



## MassCleanDiesel: Clean Markets Program - Round III

### Massachusetts Department of Environmental Protection

## eTRU Program Guidance

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### Overview

The Massachusetts Department of Environmental Protection (MassDEP) is providing funding in Round III of the MassCleanDiesel: Clean Markets Program for the purchase and installation of diesel emission reduction technologies. The purpose of the Clean Markets Program is to reduce public and worker exposure to diesel emissions, which is associated with difficulty in breathing, exacerbation of asthma, chronic bronchitis, cardiovascular illnesses, and increased emergency room visits. In particular, the International Agency for Research on Cancer (IARC), which is part of the World Health Organization, recently stated that exposure to particulate matter (PM), a primary component of diesel exhaust, is associated with an increased risk of lung cancer.

MassDEP will fund 40% of the cost of electric transportation refrigeration units (eTRUs). This guidance outlines requirements for eTRUs. Eligible applicants for eTRUs in this grant round include owners of detached, stationary trailers with diesel TRUs. All entities must service Massachusetts wholesale markets, warehouses, or distribution centers of perishable foods or flowers.

The total available funding for the MassCleanDiesel: Clean Markets Program is approximately \$820,000 and is provided by the federal Diesel Emissions Reduction Act (DERA) and other sources.

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### Application Deadline

Applications will be accepted on a rolling basis from: **May 10, 2018 – August 17, 2018**. Applicants should submit the completed, signed application: 1) as a Word or PDF document to MassDEP at [james.doucett@state.ma.us](mailto:james.doucett@state.ma.us); or 2) by hardcopy, to:

James Doucett  
Director, Clean Energy Results Program  
MassDEP  
One Winter Street  
Boston, MA 02108

MassDEP will award grants subject to the availability of funds and the quality of the applications received.

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### MassDEP Contact Information

For questions contact James Doucett, Director, Clean Energy Results Program, at (617) 292-5868 or [james.doucett@state.ma.us](mailto:james.doucett@state.ma.us)

## Technologies Offered

The technology being offered under this grant program includes:

- ❖ **Electric Transportation Refrigeration Units (eTRUs):** eTRUs are powered by land-based electricity rather than diesel fuel. eTRUs funded by this program would replace the diesel TRUs currently mounted on detached, semi-stationary, or stationary trailers in active service. By using electricity, the eTRU eliminates diesel fuel use and its associated emissions. Applicants seeking this technology must demonstrate that adequate electrical power to support a funded eTRU either currently exists or will exist on site. In addition, applicants receiving this technology must render the original diesel TRU permanently inoperable (i.e., scrap it) by drilling a three-inch hole in the engine block.<sup>1</sup>

For more information on this technology, see the *MassCleanDiesel: Clean Markets Technology Guide*.

## Funding and Cost-Share Requirements

Table 1 shows the funding levels MassDEP will provide for eTRUs and the TRU owner's cost-share. Grant allocations will cover equipment, installation and mileage.

**Table 1. Program Cost-Share Requirements**

| Technology | Program Financing Structure |                      |
|------------|-----------------------------|----------------------|
|            | MassDEP Grant Funding       | Applicant Cost-Share |
| eTRU       | 40%                         | 60%                  |

MassDEP will **not** fund costs associated with the following:

- Destruction and scrappage of the trailer's existing diesel TRU;
- Installation or upgrade of electrical infrastructure to support eTRUs (see *Technology Guide* for explanation);
- Operation and maintenance costs of the technology; or
- Fees of a third-party consultant or dealer hired by the grant recipient to administer the grant-funded activities, including submission of reports to MassDEP from the grant recipient.

## Applicant Eligibility

Eligible applicants must meet general requirements pertaining to eTRUs.

### **General Requirements**

The following criteria must be met by applicants:

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<sup>1</sup> These services may be offered by the selected eTRU vendor at low cost.

- ✓ **Ownership.** Applicants must own the trailer on which a technology will be installed. *Leased and rented trailers are not eligible for grants.*
- ✓ **Registration.** The trailer upon which the technology is installed must be registered for use in Massachusetts.
- ✓ **Service Area.** The trailer receiving an eTRU must operate at or service a wholesale market, warehouse, or distribution center of perishable food or flowers in Massachusetts.
- ✓ **Length of Ownership.** Applicants must operate and retain the technology and the trailer receiving the technology for a minimum of **three years** after the technology is installed.

MassDEP retains the authority to inspect the trailers and/or eTRUs at any time during the three-year period.

### ***Specific Eligibility Requirements for eTRUs***

The following criteria must be met by applicants for eTRUs:

- ✓ **Diesel TRUs to be Replaced with Electric TRUs must:** 1) operate 500 or more hours a year; and 2) must have 11 or 25 to 49 rated horsepower. Additionally, MassDEP will preferentially replace and scrap model year (MY) 2011 and earlier diesel TRUs since it is more beneficial to the environment to replace the most polluting diesel TRUs rather than the newer MY TRUs that are certified to the highest emission standard.
- ✓ **Eligible Trailers for eTRUs** must be: 1) detached; 2) stationary or semi-stationary; and, 3) be used for the storage of perishable items.
- ✓ **Electrical Service.** Applicants must provide an adequate electrical supply for the eTRU and should be prepared to submit a copy of a written cost estimate by a licensed electrician to install a new or upgrade the company's electricity supply. Costs associated with the installation or upgrade of the on-site electricity supply are not funded by this grant program.
- ✓ **Scrappage.** Applicants must permanently disable the diesel TRU that will be replaced by the electric TRU, either by performing the scrappage themselves or hiring a third-party to perform the work. Applicants that scrap their diesel TRUs must do so in accordance with all environmental regulations and requirements.

## **Vendors**

Applicants must use the vendors under contract with the Commonwealth to supply and install the technologies offered in this program. A list of the vendors is included in the *MassCleanDiesel: Clean Markets Technology Guide* and on the *Contact List for Vendors*. Not all vendors offer the same type of technology. **Due to the complexity of the application, applicants are strongly encouraged to use a pre-qualified technology vendor to help complete the application.** Applicants who do not know which vendor to use should contact MassDEP before submitting an application. MassDEP staff will assign a vendor to the applicant, depending on the applicant's preferred technology.

## Award Process and End-User Agreement

Funding will be competitively awarded based on the applications received. If grant applications exceed available funding, MassDEP will give priority to applicants with fleets operating in or close to areas of high population density, elevated incidences of pediatric asthma, and environmental justice as defined by the Executive Office of Energy and Environmental Affairs.

Following the grant awards, MassDEP will send each grant recipient an End-User Agreement that, upon execution, binds the grant recipient to all applicable federal and state requirements associated with the grant award. *Grant recipients who do not comply with the terms of the End-User Agreement may be subject to enforcement action by MassDEP.*

## Technology Order and Installation Process

After signing the End-User Agreement, grant recipients will work with their technology vendor to complete a Reservation Form. This form will serve as the purchase order for the technology or technologies. The vendor will then coordinate the delivery and installation of the technologies directly with each grant recipient. After completing the installation, the vendor will submit a Payment Form to MassDEP. MassDEP will then send a *Certificate of Installation Form* to the grant recipient, who will confirm that the equipment was received and installed on the trailer.

## Payment Process

Vendors will submit a Payment Form to MassDEP for 40% of the costs of installation of the eTRU. MassDEP will pay the vendor directly for its required portion; the grant recipient will not be involved in this part of the financial transaction. *Since a cost-share is required for eTRUs, vendors will issue an invoice separately to the grant recipient for his or her cost share portion of the technology, including any required state taxes.* The following scenario illustrates this process:

1. **eTRU:** In this scenario the total estimated cost of an eTRU is \$18,000 (\$17,400 for the equipment and \$600 for labor). There are no other costs incurred by the vendor. At a 40% grant funding level for eTRUs, MassDEP would pay the vendor \$7,200 directly. The grant recipient, responsible for the remaining 60% of the eTRU's cost, would pay the remaining amount of \$10,800, plus state sales taxes (on the \$10,800), to the vendor directly; MassDEP would not participate in this part of the transaction.

Until MassDEP approves the vendor's Payment Form, all costs, including equipment, labor and mileage, are estimates.