

Diesel Emissions Reduction Act (DERA)

A Webinar Anticipating release of Notice of Funding Opportunity in 2026



June 8, 2026

Agenda/Overview



- Introductions
- Overview of EPA's FY 2022–2023 National Grant Competition
- Benefits of the Program
- Program Purpose
- Eligibility
 - Equipment
 - Projects
- Cost Share
- Project Examples
- Next Steps



Federal Environmental Protection Agency

The Federal Environmental Protection Agency's mission of the U.S. Environmental Protection Agency (EPA) is to protect human health and the environment

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Anthony Maietta



Project Officer

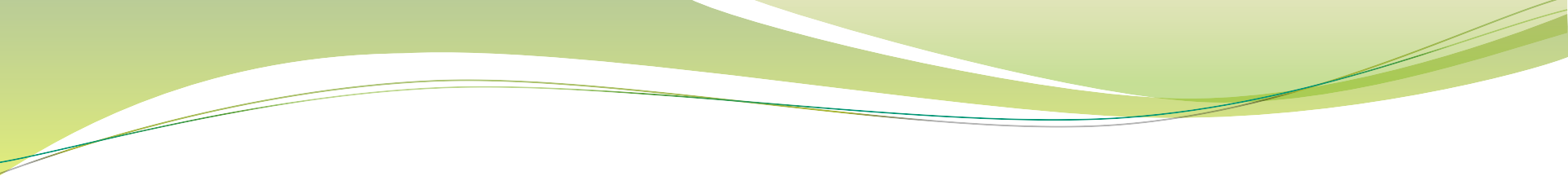
Wisconsin Clean Cities

Dedicated to improving the economic prosperity of Wisconsin communities, Fred has extensive experience, skills and education in spurring economic opportunities by creating a synergistic relationship between the disciplines of Workforce Development, Economic Development and Community Development. As Mayor of the City of Ashland, Fred helped to bring the first Eco-municipalities in the nation to his community while simultaneously bringing in millions of new revenue and tax base. In addition, Mr. Schnook offers an associate's degree, a bachelor's degree, and a Masters's Degree in Public Administration. Mr. Schnook is currently working on his PhD at the University of Wisconsin Milwaukee's Urban Studies program.

Fred Schnook

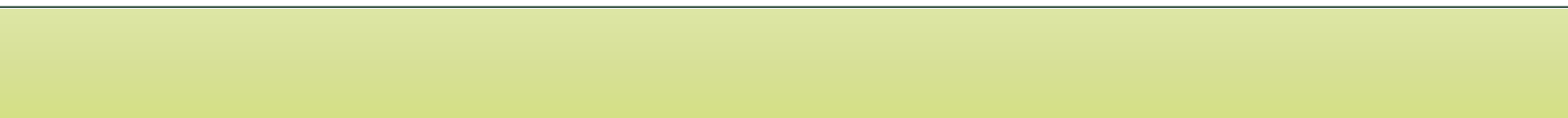


**Executive Director
Wisconsin Clean Cities**



The Federal Diesel Emissions Reduction Act (DERA) National Grants

Overview of EPA's FY 2022–2023 National Grant
Competition



Benefits to Fleet Operations

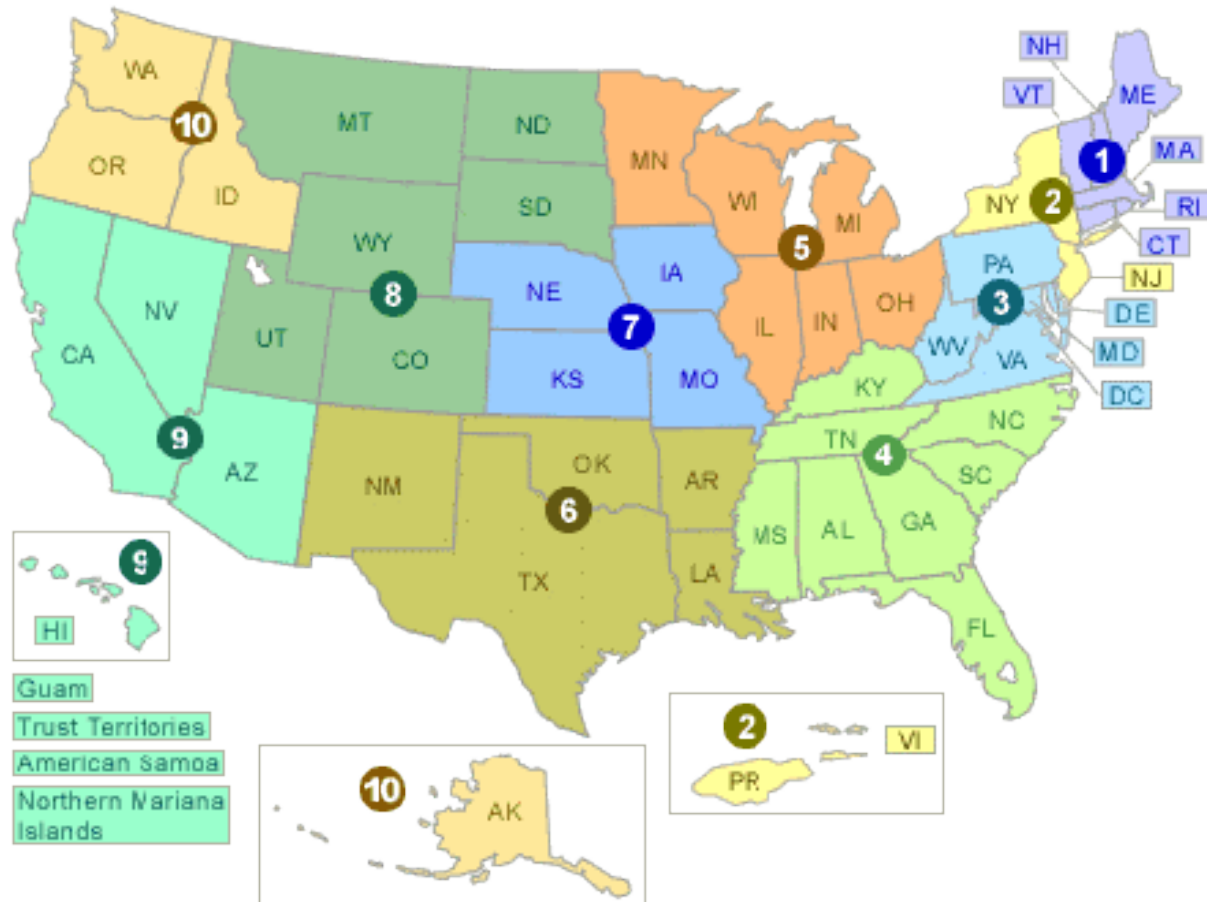
- ▶ DERA helps offset capital costs for replacing or upgrading older diesel assets while reducing fuel use, emissions, and maintenance costs.
- ▶ In a Nutshell:
 - Reduced maintenance costs
 - Improved reliability
 - Lower emissions
 - Enhanced sustainability reporting
 - Access to future grant opportunities

Program Purpose

- DERA provides funding to accelerate upgrade, retrofit, repower, and replacement of older diesel engines and equipment to reduce emissions and improve air quality.
- Eligible activities include the retrofit or replacement of existing diesel engines, vehicles and equipment with EPA or CARB certified engine configurations, retrofit and idle reduction technologies.

Funding Overview

- Approximately \$115 million in funding: about \$58 million from FY2022 and \$57 million from FY2023 appropriations.
- Approximately \$13,900,00 for Region 5



Eligible Applicants

- ▶ State, regional, local and tribal governments, port authorities, municipalities, regional planning commissions, school districts, counties, and qualifying nonprofit organizations.
- ▶ For profit organizations are not eligible.

Eligible Equipment

- School buses, Class 5–8 trucks, locomotives, marine engines, construction equipment, cargo handling equipment, agricultural equipment, generators and pumps.

Table 1: Diesel Vehicles, Engines and Equipment

School Buses	Includes diesel powered school buses of Type A, B, C and D. A “school bus” is defined as a passenger motor vehicle, designed to carry a driver and more than 10 passengers, that the Secretary of Transportation decides is likely to be used significantly to transport preprimary, primary, and secondary school students to or from school or an event related to school.
Transit Buses	Includes diesel powered medium-duty and heavy-duty transit buses (see definition of eligible Class 5-8 vehicles below).
Medium-duty or heavy-duty trucks	Includes diesel powered medium-duty and heavy-duty highway vehicles with gross vehicle weight rating (GVWR) as defined below: Class 5 (16,001 -19,500 lbs GVWR); Class 6 (19,501 – 26,000 lbs GVWR); Class 7 (26,001 – 33,000 lbs GVWR); Class 8 (33,001 lbs GVWR and over)
Marine Engines	Includes diesel powered Category 1, 2, and 3 marine engines and vessels.

Locomotives	Includes diesel powered line-haul, passenger, and switch engines and locomotives.
Nonroad engines, equipment, or vehicles ⁵	Diesel powered nonroad engines, equipment, and vehicles including, but not limited to, those used in construction, handling of cargo (including at ports and airports), agriculture, mining, or energy production (including stationary generators and pumps). Eligible nonroad equipment includes transport refrigeration units (TRUs). Please see the <u>TRU Factsheet</u> found on the <u>DERA National Grants</u> website for information on TRUs and eligible TRU projects.

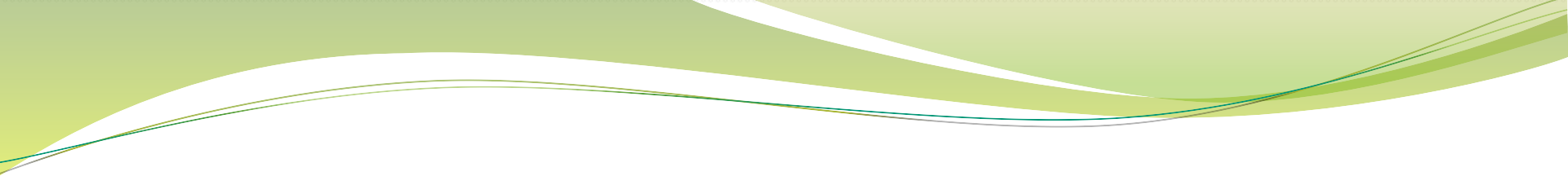
Eligible Project Types

Vehicle/equipment replacement, engine replacement, verified retrofit technologies, idle-reduction technologies, aerodynamic technologies, and emissions-control upgrades.

Table 2. Diesel Emission Reduction Solutions

Certified Vehicle and Equipment Replacements	Nonroad and highway diesel vehicles and equipment, locomotives, and marine vessels can be replaced with newer, cleaner, vehicles and equipment. Eligible replacement highway vehicles include those certified by EPA and/or CARB to run on diesel or clean alternative fuel engines (including gasoline), electric generators (gensets), hybrid engines, and zero tailpipe emissions power sources (grid, battery, or fuel cell). Eligible replacement nonroad equipment, locomotives, and marine vessels include those powered by EPA and/or CARB certified diesel or clean alternative fuel engines (including gasoline), electric generators (gensets), hybrid engines. Nonroad equipment, locomotives, and marine vessels powered by zero tailpipe emissions power sources (grid, battery, or fuel cell) do not require EPA or CARB certification.
Certified Engine Replacement	Nonroad and highway diesel vehicles and equipment, locomotives, and marine vessels can have their engines replaced with newer, cleaner, engines. Eligible replacement highway engines include those certified by EPA and/or CARB for use with diesel or cleaner alternative fuels (including gasoline), electric generators (gensets), and hybrid engines, and zero tailpipe emissions power sources (grid, battery, or fuel cell). Eligible replacement nonroad, locomotive, and marine engines include those powered by EPA and/or CARB certified diesel or clean alternative fuel engines (including gasoline), electric generators (gensets), and hybrid engines. Nonroad equipment, locomotives, and marine vessel engine replacement with zero tailpipe emissions power sources (grid, battery, or fuel cell) do not require EPA or CARB certification.

Certified Remanufacture Systems	Generally, a certified remanufacture system is applied during an engine rebuild and involves the removal of parts on an engine and replacement with parts that cause the engine to represent an engine configuration which is cleaner than the original engine. Some locomotives and marine engines can be upgraded through the application of a certified remanufacture system (i.e., kit). Engine remanufacture systems may not be available for all engines, and not all remanufacture systems may achieve an emissions benefit. Applications for EPA certified remanufacture systems should include a discussion of the availability of engine remanufacture systems and indicate the pre- and post-project emission standard levels of the engines to demonstrate that the upgrade will result in a PM and/or NOx emissions benefit.
Verified Idle Reduction Technologies	An idle reduction project is generally defined as the installation of a technology or device that reduces unnecessary idling of diesel engines and/or is designed to provide services (such as heat, air conditioning, and/or electricity) to vehicles and equipment that would otherwise require the operation of the main drive or auxiliary engine(s) while the vehicle is temporarily parked or remains stationary. EPA SmartWay verified technologies currently include options to reduce idling for long haul Class 8 trucks equipped with sleeper cabs, school buses, transport refrigeration units, locomotives, and marine vessels.
Verified Retrofit Technologies	Diesel engine retrofits are one of the most cost-effective solutions for reducing diesel engine emissions. Retrofits include engine exhaust after-treatment technologies, such as diesel oxidation catalysts (DOCs), diesel particulate filters (DPFs), closed crankcase ventilation systems (CCVs), and selective catalytic reduction systems (SCRs). Manufacturer engine upgrades which achieve specific levels of emission reductions by applying a package of components have been verified as retrofits for some nonroad and marine engines. Several systems which convert a conventional diesel engine configuration to a hybrid-electric system have been verified as retrofits for some nonroad and marine engines. Some cleaner fuels and additives have been verified as retrofits by EPA and/or CARB to achieve emissions reductions when applied to an existing diesel engine. Older, heavy-duty diesel vehicles that will not be retired for several years are good candidates for verified retrofit technologies. EPA suggests that applicants proposing to install verified retrofit technologies consult with suppliers to confirm that the proposed vehicles/engines and their duty-cycles are good candidates for the technology.
Clean Alternative Fuel Conversions	Existing highway diesel engines can be altered to operate on alternative fuels such as propane and natural gas by applying a certified alternative fuel conversion kit.



Verified Aerodynamic Technologies and Low Rolling Resistance Tires	To improve fuel efficiency, long haul Class 8 trucks can be equipped with EPA verified aerodynamic devices and/or low rolling resistance tires.
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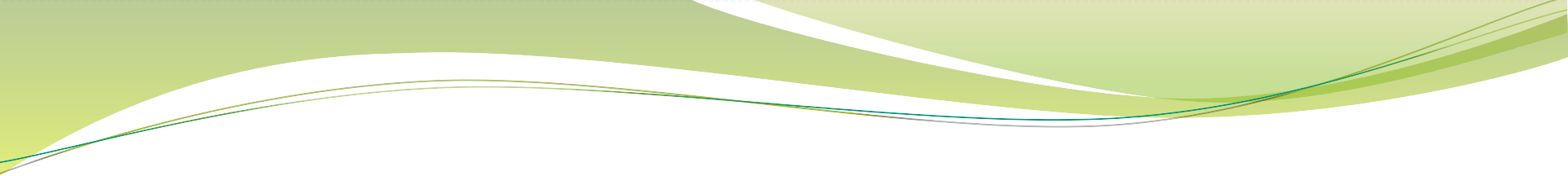
Funding Levels & Cost Share

- Funding percentages varied by project type and technology. Zero-emission and near-zero-emission projects generally received the highest federal participation.

Table 4: Cost Share Requirements

Eligible Technologies	EPA Funding Limit	Mandatory Cost Share
Drayage Truck Replacement	50%	50%
Vehicle or Equipment Replacement with EPA Certified Engine	25%	75%
Vehicle or Equipment Replacement with CARB Certified Low NOx Engine	35%	65%

Vehicle or Equipment Replacement with Zero-tailpipe Emission Power Source	45%	55%
Engine Replacement with EPA Certified Engine	40%	60%
Engine Replacement with CARB Certified Low NOx Engine	50%	50%
Engine Replacement with Zero-tailpipe Emission Power Source	60%	40%
EPA Certified Remanufacture Systems	100%	0%
EPA Verified Highway Idle Reduction Technologies when combined with new or previously installed exhaust after-treatment retrofit	100%	0%
EPA Verified Highway Idle Reduction Technologies without new exhaust after-treatment retrofit	25%	75%
EPA Verified Locomotive Idle Reduction Technologies	40%	60%
EPA Verified Marine Shore Connection Systems	25%	75%
EPA Verified Electrified Parking Space Technologies	30%	70%
EPA Verified Exhaust After-treatment Retrofits	100%	0%
EPA Verified Engine Upgrade Retrofits	100%	0%
EPA Verified Hybrid Retrofit Systems	60%	40%
EPA Verified Fuel and Additive Retrofits when combined with new retrofit, upgrade, or replacement	Cost differential between conventional diesel fuel	Cost of conventional diesel fuel
EPA Verified Aerodynamics and Low Rolling Resistance Tires when combined with new exhaust after-treatment retrofit	100%	0%
Alternative Fuel Conversion	40%	60%



Examples of Funded Projects

- Zero-emission truck replacements, agricultural tractor replacements, transit and school bus electrification, airport equipment electrification, and locomotive repowers.

Getting “Shovel Ready” Plan for Future DERA Opportunity

- ▶ Maintain fleet inventories, track vehicle age and mileage, identify replacement candidates, and develop shovel-ready projects before funding announcements.

1. Inventory diesel assets
2. Prioritize replacement candidates
3. Quantify emissions benefits
4. Identify funding partners
5. Monitor EPA grant announcements
6. Review:
 - ▶ [Diesel Emissions Reduction Act Funding | US EPA](#)
 - ▶ [updated-dera-national-program-nofo-fy22-fy23.pdf](#)

Get active in Wisconsin Wisconsin Clean Cities

- Wisconsin Clean Cities is a coalition of private and public fleets, original equipment manufacturers, utilities, alternative fuel providers and all folks interested in sustainable fuels.
- WCC is here to offer education on best practices, share information on funding opportunities, facilitate partnerships between you and stakeholders to help obtain expert mentoring on how to switch to alternative fuel sources, supporting infrastructure and/or acquiring vehicles.
- We offer technical assistance, free webinars, ongoing work shops, training, educational materials, networking opportunities and a host of other services to help drive Wisconsin towards a cleaner, sustainable future.



**Join Wisconsin
Clean Cities...**



**...at Lakefront
Brewery!**

Hosted by:



Do **YOU** to learn more about the alternative fuel industry by networking with other professionals? Are you curious about **becoming a member** of Wisconsin Clean Cities and want to see what we're all about?

Join us as we host our **NEXT** Networking event in July, touring the **Lakefront Brewery Facility!**

Perks of this event include:

- A tour of the Lakefront Brewery Facility and their sustainability practices
- Chances to network and learn from other industry professionals
- Appetizers will be provided

ADVANCED REGISTRATION IS REQUIRED!

WHERE: Lakefront Brewery
1872 N Commerce St,
Milwaukee, WI 53212
<https://lakefrontbrewery.com/>



WHEN: Tuesday, July 14th,
3:00pm – 6:00pm



TICKET PRICES:



Members: \$25.00

Non-Members: \$35.00

Reach out to info@wicleancities.org with any concerns or questions!



Clean Cities and
Communities

**Thank you for
Attending!**



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