

**Fiscal Year 2017 Funding
State Clean Diesel Grant Program
Notice of Intent to Participate**

To: EPA Office of Transportation and Air Quality

From: **Alaska**^{1,2} Michael Lamb, Alaska Energy Authority

Re: Notice of Intent to Participate in the Fiscal Year 2017 Diesel Emissions Reduction Act
State Clean Diesel Grant Program

Date: February 24, 2017

GENERAL INFORMATION

The State or Territory of **Alaska** submits this Fiscal Year (FY) 2017 *Notice of Intent to Participate* (Notice) that is due on or before **Friday, February 24, 2017** to CleanDiesel@epa.gov. This Notice identifies plans for submitting an application to receive FY 2017 funding through the DERA State Clean Diesel Grant Program.

Allowable activities are described in the Diesel Emissions Reduction Act of 2010 (DERA), 42 USC 16131 *et seq.* and the FY 2017 State Clean Diesel Grant Program Information Guide. All projects funded with FY 2017 State Clean Diesel Program funds, mandatory cost-share funds, and voluntary state matching funds (as applicable) must meet all funding eligibility requirements described in the Program Information Guide.³ Additionally, states and territories must select projects in accordance with the same statutory priorities as defined in DERA.

States and territories will receive FY 2017 State Clean Diesel Program funds as a new award. In general, any state or territory with an open Program award from FY 2014 - 2016 must ensure that the project period of the FY 2014 - 2016 award ends by September 30, 2017 to receive FY 2017 funding. Requests to extend previous awards and also receive a new award will be evaluated and approved by the EPA Regional program office on a case-by-case basis. Approval is dependent on the status of the project and unexpended funds, the ability to complete the project in 3-6 months, and assurances that completion of the project will not negatively affect the grantee's ability to implement its FY 2017 workplan. States and territories interested in extending prior year awards should inform their regional Project Officer and program contact as soon as possible.

¹ "States" include all fifty U.S. States and the District of Columbia.

² "Territories" include the Commonwealth of Puerto Rico, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, American Samoa, and Guam.

³ EPA will consider, on a case-by-case basis, waiver requests from programmatic terms and conditions. Waivers will only be considered for specific non-threshold or non-statute requirements. States or territories must obtain EPA approval for any waiver request before conducting any work on a project involving a waiver request.

CONTACT INFORMATION – Please fill in the following table.

	<u>Programmatic Contact</u>	<u>Financial Contact</u>
Name:	Rebecca Garrett	Amy Adler
Title:	Project Manager	Finance Controller
Department/Office		
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Phone:	907-771-3042	907-771-3013
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Mailing Address:	813 W. Northern Lights Blvd Anchorage, AK 99503	813 W. Northern Lights Blvd Anchorage, AK 99503

FUNDING ALLOCATION

The State or Territory understands that State Clean Diesel Program funds for FY 2017 will be allocated based on the formula outlined at 42 USC 16133(c). Specifically, if all 50 states, the District of Columbia, Puerto Rico and all eligible territories participate in the State Clean Diesel Program, each state, D.C. and Puerto Rico will receive a base allocation of 1.887 percent of 2/3 of FY 2017 funds appropriated to the DERA State Clean Diesel Program (approximately \$108,340 to \$186,792). Each eligible territory, with the exception of Puerto Rico, will receive a base allocation of 0.472 percent of 2/3 of FY 2017 funds appropriated to the DERA State Clean Diesel Program (approximately \$27,085 to \$46,698). These estimated base amounts may be higher or lower, depending on the number of states, D.C. and territories participating.

Notification of the final amount is expected to occur by approximately Tuesday, May 2, 2017. States (and D.C. and Puerto Rico) that elect to match the entire EPA State Clean Diesel Program funds base amount will be awarded an additional amount (bonus) of approximately \$54,170 to \$93,396. Eligible territories (with the exception of Puerto Rico) that elect to match the entire EPA State Clean Diesel program funds base amount will be awarded an additional amount (bonus) of approximately \$13,542 to \$23,349. If fewer than the 50 states, or D.C. or fewer than the five eligible territories participate in the State Clean Diesel Program, then participating states and territories will receive more than the estimated funding as dictated by the formula detailed at 42 U.S.C. 16133(c)(2)(B). Please note that, in such a circumstance, an increased match amount will be required to receive the bonus funds. As a result of this variability we encourage states and territories to, where feasible, develop flexible work plans that can be applied to these different funding scenarios.

APPLICATION AND WORK PLAN

The State or Territory of Alaska understands that a draft one-year work plan and budget must be submitted to the EPA Regional Office on or before **Friday, April 14, 2017 at 11:59 p.m. Pacific Time**. Final workplans and budgets will be negotiated once EPA notifies the states and territories of their final funding amount. The State or Territory understands that this is a noncompetitive grant program, but that work plans must be approved by EPA, in order for states or territories to receive any potential future funding.

Instructions to create the work plan, budget and any other required forms will be emailed. However, these forms will also be posted on EPA's website at:

www.epa.gov/cleandiesel/clean-diesel-state-allocations

STATUS OF CURRENTLY OPEN STATE CLEAN DIESEL PROGRAM GRANT

1.	Yes X	No 	Does the State or Territory currently have an open FY 2016 or earlier year DERA State Clean Diesel Program grant?
2.	Yes X	No 	Will the State or Territory complete all work and incur all eligible costs for its currently open FY 2016 or earlier year State Clean Diesel Program grant by September 30, 2017?
3.	Yes 	No X	Will the State or Territory request a no-cost time extension for the currently open FY 2016 or earlier year DERA State Clean Diesel Program grant?
4. na	Yes 	No 	If yes to #3, and the State or Territory wishes to participate in the FY 2017 funding, has the State or Territory received approval from the EPA Regional Project Officer to do so?

FY 2017 PARTICIPATION

1.	Yes X	No 	Will the State or Territory accept the State Clean Diesel Program Fiscal Year 2017 funding?
2.	Yes X	No 	Does the State or Territory <u>tentatively</u> plan to match the base funding awarded in its entirety dollar for dollar for the Fiscal Year 2017 State Clean Diesel Grant Program allocation? (States and PR: Base = \$108,340 to \$186,792, Territories: Base = \$27,085 to \$46,698)
3.	Yes X	No 	Does the State or Territory <u>tentatively</u> plan to contribute voluntary funds in excess of the base amount?

SUMMARY OF PROJECT

(Please write a summary of the work that will be funded with FY 2017 funds.)

The Alaska Energy Authority (AEA) will work with two to four rural Alaska communities to replace up to four prime power non-certified generating diesel engines. AEA will match the 2017 grant amount with state and other funding.

AEA will identify up to four non-certified mechanically controlled engines and upgrade them to marine certified Tier 2 and Tier 3 electronically controlled engines, improving the efficiency and lowering emissions.

SOURCE OF MATCHING FUNDS

(If your state or territory is providing non-federal funds to voluntarily match or exceed the EPA Base amount, then please write a summary which explains the source of these matching funds.)

The State of Alaska will fully match the Federal FY2017 Clean Diesel grant amount in order to receive the incentive. These matching funds will be used towards eligible Clean Diesel project costs. The Voluntary Match will come from the Volkswagen Settlement. Mandatory cost-share funds will come from AEA's Rural Power System Upgrade program and/or local community resources. The match funds will be available during the fiscal year 2018 and 2019 as available by appropriation.

State Officer authorized to accept or decline funds.

Signature	 2/23/17
Name (Print)	Michael Lamb
Title	Interim Executive Director
Department/Office	
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Please email your signed form to CleanDiesel@epa.gov.