Diesel Reduction Combined Funding Program Information Session

Diesel Reduction Unit, Air Quality Program
September 14, 2026

Agenda

- Meet the team
- Funding program overview
- Program eligibility
- Funding levels
- Program requirements
- How to apply
- Application evaluation and timelin
- EAGL IGX
- Q&A

Session Guidelines

Questions

- Save questions for the Q&A at the end of the presentation please.
- Tip: Write down your questions as we present.

Engagement

Everyone is welcome to participate.

No product or service promotion.

Diesel Reduction Unit Introductions

Diesel Reduction Team

- Kelly O'Callahan
- Beth Carper

VW Settlement Team

- Mehjabeen Rahman
- Anastasia Dujmovic
- Ivonne Diaz

Unit Supervisor: Pete Siefer

Financial Unit: Rose Bennett, Kelsey Simpson, and Dani Shannon

Who is in the room with us? If you feel comfortable, please share your name and organization in the chat.

Ecology's Diesel Reduction Combined Funding Program

Program Goal: Reduce diesel emissions by replacing or repowering older diesel vehicles/equipment with new all-electric vehicles/equipment

Approximately $18.5 million available*

- Volkswagen settlement program
- State-funded diesel reduction program

*This funding opportunity does not include federal funding.

Program Eligibility

Who can Apply

Organizations registered in Washington State

- Corporations, partnerships, LLCs
- Non-profit organizations
- Investor-owned and contracted municipal utilities

State, local, or Tribal Governments and related entities

- Cities and towns
- State and local parks
- Counties
- Special districts (health, fire, school, etc.)
- Port authorities or public utility districts and municipal utilities
- Air pollution control agencies and clean air agencies

What Vehicles and Equipment are Eligible

On road vehicles, class 4-8, engine model year 1992-2017

- Emergency vehicles
- Local freight vehicles
- Vocational vehicles

Non-road vehicles/equipment

- Forklifts (≥ 8,000 lb. lift capacity)
- Cargo handling equipment
- Yard trucks/terminal tractors

Project Funding Levels

Funding Levels

All-electric vehicle replacements and repowers may receive a grant for 75% of eligible project costs, including charging infrastructure up to the funding level maximum allowed for vehicle/equipment type.

On Road Funding Levels

On road vehicles and infrastructure funding maximum:

- All-electric emergency vehicle: $1,500,000*
- Local freight: $400,000
- Vocational vehicles: $750,000

* Emergency vehicles with auxiliary engines are funded at different levels.

Emergency Vehicles with Auxiliary Engines

Emergency vehicles **with auxiliary engines***

- **Government owned** receive 75% up to $1,500,000 for eligible vehicles costs
- **Non-government owned** receive up to 40% with a maximum of $1,500,000 for eligible vehicle costs

*Not eligible for charging infrastructure funding

Non-Road Funding Levels

Non-road vehicles/equipment and infrastructure funding maximum:

- Medium forklifts (8,000-34,000 lb. lift capacity): $400,000
- Large forklifts (>34,000 lb. lift capacity): $750,000
- Cargo handling equipment: $1,000,000
- Yard trucks/terminal tractors: $400,000

Program Requirements

Funding Requirements

- Subject to Ecology's grant requirements
  - Administrative Requirements for Grants and Loans (Yellow Book)
  - Must meet Washington State procurement requirements
- Recipients must provide matching funding
- Eligible costs are reimbursement-only
- Reimbursement is issued after all required documentation and deliverables are submitted to Ecology

Scrapping Required

Do not scrap the vehicle, equipment, or engine prior to a signed grant agreement with Ecology.

Permanent destruction is required, including:

- Rendering the vehicle inoperable
- Cutting a 3-inch by 3-inch hole in the engine block
- Disabling the chassis by cutting the vehicle's frame rails in half (replacement projects)

Submit: Certificate of destruction and photos

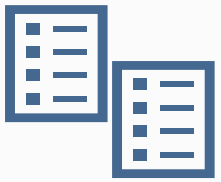
Grant Stacking

- Grant/rebate stacking is allowed.
- Recipients are responsible for adhering to all terms and conditions of all funding sources used.
- Total of all funding may not exceed total project cost
- Purchases and orders placed prior to an executed agreement with Ecology are **not eligible** for grant funding.
- Please reach out to Ecology directly with questions.

How to Apply

Application

All materials must be submitted in the EAGL IGX system.



Each vehicle replacement requires a separate application.

Funding opportunity is dependent on the vehicle being replaced.

Eligible Projects by Funding Opportunity

Vehicle/Equipment Category	Air Quality Volkswagen Settlement Ports and Wheels (AQVWPW-2027)	Air Quality Diesel Reduction (AQDR-2027)
Emergency, freight, and vocational vehicles	Engine model year 1992 -2009	Engine model year 2010-2017
Cargo-handling equipment and yard trucks/terminal tractors	Operated on port	Operated off port
Forklifts	Any location	Not eligible

Each vehicle requires a separate application.

If you plan to submit more than five applications per funding opportunity, contact us. Additional applications must be requested by December 3, 2026.

Required Application Materials

- Project description (goals and outcomes)
- Vehicle fueling infrastructure location
- Site-host agreement (if applicant does not own property for infrastructure installation)
- Completed vehicle/equipment specification sheet (template provided by Ecology)
- Price quotes for replacement vehicle and infrastructure

*Cultural Resources Review (CRR) form and Inadvertent Discovery Plan (IDP) are not required at application

Application Evaluation and Timeline

Screening Criteria

- ☑ The applicant is an eligible applicant.
- ☑ The project is an eligible project. (Refer to guidelines, page 12.)
- ☑ The applicant is not on the Employment Security Washington Call Center Jobs Act List (RCW 50.76.030).

*Applications that fail any of the screening criteria may be disqualified and eliminated.

Scoring

Criteria	Points Available
Diesel pollution exposure and impact	30
Sensitive or vulnerable populations	15
Projects located on land managed by a Tribal Government	20
Average annual fuel consumption	20
Engine model year or tier	15
Maximum Score	100

Award Timeline

Dec. 10, 2026, 5 p.m.

Application closes

March 2027 (anticipated)

Awards offered

May-June 2027 (anticipated)

Grants executed

June 30, 2029

Projects completed

Ecology may consider an extended period of performance for long lead-time projects on a case-by-case basis.

EAGL IGX System

Ecology's Grant Portal: EAGL IGX

- EAGL IGX: System upgrade in 2025
- Attention EAGL IGX new users
  - EAGL IGX account required (can take 5 business days)
  - Statewide Vendor Number and Federal Tax ID required
  - Secure Access Washington (SAW) account required

Resources

Primary grant web pages:

- Volkswagen enforcement action grants
- Diesel reduction grants
- EAGL IGX External Users' Manual
- Administrative Requirements for Recipients of Ecology Grants and Loans (Yellow Book), June 2026

Direct links to guidelines and application instructions:

- Diesel Reduction Combined Funding Program Guidelines
- Diesel Reduction Combined Funding Program Q&A
- AQVWPW-2027 Grant Application Instructions
- AQDR-2027 Grant Application Instructions

Thank you

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