

**MICHELLE LUJAN GRISHAM, GOVERNOR**

James C. Kenney, Cabinet Secretary

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The Environment Department's mission is to protect and restore the environment and to foster a healthy and prosperous New Mexico for present and future generations.

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New Mexico Environment Department announces over \$7.6 million in funding opportunities for transportation sector emission reduction projects

New round of Volkswagen Settlement funding and Diesel Emission Reduction Act Grant funding prioritizing hydrogen fueled vehicles and hydrogen production projects

SANTA FE — The New Mexico Environment Department (NMED) today announced two new funding opportunities to replace pollution emitting diesel-fueled vehicles, engines, and equipment. The funding is available through the Volkswagen (VW) Settlement and the Clean Diesel Program funded through the U.S. Environmental Protection Agency Diesel Emission Reduction Act (DERA).

Applications for VW Settlement and DERA funding will be accepted from Dec. 3, 2021 through March 15, 2022.

“Leaders around the world acknowledge the enormous potential that clean hydrogen holds for our economy and for our environment,” said Gov. Michelle Lujan Grisham. “But the time for action is now, and my administration is committed to fostering a clean hydrogen economy that carries New Mexico to net zero by 2050.”

Approximately \$7.3 million from the VW Settlement has been designated for diesel emission reduction projects throughout New Mexico, with a preference for hydrogen fuel cell engine and vehicle replacements. Eligible projects include the repowering or replacement of Class 8 local freight trucks and drayage trucks; Class 4 – 8 school buses, shuttle buses, or transit buses; freight switcher locomotives; and Class 4 – 7 local freight trucks.

The DERA grant opportunity provides approximately \$377,000 in available funding this application period. Eligible projects include idle reduction technologies, aerodynamic technologies, and the retrofit or replacement of diesel vehicles and equipment throughout the state. Eligible vehicles include school buses and municipal fleets (city buses, refuse vehicles, heavy duty equipment, etc.), commercial transportation vehicles (e.g., freight and haul trucks), and non-road equipment (agricultural and construction machinery, marine applications, etc.). NMED will give preference to projects utilizing hydrogen fuel cell technology, including certified engine replacements and certified/verified vehicle and equipment replacements. Hydrogen fuel cells are an option for eligible urban transit buses, drayage trucks, shuttle buses, terminal tractors/yard hostler, stationary generators and forklifts.

“Hydrogen fuel cells do not emit greenhouse gases, contribute to ozone formation (smog) or emit other pollutants that cause respiratory health problems,” said NMED Cabinet Secretary James Kenney. “We look forward to receiving innovative project proposals that further our thriving clean energy economy across the state.”

The VW Settlement Beneficiary Mitigation Plan, qualifying project information and the application for project funding are available online at: <https://www.env.nm.gov/air-quality/vw-settlement/>. Information about the Clean Diesel Program and the application for DERA funding are available online at <https://www.env.nm.gov/air-quality/diesel/>. For questions about either funding opportunity, contact Neal Butt at (505) 629-2972 or by e-mail at neal.butt@state.nm.us

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