



ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

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JB PRITZKER, GOVERNOR

JOHN J. KIM, ACTING DIRECTOR

217.782.9846

May 9, 2019

CERTIFIED MAIL

7017 2680 0001 0215 4642

Wilmington Trust Company
ATTN: Russell Crane
Volkswagen Diesel Emissions Environmental Mitigation Trust for State Beneficiaries, Puerto Rico, and the District of Columbia
c/o Wilmington Trust, N.A. as Trustee
Wilmington Trust, National Association
Rodney Square North
1100 North Market Street
Attn: Capital Markets & Agency Services
Wilmington, DE 19890

Re: State of Illinois Appendix D-4 Funding Request Number 4
Environmental Mitigation Trust Agreement for State Beneficiaries

Dear Mr. Crane:

As Lead Agency for the State of Illinois, enclosed please find the Illinois Environmental Protection Agency's (Agency) Appendix D-4 Funding Request Number 4. As required by the Environmental Mitigation Trust Agreement, the Agency has electronically submitted the above-referenced funding request through the Intralinks portal.

If you have any questions, please contact me at 217.782.9846 or via email at julie.armitage@illinois.gov.

Cordially,

Julie K. Armitage
Chief, Bureau of Air
Illinois Environmental Protection Agency

Enclosures

APPENDIX D-4
Beneficiary Eligible Mitigation Action Certification

BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION

Beneficiary: State of Illinois

Lead Agency Authorized to Act on Behalf of the Beneficiary: Illinois Environmental Protection Agency (Illinois EPA)

Action Title:	Concrete Mixer Truck Replacement
Beneficiary's Project ID:	2019-002
Funding Request No.:	4
Request Type: (select one or more)	<input checked="" 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 checked="" type="checkbox"/> Other (specify): Ozinga Ready Mix Concrete, Inc.
Funding Request & Direction: (Attachment A)	<input type="checkbox"/> Attached to this Certification <input checked="" type="checkbox"/> To be Provided Separately

SUMMARY

Eligible Mitigation Action Action Type	<input checked="" type="checkbox"/> Appendix D-2 item (specify): <u>Class 8 Local Freight Trucks</u> <input checked="" type="checkbox"/> Item 10 – DERA Option (5.2.12) (specify and attach DERA Proposal): See Attachment E.
Explanation of how funding request fits into Beneficiary's Mitigation Plan (5.2.1): This project involves the replacement of 19 older diesel Class 8 concrete mixer trucks with 19 new model year 2019 or newer Class 8 natural gas concrete mixer trucks. Illinois' Beneficiary Mitigation Plan includes allocating up to 10% of trust funds (\$10,867,968) for replacing older diesel Class 4-8 Local Freight Trucks (Section IV(D)(5), p. 18) with new cleaner trucks. Illinois EPA will use a combination of trust funds and its Diesel Emission Reduction Act (DERA) funding allocated by U.S EPA to fund this project as allowed pursuant to the Appendix D-2 Item 10 DERA Option.	
Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2): This project involves the replacement of 19 older diesel Class 8 concrete mixer trucks with 19 new model year 2019 or newer Class 8 natural gas concrete mixer trucks owned and operated by Ozinga Ready Mix Concrete, Inc. The grant award is \$974,551. The new concrete mixer trucks will operate at least 95% of the time in Cook County, Illinois in the Chicago ozone nonattainment area, including neighborhoods and environmental justice areas therein. Replacing older diesel concrete mixer trucks with new cleaner natural gas concrete mixer trucks will result in reductions of NOx and other pollutants thereby providing air quality benefits to the nonattainment area, including neighborhoods and environmental justice areas that these vehicles travel through, and area residents.	
Estimate of Anticipated NOx Reductions (5.2.3): It is anticipated that the project will result in approximately 29.65 tons of annual NOx reductions.	
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): Illinois EPA	
Describe how the Beneficiary will make documentation publicly available (5.2.7.2): The public may access documentation and records relative to the State of Illinois' administration of Trust Funds by submitting a request to the Illinois EPA pursuant to the Illinois Freedom of Information Act (5 ILCS 140/1, et. seq.). The Illinois EPA has regulations ("Access to Public Records of the Illinois Environmental Protection Agency," 2 Ill.	

Adm. Code Part 1828) that provide the framework by which Illinois EPA public records may be requested, accessed, inspected, duplicated, and further lists the records that will not be disclosed to the public, including records that contain personally-identifiable information and confidential business information. Trade secret and confidential business information claims are reviewed by the Illinois EPA in accordance with procedures and rules provided in 35 Ill. Adm. Code Part 130 and 2 Ill. Adm. Code Part 1828.

The Illinois EPA will make certain documentation and records relative to its administrative of Trust Funds available on its Driving a Cleaner Illinois webpage. The Illinois EPA's Beneficiary Mitigation Plan ("BMP") was made available to the public for review and comment, and the final BMP is available through the Illinois EPA's Driving a Cleaner Illinois webpage. The Illinois EPA will make available funding opportunities and related information and documents through this webpage. Further, the Illinois EPA will maintain and make available for public review all documentation submitted in support of funding requests and all records supporting all expenditures of eligible mitigation action funds consistent with the aforementioned laws and regulations.

Describe any cost share requirement to be placed on each NOx source proposed to be mitigated (5.2.8): Trust funds (\$279,406) and DERA funding (\$695,145) will combine to provide a 25% grant award (\$974,551) for this vehicle replacement project. Ozinga Ready Mix Concrete, Inc. will contribute a 75% mandatory cost share in the amount of \$2,974,447.

Describe how the Beneficiary complied with subparagraph 4.2.8, related to notice to U.S. Government Agencies (5.2.9): Illinois EPA provided the requisite notice via email to the appropriate agencies on February 27, 2018.

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 new natural gas concrete mixer trucks will replace older diesel concrete mixer trucks in Cook County, Illinois. The new natural gas concrete mixer trucks will operate in and travel through the Chicago ozone nonattainment area, including neighborhoods and environmental justice areas therein. This area has borne a disproportionate share of the adverse impacts of NOx emissions. By replacing the older diesel concrete mixer trucks with new cleaner natural gas concrete mixer trucks, this project will reduce the NOx emissions impacts to this area thereby providing air quality benefits to the area and area residents.

ATTACHMENTS
(CHECK BOX IF ATTACHED)

<input type="checkbox"/>	Attachment A	Funding Request and Direction.
<input checked="" type="checkbox"/>	Attachment B	Eligible Mitigation Action Management Plan Including Detailed Budget and Implementation and Expenditures Timeline (5.2.4).
<input checked="" type="checkbox"/>	Attachment C	Detailed Plan for Reporting on Eligible Mitigation Action Implementation (5.2.11).
<input checked="" type="checkbox"/>	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.]
<input checked="" type="checkbox"/>	Attachment E	DERA Option (5.2.12). [Attach only if using DERA option.]
<input type="checkbox"/>	Attachment F	Attachment specifying amount of requested funding to be debited against each beneficiary's allocation (5.2.12). [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 the Beneficiary State of Illinois, 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 Attached 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: 5/9/19


Name: Julie K. Armitage
Title: Chief, Bureau of Air

Illinois Environmental Protection Agency
LEAD AGENCY

For

State of Illinois
BENEFICIARY

ATTACHMENT B

Eligible Mitigation Action Management Plan Including Detailed Budget and Implementation and Expenditures Timeline (5.2.4)

Concrete Mixer Truck Replacements

Pursuant to Section 5.2.4 of the Environmental Mitigation Trust Agreement, the Illinois EPA provides the following Eligible Mitigation Action Management Plan. The milestone dates provided are subject to change based on the date of grant agreement execution and other variables.

Project Implementation Schedule and Milestones

Project: Ozinga Ready Mix Concrete, Inc. Concrete Mixer Truck Replacements
Project ID: 2019-002

Period of Performance: May – September 2019

Milestone	Estimated Date
Illinois EPA provides Notice of Availability of DERA Funds	2/27/19
Applicant Submits Proposal to Illinois EPA	3/26/19
Illinois EPA provides a Notice of State Award to Applicant	4/17/19
Illinois EPA enters into Grant Agreement	5/10/19
Applicant enters into Purchase Agreement/Places Order	5/13/19
Delivery of Vehicle(s) from Vendor	9/1/19
New Vehicle(s) put into Service	9/15/19
Existing Vehicle(s) Scrapped	9/15/19
Applicant provides detailed invoices for all claimed project costs and required final project certification documents to Illinois EPA to support direction to Trustee for Payment (Reimbursement, Direct-to-Vendor)	10/15/19
Illinois EPA Completes Review and Certifies Payment Direction to Trustee (Reimbursement)	10/30/19
Illinois EPA submits Final Report for Project Completion (DERA Final Report)	10/30/19
Trustee Acknowledges Receipt of Direction for Payment(s) (Reimbursement)	11/15/19

PROJECT BUDGET

Concrete Mixer Truck Replacements

Budget Category	Total Approved Budget	Share of Total Budget to be Funded by the Trust	Share of Total Budget to be Funded by DERA	Cost-Share Ozinga Ready Mix Concrete, Inc.
Equipment Expenditure	\$3,948,998	\$279,406	\$695,145	\$2,974,447
IEPA Administration	\$0	\$0		
Project Totals	\$3,948,998	\$279,406	\$695,145	\$2,974,447
Percentage of Equipment Expenditure	100%	7%	18%	75%

PROJECTED TRUST ALLOCATIONS

Illinois' Allocation	\$108,679,676.98
Obligated Awards from Previous D-4 Submittals for Projects #1-3 (Equipment + Administration Costs)	\$19,336,627.32
Illinois' Net Allocation	\$89,343,049.66
Current D-4 Project Funding Request (Project #3 Locomotive Replacements)	\$279,406
Illinois' Remaining Unobligated Allocation	\$89,063,643.66

Project #4: Anticipated Budget Year Distribution of Project Costs (Equipment + Admin.)	2019 (19 CNG Concrete Mixer Trucks)
1. Anticipated Annual Project and Administrative Funding request to be paid through the Trust	\$279,406
2. Anticipated Annual Cost Share - DERA	\$695,145
3. Anticipated Annual Cost Share - Grantee	\$2,974,447
4. Anticipated Total Project Funding by Year	\$3,948,998

ATTACHMENT C

Detailed Plan for Reporting on Eligible Mitigation Action Implementation (5.2.11) Concrete Mixer Truck Replacements

Pursuant to Sections 5.2.11 and 5.3 of the Environmental Mitigation Trust Agreement, the Illinois EPA provides this project implementation reporting plan for the concrete mixer truck replacement project undertaken by Ozinga Ready Mix Concrete, Inc. This detailed plan for reporting incorporates applicable State of Illinois grantee reporting requirements, U.S. EPA's DERA reporting requirements, as well as Illinois' obligation to comply with the semi-annual reporting requirement contained in Section 5.3 of the Environmental Mitigation Trust Agreement. Ozinga Ready Mix Concrete, Inc. will provide the reports as specified below to the Illinois EPA. Further, the Illinois EPA will provide quarterly reports to U.S. EPA and semi-annual reports to the Volkswagen Trustee as specified below and as required based on the reporting information received from the Grantee. The reporting deadlines contained herein are estimates and are subject to change based on the date of grant agreement execution and other variables.

Grantee: Ozinga Ready Mix Concrete, Inc.
Project ID: 2019-002

Reports and Reporting Schedule

Estimated execution of grant agreement and start of project:	May 10, 2019
Due date of monthly project report #1 from Grantee to Illinois EPA:	June 15, 2019 (May 1-31)
Due date of monthly project report #2 from Grantee to Illinois EPA:	July 15, 2019 (June 1-30)
Due date of quarterly project report from Illinois EPA to U.S. EPA:	July 30, 2019 (Start – June 30)
Due date of semi-annual project report #1 from Illinois EPA to Trustee:	July 30, 2019 (Start – June 30)
Due date of monthly project report #3 from Grantee to Illinois EPA:	August 15, 2019 (July 1-31)
Due date of monthly project report #4 from Grantee to Illinois EPA:	September 15, 2019 (August 1-31)
Due date of monthly project report #5 from Grantee to Illinois EPA:	October 15, 2019 (September 1-30)
Due date of final project report from Grantee to Illinois EPA:	October 15, 2019
Due date of final project report from Illinois EPA to U.S. EPA:	October 30, 2019
Due date of final project report from Illinois EPA to Trustee:	January 30, 2020

Report Content

Grantee and Illinois EPA reports will contain, at a minimum, the following information:

1. Summary of all costs expended through the reporting period and to date
2. Project status and development and implementation accomplishments
3. Any project modifications as compared to the original plan
4. Actual or projected project completion or grant termination date

ATTACHMENT D

Detailed Cost Estimates from Selected or Potential Vendors for each Proposed Expenditure Exceeding \$25,000 (5.2.6)

Concrete Mixer Truck Replacements

Pursuant to Section 5.2.6 of the Environmental Mitigation Trust Agreement, Illinois EPA provides the following detailed cost estimate for the concrete mixer truck replacement project to be undertaken by Ozinga Ready Mix Concrete, Inc.

Grantee: Ozinga Ready Mix Concrete, Inc.
Project ID: 2019-002

Vehicle	Vehicle Cost	Eligible Cost
2019 Kenworth T880 (Natural Gas)	\$230,778	\$207,842
2019 Kenworth T880 (Natural Gas)	\$230,778	\$207,842
2019 Kenworth T880 (Natural Gas)	\$230,778	\$207,842
2019 Kenworth T880 (Natural Gas)	\$230,778	\$207,842
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2019 Kenworth T880 (Natural Gas)	\$230,778	\$207,842
2019 Kenworth T880 (Natural Gas)	\$230,778	\$207,842
2019 Kenworth T880 (Natural Gas)	\$230,778	\$207,842
2019 Kenworth T880 (Natural Gas)	\$230,778	\$207,842
Total	\$4,384,782	\$3,948,998

Quantity 19 engine MY 2019 Kenworth T880 (Natural Gas) Concrete Mixer Trucks (@\$207,842 eligible per truck):
\$3,948,998

Total Eligible Project Cost: \$3,948,998

Total Trust Fund Request (7%): \$279,406

Total DERA Fund Request (18%): \$695,145

Total Grantee Cost Share (75%): \$2,974,447

Total Trust Fund Request for Concrete Mixer Truck Replacements: \$279,406

ATTACHMENT E

DERA OPTION (5.2.12)

Pursuant to Appendix D-2 and Section 5.2.12 of the Environmental Mitigation Trust Agreement, the project (Project ID: 2019-002) associated with this Funding Request Number 4 involves use of DERA funds. The Illinois EPA attaches its DERA Proposal hereto.

FISCAL YEAR 2018
STATE CLEAN DIESEL GRANT PROGRAM
WORK PLAN AND BUDGET NARRATIVE TEMPLATE

SUMMARY PAGE

Project Title: Illinois Clean Diesel Grant Program

Project Manager and Contact Information

Organization Name: Illinois Environmental Protection Agency

Project Manager: Julie Armitage

Mailing Address: 1021 N. Grand Avenue East, P.O. Box 19276, Springfield, IL
62794-9276

Phone: 217/785-4140

Fax: 217-557-2559

Email: Julie.Armitage@illinois.gov

Project Budget Overview:

Table 1: Project Budget Summary

	FY 2017	FY 2018
EPA Base Allocation	\$276,036	\$279,406
State or Territory Matching Funds (if applicable)	\$0	\$279,406
EPA Match Incentive (if applicable)	\$0	\$139,703
Mandatory Cost-Share	\$414,054	\$1,047,773
TOTAL Project	\$690,090	\$1,746,288

Project Period

October 1, 2018 – September 30, 2019

Summary Statement

Illinois EPA will fund projects consistent with the federal eligibility criteria and programmatic priorities. Illinois EPA will endeavor to identify projects that maximize emissions reductions in the nonattainment areas, especially NO_x, or other localized areas that experience disproportionate levels of particulate matter (PM) and where diesel emissions reductions would improve air quality. An example of such projects may include engine replacements of off-road equipment in which older, dirtier engines are replaced with new engines certified to a higher tier level.

SCOPE OF WORK

State Goals and Priorities

Illinois will focus on funding projects in areas of the State that are designated nonattainment for ozone. Therefore, reducing NO_x or PM from larger diesel engines is an important strategy in improving air quality and bringing the nonattainment areas into compliance for ozone as well as reducing pollutants in areas that experience a disproportionate level of diesel emissions.

Through its Illinois Clean Diesel Grant Program, Illinois EPA provides grants for various types of clean diesel projects using primarily Diesel Emission Reduction Act (DERA) and Congestion Mitigation and Air Quality Improvement (CMAQ) funding. To be considered for a grant, an applicant completes and submits an application providing information on the proposed vehicles, engines, or equipment involved in the project. The required information enables Illinois EPA to assess project eligibility and emissions reductions associated with the proposal and to submit the requisite reports to U.S. EPA. The grant is disbursed to the grantee as a reimbursement after all invoices and supporting documentation are submitted to the Illinois EPA.

Vehicles and Technologies

Illinois EPA proposes to implement projects to reduce emissions of NO_x and PM. The types of projects will be consistent with the eligibility criteria in Sections VIII.B and VIII.C in the Program Guide. During the past five years, Illinois EPA has been focusing on engine and vehicle replacements with its DERA funding to significantly reduce NO_x and PM emissions from on- and off-road equipment. For example, in 2014 and 2015, two tug boats were repowered with new Tier 3-certified engines that operate in or near the Metro-East nonattainment area. In 2016, the Champaign-Urbana Mass Transit District replaced four older diesel buses with new electric-hybrid buses that operate in and around the University of Illinois. Illinois EPA is currently reviewing an application to award its 2017 DERA funding. The

information on the DERA awards, including the name of the grantee, the amount awarded, and a synopsis of the project, will be posted on the agency’s website at www.epa.state.il.us.

Illinois EPA will focus on projects that result in the greatest emissions reductions and are cost-effective. As with the recent DERA projects, Illinois EPA will consider replacing older, polluting vehicles or engines with new, cleaner vehicles or higher tier engines certified to more stringent emission standards (e.g., Tier 3 or 4). These may include the purchase of advanced technology transit buses, new cleaner engines for locomotives or tug or ferry boats, or new electric-powered ground support equipment at an airport.

Roles and Responsibilities

Illinois EPA will be identifying and partnering with one or more entities that operate on-road vehicles or off-road equipment to provide meaningful emissions reductions to reduce NOx or PM. Illinois EPA enters into grant agreements with the grantees, which includes the eligible grant amount and the mandatory project match based on the type of project per DERA requirements.

As part of the grant disbursement process, Illinois EPA requires paid invoices for the purchase of new vehicles or equipment. For an engine or retrofit installation, Illinois EPA requires paid invoices with the certification from the vendor that the engine or retrofit product was installed and is functional. In addition, for engine and vehicle replacement projects, Illinois EPA requires a Certificate of Conformity and proof of scrappage of the older units prior to reimbursement.

TIMELINE AND MILESTONES

Illinois EPA’s project schedule for 2018 DERA State Allocation funding is outlined in Table 2.

Table 2: Project Schedule

Date	Activity
June – October 2018	Assess specific areas that would benefit the most from one or more clean diesel projects that reduce diesel emissions; assess project types to maximize air quality benefits and emissions reductions to the greatest extent possible.
October - December 2018	October 2018 is the formal beginning of the grant work plan period; work towards funding opportunities, awards, and grant agreements.
January 2019	Submit October-December 2018 quarterly report
January 2019 – March 2019	Work towards funding opportunities, awards, and grant agreements; monitor executed grants

April 2019	Submit January – March 2018 quarterly report, post public notification of project(s) on website within 60 days of award (if award is granted in previous quarter)
April –June 2019	Work towards funding opportunities, awards, and grant agreements; monitor executed grants
July 2019	Submit April – June 2019 quarterly report, post public notification of project(s) on website within 60 days of award (if not awarded and posted in earlier quarter)
September 2019	Complete all projects by September 30, submit final project report

DERA PROGRAMMATIC PRIORITIES

Illinois EPA will focus on identifying, selecting, and monitoring projects that support U.S. EPA’s DERA program priorities. These include:

- Prioritizing project locations in the nonattainment areas and/or the areas of the state identified from the National Air Toxics Assessment data as having air pollutant concerns; and
- Identifying project locations that result in a disproportionate quantity of air pollution from diesel-powered vehicles or equipment and/or that adversely impact NOx or PM in the area.

EPA’S STRATEGIC PLAN LINKAGE AND ANTICIPATED OUTCOMES/OUTPUTS

Illinois EPA’s proposed 2018 DERA work plan supports the U.S. EPA’s FY 2018-2022 Strategic Plan and will result in qualitative and quantitative outputs and outcomes:

- The replacement or repower of older diesel vehicles, equipment, and engines with new vehicles, equipment, and engines meeting more stringent emissions standards will reduce emissions of NOx and PM and thereby improve air quality.
- Illinois EPA will highlight the benefits and successes of the projects resulting from this funding.
- The U.S. EPA’s Diesel Emission Quantifier estimates the emissions reductions from implemented projects. In Table 3, tug boat engines are used as an example of an off-road project involving engine replacements to demonstrate the benefits of replacing older, dirtier diesel engines with new Tier 3-certified engines.

Table 3: Estimated Emissions Reductions and Cost-Effectiveness for Engine Replacement Projects

Criteria Pollutants	Estimated Emission Reductions with Engine Replacements
Estimated Number of Engines (older engines replaced with Tier 3)	12
NOx tons reduced/yr.	184.3
NOx tons lifetime reduced (30-yr)	1,309.5
NOx cost-effect. \$/ton (lifetime)	\$533
PM2.5 tons reduced/yr.	1.6
PM2.5 tons lifetime reduced (30-yr)	10.4
PM2.5 cost-effect. \$/ton (lifetime)	\$67,165
VOC tons reduced/yr.	2.4
VOC tons lifetime reduced (30-yr)	13.9
VOC cost-effect. \$/ton (lifetime)	\$50,253
CO2 tons reduced/yr.	13,470
CO2 tons lifetime reduced (30-yr)	97,705
CO2 cost-effect. \$/ton (lifetime)	\$7

SUSTAINABILITY OF THE PROGRAM

As mentioned, the Illinois Clean Diesel Grant Program has been primarily sustained through EPA’s DERA funds and with CMAQ funds administered by the Federal Highway Administration, the Chicago Metropolitan Agency for Planning, and the East-West Gateway Council of Governments (St. Louis region). The program started in 2008, and interested applicants have learned of it through outreach, stakeholder meetings and events, websites, and via the grantees that network with their colleagues. Illinois EPA works with many stakeholders to share information on products, the emission reductions, fuel savings, and how the retrofit technologies improve overall operations to help attract other interested applicants.

ESTIMATED PROJECT BUDGET

Illinois EPA’s 2018 DERA State Allocation funding may be spent on engine replacement projects. Table 4 outlines the total project budget for utilizing this funding in replacing 12 tug boat engines on an estimated three tug boats.

Table 4: Illinois' Estimated 2018 DERA Project Budget

Technology	Est. Number	Est. Cost/Unit	Amount Charged to Grant (40%)	Mandatory Cost-Share (60%)	Total Project Cost	Voluntary State Match*
Engine Replacements to Tier 3 in marine tug boats	12	\$145,524	\$698,515	\$1,047,773	\$1,746,288	\$279,406 to match the EPA Base amount

*In its Notice of Intent, Illinois EPA indicated an intent to provide the required match to receive the EPA match incentive and an “overmatch” both with VW funds. At this time, Illinois EPA does not intend to provide any overmatch due to the uncertainty of the timing of any related projects. However, this may change during the 2017-2018 DERA project period. Illinois EPA will provide the required match to receive the EPA match incentive and will provide such funds through the use of VW Trust Funds.

Per the 2018 DERA State Clean Diesel Grant Program Information Guide, the amount of the grant offered for engine replacement projects will be 40 percent, while the grantees’ mandatory cost share represents 60 percent of the total project cost. The 40 percent for the grant awards is to be paid with EPA allocation, state match, and the match incentive. All mandatory match dollars will be provided by the applicants and, except with the possibility of utilizing VW funding as noted above, there are no other funding sources. Table 5 shows the overall budget by category.

Table 5: Overall 2017 and 2018 DERA Budgets by Category

Budget Category	FY 2017*			FY 2018			Total
	EPA Allocation	Voluntary Match (if applicable)	Mandatory Cost-Share (if applicable)	EPA Allocation	Voluntary Match (if applicable)	Mandatory Cost-Share (if applicable)	
1. Personnel							
2. Fringe Benefits							
3. Travel							
4. Supplies							
5. Equipment							
6. Contractual							
7. Program Income							
8. Other (Engines)	\$276,036		\$414,054	\$419,109	\$279,406	\$1,047,773	\$2,436,378
9. Total Direct Charges	\$276,036		\$414,054	\$419,109	\$279,406	\$1,047,773	\$2,436,378
10. Indirect Charges							
Total	\$276,036		\$414,054	\$419,109	\$279,406	\$1,047,773	\$2,436,378