Diesel Technology Forum
CMAQ Funding for Diesel Retrofit

Air Innovations Conference

September 8, 2006

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Objective:

Increase awareness about clean diesel technology

Membership:

Includes energy companies, engine & vehicle manufacturers and emission treatment companies

Methods:

Educational materials & outreach events

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Leaders in Promoting Clean Diesel Technology

General Motors

CATERPILLAR

bp

Cummins

Johnson Matthey

JOHN DEERE

BOSCH

EATON

Ford

ISUZU

DETROIT DIESEL CORPORATION

DENSO

FEDERAL MOGUL

DELPHI

DAIMLERCHRYSLER

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Transportation Bill -- CMAQ Funding

- **SAFETEA-LU**
  - **$1.6 to $1.8 billion/year overall program – 2005-2009**
- **Who Decides?**
  - **States are charged with obligating CMAQ funds to eligible projects**
  - **States and MPOs are required to consult with state and local air quality agencies on the estimated emission reductions from proposed congestion mitigation and air quality improvement programs and projects**
- Retrofit Priority
  - **Requires that priority be given to "diesel retrofits, particularly where necessary to facilitate contract compliance, and other cost-effective emission reduction activities, taking into consideration air quality and health effects"**

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CMAQ vs. DERA Funding

- CMAQ
  - Larger availability of funds
  - Guaranteed funding source
  - Many competing projects
  - Limited experience with diesel retrofit
  - Restricted to non-attainment & maintenance areas
- DERA
  - Dedicated to diesel retrofit
  - Funding levels subject to budgetary pressures
  - Less complicated application process

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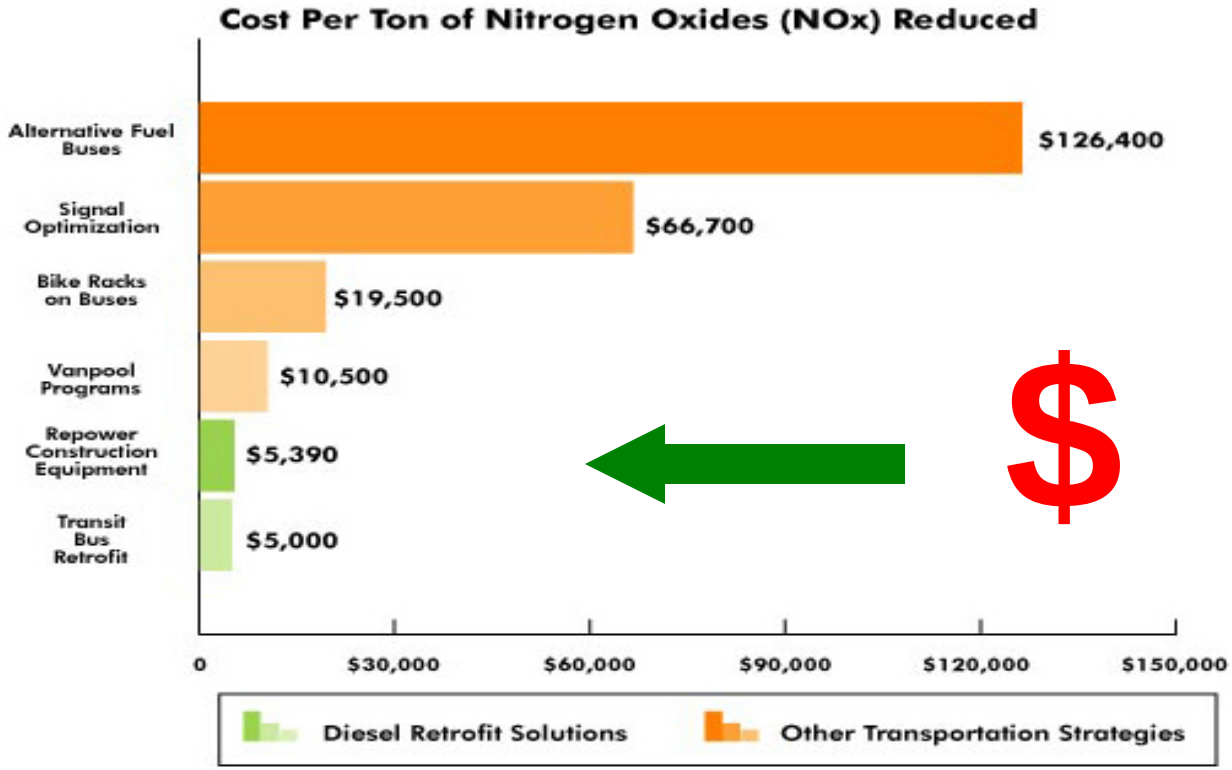
Clean Diesel Retrofits are Cost-Effective



This chart represents a sample of CMAQ-eligible strategies, including specific project examples. For a more complete list of CMAQ-eligible strategies, the cost-effectiveness of these project examples and full sourcing information, visit www.dieselforum.org.retrofit.

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Status of Retrofit Funding Under CMAQ

- Funding levels and project selection process different in every state
- Timing of project selection process varies greatly
- Varied opinions in states about the appropriateness of CMAQ for diesel retrofit
- FHWA guidance document expected this fall
- Growing number of retrofit projects already being funded

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States Giving Priority to Diesel Retrofit

- Tennessee
- North Carolina
- Georgia
- Texas
- Idaho

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Tennessee

- Clean Transportations Innovations Incentive Fund
  - $4.6 million over three years, awarded by DOT
  - public/private partnerships focusing on aftertreatment solutions, replacement, repowering, and rebuilding as well as encouraging idling reduction and cleaner fuels
  - FY2006 pilot projects for construction equipment, public fleets & idling reduction options for switchyard locomotives
- PM2.5 fund
  - $4.6 million over three years
  - Compensates for non-inclusion of PM2.5 in TN's CMAQ allocation formula
  - Funds awarded by DOT

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North Carolina

- Moving to give more authority to regional level
- In 2004, NCDOT first gave MPOs authority to decide projects to receive funding under CMAQ
- NC Solar Center received $1.6 million CMAQ funds for Clean Fuel/Advanced Technology Program
  - Supplemented with $400,000 from NCDAQ and NC State Energy Office
  - Incremental cost of alternative fuel vehicles, alt fuel infrastructure, truck stop electrification & diesel retrofit
- Mecklinburg-Union MPO received $620,000 funding for DPFs on transit buses

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Texas

- Fed/state process designed for major construction/highway projects, smaller air quality and sustainable development projects linger
- North Central Texas COG using innovative financing to promote air quality projects
- Exchange federal for local funds – fed funds for larger projects, local for air quality projects to reduce administrative burden and move projects faster
- $42.66 million for local air quality projects in FY05-09, $5 million in CMAQ and $37.66 million in local.

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Idaho

- Since full attainment, funds are distributed by IDOT in statewide competitive program
- Approx $2 – 4 million in CMAQ funds available annually
- IDOT has reduced local match to 7.34 % to increase availability of funds throughout the state
- 2 CMAQ funded school retrofit projects sponsored by IDEQ
  - FY07 - $463,300 federal, $36,700 local
  - FY08 - $296,740 federal, $23,575 local (requested)
  - Supplemented with $250,000 Clean School Bus USA grant

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For More Information

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