

BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION

Beneficiary _____

Lead Agency Authorized to Act on Behalf of the Beneficiary _____
(Any authorized person with delegation of such authority to direct the Trustee delivered to the Trustee pursuant to a Delegation of Authority and Certificate of Incumbency)

Action Title:	
Beneficiary's Project ID:	
Funding Request No.	<i>(sequential)</i>
Request Type: (select one or more)	<input type="checkbox"/> Reimbursement <input type="checkbox"/> Advance <input type="checkbox"/> Other (specify): _____
Payment to be made to: (select one or more)	<input type="checkbox"/> Beneficiary <input type="checkbox"/> Other (specify): _____
Funding Request & Direction (Attachment A)	<input type="checkbox"/> Attached to this Certification <input type="checkbox"/> To be Provided Separately

SUMMARY

Eligible Mitigation Action <input type="checkbox"/> Appendix D-2 item (specify): _____ Action Type <input type="checkbox"/> Item 10 - DERA Option (5.2.12) (specify and attach DERA Proposal): _____
Explanation of how funding request fits into Beneficiary's Mitigation Plan (5.2.1):
Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2):
Estimate of Anticipated NOx Reductions (5.2.3):
Identification of Governmental Entity Responsible for Reviewing and Auditing Expenditures of Eligible Mitigation Action Funds to Ensure Compliance with Applicable Law (5.2.7.1):
Describe how the Beneficiary will make documentation publicly available (5.2.7.2).
Describe any cost share requirement to be placed on each NOx source proposed to be mitigated (5.2.8).
Describe how the Beneficiary complied with subparagraph 4.2.8, related to notice to U.S. Government Agencies (5.2.9).

If applicable, describe how the mitigation action will mitigate the impacts of NOx emissions on communities that have historically borne a disproportionate share of the adverse impacts of such emissions (5.2.10).

ATTACHMENTS
(CHECK BOX IF ATTACHED)

- Attachment A Funding Request and Direction.
- Attachment B Eligible Mitigation Action Management Plan Including Detailed Budget and Implementation and Expenditures Timeline (5.2.4).
- Attachment C Detailed Plan for Reporting on Eligible Mitigation Action Implementation (5.2.11).
- Attachment D Detailed cost estimates from selected or potential vendors for each proposed expenditure exceeding \$25,000 (5.2.6). [Attach only if project involves vendor expenditures exceeding \$25,000.]
- Attachment E DERA Option (5.2.12). [Attach only if using DERA option.]
- Attachment F Attachment specifying amount of requested funding to be debited against each beneficiary's allocation (5.2.13). [Attach only if this is a joint application involving multiple beneficiaries.]

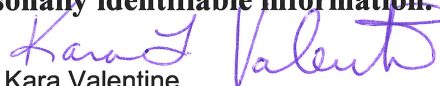
CERTIFICATIONS

By submitting this application, the Lead Agency makes the following certifications:

1. This application is submitted on behalf of Beneficiary _____, and the person executing this certification has authority to make this certification on behalf of the Lead Agency and Beneficiary, pursuant to the Certification for Beneficiary Status filed with the Court.
2. Beneficiary requests and directs that the Trustee make the payments described in this application and Attachment A to this Form.
3. This application contains all information and certifications required by Paragraph 5.2 of the Trust Agreement, and the Trustee may rely on this application, Attachment A, and related certifications in making disbursements of trust funds for the aforementioned Project ID.
4. Any vendors were or will be selected in accordance with a jurisdiction's public contracting law as applicable. (5.2.5)
5. Beneficiary will maintain and make publicly available all documentation submitted in

support of this funding request and all records supporting all expenditures of eligible mitigation action funds subject to applicable laws governing the publication of confidential business information and personally identifiable information. (5.2.7.2)

DATED: Sept. 11, 2018


Kara Valentine
Deputy Director, Air & Land

[NAME]

[TITLE]

Nebraska Department of Environmental Quality

[LEAD AGENCY]

for

State of Nebraska

[BENEFICIARY]

SUMMARY Supplement

Explanation of how funding request fits into Beneficiary’s Mitigation Plan (5.2.1):

Nebraska’s Beneficiary Mitigation Plan posted in January 2018 proposed to use 10% of Nebraska’s initial allocation, or approximately \$1.2 million, to provide grants or rebates to replace diesel transit buses (Class 4 to 8, with engine model year 2009 or older), as authorized under Eligible Mitigation Action 2. With a proposed maximum 50% cost-share from transit agencies, it was anticipated that that funding allocation would aid in the replacement of 5 diesel public transit buses with new compressed natural gas (CNG)-fueled or electric buses.

Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2):

Nebraska DEQ solicited applications from public transit agencies to receive a rebate to partially reimburse the replacement and scrapping of diesel transit buses with new CNG-fueled or electric buses. Applications were solicited and received from the two urban public transit agencies in Nebraska that operate diesel buses eligible for replacement: Lincoln StarTran and the Transit Authority of Omaha (Omaha Metro). Trust funds will aid StarTran in the replacement of two diesel buses with battery-electric transit buses, and Omaha Metro with the replacement of two diesel buses with CNG-fueled buses that will operate in the new Omaha Rapid Bus Transit (ORBT) service that will debut in 2019 (see Attachment B).

Nebraska DEQ expects that replacement of these older buses with new cleaner-burning buses will reduce emission of NOx and diesel particulates by over 90% annually.

Estimate of Anticipated NOx Reductions (5.2.3):

Nebraska DEQ estimated diesel emission reductions using the Heavy-Duty Vehicle Emissions Calculator provide by Argonne National Laboratories (<https://afleet-web.es.anl.gov/hdv-emissions-calculator/>). We calculated reductions for each applicant’s buses using the provided engine model years, annual mileage, fuel use, replacement fuel, and estimated lifetime of the replacement buses of 15 years.

We estimate that the replacement projects to be funded by this request will result in lifetime reductions in NOx emissions of 15.6 tons, and reduction in particulate emissions of 0.25 ton.

Describe how the Beneficiary will make documentation publically available (5.2.7.2):

NDEQ maintains a series of webpages describing the Nebraska Diesel Emission Mitigation Program under the Volkswagen Diesel Emissions Environmental Mitigation Trust for State Beneficiaries. The main Volkswagen Trust webpage, which outlines the mitigation actions eligible for funding and their status, can be found at <http://deq.ne.gov/NDEQProg.nsf/OnWeb/AirVW>. Copies of funding request certifications to the Trustee will be available through links on this web page.

All application materials, reimbursement requests, and required documentation submitted by applicants and rebate recipients for Nebraska’s Diesel Emission Mitigation program are archived in Nebraska’s Enterprise Content Management (ECM) system and are available to the public through a Public Records Search web page accessed through the NDEQ website. Also see Attachment C.

Beneficiary Eligible Mitigation Action Certification – Nebraska Funding Request #3

Describe any cost-share requirement to be placed on each NOx source proposed to be mitigated (5.2.8):

Public transit agencies were eligible for reimbursement up to 50% of the cost of each new transit bus, with the following limitations:

Omaha Metro could receive a maximum of \$734,901 (60% of available funds) for replacement of up to three buses. Lincoln StarTran could receive a maximum of \$489,934 (40% of available funds) for replacement of up to two buses.

Omaha Metro will replace and scrap two diesel buses and receive a rebate of \$734,901 toward the purchase of two ORBT buses, with total purchase price expected to be \$1,750,000; their estimated cost-share will be \$1,015,099 (58%).

Lincoln StarTran will replace and scrap two diesel buses and receive a rebate of \$489,934 toward the purchase of two battery-electric transit buses, with total purchase price expected to be \$1,710,000; their estimated cost share will be \$1,220,066 (71%).

The cost-share for both agencies will be covered all or in part by funds from U.S. Department of Transportation grant programs.

If applicable, describe how the mitigation action will mitigate the impacts of NOx emissions on communities that have historically borne a disproportionate share of the adverse impacts of such emissions (5.2.10)

The two projects funded by this request will replace older diesel transit buses operating in two counties identified in Nebraska’s Beneficiary Mitigation Plan as priority counties with a disproportionate share of NOx pollution impact based on NOx emissions per square mile and population density. These counties are also among the top counties for registrations of the offending Volkswagen diesel vehicles.

Urban transit buses operate at low speeds with frequent stops, conditions under which diesel emission controls are not very effective. These buses also operate in densely-populated commercial and residential areas, so that many potentially vulnerable people are exposed to these emissions. Replacing four older diesel transit buses with electric and cleaner-burning CNG buses will help reduce these exposures.

ATTACHMENT B

PROJECT MANAGEMENT PLAN INCLUDING DETAILED BUDGET AND IMPLEMENTATION AND EXPENDITURES TIMELINE (5.2.4)

This funding request will provide advance funds to the Nebraska Department of Environmental Quality (NDEQ) for the implementation of Transit Bus Alternative Fuel Replacements under the Nebraska Diesel Emission Mitigation Program. The actions covered by this funding request are consistent with Eligible Mitigation Action 2 (School Bus, Shuttle Bus, or Transit Bus) of the State Trust Agreement and with Nebraska’s Beneficiary Mitigation Plan (page 6), which allocated up to 10% of available funds to Transit Bus Replacement projects.

TRANSIT BUS REPLACEMENTS TO BE FUNDED THROUGH THIS REQUEST

Two transit bus replacement projects will be funded through this request:

1) Lincoln StarTran

The City of Lincoln, Nebraska’s transit agency, StarTran, will replace two older diesel transit buses with two battery-electric buses manufactured by New Flyer, similar to the illustration below. This project also will be partially supported by a grant from the U.S. Department of Transportation’s Federal Transit Administration through the Low- or No-Emission Vehicle Program.



2) Omaha Metro

The Transit Authority of the City of Omaha (Omaha Metro) will replace two older diesel transit buses with two CNG-fueled buses that will operate as part of the new Omaha Rapid Bus Transit (ORBT) service beginning in Fall 2019. The ORBT service will use large articulated buses (see photo below) operating along a route from west Omaha to downtown. The system is designed to provide rapid, streamlined service via three-door loading, prepaid tickets purchased at stations, and raised station platforms for faster boarding. This project also will be partially supported by a U.S. Department of Transportation / Federal Highway Administration TIGER grant.



Beneficiary Eligible Mitigation Action Certification – Nebraska Funding Request #3

PROJECT SCHEDULE AND TIMELINE, NEBRASKA TRANSIT BUS REBATE PROGRAM

Project Milestone	Date
NDEQ posts program information and application materials on agency website; e-mail notification to eligible transit agencies.	23 May 2018
Deadline for submission of applications	8 June 2018
Review of applications	8-11 June 2018
Initial notification to rebate recipients (via e-mail)	12 June 2018
Formal notification to rebate recipients (via U.S. mail)	14 June 2018
NDEQ submits Project Certification and Funding Direction for Advance Funding	September 2018
Trustee allocates Advanced Funding to NDEQ	November 2018
Finalization of agreements with rebate recipients	December 2018
NDEQ reviews reimbursement requests from recipients and provides payment for projects as completed	2019 Qtr 1-3
NDEQ reports on project progress	July 2019
Deadline for completion of transit bus replacement projects	December 2019
NDEQ reports project completion	January 2020

PROJECT BUDGET

Period of Performance: June 2018 – November 2019			
Budget Category	Share of Total Budget to be Funded by the Trust	Cost-Share to be Paid by Project Recipient	Total Budget Amount
Equipment (transit buses)			
Omaha Metro	\$ 734,901	\$ 1,015,099	\$ 1,750,00
Lincoln StarTran	\$ 489,934	\$ 1,220,066	\$ 1,710,000
SUBTOTAL	\$ 1,224,835	\$ 2,235,165	\$ 3,460,000
Contractor Support	\$ 0	\$ 0	\$ 0
Subrecipient Support	\$ 0	\$ 0	\$ 0
<u>Administrative Costs (5%)</u>			
Program planning, development, outreach, and administration	\$ 30,371	\$ 0	\$ 30,371
Project Totals	\$ 1,255,206	\$ 2,235,165	\$ 3,490,371
Percentage	36%	64%	100%

Beneficiary Eligible Mitigation Action Certification – Nebraska Funding Request #3

2018 FUNDING REQUESTS: PREVIOUS, CURRENT, AND PLANNED

	Requests to be paid through the Trust	Cost-Share	Total Project Funding
1. 2017 DERA Program Projects (previous)	\$ 287,243	\$ 687,880	\$ 975,123
2. 2018 School Bus Rebates (previous)	\$ 1,891,527	\$ 2,526,044	\$ 4,417,571
3. 2018 Transit Bus Rebates (current request)	\$ 1,255,206	\$ 2,235,165	\$ 3,490,371
TOTALS	\$ 3,433,976	\$ 5,449,089	\$ 8,883,065

PROJECTED ANNUAL TRUST ALLOCATIONS

	2018	2019	2020
1. Anticipated Annual Project Funding Request to be paid through the Trust	\$ 3,433,976	\$ 2,617,463	\$ 2,053,375
2. Anticipated Annual Cost Share	\$ 5,449,089	\$ 3,467,317	\$ 2,978,410
3. Anticipated Total Project Funding by Year (line 1 plus line 2)	\$ 8,883,065	\$ 6,084,780	\$ 5,031,785
4. Cumulative Trustee Payments Made in Previous Years Against Cumulative Approved Beneficiary Allocation	\$ 0	\$ 3,433,976	\$ 6,051,439
5. Current Beneficiary Project Funding to be paid through the Trust (line 1)	\$ 3,433,976	\$ 2,617,463	\$ 2,053,375
6. Total Funding Allocated to Beneficiary, inclusive of Current Action by Year (line 4 plus line 5)	\$ 3,433,976	\$ 6,051,439	\$ 8,104,814
7. Beneficiary Share of Estimated Funds Remaining in Trust at Start of Year	\$ 12,248,348	\$ 8,814,372	\$ 6,196,909
8. Net Beneficiary Funds Remaining in Trust, net of cumulative Beneficiary Funding Actions (line 7 minus line 5)	\$ 8,814,372	\$ 6,196,909	\$ 4,143,534

ATTACHMENT C

**DETAILED PLAN FOR REPORTING ON
ELIGIBLE MITIGATION ACTION IMPLEMENTATION (5.2.11)**

The Nebraska Department of Environmental Quality (NDEQ) will provide detailed reporting on this funding request under Eligible Mitigation Action 2 (School, Shuttle, and Transit Buses) in two ways: 1) timely updates to NDEQ’s Volkswagen Environmental Mitigation Trust – Nebraska Diesel Emission Mitigation Program web pages; and 2) semi-annual reports to the Trustee as required by subparagraph 5.3 of the Environmental Mitigation Trust Agreement for State Beneficiaries.

NDEQ Website

NDEQ maintains a series of webpages describing the Nebraska Diesel Emission Mitigation Program under the Volkswagen Diesel Emissions Environmental Mitigation Trust for State Beneficiaries. The main Volkswagen Trust webpage, which outlines the mitigation actions eligible for funding and their status, can be found at <http://deq.ne.gov/NDEQProg.nsf/OnWeb/AirVW>. Copies of funding request certifications to the Trustee will be available through this web page. Separate web pages for individual project categories are being developed and posted as funding programs open; these pages will track the status, progress, and results for projects under these funding categories.

All application materials, reimbursement requests, and required documentation submitted by applicants and rebate recipients for Nebraska’s Diesel Emission Mitigation program are archived in Nebraska’s Enterprise Content Management (ECM) system and are available to the public through a Public Records Search web page accessed through the NDEQ website.

Semi-Annual Reports to the Trustee

As required by subparagraph 5.3 of the Environmental Mitigation Trust Agreement for State Beneficiaries, NDEQ will submit a report to the Trustee within 6 months of the first disbursement and thereafter no later than January 30 and July 30 for the preceding 6-month periods. These reports will describe the progress implementing this and any other Eligible Mitigation Action ongoing during the reporting period. These reports will include a summary of all costs expended and a complete description of the status (including the actual or projected termination date), development, implementation, and any modification of the Eligible Mitigation Action. These semi-annual reports to the Trustee will be available for public access through links on the main Volkswagen Trust page on the NDEQ website.

ATTACHMENT D

**DETAILED COST ESTIMATES FROM SELECTED VENDORS
FOR EACH PROPOSED EXPENDITURE EXCEEDING \$25,000 (5.2.6)**

Agency	Manufacturer	Bus Model	Fuel	Expected Purchase Price per Bus
Lincoln StarTran	New Flyer	XE35	Electric	\$ 855,000
Omaha Metro	New Flyer	XN60	CNG	\$ 875,000

Each applicant for the 2018 Nebraska Diesel Emission Mitigation Program was required to seek a price quote for a replacement transit bus and submit it with their application.

Lincoln StarTran obtained a letter from vendor New Flyer (attached) that provides a price quote of \$855,000 USD per bus for the New Flyer XE35 battery-electric transit bus.

Omaha Metro obtained a letter from New Flyer (attached) that provides a price quote of \$765,156 USD per bus as the base cost for the production of 60-foot CNG-fueled transit buses. However, Omaha Metro is negotiating the total cost for this bus model with additional features required for their Bus Rapid Transit service. The Board of Directors of the Transit Authority of the City of Omaha adopted a resolution on July 26, 2018 authorizing the award of a contract to New Flyer in an amount not to exceed \$875,000 per bus. That figure has been used in this Certification document to determine total project cost and required cost-share. The exact final cost of the bus will not affect the amount of the rebate paid to Omaha Metro as a result of this funding request.



NEW FLYER

June 16, 2017

Michael Davis, Transit Manager
StarTran
710 "J" Street
Lincoln, NE 68508

Reference: New Flyer Partnership Commitment with StarTran for the 2017 Low or No Emission (Low-No) Program

Dear Mr. Davis:

On behalf of New Flyer of America Inc. ("New Flyer"), I am pleased to provide our partnership commitment for the deployment of zero-emission buses with StarTran of Lincoln, Nebraska.

The Project's scope of work consists of the procurement and deployment of up to six (6) New Flyer heavy-duty 35' battery-electric buses (Xcelsior® XE35); fully-qualified through the Federal Transit Bus Testing program (Altoona). The charging equipment (including up to three (3) depot chargers) by New Flyer will be non-proprietary and fully interoperable with other transit buses and electric vehicles (EVs) supporting the widely used Society of Automotive Engineering standard SAE J1772.

New Flyer has a long history of success delivering and servicing zero-emission buses. In total, New Flyer has manufactured over 6,400 buses with electric propulsion of all types, including hybrids, fuel cell electric, battery-electric and trolley-electric.

In 2016, New Flyer delivered more zero-emission transit buses than any other North American Original Equipment Manufacturer (OEM). New Flyer currently has Xcelsior® battery-electric buses in daily service with Chicago Transit Authority, Winnipeg Transit Authority, and the Washington Metropolitan Area Transit Authority (WMATA). Additionally, deliveries of Xcelsior® battery-electric buses are scheduled for several other transit agencies, including and not limited to AC Transit, LA Metro, MBTA Boston, Utah Transit Authority (UTA), and TRIMET (Portland).

The price for the project is as follows:

Bus Price:

XE35 with 400kwh, equipped similar to SR1897
2018/2019 Line Entry: \$855,000 USD Per Bus

Headquarters/
Winnipeg Facility
711 Kernaghan Ave.
Winnipeg, Manitoba
R2C 3T4 Canada
Ph: (204) 224-1251

Aftermarket Facility
630 Kernaghan Ave.
Door 76
Winnipeg, Manitoba
R2C 5G1 Canada
Ph: (204) 982-8400

New Product
Development
630 Kernaghan Ave.
Winnipeg, Manitoba
R2C 5G1 Canada
Ph: (204) 952-8400

Crookston
Facility
214 5th Ave. SW
Crookston, Minnesota
56716 USA
Ph: (218) 281-5752

St. Cloud
Facility
6200 Glenn Carlson Dr.
St. Cloud, Minnesota
56301 USA
Ph: (320) 203-0576

Anniston
Facility
105 National Drive
Anniston, AL
36207 USA
Ph: (256) 831-4295

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RELY ON.™

www.newflyer.com

Depot Charger:

Depot Charger 124 Kw Charger capable of charging two buses (@ 124 Kw per bus): \$93,170 USD per charger

- Does not include installation, construction or permitting

Training:

Driver Training, Service Training, Vendor Training and Train the Trainer:

- \$86,376 USD/Contract
- Includes material/handouts where applicable

The Project will result in the deployment of the cleanest and most energy efficient buses made in the United States. It will also result in the deployment of buses that not only meet FTA's requirements (e.g., bus testing and Buy-America), but also exceed such requirements (e.g., domestic content).

Please contact me if you have any questions regarding this application and New Flyer's partnership commitment to StarTran.

Sincerely,



Joseph R. Gibson
Vice President National Sales

cc:

Paul Smith – Executive Vice President, Sales and Marketing
Jennifer McNeill – Vice President of Sales and Business Development
Nicole Robertus – Manager – Technical Sales
Boyd Koldingnes – Business Segment Director

Headquarters/
Winnipeg Facility
711 Kernaghan Ave.
Winnipeg, Manitoba
R2C 3T4 Canada
Ph: (204) 224-1251

Aftermarket Facility
630 Kernaghan Ave.
Door 76
Winnipeg, Manitoba
R2C 5G1 Canada
Ph: (204) 982-8400

New Product
Development
630 Kernaghan Ave.
Winnipeg, Manitoba
R2C 5G1 Canada
Ph: (204) 982-8400

Crookston
Facility
214 5th Ave. SW
Crookston, Minnesota
56716 USA
Ph: (218) 281-5752

St. Cloud
Facility
6200 Glenn Carlson Dr.
St. Cloud, Minnesota
55301 USA
Ph: (320) 203-0576

Anniston
Facility
106 National Drive
Anniston, AL
36207 USA
Ph: (256) 831-4296

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www.newflyer.com



Omaha Metro Transit Authority

Proposal for (10) 60' foot Low Floor CNG

Transit Buses



NEW FLYER OF AMERICA

Original



NEW FLYER OF AMERICA

July 13, 2018

David Jameson
Safety Director
Omaha Metro Transit Authority
2222 Cuming Street
Omaha, NE
68102-4392
(402)-951-6510

Subject: Quotation for (10) Heavy Duty Low-Floor CNG 60' Transit Buses

Dear Mr. Jameson,

New Flyer is pleased to submit a quotation for the production of Ten (10) 60' CNG buses.

The proposed buses will be technically configured as Omaha's last build with New Flyer just in a 60' platform.

The price for Ten (10) buses is **\$ 765,156/bus**.

We want to take this opportunity to highlight key elements of our proposal:

Warranty: New Flyer exceeds industry standard warranties in many areas such as 5 year / 300,000 miles warranty for axle (Standard warranty is 2 years) and our multiplex warranty is 3 years/150,000 miles (Standard competitor warranty is 1 year/50,000 miles). Please refer to Section 2 of our proposal for information regarding our warranty proposal.

Training: New Flyer Training is an organization within the New Flyer Customer Services group – a division of New Flyer Industries. As a part of the leading manufacturer of heavy-duty transit buses in the United States and Canada, we have access to top design, engineering, propulsion technology and electrical systems professionals. This enables us to offer the service and expertise to maximize the lifetime value of your fleet.

Please refer to Section 3 of our proposal for New Flyer's recommended shopping list of training courses for Omaha to choose from.

Publications: Our New Flyer Publications professionals combine extensive, hands-on technical experience with exceptional writing, illustrating and publishing skills to create the industry's benchmark in maintenance manuals. Supplying accurate information in a timely manner assists the customer in the performance of proper bus maintenance, which in turn, adds to the overall reliability and lifetime value of each New Flyer bus on the road. Please refer to Section 4 of our proposal for details.

Tooling and Diagnostics: Please refer to section 5 of our proposal for New Flyer's proposed recommended shopping list of Tooling and Diagnostic equipment for Omaha to choose from.

Spare Parts: Please refer to Section 6 of our proposal for our spare parts package.

Delivery Proposal: New Flyer's proposal is based on the buses line entry starting Week 10, 2019 through Week 19, 2019. Delivery is estimated to be 10 weeks after line entry of each bus. Also found in section 7 of the proposal.