STATE CLEAN DIESEL REBATE PROGRAM

Guidelines and Applications
Round Ten

Application Deadline:
December 15, 2017 – 5:00 PM

This program is funded through the United States
Environmental Protection Agency State Clean Diesel Grant
Section 1 – Introduction

The primary goal of the South Dakota Clean Diesel Rebate Program (Program) is to reduce school children’s exposure to fine particulate and smog-forming pollution. The South Dakota Department of Environment and Natural Resources (DENR) provides the rebates and administers the Program. The Program provides rebates to help purchase new school buses that replace older in-use higher emitting diesel buses to reduce diesel particulate matter emissions.

DENR will provide State Clean Diesel Rebates for the following:

- Total rebate per replacement bus will be up to 25% of the purchase price of a 2017 engine model year or newer engine certified to EPA emission standards, 35% of the purchase price of a 2017 engine model year or newer engine certified to meet CARB’s Low-NOx Standards, or 45% of the purchase price of an all-electric bus. The bus being replaced must be model year 1995-2006 and have three years of useful operation remaining.

Program information will be posted on the Clean Diesel Grant Program website at http://denr.sd.gov/des/aq/aadera.aspx. For additional information, please contact: South Dakota’s Clean Diesel Program at 1-800-GET-DENR (1-800-438-3367) or barb.regynski@state.sd.us.

Section 2 – Background

While South Dakota’s air quality is cleaner than many states and currently meets the federal National Ambient Air Quality Standards, reducing emissions from diesel engines is one of the most important air quality challenges facing the country. The South Dakota program will provide rebates to help school districts purchase new public school buses to replace old, high-emitting public school buses.

School buses are a safe and effective way to transport children to and from school, but they emit pollution. According to the Environmental Protection Agency (EPA), exposure to school bus diesel exhaust, even at low levels, is a health hazard that can aggravate respiratory problems such as asthma and bronchitis and possibly increase the risk of lung damage. Asthma is currently the number one cause of missed school days for American children. According to the 2005 edition of "The Health Behaviors of South Dakotans", 11,348 children were at risk due to current asthma.

Children are especially vulnerable to the effects of diesel exhaust since their lungs are not yet fully developed, and they breathe twice as much air as adults per pound of body weight. Some children can spend an average of an hour per day on diesel powered buses, inhaling the mixture of pollutants. Diesel fuel contains 40 chemicals listed as hazardous air pollutants under the federal Clean Air Act. And, you don’t have to ride the bus to breathe in these fumes. The air quality in and around schools is compromised by idling buses during morning
and afternoon drop off and pick up, exposing not only students, but parents, teachers, administrators and bus drivers to unhealthy diesel emissions.

“The School Bus Pollution Report Card 2006”, researched by the Union of Concerned Scientists and endorsed by the American Lung Association, found that the average South Dakota school bus ranked among the oldest and most-polluting in the country. There were about 1,670 public school buses operating in South Dakota. These school buses tended to be older vehicles operating on diesel engines that have significantly higher nitrogen oxides and particulate matter emission levels compared to current emission standards. The average bus in the state was 14 years old, with 63% of the fleet being over 10 years old. The state received a D for soot pollution and the lowest possible rankings for cleanup.

School buses, like all diesel-powered vehicles, pollute the air with harmful gases and particles. Purchasing newer school buses with better emissions controls can decrease the amount of harmful pollution generated, helping to reduce the risk of asthma attacks, respiratory problems, and other diseases. This is especially important for children, whose developing lungs are particularly susceptible to diesel exhaust's damaging health effects.

South Dakota is generally not densely populated; therefore some school districts are rather large in size and cover many square miles. The major source of transportation to and from school for many students is school buses. Because of the size of some of the school districts, buses are operating many hours per year, and students spend many hours riding the buses every year. Replacing older buses would be a health benefit to the students and to the environment by helping keep the air in South Dakota clean.

South Dakota's program objectives are to reduce diesel emissions and childhood exposure to harmful diesel exhaust, while maximizing school budgets.

Section 3 - Eligible Participants

Any SD public school district that directly provides transportation services is eligible to participate. School districts which have not received a replacement bus in previous rounds will have preference.

Section 4 - Eligible Projects

LOWER-EMISSION SCHOOL BUS PROGRAM REPLACEMENT offers rebates for the replacement of old, high-emitting diesel school buses. Only replacement school buses will be considered for funding. Fleet expansion school buses are not eligible for funding.
The eligibility criteria for existing school buses to be replaced are as follows:

• Funds cannot be used for replacements that would have occurred through normal attrition/fleet turnover within three years of the project start date. Normal attrition is typically defined by the vehicle or fleet owner's budget plan, operating plan, standard procedures, or retirement schedule. For example, if a school bus fleet typically retires vehicles after 20 years, a bus that is currently in its 18th or 19th year of service is not eligible for replacement. A bus that is currently in its 17th year of service and has three years of useful life remaining (as defined by the fleet’s retirement schedule) is eligible for replacement. Normal attrition does not include replacements that must occur due to a State or Local mandate. **Proposals must include a detailed discussion of the fleet owner’s normal attrition schedule and must explain how the proposed emission reductions are not a result of vehicle/equipment replacements that would have occurred through normal attrition/fleet turnover within three years of the project start date.**

• The existing school bus to be replaced must be an in-use diesel school bus model year 1995-2006 owned by any South Dakota public school district that directly provides transportation services. The replacement vehicle must be of the same type and similar gross vehicle weight rating or horsepower as the vehicle being replaced. Horsepower increases of more than 25% will require specific approval by EPA prior to purchase, and the applicant may have to pay the additional costs associated with the higher horsepower equipment. School Districts that have not received a replacement bus in previous rounds will have preference.

• The existing school bus being replaced will be scrapped or rendered permanently disabled within ninety (90) days of the replacement. Evidence of appropriate disposal (such as digital photos of the engine tag showing serial number, engine family number, and engine model year, vehicle identification number (VIN), and of the destroyed engine block and cut frame rails or other structural components) is required for rebate to be made. Drilling a three inch hole in the engine block and disabling the chassis is the preferred scrapping method. Other methods may be considered and will require prior EPA approval. Equipment and vehicle components that are not part of the engine or chassis may be salvaged from the unit being replaced (e.g. plow blades, shovels, seats, tires, etc.). If scrapped or salvaged vehicles/parts are to be sold, program income requirements apply.
The eligibility criteria for **new replacement** school buses are as follows:

- **School districts should receive the new bus by August 31, 2018.**

- New school buses powered by an engine certified to a 2017 engine model year or newer, a 2017 engine model year or newer engine certified to meet CARB’s Low-NOx Standards, or an all-electric bus.

**Section 5 – Funding Amounts**

- Between $223,801 and $559,503 will be available for school bus replacements.

- Total rebate per replacement bus will be up to 25% of the purchase price of a 2017 engine model year or newer engine certified to EPA emission standards, 35% of the purchase price of a 2017 engine model year or newer engine certified to meet CARB’s Low-NOx Standards, or 45% of the purchase price of an all-electric bus.

**Section 6 – Project Awards**

**SCHOOL BUS REPLACEMENT**

Preference will be given to school districts not receiving a bus replacement during previous rounds. Replacement eligibility of in-use diesel school buses is based on the model year of the school bus engine, where the oldest model year engine will be given preference.

Selected school districts will enter into a written agreement with DENR and rebates will be issued upon submittal of a Request for Reimbursement Form, evidence of final bus purchase price, a Certificate of Disposal Form, photographic evidence of disposal, and if requesting the 35% rebate, a copy of the engine certificate showing it meets CARB’s Low-NOx Standards. DENR reserves the right to do on-site verification.

**Section 7 – Tentative Schedule**

<table>
<thead>
<tr>
<th>Date</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>November 6, 2017</td>
<td>Call for Round Ten Projects Opens</td>
</tr>
<tr>
<td>December 15, 2017</td>
<td>Call for Round Ten Projects Deadline</td>
</tr>
<tr>
<td>December 18, 2017 – January 5, 2018</td>
<td>Evaluate &amp; Select Round Ten Projects</td>
</tr>
<tr>
<td>January 8, 2018</td>
<td>Announce Round Ten Selected Projects</td>
</tr>
<tr>
<td>January 2018 – August 2018</td>
<td>Schools will purchase buses</td>
</tr>
<tr>
<td>September 2018</td>
<td>Deadline for all invoices and paperwork to be submitted to DENR</td>
</tr>
</tbody>
</table>
Section 8 – Program Application Process

The application and program participation process is as follows:

1. Program applications are attached to this document and are also available from the website at http://denr.sd.gov/des/ag/aadera.aspx

2. Applications must be submitted to DENR by 5:00 PM, December 15, 2017 to be considered for round ten funding. Applications are to be submitted to DENR at:
   
   Clean Diesel Rebate Program  
   SD DENR – AQ Program  
   523 E Capitol  
   Pierre, SD  57501

3. DENR will evaluate applications.

4. Applicant will be notified of application selection or denial.

5. Upon approval of the application, entities selected to receive rebates will be required to execute an agreement with DENR.

Section 9 – Program Requirements

Successful project applicants must enter into an agreement with DENR setting forth specific performance criteria to ensure compliance with statutory and audit requirements. Agreement preparation will begin immediately upon DENR selection of a project. The agreement will include further details on complying with program requirements. All services or work carried out under an agreement awarded as a result of this call for projects must be completed within the scope, time frames, and funding limitations specified by the agreement. Upon signature and execution of the agreement by DENR, a copy of the executed agreement will be returned to the applicant, at which time the project will be considered awarded.

Replacement Bus Requirements

• The school district must submit an original Internal Revenue Service (IRS) Request for Taxpayer Identification Number and Certification Form W-9.
  
  ▪ The information entered into the grant application must be identical to the information on Form W-9.
  ▪ A copy of the IRS Form W-9 can be downloaded at www.irs.gov or by calling 1-800-829-3676.

• Purchase of new buses may not occur prior to both parties signing the agreement. Rebates will be made on a reimbursement basis for eligible expenses incurred and paid by the recipient. A cost may not be considered
incurred until the replacement bus has been received and accepted by the recipient.
• The school district verifies that the replacement activity would not have occurred through normal attrition/fleet turnover within three years of the project start date.
• Program funds must only be used to purchase a new school bus that is equipped with essential or standard equipment.
• The school district must submit a copy of the Division of Motor Vehicles registration or title for the school bus being replaced.
• The school district must insure that the replaced school bus is permanently disabled or scrapped and maintain documentation on how the replaced bus was permanently disabled or scrapped.
• Applicant submits a Request for Reimbursement Form, evidence of final bus purchase price, Certificate of Disposal Form, photographic evidence of disposal and if requesting the 35% rebate, a copy of the engine certificate showing it meets CARB’s Low-NOx Standards. DENR will review the information for compliance with all grant requirements.
• Rebate will be issued upon verification (documentation and/or DENR staff site visit).
• The school district agrees that program criteria and requirements may be reviewed, as new information becomes available, and can be revised at the discretion of DENR.
• DENR maintains the right to monitor the project periodically.
• The school district must maintain ownership of the replacement school bus for three years after receipt of the rebate.

Section 10 - Verification Procedures

Any school district that receives School Bus Replacement Rebate Program funds may be subject to a verification of each program or project funded. The verification may be conducted by staff from DENR. Grant documentation, records, and referenced materials must be available for review during monitoring visits.

Upon the completion of verification, DENR will determine if the funds were used for the approved project and make the verification available to the applicant and to the public upon request.

If DENR determines that the funds were expended in a manner contrary to law or not in accordance with provisions, DENR will notify the school district of the determination, and may, at its discretion, seek re-payment of funds misappropriated, spent for non-eligible activities, or otherwise inappropriately expended.
A complete application packet includes the following items:

- Completed **Application**.
- Completed **IRS Form W-9**.
- Copy of Department of Motor Vehicles **registration or title** for the school bus to be replaced.
- Dated and itemized dealer **quote** for replacement school bus.
  - The quote must provide a breakdown for the total cost of the new school bus.
- Applications must be submitted to DENR by 5:00 PM, December 15, 2017 to be considered for round ten funding. Applications are to be submitted to DENR at:

  **Clean Diesel Rebate Program**
  SD DENR – AQ Program
  523 E Capitol
  Pierre, SD  57501
# SCHOOL BUS REPLACEMENT APPLICATION

## I. APPLICANT INFORMATION

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>1</td>
<td>a. Applicant Name:</td>
<td>b. DUNS Number:</td>
</tr>
<tr>
<td>2</td>
<td>Applicant Address:</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>a. City:</td>
<td>b. State:</td>
</tr>
<tr>
<td>4</td>
<td>a. Contact Name:</td>
<td>b. Contact Title:</td>
</tr>
<tr>
<td>5</td>
<td>a. Contact Phone:</td>
<td>b. Contact Fax:</td>
</tr>
<tr>
<td>6</td>
<td>Contact Email:</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Person with Contract Signing Authority:</td>
<td></td>
</tr>
</tbody>
</table>

## II. EXISTING SCHOOL BUS INFORMATION:

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>School Bus Storage Address:</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>a. City:</td>
<td>b. Zip Code:</td>
</tr>
<tr>
<td>3</td>
<td>School Bus Manufacturer:</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>a. School Bus Model:</td>
<td>b. School Bus Model Year:</td>
</tr>
<tr>
<td>5</td>
<td>Type of Fuel:</td>
<td>Diesel</td>
</tr>
<tr>
<td>6</td>
<td>Estimated Annual Fuel Usage for this School Bus (gallons):</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>a. Cumulative Mileage:</td>
<td>b. Estimated Annual Mileage:</td>
</tr>
<tr>
<td>8</td>
<td>Gross Vehicle Weight Rating (GVWR):</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Vehicle Identification Number (VIN):</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>a. Engine Manufacturer:</td>
<td>b. Engine Model:</td>
</tr>
<tr>
<td>11</td>
<td>Engine Serial Number:</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Average Vehicle Life (how long you usually keep your school buses):</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Discussion of the fleet owner’s normal attrition schedule and must explain how the proposed emission reductions are not a result of vehicle replacements that would have occurred through normal attrition/fleet turnover within three years of the project start date:</td>
<td></td>
</tr>
</tbody>
</table>

## III. NEW REPLACEMENT SCHOOL BUS INFORMATION

<p>| | | |</p>
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<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>New School Bus Manufacturer:</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>a. New School Bus Model:</td>
<td>b. New School Bus Model Year:</td>
</tr>
<tr>
<td>3</td>
<td>Type of Fuel:</td>
<td>Diesel, CNG, Propane, Electric, or Other</td>
</tr>
<tr>
<td>4</td>
<td>Rebate:</td>
<td>25%, 35% if certified to meet CARB’s Low-NOx Standards, or 45% of an all-electric bus</td>
</tr>
<tr>
<td>5</td>
<td>Gross Vehicle Weight Rating (GVWR):</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>a. Price of New School Bus:</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>a. Estimated Purchase Order Date:</td>
<td>b. Estimated Date of Bus Delivery:</td>
</tr>
<tr>
<td>8</td>
<td>a. Engine Manufacturer:</td>
<td>b. Engine Model:</td>
</tr>
</tbody>
</table>

## IV. SCRAPPING COMPANY/DISMANTLER INFORMATION

<p>| | | |</p>
<table>
<thead>
<tr>
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<tbody>
<tr>
<td>1</td>
<td>Describe Method of Disposal of School Bus:</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Scrapping Company/Dismantler Name:</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Contact Name:</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Address:</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>a. Phone:</td>
<td>b. Fax:</td>
</tr>
<tr>
<td>7</td>
<td>Email:</td>
<td></td>
</tr>
</tbody>
</table>
# SCHOOL BUS REPLACEMENT APPLICATION

## V. SCHOOL BUS MANUFACTURER/DEALER INFORMATION

1. School Bus Manufacturer/Dealer:

2. Contact Name:

3. Address:

4. a. City:  
   b. State:  
   c. Zip Code:

5. a. Phone:  
   b. Fax:

6. Email:

## VI. SCHOOL DISTRICT/ORGANIZATION CERTIFICATION

I certify that to the best of my knowledge the information contained in this application and in the supplemental material is correct and complete. I certify that the funding requested satisfies the eligibility requirements for this Program as represented in the Program Description and related materials. I certify that I understand that the funding under this Program is subject to restrictions and other conditions listed in the Program Description.

- ✔️ The applicant will use the funding under this Program for the specific purposes defined in the Program Description.
- ✔️ The applicant has received approval from the school board, or other governing body, to apply and make use of the funding under this program.
- ✔️ The applicant will follow the school district’s procedures to procure the products and services funded under this project.
- ✔️ The applicant agrees to complete scrappage of the bus being replaced.
- ✔️ The applicant verifies that the replacement activity would not have occurred through normal attrition/fleet turnover within three years of the project start date.

I authorize DENR to make any necessary inquiries to verify the information that I have presented. I acknowledge that the information in this application is not confidential and may be released as required by the Program.

<table>
<thead>
<tr>
<th>Printed Name of Responsible Party:</th>
<th>Title:</th>
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<tbody>
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<table>
<thead>
<tr>
<th>Signature of Responsible Party:</th>
<th>Date:</th>
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</table>

Applications are to be submitted to DENR at:

**Clean Diesel Rebate Program**  
SD DENR – AQ Program  
523 E Capitol  
Pierre, SD  57501
Request for Reimbursement Form

Name of School District: ________________________________

Date new school bus was delivered: __________________________

Instructions: Fill in the information below to summarize the Reimbursement Request.

Reimbursement Summary

<table>
<thead>
<tr>
<th>Final Purchase Price of Bus</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reimbursable Amount (not to exceed awarded amount) = Final Purchase Price X percentage from award</td>
<td>$</td>
</tr>
<tr>
<td>Program Income from Salvage/Scrapage</td>
<td>___ $</td>
</tr>
<tr>
<td>Total Reimbursement Amount</td>
<td>$</td>
</tr>
</tbody>
</table>

*If scrapped or salvaged engines/vehicles are to be sold, program income requirements apply.

- Please attach evidence of final bus purchase price such as a copy of the dealer invoice, receipt, or canceled check
- Please attach Certificate of Disposal and photos verifying disposal
- if requesting the 35% rebate, please attach a copy of the engine certificate showing it meets CARB’s Low-NOx Standards.

Requests are to be submitted to DENR at: Clean Diesel Rebate Program
SD DENR – AQ Program
523 E Capitol
Pierre, SD 57501
Certificate of Disposal Form

EPA Grantee Name: SD Department of Environment and Natural Resources  EPA Grant No.: 96844801

School District Name: ________________________________________________________________

Old Bus/Chassis Information

Make: __________________________  Vehicle ID Number: __________________________
Model: __________________________  Odometer Reading: __________________________ miles
Year: __________________________

Old Engine Information

Make: __________________________  Horsepower: __________________________
Model: __________________________  ID or Serial No.: __________________________
Year: __________________________

Name of Dismantler: ________________________________________________________________

Address of Dismantler: _____________________________________________________________

Signature of Dismantler: __________________________  Date Bus Disabled: __________

School District Representative:

Statement: I certify that within 90 days of replacement, the old engine and chassis (where applicable) have been permanently disabled. Disabling the engine consists of cutting or punching a three inch by three inch (3" x 3") hole in the engine block. Disabling the chassis consists of cutting completely through the frame/frame rails on each side of the vehicle/equipment at a point located between the front and rear axles. If other, pre-approved scrappage methods were used, details and documentation are attached. Photos of the disabled engine/chassis that are required pursuant to the Terms and Conditions of the EPA award agreement are attached to this Certificate of Disposal.

Authorized Name: ________________________________________________________________

Print Name

Authorized Signature: __________________________  Date: __________

Note: Documentation must include JPEG images of the following, with corresponding file names:
1) Side profile of vehicle  3) Engine label  5) Engine block, prior to hole  7) Others, as needed
2) VIN  4) Chassis rail cut in half  6) Engine block, after hole
Examples of Bus Disposal Pictures

Photo #1: Side profile of bus being scrapped

![Sideprofile.jpeg]

Photo #2: VIN of the bus being scrapped

![VIN.jpeg]
Photo #3: Engine tag with engine serial number and EPA engine family name

Photo #4: Chassis rail cut in half
Photo #5: Engine block prior to hole being drilled

![Engineblockprior.jpeg]

Photo #6: Engine block after hole has been drilled

![Engineblockafter.jpeg]