



New Hampshire Clean Diesel Grant Program Diesel Emissions Reduction Act (DERA) Program Frequently Asked Questions (FAQ) Updated March 2024



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A. Definitions

A1. Units, vehicles, engines, and equipment – what’s the difference?

Answer: The term “unit” is used in place of “vehicle/engine/equipment” where appropriate.

A2. Existing unit vs proposed unit – which is which?

Answer: “Existing unit” refers to the unit currently in the applicant’s possession which is proposed to be repowered, remanufactured, upgraded, retrofitted, or replaced through the program. “Proposed unit” refers to the unit after it will have been repowered/upgraded/retrofitted/remanufactured or the unit which will have replaced the existing unit through this program.

A3. Is my bus a school bus?

Answer: The National Highway Transportation Safety Administration’s definition for school bus includes, but is not limited to: 1) a bus that is used for purposes that includes carrying students to and from school or related events on a regular basis; 2) is identified with the words “School Bus;” and 3) is painted National School Bus Glossy Yellow.

A4. What is a Zero-tailpipe Emission unit?

Answer: A zero-tailpipe emission unit is one which is powered entirely by electricity or a hydrogen fuel-cell. This includes electric vehicles, equipment plugged directly into the grid (or into a micro-grid such as a solar array), and fuel-cell vehicles.

B. Applicant Eligibility

B1. Who is eligible to apply to the NH Clean Diesel Grant Program?

Answer: Eligible applicants include state and local government agencies and departments, school districts, public and private transit companies, and marine operators, private fleets, and businesses operating in New Hampshire who are listed as businesses in good standing with the New Hampshire Secretary of State.

C. Project Eligibility

C1. How much funding is available for a specific project?

Answer: To determine the funding limits for your project, please refer to [EPA’s FFY 2023-2024 DERA State Grants Program Guide](#) , which can be found on the NH Clean Diesel Grant Program webpage, and reference **Table 8. CostShare Requirements** on page 31.

C2. If matching funds for a project are already approved for use in a current Capital Improvement Plan, is this project still eligible for reimbursement?

Answer: Applicants that have already received approval for funding in their capital improvement plan can still be funded under DERA. Please include this information in your grant application in response to the **Match Source** item in **Section 3**, as it may impact project scoring.

C3. Can a vehicle be purchased under a lease-to-own contract?

Answer: Per **Section X. D. 25. Leasing** from [EPA's FFY 2023-2024 DERA State Grants Program Guide](#), which can be found on the NH Clean Diesel Grant Program webpage, "Funding under *this program cannot be used for leasing vehicles, engines, or equipment. If financing is necessary, the purchase should be financed with a conventional purchase loan.*"

C4. Is a project that is in process eligible for the program?

Answer: The Request for Proposals (RFP), which can be found on the NH Clean Diesel Grant Program [webpage](#), **Section 1.3 Available Funding, Restrictions and Reimbursement** states "*Projects that are already in process or completed are not eligible.*"

To clarify, "*in process*" activities that could disqualify an application include initiating an RFP for the project, ordering vehicles/engines/equipment, or hiring an installation contractor. **No project costs may be incurred prior to approval of the grant agreement by the NH Governor & Executive Council (G&C).**

C5. Can we submit multiple projects? If yes, how?

Answer: Yes, you are welcome to submit multiple projects for consideration.

If you wish to submit one proposal for multiple units, submit all information in a single application. This will be scored as a combined project.

If you wish to submit multiple proposals for individual units (or multiple groups of units), submit separate applications for each. These will be scored as individual projects.

C6. If I am replacing a vehicle/equipment, what is considered an eligible project cost?

Answer: The eligible cost of a vehicle/equipment replacement includes the cost of modifications, attachments, accessories, or auxiliary apparatuses necessary to make the equipment functional. The cost of additional "optional" components or "add-ons" that significantly increase the cost of the vehicle may not be eligible for funding under the grant. The replacement vehicle should resemble the replaced vehicle in form and function. For example, the plow attachment on a plow truck would be eligible; however, the sander machine in the back of the truck may not be eligible. These costs are subject to the mandatory cost share.

For grid electric powered equipment replacements, examples of eligible replacement costs may include, but are not limited to, the purchase and installation of electrical infrastructure or equipment to enable the use of power. Examples of ineligible costs include, but are not limited to, operation costs, maintenance costs, and electricity.

For electric vehicle projects, eligible costs may include the purchase and installation of one charging unit per vehicle, including the unit, charging cable, and the mount and/or pedestal. These costs are subject to the mandatory cost share. **Ineligible** costs include power distribution to the pedestal, electrical panels and their installation, upgrades to existing electrical panels or electrical service, transformers and their installation, wiring/conduit and its installation, electricity, operation and maintenance, stationary energy storage systems that power the equipment (e.g. batteries) and their installation, and on-site power generation systems that power the equipment (e.g. solar and wind power generation equipment) and their installation.

For alternative fuel and zero-emission vehicle projects, eligible project costs may include mechanic/driver training related to the maintenance and operation of new technologies.

C7. If I am replacing an engine, what is considered an eligible project cost?

Answer: The eligible cost of engine replacement may include the cost of modifications, attachments, accessories, or auxiliary apparatuses necessary to make the equipment functional, including related labor expenses. Charges for equipment and parts on engine replacement projects may only be eligible for funding if they are included in the certified engine configuration and/or are required to ensure the effective installation and functioning of the new technology but are not part of typical vehicle or equipment maintenance or repair. Examples of ineligible engine replacement costs include, but are not limited to: tires, cabs, axles, paint, brakes, and mufflers.

For engine replacement with battery, fuel cell, and grid electric, examples of eligible engine replacement costs may include, but are not limited to: electric motors, electric inverters, battery assembly, direct drive transmission/gearbox, regenerative braking system, vehicle control/central processing unit, vehicle instrument cluster, hydrogen storage tank, hydrogen management system, fuel cell stack assembly, and the purchase and installation of electrical infrastructure or equipment to enable the use of power. These costs are subject to the mandatory cost share. Examples of ineligible costs include, but are not limited to, electricity, operation costs, and maintenance costs.

C8. Are there Build America, Buy America (BABA) requirements?

Answer: Please refer to [EPA's FFY 2023-2024 DERA State Grants Program Guide](#) which can be found on the NH Clean Diesel Grant Program webpage and reference **Section X., D., 26. Buy America Requirements**, including electric vehicle (EV) charging equipment.

C9. What other eligible costs, ineligible costs, and funding restrictions are there?

Answer: For other funding restrictions, please refer to [EPA's FFY 2023-2024 DERA State Grants Program Guide](#), which can be found on the NH Clean Diesel Grant Program webpage and reference **Section X. Eligible and Ineligible Activities** and **Section XI. Cost-Share Requirements**. NHDES highly recommends that anyone applying for funding under this program review this section.

D. Vehicle, Engine, and Equipment Eligibility

D1. Is a specific engine or vehicle eligible for the program?

Answer: To determine specific eligibility requirements, please refer to [EPA's FFY 2023-2024 DERA State Grants Program Guide](#), which can be found on the NH Clean Diesel Grant Program webpage and reference the corresponding tables listed below to determine which activities can be applied to specific units.

To determine eligibility of medium and heavy-duty trucks, transit buses, and school buses, reference **Table 4. Medium and Heavy-Duty Truck, Transit Bus, and School Bus Project Eligibility** on page 19. You will need to confirm the model year of the engine or vehicle you want to replace and use the chart to determine if it is eligible for your project type.

To determine eligibility of a non-road engine or piece of equipment reference **Table 5. Nonroad Engine Project Eligibility** on page 19. The top portion of the chart is for Vehicle/Equipment Replacement; the bottom portion is for Engine Replacement. You will need to confirm the engine tier of the unit you want to replace and use the chart to determine if it is eligible for your project type.

To determine eligibility of marine engines, reference **Table 6. Marine Engine Project Eligibility** on pages 19-20. You will need to confirm the engine category, horsepower, and tier of the unit you want to replace and use the chart to determine if it is eligible for your project type.

To determine eligibility of locomotive engines, reference **Table 7. Locomotive Engines Funding Restrictions** on page 20. You will need to confirm the tier of the engine or locomotive you want to replace and use the chart to determine if it is eligible for your project type.

D2. Does the new unit need to be the same/similar to the unit being replaced?

Answer: The replacement vehicle, engine, or equipment will be of similar type and gross vehicle weight rating or horsepower as the vehicle, engine, or equipment being replaced.

Non-road: Horsepower increases of more than 40 percent will require specific approval by EPA prior to purchase, and the applicant may be required to pay the additional costs associated with the higher horsepower equipment.

On-road (Highway): The replacement vehicle must not be in a larger weight class than the existing vehicle (Class 5, 6, 7, or 8). Exceptions may be granted for vocational purposes and will require specific EPA approval prior to purchase.

Additionally, the replacement unit must continue to perform similar functions and operations as the unit that is being replaced.

D3. Does a unit replaced by this program need to be destroyed?

Answer: Yes. The goal of the replacement projects under this program is to remove older, more polluting engines/vehicles/equipment from service and replace them with newer, more efficient units. Any engine being replaced through this funding must be destroyed by cutting a three-inch by three-inch hole in the engine block (the part of the engine containing the cylinders), and any vehicle being replaced must also have the chassis disabled by cutting through the frame/frame rails on each side at a point located between the front and rear axles.

However, the air quality benefits in a replacement project may be applied to an older truck using the following provisions (in order to utilize either of these provisions, the applicant would need to identify the second vehicle being replaced in the application and provide a detailed scrappage plan):

- 1) If a 2010 engine model year (EMY) or newer unit is replaced, the 2010 EMY or newer unit may be retained or sold if the 2010 EMY or newer unit will replace a pre-2009 EMY unit, and the pre-2009 EMY unit will be scrapped. It is preferred that the scrapped unit currently operates within the same project location(s) as the 2010 EMY or newer unit currently operates, however alternative scenarios will be considered. The term “project location” as used in this program refers to the primary area where the affected units operate, or the primary area where the emissions benefits of the project will be realized. All existing and replacement units are subject to the program’s funding restrictions. All equipment must operate within the United States. Under this scenario, a detailed scrappage plan must be submitted and will require prior EPA approval.
- 2) If a Tier 2, Tier 3, or Tier 4 locomotive, marine, or nonroad vehicle, equipment and/or engine is replaced, the units may be retained or sold if they will replace a similar, lower Tiered unit, and the lower Tiered unit will be scrapped. It is preferred that the scrapped unit currently operates within the same project location(s) as the original Tier 2, 3, or 4 unit currently operates, however alternative scenarios will be considered. The term “project location” as used in this program guide refers to the primary area where the affected units operate, or the primary area where the emissions benefits of the project will be realized. All existing and replacement equipment are subject to the funding restrictions in this section of the program guide. All equipment must operate within the United States. Under this scenario, a detailed scrappage plan must be submitted and will require prior EPA approval.

Refer to the [EPA’s FFY 2023-2024 DERA State Grants Program Guide](#), Section X., D., 16. Scrappage, which can be found on the NH Clean Diesel Grant Program webpage, for more details.

D4. Is Infrastructure an eligible cost?

Answer: Only for battery electric units. Per [EPA’s FFY 2023-2024 DERA State Grants Program Guide](#), which can be found on the NH Clean Diesel Grant Program webpage:

- **Under Section X., D., 3. Battery Electric Powered Replacement Projects:**

“a. Eligible costs include the purchase and installation of one charging unit per vehicle, including the unit and charging cable, mount and/or pedestal.
b. Funding under this program cannot be used for power distribution to the pedestal, electrical panels and their installation, upgrades to existing electrical panels or electrical service, transformers and their installation, wiring/conduit and its installation, electricity, operation and maintenance, stationary energy storage systems that power the equipment (e.g. batteries) and their installation, and on-site power generation systems that power the equipment (e.g., solar and wind power generation equipment) and their installation. Please note that although DERA grant funds and matching funds cannot be used for stationary energy storage systems that power the equipment (e.g. batteries) and their installation, and DERA grant funds and matching funds cannot be used for on-site power generation systems that power the equipment (e.g., solar and wind power generation equipment) and their installation, recipients and their partners may add these components at their own expense outside the scope of the grant.”

Section X. Eligible and Ineligible Activities Item D., 23. on P. 30:

“Fueling Infrastructure: Funding under this program cannot be used for fueling infrastructure, such as that used for the production and/or distribution of biodiesel, compressed natural gas, liquefied natural gas, and or other fuels.”

E. Application Submission & Process

E1. What do I do if I have trouble opening the documents on the website?

Answer: If you are unable to access the documents on the website, please contact Mobile Sources via email at ms-grants@des.nh.gov or call (603) 271-8330.

E2. Where do I send the proposal application form?

Answer: Applications should be submitted electronically by email to Mobile Sources at ms-grants@des.nh.gov using the following subject line in the email:

NH DERA FFY 2023-2024 Program Proposal: [Name of your organization]

If you are unable to submit your proposal electronically, please contact Mobile Sources: ms-grants@des.nh.gov(603) 271-8330

E3. How competitive is this grant?

Answer: This is a competitive solicitation and projects will be reviewed and selected by a Scoring Committee. Reference the Scoring Criteria, which can be found in **Section 3** of the (RFP).

E4. If we received or are in the process of receiving funding through this Program from a prior round, can we submit a new proposal(s), or resubmit a proposal(s) that may not have been selected from a prior round, for the current round?

Answer: Yes, regardless of whether or not you have previously applied, or have a project that has been selected from a prior round, you are welcome to apply for the current round. You may either submit a new proposal(s), or resubmit a proposal(s) that was not previously selected.

You may **not** submit a proposal that has already been selected for funding through this Program or another federal grant program.

F. Project Administration

F1. If I've been notified that my project has been selected, when can I start?

Answer: Your grant agreement is not authorized to proceed until it gains final approval by NH Governor and Executive Council (G&C). No project costs may be incurred prior to approval of the grant agreement by the G & C.

F2. How long do we have to complete the project/obtain the new vehicle?

Answer: Per the RFP released April 2024, Section 1.6 on page 4, projects that have been selected by the Scoring Committee and approved by G & C are required to be completed by September 30, 2026. Past RFPs has differing project completion dates, as indicated in the grant agreement.

However, depending on the circumstances, there may be potential to apply for an extension if there is a valid reason for the delay.

F3. What are the grant deliverables/reporting requirements?

Answer: Recipients will be required to submit Project Status Reports (quarterly and then annually) as specified in the grant agreement. Failure to report would be considered a violation of the terms of the agreement.