**Questions and Answers**

**Diesel Emission Reduction Act (DERA) 2022**

**State Clean Diesel Grant Program for replacing diesel school buses**

**The application period start date is December 5, 2022, and the**

**Deadline for submitting applications is 4:30 p.m. on January 12, 2023.**

**QA – January 5, 2023**

**Question 1: What is the deadline for completing a project under the 2022 State DERA?**

The U.S. EPA requires EPD to have State DERA projects completed by September 30th, which is the end of the federal fiscal year. EPD would like to keep replacement projects on the original September 30, 2023 deadline. If additional time is needed, EPD will contact EPA for their consideration of each request on a case-by-case basis.

**Question 2: Earlier, you said that a school bus had to have at least 3 years of ‘useful life’ remaining to be eligible for the grant. Could you explain what that means?**

The existing vehicle must have at least 3 years of remaining life, at the time of the upgrade. Remaining life is the fleet owner’s estimate of the number of years until the unit would have been retired from service, if the unit were not being upgraded or scrapped because of grant funding.

**Question 3: When replacing buses, are they required to be similar in model and size? Can we upgrade to a larger model?**

When using the DERA program, the replacement must be a model that is newer in model year and similar in size. For example, a Type C bus must be replaced with a Type C Bus. Upgrading to a larger model, that is not comparable to the existing one in service, would make replacement ineligible for coverage using the 2022 State DERA funding.

**Question 3: We would like to take an alternate approach, when disposing of our buses. Is sending older models to the recycler permissible?**

You must receive prior approval from the EPA, for any alternative scrapping method. If the school receives payment for an alternative scrappage method, program income requirements apply.

**Question 4: How much can we request from the DERA Grant?**

Applicants can request the grant, in its entirety, if their project demands the full fund amount and meets the matching fund requirements.

**Question 5: I understand that DERA and the Clean Bus Program are different. Are we allowed to use funds from both programs on the same buses?**

No other federal funds can be used on the same replacement project as the Clean Bus Rebate funds. Fleets can use external non-federal funding sources, as part of their bus replacement project, but must confirm with the source of said funds that they are not pass-through federal funds. Volkswagen Environmental Mitigation Trust Funds may be used as external funds, provided that the VW trust funds are associated with Eligible Mitigation Action (EMA) #2. VW trust funds under EMA #10, the DERA option, are not eligible for external funds.

**Question 6: What should I do with my existing bus, when awarded money from the grant?**

Vehicles and engines that are replaced MUST be scrapped, to ensure emission reductions. You are required to cut a 3” hole in the engine block, to disable the engine for vehicle and engine replacements, as well as cutting the chassis rails. Then, you must obtain evidence of appropriate disposal methods, including photos and/or documentation of the VIN tag, side profile of equipment, Engine tag (showing the serial number, engine family number, & engine model year), before & after photos of the destroyed engine, as well as photos of the cut frame rails.