Ohio EPA is offering the second application opportunity for the Diesel Mitigation Trust Fund (DMTF) grants, with $15 million in funding available for projects to replace or repower eligible on-road vehicles and off-road fleets and equipment in 26 Ohio priority counties. The Request for Proposals (grant application guidelines) was widely released on June 3, 2019, with an online application form available in Ohio EPA’s Customer Support Center. The deadline to submit applications is 3:00 p.m. on August 2, 2019.

Ohio EPA hosted webinars for interested grant applicants on June 5, 2019 and June 11, 2019. You can access the PowerPoint presentation and listen to the recorded webinar at https://epa.ohio.gov/oee/#131365122-vw-mitigation-grants.

Answers to questions received at these webinars are presented. Ohio EPA will continue to update this document throughout the application period.

Question 1: How can we access the PowerPoint presentation?
Response: You can access the PowerPoint presentation and listen to the recorded webinar at https://epa.ohio.gov/oee/#131365122-vw-mitigation-grants

Question 2: Are these grants available to State of Ohio Governor’s Cabinet Agencies, or is it desired to target the Private Sector?
Response: The Diesel Mitigation Trust Fund (DMTF) grants are available to both government and non-government entities whose eligible vehicles operate at least 75% of the time in the 26 Ohio counties identified as priority areas for receiving funding.

Question 3: Are public colleges considered government for these purposes?
Response: Yes.
Question 4: Is the purpose of the settlement to provide more funding to government owned vehicles as these budgets are in need of more funding?

Response: No. The purpose of the DMTF grant is to try to reduce enough NOx emissions to offset illegal emissions that were generated in Ohio by VW’s and their subsidiary companies’ diesel vehicles that were equipped with devices that turned off their pollution control equipment (illegal tampering). The VW settlement was negotiated in federal court between the companies and the United States and California. The settlement allows for grant funds to be used to replace both government-owned and non-government owned vehicles and equipment with newer, cleaner equipment. The court settlement sets out different allowable percentages for payments for government-owned and non-government owned vehicles and equipment.

Question 5: If applying to replace a locomotive switcher with an all-electric rail car mover how much funding is available and at what percentage?

Response: All-electric rail car movers are not eligible in this grant program. The settlement explicitly defines Freight Switchers and defines one as “a locomotive that moves rail cars around a rail yard as compared to a line-haul engine that moves freight long distances”.

Question 6: Are trams and/or shuttles applicable for this grant?

Response: Trams are not eligible under this program. Shuttle buses Class 4 and larger (with a Gross Vehicle Weight Rating of 14,001 pounds or more) are eligible for repower or replacement under this grant program.

Question 7: Would this pay/partially pay for a CNG refueling station for ODOT?

Response: No. Infrastructure projects such as CNG refueling stations are not eligible under this grant program. The Ohio Development Services Agency offers low interest financing for alternative fueling stations, at [https://development.ohio.gov/bs/bs_altfueltrans.htm](https://development.ohio.gov/bs/bs_altfueltrans.htm)

Question 8: Can these funds be used to replace diesel emergency generators?

Response: No. Diesel emergency generators are not an eligible category under this grant program.

Question 9: We currently have a dump truck. Would it be okay to replace that with a dump trailer instead of a vehicle that takes some sort of fuel/energy?

Response: No. Grant funds may be used to replace or repower eligible vehicles and engines with comparable vehicles or engines. The settlement does not list dump trailers as an eligible replacement vehicle under this program.

Question 10: What if a vendor has more emissions reductions than another, why do we still need to conduct a bid? That makes the process so much harder. Would you consider waiving that as it is not specified in the trust terms?

Response: The VW settlement requires states to certify that all vendors were selected in accordance with state public contracting laws. This is a standalone requirement separate from any emissions reductions criteria we are using to rank projects by cost-effectiveness.
Question 11: We have a competitively procured 5-year contract that has options for additional vehicle purchases. Are we eligible to participate in VW?

Response: Yes. Please note that Ohio EPA will review and approve the use of competitive purchasing agreements that are still in effect at the time a grant recipient is authorized to proceed with purchase of new vehicles or equipment.

Question 12: I was fortunate enough to receive funding last year for three buses. However, because of the timing of ordering, delivery, etc., I do not see any way that I will be able to close out our current DMTF grant by 8/2/19. So, for this round, I should not apply?

Response: Correct. Recipients of past DMTF grants that are still open on the August 2 deadline for this year’s applications are not eligible to apply this cycle. Assuming your project will be completed by then, you could apply again in the 2020 grant cycle.

Question 13: How do you propose to address regional discrepancies. The last round of funding disproportionately funded Cleveland and Columbus?

Response: We reject this assertion. Ten of the 21 projects funded in the 2018 application cycle were multi-county projects that included vehicles operating in southwestern Ohio counties. As stated in Section 7 of the Request for Applications, the primary evaluation of eligible applications will be based on the cost effectiveness of the projected NOx emission reductions for the project. One of the secondary criteria considered by Ohio EPA in making grant awards is promoting geographic funding diversity. Consequently, for projects that are equal (or close) on the cost-effectiveness criterion, Ohio EPA reserves the right to fund one over the other in the interest of promoting geographic diversity. That said, we recommend that entities interested in receiving a larger share of funding in their county or region focus on generating multiple, high-quality, cost-effective applications from their county/region.

Question 14: What do you need to prove the mileage of the vehicle for the past two years?

Response: All applicants are required to list the annual miles traveled (or annual operating hours) and fuel used (in the Fleet Data Spreadsheet) and certify its veracity. On a case by case basis, Ohio EPA may require applicants to submit their actual record logs as confirmation.

Question 15: Please explain further the fact that a government fleet is competing with a private sector fleet. Private sector requests less funding by nature of the grant structure thus they get funded in advance of government entities?

Response: Both government and non-government fleets are eligible for funding under this program. However, program rules limit non-government applicant to a maximum of 25% and government applicants to a maximum of 75% of the project cost. Actual funding is based on ranking by cost-effectiveness. Consequently, for projects with similar costs and emissions reduction benefits, applications from non-government entities requesting 25% will rank higher in cost-effectiveness than applications from government entities agencies requesting 50% or 75%. While it is not required, Ohio EPA recommends that government entities seeking to be competitive in this grant cycle limit their requests to 25% or less.
Question 16: I am confused about public sector competing with the private sector. I thought the monies were separated between the 2 types of entities.

Response: Apart from the set aside for public transit buses, DMTF grants are available to both government and non-government entities in the defined eligible counties and vehicle categories. However, the maximum reimbursement percentage or per vehicle amount available varies between government and non-government applicants.

In terms of being competitive, please see the response to Question 15 above.

Question 17: Regarding the pre-review, you mentioned the applicant should not hit the “submit” button until they are ready to lock the application. Is Ohio EPA able to view the application through the system and do the pre-review simply by viewing what the applicant has saved so far?

Response: No. Ohio EPA staff members are not able to view the information applicants are entering into the online application until after the application has been submitted and locked. If an applicant would like to request comments on a draft application before it has been submitted, the software will allow you to generate a PDF document and save it to your computer before you submit the final version of your application. You may then email a copy of this draft PDF application file and a copy of the EXCEL file of your fleet data spreadsheet to Ohio EPA staff members requesting comments. We will try to accommodate these requests as time allows, but we will not be able to run the Diesel Emission Quantifier tool to generate a cost effectiveness estimate for draft applications.

Question 18: If we apply to get funding for electric vehicle charging stations, do we already need to have electric vehicles in our possession? We wouldn’t want to order electric vehicles with no way to recharge already in place.

Response: Ohio’s VW program will not provide funds for fueling or charging infrastructure that services specific fleets. If you are applying for all-electric or alternative fuel vehicles, the application asks you to demonstrate that you have or will have charging or fueling infrastructure available to service those vehicles. This demonstration could be satisfied if you show that you have an agreement in place allowing your vehicles to charge or fuel at stations owned by another entity.

Under the VW settlement, states are allowed to spend a portion of their allocated funds to support the installation of publicly available charging stations for light duty zero emission vehicles (such as passenger cars). Ohio EPA expects to offer a separate Request for Applications later in 2019 for this part of the program.

Question 19: When do you expect EV charging grants to become available? I understand that you are starting with vehicle replacements, but also that these vehicles will need places to charge. Thank you!

Response: This RFA is for repower or replacement of medium- and heavy duty (class 4-8) vehicles, and does not include charging or fueling infrastructure for those vehicle owners. The Request for Applications that Ohio EPA expects to release in the last quarter of 2019 will be for publicly available charging infrastructure for light duty vehicles (such as passenger cars). The two parts of the program are unrelated.
Question 20: Can we use the grant to replace a model year 2012 bucket truck?

Response: No. Truck categories are limited to repowers or replacements of trucks of model years 1992 through 2009.

Question 21: Can we submit an application for a vehicle which was already competitively bid out in 2019 but has not yet been delivered? We are currently at the stage where legislation is being drafted for this purchase and has not been read at any City Council meetings yet. It will be about 6-7 weeks before the funds are actually appropriated for this purchase.

Response: No. The grant funds cannot be used for any purchases or activities that were initiated before an authorization to purchase is issued from Ohio EPA to the grantee after the grant is awarded.

Question 22: Are we able to submit for any agricultural use equipment such as large articulating wheel loaders? These are high emission machines which would benefit from more efficient equipment.

Response: No. While there are emissions benefits likely to be gained there, agricultural use equipment does not fall within any of the eligible mitigation actions allowed under the settlement.

July 16, 2019 Update:

Question 23: Are leased vehicles eligible under this RFA?

Response: No.

Ohio EPA tried to make leasing available as an option in our grant programs. However, after encountering significant difficulties and delays with projects involving leases, we have concluded that leasing is administratively unworkable in these grant programs. Other states in our region have taken the same position.

Question 24: I may need more than 24 months to complete my project? Is there any flexibility afforded based on specific circumstances?

Response: Yes. The standard project period in our grant contracts is 24 months. We may extend that to up to 36 months on a case-by-case basis upon request. Applicants should make clear in the text box response what timeline they are requesting for the proposed project.

Question 25: We received VW funding last year. Can we reapply this year for more funding?

Response: No. Entities with an open 2018 VW grant may not apply in the 2019 VW grant cycle unless they are confident that the 2018 grant will be closed by August 2, 2019. Ohio EPA will consider a new VW application from an entity that has an open DERG or AFV grant, if that project is making good progress within its approved timeline.
Question 26: From a likelihood of being funded, is there any advantage to applying early in the application period?

Response: No. Because awards are made based on cost-effectiveness, no grants are awarded until the application period closes and all applications are reviewed and ranked.

Further, applicants interested in purchasing new vehicles or decommissioning old ones should note that no authorizations to purchase or proceed will be issued until after contracts are signed and executed by both parties, probably in December 2019 at the earliest.

Question 27: My vehicles are based out of state but serve areas in eligible counties in Ohio. Are they eligible?

Response: Ohio’s VW funding is limited to vehicles that operate at least 75% of the time in eligible counties under our program.

Question 28: Please explain how emissions reductions for alternative fuels are calculated.

Response: For alternative fuel’s like CNG & Propane, Ohio manually calculates the percentage emission reduction value by using California Air Resource Board (CARB) certified NOx emission factors for a given engine rather than the default NOx percentage reduction value contained in the DEQ.

For example, the current CARB standard for alternative fuels is 0.05 g/bhp-hr. However, manufacturers may design and certify a propane-powered engine meeting the ultra-low NOx standard of 0.02 g/bhp-hr.

For these types of projects, the applicant should provide the following information in the application:

a. Please indicate the NOx certification standard for the engine when filling out the Fleet Data spreadsheet for a given application. Specially, on the right-hand side of the Fleet Data spreadsheet under the new or repowered vehicle information, the column labeled “New Vehicle Fuel Type Used” … type in this box “Propane (NOx 0.02 g/bhp-hr) or (NOx 0.05 g/bhp-hr)”, as applicable.

b. When the applicant submits a new vehicle quote as part of the application, please have the dealer providing the quote identify the specific certified NOx emission standard for the engine.

If the application is successful and awarded a grant, then the grantee should work with the selected vendor to ensure that the invoice that will ultimately be submitted to Ohio EPA for reimbursement indicates the engine certification standard.

Question 29: Are you still receiving applications from tug and ferry boats?

Response: Yes. Ohio’s plan allocated a total of $2 million for projects in the tugs and ferries category. About $500,000 remains that could be awarded in this category this cycle. Applicants
with ideas for larger projects are invited and encouraged to discuss additional funding options with Ohio EPA.

**Question 30:** Please explain how you score/rank projects where more vehicles are being decommissioned and few are being purchased to replace them?

**Response:** Applications are scored based on the emission reductions likely to be achieved through the replacement or repower of a single vehicle. Ohio EPA may consider requests to decommission additional vehicles in cases where those vehicles have been operating for the same purposes and in the same locations, and only if a clear demonstration can be made that those additional vehicles are proposed for decommissioning on a schedule significantly ahead of their normal replacement schedule. Applicants wishing to propose more than a 1:1 replacement should discuss their proposal with Ohio EPA staff prior to submitting.

**Question 31:** What are the guidelines for “decommissioning” the engine and truck? Also, after we decommission the vehicle, are we allowed to auction the rest of the vehicle with a salvage title or just sell it with decommissioned engine?

**Response:** Instructions and the certificate form for scrapping vehicles are posted on the [program website](#) under the last accordion link at the very bottom of the page, under “Forms for use by Ohio DMTF Grant Recipients After Grant Award.” The instructions lay out the six photos needed for documentation that the engine has been decommissioned properly and the chassis rails of on-road vehicles have been cut in half. If time allows, Ohio EPA staff members will be happy to attend to assist in properly documenting the decommissioning, but this is not required. Any scrap value received after engine decommissioning and after breaking the chassis rails must be reported and will be deducted from the grant award.

**Question 32:** Will the VW grant be expanded up to other counties in Ohio?

**Response:** The Volkswagen settlement applied very specific restrictions on how the states could spend the trust funds, including four criteria on where the funds could be spent. These included air quality, specifically counties not meeting federal Clean Air Act standards for ozone smog and fine particulate pollution, as well as the location of populations that have historically been disproportionately affected by the pollutants in diesel exhaust, and where the VW vehicles equipped with the illegal devices to turn off emission controls were registered. Ohio EPA used these criteria to develop the list of first and second priority counties for funding that are now listed in Ohio’s Beneficiary Mitigation Plan that was submitted to the Trustee of the court-approved settlement. Other Ohio counties with good air quality could not be included in the priority list for funding, and because the settlement criteria will not change, Ohio EPA does not anticipate making any changes to the list of eligible counties for the program. We certainly appreciate the desire of all Ohioans to live in areas with good air quality, and to replace older, more heavily emitting vehicles with newer cleaner equipment. We will continue to publicize any other funding opportunities we become aware of, including US EPA's national clean diesel grant competition that will be offered again in the fall of 2019 fall and is available in some additional priority counties.

**Question 33:** Can this grant be used to replace a 1987 fire engine?

**Response:** Unfortunately, replacing a fire engine will not score well in terms of cost effectiveness, i.e., the number of grant dollars awarded to reduce a ton of emissions. In the 2018 VW application cycle, we found that fire engines and heavy rescue trucks do not travel
enough miles to compete with other grant applicants like refuse collection and delivery trucks that are on the road five and six days a week. We did factor in idling time in estimating the benefits, but even with that included, the emergency vehicles did not score well.

**Question 33:** What proof do you like to see to demonstrate that the applicant has the financial resources and the funding source to cover the cost of the project expenditures?

**Response:** For private sector applicants, either a credit rating within the range indicated in Appendix D of the [Request for Applications](#), or a letter of credit in an amount sufficient to provide the required match, and to pay the full cost of the project while awaiting reimbursement from the grant.

For public sector applicants, the narrative text box section of the application should explain whether the project is being funded through a regular operating or capital budget or other financing mechanism, sufficient to provide the required match and support the entire project cost while the grant recipient is awaiting reimbursement.

**Question 34:** Our request for 25% of the cost to replace one school bus is not being accepted for submittal.

**Response:** The requested amount is below the minimum grant size of $50,000. If you have a second bus of model year 2009 or older that you could commit to decommissioning within the next 2 to 3 years, you could increase the grant application request to two buses, so that you can purchase one in 2020, and the second in 2021 if that fits your budget. Ohio EPA normally awards contracts of 24 months but can award a 36-month contract upon request. If you are comfortable adding a second bus to the project for purchase in 2021, please include a sentence in the text box explaining the project schedule that you are requesting a 36-month timeframe. Another approach would be to apply jointly with several other school districts, for a larger project with more buses that might score better in terms of cost effectiveness of the emission reductions to be achieved.

**Question 35:** For switcher locomotive replacements, does the grant pay 25% or 75% of the cost?

**Answer:** It depends upon the technology being requested and the category of applicant. See section 4.5 of the [Request for Applications](#). For both government and non-government applicants the grant will pay up to 75% of the cost of a new all-electric freight switcher. For a new diesel or alternative fueled (e.g., CNG, propane, hybrid) freight switcher, the grant will pay up to 25% of the cost for non-government applicants, and up to 75% of the cost for government applicants.