



Administered by  Environmental INITIATIVE

APPLY NOW: CLEAN DIESEL GRANTS

FUNDING AVAILABLE

Environmental Initiative's Project Green Fleet is currently accepting applications to connect fleet owners with this funding opportunity. Application materials are due to Environmental Initiative by close-of-business Wednesday July 20, 2022.

Applications will then be submitted to the MPCA by the deadline of Thursday August 4, 2022. It is anticipated that grant funds will be available to selected fleet owners in early 2023.

The Minnesota Pollution Control Agency (MPCA) is offering an approximately 1-million-dollar grant opportunity for eligible projects in Minnesota to replace or retrofit older, off-road diesel equipment with newer machinery. The maximum grant funding per project is \$400,000.

EQUIPMENT ELIGIBILITY

- Marine Engines: Includes diesel powered Category 1, 2, and 3 marine engines and vessels.
- Locomotives: Includes diesel powered line-haul, passenger, and switch engines and locomotives.
- Off-road engines, equipment, or vehicles: Includes diesel powered engines, equipment and vehicles used in construction, handling of cargo (including at ports and airports), agriculture, mining, or energy production (including stationary generators and pumps). This also includes vehicles that have on-road engines but are used in primarily off-road capacities such as drayage trucks (terminal tractors).
- The existing vehicle, engine, or equipment must have at least three years of remaining life at the time of 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 the grant funding.
- Engines must have operated 500+hr/year for the past two years (1,000+ hr/year for the past two years for locomotives and marine.)
- Current off-road equipment must be Tier 0/Unregulated - Tier 3 (replacement equipment must be Tier 4).
- Current equipment must be fully operational, be in current and regular service, and have remaining operational life of at least three years.
- New equipment must perform the same or similar function as equipment being replaced.
- New equipment horsepower must not exceed 40% of current equipment.

- New equipment must operate in Minnesota for at least five years post-project completion.
- New equipment must be paid for in cash or through financing; it cannot be leased.

PRIORITY PROJECTS

Eligible replacement or retrofit projects being prioritized in the grant opportunity include:

- Cost effectiveness.
- Lifetime emission reductions in Minnesota.
- Equipment operating in [areas of Environmental Justice concern](#) for air quality.
- Equipment operating in areas of higher vulnerability to negative health outcomes related to air pollution and/or areas of higher modeled air pollution.
- Equipment operating in goods movement facilities such as:
 - Ports.
 - Airports.
 - Rail yards.
 - Terminals.
 - Distribution centers.
- Equipment operating in Anoka, Carlton, Carver, Dakota, Hennepin, Ramsey, St. Louis, Scott and Washington counties.
- Equipment owned by small businesses certified by the Office of Equity in Procurement (OEP) as veteran, woman, or minority owned and/or is located in an economically disadvantaged area.

FUNDING PERCENTAGES and COST SHARE REQUIREMENTS

Eligible Projects	Grant Funding Limits	Minimum Mandatory Cost Share (Fleet Owner Contribution)
Vehicle or Equipment Replacement with EPA Certified Engine	25%	75%
Vehicle or Equipment Replacement with Zero-tailpipe Emission Power Source	45%	55%
Engine Replacement with EPA Certified Engine	40%	60%
Engine Replacement with Zero-tailpipe Emission Power Source	60%	40%
EPA Verified Locomotive Idle Reduction Technologies	40%	60%
EPA Verified Exhaust After-treatment Retrofits	100%	0%
Drayage Truck Replacement	50%	50%

APPLICATION MATERIALS NEEDED BY ENVIRONMENTAL INITIATIVE

Environmental Initiative will work with fleet owners to prepare application materials. Fleets are required to provide:

- A detailed cost estimate for the proposed vehicle replacement or engine upgrade project.
- Information on the old vehicle to be replaced or upgraded and the new vehicle or upgrade (spreadsheet to be provided by EI):
 - Vehicle type, make, model and year.
 - VIN number.
 - Engine serial number.
 - Fuel type.
 - Horsepower.
 - Annual miles driven, including idling.
 - Annual usage hours.
- Photo of the current vehicle/equipment to be replaced/repowered.
- Photo the current vehicle/equipment's engine plate showing the serial number.

TERMS AND CONDITIONS

Selected projects are subject to the following the terms and conditions of the grant award:

- No exchange of money can take place towards the purchase of replacement equipment until an Operating Agreement is signed between Environmental Initiative and the Fleet Owner (however, the old vehicle that has been selected for funding can continue to operate, up until the time the fleet owner takes possession of the new equipment)
- The old equipment must be scrapped or rendered permanently disabled within **90 days** of being replaced.
- Documentation of the destruction of the vehicle and/or engine must be provided to Environmental Initiative once the destruction is complete. The following steps and materials are required for destruction:
 - Cut a three-inch by three-inch hole in the engine block (the part of the engine containing the cylinders.)
 - Disable the chassis by cutting through the frame/frame rails on each side at a point located between the front and rear axles.
 - Complete and sign a Certificate of Destruction (to be provided.)
 - Obtain a Certificate of Conformity for the new or upgraded equipment from the manufacturer.
 - Take and provide digital photos or video documentation of the engine tag (showing serial number, engine family number, and engine model year), the destroyed engine block, and cut frame rails or other cut structural components as applicable.

- The vehicle and/or engine that is destroyed **MUST** be the same as that in the original application. If a different vehicle and/or engine is destroyed in place of the one in the original application without prior approval from the MPCA and EPA, the project will become ineligible for funding. Vehicle/equipment components that are not part of the engine or chassis may be salvaged from the unit being replaced (e.g. plow blades, shovel, seats, tires and more).