

US EPA DERA FY21 FUNDING PROGRAM

Program Purpose

The Diesel Emissions Reduction Act (DERA) Funding comes from the U.S. Environmental Protection Agency (EPA) and exists to promote diesel emission reductions projects on both the national and state levels. Regional, state, local, and tribal agencies are all eligible to obtain this funding, as well as nonprofit organizations and school districts, municipalities, and metropolitan planning organizations (MPOs).

Presently, NJDEP has funding available for non-road vehicle replacements and marine engine replacements **only**. This includes vehicles without highway license plates and often used for construction, such as: handling of cargo (including at a port or airport); agriculture; mining. *For marine engine specifications, see the table below.*

To date, DEP has worked with 14 project partners and has completed diesel non-road and marine replacement projects worth \$910,604.

Funding Restrictions: Non- Road diesel replacements

Once an applicant submits to the NJDEP Project Manager their Project Information Form (with the specifications for replacement equipment included), they will utilize the table below to determine project eligibility.

The tables below illustrate the equipment restrictions that each NJDEP project must meet to move forward with a Grant Agreement. These rules reflect the most recent DERA restrictions as of FY 2021.

Table 3 below is titled “Nonroad Engine Project Eligibility”, but the center row reads “Vehicle/Equipment Replacement: EMY 2021”. That means that the equipment specifications provided by an applicant must meet the below standards in order to receive approval by NJDEP to utilize DERA funding.

Table 3. Nonroad Engine Project Eligibility

Current Engine Tier	Vehicle/Equipment Replacement: EMY 2021				Zero Emission ³	Verified Retrofit
	Compression Ignition			Spark Ignition		
	Tier 0-2	Tier 3-4i	Tier 4	Tier 2		
Unregulated – Tier 2	No	Yes ¹	Yes	Yes	Yes	Yes
Tier 3	No	No	Yes	Yes	Yes	Yes
Tier 4	No	No	No	No	Yes	No

Example: if an applicant submits a piece of equipment for replacement that is Tier 1, it will fall into the **Current Engine Tier** category “Unregulated – Tier 2”. Therefore, that piece of

equipment could be replaced by a new piece of equipment that falls into categories “Tier 3-Tier 4i”, “Tier 4”, “Spark Ignition Tier 2”, and “Zero Emission”.

¹Tier 3 and Tier 4 interim (4i) allowed for vehicle/equipment replacement only when Tier 4 final is not yet available from OEM for 2021 model year equipment under the Transition Program for Equipment Manufacturers (TPEM).

²Eligible fuel cell projects are limited to hydrogen fuel cell equipment replacements for eligible terminal tractors/yard hostlers, stationary generators, and forklifts.

NOTE: as of this time, NJDEP is no longer accepted projects for “Verified Retrofit” unless these projects involve a Marine Diesel Engine Replacement (see below).

Funding Restrictions: Marine engine diesel replacements

Table 4 below is titled “Marine Engine Project Eligibility”. That means that the marine engine specifications provided by an applicant must meet the below standards in order to receive approval by NJDEP to utilize DERA funding.

Table 4: Marine Engine Project Eligibility

Engine Category	Engine Horsepower	Current Engine Tier	Engine & Vessel Replacement					Certified Re-manufacture System ³	Verified Engine Upgrade
			Compression Ignition			Spark Ignition	Zero Emission ²		
			Tier 1-2	Tier 3	Tier 4				
C1, C2	<803	Un-regulated – Tier 2	No	Yes	No	Yes	Yes	Yes	Yes
C1, C2	≥804	Un-regulated – Tier 2	No	Yes ¹	Yes	Yes	Yes	Yes	Yes
C1, C2	<803	Tier 3	No	No	No	Yes	Yes	No	No
C1, C2	≥804	Tier 3	No	No	Yes	Yes	Yes	No	No
C1, C2	≥804	Tier 4	No	No	No	No	No	No	No
C3	All	Un-regulated – Tier 2	No	Yes	No	No	No	No	No
C3	All	Tier 3	No	No	No	No	No	No	No

Example: if an applicant submits specifications for a marine engine that is Engine Category **C1**, has an Engine Horsepower of **550 HP**, and has a Tier of **Tier 1**, it will fall into the first row of Eligibility Categories: “**C1, C2**”, “**<803**”, and “**Unregulated – Tier 2**”.

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Therefore, knowing the marine engine falls into the first row, that piece of equipment could be replaced by a new marine engine that falls into the **Engine & Vessel Replacement** categories: “Tier 3”, “Spark Ignition”, “Zero Emission” (electric), and “Verified Engine Upgrade” (retrofit the old engine with a new engine).

³Tier 3 engines may be used for engine replacement only if Tier 4 is demonstrated to not be available or feasible through a best achievable technology analysis as defined in Section VII.D.1. below. Over 800 HP, Tier 3 engines are not eligible for full vessel replacement.

⁴Fuel cell engine and vessel replacements are not eligible

⁵Some marine engine projects may be subject to the restriction on mandated measures.

NOTE: as of this time, NJDEP does not accept project proposals for “Certified Remanufacture System”.

Additional Requirements

In addition to qualifying for and completing a Grant Agreement with NJDEP, there are some additional requirements that need to be met for any DERA-funded project. Additional requirements include:

- ✚ The equipment chosen for decommission must be fully operational and will continue to perform the same function and operation as the vehicle being replaced.
- ✚ Operational equipment must be able to start, move, and have all necessary parts be operational.
- ✚ The new replacement equipment must be kept in a well-maintained condition and tuned according to the recommendations of the equipment manufacturer.
- ✚ The applicant must have owned and operated the equipment for **at least 2 years** prior to receiving replacement/marine engine upgrade.
- ✚ The existing vehicle must have **at least 3 years** of remaining life at the time of replacement. The remaining life estimate is the number of years of operation remaining even if the unit were to be rebuilt or sold to another fleet. The remaining life estimate depends on the current age and condition of the vehicle at the time of upgrade, as well as things like usage, maintenance, and climate.
- ✚ The replacement equipment must have at **least 500** usage hours.

- ✚ The equipment identified for replacement must be used **at least 50%** of the time within the state of New Jersey.
- ✚ New replacement equipment must be used a **minimum of 50%** of its operating hours on a current or planned project in New Jersey.
- ✚ 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.
- ✚ New replacement equipment horsepower (HP) must be **no greater or lesser than 40%** of the old replacement equipment horsepower (HP).
 - Horsepower increases of **more than 40%** 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.
- ✚ The new replacement equipment must not be in a larger weight class than the old replacement equipment (Classes 5, 6, 7, or 8).
- ✚ The vehicle, equipment, and/or engine being replaced must be scrapped or rendered permanently disabled within ninety (**90**) days of being replaced.
- ✚ **Nonroad and Marine usage:** the engine operating hours of multiple units may be combined to reach the thresholds below where those units will be scrapped and replaced with a single unit.
 - **All Other Nonroad Engines:** to be eligible for funding, nonroad engines must operate at least 500 hours/year during the two years prior to upgrade.
 - **Marine Usage:** to be eligible for funding the existing marine engines must operate at least 1,000 hours/year during the two years prior to upgrade.
- ✚ **Documentation Requirements:** participating fleet owners must attest to each criterion noted above in a signed eligibility statement which includes each vehicle make, model, year, vehicle identification number, odometer/usage meter reading, engine make, model, year, horsepower, engine ID or serial number, and vehicle/equipment registration/licensing number and state (found on the **Project Information Form**).

Questions?

See our FAQ Sheet and other information on our NJDEP Equipment Modernization Page, located at StoptheSoot.org