

2020 Diesel Emissions Reduction Act (DERA) School Bus Rebates: **Frequently Asked Questions**

Wednesday, October 28, 2020

The questions and answers below are provided to assist eligible organizations in applying for rebates for school bus replacements through the DERA School Bus Rebate program. **The sections listed in this FAQ reference the sections in the Program Guide.**

The Program Guide and other rebate information can be found at:
www.epa.gov/dera/rebates

Section 1: Background

Question: Will the October 7th School Bus Rebates webinar for applicants be recorded and available to view?

Answer: The presentation slides for the October 7th webinar for applicants are now posted on EPA's Rebate website.

Section 2: Eligible Applicants

Question: Can an entity who has received EPA funds in the past apply?

Answer: Yes, all eligible applicants with eligible buses may apply.

Question: Can we submit applications for more than one of our wholly owned subsidiaries?

Answer: No. The applicant may submit only one application on behalf of all subsidiaries, unless the fleet owned by the parent company has more than 101 buses in operation. Fleets with 101 or more buses in current operation may submit up to two applications.

Question: Are private schools eligible entities?

Answer: No. Private schools and other organizations that operate buses are not eligible to apply to this rebate program unless the school buses on the application serve, and are operated under a contract with, an eligible entity.

Question: Can we still apply if our school district leases buses from a transportation contractor?

Answer: No, eligible applicants must own the buses listed on the application. In this case, the transportation contractor is the eligible entity. Please see Section 2: Eligible Applicants of the Program Guide for additional information.

Question: Who is eligible to apply under this funding opportunity?

Answer: Eligible applicants include regional, state or local agency, or port authority, or tribal government or native village, which has jurisdiction over transportation or air quality, including public school districts and municipalities. Private entities that operate school buses under a contract with an entity mentioned may also apply. If the applicant is a private entity, the applicant must certify on the rebate application that it has an existing and executed contract to provide transportation services to a specific public school district at the time of the rebate application.

Section 3: Eligible Vehicles

Question: Do school buses have to be operable at the time of the funding request to be eligible?

Answer: Yes. Vehicles must be able to start, move in all directions, and have all operational parts to meet the eligibility requirements.

- Question:* Can school buses used to transport students from schools to other schools (e.g., athletics) qualify for rebates?
Answer: In the Program Guide, “a school bus is defined as a vehicle primarily used for the purpose of transporting 10 or more preprimary, primary, or secondary school students to or from schools.” Buses used primarily for transporting students from schools to other schools meet this definition and may be eligible for rebates. Please see Section 3 of the Program Guide for other vehicle eligibility requirements.
- Question:* We recently purchased a new bus. Can we get a rebate for this purchase?
Answer: No, replacement bus purchases cannot be made until an official selection letter is received from EPA.
- Question:* Would we qualify for this rebate if we did a lease-purchase for the buses instead of purchasing them outright?
Answer: No. Lease-purchases are not eligible for this funding opportunity.
- Question:* Are replacement buses eligible if they are financed rather than purchased outright?
Answer: Leases and lease-purchases are not allowed, but applicants can use other financing options like a standard vehicle loan if the title to the new bus is under the applicant’s name.
- Question:* Are applicants required to have a minimum fleet size to apply?
Answer: No. Applicants with school bus fleet sizes between 1-100 buses may submit one rebate application that includes up to 10 eligible buses to be replaced. Applicants with over 100 school buses in their fleet can submit up to two rebate applications listing different buses.
- Question:* Our bus does not meet the 10,000-mile minimum requirement. Are there any waivers or exemptions that would allow us to apply?
Answer: If the proposed bus to be replaced has not accumulated 10,000 miles over either the last 12 months or calendar year 2019, it must instead have been in use at least three days per week on average transporting students between 9/1/2019 and 2/29/2020 to be eligible.
- Question:* Are used replacement buses eligible if powered by 2017 or newer model year engines?
Answer: Yes.
- Question:* Please identify engine model years eligible for replacement. Does the old bus need to be scrapped?
Answer: Diesel school buses powered by a 2006 or older model year engine are eligible. The bus being replaced must be scrapped. Please see Section 3 of the 2020 Program Guide for additional vehicle eligibility requirements.
- Question:* What fuel types are eligible for the old bus listed for replacement and the replacement bus?
Answer: Vehicles listed for replacement must be diesel school buses. Eligible replacement school buses may operate on diesel, gasoline, propane, natural gas, battery electric, or hydrogen electric.
- Question:* Can replacement buses be a vehicle class size larger than the original school bus?
Answer: Replacement buses must operate in a similar manner and over similar routes as the bus being replaced but can be a different class size.

Question: Our bus does not meet the 10,000-mile minimum requirement given the switch to remote learning this spring due to COVID-19. Are there any waivers or exemptions that would allow us to apply?

Answer: EPA has revised the usage requirements for the 2020 rebates to accommodate fleets that may have seen reduced service due to COVID. To be eligible, the proposed buses to be replaced must meet at least one of the following three usage requirements: Driven 10,000 miles or more over the last 12 months; Driven 10,000 miles or more in calendar year 2019 (January - December 2019); or Driven three days per week on average transporting students between 9/1/2019 and 2/29/2020.

New *Question:* If a private fleet receives a rebate to replace a bus, does the replacement bus need to serve the same public school listed on the application for a minimum of 3 years or can the bus serve other public schools in that area?

Answer: Replacement buses must operate in a similar manner and over similar routes as the original school bus for at least 3 years. There is no specific requirement that the replacement bus be under the same contract as the original bus for 3 years, but the bus should continue to serve public schools in the same area over that time.

Section 4: Funding Amounts

Question: How much funding is available per bus?

Answer: The rebate funding amount is based on the fuel type of each replacement bus. EPA is offering \$20,000 for diesel and gasoline, \$25,000 for propane, \$30,000 for CNG/LNG, and \$65,000 for battery or hydrogen electric replacement buses. Fleets can list up to 10 buses for replacement, but the total rebate amount is capped at \$300,000 per application.

Question: How will funding be affected if an applicant changes their mind about what fuel type the replacement buses will be?

Answer: Applicants should list the expected fuel type of the replacement buses to the best of their knowledge at the time of application. Due to the funding process, EPA cannot increase funding amounts beyond what an applicant lists on their application. But, EPA will reduce funding amounts if a fleet changes their mind and either (1) reduces the number of buses they will be replacing or (2) changes the replacement bus fuel type from what is listed on the application. For example, a fleet might apply to replace one old diesel bus with one propane bus for a rebate of \$25,000. If the fleet later decides to replace the old diesel bus with a new diesel bus, the rebate will be reduced to \$20,000.

Section 5: Application

Question: When is the deadline for submitting completed applications and supporting documentation?

Answer: Applications must be received by EPA before 4:00 pm Eastern Time on Friday, October 30, 2020.

Question: The application will not open when I click on it.

Answer: Please right-click the application link and select "save link as" or "save target as" and save the PDF to your desktop. Then open the document using the free Adobe Acrobat Reader program. Please contact DERA@epa.gov if you continue having problems with the application.

Question: Does an applicant need both a DUNS number and an Employer Identification Number (EIN)?

Answer: Yes, both numbers are required. See Section 5 of the Program Guide for more information.

Question: We are having difficulty locating the EPA engine family name.
Answer: The EPA engine family name is a 12-character number/letter designation included on the engine nameplate for all heavy-duty truck engines sold in the United States. Please contact the engine manufacturer for assistance in obtaining the required engine-specific information.

Question: Are applicants required to submit vehicle titles?
Answer: Yes, a copy of each vehicle title and registration must be submitted as part of the application package to prove ownership. Applicants that are missing titles to vehicles can try contacting their state DMV offices for copies of the vehicle titles.

Question: We do not have bus registrations in our state. What do we do regarding the registration requirement?
Answer: If vehicle registration is not required by law in the state where the vehicle operates, the applicant must submit documentation that registration is not required in that jurisdiction. This might be as simple as including a link in the applicant's email pointing to the state department of transportation web page that states that school bus registrations are not required in that state.

Question: How is the remaining life for vehicles determined?
Answer: Remaining life is the fleet owner's estimate of the number of years until the bus would have been retired from service if the bus were not being scrapped because of the rebate funding. The remaining life estimate is the number of years of operation remaining, including 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 scrappage, as well as things like usage, maintenance, and climate. Please provide your best estimate given the condition of the bus being replaced.

Question: What should we do if the engine manufacturer cannot help us obtain the EPA engine family name?
Answer: Please submit the application, titles, and registrations to CleanDieselRebate@EPA.gov along with a brief explanation of your efforts to locate the engine family name. If selected in the lottery process, we may be able to assist you in confirming the engine family name.

Question: For the 2019 miles traveled on the application, are we using miles traveled during the calendar year (1/1/19 - 12/31/19) or school year (September - June)?
Answer: Enter the vehicle miles travelled in calendar year 2019, 1/1/19 through 12/31/19. This figure should be obtained from driver or maintenance logs.

Question: I am having trouble filling out the EIN, DUNs, VIN, and Engine Family Name in the application. Can I print it, fill it out by hand, and then scan to submit?
Answer: The DUNs and EIN must be 9 characters (not including a dash in the EIN) and the fillable form restricts additional characters from being entered. Similarly, the VIN must be 17 characters and the Engine Family Name must be 12 characters. Please be sure that you are entering the correct number of characters for each field and that you are opening the application using Adobe Reader so that the fillable form operates correctly. You may experience issues if you try to fill out the form in your web browser. If you are still having difficulty, you may print, fill out, and scan to submit. Just be certain that all fields are legible.

Section 6: Selection

Question: When will the selection process take place?

Answer: The application submission period closes on October 30, 2020, at 4:00 pm Eastern Time. Selection and eligibility verification will take place soon after. EPA anticipates announcing selections in January-February 2021.

Question: How will applications be prioritized and selected to receive funding?

Answer: All eligible applications submitted to EPA by Friday, October 30, 2020 at 4:00 pm Eastern Time will be assigned a unique identification number and applicants will be selected through a random number generator. Please see Section 6: Selection of the Program Guide for additional information.

Question: If funding is offered in future years, will awards be made from the current wait list?

Answer: No. If funding is available in future years, EPA will issue a new funding opportunity announcement and applicants will need to reapply.

Question: What are the chances of being selected for funding?

Answer: The chance of being selected will depend on the number of applicants applying for funds and the amount of funds available. In recent years with similar funding levels, the chance of being selected has varied between roughly 1 in 3 and 1 in 4, but it may be different in 2020.

Question: Is DERA funding contingent on Buy American qualifications?

Answer: No. The Buy American requirements do not apply to DERA programs.

Section 7: Notification

Question: How will I know if my application has been selected?

Answer: Selected applicants will be notified by email with a PDF selection letter. See Section 7: Notification of the Program Guide for additional information.

Question: How soon after the program closes will the results be posted on EPA's website?

Answer: EPA anticipates selections will be made in January-February 2021. Results will be posted at www.epa.gov/dera/rebates.

Section 8: Purchase Order Submittal

Question: When must new buses be purchased?

Answer: New buses must be purchased within 90 days of the date of the selection letter, but not before the date on the selection letter. Please see Section 8: Purchase Order Submittal of the Program Guide for additional information.

Question: Can a selectee submit a letter of intent to purchase rather than an actual purchase order?

Answer: No. A purchase order for a new bus must be submitted within 90 days of the date of the selection letter.

Question: How can we participate if we cannot order buses until a bid has been requested?

Answer: The purchase order cannot pre-date the date of the selection letter, but you may enter into the bidding process prior to receiving the selection letter.

Question: If we are selected to receive a rebate and, prior to submitting a purchase order, we determine that we are unable to make the purchase, can we withdraw our application?
Answer: Yes. A selectee may opt out at any time, but we recommend that fleets only apply if they think it is very likely that they will use the funds.

Question: If we apply for ten buses and later determine we can only afford two, will all rebate funds be declined?
Answer: No. Selectees may reduce the number of buses from what they list on the application. However, additional buses may not be added. EPA encourages applicants to list the number of buses they believe they can afford.

Section 9: Vehicle Delivery

Question: What will happen if orders for the new replacement buses are delayed past the deadline to receive reimbursement?
Answer: Applicants are encouraged to coordinate with vendors to ensure timely delivery of replacement vehicles. EPA will consider specific situations, such as delivery delays, on a case-by-case basis.

Section 10: Scrappage

Question: Are there reference pictures for the scrapping of the engine and the chassis?
Answer: See Appendix F of the Program Guide for sample scrappage photos.

Question: How do we drill the 3-inch hole in the engine block?
Answer: Past selectees have successfully cut the 3-inch hole using a 3-inch metal hole saw bit on a power drill or using a torch.

Question: Who should scrap the bus?
Answer: Scrappage may be completed by the selectee or by a scrap yard or similar service. All scrappage requirements must be met. Please see Section 10: Scrappage of the Program Guide for additional information.

Question: Can we keep the bus body without the chassis and engine for training purposes?
Answer: Yes, the chassis and engine must be scrapped but other parts of the bus may be salvaged. Fire departments may use the bus for training purposes, but the bus may not be set on fire as this runs counter to the goal of reducing air pollution. Please see Section 10: Scrappage of the Program Guide for additional information.

Question: The EPA engine plate is gone so we cannot take a picture of it for scrappage. Does this disqualify us from funding?
Answer: A missing engine nameplate or tag does not necessarily disqualify a bus from being eligible. When emailing your application to EPA, please point out in the email that the engine nameplate is missing. You will likely need to reach out to the bus or engine manufacturer to confirm the engine model year and the 12-character EPA engine family name.

Section 11: Request for Payment

No questions at this time.

Section 12: Payment

Question: How long will it take to receive payment after we submit the final documents?

Answer: Once EPA has received and approved the payment request and supporting documentation, payment will be issued in about a month via electronic funds transfer. Please see Section 12: Payment of the Program Guide for additional information.

Appendix I: Terms and Conditions

Question: Are applicants disqualified from taking grant program money from other state or local programs for buses that are replaced as a part of this program?

Answer: No. The applicant portion of funding may consist of funds from state and local grant program, or other third-party funding and financing. However, buses that receive rebates under this program cannot be funded or financed in whole or part with other federal funds. Also, buses funded under this program must not be funded with Volkswagen Environmental Mitigation Trust funds distributed by a state or tribal agency. Please see Appendix H: Terms and Conditions of the Program Guide for more information.

Question: If awarded a rebate, is it considered taxable income to our company?

Answer: It is the recipient's responsibility to report income in accordance with any/all applicable state, local, or federal tax requirements.