

National Clean Diesel Campaign- Agriculture Sector Update

Regional Clean Diesel RFAs for FY 06

The National Clean Diesel Campaign has \$5 million this year to grant towards clean diesel projects. These competitions are being run through EPA's regional clean diesel collaboratives. Grant winners will be announced this fall. We expect several clean diesel projects will be awarded in the agricultural sector. For example, the West Coast Diesel Collaborative has allocated \$500,000 for clean diesel grants in the agricultural sector in addition to another \$500,000 allocated for biodiesel projects.

Diesel Emissions Reduction Program- Energy Bill

The Energy Policy Act of 2005 includes provisions for a Diesel Emissions Reduction Program that authorizes more than \$1 billion over 5 years to support clean diesel activities. Current activity includes House appropriations of \$28 million and the Senate at \$20 million. Congress will have a conference committee in September.

In preparation for this rollout, OTAQ is creating several tools to implement this funding assistance opportunity. These include:

- SIP and Conformity emissions credit guidance for diesel retrofits
- Program guidance and model RFA
- Tools for calculating emissions reduction and cost effectiveness

Clean Diesel Funding Forums

EPA and partners will be hosting 3-4 clean diesel funding forums in Chicago, New York and California (city TBD) over the next 3 months to inform stakeholders about clean diesel funding opportunities. Topics to be covered include existing funding opportunities such as DOT's CMAQ program, the Diesel Emissions Reduction Program as mentioned above, DOE's Clean Cities program, State Infrastructure Banks, innovative financing opportunities and others. We welcome the inclusion of information about USDA's Rural Development and EQIP programs.

ULSD Update

Ultra-low sulfur diesel (ULSD) is mandated for highway use in October and will be sold at the retail outlet by no later than October 15th. Implementation is well underway and by June 1st ULSD comprised at least 80% of refinery's highway diesel fuel. Production of ULSD continues to work its way through the distribution system. EPA is working with a multi-stakeholder group called the Clean Diesel Fuel Alliance to facilitate the implementation of ULSD. The Clean Diesel Fuel Alliance has recently released a toll-free number (866-406-3835 or 866-406-FUEL) to handle inquiries related to ULSD. More information can be found at: www.clean-diesel.org

National Ag Meeting

EPA is in the preliminary stages of planning a small meeting of Ag sector stakeholders to discuss the National Clean Diesel Campaign. The meeting will occur mid-late Sept and take place in WDC. Invitations will be sent soon.