

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

State of Maine  
DERA Option (EMA 9)  
MaineDOT ID 23901.20  
Advance Fund Request #12

## BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION

Beneficiary State of Maine

Lead Agency Authorized to Act on Behalf of the Beneficiary Maine Department of Transportation *(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>	Diesel Emission Reduction Act (DERA) Option
<b>Beneficiary's Project ID:</b>	23901.20
<b>Funding Request No.</b>	12
<b>Request Type:</b> (select one or more)	<input type="checkbox"/> Reimbursement <span style="float: right;">X Advance</span> <input type="checkbox"/> Other (specify): _____
<b>Payment to be made to:</b> (select one or more)	X Beneficiary <input type="checkbox"/> Other (specify): _____
<b>Funding Request &amp; Direction (Attachment A)</b>	X Attached to this Certification <input type="checkbox"/> To be Provided Separately

### SUMMARY

<b>Eligible Mitigation Action</b> <input type="checkbox"/> Appendix D-2 item (specify): _____ <b>Action Type</b> <span style="float: right;">X Item 10 - DERA Option (5.2.12) (specify and attach DERA Proposal):</span>
<b>Explanation of how funding request fits into Beneficiary's Mitigation Plan (5.2.1):</b> Increase funding for Maine's DERA program by using Environmental Mitigation Trust funds as voluntary match per Section V.9 of Maine's Beneficiary Mitigation Plan (BMP).
<b>Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2):</b>  See Maine BMP, Section VII
<b>Estimate of Anticipated NOx Reductions (5.2.3):</b> See Maine BMP, Section VII
<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> For DERA, Maine Department of Environmental Protection, Air Bureau, Mobile Sources Program
<b>Describe how the Beneficiary will make documentation publicly available (5.2.7.2).</b> As stated in Paragraph 7 of Maine's Appendix D-3 filing, the Beneficiary certifies that it will maintain and make publicly available all documentation and records: (i) submitted by it in support of each funding request; and (ii) supporting all expenditures of Trust Funds by the Beneficiary, each until the Termination Date of the Trust pursuant to Paragraph 6.8 of the Trust Agreement, unless the laws of the Beneficiary require a longer record retention period. Together herewith, the Beneficiary attaches an explanation of:  (i) To satisfy the procedures by which the records may be accessed, which shall be designed to support access and limit burden for the general public. MaineDOT has established a website ( <a href="http://www.maine.gov/mdot/vw">http://www.maine.gov/mdot/vw</a> ) to house state-specific documents, guidance, public comments, funding process descriptions, and web links to other sites for useful background information and resources related to the VW Environmental Mitigation Settlement; (ii) As part of Maine's Beneficiary Mitigation Plan required under Paragraph 4.1 of the Trust Agreement, the

procedures by which public input will be solicited and considered included the solicitation of public comments via web notice and comment period on Maine’s Beneficiary Mitigation Plan. Two public meetings were held in geographically diverse locations prior to closing of the comment period. Comments were and will continue to be considered through program implementation.

(iii) Whether and the extent to which the certification in this Paragraph 7 is subject to the Beneficiary’s applicable laws governing the publication of confidential business information and personally identifiable information. The certification in Paragraph 7 is subject to Maine’s Freedom of Access Act (FOAA), 1 M.R.S. §§ 400-414, and other applicable Maine law. All documentation and records submitted by the State in support of each funding request and supporting all expenditures of Trust Funds by the State shall be accessible to the public unless an exception from disclosure under Maine law applies to the document or part thereof. For example, Maine’s FOAA, 1 M.R.S. § 402(3), includes in the list of exceptions a general exception for records that have been designated confidential by statute. Any claims for confidentiality under this exception, other enumerated exceptions, or under other Maine law would be reviewed by the Maine Department of Transportation and legal counsel. Documents, or parts of documents, would be protected from disclosure only to the extent required by Maine law. The State has identified the following specific provisions potentially applicable to confidential business information and personally identifiable information.

The enumerated exceptions under Maine’s FOAA include records that would be within the scope of a privilege against discovery or use as evidence recognized by Maine courts in civil or criminal trials if the records were sought during the course of a court proceeding. 1 M.R.S. § 402(3)(B). Maine Rule of Civil Procedure 26(c) provides that a trade secret or other confidential research, development, or commercial information may be the subject of a protective order by a court, when sought during discovery. Also, Rule 507 of the Maine Rules of Evidence contains a privilege to refuse to disclose, and prevent others from disclosing, a trade secret. The Maine Supreme Judicial Court has looked to the definition of “trade secret” in Maine’s Uniform Trade Secrets Act, 10 M.R.S. § 1542(4), in interpreting “trade secret” claims for non-disclosure under FOAA. That definition includes information that “[d]erives independent economic value, actual or potential, from not being generally known to and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use” and “[i]s the subject of efforts that are reasonable under the circumstances to maintain its secrecy.”

Maine’s FOAA contains exceptions to disclosure for certain personally identifiable information such as social security numbers. 1 M.R.S. § 402(3)(N).

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

See attached DERA program description.

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

Lead agency contact emailed the State Trust Agreement to specified recipients on February 12, 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).**

**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 State of Maine, 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: 04/01/2020

  
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David Gardner  
Director, Environmental Office

Maine Department of Transportation  
[LEAD AGENCY]

for

State of Maine  
[BENEFICIARY]

**ATTACHMENT B**  
**Eligible Mitigation Action Management Plan**

Project Schedule and Milestones (July 2019-June 2020)

MILESTONE	DATE
Solicit and Approve new applications	7/2019-4/2020
Contracts developed	7/2019-6/2020
Post on web site <a href="http://www.maine.gov/dep/air/mobile/cleandiesel.html">http://www.maine.gov/dep/air/mobile/cleandiesel.html</a>	7/2019-9/2020
Order engines/vehicles	9/2019-10/2020
Old engines scrapped	4/2020-11/2020
Reimbursement	5/2020-12/2020

Project Budget (July 2018 – June 2019)

BUDGET CATEGORY	TOTAL APPROVED BUDGET	SHARE TO BE FUNDED BY TRUST	COST SHARE
VW Expenditure on DERA	\$812,830	\$329,620	\$483,220
Percentage	100%	41%	59%

Projected Trust Allocations

	FY 2019 July 2018-June 2019	FY 2020	FY 2021-2028
1. Anticipated Annual Project Funding Requests to be paid through Trust	\$6,300,000	\$10,000,000	\$3,253,064
2. Anticipated Annual Cost Share	\$3,504,600	\$4,320,000	\$5,855,515
3. Anticipated Total Project Funding by Year (line 1 plus line 2)	\$9,804,600	\$14,320,000	\$9,108,579
4. Cumulative Trustee Payments made to Date against Cumulative Approved Beneficiary Allocations	\$1,500,000	7,800,000	\$17,800,000
5. Current Beneficiary Project Funding to be paid through the Trust (line 1)	\$6,300,000	\$10,000,000	\$3,253,064
6. Total Funding Allocated to Beneficiary, inclusive of current Action by Year (line 4 plus line 5)	\$7,800,000	\$17,800,000	\$21,053,051
7. Beneficiary Share of estimated Funds Remaining in Trust	\$19,553,064	\$13,253,064	-
8. Net Beneficiary Funds Remaining in Trust, Net of Cumulative Beneficiary Funding Actions (line 7 minus line 5)	\$13,253,064	\$3,253,064	-

ATTACHMENT C  
Detailed Plan for Reporting on Eligible Mitigation Action Implementation (5.2.11)

Records of applications and selected projects will be made available on the Maine VW webpage: <http://www.maine.gov/mdot/vw/> and the DERA project website:

**DERA Quarterly Reports**

The Maine Department of Environmental Protection will continue to submit quarterly reports to the Environmental Protection Agency (EPA). Information regarding DERA can also be located at <http://www.maine.gov/dep/air/mobile/cleandiesel.html>

**Semi-Annual Reports to the Trustee**

MaineDOT will cover the DERA program actions described in this funding request including the DERA Reports to EPA in semi-annual reports to the Trustee.

ATTACHMENT D  
 COST ESTIMATES and AWARDS

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

The Maine Department of Environmental Protection leads the DERA program for the State of Maine. Project information, including costs estimates and awards can be found at <http://www.maine.gov/dep/air/mobile/cleandiesel.html>. The Maine DERA Work Plan is also included in Attachment E.

TYPE	BASELINE COSTS	VW FUNDS	COST SHARE
(10) Marine Vessels/Lobster Boats	\$500,000	\$200,000	\$300,000
Maine Maritime Museum Excursion Vessel	\$249,220	\$66,000	\$183,220
Administration costs		\$63,620	
Total	\$749,220	\$329,620	\$483,220

The total VW share for the DERA Option is \$329,620.

Information can be located on the Maine VW webpage: <http://www.maine.gov/mdot/vw/>.



ATTACHMENT E  
DERA OPTION  
REPORT



**National Clean Diesel Campaign**

**Maine Clean Diesel Program**

**Project Manager and Contact Information**

Organization Name	Maine Department of Environmental Protection
Project Manager	Lynne Cayting
Address	17 State House Station, ME 04333-0017
Phone	(207)-287-7599
Fax	(207)-287-7641
Email	Lynne.a.cayting@maine.gov

**Project Budget from October 1, 2017 through September 30, 2019**

	<b>FY 2017</b>	<b>FY 2018</b>
<b>EPA Base Allocation</b>	<b>\$226,036</b>	<b>\$274,371</b>
<b>State Matching Funds</b>	<b>\$500,000</b>	<b>\$1,000,000</b>
<b>EPA Match Incentive</b>	<b>\$113,018</b>	<b>\$137,186</b>
<b>Mandatory Cost Share</b>	<b>\$1,192,752</b>	<b>\$2,005,260</b>
<b>TOTAL</b>	<b>\$2,031,806</b>	<b>\$3,416,817</b>

The Maine Department of Environmental Protection (Maine DEP) seeks \$750,611 from U.S. EPA to fund the Maine Clean Diesel Program from October 1, 2017 through September 30, 2019. Maine DEP will over match the federal award using funds from the Maine allocation of the Environmental Mitigation Trust Agreement of the Volkswagen First Partial Consent Decree and therefore qualifies for the EPA match bonus funds. Maine will commit \$1,500,000 of the State’s Environmental Mitigation Trust Funds to the Maine Clean Diesel Program funded under the Diesel Emission Reduction Act (DERA) Program. The mandatory cost share is based on the assumption that most projects will have a 60% cost share. DERA projects can be found at <http://www.maine.gov/dep/air/mobile/cleandiesel.html>.

**1) State Goals and Priorities**

Maine is in attainment of all National Ambient Air Quality Standards. Maine has three designated Federal Class 1 areas which include Acadia National Park, Roosevelt-Campobello International Park and Moosehorn Wilderness Area. The Maine Clean Diesel Program’s goals and priorities are to maximize public health benefits by employing the most cost effective strategies to reduce diesel emissions. Reducing diesel emissions by replacing unregulated engines from locomotives and marine vessels is a primary goal, as these more polluting engines were built when engine emission standards were lax or non-existent. The school bus fleet is the largest public fleet in the State of Maine and continues to be a priority for the Maine Clean Diesel Program. However, we anticipate that school districts, municipalities and state agencies will apply for funding through the Environmental Mitigation Trust Agreement since up to 80% funding is allowed with a minimal cost share.

## 2) *Project Description*

The Maine Clean Diesel Program will fund those projects not listed as eligible mitigation projects specified in the Environmental Mitigation Trust Agreement (Trust Agreement) under Appendix D-2 of the First Partial Consent Decree with Volkswagen. Specifically, the State DERA Program will consider funding for marine repowers, nonroad engine or equipment replacement for construction, forestry or agricultural use, non-ocean going shore power and non-idling technologies for locomotives, long-haul trucks, and school buses. It is anticipated that the majority of the eligible applications will be for marine vessel repower projects.

MaineDOT is the lead agency for administering funds allocated from the Trust Agreement. Maine DEP in collaboration with MaineDOT drafted the Beneficiary Mitigation Plan (Plan) and submitted it to Wilmington Trust, the Trustee, on March 20, 2018. On April 20, 2018, MaineDOT submitted the first invoice to the Trustee requesting the \$500,000 state match for the Maine Clean Diesel Program.

The Maine DEP will continue to solicit for eligible applications for funding through both the DERA Program and eligible mitigation actions as outlined in Appendix D-2 of the First Partial Consent Decree with Volkswagen. Eligible projects selected through the Plan will also consider the State goals and DERA programmatic priorities.

### **Clean Marine Engine Program**

The grant will continue to support the Clean Marine Engine Program with repowering Maine commercial fishing vessels. Maine Marine Trades Association (MMA) will continue to administer the program in collaboration with Maine DEP. The DERA 2017 sub-grant award to MMA is \$660,000 for repowering of approximately 28 vessels. The Maine DEP received to date eighteen eligible applications for the Clean Marine Engine Program of which twelve have since been completed. The annual oxides of nitrogen (NOx) and diesel particulate matter (PM) reductions from the eighteen vessels is respectively 10.2 tons and 0.8 tons.



The Department established the Clean Marine Engine Program in 2009 which replaces older in-service marine diesel engines which were built when engine emission standards were non-existent, with the cleanest available engine technology. The Clean Marine Engine Program meets the funding eligibility requirements and reimburses up to 40 percent of the costs to purchase and install an EPA certified Tier 3 engine.



The Maine DEP and its partner Maine Marine Trades Association (MMA) reach out to boat yards for eligible applications. The Maine DEP selects applications based on a cost effectiveness formula for reducing NOx and PM calculated from annual fuel use, rated horse power, engine emission factors and the cost of the new engine. Applicants are not allowed to increase the horse power beyond 20% so as not to negate any emission benefits, but are allowed to reduce their horse power to save fuel. Applicants must sign an Agreement under Maine's Unsworn Falsification Law that the vessel was not scheduled for repower during the grant period. The applicant must also submit a letter of guaranty from a financial institution for meeting the 60 percent cost share. Final reimbursement for 40 percent of the installation costs are paid after demonstration that the old engine has been destroyed. There are no local or state requirements mandating emission reductions from marine engines.

**3. Project Partners/Roles and Responsibilities**

MaineDOT is the lead agency for administering funds allocated from the Environmental Mitigation Trust Agreement. Maine DEP will administer the DERA grant and will work closely with MaineDOT to ensure the disbursement of funds from the Volkswagen settlement is timely for the reimbursement of completed eligible DERA projects.

Maine DEP will administer projects such as nonroad engine or equipment replacement and non-idling technologies for school buses and locomotives selected by the Maine Clean Diesel Program for funding through the State DERA Cooperative Agreement. It is anticipated that the majority of the eligible applications will be for marine vessel repower projects. Those marine repower projects will be administered by Maine Marine Trades Association, a non-profit organization which administers the Clean Marine Engine Program as our partner in a successful public/private partnership. MMTA will ensure that costs associated with the engine replacement project are eligible for reimbursement. MMTA will remain in close contact with the boat yards and applicants to ensure project delivery dates are met. Maine DEP will provide EPA with quarterly reports of the progress of the grant and a final report.

**4. Project Timeline**

**Months from EPA Award**

Activity	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Reimburse DERA 2017 repower projects															
Solicit and approve new applications															
Contracts															
Post on website															
Order engines/vehicles															
Engines/vehicles delivered															
Engine installation															
Old engines/vehicles scrapped															
Reimbursement															
Final report to EPA															X

**5. DERA Program Priorities**

The Maine Clean Diesel Program will ensure that the programmatic priorities in the Diesel Emission Reduction Act of 2010, 42 USC 16131 *et seq.*, and as defined in Section VIII.D of the Program Guide, will be met to the extent practicable. The principle objective is to achieve significant reductions from exposure to diesel emissions from vehicles engines and equipment.

**Poor Air Quality Areas** Maine is currently in attainment for meeting all National Ambient Air Quality Standards. Coastal Maine including Cumberland County is designated as an 8-hr ozone maintenance area. Portland is the only area in Maine with a metropolitan statistical area of 100,000 people or greater. Portland is within Cumberland County, the only county listed on EPA’s priority location for the DERA Program.

A goal of the Maine Clean Diesel Program is to reduce diesel engine emissions in areas of higher than average populations in Maine and near sensitive receptor locations such as neighborhoods and schools. The Maine Clean Diesel Program focuses on reducing emissions in areas that receive a disproportionate quantity of air pollution from diesel fleets in ports, rail yards, construction sites, and school bus depots/yards. Priority will be given to projects located in Cumberland County, which is listed on EPA’s designated counties of high priority as an 8-hour ozone maintenance area. In addition, priority will be given to projects that impact Federal Class I areas.

**Maximize Public Health Benefits** People with existing heart or lung disease, asthma, or other respiratory problems are most sensitive to the small particles in diesel exhaust. In 2007, the national Center for Disease Control reported Maine as having the highest incidence of adult asthma in the United States. Because of Maine’s geographic location, prevailing winds transport air pollutants to Maine from other parts of the country. Implementing new technologies will reduce diesel particulate emissions which exacerbate asthma and other respiratory illnesses.

Funding from this grant will replace non-regulated marine diesel engines which were built when engine emission standards were lax or non-existent, producing higher emissions than newer engines subject to more stringent standards. Funding from this grant can reduce diesel emissions from school buses carrying children that live in urban areas thereby reducing student exposure to harmful air toxics. Projects will be considered which reduce emissions from locomotives with engines that meet Tier 0 emission standards.

**Cost-effective** All marine engine replacement projects are selected based on cost-effectiveness. The Maine DEP ranks the applications based on a cost effectiveness formula for annual reduction of NOx and PM based on annual fuel use, rated horse power, engine emission factors and the cost of the new engine. Those boats that consume more fuel, have high engine emission factors, and moderate priced engines, rank the highest as the most cost-effective projects. Baseline emissions and projected emissions after repower were calculated using the same methodology as used by EPA’s *Diesel Emissions Calculator*. The ranking was based on California’s methodology to measure cost effectiveness by calculating the cost per ton of reduced NOx and PM weighted (x7) using a ten-year cost recovery factor.

**Maximize Useful Life** The longevity of heavy-duty diesel engines due to their durability is part of the challenge of reducing emissions. The new engines will be in service for a minimum of ten years which sustain the project benefits beyond the assistance agreement period. The Clean Marine Engine Program will maximize the useful life of the vessel by replacing a non-regulated engine with a Tier 3 compliant engine that will last a minimum of ten years.

**6. Supports EPA’s Strategic Plan and Anticipated Outputs and Outcomes**

The Maine Clean Diesel Grant Program supports the EPA Strategic Plan goal of reducing greenhouse gas emissions from vehicles and trucks. Selected projects will reduce emissions from diesel fleets, thereby reducing local and regional air pollution of criteria pollutants and air toxics. The marine repower projects also meet Goal 1 of the EPA Strategic Plan to improve air quality by replacing non-certified marine engines with EPA Tier 3 compliant engines. Potential selected eligible projects will include:

<b>Activities</b>	<b>Outputs</b>	<b>Outcomes</b>
Construction Equipment Engine Upgrade (EUG) or Replacement	Replace pre-2006 diesel engines/equipment or install EPA certified EUG kits	Estimated 20% reduction in NOx, 34% reduction in PM, and 61% reduction in HC emissions

Marine Engine Replacement	Install EPA Tier 3 marine engines on commercial vessels	Estimated 59% reduction in NO <sub>x</sub> and 30 % reduction in PM emissions
Locomotive No-idling Technologies	Install APUs on short line locomotives	Estimated 50% reduction in diesel emissions

**Short and medium-term outcomes:** Select eligible projects that meet program goals to reduce exposure to harmful diesel exhaust emissions. Promote no-idling and no-idling technologies, alternative fuel engines, and engine/equipment replacement. Seek public/private partnerships.

**Medium and long-term outcomes:** Marine engines have a long life and the emissions reductions observed should be maintained throughout the useful life of the engine and beyond the grant period. The technologies implemented in this program will provide sustainable environmental and health benefits to Maine residents because locomotive and marine engines and construction vehicles will remain in service for many years and continue to operate in railyards, ports and construction sites; areas of disproportionate quantity of air pollution.

### 7. Sustainability of the State Program

Locomotive, construction, and marine engines will remain in service more than ten years providing sustainable environmental and health benefits to Maine residents. These engines have a long life and the emissions reductions observed should be sustained throughout the useful life of the replacement engines. All of the grant funded projects will have sustained emission benefits beyond the grant period. The benefits of the Maine Clean Diesel Program will be highlighted on the DEP website

<http://www.maine.gov/dep/air/mobile/cleandiesel.html>

### Project Budget

	FY 2017			
Budget Category	EPA Allocation	Voluntary Match	Mandatory Cost Share	Total Project Cost
<b>Personnel</b>				
Project Manager \$30/hr. 720 hours		\$21,600		\$21,600
<b>Fringe Benefits</b>				
Project Manager \$16/hr.		\$11,520		\$11,520
<b>Other</b>				
Sub-award to MMTA	\$339,054	\$320,946	\$982,500	\$1,642,500
Projects selected through the Beneficiary Mitigation Plan		\$140,168	\$210,252	\$350,420
<b>Total Direct Charges</b>	\$339,054	\$494,234	\$1,192,752	\$2,026,040
<b>Indirect Cost/ Indirect Rate is 17.41%</b>		\$5,766		\$5,766
<b>Grand Total</b>	<b>\$339,054</b>	<b>\$500,000</b>	<b>\$1,192,752</b>	<b>\$2,031,806</b>

	<b>FY 2018</b>			
<b>Budget Category</b>	<b>EPA Allocation</b>	<b>Voluntary Match</b>	<b>Mandatory Cost Share</b>	<b>Total Project Cost</b>
<b>Personnel</b>				
Project Manager \$30/hr. 1000 hours		\$30,000		\$30,000
<b>Fringe Benefits</b>				
Project Manager \$16/hr.		\$16,000		\$16,000
<b>Other</b>				
Projects selected for the Maine Clean Diesel Program	\$411,557	\$945,283	\$2,005,260	\$3,362,100
<b>Total Direct Charges</b>	\$411,557	\$991,283	2,005,260	\$3,408,100
<b>Indirect Cost/ Indirect Rate is 18.95%</b>		\$8,717		\$8,717
<b>Grand Total</b>	<b>\$411,557</b>	<b>\$1,000,000</b>	<b>\$2,005,260</b>	<b>\$3,416,817</b>

### **Explanation of Budget Framework**

The non-federal state match of \$1,000,000 is committed from the Volkswagen Environmental Mitigation Trust Agreement. The project manager expects to work on average 40-50% of the time soliciting projects, selecting applicants, tracking project completion and submitting reports. Since a majority of the funding for projects will be from the Trust Agreement, personnel hours are charged only to that account. Fringe benefits are for the Project Manager and include employee insurance, pension, and worker's compensation benefit plans.

MMTA will administer the re-power of commercial marine vessels in FY 2017-2018 and will charge a nominal administration fee. We anticipate other applicants may request nominal administrative fees.

All mandatory cost share funds are non-federal funds from the project applicants. It is anticipated that project applicants will match 60 percent for the purchase and installation of engine replacements. Mandatory cost share was calculated by subtracting the Maine DEP administrative fees of \$54,717 and \$20,000 for projected applicant administrative fees from the grant total of \$1,411,557 for a revised direct cost of \$1,336,840. Therefore, the 60% mandatory cost share would be \$2,005,260.