

School Bus Replacement Rebate Application Instructions

General Information

The Nebraska Department of Environmental Quality (NDEQ) has established the *Nebraska Diesel Emission Mitigation Program* to administer funds allocated to Nebraska from the *Volkswagen Diesel Emissions Environmental Mitigation Trust for State Beneficiaries, Puerto Rico, and the District of Columbia* (VW State Trust). In January 2018, NDEQ finalized an initial *Volkswagen Environmental Trust Beneficiary Mitigation Plan*¹ outlining Nebraska's plans to utilize funds from the VW State Trust to reduce diesel emissions in the state. This plan proposed to utilize 25% of the available funds (\$3,062,087) for the replacement of diesel school buses by new diesel or alternative-fueled buses in accordance with Eligible Mitigation Action 2 in Appendix D-2 of the Environmental Mitigation Trust Agreement for State Beneficiaries (VW State Trust Agreement)².

Beginning June 1, 2018, NDEQ is soliciting applications to the Nebraska Diesel Emission Mitigation Program to fund school bus replacement projects. NDEQ anticipates awarding 24 school bus rebates during the first year of this program. NDEQ may adjust the number of rebate awards based on the number of applications received.

WHO IS ELIGIBLE?

- Any Nebraska public school district or private school system that offers primary or secondary education is eligible for this funding opportunity. Companies that own buses and have a current agreement with a school district/system are also eligible to apply if they are either headquartered or have an operational base office in Nebraska.
- Each school district may apply for a maximum of one rebate for one bus.
- Previous recipients of a Nebraska or EPA Clean Diesel School Bus Rebate (2013 or later) are eligible to apply, but preference will be to given schools that are not previous rebate recipients.

VEHICLES ELIGIBLE FOR REPLACEMENT

- Eligible vehicles are school buses with diesel engines with model year 2009 and older, and with Gross Vehicle Weight Rating of 14,001 pounds or greater (Class 4 to 8).
- The bus must be used currently to transport students to and from school or school-related activities. Applicants are required to certify that their bus meets these criteria on the application form.

ELIGIBLE REPLACEMENT VEHICLES

- School buses with 2017 or newer model year engines certified to EPA emission standards.
- The replacement school bus may operate using conventional diesel (ULSD) or alternative fuels (e.g. propane or compressed natural gas).
- Diesel engines must be equipped with a diesel particulate filter (DPF).
- The replacement school bus must be in the same Gross Vehicle Weight Rating class and operate in the same manner as the original school bus.

¹ Nebraska's Beneficiary Mitigation Plan is available for download at <http://deq.ne.gov/NDEQProg.nsf/OnWeb/AirVW>

² The VW State Trust Agreement (Appendix D-2 begins on page 52) is available at: https://www.vwenvironmentalmitigationtrust.com/sites/default/files/2018-05/Final%20Filed%20Dkt%2051-1%20%20State%20Beneficiary%20Trust%20Agreement_0.pdf

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REBATE AMOUNT FOR PUBLIC SCHOOL DISTRICTS

For *public school districts*, NDEQ will reimburse:

- 50% of the base purchase cost (up to a maximum of \$42,000) of a new diesel school bus certified to EPA 2017 emission standards.
- 60% of the base purchase cost (up to a maximum of \$57,000) of a new school bus powered by a propane or compressed natural gas engine certified to meet California Air Resources Board Optional Low-NOx Standards of 0.1 g/bhp-hr, 0.05 g/bhp-hr, or 0.02 g/bhp-hr NOx.

REBATE AMOUNT FOR PRIVATE SCHOOLS AND CONTRACTORS

For non-government recipients such as *private schools* or *private companies providing student transport services under contract*, the VW State Trust agreement limits reimbursement to 25% of the base purchase cost of a new school bus.

OTHER REQUIREMENTS

- The new bus may not be used to expand the applicant's current fleet, but must replace a bus that is currently operational and in use.
- The replaced bus and its diesel engine must be disabled (scrapped) within 90 days of replacement.
- If selected for an award, the rebate recipient must maintain ownership of the new school bus for at least three years from the date of purchase. If the new school bus is sold before the end of the three-year period or used for purposes other than what is allowed under this program, the rebate recipient must notify NDEQ and may be required to return up to the full amount of the rebate to NDEQ. The amount required to be returned is at the discretion of NDEQ, and will be determined on a case-by-case basis.
- Recipients will be required to file annual reports of mileage and fuel use for the duration of the agreement.

APPLICATION PROCESS

All applicants must completely fill out and submit the attached Application Form and provide all of the listed supporting documents in order to be considered for funding. Incomplete applications will not be considered. NDEQ may contact you or your organization for clarification and/or additional information using the provided contact information. Applicants will have 10 calendar days to respond to any such request. **Only *one application per applicant* will be accepted, and only *one bus rebate is allowed per application*.**

Applications must be submitted and complete before 5:00 pm on August 3, 2018 in order to be considered.

Only signed and dated original applications received by mail, e-mail, or in person at the address below will be accepted. Rebate applications cannot be submitted by fax. The department is not responsible for any applications that are delayed or lost in the mail. Applicants will receive an e-mail confirming NDEQ's receipt of the application. It is the applicant's responsibility to ensure that their application was received by the department by the respective deadline.

Mail, e-mail, or hand-deliver applications to:

Nebraska Diesel Emission Mitigation Program
Nebraska Department of Environmental Quality
1200 N Street, Suite 400
Lincoln NE 68509-8922
NDEQ.VWSettlement@nebraska.gov

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APPLICATION MATERIALS CHECKLIST

Use the following checklist to ensure you've submitted all required materials with your application. A complete application will include all the documents listed below.

- Completed and signed application form.
- An organizational Dun and Bradstreet (D&B) Data Universal Number System (DUNS) number must be included on the application form. Organizations may obtain a DUNS number at no cost by calling the toll-free DUNS number request line at 1-866-705-5711 or visiting the D&B website at: www.dnb.com.
- Photocopy of the Nebraska vehicle registration for the bus being replaced.
- Photocopy of the title of the bus being replaced.
- Photograph of the bus (side profile) being replaced showing the vehicle unit identifying number.
- Bid or price quote for the replacement bus, including estimated delivery dates.

SELECTION OF RECIPIENTS

If the number of complete, eligible applications is greater than the number of available rebates, rebate recipients will be drawn by lottery on August 10, 2018. Each applicant that has not received a previous Clean Diesel Rebate will have two entries in the drawing, while each previous rebate recipient will have one entry in the drawing. Applicant names will be drawn and placed in corresponding order (omitting duplications) until the number of available rebates is reached. The remaining applicant names will be drawn and placed in order on an alternate list. If an applicant on the rebate list withdraws, funds will be offered to the next applicant on the alternate list.

PROJECT AGREEMENT

- All rebate recipients must sign an agreement with NDEQ. ***The new bus cannot be purchased until the signed agreement is on file at NDEQ.***
- After NDEQ has received the signed agreement, the recipient will be notified that they can complete the purchase of the new bus. ***Note: the date of the purchase order cannot pre-date the signature date of the agreement.***

All reimbursements under the project agreement are contingent upon approval from Wilmington Trust. Applicants selected for funding shall have one year from the date of the agreement to complete their project. The applicant is responsible for the remainder of the bus purchase price (cost-share). Other grant funds from federal, state, or private sources may be used for part or all of the cost-share. Prior to submitting an application, it is recommended that all applicants also review 1) the portions of the Appendix D-2 of the VW State Trust Agreement that apply to their funding request and 2) Nebraska's Beneficiary Mitigation Plan.

SCRAPPAGE

The old bus being replaced must be scrapped (permanently disabled) within 90 days of replacement and prior to submission of the reimbursement request to NDEQ. Scrappage consists of:

1. Cutting, drilling, or punching a 3" by 3" hole completely through the engine block.
2. Cutting completely through the chassis frame rails on either side between the front and rear axles.

Before and after photographs of the scrappage procedures must be submitted with the reimbursement request. Recipients should consult NDEQ in advance for approval of any other proposed scrappage methods.

Questions? Email us at NDEQ.VWSettlement@nebraska.gov or phone 420-471-4272

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| Section 3 – Bid Information: Provide summary information from the dealer’s quote or bid in the columns. Please attach bid/quote to application. | |
|---|--|
| Vendor: | Engine Manufacturer: |
| Bus Manufacturer: | Engine Model: |
| Bus Model: | Fuel: <input type="checkbox"/> Diesel <input type="checkbox"/> Propane <input type="checkbox"/> CNG |
| Bus Gross Vehicle Weight: | Engine Horsepower: |
| Purchase Cost: | |
| Other details: | |

| Section 4 – Rebate Amount Requested Based on Bid/Quote |
|---|
| <p>Base Purchase Cost of Bus: _____</p> <p>Rebate amount requested*: _____ Applicant cost-share amount: _____</p> <p>* Public school, diesel replacement: 50% of base purchase cost, maximum \$42,000. Public school, Low-NOx CNG or propane replacement: 60% of base purchase cost, maximum \$57,000. Private school: 25% of base purchase cost.</p> |

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Section 5 – Applicant Certification

Owner or Authorized Representative: I certify to the best of my knowledge that (check each item):

- The information contained herein is true and correct.
- The school bus being replaced is currently in use, in proper working condition, and is used to transport students to and from school or school-related activities. If selected for an award, the new school bus will perform these same functions.
- The bus being replaced will be properly disposed of in accordance with the requirements of this agreement.
- The new bus will not be used for fleet expansion.
- The applicant is either headquartered or has an operational base in Nebraska and the new bus will continue to operate in Nebraska.
- If selected for an award, the school district/school/company will maintain ownership of the replacement school bus for at least three years from the date of purchase. I understand that if the replacement school bus is sold before the end of the three-year period or used for purposes other than specified in the conditions of this program, the recipient may be required to return up to the full amount of the rebate to NDEQ. The amount required to be returned is at the discretion of NDEQ, and will be determined on a case-by-case basis.
- I understand that I will not be eligible for any projects in which costs were incurred before the project period began and after the project period ends.
- I have the legal authority to sign this agreement.
- I acknowledge that failure to provide all applicable information and supporting documentation may result in the rejection of my application.

Printed Name and Title of Authorized Representative

Signature

Date