

**APPENDIX D-4**  
**Beneficiary Eligible Mitigation Action Certification**

## BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION

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Beneficiary Colorado

Lead Agency Authorized to Act on Behalf of the Beneficiary Colorado Department of Public Health & Environment  
*(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)*

|   |  |
|---|--|
| <b>Action Title:</b>                                  | Alt Fuels Class 4-7 Medium Duty Trucks   |
| <b>Beneficiary's Project ID:</b>                      | Alt Fuels 9E18AD   |
| <b>Funding Request No.</b>                            | <i>(sequential)</i> 1  |
| <b>Request Type:</b><br>(select one or more)          | <input checked="" type="checkbox"/> Reimbursement <span style="margin-left: 150px;"><input type="checkbox"/> Advance</span><br><input type="checkbox"/> Other (specify): _____ |
| <b>Payment to be made to:</b><br>(select one or more) | <input checked="" type="checkbox"/> Beneficiary<br><input type="checkbox"/> Other (specify): _____   |
| <b>Funding Request &amp; Direction (Attachment A)</b> | <input checked="" type="checkbox"/> Attached to this Certification<br><input type="checkbox"/> To be Provided Separately   |

### SUMMARY

|  |   |
|--|---|
| <b>Eligible Mitigation Action</b>  | <input checked="" type="checkbox"/> Appendix D-2 item (specify): <u>EMA #6: Class 4-7 Local Freight Trucks (Medium Trucks)</u><br><input type="checkbox"/> Item 10 - DERA Option (5.2.12) (specify and attach DERA Proposal): _____ |
| <b>Action Type</b>   |   |
| <b>Explanation of how funding request fits into Beneficiary's Mitigation Plan (5.2.1):</b><br>See attached   |   |
| <b>Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2):</b><br>See attached  |   |
| <b>Estimate of Anticipated NO<sub>x</sub> Reductions (5.2.3):</b><br>See attached  |   |
| <b>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):</b><br>See attached |   |
| <b>Describe how the Beneficiary will make documentation publicly available (5.2.7.2).</b><br><b>See attached</b>   |   |
| <b>Describe any cost share requirement to be placed on each NO<sub>x</sub> source proposed to be mitigated (5.2.8).</b><br>See attached  |   |
| <b>Describe how the Beneficiary complied with subparagraph 4.2.8, related to notice to U.S. Government Agencies (5.2.9).</b><br><b>See attached</b>  |   |

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).  
See attached

**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 Colorado, 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: 12/21/2018



Garry Kaufman  
Director, Air Pollution Control Division

Colorado Department of Public Health & Environment

[LEAD AGENCY]

for

Colorado

[BENEFICIARY]

Summary

|  |
|--|
| <b>Explanation of how funding request fits into Beneficiary's Mitigation Plan (5.2.1):</b>   |
| The state of Colorado's Beneficiary Mitigation Plan (BMP) describes how funding will be provided for eligible projects to reduce NOx emissions. As outlined in the BMP, The ALT Fuel Vehicle Replacement Program will distribute funding for several Eligible Mitigation Actions (EMA's) including EMA 1, 2, 3, 6, 7, and 8. The Colorado BMP has allocated \$18 million to these EMA's. This D-4 funding request is for EMA #6, Class 4-7 local freight trucks (medium-duty).   |
| <b>Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2):</b>  |
| To help improve air quality and to encourage switching to cleaner fueled vehicles across the state, this mitigation action will replace one medium-duty truck with a new diesel truck.<br><br>The Regional Air Quality Council (RAQC) will implement this EMA under a contract with Colorado Department of Public Health and Environment (CDPHE), in partnership with the Colorado Energy Office (CEO) and the Colorado Department of Transportation (CDOT). The eligibility requirements for Class 4-7 local freight trucks (medium-duty) under the Alternative Fuel Vehicle Replacement Program are detailed in the BMP on pages 11-13.<br><br>This new diesel medium-duty truck will help reduce NOx emissions, VOCs, and greenhouse gases associated with the older (pre-2009) diesel truck that will be scrapped. Emission reductions from this D4 submission for the replacement of one medium-duty truck are estimated to be: NOx (.26 tons/yr), VOCs (.03 tons/yr), and GHG (1 tons/yr). |
| <b>Estimate of Anticipated NOx Reductions (5.2.3):</b>   |
| The estimated emissions benefits from the replacement of one medium-duty truck will reduce NOx emissions by .26 tons/yr. The estimates were prepared using the Greenhouse gases, Regulated Emissions, and Energy use in Transportation (GREET) model. Annual vehicle miles traveled (VMT) were sourced from the Alternative Fuel Life-Cycle Environmental and Economic Transportation (AFLEET) Tool from Argonne National Laboratory and current Alt Fuels Colorado reporting data.  |
| <b>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):</b>   |
| The Colorado Department of Public Health & Environment.  |
| <b>Describe how the Beneficiary will make documentation publicly available (5.2.7.2). :</b>  |
| The Colorado Department of Public Health and Environment (CDPHE) has created a public website for information related to the Volkswagen settlement, which can be accessed at: <a href="https://www.colorado.gov/cdphe/VW">https://www.colorado.gov/cdphe/VW</a> . The website contains a description of the Trust Agreement, information about Colorado's implementation plan, and links to Trust documents. As of the date Colorado filed its Certification for Beneficiary Status, the website linked to the Trust Agreement, Certification for Beneficiary Status and Colorado's proposed Beneficiary Mitigation Plan. As Colorado prepares and submits the semiannual reports required by paragraph 5.3 of the Trust Agreement, CDPHE will either post documents to its website or maintain a link to other public-facing website that   |

provide the documentation. Colorado follows the Colorado Open Records Act, §§ 24-72-200 et seq., C.R.S., (CORA), which governs the public disclosure of records held by Colorado state agencies. CORA requires the custodian to deny inspection of several categories of public records, including for certain confidential business information and personally identifiable information. Specifically, § 24-72-204 (3)(a)(IV), C.R.S. provides:

The custodian shall deny the right of inspection of the following records, unless otherwise provided by law; ... Trade secrets, privileged information, and confidential commercial, financial, geological, or geophysical data, including a social security number unless disclosure of the number is required, permitted, or authorized by state or federal law, furnished by or obtained from any person....

Any additional information not posted on the CDPHE website will be released pursuant to CORA.

The CDPHE website will be maintained and updated until the Trust's Termination Date or the date required by the Colorado Open Records Act or other applicable law, whichever is later. Records or documents may also be requested by emailing the CDPHE comments line at [cdphe.commentsapcd@state.co.us](mailto:cdphe.commentsapcd@state.co.us)

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

The Alternative Fuel Vehicle Replacement Program will provide incentives levels for public and private Class 4-7 Local Freight Trucks (Medium-Duty). For public Class 4-7 Local Freight Trucks (Medium-Duty), the total incentive will be limited to a maximum of 40% of the total cost of the new vehicle or the cap included in Table 1 of the BMP. For private Class 4-7 Local Freight Trucks (Medium-Duty), the total incentive will be limited to a maximum of 25% of the total cost of the new vehicle or the cap included in Table 1 of the BMP. For associated electric charging infrastructure, the program will provide up to \$9,000 for Level II charging stations, and up to \$30,000 for Level III charging station.

**Describe how the Beneficiary complied with subparagraph 4.2.8, related to notice to U.S. Government Agencies (5.2.9). :**

On February 27, 2018 the Colorado Department of Public Health and Environment provided notice of availability of funds via email to Federal Agencies pursuant to Section 4.2.8 of the Trust Agreement.

**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). :**

This action will mitigate impacts of NOx emissions by replacing a higher polluting Class 4-7 Local Freight Trucks (Medium-Duty) with a cleaner fueled medium-duty truck.

**Attachment B**

**Project Management Plan**

**Project Schedule and Milestones – Alternative Fuel Vehicle Replacement Program**

| <b>Milestone</b>   | <b>Date</b>  |
|--|--|
| Informational webinar for AFC Grant Application  | CY 2018 – 2022<br>3-4 times per year                               |
| AFC request for application announcement   | CY 2018-2022<br>3-4 times per year                                 |
| Solicitation for applications project round closes   | CY 2018-2022<br>3-4 times per year                                 |
| Technical Advisory Committee application review  | CY 2018-2022<br>3-4 times per year                                 |
| Project contractor awards funding to eligible entities   | CY 2018-2022<br>3-4 times per year                                 |
| Awardees attend mandatory training webinar   | CY 2018-2022<br>3-4 times per year                                 |
| Project partners enters into Contract / Purchase Order with sub awardee (this includes scrappage information). Vehicles must be ordered within 6 months. | CY 2018-2022<br>3-4 times per year                                 |
| Vehicles delivered and awardee shows proof of full payment. Awardee submits reimbursement paperwork. RAQC reimburses within 90 days                      | Monthly starting<br>December 2018-<br>December 2022                |
| Project partner submit D4 and invoicing, emission reductions estimates to CDPHE for reimbursement.   | Monthly starting<br>December 2018-<br>December 2022                |
| Trust acknowledges receipt of Direction for Payment and reimbursement  | Within 60 days<br>of submittal of<br>D4                            |
| CDPHE directs funding to project partners and project partners reimburse sub awardee   | Monthly starting<br>December 2018-<br>December 2022                |
| CDPHE reports to Trust on status of projects every six months after first disbursement of funds; semiannual reporting.                                   | January 30 and<br>July 30 after first<br>disbursement of<br>funds. |

**PROJECT BUDGET**

| Period of Performance: 2018    |                              |  |  |  |
|--------------------------------|------------------------------|--|--|--|
| <b>Budget Category</b>         | <b>Total Approved Budget</b> | <b>Share of Total Budget to be Funded by the Trust</b> | <b>Cost-Share, if applicable (Entity #1)</b> | <b>Cost-Share, if applicable (Entity #2)</b> |
| 1. Equipment Expenditure       | \$167,126                    | \$25,000   | \$142,126                                    | \$   |
| 4. Administrative <sup>1</sup> | \$3,765.80                   | \$3,765.80   | \$0  | \$   |
| <b>Project Totals</b>          | <b>\$170,891.8</b>           | <b>\$28,765.80</b>                                     | <b>\$142,126</b>                             | <b>\$</b>                                    |
| <b>Percentage</b>              | <b>100%</b>                  | <b>15%</b>   | <b>85%</b>                                   | <b>\$</b>                                    |

<sup>1</sup> Subject to Appendix D-2 15% administrative cap.

Incentive levels for private entities covers 25% of the total vehicle cost up to a cap of \$25,000 for diesel vehicle (pre-2002).

**PROJECTED TRUST ALLOCATIONS:**

|  | <b>2018</b>     |
|--|-----------------|
| 1. Anticipated Annual Project Funding Request to be paid through the Trust                                       | \$28,765.80     |
| 2. Anticipated Annual Cost Share   | \$142,126       |
| 3. Anticipated Total Project Funding by Year (line 1 plus line 2)  | \$170,891.80    |
| 4. Cumulative Trustee Payments Made to Date Against Cumulative Approved Beneficiary Allocation                   | \$0             |
| 5. Current Beneficiary Project Funding to be paid through the Trust (line 1)                                     | \$28,765.80     |
| 6. Total Funding Allocated to for Beneficiary, inclusive of Current Action by Year (line 4 plus line 5)          | \$28,765.80     |
| 7. Beneficiary Share of Estimated Funds Remaining in Trust   | \$68,739,918.33 |
| 8. Net Beneficiary Funds Remaining in Trust, net of cumulative Beneficiary Funding Actions (line 7 minus line 6) | \$68,711,153    |



**Attachment C**

**Detailed Plan for Reporting on Eligible Mitigation Action Implementation (5.2.11):**

The Colorado Department of Public Health and Environment (CDPHE) will work with the RAQC (Regional Air Quality Council) to report on the implementation and progress of the Alternative Fuel Vehicle Replacement Program in the state of Colorado. CDPHE has developed a specific webpage that will provide information on the application process and status of eligible mitigation actions under the VW Environmental Mitigation Trust Fund. Awarded projects will be posted as well as information on emission reductions based upon awarded projects. Vehicle usage data will be collected two times a year for five years and made available. CDPHE will submit reports every six months to meet the semiannual reporting requirements under 5.3 of the Trust agreement.

**Attachment D**

**Detailed cost estimates from selected or potential vendors for each proposed expenditure exceeding \$25,000 (5.2.6).**

For the replacement of one medium-duty truck the following cost estimates was provided:

**Vehicle Profile**

|                               |                                |
|-------------------------------|--------------------------------|
| <b>Fuel Type</b>              | DEISEL                         |
| <b>Make, Model &amp; Year</b> | 2019 FREIGHTLINER M2-106       |
| <b>Engine</b>                 | CUMMINS L9                     |
| <b>Horse Power</b>            | 300HP                          |
| <b>Transmission</b>           | ALLISON 3500 RDS AUTOMATIC     |
| <b>Axle Ratings</b>           | 12,000LBS FRONT/21,000LBS REAR |
| <b>Wheel Base</b>             | 216"                           |
| <b>GVWR</b>                   | 33,000LBS                      |
| <b>Total Vehicle Cost</b>     | \$167,126.00                   |

