



National Clean Diesel Campaign

Reducing Diesel Emissions through Collaboration and Innovative Strategies

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Innovative Funding for Clean Diesel Initiatives

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National Clean Diesel Campaign

Goal: Reduce emissions from the legacy fleet of over 11 million diesel engines by 2014

- **Focus on five sectors:**

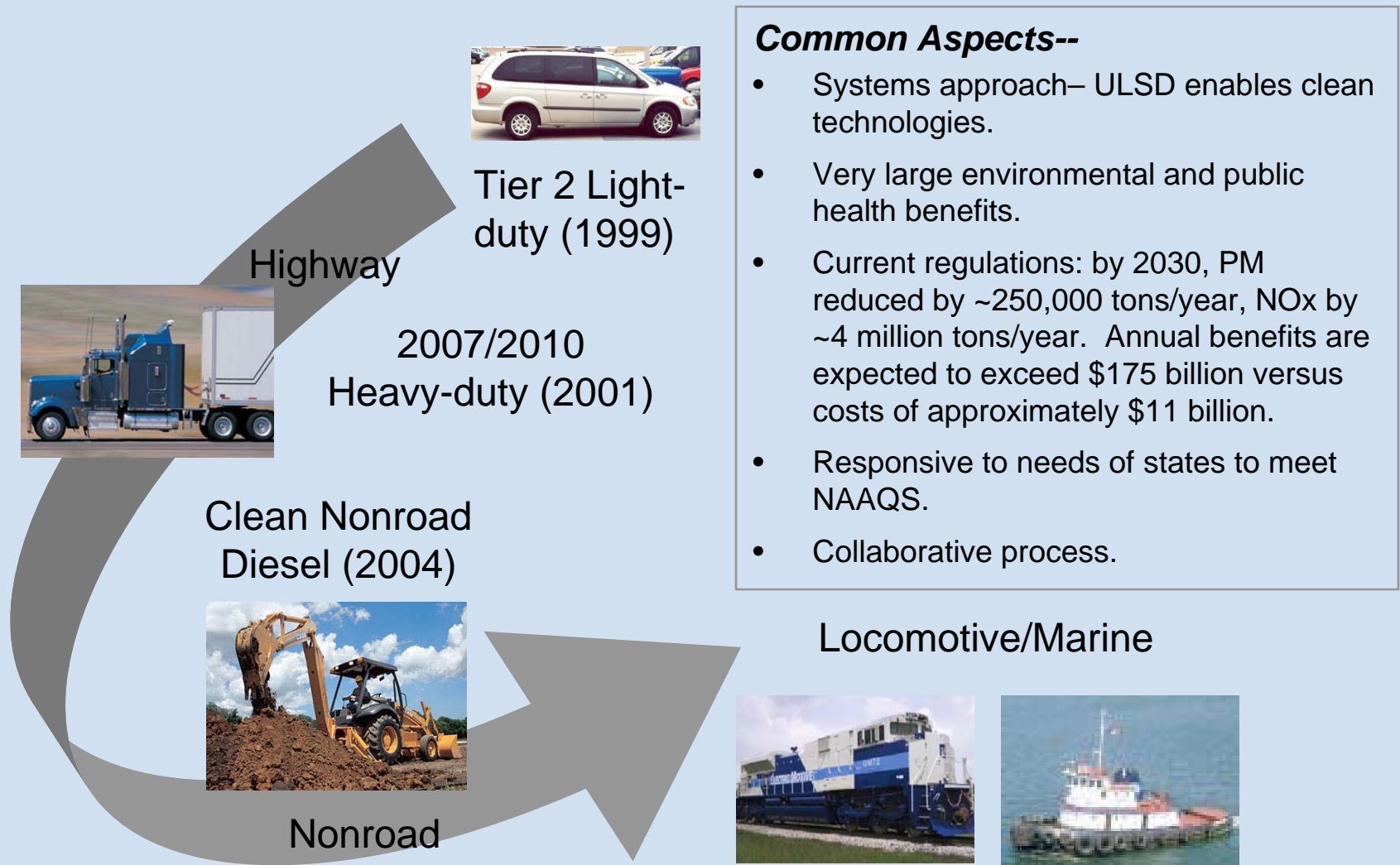
- School Buses
- Ports
- Construction
- Agriculture
- Freight

- **NCDC Program activities:**

- Technology verification
- Providing technical and policy analysis
- Coalition-building and outreach
- Establishing projects through grant competitions



A Comprehensive and Collaborative Approach to Diesel Emissions Reduction



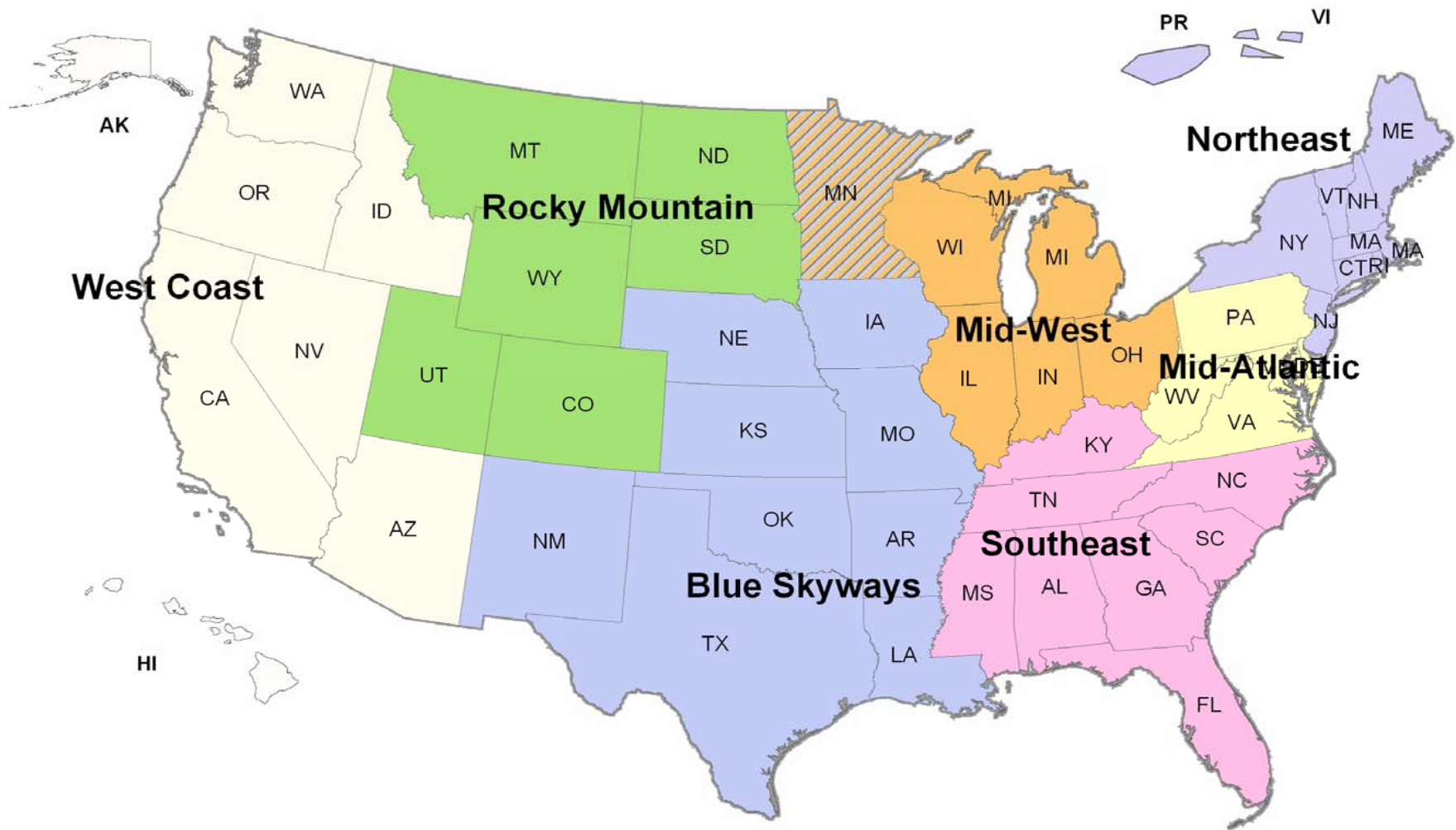
Common Aspects--

- Systems approach– ULSD enables clean technologies.
- Very large environmental and public health benefits.
- Current regulations: by 2030, PM reduced by ~250,000 tons/year, NOx by ~4 million tons/year. Annual benefits are expected to exceed \$175 billion versus costs of approximately \$11 billion.
- Responsive to needs of states to meet NAAQS.
- Collaborative process.

EPA's Clean Diesel Collaboratives

- Seven regional collaboratives were formed to identify innovative, incentive-based emissions reductions.
- The collaboratives are diverse coalition of businesses, government, environmental groups and community organizations, industry, and others
- The Mid-Atlantic and the Northeast Diesel Collaboratives have had great success in building partnerships, identifying sector goals and implementing projects.

Regional Clean Diesel Collaboratives



Why Diesel Retrofit?



- **Protecting Public Health**
 - Current clean diesel programs will reduce more than 20,000 PM tons over their lifetime providing nearly \$5 billion in health benefits
- **Cost Effective Emissions Reductions**
 - Diesel retrofit can provide a benefit-to-cost ratio of up to 13:1
- **Nonroad retrofit can be some of the most cost effective**
 - For example, a typical bulldozer may emit as much PM as 500 cars
- **Broad Stakeholder Support**
 - Industry, government, community and environmental groups agree
 - cleaning up diesel emissions is important
 - Shared responsibility for clean air and public health
- **Implementation Advantages**
 - Diesel retrofits can be implemented quickly
 - Resources and leveraged funds available

CMAQ Funded Programs are Operating Successfully

- More than 100 CMAQ funded retrofit projects totaling more than \$155M
- Regionally, the Mid-Atlantic and Northeast Diesel Collaboratives have experienced successful projects
 - ConnDOT is directing a percentage of CMAQ funds toward diesel retrofit projects, including Hartford and Stamford transit fleets
 - Westchester County Department of Transportation (WCDOT) utilizing \$1,500,000 in CMAQ funds for retrofitting 177 transit buses with DPFs
 - Southeastern Pennsylvania Transportation Authority (SEPTA) retrofitted almost 400 city buses with DPFs

Federal Funding

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- FY 2003-2006
 - \$25 million for Clean School Bus USA
 - \$6.1 million for non–Clean School Bus USA projects
- FY 2007 budget
 - President requested \$50 million to support clean diesel activity
- Continuing Resolution
 - \$12 million (same as 2006)



Diesel Emissions Reduction Program



Energy Policy Act of 2005:

- Authorizes more than \$1B over 5 years for grants and loans that support clean diesel activities

President's FY08 Budget Request:

- Proposes \$35M for clean diesel activities
- Limits funds to grants in nonattainment (NA) areas

Funding Distribution:

- 70% of funds for national grant and loan programs
- 30% for state grant and loan programs

Diesel Emissions Reduction Program

Use of Funds

- Retrofit Technology, Engine Replacement, Engine Repower, Rebuild
- Reduction of long-duration idling

Eligible entities (federal program)

- Regional, state, local, tribal governments
- Nonprofit entities

Use of funds (federal program)

- $\geq 50\%$ of funds for public entities
- $\geq 90\%$ for verified/certified technologies
- $\leq 10\%$ for emerging technologies

Program funding, allocations, criteria, eligibility, etc. will be subject to final Congressional appropriation language

Innovative Financial Strategies are Necessary!

- Grant programs and other government funding programs will not achieve our clean air goals.
- We need creative, sustainable funding and financing strategies for emission control technologies for all sectors: Trucks, school buses, locomotives, freight, construction, agriculture, ports, etc.



Summary

- Reducing emissions from diesel engines is one of the most important air quality challenges facing the country
- It's a shared responsibility – federal, state, private, local organizations all have to do their part
- Innovative financing programs will help us meet our goal of reducing emissions from the existing fleet



For More Information

Visit EPA's National Clean Diesel Campaign
Website

www.epa.gov/cleandiesel



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