven years

Sensitive populations include the elderly, children, individuals with preexisting heart or lung disease, exercising adults or children, and children or adults suffering from asthma or bronchitis.

Additional diesel emission reductions can include actions such as participating in EPA's SmartWay Transport Partnership, having a policy specifying idling reduction or replacement of old equipment, or conducting a fleet analysis.

Areas with elevated levels of diesel particulate matter include:

Counties in Oregon that have an estimated average diesel particulate matter concentration above the cancer-based Oregon benchmark: Benton, Clackamas, Clatsop, Columbia, Coos, Deschutes, Douglas, Hood River, Jackson, Jefferson, Josephine, Klamath, Lane, Lincoln, Linn, Malheur, Marion, Morrow, Multnomah, Polk, Sherman, Tillamook, Umatilla, Wasco, Washington, and Yamhill.

Localized areas with elevated levels of diesel particulate matter emissions such as a high-traffic area, or an area where many diesel engines are used.

Qualified Installer means the person that installs the repower and is:

A Clean Diesel Service Provider; or

An employee of the applicant, if the applicant and vendor verify that the employee:

- Installed or will install the repower to meet the warranty conditions; and
- Possesses the necessary skill to install the repower.

Clean Diesel Service Provider List <http://www.deq.state.or.us/aq/diesel/docs/certifiedList.pdf>

For Assistance:

Clean Diesel Grant Program website: <http://www.deq.state.or.us/aq/diesel>

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