If a DERA grant recipient intends to fund target fleets that they do not own and operate, they have the option to (1) make a **subaward** or (2) provide **participant support costs** to a project partner. Both options can fund a project partner's equipment and installation costs, but only subawards can fund a project partner's direct and indirect costs such as personnel and travel. If the DERA grant recipient is only funding a project partner's equipment and installation costs, they may instead choose to provide participant support costs rather than a subaward to avoid the extensive subaward monitoring and management requirements.

For more information on categorizing costs for funding partnerships, please refer to Section XIII of the Program Guide.

	FY 2021	
Budget Category Funding Partnerships	**EPA**	**State or Territory Match (if applicable)**
Funding Partnerships	$0	$0

Matching Funds and Cost-Share Funds

States and territories must provide a detailed description of the source of funding for any voluntary match or mandatory cost-share funds included in the project budget, if applicable. Include details on when the match will be available for use. If applicable, include letters of financial support, which specifically indicate how supporting organizations will assist in the project.

See Sections V.C and X of the Program Guide for more information on the voluntary matching incentive and mandatory cost-share funds.

	FY 2021	
Budget Category Other – Mandatory Cost-Share Funds	**EPA**	**Mandatory Cost-Share Funds**
Rebate recipients will cost-share 75% of the cost of replacing diesel vehicles with 2019 or newer engine model year vehicles: • 5 school buses with an average cost of $90,260.67 per bus: Recipient share $67,695.50/bus • 1 transit bus with a cost of $149,995 per bus: Recipient share $112,496.25/bus • 10 tractor trailer trucks with an average cost of $119,042.83 per truck: Recipient share $89,282.12/truck • 6 local freight trucks with an average cost of $141,904.31 per truck: Recipient share $106,428.23/truck • 1 refuse truck with a cost of $339,943 per truck: Recipient share $254,957.25/truck	$0	$2,237,322

Funding Partnerships

Rebate of $35,476.08/truck • 1 refuse truck with a cost of $339,943: Rebate of $84,985.75/truck		

- **Indirect Charges - If indirect charges are budgeted, indicate the approved rate and base.** Indirect costs are those incurred by the grantee for a common or joint purpose that benefit more than one cost objective or project, and are not readily assignable to specific cost objectives or projects as a direct cost. In order for indirect costs to be allowable, the applicant must have a federal or state negotiated indirect cost rate (e.g., fixed, predetermined, final or provisional), or must have submitted a proposal to the cognizant Federal or State agency. Examples of Indirect Cost Rate calculations are shown below:
  - Personnel (Indirect Rate x Personnel = Indirect Costs)
  - Personnel and Fringe (Indirect Rate x Personnel & Fringe = Indirect Costs)
  - Total Direct Costs (Indirect Rate x Total direct costs = Indirect Costs)
  - Direct Costs minus distorting or other factors such as contracts and equipment (Indirect Rate x (total direct cost – distorting factors) = Indirect Costs)

	FY 2021	
Budget Category Indirect Charges	**EPA**	**State or Territory Match (if applicable)**
Approved Indirect Rate at 29.48%	$22,786	$0

Administrative Costs Expense Cap

States and territories must demonstrate that no more than 15% of a state's or territory's total project costs are being used to cover administrative costs as identified in OMB Circular A-87 Appendix B (e.g. personnel, benefits, travel, supplies). Total project costs include the federal share as well as any cost-share provided by the state. However, Regions have the discretion to allow state matching funds to exceed the 15% cap if the state provides justification for unique circumstances. The 15% maximum does not include indirect cost rates or funds assigned to projects, and total cost for the budget period.

	FY 2021	
Budget Category Administrative Costs Expense Cap	**Personnel, Fringe Benefits, Travel, and Supplies**	**15% of EPA Funding ($509,502) and Voluntary Match ($339,668)**
Administrative Costs Expense Cap of 15%	$80,610	$127,376

- **Other - List each item in sufficient detail for EPA to determine the reasonableness and allowability of its cost.** This category should include only those types of direct costs that do not fit in any of the other budget categories. Examples of costs that may be in this category are: insurance, rental/lease of equipment or supplies, equipment service or maintenance contracts, printing or photocopying, participant support costs (i.e., rebates) and subaward costs.

  Subawards (e.g., subgrants) and participant support costs are each a distinct type of cost under this category. The term "subaward" means an award of financial assistance (money or property) by any legal agreement made by the recipient to an eligible subrecipient even if the agreement is referred to as a contract. Rebates, subsidies, and similar one-time, lump-sum payments to program beneficiaries for the purchase of eligible emission control technologies and vehicle replacements are considered to be "participant support costs." Please refer to Appendix A of the DERA State Program Guide for detailed guidance on funding projects and partnerships and how to correctly categorize these costs in the workplan budget, as well as RAIN-2018-G05, "Interim EPA Guidance on Participant Support Costs."

  "Other" does not include procurement purchases, technical assistance in the form of services instead of money, or other assistance in the form of revenue sharing, loans, loan guarantees, interest subsidies, insurance, or direct appropriations. Subcontracts are not subawards and belong in the contractual category. Applicants must provide the aggregate amount they propose to issue as subaward work or participant support costs as a separate line item in the "Other" category, and a description of the types of activities to be supported. Refer to EPA's Subaward Policy and supplemental Frequent Questions for additional guidance.

	FY 2021	
Budget Category Other	**EPA**	**State or Territory Match (if applicable)**
Provide a 25% rebate toward the replacement of: • 5 school buses with an average cost of $90,260.67 per bus: Rebate of $22,565.17/bus • 1 transit bus with a cost of $149,995: Rebate of $37,498.75/bus • 10 tractor trailer trucks with an average cost of $119,042.83 per truck: $29,760.71/truck • 6 local freight trucks with an average cost of $141,904.31 per truck:	$406,106	$339,668

12 days of ground transportation at $50/day	$600	$0
4 in-state airfares at $250/flight	$1000	$0

- **Supplies - "Supplies" means all tangible personal property other than "equipment".** The budget detail should identify categories of supplies to be procured (e.g., laboratory supplies or office supplies). Non-tangible goods and services associated with supplies, such as printing service, photocopy services, and rental costs should be included in the "Other" category.

	FY 2021	
Budget Category Supplies	**EPA**	**State or Territory Match (if applicable)**
Supplies	$0	$0

- **Equipment - Identify each item to be purchased which has an estimated acquisition cost of $5,000 or more per unit and a useful life of more than one year.** Equipment also includes accessories necessary to make the equipment operational. Equipment does not include: (1) equipment planned to be leased/rented, including lease/purchase agreement; or (2) equipment service or maintenance contracts. These types of proposed costs should be included in the "Other" category. Items with a unit cost of less than $5,000 should be categorized as supplies, pursuant to 2 CFR Part 200. The budget detail must include an itemized listing of all equipment proposed under the project.

	FY 2021	
Budget Category Equipment	**EPA**	**State or Territory Match (if applicable)**
Equipment	$0	$0

- **Contractual - Identify each proposed contract and specify its purpose and estimated cost.** Contractual/consultant services are those services to be carried out by an individual or organization, other than the applicant, in the form of a procurement relationship. Leased or rented goods (equipment or supplies) should be included in the "Other" category. The applicant should list the proposed contract activities along with a brief description of the scope of work or services to be provided, proposed duration, and proposed procurement method (competitive or non-competitive), if known.

	FY 2021	
Budget Category Contractual	**EPA**	**State or Territory Match (if applicable)**
Contractual	$0	$0

included in the "Other" category; or (3) effort that is nor directly in support of the proposed project, which may be covered by the organization's negotiated indirect cost rate. The budget detail must identify the personnel category type by Full Time Equivalent (FTE), including percentage of FTE for part-time employees, number of personnel proposed for each category, and the estimated funding amounts.

	FY 2021	
Budget Category Personnel	**EPA**	**State or Territory Match (if applicable)**
Project Manager @ $37.38/hr. x 1,187.21 hrs.	$44,378	$0
Administrative @ $19.19/hr. x 504.12 hrs.	$9,674	$0

- **Fringe Benefits - Identify the percentage used, the basis for its computation, and the types of benefits included**. Fringe benefits are allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages. Fringe benefits include, but are not limited to the cost of leave, employee insurance, pensions and unemployment benefit plans.

	FY 2021	
Budget Category Fringe Benefits	**EPA**	**Budget Category**
Fringe Benefits @ 43% x Personnel (FICA, Life Ins., Workers' Comp., Retirement, Health Ins.)	$23,242	$0

- **Travel - Specify the mileage, per diem, estimated number of trips in-State and out-of-State, number of travelers, and other costs for each type of travel.** Travel may be integral to the purpose of the proposed project (e.g. inspections) or related to proposed project activities (e.g. attendance at meetings). Travel costs do not include: (1) costs for travel of consultants, contractors, consortia members, or other partner organizations, which are included in the "Contractual" category; (2) travel costs for employees of subrecipients under subawards, which are included in the "Other" category.

	FY 2021	
Budget Category Travel	**EPA**	**State or Territory Match (if applicable)**
12 days of in-state per diem at $49/day	$588	$0
12 days of in-state lodging at $94/night	$1,128	$0

Association of Counties, the Association of Idaho Cities, as well as trade groups/associations related to the logging industry, transportation business sector, and construction/concrete/asphalt industries. As fleet managers across sector types have communicated their preference to receive vehicle replacements rebates, DEQ will begin to incorporate this DERA technology in its DERP. This expansion will allow the program to continue attacking the harmful emissions emitted from heavy duty diesel engines manufactured prior to the evolution of the Federal Emission Standards.

This project specifically will assist threatened airsheds and priority areas (as outlined by the EPA) in meeting NAAQs and the requirements of current implementation and maintenance plans. DEQ established and will maintain a close working relationship with the stakeholders on all matters related to the emission reduction efforts.

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BUDGET NARRATIVE

2021 Itemized Project Budget

Budget Category	EPA Allocation	Mandatory Cost-Share	Voluntary Match (if applicable)		Line Total
			VW Mitigation Trust Funds	Other Funds	
1. Personnel	$54,052	$0	$0	$0	$54,052
2. Fringe Benefits	$23,242	$0	$0	$0	$23,242
3. Travel	$3,316	$0	$0	$0	$3,316
4. Equipment	$0	$0	$0	$0	$0
5. Supplies	$0	$0	$0	$0	$0
6. Contractual	$0	$0	$0	$0	$0
7. Other	$406,106	$2,237,3222	$339,668	$0	$2,983,096
8. Total Direct Charges (sum 1-7)	$486,716	$2,237,322	$339,668	$0	$3,063,706
9. Indirect Charges	$22,786	$0	$0	$0	$22,786
10. Total (Indirect + Direct)	$509,502	$2,237,322	$339,668	$0	$3,086,492
11. Program Income	$0	$0	$0	$0	$0

Explanation of Budget Framework

- **Personnel - List all staff positions by title. Give annual salary, percentage of time assigned to the project, and total cost for the budget period.** This category includes only direct costs for the salaries of those individuals who will perform work directly for the project (generally, paid employees of the applicant organization). If the applicant organization is including staff time (in-kind services) as a cost share, this should be included as Personnel costs. Personnel costs do not include: (1) costs for services of consultants, contractors, consortia members, or other partner organizations, which are included in the "Contractual" category; (2) costs for employees of subrecipients under subawards, which are

Provide 25% rebates toward the replacement of 6 local freight trucks.	Provide 25% rebates toward the replacement of 6 local freight trucks.	Lifetime Emission Reductions 8.06 tons of NO_x 0.51 tons of PM 0.64 tons of HC 3.70 tons of CO 279.11 tons of CO_2 Annual gallons of diesel fuel saved = 24,809
Provide 25% rebates toward the replacement of 1 refuse truck.	Provide 25% rebates toward the replacement of 1 refuse truck.	Lifetime Emission Reductions 1.40 tons of NO_x 0.06 tons of PM 0.07 tons of HC 0.45 tons of CO 200.02 tons of CO_2 Annual gallons of diesel fuel saved = 17,785
Coordinate with school districts and Idaho Department of Education	Education & Outreach • Dissemination of project/technology information via DEQ "Clean Air Zone" newsletter and the distribution of pamphlets among the public. • DEQ will participate in Idaho's school bus transportation annual conference to educate bus drivers and school mechanics statewide about the benefits of the DEQ vehicle replacement technologies.	• Increase understanding of implemented technologies. • Widespread adoption of implemented technologies. • Increase student, district, and public awareness of the effects of diesel emissions and how they can be reduced.

SUSTAINABILITY OF THE PROGRAM:

The DEQ has an active Clean Air Zone and Anti-Idling Program designed to encourage Idahoans to turn-off their engines instead of idling. The program has been active since 2004, and the agency continues to increase the number of participating businesses and communities which have joined the Clean Air Zone program. The program actively promotes businesses and municipalities promoting no-idling policies for their employees, fleet-drivers, and posting "Clean Air Zone" and "Turn Off Your Engine" signs to remind drivers of the importance to keep the air clean.

In addition to the stated goals of this project, the DEQ continues to pursue its goal that all school buses in Idaho achieve the cleanest possible diesel requirements to ensure the transportation experience is safer and healthier. An important aspect will be to continue working with school districts which have already received diesel retrofits and monitor how well operation and maintenance requirements are being followed. DEQ's DERP is actively expanding its heavy-duty diesel emission reduction efforts into privately-held industries, as well as municipalities' diesel fleets. DEQ has also focused on outreach efforts with stakeholders including school district transportation staff and ISDE, Division of Student Transportation staff, the Idaho

FY21 will achieve significant reductions in diesel emissions in Idaho through the replacement of 23 vehicles. Based on EPA verified emission lifetime reduction estimation using the Diesel Emission Quantifier, FY 2021vehicle replacements will reduce pollution of nitrogen oxides by 51.27 tons, particulate matter ($PM_{2.5}$) by 3.95 tons, hydrocarbons by 3.93 tons, carbon monoxide by 17.57 tons, and carbon dioxide by 3,028 tons over the lifetime of the vehicles serviced, along with a reduction in fuel usage by 269,128 gallons over the lifetime of the vehicles serviced.

DEQ understands that the actual number of vehicle replacement rebates will differ from those proposed, and will result in a change between this work plan and that which is reported on in the final report.

DEQ is targeting areas in Idaho that have either been designated as non-attainment or Idaho has identified as areas of concern. The WSVNAA, located in Shoshone County, was designated as nonattainment for the 2012 annual PM2.5 NAAQS on December 4, 2014. Shoshone County also includes the Coeur d'Alene Basin Superfund Site. A portion of Franklin County, Logan UT/ID NAA, was designated as nonattainment for the 2006 24-hour PM2.5 NAAQS in 2009. Ada and Canyon Counties have been identified as an area where the population is an area of concern for $PM_{2.5}$ and O_3. Idaho has identified Lemhi County as an area of concern for $PM_{2.5}$. The selected retrofit technologies will reduce particulate matter and ozone precursor emissions in the regions of poor air quality.

FY 2021 Outputs and Outcomes		
Activities	*Outputs*	*Outcomes*
Provide 25% rebates toward the replacement of 5 school buses.	Provide 25% rebates toward the replacement of 5 school buses.	Lifetime Emission Reductions
		2.67 tons of NO_x
		0.26 tons of PM
		0.39 tons of HC
		1.40 tons of CO
		129.62 tons of CO_2
		Annual gallons of diesel fuel saved = 11,522
Provide 25% rebates toward the replacement of 1 transit bus.	Provide 25% rebates toward the replacement of 1 transit bus.	Lifetime Emission Reductions
		2.16 tons of NO_x
		0.04 tons of PM
		0.16 tons of HC
		0.84 tons of CO
		26.60 tons of CO_2
		Annual gallons of diesel fuel saved = 2,364
Provide 25% rebates toward the replacement of 10 tractor trailer trucks.	Provide 25% rebates toward the replacement of 10 tractor trailer trucks.	Lifetime Emission Reductions
		39.97 tons of NO_x
		3.08 tons of PM
		2.67 tons of HC
		11.20 tons of CO
		2,392.28 tons of CO_2
		Annual gallons of diesel fuel saved = 212,647

Health Institute, Shoshone County fared poorly compared to other Idaho counties in health comparisons. Shoshone ranked 42nd out of 42 evaluated Idaho counties when ranked by health factors. These factors included a weighted average of four health measurements (health behaviors – 30%, clinical care – 20%, social and economic environment – 40%, physical environment – 10%). Based on a similar evaluation of health outcomes (length of life – 50% and quality of life – 50%), Shoshone County ranked 40th out of 42 Idaho counties.

The remaining target counties, while not as economically disadvantaged as Shoshone County, do experience poor air quality. The Salmon School District is an area of concern for particulate matter. All of these target counties would benefit from reductions in diesel emissions.

The project targets various areas in Idaho that are currently designated as non-attainment for $PM_{2.5}$ (Franklin and Shoshone Counties). The WSVNAA, located in Shoshone County, was designated as nonattainment for the 2012 annual $PM_{2.5}$ NAAQS on December 4, 2014. This area also includes the Coeur d'Alene Basin Superfund Site. A portion of Franklin County, Logan UT/ID NAA, was designated as nonattainment for the 2006 24-hour $PM_{2.5}$ NAAQS in 2009. These counties are identified by EPA as being part of the 2021 DERA Priority Area List as Nonattainment Areas or Maintenance Areas for National Ambient Air Quality Standards. The 2014 National Air Toxics Assessment identifies areas within Ada and Canyon counties within the 80 to 100th percentile for diesel PM exposure (see figure in Scope of Work section). Idaho has identified Benewah and Lemhi Counties as areas of concern for $PM_{2.5}$. While projects will target these EPA priority and DEQ target counties, DEQ will also consider projects statewide as vehicles fleets are identified.

While DEQ has attempted to secure retrofit participation for retrofitting non-road and on-road equipment with EPA or CARB-verified DPFs and DOCs, the difficult experience we've had securing participation, and response to stakeholder feedback has increased our focus on implementing a vehicle replacement rebate program. With this grant opportunity, DEQ anticipates projects in the freight, municipal, transit, and school bus sectors, with target fleets including Class 8 short-haul logging trucks, short-haul dump/sand/snow plow trucks, delivery trucks, and school district school buses. DEQ analyzed a sample of DEQ's 2021 VW VRP applications for projects eligible under DERA programmatic requirements. For this work plan DEQ provides an analysis which includes replacing 5 school buses, 1 transit bus, 10 tractor trailer trucks, 6 local freight trucks, and 1 refuse vehicle. DEQ understands that the actual vehicles replaced will differ from those proposed in this work plan, and that there will ultimately be a different combination of vehicles replacements reported on in the final report. Using the EPA's Diesel Emission Quantifier the proposed vehicle replacements will result in emission reductions with the following lifetime cost effectiveness.

FY 2021

Pollutant	NO_x	PM	HC	CO	CO_2
Lifetime Total Cost Effectiveness	$58,182/ton	$755,584/ton	$759,414/ton	$169,820/ton	$985/ton

EPA'S STRATEGIC PLAN LINKAGE AND ANTICIPATED OUTCOMES/OUTPUTS:

This alternative scrappage method includes using a large hydraulic shear attached to a large excavator that will essentially cut the engine in half or provide sufficient damage to the engine to render the engine permanently inoperable and not recoverable for reuse. The same process would be used to dismantle the remainder of the vehicle, including the chassis and vehicle frame. As already required, photos of the vehicle, engine label, and vehicle VIN labels will be taken prior to the scrapping process. Photos of the scrapping process and/or after-scrappage photos demonstrating the completed destruction of the vehicles will also be taken.

TIMELINE AND MILESTONES:

FY 2021 Timeline

Task	*Date*
Grant Award	October 2021
Vehicle replacement recruitment	October 2021 – June 2027
Complete Participant Support Cost Agreements	December 2021 – June 2027
PSCA recipients purchase new vehicles, scrap eligible vehicles for replacement, submit projects documentation requirements and rebate requests.	December 2021 – September 2027
DEQ reviews PSCA rebate request documentation to ensure compliance with requirements and terms and conditions.	January 2022 – September 2027
Process payments to contractors	Upon completion of inspections
Reports	Quarterly, submit final within 90 days September 30, 2027

DERA PROGRAMMATIC PRIORITIES:

Historically, the focus of the DEQ's DERP has been to maximize public health benefits, especially by reducing the exposure of children to diesel emissions from school buses. Since DEQ has experienced success in reducing diesel emissions from school buses, the agency is broadening its focus to include construction, city and county, private business, and agricultural equipment. This type of equipment is used in every city and county and usually near populated areas. As an example, the WSVNAA in Shoshone County has a very high incidence of diesel emissions due to the construction equipment used for the Superfund Site. Shoshone County was once the richest in Idaho, and it is now the third poorest county in the state. Over 17% of the population is at or below poverty level. The county unemployment rate in 2014 was 8.7% and underemployment rate was 12.5%.

Unemployment and poverty can be correlated with poor health and toxic environmental exposures. In the 2015 County Health Rankings from the University of Wisconsin Population

The school districts and the private businesses which express interest in purchasing new vehicles through this grant program are informed that they must only identified vehicles which they would not otherwise replace without the funds provided by this grant. DEQ coordinates with each entity to confirm that vehicle replacements associated with normally scheduled attrition are not eligible through this grant opportunity. Each entity will provide a signed Eligibility Statement to be included in the PSCA for participation in the rebate program. The Eligibility Statements provide specific vehicle information (vehicle and engine make, model, year, VIN, odometer, engine specifications, and vehicle registration/licensing number). The statements also include statements confirming that the vehicles proposed for scrappage: are fully operational; have been owned and operated during the two-year period prior to replacement/upgrade; have at least three-years of remaining life at the time of upgrade/replacement; and have accumulated at least 7,000 miles per year during the two-years prior to the upgrade/replacement.

Each entity involved with vehicle replacement is aware of the scrappage requirement associated with receiving grant monies for vehicle replacement and has existing professional contacts with local scrappage facilities which will certify appropriate disposal in concurrence with reimbursement requirements within the timeframe required, including disabling the chassis and cutting a three inch by three inch hole in the engine block.

ROLES AND RESPONSIBILITIES:

Vehicle replacement activities will be coordinated by DEQ in tandem with the DEQ's existing Volkswagen Settlement Vehicle Replacement Rebate Program. DEQ will ensure that all FY 2021 DERA vehicle replacements meet the related DERA terms and conditions and use of funds restrictions.

Entities expressing interest in purchasing new vehicles through this grant program are informed of the early replacement requirement and that only vehicles which they would not otherwise be able to replace without the funds provided by this grant are eligible. DEQ will coordinate with each entity to confirm that vehicle replacements associated with normally scheduled attrition are not eligible through this grant opportunity. Each entity will provide a signed Eligibility Statement as discussed above.

Each entity involved with vehicle replacement is informed of the scrappage requirement associated with receiving grant monies for vehicle replacement. Participants typically either complete these requirements in-house, or utilize existing professional contacts with local scrappage facilities which will certify appropriate disposal in concurrence with reimbursement requirements within the timeframe required, including disabling the chassis and cutting a three inch by three inch hole in the engine block. Each participant will submit Scrappage Certification Statements which will be signed by the vehicle owner and dismantler/scrapping entity. These certifications will provide the following information: vehicle owner's vehicle number, vehicle make, model, year, VIN, odometer; vehicle engine make, model, year, HP, and engine family name or engine serial number. The statement also includes an attestation that the vehicle engine and chassis were permanently disabled using DERA required scrapping methodologies, or those alternate scrappage methodologies previously approved for Idaho DEQ's VRP by EPA.

installing retrofits being covered by the program. A common reason for not accepting retrofits is a negative stigmatism associated with emission control retrofits as having a negative impact of vehicle performance, or an increase in vehicle maintenance. In addition, fleet managers have expressed concerted interest in receiving funds for vehicle replacement rather than vehicle retrofitting. While still targeting the same vehicle sectors that are identified for retrofits, DEQ's goal is to expand the type of eligible projects by funding vehicle replacement projects.

VEHICLES AND TECHNOLOGIES

VEHICLE ELIGIBILITY:

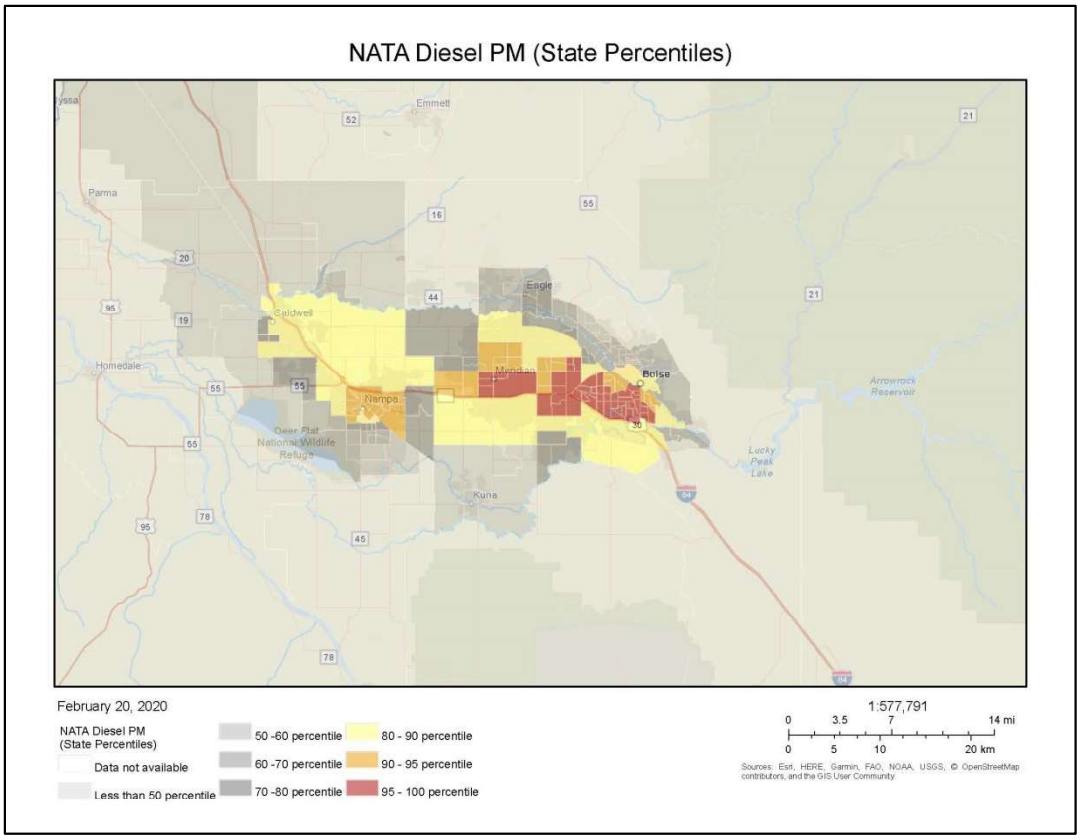
With this grant opportunity, DEQ anticipates projects in the freight, municipal and private on-road construction/maintenance, transit, and school bus sectors, with target fleets including Class 8 short-haul logging trucks, short-haul dump/sand/snow plow trucks, delivery trucks, and school district school buses. DEQ analyzed a sample of DEQ's 2021 VW VRP applications for projects eligible under DERA programmatic requirements. For this work plan DEQ provides an analysis which includes replacing 5 school buses, 1 transit bus, 10 tractor trailer trucks, 6 local freight trucks, and 1 refuse vehicle. The DEQ recognizes that the actual number of vehicle replacements completed will vary with regard to location and vehicle type, and that this variability will result in changes to the emission reductions proposed within this work plan. DEQ proposes to use FY 2021 funds toward replacing 5 school buses, 1 transit bus, 10 tractor trailer trucks, 6 local freight trucks, and 1 refuse vehicle.

The table below provides estimated information based on the proposed vehicles DEQ completed an analysis on for replacement with FY21 grant funds.

FY21 Projects		
Vehicle Type	VIN	Average Engine Model Year
5 School Buses	Information Pending	2003
1 Transit Bus	Information Pending	1998
10 Tractor Trailer Trucks	Information Pending	2005
6 Local Freight Trucks	Information Pending	2002
1 Refuse Vehicle	Information Pending	2001

TECHNOLOGIES:

For this project DEQ's diesel emission reduction program will focus on vehicle replacement projects through Participant Support Cost Agreements. Ownership of all vehicles purchased with vehicle replacement projects will remain with the entities that own the vehicles being replaced. DEQ has an established and successful Vehicle Replacement Program (VRP) associated with the Volkswagen (VW) Environmental Mitigation Settlement; DEQ will model DERA related vehicle replacements based on VW VRP.



The primary sectors of diesel equipment in the state and specific areas of poor air quality are school buses, construction equipment, local freight and highway diesel vehicles, as well as agricultural equipment. Each day in Idaho, 3,000 school buses transport more than 95,000 students. Exposure to diesel exhaust emissions has been shown to decrease lung function, hinder lung development, and increase mortality among those with cardiopulmonary diseases. Diesel fleets are comprised of both private businesses and public government entities.

Since 2005, DEQ has been awarded grants to reduce diesel emissions to protect public health and meet the NAAQS. DEQ receives funding through two primary sources: the EPA DERA and the Congestion Mitigation of Air Quality (CMAQ) programs.

DEQ's Diesel Emission Reduction Program (DERP) gained acceptance among school districts previously discouraged with diesel emission reduction technologies. This was accomplished by DEQ establishing, and continuing to add to, a strong pool of successful diesel retrofit installations. DEQ has also developed a solid rapport with its contractors and pursued outreach efforts with stakeholders including City and County municipalities, private businesses, Idaho farmers, and Idaho State Department of Education transportation staff and school district transportation supervisors and superintendents. To date, through all funding sources, Idaho has applied retrofit technologies to over 1,250 school buses statewide. Heavy duty diesel vehicles are a significant source of pollution statewide.

Despite DEQ's accomplishments retrofitting school buses, the DERP retrofit program recent experience has revealed a reluctance of fleet managers to accept retrofit projects despite the cost

with target fleets including Class 8 short-haul logging trucks, short-haul dump/sand/snow plow trucks, freight delivery trucks, and school district school buses. DEQ analyzed a sample of DEQ's 2019 and 2020 VW VRP applications for projects eligible under DERA programmatic requirements in order to project the types of vehicles we anticipate funding with this grant opportunity. For this work plan DEQ provides an analysis which includes replacing 5 school buses, 1 transit bus, 10 tractor trailer trucks, 6 local freight trucks, and 1 refuse vehicle. The DEQ, however, recognizes that the actual number of vehicle replacements will vary with regard to location and vehicle type, and that this variability will result in changes to the emission reductions proposed within this work plan.

As proposed, these vehicle replacement projects will reduce diesel engine emissions of nitrogen oxides, particulate matter, carbon monoxide, hydrocarbons, and carbon dioxide. Based on EPA verified emission lifetime reduction estimation using the Diesel Emission Quantifier, FY 2021 vehicle replacements will reduce pollution of nitrogen oxides by 51.27 tons, particulate matter ($PM_{2.5}$) by 3.95 tons, hydrocarbons by 3.93 tons, carbon monoxide by 17.57 tons, and carbon dioxide by 3,028 tons over the lifetime of the vehicles serviced, along with a reduction in fuel usage by 269,128 gallons over the lifetime of the vehicles serviced.

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SCOPE OF WORK

STATE/TERRITORY GOALS AND PRIORITIES:

The project targets areas in Idaho that are currently designated as non-attainment for $PM_{2.5}$ (Franklin and Shoshone Counties) and areas that DEQ has identified as areas of concern (i.e., areas that have concentration near the NAAQS) for $PM_{2.5}$, including Ada, Benewah, Canyon, and Lemhi counties. The WSVNAA, located in Shoshone County, was designated as nonattainment for the 2012 annual $PM_{2.5}$ NAAQS on December 4, 2014. This area also includes the Coeur d'Alene Basin Superfund Site. A portion of Franklin County, Logan UT/ID NAA, was designated as nonattainment for the 2006 24-hour $PM_{2.5}$ NAAQS in 2009. Ada County has been identified by EPA as an area where the population is exposed to more than 2.0 $\mu g/m^3$ of diesel $PM_{2.5}$ emissions. The 2014 National Air Toxics Assessment identifies areas within Ada and Canyon counties within the 80 to 100th percentile for diesel PM exposure (see figure below). DEQ has identified Benewah and Lemhi County as an area of concern for $PM_{2.5}$. The selected vehicle replacement technologies will reduce particulate matter emissions and ozone precursor emissions in these regions of poor air quality. DEQ will target projects in these counties. However, DEQ will consider projects statewide as vehicle fleets are identified.

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SUMMARY PAGE

Project Title: FY21 State DERA

Project Manager and Contact Information

Organization Name: Idaho Department of Environmental Quality

Project Manager: G. Michael Brown

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Project Budget Overview:

	2021
EPA Base Allocation	$339,668
EPA Match Bonus (if applicable)	$169,834
Voluntary Matching Funds (if applicable)	$339,668
Mandatory Cost-Share	$2,237,322
TOTAL Project Cost	**$3,086,492**

Project Period

October 1, 2021 – September 30, 2027

Summary Statement

DEQ intends to utilize DERA funding to reduce diesel emissions with a rebate program under the DERA emission reduction solution of vehicle replacement. Applicants will apply for funds by proposing to replace and scrap eligible diesel vehicles with eligible new vehicles. These projects will provide rebates through Participant Support Cost Agreements (PSCAs).

Using the successful model of DEQ's VW Settlement Vehicle Replacement Program (VRP), DEQ proposes to implement a VRP using FY21 DERA grant funding. DEQ's 2019 and 2020 VW VRP allocated over $8 million and over $5 million, respectively, in signed VRP agreements providing rebates for a wide variety of vehicle types throughout Idaho. With this grant opportunity, DEQ anticipates projects in the freight, municipal, transit, and school bus sectors,

2021 Diesel Emissions Reduction Act (DERA) State Grants

Work Plan and Budget Narrative Template

INSTRUCTIONS: States and territories applying for 2021 DERA State Grants should use this template to prepare their Work Plan and Budget Narrative.

Please refer to the 2021 DERA State Grants Program Guide full program details, eligibility criteria and funding restrictions, and application instructions.

ATTACHMENT E

Idaho Department of Environmental Quality
FY 2021 State Clean Diesel Grant Program

ATTACHMENT D

Detailed cost estimate from selected or potential vendors for each proposed expenditure exceeding $25,000

The DEQ's DERP program will provide 25% rebate on the cost of new vehicles. The estimates utilized in the DERA work plan submitted to the EPA are based on the average price of the vehicle replacements identified. Averaging vehicle prices, vehicle model years, and number of fuel gallons used and miles traveled annually is a common practice when estimating emission reductions using the EPA's Diesel Emission Quantifier. Below is a listing of the proposed vehicle purchases and their corresponding prices. Vehicle rebates may represent Trust expenditure greater than or less than $25,000.

Vehicle Category	Vehicle Type	Quantity	Vehicle Cost	Rebate	Participant Cost Share
Class 8 Bus	School Bus	5	$90,260.67	$22,565.17	$67,695.50
Class 8 Bus	Transit Bus	1	$149,995	$37,498.75	$112,496.25
Class 8 Truck	Tractor Trailer	10	$119,042.83	$29,760.61	$119,042.83
Class 8 Truck	Local Freight	6	$141,904.31	$35,476.08	$106,428.23
Class 8 Truck	Refuse Truck	1	$339,943	$84,985.75	$254,957.25

ATTACHMENT C

Detailed Plan for Reporting on Eligible Mitigation Action Implementation (5.2.11)

The DEQ will provide detailed reporting on this funding request under the DERA option in three ways:

1. Timely updates to the DEQ's Volkswagen Diesel Settlement website.
2. Quarterly Reports submitted to the Environmental Protection Agency on the FY21 Clean Diesel State Grant, and
3. Semi-annual reporting to the Trustee as required by subparagraph 5.3 of the Environmental Mitigation Trust for State Beneficiaries.

DEQ Website

The Idaho Department of Environmental Quality maintains a website describing the DEQs activities associated with the Volkswagen Diesel Emissions Environmental Mitigation Trust for State Beneficiaries. The website may be found here: https://www.deq.idaho.gov/air-quality/improving-air-quality/volkswagen-and-diesel-funding/. Information associated with DEQ's VW programs, applications and application guides, as well as a description of the VW Beneficiary Mitigation Plan, and community outreach activities. Copies of funding applications will be posted here, as well as award decisions. This website will also be used to track the status, progress, and results for projects under this funding category.

All application material, reimbursement requests, and required documentation submitted by applicants and funding recipients for the DEQ's DERA program are archived in the DEQ Enterprise Content Management System and are available to the public through the State Online Public Records Request, which may be accessed through the DEQ online form (http://www.deq.idaho.gov/contact-us/public-records-request/online-prr-request-form/).

DERA Quarterly Reports

DEQ has and will continue to submit quarterly report to the EPA on the progress of projects under the 2021 Clean Diesel State Grant (DERA). These reports include technical details of the individual diesel emission reduction projects (vehicles and equipment being replaced as well as the replacement vehicles and equipment), estimates of emissions reductions, project progress and timelines, and financial reporting.

Semi-Annual Reports to the Trustee

As required by subparagraph 5.3 of the Environmental Mitigation Trust Agreement for State Beneficiaries, DEQ will submit a report to the Trustee within 6 months of the first disbursement and thereafter no later than January 30 and July 30 for the preceding 6-month periods. These reports will describe the progress implementing this and any other Eligible Mitigation Action ongoing during the reporting period. These reports will include a summary of all costs expended and a complete description of the status (including the actual or projected termination date), development, implementation, and any modification of the Eligible Mitigation Action. Reports covering the DERA program actions described in this funding request will include the quarterly reports to EPA described above. These semi-annual reports to the Trustee will be posted on the DEQ website for public access.

PROJECT SCHEDULE AND MILESTONES

Milestones	*Date*
DEQ receives award for FY21 State Clean Diesel Program Grant	10/01/2021
Request VW Settlement from Trust to be used as Voluntary Match ($339,668)	05/16/2025
Trustee allocates shares of state funds for approved project	07/16/2025
DEQ opens 60-day Vehicle Replacement Program Application Period	05/30/2025 – 07/30/2025
Lead Agency provides initial funding decisions alerting Project Sponsors of application selection to receive funding.	08/30/2025
Complete Participant Support Cost Agreements	08/30/2025 – 09/30/2025
PSCA recipients purchase new vehicles, scrap eligible vehicles for replacement, submit projects documentation requirements and rebate requests.	09/15/2025 – 09/30/2027
DEQ reviews PSCA rebate request documentation to ensure compliance with requirements and terms and conditions.	09/30/2025 – 09/30/2027
Lead agency reports to trustee within 6-months after receiving disbursement, according to reporting requirements within Section 5.3 of the Environmental Mitigation Trust, and/or upon grant close-out.	01/16/2026
Process rebate payments from EPA and Settlement funds to PSCA recipients for completed vehicle replacement projects.	Through 09/30/2027
EPA Reporting	Quarterly, submit final 90 days after Sept. 30, 2027

	• DEQ will participate in Idaho's school bus transportation annual conference to educate bus drivers and school mechanics statewide about the benefits of the DEQ vehicle replacement technologies.	reduced.

ESTIMATED COST OF EMISSION REDUCTIONS

Pollutant	NO_x	PM	HC	CO	CO_2
Lifetime Total Cost Effectiveness	$58,182/ton	$755,584/ton	$759,414/ton	$169,820/ton	$985/ton

As part of this DERA D4, DEQ is requesting $339,668 for the DERP Contractual Budget Category; activities in this category include the following:

	FY 2021	
Budget Category Other	**EPA**	**State and Vehicle Recipient Match**
Provide a 25% rebate toward the replacement of: • 5 school buses with an average cost of $90,260.67 per bus: Rebate of $22,565.17/bus • 1 transit bus with a cost of $149,995: Rebate of $37,498.75/bus • 10 tractor trailer trucks with an average cost of $119,042.83 per truck: $29,760.71/truck • 6 local freight trucks with an average cost of $141,904.31 per truck: Rebate of $35,476.08/truck • 1 refuse truck with a cost of $339,943: Rebate of $84,985.75/truck	$406,106	$339,668 (Voluntary State Match) $2,237,322 (Vehicle Recipient Match)

ANTICIPATED EMISSION REDUCTIONS

FY 2021 Outputs and Outcomes		
Activities	*Outputs*	*Outcomes*
Provide 25% rebates toward the replacement of 5 school buses.	Provide 25% rebates toward the replacement of 5 school buses.	Lifetime Emission Reductions 2.67 tons of NO_x 0.26 tons of PM 0.39 tons of HC 1.40 tons of CO 129.62 tons of CO_2 Annual gallons of diesel fuel saved = 11,522
Provide 25% rebates toward the replacement of 1 transit bus.	Provide 25% rebates toward the replacement of 1 transit bus.	Lifetime Emission Reductions 2.16 tons of NO_x 0.04 tons of PM 0.16 tons of HC 0.84 tons of CO 26.60 tons of CO_2 Annual gallons of diesel fuel saved = 2,364
Provide 25% rebates toward the replacement of 10 tractor trailer trucks.	Provide 25% rebates toward the replacement of 10 tractor trailer trucks.	Lifetime Emission Reductions 39.97 tons of NO_x 3.08 tons of PM 2.67 tons of HC 11.20 tons of CO 2,392.28 tons of CO_2 Annual gallons of diesel fuel saved = 212,647
Provide 25% rebates toward the replacement of 6 local freight trucks.	Provide 25% rebates toward the replacement of 6 local freight trucks.	Lifetime Emission Reductions 8.06 tons of NO_x 0.51 tons of PM 0.64 tons of HC 3.70 tons of CO 279.11 tons of CO_2 Annual gallons of diesel fuel saved = 24,809
Provide 25% rebates toward the replacement of 1 refuse truck.	Provide 25% rebates toward the replacement of 1 refuse truck.	Lifetime Emission Reductions 1.40 tons of NO_x 0.06 tons of PM 0.07 tons of HC 0.45 tons of CO 200.02 tons of CO_2 Annual gallons of diesel fuel saved = 17,785
Coordinate with school districts and Idaho Department of Education	Education & Outreach • Dissemination of project/technology information via DEQ "Clean Air Zone" newsletter and the distribution of pamphlets among the public.	• Increase understanding of implemented technologies. • Widespread adoption of implemented technologies. • Increase student, district, and public awareness of the effects of diesel emissions and how they can be

ATTACHMENT B

Eligible Mitigation Action Plan including Detailed Budget and Implementation and Expenditures Timeline (5.2.4)

This funding request will provide advance funds to the Idaho Department of Environmental Quality (DEQ), enabling the DEQ to provide funding for recipients of Idaho's Diesel Emission Reduction Program (DERP), funded through the U.S. EPA's FY2021 State Clean Diesel Program. The actions funded under this program are consistent with Eligible Mitigation Action 10 (DERA Option) of the State Trust Agreement, and with the Idaho DEQ's Beneficiary Mitigation Plan, which allocates up to 15% of available funds to DERA projects.

DEQ has elected to fund DERA projects to DERP participants using either federal funds or voluntary state matching funds obtained through the Volkswagen Environmental Mitigation Trust for State Beneficiaries. The projects described here-in are those DERA projects being funded by federal grant and state matching funds from the VW Trust.

PROJECT BUDGET OVERVIEW

Budget Category	EPA Allocation	Mandatory Cost-Share	Voluntary Match (if applicable)		Line Total
			VW Mitigation Trust Funds	Other Funds	
1. Personnel	$54,052	$0	$0	$0	$54,052
2. Fringe Benefits	$23,242	$0	$0	$0	$23,242
3. Travel	$3,316	$0	$0	$0	$3,316
4. Equipment	$0	$0	$0	$0	$0
5. Supplies	$0	$0	$0	$0	$0
6. Contractual	$0	$0	$0	$0	$0
7. Other	$406,106	$2,237,3222	$339,668	$0	$2,983,096
8. Total Direct Charges (sum 1-7)	$486,716	$2,237,322	$339,668	$0	$3,063,706
9. Indirect Charges	$22,786	$0	$0	$0	$22,786
10. Total (Indirect + Direct)	$509,502	$2,237,322	$339,668	$0	$3,086,492
11. Program Income	$0	$0	$0	$0	$0

4. **This application contains all information and certifications required by Paragraph 5.2 of the Trust Agreement, and the Trustee may rely on this application, Attachment A, and related certifications in making disbursements of trust funds for the aforementioned Project ID.**

5. **Any vendors were or will be selected in accordance with a jurisdiction's public contracting law as applicable. (5.2.5)**

6. **Beneficiary will maintain and make publicly available all documentation submitted in support of this funding request and all records supporting all expenditures of eligible mitigation action funds subject to applicable laws governing the publication of confidential business information and personally identifiable information. (5.2.7.2)**

DATED: 11/4/2025

Michael Simon
Air Quality Division Administrator

Idaho Department of Environmental Quality
(Lead Agency)

for

State of Idaho
(Beneficiary)

Describe any cost share requirement to be placed on each NOx source proposed to be mitigated (5.2.8). See attached FY2021 DERA program description and work plan.
Describe how the Beneficiary complied with subparagraph 4.2.8, related to notice to U.S. Government Agencies (5.2.9). Idaho DEQ e-mailed Trust related documentation to recipients specified in subparagraph 4.2.8 on February 13, 2018.
If applicable, describe how the mitigation action will mitigate the impacts of NOx emissions on communities that have historically borne a disproportionate share of the adverse impacts of such emissions (5.2.10). Not Applicable

ATTACHMENTS (CHECK BOX IF ATTACHED)

☒	**Attachment A**	**Funding Request and Direction.**
☒	**Attachment B**	**Eligible Mitigation Action Management Plan Including Detailed Budget and Implementation and Expenditures Timeline (5.2.4).**
☒	**Attachment C**	**Detailed Plan for Reporting on Eligible Mitigation Action Implementation (5.2.11).**
☒	**Attachment D**	**Detailed cost estimates from selected or potential vendors for each proposed expenditure exceeding $25,000 (5.2.6). [Attach only if project involves vendor expenditures exceeding $25,000.]**
☒	**Attachment E**	**DERA Option (5.2.12). [Attach only if using DERA option.]**
☐	**Attachment F**	**Attachment specifying amount of requested funding to be debited against each beneficiary's allocation (5.2.13). [Attach only if this is a joint application involving multiple beneficiaries.]**

CERTIFICATIONS

1. **By submitting this application, the Lead Agency makes the following certifications:**

2. **This application is submitted on behalf of Beneficiary State of Idaho and the person executing this certification has authority to make this certification on behalf of the Lead Agency and Beneficiary, pursuant to the Certification for Beneficiary Status filed with the Court.**

3. **Beneficiary requests and directs that the Trustee make the payments described in this application and Attachment A to this Form.**

(ii) The Idaho DEQ has established a 'Volkswagen Diesel Settlement' website, which may be found at https://www.deq.idaho.gov/air-quality/improving-air-quality/volkswagen-and-diesel-funding/. The website provides information regarding the State Trust Agreement, Idaho's Beneficiary Mitigation Plan, as well as the Idaho specific funding programs available. Documents submitted by Idaho DEQ to the Trustee will be available to the public on the DEQ's VW Settlement website, including those submitted in support of each funding request. Stakeholders may subscribe to the page and receive automatic updates when new information is posted to the website. Information will also be available to the public on the Trustee website at https://www.vwenvironmentalmitigationtrust.com/state-trust/idaho

(iii) In accordance with Sections 74-101 through 74-119, Idaho Code, and IDAPA 58.01.21, Rules Governing the Protection and Disclosure of Records in the Possession of the Idaho Department of Environmental Quality, any information submitted to the Beneficiary may be claimed as confidential by the submitter. It shall be the responsibility of the submitter to give notice of the existence of a claim of confidentiality on each page or other portion of information at the time of submittal, and such person shall have the burden of demonstrating that the information is confidential and exempt from disclosure under Idaho law.

and Lemhi County as an area of concern for PM2.5. The selected vehicle replacement technologies will reduce particulate matter emissions and ozone precursor emissions in these regions of poor air quality. DEQ will target projects in these counties, however, DEQ will also consider projects statewide as vehicle fleets are identified.

Using the successful model of DEQ's VW Settlement Vehicle Replacement Program (VRP), DEQ proposes to implement a VRP using FY21 DERA grant funding. DEQ's 2019 and 2020 VW VRP allocated over $8 million and over $5 million, respectively, in signed VRP agreements providing rebates for a wide variety of vehicle types throughout Idaho. With this grant opportunity, DEQ anticipates projects in the freight, municipal, transit, and school bus sectors, with target fleets including Class 8 short-haul logging trucks, short-haul dump/sand/snow plow trucks, freight delivery trucks, and school district school buses. DEQ analyzed a sample of DEQ's 2019 and 2020 VW VRP applications for projects eligible under DERA programmatic requirements in order to project the types of vehicles we anticipate funding with this grant opportunity. For this work plan DEQ provides an analysis which includes replacing 5 school buses, 1 transit bus, 10 tractor trailer trucks, 6 local freight trucks, and 1 refuse vehicle. The DEQ, however, recognizes that the actual number of vehicle replacements will vary with regard to location and vehicle type, and that this variability will result in changes to the emission reductions proposed within this work plan.

For this project DEQ's diesel emission reduction program will focus on vehicle replacement projects through Participant Support Cost Agreements. Ownership of all vehicles purchased with vehicle replacement projects will remain with the entities that own the vehicles being replaced. DEQ has an established and successful Vehicle Replacement Program (VRP) associated with the Volkswagen (VW) Environmental Mitigation Settlement; DEQ will model DERA related vehicle replacements based on VW VRP while ensuring all DERA terms and conditions and use of funds restrictions are adhered to.

Estimate of Anticipated NOx Reductions (5.2.3):

FY 21 will achieve significant reductions in diesel emissions in Idaho through the replacement of 23 vehicles. Based on EPA verified emission lifetime reduction estimation using the Diesel Emission Quantifier, FY 2021vehicle replacements will reduce pollution of nitrogen oxides by 51.27 tons, particulate matter (PM2.5) by 3.95 tons, hydrocarbons by 3.93 tons, carbon monoxide by 17.57 tons, and carbon dioxide by 3,028 tons over the lifetime of the vehicles serviced, along with a reduction in fuel usage by 269,128 gallons over the lifetime of the vehicles serviced.

The DEQ, however, recognizes that the actual number of vehicle replacements will vary with regard to location and vehicle type, and that this variability will result in changes to the emission reductions proposed within this work plan.

Identification of Governmental Entity Responsible for Reviewing and Auditing Expenditures of Eligible Mitigation Action Funds to Ensure Compliance with Applicable Law (5.2.7.1):

The Idaho Department of Environmental Quality, Air Quality Division

Describe how the Beneficiary will make documentation publicly available (5.2.7.2).

As stated in Paragraph 7 of Idaho's Appendix D-3 filing:
(i) Information obtained by the Beneficiary is subject to public disclosure pursuant to the provisions of Idaho's Public Records Act, Chapter 1, Title 74, Idaho Code, and IDAPA 58.01.21, Rules Governing the Protection and Disclosure of Records in the Possession of the Idaho Department of Environmental Quality.

BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION

Beneficiary: State of Idaho

Lead Agency Authorized to Act on Behalf of the Beneficiary: Idaho Department of Environmental Quality (DEQ) *(Any authorized person with delegation of such authority to direct the Trustee delivered to the Trustee pursuant to a Delegation of Authority and Certificate of Incumbency*)

Action Title:	FY2021 DERA
Beneficiary's Project ID	2021-01
Funding Request No.	05
Request Type: (select one or more)	☐ Reimbursement ☒ Advance ☐ Other (specify):
Payment to be made to (select one or more)	☒ Beneficiary ☐Other (specify)
Funding Request & Direction (Attachment A)	☒ Attached to this certification ☐ To be provided separately

SUMMARY

Eligible Mitigation Action Type	☐ **Appendix D-2 item (specify)**
	☒ **Item 10 – DERA Option (5.2.12) (specify and attach DERA proposal)**

Explanation of how funding request fits into Beneficiary's Mitigation Plan (5.2.1):

As described in Section 4.4 of Idaho's Beneficiary Mitigation Plan, Idaho will use trust funds as Idaho's nonfederal voluntary match for DERA grants.

Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2):

DEQ intends to utilize DERA funding to reduce diesel emissions with a rebate program under the DERA emission reduction solution of vehicle replacement. Applicants will apply for funds by proposing to replace and scrap eligible diesel vehicles with eligible new vehicles. These projects will provide rebates through Participant Support Cost Agreements (PSCAs).

The projects funded under the FY2021 DERA work plan target areas in Idaho that are currently designated as non-attainment for PM2.5 (Franklin and Shoshone Counties) and areas that DEQ has identified as areas of concern (i.e., areas that have concentration near the NAAQS) for PM2.5, including Ada, Benewah, Canyon, and Lemhi counties. The WSVNAA, located in Shoshone County, was designated as nonattainment for the 2012 annual PM2.5 NAAQS on December 4, 2014. This area also includes the Coeur d'Alene Basin Superfund Site. A portion of Franklin County, Logan UT/ID NAA, was designated as nonattainment for the 2006 24-hour PM2.5 NAAQS in 2009. Ada County has been identified by EPA as an area where the population is exposed to more than 2.0 µg/m3 of diesel PM2.5 emissions. The 2014 National Air Toxics Assessment identifies areas within Ada and Canyon counties within the 80 to 100th percentile for diesel PM exposure (see figure below). DEQ has identified Benewah

APPENDIX D-4

Idaho Beneficiary Eligible Mitigation Action Certification

FY2021 DERA

Project ID: 2021-01

November 2025