



October 9, 2019

Subject: Funds Available for Diesel Reduction Projects

Dear Stakeholders:

The Connecticut Department of Energy and Environmental Protection (DEEP) is announcing the anticipated availability of up to \$728,000 in new funds for the reduction of diesel emissions in our state. This money is authorized under the federal Diesel Emissions Reduction Act (DERA) and is administered by the U.S. Environmental Protection Agency (EPA). A portion of the funding is available to us through the “DERA Option” under Connecticut’s Volkswagen Mitigation Program (VW Program).

All interested parties are encouraged to apply by submitting their proposal on the attached form, which can also be found on DEEP’s [Diesel Grants & Funding](#) page. Completed forms and inquiries should be directed to Patrice.Kelly@ct.gov; proposals must be submitted no later than November 25, 2019.

DERA funding presents an excellent opportunity to leverage federal funds for newer, cleaner equipment that benefits you while also helping to improve air quality and to protect public health in Connecticut. DEEP may only use DERA funds for projects that reduce diesel emissions. A complete list of eligible projects is provided in the attached 2019 Guidance for State DERA Project Proposals. DEEP is seeking grant proposals from municipalities, organizations, and businesses for diesel emissions reduction projects that are environmentally and economically-beneficial, can be initiated promptly, and will be completed quickly. Projects must be completed by August 31, 2020.

Potential applicants may be aware of other funding opportunities under Connecticut’s VW Program, for various nitrogen oxide (NO_x) mitigation projects, including diesel emissions reduction projects. However, many diesel emission reduction projects that are eligible for the State DERA Program, are not eligible for VW funding. Among these are replacement of construction, agricultural, or transport refrigeration equipment and engine replacement for commercial fishing vessels. DEEP recommends that you familiarize yourselves with the State of Connecticut Mitigation Plan under Volkswagen 2.0L and 3.0L Vehicle Partial Consent Decrees, Appendix D, on DEEP’s [VW Settlement](#) page as you consider options under both the existing DERA and future VW opportunities.

Sincerely,

A handwritten signature in blue ink, appearing to read "Katherine S. Dykes".

Katherine S. Dykes
Commissioner

Attachment A

2019 State DERA Funding Fact Sheet

The maximum incentives available for DERA projects are similar to the 2018 State DERA Program. This year, however, there are some significant changes in the project eligibility. Most notably, “early” replacement, the demonstration that vehicles and equipment are being replaced at least three years ahead of schedule, is no longer required. A complete list of eligible projects is provided in the attached 2019 Guidance for State DERA Project Proposals (2019 DERA Guidance). Please see the list below for projects that are eligible for DERA funding but are not eligible for VW Program funding:

- Replacement or repowering (engine replacement) of nonroad construction or agricultural equipment (including loaders and commercial mowers), transport refrigeration units (TRUs), stationary generators and pumps;
- Engine upgrades (rebuilt) of on-highway, nonroad, marine or locomotive engines;
- Replacement or repowering of commercial vessels (marine engine funding under the VW Program is limited to tugboats and ferries);
- Replacement or repowering for long haul locomotives;
- Idle reduction technologies, including auxiliary power units on long haul trucks and school buses, truck stop electrification, idle reduction for locomotives, and shorepower for TRUs; and
- Emission control technologies for diesel vehicles or equipment.

This is not intended to be a comprehensive list of projects eligible for funding under the State DERA Program; see the 2019 DERA Guidance for a complete list of eligible projects and restrictions. Additional information regarding this opportunity, may be found on EPA’s website at <https://www.epa.gov/cleandiesel>.

Proposed projects will be evaluated based on diesel emission reductions and cost effectiveness. To advance EPA’s priorities for the DERA program, projects also will be prioritized based on the degree to which they meet the criteria listed in the 2019 DERA Guidance. This is a reimbursement program; award recipients will be required to demonstrate payment for the project before receiving awarded funds. Projects must be completed by August 31, 2020; funding cannot be guaranteed for projects completed and invoiced after that date.