

**250-RICR-120-05-50**

## **TITLE 250 - DEPARTMENT OF ENVIRONMENTAL MANAGEMENT**

### **CHAPTER 120 - AIR RESOURCES**

#### **SUBCHAPTER 05 - AIR POLLUTION CONTROL**

PART 50 - Clean Diesel Fund

##### **50.1 Purpose**

The Clean Diesel Fund was created for the purpose of reducing emissions from heavy-duty diesel engines operating on Rhode Island roads and helping companies improve supply chain efficiency. The Clean Diesel Fund will solicit projects that undertake eligible clean diesel measures and award grants from the Fund to reimburse applicants for undertaking those measures.

##### **50.2 Authority**

These regulations are authorized pursuant to R.I. Gen. Laws § 42-17.1-2(s) and Chapter 23-23, as amended, and have been promulgated pursuant to the procedures set forth in the R.I. Administrative Procedures Act, R.I. Gen. Laws Chapter 42-35.

##### **50.3 Application**

The terms and provisions of this Part shall be liberally construed to permit the Department to effectuate the purposes of state laws, goals and policies.

##### **50.4 Severability**

If any provision of this Part or the application thereof to any person or circumstance, is held invalid by a court of competent jurisdiction, the validity of the remainder of the Part shall not be affected thereby.

##### **50.5 Definitions**

- A. Unless otherwise expressly defined in this section, the terms used in this regulation shall be defined by reference to Part 0 (General Definitions) of this Subchapter. As used in this regulation, the following terms shall, where the context permits, be construed as follows:

1. "Aerodynamic technologies" means components designed to reduce wind resistance on the tractor or trailer resulting in improved overall tractor fuel economy and reduced carbon dioxide emissions. There are two main types of aerodynamic technologies: fairing and flow control devices. US EPA SmartWay Technology Program verifies the performance of certain categories of aerodynamic devices.
2. "California Air Resources Board" or "CARB" means the California state agency established and empowered to regulate sources of air pollution in California, including motor vehicles, pursuant to Division 26 (Air Resources) of the California Health & Safety Code.
3. "Clean alternative fuel conversion" means a US EPA verified/certified technology system that allow gasoline or diesel vehicles to operate on alternative fuels such as, but not limited to, natural gas, propane, alcohol, or electricity.
4. "Diesel emission reduction solution" means a US EPA verified technology used to reduce harmful pollutions of diesel exhaust such as, but not limited to, selective catalytic reduction technologies (SCRT), diesel particulate filters (DPF), and diesel oxidation catalyst (DOC).
5. "Diesel engine" means a compression ignition type of internal combustion engine.
6. "Diesel particulate matter filtration system" or "DPFs" means a device that collects particulate matter in the exhaust stream and oxidizes it into less harmful components using the high temperature of the exhaust.
7. "Engine repower" means the replacement of an old or original engine with a new cleaner-running engine that is certified to a more stringent set of emissions standards.
8. "Heavy-duty diesel trailer truck" means any trailer truck defined by FHWA as Class 8 through Class 13.
9. "Idle reduction technology" means a US EPA verified technology used to allow operators to shut down the main drive or auxiliary engine such as, but not limited to, auxiliary power units and generator sets (APU/GS), battery air conditioning systems (BAC), and fuel operated heaters (FOH). US EPA's SmartWay Technology Program verifies the performance of certain categories of idle reduction devices.
10. "Low rolling resistance tires" or "LRR" means a tire that is designed to improve fuel efficiency of a tractor pulling a trailer by minimizing its rolling

resistance, which consists of the energy lost as heat within the rubber itself, as well as aerodynamic drag of the tire, and friction between the tire and the road and between the tire and the rim where the tire is rolling under load; rolling resistance is expressed as the energy consumed per unit distance as the tire rolls under load. US EPA's SmartWay Technology Program verifies the performance of new and retread low rolling resistance tires.

11. "On-road use" means vehicles that are intended by their manufacturer for use on public highways. On-road vehicles must be certified by their manufacturer with the U.S. Department of Transportation (DOT), National Highway Traffic Administration (NHTSA), as compliant with on-highway safety standards as well as certified to all applicable ARB and U.S. EPA on-road emission standards.
12. "Routine maintenance" means preventive or cyclical maintenance that is an essential part of the on-going care and upkeep shown to improve fuel efficiency or decrease emissions including, but not limited to, oil changes and cleaning of DPFs.
13. "Transport refrigeration unit" or "TRU" means a refrigeration systems powered by integral internal combustion engines designed to control the environment of temperature-sensitive products that are transported in trucks and refrigerated trailers. TRUs may be capable of both cooling and heating.
14. "Transport refrigeration unit generator sets" or "gensets" means a system used to provide electric power to electrically driven refrigeration units of any kind.
15. "US EPA designated SmartWay tractor" means a tractor that has been designated by the United States Environmental Protection Agency (US EPA) as meeting the technical specifications and requirements of the US EPA SmartWay Technology Program.
16. "US EPA SmartWay tractor-trailer" means the baseline tractor-trailer with the SmartWay verified aerodynamic technology installed on the trailer in its verified configuration.
17. "US EPA designated SmartWay trailer" means a 53-foot or longer box-type dry van or refrigerated trailer that has been designated by the US EPA as meeting the technical specifications and requirements of the US EPA SmartWay Technology Program.

18. “US EPA SmartWay technology program” means a voluntary program designed to assist fleets in identifying and equipping the most fuel-efficient long-haul tractors and trailers available on the market. The program helps carrier fleets make informed business decisions to save fuel and improve their supply chain efficiency. SmartWay also verifies the performance of idle reduction technology for locomotives and school buses.
19. “Vehicle replacement” means the replacement of an older vehicle with a newer vehicle certified to more stringent emissions standards than the engine or vehicle being replaced.

## **50.6 Fund Establishment**

There is hereby established a fund entitled the “Clean Diesel Fund”. The Fund was created in order to enable the Department to receive annually appropriated monies and provide grants to companies for the purpose of reducing emissions from heavy-duty vehicles operating on Rhode Island roads and improving supply chain efficiency. The Department will administer the Fund in accordance with these regulations.

## **50.7 Notification of Available Funds**

### **50.7.1 Availability of Funds:**

The Director shall announce the availability of all funds under the Clean Diesel Fund. The funds will be available to eligible applicants in the form of reimbursement grants of up to fifty percent (50%) of the total project cost. Applicants must be able to match at least fifty percent (50%) of the total project cost. The total project cost shall include both the material and labor needed to implement the eligible measure. No one applicant shall be awarded more than twenty-five percent (25%) of the grant funds appropriated during a given fiscal year, provided that the total grants requested exceed the amount appropriated. If the total amount of grants requested is less than the amount appropriated in a given fiscal year, the Department may allocate more than twenty-five percent (25%) of the fund to one applicant.

### **50.7.2 Frequency of Awards and Announcements:**

- A. Reimbursement grants using these funds will be made periodically, but not less than bi-annually (twice every fiscal year) on a competitive basis, based on announcements regarding requests for applications pursuant to § 50.7.1 of this Part. At a minimum the announcement will state:
  1. The approximate amount of money available under the fund;

2. The deadline for all applications; and
3. Any other information the Director determines necessary and pertinent.

## **50.8 Application Requirements**

- A. Applications shall be submitted on a form provided by the Department and shall be signed by the applicant's chief executive or chief financial officer, or other designated and qualified representative.
  
- B. Applications shall be submitted to the Department via:  
  
Rhode Island Department of Environmental Management  
  
Permit Application Center (PAC), 2nd Floor  
  
235 Promenade Street  
  
Providence, Rhode Island 02908
  
- C. In the alternative, the Department may provide mechanisms for electronic submissions of grant applications.

## **50.9 Reimbursement Grant Eligibility Requirements**

- A. Equipment eligible for reimbursement grant funding shall meet the following requirements:
  1. Be intended for on-road use;
  2. Be registered with the Rhode Island Division of Motor Vehicles;
  3. Be kept or garaged in Rhode Island as indicated on the vehicle registration issued by the Division of Motor Vehicles;
  4. The applicant shall certify to the Department on the application that fifty percent (50%) or more of the vehicle miles traveled, or hours of operation, shall be projected to be in Rhode Island for at least five (5) years following the reimbursement grant award.
  5. The applicant shall not make any purchases prior to obtaining an executed Participant Agreement and approval from the RIDEM Program Manager.

Any purchase prior to Participant Agreement execution is ineligible for the reimbursement grant.

## **50.10 Project Categories and Eligible Costs**

- A. Projects that benefit human health and the environment while achieving the goals listed above will be scored favorably. The following categories of grants will be considered:
1. Vehicle Replacements – the following conditions shall be met:
    - a. The applicant shall replace an older vehicle with a newer vehicle certified to more stringent emissions standards than the engine or vehicle being replaced;
    - b. The vehicle being replaced is a model year at least ten (10) years old;
    - c. The vehicle being replaced has a gross vehicle weight rating of thirty-three thousand one pounds (33,001 pounds) or greater;
    - d. The replacement vehicle purchased by the applicant is a model year no more than three (3) years old;
    - e. The replacement vehicle has a gross vehicle weight rating of thirty-three thousand one pounds (33,001 pounds) or greater;
    - f. The replacement vehicle must be operable with remaining useful life for at least five (5) years following the grant award;
    - g. The engine of the vehicle being replaced must be scrapped or otherwise rendered permanently disabled within ninety (90) days of the replacement, or remanufactured to a certified cleaner emission standard utilizing the following methods:
      - (1) Cutting a three inch hole in the engine block is the preferred scrapping method.
      - (2) Remanufacturing shall be performed by the original engine manufacturer, or by a dealership/distributor that has a service program that is sponsored/backed by original engine manufacturer warranties.

- (3) Disabling the chassis may be completed by cutting through the frame/frame rails on each side at a point located between the front and rear axles.
  - h. The amount of funding requested must contain the sale price of the vehicle, not including any interest or other finance charges; and
  - i. A vehicle purchased on a lease shall be operated for at least five (5) years following the reimbursement grant award.
  - j. The technology should be either EPA or California Air Resources Board certified. Models of tractors and trailers that qualify as “designated” under EPA’s SmartWay Technology Program are given preference, and SmartWay “Elite” trailer models are further encouraged.
2. Replacement or upgrades of transport refrigeration units (TRU) or transport refrigeration unit generator sets shall meet the following conditions:
- a. The TRU or transport refrigeration unit generator set being replaced or upgraded is powered by a diesel engine;
  - b. The TRU or transportation refrigeration unit generator set being replaced or upgraded is being used on a vehicle with a gross vehicle weight rating of thirty-three thousand one pounds (33,001 pounds) or greater;
  - c. The replacement or upgraded TRU or transport refrigeration unit generator set produces fewer emissions than the equipment being replaced or upgraded;
  - d. The replacement or ungraded TRU or transport refrigeration unit generator set should be either EPA or CARB certified; and
  - e. Replacement TRUs that do not burn diesel fuel, and that are stand-by ready (capable of drawing electric "shore" power), shall be given preference.
3. Engine repowers;
- a. All vehicle classes that meet eligibility requirements will be considered.

- b. The technology should be either EPA or California Air Resources Board certified.
  - c. The engine being replaced must be scrapped or otherwise rendered permanently disabled within ninety (90) days of the repower, by cutting a three-inch hole in the engine block.
- 4. Diesel emission reduction solutions;
  - a. All vehicle classes that meet eligibility requirements will be considered.
  - b. The technology should be either EPA or California Air Resources Board verified.
- 5. Clean alternative fuel conversions;
  - a. All vehicle classes that meet eligibility requirements will be considered.
  - b. The technology should be either EPA or California Air Resources Board verified.
- 6. Idle reduction technologies;
  - a. All vehicle classes that meet eligibility requirements will be considered;
  - b. Owners of vehicles with existing idle reduction controls shall prove that replacement controls are verified to achieve higher emission reductions than existing controls.
  - c. The technology should be either EPA or California Air Resources Board verified.
- 7. Aerodynamic technologies;
  - a. All vehicle classes that meet eligibility requirements will be considered.
  - b. The technology should be either EPA or California Air Resources Board verified.
- 8. Low rolling resistance tires; and



- a. All vehicle classes that meet eligibility requirements will be considered.
  - b. For tire replacement projects, the replaced tires should be properly disposed of in accordance with R.I. Gen. Laws Chapter 23-63 or tires can be salvaged for reuse or retreading.
  - c. The technology should be either EPA or California Air Resources Board verified.
9. Routine maintenance shown to improve fuel efficiency or decrease emissions including, but not limited to, oil changes and cleaning of diesel particulate filters.

### 50.11 Project Prioritization List and Reimbursement Amounts

Applicants shall be reimbursed for each eligible measure in accordance with the following:

<b>Project Priority Ranking</b>	<b>Technology</b>	<b>DEM Reimbursement Grant % of the Total Project Cost</b>
1	Replacement of Vehicle Repower of Vehicle Clean Alternative Fuel Conversion	50%
2	Replacement/Upgrade of Transport Refrigeration Units or Transport Refrigeration Unit Generator Sets Diesel Emissions Reductions Solutions Idle Reduction Technologies	50%
3	Low Rolling Resistance Tires Aerodynamic Technologies	50%
4	Routine Maintenance shown to Improve Fuel Efficiency or Decrease Emissions	25%

## **50.12 Application Review and Selection**

- A. Application Review – All applications shall be reviewed to determine eligibility and completeness. In order to be considered complete, the applicant and their proposed project shall meet the requirements in §§ 50.8, 50.9 and 50.10 (Application Requirements, Reimbursement Grant Eligibility Requirements and Project Categories and Eligible Costs) of this Part.
- B. Application Scoring – Projects accepted by the Department will be ranked in accordance with the following criteria:
  - 1. Ranking of technology from Project Prioritization List in § 50.11 of this Part.
  - 2. Environmental benefit of diesel emissions reductions as demonstrated in percent reduction.
  - 3. Percentage of time the existing vehicle is currently operated in Rhode Island, and the percentage of time the upgraded or replaced vehicle will be in operation by the applicant.
  - 4. Readiness and timeliness to proceed.
  - 5. Other Measures to Reduce Emissions - Proof of additional fleet/driver training programs or how proposed project is part of a larger strategy to address emissions reductions from heavy-duty vehicles. This may include, but not limited to, a supply chain efficiency plan, road-speed governing, use of idle reduction technology or strategy, and driver training programs that increase skills, knowledge, and measure and incentivize performance.
- C. Applicants may request a meeting on their application package after the awards are announced. The meeting request shall be made in writing within thirty (30) days of the applicable grant announcement and shall be accommodated within thirty (30) days of the request.

## **50.13 Grant Awards**

- A. Successful applicants will receive a grant offer specifying the amount, duration and conditions of the award. The offer will be in the form of a binding contract. Other requirements to secure funding shall be:
  - 1. Grant recipients will be required to sign, accept and return the offer to the Department within forty-five (45) days of the date of the receipt. Failure to execute the agreement within forty-five (45) days may result in the

cancellation of the grant award and may result in these funds being awarded to the next highest rated project.

2. Recipients will have ninety (90) days from the date of the acceptance of the grant offer to provide proof of the necessary grant match letters of credit, loan agreements, or any other pre-approved proof of matching funds to the Department.
3. All grant payments will be paid in the form of reimbursement payments for eligible expenses incurred in accordance with the approved project. Requests for reimbursement shall include documentation of the incurred, eligible costs. Required documentation will be detailed in the grant offer and/or grant agreement.

#### **50.14 Suspension, Modification and Revocation**

The Director may suspend, modify or revoke any awards granted pursuant to these Regulations in the event that subsequent examination reveals any data included in an application form, submittal, reimbursement request, plan or sketch to be incorrect or not in compliance with these Regulations.

#### **50.15 Stop Payment**

- A. The Director may take appropriate action to stop payment of and/or seek the return of grant funds expended for any project where;
  1. The applicant has obtained said grant based upon incomplete, false, misleading or erroneous information; or
  2. The applicant has not completed the work approved under the grant in accordance with any and all conditions of approval issued by the Director in the grant award.

#### **50.16 Reporting**

- A. Projects that receive grant funding shall annually certify in a report submitted to the Department:
  1. Fuel usage (required in accordance with the signed agreement described in § 50.13 of this Part); and
  2. Fifty percent (50%) or more of the vehicle miles traveled or hours of operation, occurred in Rhode Island for the previous year.

## **50.17 Penalties**

- A. Applicants awarded funds under the Clean Diesel Fund may be penalized for breaching the terms of their grant award or for other project non-performance through the following:
1. Cancellation of the grant award;
  2. Recovery of all or a portion of the grant award;
  3. Other fiscal penalties on an applicant based on the severity of non-performance and as specified in rules and regulations promulgated by the Department; and
  4. Prohibiting an applicant or a specific vehicle from participating in the program in the future.

**250-RICR-120-05-50**

**TITLE 250 - DEPARTMENT OF ENVIRONMENTAL MANAGEMENT**

**CHAPTER 120 - AIR RESOURCES**

**SUBCHAPTER 05 - AIR POLLUTION CONTROL**

**PART 50 - Clean Diesel Fund (250-RICR-120-05-50)**

Type of Filing: Technical Revision

Effective Date: 03/22/2017

Editorial Note: This Part was filed with the Department of State prior to the launch of the Rhode Island Code of Regulations. As a result, this digital copy is presented solely as a reference tool. To obtain a certified copy of this Part, contact the Administrative Records Office at (401) 222-2473.