



**WorkClean**  
Diesel Modernization Program

Old Diesel to Clean Diesel or Electric



# The 2025 Regional Greenhouse Gas Initiative (RGGI) Funding: An Overview



January 2025

In a continuing effort to reduce diesel emissions and mitigate climate change, the New Jersey Department of Environmental Protection (NJDEP) is offering another round of funding to replace medium- and heavy-duty (MDHD) diesel vehicles with electric. Leveraging proceeds from New Jersey's participation in the Regional Greenhouse Gas Initiative (RGGI), this solicitation will spend \$35 million on local government vehicle electrification projects.

**Project proposals are first-come, first-served.**

## Project Eligibility

- Local government vehicles including but not limited to: shuttles, transit buses, garbage trucks, dump trucks, and small Type A/B school buses. Type C/D school buses will be funded by the Electric School Bus program, which is expected to be open for funding in Spring of 2025.
- Vehicle(s) being replaced must be decommissioned. Photographic proof of decommissioning must be submitted to the DEP, including: photos of a 3" x 3" hole in the engine block, the chassis cut in half, a clear photo of the VIN and Engine Data Plate, and more.
- The funded vehicles will be required to have a state-supplied telematic device installed for a period of three (3) years.
- This is a reimbursement program. Projects are eligible for advance payments, but final payments will not be disbursed until all vehicles/equipment are delivered and operable and proof of decommission of old vehicles/equipment has been submitted.
- Awards will be flat incentive amounts based on vehicle type and class. Additional incentive amounts are available for overburdened communities (OBC) and small governments. The amounts are designed to reflect the approximate incremental cost between a new electric vehicle and a new diesel vehicle plus the cost of a charging station.

Local government projects are also eligible for the NJ Board of Public Utilities' (BPU's) Clean Fleet Program; visit their website for information and to apply.

- Utility "make-ready" cost incentives for L2 and Direct Current Fast Chargers (DCFCs) are stackable with DEP's RGGI incentive.
- DCFC incentives are not stackable but may result in a higher incentive amount through BPU's Clean Fleet Program.
- Vehicle and L2 charger incentives are not stackable.



**Questions? Email [StopTheSoot@dep.nj.gov](mailto:StopTheSoot@dep.nj.gov) with "Local Government Electrification" in the subject line.**

# Incentive Amounts & Vehicle Classification Tables

## Table 1: RGGI Incentive Amounts

Vehicle Type	GVWR Class	GVWR lbs	Incentive Amount			
			Base (non OBC/SB/SG)	OBC	SB/SG	SB/SG & OBC
Non-Passenger	2B-3	8,501-14,000 lbs	\$15,000	\$27,000	\$44,000	\$56,000
	4-6	14,001-26,000 lbs	\$100,000	\$117,000	\$144,000	\$161,000
	7	26,001-33,000 lbs	\$180,000	\$201,000	\$232,000	\$253,000
	8	33,001+ lbs	\$305,000	\$335,000	\$381,000	\$411,000
Passenger Bus or Van	2B-3	8,501-14,000 lbs	\$15,000	\$27,000	N/A	N/A
	4-6	14,001-26,000 lbs	\$160,000	\$177,000	N/A	N/A
	7 or 8	26,001+ lbs	\$270,000	\$300,000	N/A	N/A

\*Incentive Includes L2 charging station. Add up to \$20,000 for DCFC station.

**RGGI**– Regional Greenhouse Gas Initiative

**GVWR**– Gross Vehicle Weight Rating

**OBC**– Overburdened Community

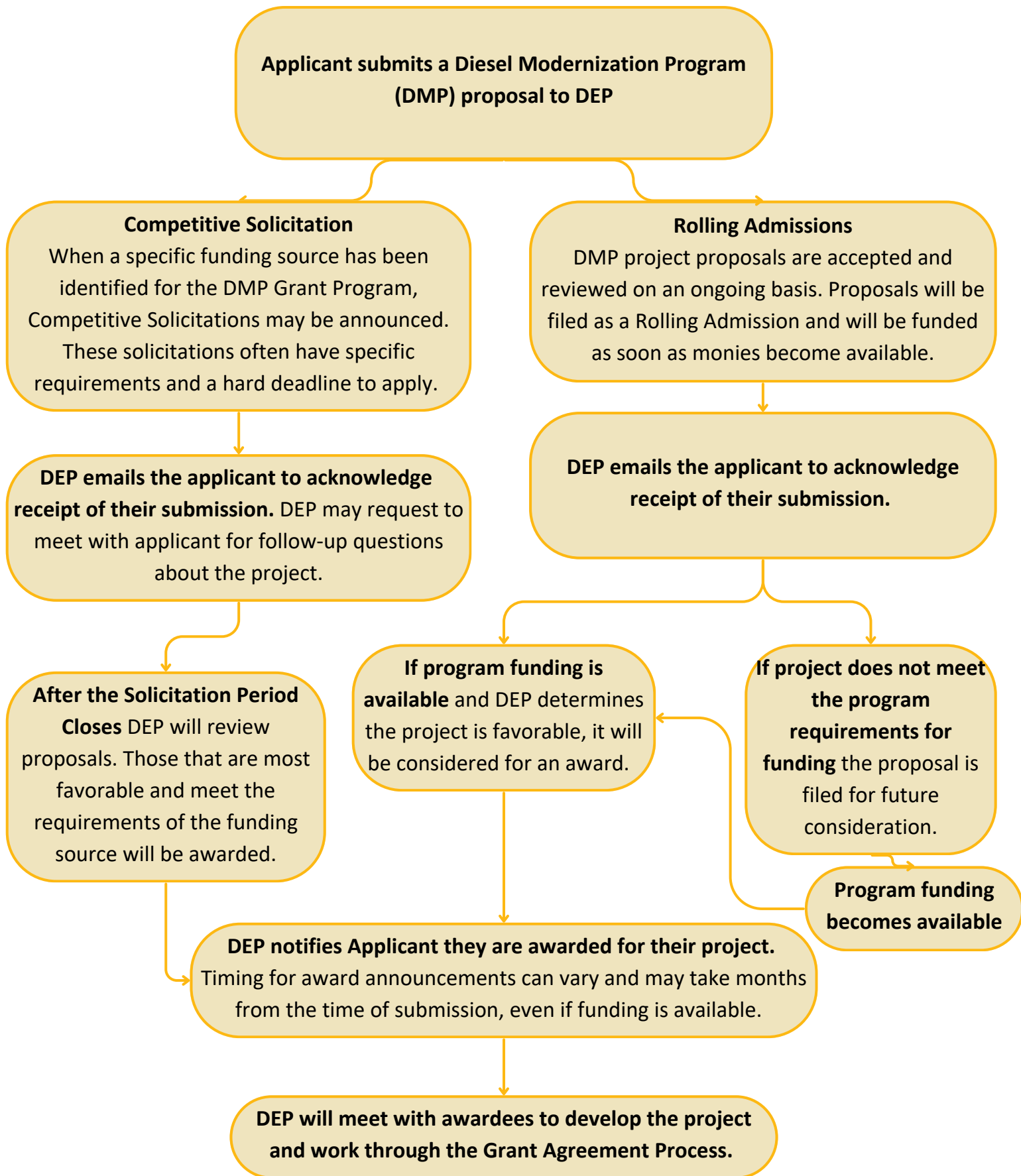
**SB**– Small Business with 25 or fewer employees in total OR <\$5M in annual revenue (applicable only to solicitations in which private entities are eligible to apply)

**SG**– Small Government serving a population of <20,000

## Table 2: Vehicle Classifications

Vehicle Type	GVWR Class	GVWR lbs	Examples	Visual Representations
Non-Passenger	2B-3	8,501-14,000 lbs	Cargo vans & step vans, flat bed trucks, box trucks, extended bed cargo vans. These vehicles can have 4 to 6 tires.	
	4-6	14,001-26,000 lbs	Large walk-in trucks, box trucks, delivery trucks. These vehicles have 6+ tires.	
	7	26,001-33,000 lbs	Refuse trucks, furniture trucks, truck tractors. These vehicles have 6+ tires.	
	8	33,001+ lbs	Cement trucks, dump trucks, sleepers, tractor trailer combinations, construction vehicles. 10+ tires.	
Passenger Bus or Van	2B-3	8,501-14,000 lbs	Full size vans, & shuttles. These vehicles have 4 to 6 tires.	
	4-6	14,001-26,000 lbs	Passenger buses, RVs, type A/B school buses. These vehicles have 6+ tires.	
	7 or 8	26,001+ lbs	Motor coaches/transit buses, type C/D school buses. These vehicles have over 6+ tires.	

# Project Proposal Process



# Grant Agreement Process

**DEP and Grantee begin the Grant Agreement Process**

**DEP will request additional documents from the grantee:**

- Vendor ID Number through [NJSTART.gov](https://njstart.gov)
- The **Applicant Information Form**, gathering basic information needed to complete the grant agreement;
- The **Project Information Form**, submitting specifications on your selected diesel vehicle(s) to be replaced by decommissioning;
- Awardees must obtain a minimum of **three** price quotes for the new electric vehicle(s) and charging station(s) intended to be purchased.
- Additional documentation as requested

**DEP Grant Officer drafts the Grant Agreement** and sends it to Grantee by email for review and digital signatures.

**Grantee returns the signed Grant Agreement to DEP by email.**  
DEP reviews the agreement for accuracy and the grant is processed through DEP's Contracts and Grants Management Unit (CGMU).

**CGMU reviews Grant Agreement for accuracy.** During this stage, CGMU may request additional information from the Grantee. Once the additional information is provided, if needed, CGMU will obtain final DEP signatures.

**The Grant Agreement is now executed.** Only expenses incurred within the work period of the Grant Agreement will be considered for reimbursement. Note that the work period may begin after the Grantee signs the Grant Agreement; however, the Grantee cannot receive reimbursement until the grant agreement is executed.

# Grant Payment Process



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