Oregon Department of Environmental Quality
Division 255
Diesel Emissions Mitigation Grant Program

340-255-0010
Overview

(1) Purpose. The purpose of this division is to establish the Diesel Emissions Mitigation Grant Program, a grant program and eligibility requirements for owners and operators of diesel engines to retrofit, repower or replace diesel vehicles and equipment to reduce diesel emissions in Oregon, using funds from the Environmental Mitigation Trust Agreement.

(2) Background. The 2017 Oregon Legislature adopted Senate Bill 1008 that authorizes DEQ to establish a grant program to reduce diesel emissions from at least 450 school buses in Oregon. The 2019 Oregon Legislature adopted House Bill 2007, which authorizes DEQ to establish a grant program to reduce diesel emissions and preferences for projects. These bills are now codified as part of ORS 468A.795 through 468A.810.

(3) Administration. DEQ administers this division in all areas in the State of Oregon, including the areas of the state subject to the jurisdiction of the Lane County Regional Air Protection Agency.

340-255-0020
Definitions

The definitions in OAR 340-200-0020 and this rule apply to this division. If the same term is defined in the following definitions in this rule and in OAR 340-200-0020, the definition in this rule applies to this division:

(1) "Airport Ground Support Equipment" means vehicles and equipment used at an airport to service aircraft between flights.

(2) "All-Electric" means powered exclusively by electricity provided by a battery, fuel cell, or the grid.

(3) “Alternative fuel” means biofuels, biogas, natural gas, liquefied petroleum gas, hydrogen and electricity.

(4) “Alternate Fueled” means an engine, or a vehicle or piece of equipment that is powered by an engine, which uses a fuel different from or in addition to gasoline fuel or diesel fuel (e.g., CNG, propane, diesel-electric hybrid).

(5) “Beneficiaries” means Oregon Department of Environmental Quality.

(6) “Certified Remanufacture System or Verified Engine Upgrade” means engine upgrades certified or verified by EPA or CARB to achieve a reduction in emissions.

(7) “CFR” means the Code of Federal Regulations in effect on November 15th, 2020, or the edition of the CFR referenced in OAR 340-200-0035, whichever is more current.

(8) “CNG” means Compressed Natural Gas.

(9) “Cost-effectiveness threshold” means the cost, in dollars, per ton of diesel particulate matter reduced, as established under OAR 340-259-0025.

(10) "DERA" means the Diesel Emission Reduction Act, Title VII, Subtitle G, of the Energy Policy Act of 2005 (codified at 42 U.S.C. §§ 16131-16139).

(11) “Diesel engine” means a compression ignition engine.

(12) “Drayage Trucks” means trucks primarily engaged in hauling cargo to and from ports and intermodal rail yards.

(13) “Eligible Airport Ground Support Equipment” means vehicles and equipment used at an airport to service aircraft between flights that is powered by a Tier 0, Tier 1, or Tier 2 diesel engine or by a spark ignition engine that is uncertified or is certified to three grams per brake horsepower-hour or higher emissions.

(14) “Eligible Buses” means 2009 engine model year or older vehicles with a Class 4-8 GVWR greater than 14,001 pounds used for transporting people.

(15) “Eligible Equipment” means equipment that is in one of the following categories: eligible large trucks, eligible buses, eligible freight switchers, eligible ferries and tugs, eligible medium trucks, eligible airport ground support equipment, eligible forklifts, or eligible port cargo handling equipment.

(16) “Eligible Ferries and Tugs” means vessels with unregulated, Tier 1, or Tier 2 engines.

(17) “Eligible Forklifts” means forklifts with greater than 8000 pounds lift capacity.

(18) “Eligible Freight Switchers” means pre-Tier 4 freight switchers that operate 1000 or more hours per year.

(19) “Eligible Large Trucks” means 1992-2009 engine model year trucks with a Class 8 GVWR greater than 33,001 pounds used for one or more of port drayage, freight delivery or cargo delivery (including waste haulers, dump trucks and concrete mixers).

(20) “Eligible Marine Shorepower” means power provided for ocean-going vessels while at berth using systems that (a) enable a compatible vessel’s main and auxiliary engines to remain off while the vessel is at berth, (b) comply with international shore power design standards (ISO/IEC/IEEE 80005-1-2012 High Voltage Shore Connection Systems or the IEC/PAS 80005-3:2014 Low Voltage Shore Connection Systems), and (c) are supplied with power sourced from the local utility grid.

(21) “Eligible Medium Trucks” means 1992-2009 engine model year trucks with a Class 4-7 GVWR between 14,001 and 33,000 pounds and that are trucks, including commercial trucks, used to deliver cargo and freight (for example, courier services, delivery trucks, box trucks moving freight, waste haulers, dump trucks and concrete mixers).

(22) "Eligible Mitigation Action" means any of the actions listed in Appendix D-2 of the Environmental Mitigation Trust Agreement.

(23) “Eligible Port Cargo Handling Equipment” means diesel-powered port cargo handling equipment that operates 1000 or more hours per year.

(24) “Environmental Mitigation Trust Agreement” means the fully executed Environmental Mitigation Trust Agreement for State Beneficiaries effective October 2, 2017, and issued pursuant to Paragraph 17 of the Volkswagen “Clean Diesel” Marketing, Sales Practices and Products Liability Litigation partial consent decree dated October 25, 2016.

(25) “Equivalent equipment” means a piece of equipment that performs the same function and has the equivalent horsepower to a piece of equipment subject to a replacement.

(26) “Equivalent motor vehicle” means a motor vehicle that performs the same function and is in the same weight class as a motor vehicle subject to a replacement.

(27) “Forklift” means nonroad equipment used to lift and move materials short distances, generally using tines to lift objects, including reach stackers, side loaders, and top loaders.

(28) “Freight Switcher” means a locomotive that moves rail cars around a rail yard as compared to a line-haul engine that moves freight long distances.

(29) “Generator Set” means a switcher locomotive equipped with multiple engines that can turn off one or more engines to reduce emissions and save fuel depending on the load it is moving.

(30) “Gross vehicle weight rating” or “GVWR” means the value specified by the manufacturer as the maximum loaded weight of a single or a combination vehicle. Class 1: < 6000 lb. Class 2: 6001-10,000 lb. Class 3: 10,001-14,000 lb. Class 4: 14,001-16,000 lb. Class 5: 16,001-19,500 lb. Class 6: 19,501-26,000 lb. Class 7: 26,001-33,000 lb. Class 8: > 33,001 lb.

(31) “Heavy-duty truck” means a motor vehicle or combination of vehicles operated as a unit that has a gross vehicle weight rating that is greater than 26,000 pounds.

(32) “Hybrid” means a vehicle that combines an internal combustion engine with a battery and electric motor.

(33) “Infrastructure” means the equipment used to enable the use of electric powered vehicles (for example, electric vehicle charging station).

(34) “Intermodal Rail Yard” means a rail facility in which cargo is transferred from drayage truck to train or vice-versa.

(35) “Motor vehicle” has the meaning given that term in ORS 825.005.

(36) “Nonroad diesel engine” means a diesel engine of 25 horsepower or more that is not designed primarily to propel a motor vehicle on public highways.

(37) “Port Cargo Handling Equipment” means equipment that operates within ports and are rubber-tired gantry cranes, straddle carriers, shuttle carriers, terminal tractors, yard hostlers or yard tractors.

(38) “Plug-in Hybrid Electric Vehicle (PHEV)” means a vehicle that is similar to a Hybrid but is equipped with a larger, more advanced battery that allows the vehicle to be plugged in and recharged in addition to refueling with gasoline. This larger battery allows the car to be driven on a combination of electric and gasoline fuels.

(39) “Public highway” has the meaning given that term in ORS 825.005.

(40) “Replacement” or “Replace” means to scrap a motor vehicle powered by a diesel engine and replace the motor vehicle with an equivalent motor vehicle, or to scrap a piece of equipment powered by a nonroad diesel engine and replace the equipment with equivalent equipment. “Replacement” does not include ordinary maintenance, repair or replacement of a diesel engine.

(41) “Repower” means to replace an existing engine with a newer, cleaner engine or power source that is certified by EPA and, if applicable, CARB, to meet a more stringent set of engine emission standards. Repower includes, but is not limited to, diesel engine replacement with an engine certified for use with diesel or a clean alternate fuel, diesel engine replacement with an electric power source (e.g., grid, battery), diesel engine replacement with a fuel cell, diesel engine replacement with an electric generator(s) (genset), diesel engine upgrades in Ferries/Tugs with an EPA Certified Remanufacture System, and/or diesel engine upgrades in Ferries/Tugs with an EPA Verified Engine Upgrade. All-electric and fuel cell Repowers do not require EPA or CARB certification.

(42) “Retrofit” means to equip a diesel engine with new emissions-reducing parts or technology after the manufacture of the original engine or to convert the diesel engine into an engine capable of being powered by alternative fuel. A retrofit must use the greatest degree of emissions reduction available for the particular application of the equipment retrofitted that meets the cost-effectiveness threshold.

(43) “School Bus” means a Class 4-8 bus sold or introduced into interstate commerce for purposes that include carrying students to and from school or related events. This includes any school bus type, A-D, as defined under OAR 581-053-003.

(44) “Scrap” means to destroy, render inoperable by cutting a 3-inch hole in the engine block, and make available for recycle. For Eligible Vehicles or Equipment being replaced, “scrap” includes rendering it inoperable by cutting its chassis frame rails completely in half.

(45) “Small fleet” means fleet size of 9 or fewer heavy and medium duty diesel vehicles.

(46) “Tier 0, 1, 2, 3, 4” shall refer to corresponding EPA engine emission classifications for, as applicable, nonroad engines (see 40 CFR §§ 86 Subpart A and 89.2), locomotives (see 40 CFR § 1033.101), and marine engines (see 40 CFR §§ 89.104 and 1042.101).

(47) “Truck” means a motor vehicle or combination of vehicles operated as a unit that has a gross vehicle weight rating that is greater than 14,000 pounds.

(48) “Tugs” means dedicated vessels that push or pull other vessels in ports, harbors, and inland waterways (for example, tugboats and towboats).

(49) “Vulnerable Population” means people under the age of 14 and over the age of 64, Black, indigenous, and people of color, people with a household income that is less than or equal to twice the federal poverty level, people who are linguistically isolated[1], and people age 25 or older who have not earned a high school diploma or passed a General Educational Equivalent (GED) test.

340-255-0030

Projects Eligible for Grant Funding

To be eligible for a grant using funds from the Diesel Emissions Mitigation Grant Program a project must:

(1) Qualify as an Eligible Mitigation Action;

(2) Be either:

(a) A project to retrofit, replace or repower eligible equipment; or

(b) A project that otherwise qualifies for funding under the DERA grant program; and

(3) Ensure that all equipment and engines being repowered or replaced be scrapped.

340-255-0040

Eligible Grant Amounts

(1) Eligible large trucks that are repowered with any new diesel or alternate fueled engine or all-electric engine or that are replaced with any new diesel or alternate fueled or all-electric vehicle, and using an engine model year in which the repowering or replacement occurs or one engine model year prior, are eligible for the following amounts of grant funding:

(a) For non-government owned eligible large trucks that are not drayage trucks, approved applications may receive a maximum reimbursement in the amount of:

(A) Up to 40% of the cost of a repower with a new diesel or alternate fueled (for example, CNG, propane, hybrid) engine, including the costs of installation of such engine.

[1] Environmental Protection Agency’s Overview of Demographic Indicators in EJSCREEN. “Percent of people in a block group living in linguistically isolated households. A household in which all members age 14 years and over speak a non-English language and also speak English less than "very well" (have difficulty with English) is linguistically isolated.” https://www.epa.gov/ejscreen/overview-demographic-indicators-ejscreen

(B) Up to 25% of the cost of a new diesel or alternate fueled (for example, CNG, propane, hybrid) vehicle.

(C) Up to 75% of the cost of a repower with a new all-electric engine, including the costs of installation of such engine, and charging infrastructure associated with the new all-electric engine.

(D) Up to 75% of the cost of a new all-electric vehicle, including charging infrastructure associated with the new all-electric vehicle.

(b) For non-government owned eligible large trucks that are drayage trucks, approved applications may receive a maximum reimbursement in the amount of:

(A) Up to 40% of the cost of a repower with a new diesel or alternate fueled (for example, CNG, propane, hybrid) engine, including the costs of installation of such engine.

(B) Up to 50% of the cost of a new diesel or alternate fueled (for example, CNG, propane, hybrid) vehicle.

(C) Up to 75% of the cost of a repower with a new all-electric engine, including the costs of installation of such engine, and charging infrastructure associated with the new all-electric engine.

(D) Up to 75% of the cost of a new all-electric vehicle, including charging infrastructure associated with the new all-electric vehicle.

(c) For government owned eligible large trucks, approved applications may receive a maximum reimbursement in the amount of:

(A) Up to 100% of the cost of a repower with a new diesel or alternate fueled (for example, CNG, propane, hybrid) engine, including the costs of installation of such engine.

(B) Up to 100% of the cost of a new diesel or alternate fueled (for example, CNG, propane, hybrid) vehicle.

(C) Up to 100% of the cost of a repower with a new all-electric engine, including the costs of installation of such engine, and charging infrastructure associated with the new all-electric engine.

(D) Up to 100% of the cost of a new all-electric vehicle, including charging infrastructure associated with the new all-electric vehicle.

(2) Eligible buses that are repowered with any new diesel or alternate fueled or all-electric engine or that are replaced with any new diesel or alternate fueled or all-electric vehicle, and using an engine model year in which the repowering or replacement occurs or one engine model year prior, are eligible for the following amounts of grant funding:

(a) For non-government owned eligible buses that are not privately owned school buses under contract with a public school district, approved applications may receive a maximum reimbursement in the amount of:

(A) Up to 40% of the cost of a repower with a new diesel or alternate fueled (for example, CNG, propane, hybrid) engine, including the costs of installation of such engine.

(B) Up to 25% of the cost of a new diesel or alternate fueled (for example, CNG, propane, hybrid) vehicle.

(C) Up to 75% of the cost of a repower with a new all-electric engine, including the costs of installation of such engine, and charging infrastructure associated with the new all-electric engine.

(D) Up to 75% of the cost of a new all-electric vehicle, including charging infrastructure associated with the new all-electric vehicle.

(b) For government owned eligible buses and eligible buses that are privately owned school buses under contract with a public school district, approved applications may receive a maximum reimbursement in the amount of:

(A) Up to 100% of the cost of a repower with a new diesel or alternate fueled (for example, CNG, propane, hybrid) engine, including the costs of installation of such engine.

(B) Up to 100% of the cost of a new diesel or alternate fueled (for example, CNG, propane, hybrid) vehicle.

(C) Up to 100% of the cost of a repower with a new all-electric engine, including the costs of installation of such engine, and charging infrastructure associated with the new all-electric engine.

(D) Up to 100% of the cost of a new all-electric vehicle, including charging infrastructure associated with the new all-electric vehicle.

(3) Eligible freight switchers that are repowered with any new diesel or alternate fueled or all-electric engine(s) (including generator sets) or that are replaced with any new diesel or alternate fueled or all-electric (including generator sets) freight switcher, and where the repowering or replacement is with an engine certified to meet the applicable EPA emissions standards, as published in the 40 CFR Part 1033, for the engine model year in which the eligible freight switcher mitigation action occurs, are eligible for the following amounts of grant funding:

(a) For non-government owned eligible freight switchers, approved applications may receive a maximum reimbursement in the amount of:

(A) Up to 40% of the cost of a repower with a new diesel or alternate fueled (for example, CNG, propane, hybrid) engine(s) or generator sets, including the costs of installation of such engine(s).

(B) Up to 25% of the cost of a new diesel or alternate fueled (for example, CNG, propane, hybrid) freight switcher.

(C) Up to 75% of the cost of a repower with a new all-electric engine(s), including the costs of installation of such engine(s), and charging infrastructure associated with the new all-electric engine(s).

(D) Up to 75% of the cost of a new all-electric freight switcher, including charging infrastructure associated with the new all-electric freight switcher.

(b) For government owned eligible freight switchers, approved applications may receive a maximum reimbursement in the amount of:

(A) Up to 100% of the cost of a repower with a new diesel or alternate fueled (for example, CNG, propane, hybrid) engine(s) or generator sets, including the costs of installation of such engine(s).

(B) Up to 100% of the cost of a new diesel or alternate fueled (for example, CNG, propane, hybrid) freight switcher.

(C) Up to 100% of the cost of a repower with a new all-electric engine(s), including the costs of installation of such engine(s), and charging infrastructure associated with the new all-electric engine(s).

(D) Up to 100% of the cost of a new all-electric freight switcher, including charging infrastructure associated with the new all-electric freight switcher.

(4) Eligible ferries and tugs that are repowered with any new tier 3 or tier 4 diesel or alternate fueled engines, with all-electric engines, with an EPA Certified Remanufacture System, or with an EPA Verified Engine Upgrade, are eligible for the following amounts of grant funding:

(a) For non-government owned eligible ferries and tugs, approved applications may only receive a maximum reimbursement in the amount of:

(A) Up to 40% of the cost of a repower with a new diesel or alternate fueled (for example, CNG, propane, hybrid) engine(s), including the costs of installation of such engine(s).

(B) Up to 75% of the cost of a repower with a new all-electric engine(s), including the costs of installation of such engine(s), and charging infrastructure associated with the new all-electric engine(s).

(b) For government owned eligible ferries and tugs, approved applications may receive a maximum reimbursement in the amount of:

(A) Up to 100% of the cost of a repower with a new diesel or alternate fueled (for example, CNG, propane, hybrid) engine(s), including the costs of installation of such engine(s).

(B) Up to 100% of the cost of a repower with a new all-electric engine(s), including the costs of installation of such engine(s), and charging infrastructure associated with the new all-electric engine(s).

(5) Eligible marine shorepower projects are eligible for the following amounts of grant funding:

(a) For non-government owned eligible marine shorepower, approved applications may receive a maximum reimbursement in the amount of up to 25% for the costs associated with the shore-side system, including cables, cable management systems, shore power coupler systems, distribution control systems, installation, and power distribution components.

(b) For government owned eligible marine shorepower, approved applications may only receive a maximum reimbursement in the amount of up to 100% for the costs associated with the shore-side system, including cables, cable management systems, shore power coupler systems, distribution control systems, installation, and power distribution components.

(6) Eligible medium trucks that are repowered with any new diesel or alternate fueled or all-electric engine or that are replaced with any new diesel or alternate fueled or all-electric vehicle, with the engine model year in which the repowering or replacement occurs or one engine model year prior, are eligible for the following amounts of grant funding:

(a) For non-government owned eligible medium trucks, approved applications may receive a maximum reimbursement in the amount of:

(A) Up to 40% of the cost of a repower with a new diesel or alternate fueled (for example, CNG, propane, hybrid) engine, including the costs of installation of such engine.

(B) Up to 25% of the cost of a new diesel or alternate fueled (for example, CNG, propane, hybrid) vehicle.

(C) Up to 75% of the cost of a repower with a new all-electric engine, including the costs of installation of such engine, and charging infrastructure associated with the new all-electric engine.

(D) Up to 75% of the cost of a new all-electric vehicle, including charging infrastructure associated with the new all-electric vehicle.

(b) For government owned eligible medium trucks, approved applications may receive a maximum reimbursement in the amount of:

(A) Up to 100% of the cost of a repower with a new diesel or alternate fueled (for example, CNG, propane, hybrid) engine, including the costs of installation of such engine.

(B) Up to 100% of the cost of a new diesel or alternate fueled (for example, CNG, propane, hybrid) vehicle.

(C) Up to 100% of the cost of a repower with a new all-electric engine, including the costs of installation of such engine, and charging infrastructure associated with the new all-electric engine.

(D) Up to 100% of the cost of a new all-electric vehicle, including charging infrastructure associated with the new all-electric vehicle.

(7) Eligible airport ground support equipment that is repowered with an all-electric engine or that is replaced with the same airport ground support equipment in an all-electric form, is eligible for the following amounts of grant funding:

(a) For non-government owned eligible airport ground support equipment, approved applications may receive a maximum reimbursement in the amount of:

(A) Up to 75% of the cost of a repower with a new all-electric engine, including costs of installation of such engine, and charging infrastructure associated with such new all-electric engine.

(B) Up to 75% of the cost of a new all-electric airport ground support equipment, including charging infrastructure associated with such new all-electric airport ground support equipment.

(b) For government owned eligible airport ground support equipment, approved applications may receive a maximum reimbursement in the amount of:

(A) Up to 100% of the cost of a repower with a new all-electric engine, including costs of installation of such engine, and charging infrastructure associated with such new all-electric engine.

(B) Up to 100% of the cost of a new all-electric airport ground support equipment, including charging infrastructure associated with such new all-electric airport ground support equipment.

(8) Eligible forklifts and eligible port cargo handling equipment that is repowered with an all-electric engine or that is replaced with the same equipment in an all-electric form, is eligible for the following amounts of grant funding:

(a) For non-government owned eligible forklifts and eligible port cargo handling equipment, approved applications may receive a maximum reimbursement in the amount of:

(A) Up to 75% of the cost of a repower with a new all-electric engine, including costs of installation of such engine, and charging infrastructure associated with such new all-electric engine.

(B) Up to 75% of the cost of a new all-electric forklift or port cargo handling equipment, including charging infrastructure associated with such new all-electric forklift or port cargo handling equipment.

(b) For government owned eligible forklifts and eligible port cargo handling equipment, approved applications may receive a maximum reimbursement in the amount of:

(A) Up to 100% of the cost of a repower with a new all-electric engine, including costs of installation of such engine, and charging infrastructure associated with such new all-electric engine.

(B) Up to 100% of the cost of a new all-electric forklift or port cargo handling equipment, including charging infrastructure associated with such new all-electric forklift or port cargo handling equipment.

(9) Grant funding may also be awarded to provide technical assistance for a project in support of Disadvantaged, Minority, Women, or Emerging Small Business (DMWESB) or Service Disabled Veteran Business (SDVB) applicants as certified by the State of Oregon Certification Office for Business Inclusion and Diversity, based on a request and a statement of need, and not to exceed 7% of total maximum reimbursement amount available for project costs.

(10) Other projects that are eligible for grant funding under OAR 340-255-0030, and are not described in sections (1) through (8) of this rule, are eligible for the amount of grant funding as authorized under the DERA grant program

340-255-0050
Application Requirements

To apply for funding under this division, a person (as defined in OAR 340-200-0020, including individuals, corporations and government entities) or one of Oregon's federally recognized tribes must submit a completed grant application form provided by DEQ and submit it to DEQ prior to a grant funding deadline announced by DEQ. Such an applicant must:

(1) Own equipment that is eligible for a grant under OAR 340-255-0030 that is based in Oregon and currently operating in Oregon or apply on behalf of the owner with their express written permission;

(2) Provide proof of ownership of such equipment and proof that such equipment has been operating in Oregon for the previous three years;

(3) Provide proof of annual equipment usage that meets the requirements under OAR 340-255-0030, as applicable;

(4) Propose a qualifying retrofit, repower or replacement project that reduces diesel emissions and that is eligible for grant funding under OAR 340-255-0030;

(5) Provide proof of solicitation of at least three competitive bids for project expenses as well as low-cost or best-value rationale for selected bid. If an applicant cannot solicit three competitive bids for project expenses DEQ will provide the following waiver process:

(a) DEQ will make a waiver-request form available to applicants that are unable to solicit at least three competitive bids. DEQ will grant waivers of the three competitive bid requirement at its sole discretion, based on DEQ's assessment of whether the costs are reasonable and generally consistent with prices for similar work from other applications and previously funded projects; and

(b) DEQ reserves the right to deny applications if the quoted project costs exceed the average prices for similar work from other applications and previously funded projects. DEQ also reserves the right to contact bid providers to clarify project and associated costs;

(6) Describe and provide appropriate documentation to demonstrate that the proposed project meets one or more of the preferred project categories described in OAR 340-255-0060(2);

(7) Provide supplemental application information such as letters of support, photos, route maps and documentation of areas of operation to satisfy the requirements of sections (2) through (6), above;

(8) If applicable, provide any additional information necessary to satisfy the requirements of the DERA grant program; and

(9) Provide any additional information and documentation as determined necessary and requested by DEQ to evaluate an application.

340-255-0060
Application review process

(1) DEQ will review applications and supporting materials, will determine which applications are for projects that are eligible for funding under this division, and will determine which applications to approve for grant funding, at DEQ's discretion, based on DEQ's determination of the projects that will best achieve the emission reduction and other goals of this program.

(2) Among proposed projects that are eligible for funding, DEQ will give preference to projects that will:

(a) Support compliance with ORS 803.591 or with contract specifications or preferences related to emissions standards for diesel engines established by a public body, as defined in ORS 174.109;

(b) Be carried out by a grant applicant that is a disadvantaged business enterprise, a minority-owned business, a woman-owned business, a business that a service-disabled veteran owns or an emerging small business, as those terms are defined in ORS 200.005;

(c) Involve the replacement, repower or retrofit of one or more motor vehicles or pieces of equipment that have at least three years of remaining useful life at the time that the grant agreement is executed;

(d) Support the utilization of fuels for which regulated parties may generate credits under the clean fuels program under OAR chapter 340, division 253;

(e) Benefit owners and operators of heavy-duty trucks, if the fleet of the owner or operator includes only one heavy-duty truck and the heavy-duty truck is registered in Multnomah, Clackamas or Washington County;

(f) Benefit small fleets;

(g) Involve the retrofit of concrete mixer trucks or trucks that are used for the transportation of aggregate;

(h) Reduce diesel emissions in Oregon with the most cost effective projects; and

(i) Reduce diesel emissions in areas of the state with the highest diesel emissions, highest vulnerable populations, and the highest population density.

340-255-0070
Grant Application Schedules and Grant Awards

(1) DEQ may reduce the maximum eligible amount of grant awards at any time at DEQ's discretion based on availability of funding. DEQ intends to award the maximum eligible amount of grant awards, unless it has announced before a grant application deadline that it may award grants at a lower level.

(2) DEQ will announce annual schedules to submit applications for grants beginning in 2021 and ending when all funds available to Oregon under the Environmental Mitigation Trust Agreement have been spent.

(a) Annual grant application schedules will be announced in the first quarter of each applicable calendar year.

(b) Application schedules will allow for grant applications to be submitted, reviewed and awarded up to four times per year, as determined by DEQ, to achieve the spending goals under section (3).

(c) DEQ will notify applicants of funding decisions based on annual schedules and will publish notification of grant awards as required by the Environmental Mitigation Trust Agreement.

(3) DEQ will announce annual Diesel Emissions Mitigation Grant Program funding availability to make approximately 1/5 of Oregon's allocated share of funds available, under the Environmental Mitigation Trust Agreement, for diesel emission reduction grants per year for at least five years beginning in 2021. Funds that are not reserved for authorized administrative expenses, used as authorized to satisfy Oregon's non-federal match under the DERA grant program, or allocated to grants under this division will be made available for additional diesel emission reduction grants under this division.

(4) DEQ will conduct a review of the Diesel Emission Mitigation Grant Program two years after implementation. The review will include an assessment of emissions reductions, program investments addressing diesel equipment, potential adjustments to improve performance, and will provide an opportunity for community involvement.

(5) DEQ will allocate all available grant funds under this division towards eligible mitigation actions and eligible mitigation action administrative expenditures.

End draft rule