

2024 Clean Diesel Rebate Program

Diesel School Bus Rebate Application Instructions

The Nebraska Department of Environment and Energy (NDEE) Clean Diesel Rebate Program is offering rebates to replace older diesel school buses with cleaner buses powered by a diesel, gasoline, or Low-NOx propane engine with engine model year 2021 or newer. To ensure emissions reductions are achieved through this program, each bus being replaced must be permanently disabled and scrapped. Funding for this year's program is made possible by the U.S. Environmental Protection Agency's State Clean Diesel Grant program. A school district or system may apply to replace one school bus.

NDEE will reimburse:

- 35% of the base purchase cost of a new or used school bus powered by a propane engine certified to meet 2021 or later California Air Resources Board (CARB) Optional Low-NOx Standards (see below). The maximum rebate amount is \$49,000.
- 25% of the base purchase cost of a new or used school bus powered by a diesel or gasoline engine certified to meet 2021 or later EPA or CARB emissions standards. The maximum rebate amount is \$31,000.

The school bus owner is responsible for the remainder of the purchase price (mandatory cost-share). No other federal grant funds may be used to cover any portion of the mandatory cost-share. *Applicants should secure approval for this expense from their school board during the application process and submit a Letter of Commitment with the application so that, if selected, the district is able to proceed with the project as soon as a project agreement is completed.*

NDEE anticipates awarding rebates for eleven (11) diesel or gasoline replacement buses and one (1) Low-NOx propane replacement bus. NDEE will determine the number and type of school bus rebates to award after evaluating applications for all Nebraska Clean Diesel programs.

WHO IS ELIGIBLE?

- Any Nebraska public or private school district or school system that offers primary or secondary education.
- Companies that own buses and have a current agreement with school districts/systems are also eligible to apply if they are either headquartered or have an operational base office in Nebraska.
- Each applicant may submit only one application to replace one bus.
- Previous recipients of school bus rebates through NDEE are eligible to apply, but preference will be given to schools that are not previous recipients.

VEHICLES ELIGIBLE FOR REPLACEMENT

- An operational diesel-powered school bus (Type A, B, C, or D) with engine model year 2009 or older may be replaced by a diesel, gasoline, or Low-NOx propane bus. A bus with engine model year 2010 or newer may only be replaced by a Low-NOx propane bus.
- The bus must have driven at least 7,000 miles each year during the previous two calendar years; mileage documentation is required with the application.
- The bus must be used currently to transport students to and from school or school-related activities.
- The applicant must certify that they have owned and operated the bus to be replaced during two full years prior to the date of submission of the application.
- The bus must have at least three years of remaining life at the time of the application (as estimated by the owner based on age, usage, and condition).

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ELIGIBLE REPLACEMENT BUSES

- New or used buses with propane-fueled engines (engine model year 2021 or newer) certified to meet CARB's Optional Low-NOx Standards of 0.1 g/bhp-hr, 0.05 g/bhp-hr, or 0.02 g/bhp-hr NOx.
- New or used buses with diesel or gasoline engines (engine model year 2021 or newer) certified to meet EPA emissions standards.
- The replacement bus must resemble the replaced bus in form and function.
- The replacement school bus must be in the same or lower Gross Vehicle Weight Rating (GVWR) class as the existing bus. **GVWR Class 4** = 14,001 to 16,000 lbs, **Class 5** = 16,001 to 19,500 lbs, **Class 6** = 19,501 to 26,000 lbs, **Class 7** = 26,001 to 33,000 lbs, **Class 8** >= 33,001 lbs.

OTHER REQUIREMENTS:

- A replacement bus cannot be used to expand the applicant's current fleet but must replace a bus that is currently in use. The replaced bus must be disabled (scrapped) within 90 days of replacement.
- Applicants have owned the bus for at least two years prior to the application and must submit documentation of usage and annual mileage for that period.
- One bid or quote for the replacement bus must be submitted with the application.
- If selected for an award, the rebate recipient must maintain ownership of the bus for at least five years from the date of purchase and continue to operate it in Nebraska. If a new bus is sold before the end of the five-year period, moved out of state, or used for purposes other than specified under this program, the rebate recipient must notify NDEE and may be required to return up to the full amount of the rebate to NDEE. The amount required to be returned is at the discretion of NDEE and will be determined on a case-by-case basis.
- Recipients may be required to file annual reports of mileage and fuel use for the duration of the agreement.

APPLICATION PROCESS AND TIMELINE:

To qualify for a Clean Diesel rebate, submit the attached Application Form and the supporting documents listed in the Application Materials Checklist before **5:00 pm on July 25, 2025**. Only **one application per applicant** will be accepted.

Applications will only be accepted if complete and received in the NDEE Lincoln office on or before 5:00 pm Friday, July 25, 2025.

APPLICATION MATERIALS CHECKLIST

Use the following checklist to ensure you have submitted all required materials with your application. A complete application will include all the documents listed below.

- ☐ Completed and signed application form.
- ☐ Completed Cost-Share Commitment Letter
- ☐ Photocopy of the Nebraska vehicle registration for the bus being replaced.
- ☐ Photocopy of the title of the bus being replaced.
- ☐ Documentation of usage and annual mileage for the previous two years (e.g. maintenance records showing odometer readings).
- ☐ Photograph of the bus (side profile) being replaced showing the vehicle unit number.
- ☐ One bid or price quote for the replacement bus, including estimated delivery dates.
- ☐ Photograph of the diesel engine emissions label showing the EPA Engine Family (see below).

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DIESEL ENGINE EMISSIONS LABEL AND EPA ENGINE FAMILY:

NDEE's grant from EPA requires documentation of the engine model year of the vehicle to be replaced. The EPA Engine Family is a 12-character (letters and numbers) identifier assigned when a diesel engine model is certified in compliance with EPA emission standards. The first character in the EPA Engine Family identifier is a code for the model year of the engine. Some examples of diesel engine emission labels showing the EPA Engine Family are shown below.



Engine No. 46923540	Ref. No. 00115244	MODEL ISB 220	Fuel Rate at adv. HP	106 mm ³ stroke	CPL 3238
Idle Speed (rpm) 750	Advertised HP 220 at 2300 rpm	Family 8CEXH0408BAF	FEL	EPA	CARB
Firing Order 1 5 3 6 2 4	Timing - T.D.C.	Catalyst No.	NOx	1.75	1.75
Valve lash cold 0.010 Int. 0.026 Exh.	C.I.D./L 409 /6.7	E.C.S. PCM, EGR	PM	0.01	0.01

IMPORTANT ENGINE INFORMATION: This engine conforms to US EPA and California regulations applicable to 2008 model year new heavy duty engines. This engine is certified to operate on diesel fuel. This engine has a primary intended service application as a medium heavy duty engine.

INTERNATIONAL TRUCK AND ENGINE CORPORATION			
MODEL YEAR MODÈLE	2004	MODEL MODÈLE	D210
ADV. BHP @ RPM PUISS. NOM. À TR/MIN	210 @ 2300	ENGINE FAMILY FAMILLE DE MOTEUR	DT 466
LB-FT TORO. @ RPM COUPLE LB-PI À TR/MIN	520 @ 1400	DISPLACEMENT : CYLINDRÉE :	466 in ³ 7.6 L
EMISSION FAMILY		4NVXH0466AEA	

If the engine emissions label is missing or illegible, applicants should provide the engine serial number to the engine manufacturer or the bus dealer to obtain written confirmation of the engine model year and submit that manufacturer's confirmation with their application.

SELECTION OF RECIPIENTS

If the number of complete, eligible applications is greater than the number of available rebates, rebate recipients will be drawn by lottery. Each applicant that has not received a previous school bus rebate will have two entries in the drawing, while each previous rebate recipient will have one entry in the drawing.

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Applicant names will be drawn and placed in corresponding order (omitting duplications) until the number of available rebates is reached. The remaining applicant names will be drawn and placed in order on an alternate list. If an applicant on the rebate list withdraws, funds will be offered to the next applicant on the alternate list.

REBATE ACCEPTANCE:

1. All rebate recipients must sign an agreement with NDEE. ***The replacement bus cannot be ordered or purchased until the signed agreement is on file at NDEE. The date of the purchase order cannot pre-date the signing date of the agreement.***
2. After NDEE has received the signed agreement, the applicant will be notified that they can complete the ordering and purchase of the new bus.

REIMBURSEMENT TIMELINE: By **August 31, 2026**, the selectee should have completed the following:

1. Accept delivery of the new bus
2. Scrap the old bus in accordance with the program requirements listed below
3. Submit the Request for Reimbursement Form, Certification of Engine/Chassis Destruction form, and all required supporting documentation after the new bus has been purchased and received.
4. Project extensions may be available if the replacement bus cannot be delivered by August 31, 2026.

When the reimbursement documents have been received, NDEE may perform an inspection. After the documents have been reviewed and approved, NDEE will issue the rebate funds.

Scrappage:

The old bus being replaced must be scrapped (permanently disabled) within 90 days of replacement and prior to submission of the reimbursement request to NDEE. Scrappage consists of:

1. Cutting, drilling, or punching a 3" by 3" hole through the wall of the engine block.
2. Cutting completely through the chassis frame rails on either side between the front and rear axles.

SUBMITTING THE APPLICATION

Only signed and dated original applications received by mail or e-mail at the address below will be accepted. Rebate applications cannot be submitted by fax. **The application deadline is 5:00 pm July 25, 2025. Applications received or incomplete after that deadline will not be eligible.** The department is not responsible for any applications that are delayed or lost in the mail. Applicants will receive an e-mail confirming NDEE's receipt of the application. It is the applicant's responsibility to ensure that their application was received by the Department by the respective deadline.

Mail or e-mail application to:

Nebraska Clean Diesel Rebate Program
Nebraska Department of Environment and Energy
245 Fallbrook Blvd., Suite 100
Lincoln NE 68509-8922
NDEE.AirGrants@Nebraska.gov

Questions? Email us at NDEE.AirGrants@nebraska.gov