

2016 -- H 8270 SUBSTITUTE A

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LC006082/SUB A
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2016

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A N A C T

RELATING TO MOTOR AND OTHER VEHICLES-CLEAN DIESEL

Introduced By: Representatives Coughlin, Solomon, and Edwards

Date Introduced: May 27, 2016

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 31-47.3 of the General Laws entitled "The Diesel Emissions
2 Reduction Act" is hereby amended by adding thereto the following section:

3 **31-47.3-5.1. Establishment of the Rhode Island clean diesel fund. -- (a) There is**
4 **hereby authorized and created within DEM a Rhode Island clean diesel fund for the purpose of**
5 **reducing emissions from heavy-duty diesel engines operating on state roads and helping**
6 **companies improve supply chain efficiency as described in the United States Environmental**
7 **Protection Agency's SmartWay Program. The clean diesel fund will solicit projects that undertake**
8 **eligible clean diesel measures and award grants from the fund to reimburse applicants for**
9 **undertaking these measures.**

10 **(b) DEM shall promulgate rules and regulations pursuant to chapter 35 of title 42**
11 **containing a list of eligible clean diesel measures which shall include, but not be limited to, the**
12 **following:**

- 13 **(1) Aerodynamic technologies;**
14 **(2) Clean alternative fuel conversions;**
15 **(3) Diesel emission reduction solutions;**
16 **(4) Engine repowers;**
17 **(5) Idle reduction technologies;**
18 **(6) Low rolling resistance tires;**
19 **(7) Vehicle replacements;**

1 (8) Replacement or upgrades of transport refrigeration units or transport refrigeration unit
2 generator sets; and

3 (9) Routine maintenance shown to improve fuel efficiency or decrease emissions
4 including, but not limited to, oil changes and cleaning of diesel particulate filters.

5 (c) Equipment eligible for grant funding must:

6 (1) Be intended for on-road use;

7 (2) Be registered with the Rhode Island division of motor vehicles;

8 (3) Be kept or garaged in Rhode Island as indicated on the vehicle registration issued by
9 the division of motor vehicles;

10 (4) Have been certified to DEM that fifty percent (50%) or more of vehicle miles
11 traveled, or hours of operation, shall be projected to be in Rhode Island for at least five (5) years
12 following the grant award; and

13 (5) Meet any other criteria established in DEM rules and regulations promulgated by
14 DEM pursuant to Chapter 35 of title 42.

15 (d) Administrative costs. - The cost of administration and outreach by DEM shall not in
16 any year exceed two hundred thousand dollars (\$200,000) or ten percent (10%) of the fund
17 appropriation, whichever is greater.

18 (e) Project priority list. - DEM shall promulgate rules and regulations pursuant to chapter
19 35 of title 42 that contain a project priority list for the Rhode Island clean diesel fund and the
20 process through which an eligible applicant may submit an application for inclusion of a project
21 on the project priority list. Upon issuance of the project priority list by DEM, the project priority
22 list shall be used by DEM to determine the order in which grants shall be awarded.

23 (f) Awarding of grants. - DEM shall only award grant funds after verifying that the
24 eligible measures outlined in the application have been implemented successfully by the
25 applicant. If the final invoice price of an eligible measure is less than the initial quoted price, the
26 grant award shall be reduced accordingly. Grants shall not be awarded to aid in compliance with
27 existing mandates in state or federal law.

28 (g) Grant amounts. - For each eligible measure implemented by the applicant, DEM shall
29 only issue grants for up to fifty percent (50%) of the total project cost. DEM shall promulgate
30 rules and regulations pursuant to chapter 35 of title 42 that set the exact reimbursement amount
31 for each eligible measure. The total project cost shall include both the material and labor needed
32 to implement each eligible measure. No one applicant shall be awarded more than twenty-five
33 percent (25%) of the grant funds appropriated during a given fiscal year, provided that the total
34 grants requested exceed the amount appropriated. If the total amount of grants requested is less

1 than the amount appropriated in a given fiscal year, DEM may allocate more than twenty-five
2 percent (25%) of the fund to one applicant.

3 (h) Vehicle replacements. - For projects that propose to replace vehicles, the following
4 conditions shall be met:

5 (1) The applicant shall replace an older vehicle with a newer vehicle certified to more
6 stringent emissions standards than the engine or vehicle being replaced;

7 (2) The vehicle being replaced is a model year at least ten (10) years old;

8 (3) The vehicle being replaced has a gross vehicle weight rating of thirty-three thousand
9 one pounds (33,001 lbs.) or greater;

10 (4) The replacement vehicle purchased by the applicant is a model year no more than
11 three (3) years old;

12 (5) The replacement vehicle has a gross vehicle weight rating of thirty-three thousand one
13 pounds (33,001 lbs.) or greater;

14 (6) The replacement vehicle must be operable with remaining useful life as defined in
15 rules and regulations promulgated by DEM pursuant to chapter 35 of title 42.

16 (7) The engine of the vehicle being replaced must be scrapped or otherwise rendered
17 inoperable in a manner consistent with rules and regulations promulgated by DEM pursuant to
18 chapter 35 of title 42;

19 (8) The amount of funding requested must contain the sale price of the vehicle, not
20 including any interest or other finance charges; and

21 (9) A vehicle purchased on a lease must be operated for the life of the project, with the
22 life of the project being included in the application approved by DEM.

23 (i) Transport refrigeration unit replacement. - For projects that propose to replace or
24 upgrade transport refrigeration units or transport refrigeration unit generator sets, the following
25 conditions shall be met:

26 (1) The transport refrigeration unit or transport refrigeration unit generator set being
27 replaced or upgraded is powered by a diesel engine;

28 (2) The transport refrigeration unit or transport refrigeration unit generator set being
29 replaced or upgraded is being used on a vehicle with a gross vehicle weight rating of thirty-three
30 thousand one pounds (33,001 lbs.) or greater;

31 (3) The replacement or upgraded transport refrigeration unit or transport refrigeration unit
32 generator set produces fewer emissions than the equipment being replaced or upgraded; and

33 (4) The replacement or upgraded transport refrigeration unit or transport refrigeration unit
34 generator set meets emission criteria established by DEM in rules and regulations promulgated by

1 DEM pursuant to chapter 35 of title 42.

2 (i) Reporting. - Projects receiving grant funding from DEM shall be subject to any
3 reporting and data collection requirement specified in DEM rules and regulations promulgated by
4 DEM pursuant to chapter 35 of title 42.

5 (j) Penalties. - Applicants awarded funds under this program may be penalized for
6 breaching the terms of their grant award or for other project non-performance through the:

7 (1) Cancellation of the grant award;

8 (2) Recovery of all or a portion of the grant award;

9 (3) Other fiscal penalties on an applicant based on the severity of non-performance and as
10 specified in rules and regulations promulgated by DEM pursuant to chapter 35 of title 42; or

11 (4) Prohibiting an applicant or a specific vehicle from participating in the program in the
12 future.

13 (k) Appropriation. - The general assembly shall annually appropriate such funds as it
14 deems appropriate for this program.

15 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO MOTOR AND OTHER VEHICLES-CLEAN DIESEL

1 This act would authorize the creation of a clean diesel fund within the department of
2 environmental management for the purpose of reducing emissions from heavy duty diesel engines
3 and helping companies improve supply chain efficiency.

4 The act would take effect upon passage.

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