

**MICHELLE LUJAN GRISHAM, GOVERNOR**

James C. Kenney, Cabinet Secretary

NEWS RELEASE*For Immediate Release***December 27, 2022**

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.

Contact: Matthew Maez, Communications Director
New Mexico Environment Department
505.670.8911 | matthew.maez@env.nm.gov

New Mexico Environment Department announces funding opportunity and workshop for diesel emission reduction projects

New round of DERA Grant funding available to applicants in early 2023

SANTA FE — The New Mexico Environment Department (NMED) announced an opportunity for grant funding through the New Mexico Clean Diesel Program, funded through the U.S. Environmental Protection Agency (EPA) Diesel Emission Reduction Act (DERA). NMED invites universities, private organizations, non-profit organizations, businesses, and any county, city, local or tribal government in New Mexico to submit applications for this program. Approximately \$1,306,463 in funding is available through this grant opportunity.

Applications for this funding period will be accepted beginning on February 1, 2023, and continue through the end of the calendar year, or until the grant funding is exhausted, whichever comes first. Applications will be evaluated, and successful applicants will be awarded funds on a first-come first-served basis. Completed applications should be sent to neal.butt@env.nm.gov.

NMED will host a virtual workshop to provide information to potential applicants on the DERA Program and how to apply for funding on January 9, 2023, from 11:00 a.m. to 12:30 p.m. via WebEx. Detailed information about the workshop is available on the [NMED events calendar](#).

NMED is soliciting proposals for DERA projects that reduce emissions from heavy-duty diesel-fueled vehicles. Eligible projects include, but are not limited to, idle reduction technologies, aerodynamic technologies, and the retrofit or replacement of diesel vehicles and equipment throughout the state. Eligible diesel vehicles, engines and equipment include buses (school and Class 5+ transit); Class 5 – Class 8 heavy-duty highway vehicles (e.g., refuse, commercial transportation); marine engines; locomotives; and nonroad engines, equipment, or vehicles such as those used in construction, handling of cargo (including at airports), agriculture, mining, or energy production (including stationary generators and pumps).

The grant funds are to be used for the purchase and installation of EPA or California Air Resources Board (CARB) verified/certified technologies or vehicle, engine, or equipment replacement utilizing a zero-tailpipe emissions power source, in accordance with DERA funding guidelines.

As part of the effort undertaken by the Governor and the State of New Mexico to develop a portfolio of clean energy solutions including solar, wind, geothermal and hydrogen, NMED is encouraging applications for hydrogen fuel cell projects. Preference will be given to projects utilizing hydrogen fuel cell technology. The two options for hydrogen projects under DERA include:

- Certified engine replacements - Hydrogen fuel cells are an option for engine replacements for eligible urban transit buses and drayage trucks; and,
- Certified/Verified vehicle and equipment replacements – hydrogen fuel cell vehicles and equipment are eligible as replacements for eligible transit buses, shuttle buses, drayage trucks, terminal tractors/yard hostler, stationary generators and forklifts.

While applications for projects from the entire state will be accepted, special consideration will be given to projects near and adjacent to Clean Air Act non-attainment or Class I areas, areas subject to a high volume of diesel-fueled vehicles, and economically disadvantaged areas.

The DERA grant program benefits New Mexicans by financing projects that reduce harmful emissions and improve air quality throughout the state. The New Mexico Environment Department provides financing in the forms of grants and loans to the public and private sector to improve air quality, ensure safe and healthy drinking water and clean-up solid and hazardous wastes. The DERA grant program will further the department's goal of investing \$65,000,000 in New Mexico communities this fiscal year. This is one of the economic performance measures discussed in [NMED's Quarterly Performance Assessment Report](#).

NMED staff are available to assist additional New Mexico businesses and organizations while improving air quality and public health in the state. If you are interested in receiving DERA funding, contact the Air Quality Bureau at 505-476-4300 or visit <https://www.env.nm.gov/air-quality/diesel>.

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