

APPENDIX D-4
Beneficiary Eligible Mitigation Action Certification

State of Nebraska
Funding Request #8

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 SUMMARY Supplement (page 6).

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 Nebraska, 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:

August 27, 2020

Kara L. Valentine
Deputy Director, Air & Land

[NAME]

[TITLE]

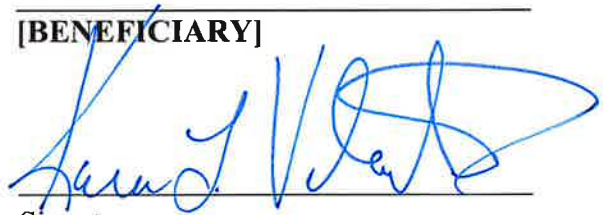
Nebraska Department of Environment and Energy

[LEAD AGENCY]

for

State of Nebraska

[BENEFICIARY]



Signature

SUMMARY Supplement

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

This request will fund the replacement of 46 diesel school buses in Nebraska. Nebraska’s updated Beneficiary Mitigation Plan posted in January 2020 proposed to use 52% of Nebraska’s initial allocation, or approximately \$6.37 million, to provide grants or rebates to replace diesel school buses (Class 4 to 8, with engine model year 2009 or older), as authorized under Eligible Mitigation Action 2. That proposed funding allocation would aid in the replacement of up to 147 diesel school buses, depending on the choice of replacement fuel. Nebraska’s previous Funding Request #2 provided \$1,891,527 for the 2018 School Bus Rebate Program, which replaced 40 school buses. Funding Request #5 for the 2019 School Bus Rebate Program provided \$2,758,981, replacing 61 school buses. The current funding request will utilize the remainder of the funds that Nebraska allocated for school bus replacements.

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

The Nebraska Department of Environment and Energy (NDEE) solicited applications from public school districts and private schools in Nebraska to receive a rebate to partially reimburse the scrapping of a diesel school bus and its replacement by a new diesel or cleaner alternative-fuel bus. The Department received 63 applications and selected 46 recipients by lottery. Forty applicants plan to purchase new, cleaner diesel buses, and six plan to purchase propane-fueled buses meeting California Air Resources Board Optional Low-NOx emission standards that are stricter than current EPA NOx emission standards.

The buses being replaced have engine model years from 1989 to 2009; 22 of them are 2002 or older. Nebraska DEE expects that replacement of these older buses with new cleaner-burning buses will reduce emission of NOx and diesel particulates by over 90% annually. In addition, the new buses will likely be much more fuel-efficient.

Estimate of Anticipated NOx Reductions (5.2.3):

NDEE 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 bus using the provided engine model year, annual mileage, fuel use, replacement fuel, and estimated lifetime of the replacement bus of 15 years.

We estimate that the 46 diesel school bus replacement projects to be funded by this request will result in lifetime reductions in NOx emissions of 6.5 tons, and reduction in particulate emissions of 0.32 ton.

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

NDEE 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. A separate web page (<http://deq.ne.gov/NDEQProg.nsf/OnWeb/AirVW-3>) lists the expected recipients of school bus rebates in this funding cycle.

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 NDEE website. Also see Attachment C.

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

Environmental Mitigation Funds will provide public school districts 50% of the cost, up to a maximum rebate of \$42,000, toward the purchase of a new diesel bus, and 60%, up to a maximum of \$57,000, toward the purchase of a new propane-fueled bus meeting California Air Resources Board Optional Low-NOx emission standards. Recipients provide the balance of the purchase cost.

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)

Children are more vulnerable than adults to the harmful effects of nitrogen oxides and particulates in diesel exhaust; these effects can include decreased lung function, retarded lung growth, and development or exacerbation of asthma.

Most applicants for the 2020 School Bus Rebate Program are smaller rural school districts, where it is common to transport students by bus over long distances, especially for activities such as athletic events. These long travel distances with older buses increase the exposure of school children to diesel emissions from the bus tailpipe and crankcase.

Consolidated rural school districts are typically in residential areas in more populated towns in the county; bus idling at the school or nearby bus depot therefore exposes not only school children but also nearby residents to elevated levels of diesel emissions.

Replacement of these older buses with new, much cleaner buses will thus greatly reduce the exposure of vulnerable school children and school neighbors to harmful diesel emissions, and thus reduce these potential adverse health impacts.

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 and Energy (NDEE), enabling the Department to provide rapid reimbursement to recipients of 2020 School Bus Rebates under the Nebraska Diesel Emission Mitigation Program. The actions covered by this funding request are consistent with Eligible Mitigation Action 2 (Class 4-8 School Bus, Shuttle Bus, or Transit Bus) of the State Trust Agreement and with Nebraska’s Beneficiary Mitigation Plan (page 7: School Bus Diesel and Alternative Fuel Replacements and page 10).

PROJECT SCHEDULE AND TIMELINE, 2020 NEBRASKA SCHOOL BUS REBATE PROGRAM

Project Milestone	Date
NDEE posts program information and application materials on agency website; mailing to all public school districts and private schools; press release issued.	1 June 2020
Deadline for submission of applications	7 August 2020
Review of applications	10-12 August 2020
Initial notification to rebate recipients (via e-mail)	14 August 2020
Formal notification to rebate recipients (via U.S. mail)	17 August 2020
NDEE submits Project Certification and Funding Direction for Advance Funding	28 August 2020
NDEE finalizes project agreements with rebate recipients	September 2020
Trustee allocates Advanced Funding to NDEE	15 November 2020
NDEE reviews reimbursement requests from recipients and provides payment for projects as completed	December 2020- December 2021
NDEE reports on project progress	January 2021 & July 2021
Deadline for completion of school bus replacement projects	31 December 2021
NDEE reports project completion	January 2022

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PROJECT BUDGET

Period of Performance: November 2020 – December 2021			
Budget Category	Share of Total Budget to be Funded by the Trust	Cost-Share to be Paid by Project Recipient	Total Budget Amount
Equipment (school buses)	\$ 1,993,604	\$ 2,664,495	\$ 4,658,099
Contractor Support	\$ 0	\$ 0	\$ 0
Subrecipient Support	\$ 0	\$ 0	\$ 0
<u>Administrative Costs (2%)</u> Program planning, development, outreach, and administration	\$ 39,872	\$ 0	\$ 39,872
Project Totals	\$ 2,033,476	\$ 2,664,495	\$ 4,697,971
Percentage	43.3%	56.7%	100%

2018-2019 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 (previous)	\$ 1,255,206	\$ 2,235,165	\$ 3,490,371
4. 2018 DERA Program Projects (previous)	\$ 775,212	\$ 932,659	\$ 1,707,871
5. 2019 School Bus Rebates (previous)	\$ 2,758,981	\$ 3,392,200	\$ 6,151,181
6. Electric Vehicle Charging Rebates (previous)	\$ 1,909,134	\$ 742,010	\$ 2,651,144
7. 2019 DERA Program Projects (previous)	\$ 525,784	\$ 722,484	\$ 1,248,268
8. 2020 School Bus Rebates (current)	\$ 2,033,476	\$ 2,664,495	\$ 4,697,971
TOTALS	\$ 6,968,169	\$ 9,773,948	\$ 16,742,117

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PROJECTED ANNUAL TRUST ALLOCATIONS

	2020	2021	2022
1. Anticipated Annual Project Funding Request to be paid through the Trust	\$ 4,468,394	\$ 405,892	\$ 405,892
2. Anticipated Annual Cost Share	\$ 4,128,989	\$ 527,660	\$ 527,660
3. Anticipated Total Project Funding by Year (line 1 plus line 2)	\$ 8,597,383	\$ 933,552	\$ 933,552
4. Cumulative Trustee Payments Made in Previous Years Against Cumulative Approved Beneficiary Allocation	\$ 6,968,169	\$ 11,436,563	\$ 11,842,455
5. Current Beneficiary Project Funding to be paid through the Trust (line 1)	\$ 4,468,394	\$ 405,892	\$ 405,892
6. Total Funding Allocated to Beneficiary, inclusive of Current Action by Year (line 4 plus line 5)	\$ 11,436,563	\$ 11,842,455	\$ 12,248,348
7. Beneficiary Share of Estimated Funds Remaining in Trust at Start of Year	\$ 5,280,179	\$ 811,785	\$ 405,893
8. Net Beneficiary Funds Remaining in Trust, net of cumulative Beneficiary Funding Actions (line 7 minus line 5)	\$ 811,785	\$ 405,893	\$ 0

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LIST OF EXPECTED SCHOOL BUS REBATE RECIPIENTS

Recipient	City	Rebate	New Bus Fuel
Amherst Public School	Amherst	\$57,000	Propane
Banner County School	Harrisburg	\$42,000	Diesel
Bayard Public Schools	Bayard	\$42,000	Diesel
Bertrand Community School	Bertrand	\$42,000	Diesel
Bloomfield Community Schools	Bloomfield	\$41,270	Diesel
Centura Public School	Cairo	\$42,000	Diesel
Chambers Public School	Chambers	\$42,000	Diesel
Eustis-Farnam Public Schools	Eustis	\$42,000	Diesel
Fillmore Central Schools	Geneva	\$42,000	Diesel
Freeman Public Schools	Adams	\$42,000	Diesel
Fremont Public Schools	Fremont	\$42,000	Diesel
Giltner Public Schools	Giltner	\$42,000	Diesel
Gretna Public Schools	Gretna	\$42,000	Diesel
Harvard Public Schools	Harvard	\$42,000	Diesel
Hemingford Public Schools	Hemingford	\$42,000	Diesel
Hershey Public Schools	Hershey	\$42,000	Diesel
High Plains Community Schools	Polk	\$42,000	Diesel
Humboldt Table Rock Steinauer PS	Humboldt	\$42,000	Diesel
Kearney Public Schools	Kearney	\$57,000	Propane
Lyons-Decatur Northeast Public School	Lyons	\$42,000	Diesel
Mid States School Bus	Wayne	\$16,947	Diesel
Minatare Public Schools	Minatare	\$42,000	Diesel
Minden Public Schools	Minden	\$56,341	Propane
Mullen Public Schools	Mullen	\$42,000	Diesel
Oakland-Craig Public Schools	Oakland	\$42,000	Diesel
Ogallala Public Schools	Ogallala	\$42,000	Diesel
Osmond Community Schools	Osmond	\$55,753	Propane
Overton Public Schools	Overton	\$57,000	Propane
Pawnee City Public School District	Pawnee City	\$42,000	Diesel
Perkins County Schools	Grant	\$42,000	Diesel
Randolph Public Schools	Randolph	\$56,292	Propane
Raymond Central Public Schools	Raymond	\$42,000	Diesel
School District of Seward	Seward	\$42,000	Diesel
Schuyler Community Schools	Schuyler	\$42,000	Diesel
Shickley Public Schools	Shickley	\$42,000	Diesel
Silver Lake Public Schools	Roseland	\$42,000	Diesel
South Central Nebraska USD #5	Fairfield	\$42,000	Diesel
Southern Public Schools District #1	Wymore	\$42,000	Diesel
Stanton Community Schools	Stanton	\$42,000	Diesel
Stapleton Public Schools	Stapleton	\$42,000	Diesel
Tekamah-Herman Schools	Tekamah	\$42,000	Diesel
Wakefield Community Schools	Wakefield	\$42,000	Diesel
Wauneta-Palisade Schools	Wauneta	\$42,000	Diesel
Waverly School District 145	Waverly	\$42,000	Diesel
Wilcox-Hildreth Public School	Wilcox	\$42,000	Diesel
York Public Schools	York	\$42,000	Diesel
		\$1,993,604	

ATTACHMENT C

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

The Nebraska Department of Environment and Energy (NDEE) 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 NDEE’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.

NDEE Website

NDEE 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 developed and posted as funding programs open; these pages 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 electronically in Nebraska’s Enterprise Content Management (ECM) system and are available to the public through a Public Records Search web page accessed through the NDEE website.

Semi-Annual Reports to the Trustee

As required by subparagraph 5.3 of the Environmental Mitigation Trust Agreement for State Beneficiaries, NDEE will submit a report to the Trustee no later than January 30 and July 30 each year 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 NDEE website.

ATTACHMENT D

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

Each applicant for the 2020 Nebraska School Bus Rebate Program was required to seek at least one price quote for a replacement bus and submit it with their application. The table below summarizes the cost ranges of the submitted quotes by bus type, fuel type, and use. Environmental Mitigation Funds will provide public school applicants 50% or \$42,000, whichever is less, toward the purchase of a new diesel bus, and 60% or \$57,000, whichever is less, toward the purchase of a new propane-fueled bus meeting California Air Resources Board Optional Low-NOx emission standards.

Bus Type	Diesel Route Bus	Propane Route Bus	Diesel Activity Bus	Propane Activity Bus
Type C	\$ 67,789 – 111,399	\$ 92,922 – 102,699	\$ 84,816 – 107,599	NA
Type D	\$ 128,900	NA	\$ 125,926 – 211,399	NA

School buses are classified by chassis type, body type, and gross vehicle weight rating (GVWR; see table on the following page). Costs for a bus of a certain type and fuel vary based on the bus size (number of passengers), auxiliary equipment such as wheelchair lifts, and dealer inventory.





A “route bus” is used to transport students to and from school on a daily basis. An “activity bus” is used to transport students to and from other schools for activities such as athletic events. Activity buses commonly have individual coach-style seats and are thus more expensive than route buses. Some schools use the same bus for both purposes.

Vendors providing quotes were:

Manufacturer	Dealer
Blue Bird	Nebraska/Central Equipment, Inc., 112 Apollo Avenue, Alda, NE 68810
IC Bus	Cornhusker International, 3131 Cornhusker Highway, Lincoln, NE 68504
Thomas	Truck Center Companies, 14321 Cornhusker Rd, PO Box 27379, Omaha, NE 68127
Thomas	Hoekstra Transportation, 3741 Roger B. Chaffee Memorial Blvd, Grand Rapids, MI 49548

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Descriptions of School Bus Types

	<p>TYPE A: A Type “A” school bus is a van conversion or bus constructed utilizing a cutaway front section vehicle with a left-side driver’s door. This definition includes two classifications: Type A-I, with a Gross Vehicle Weight Rating (GVWR) less than or equal to 14,500 pounds; and Type A II, with a GVWR greater than 14,500 pounds and less that or equal to 21,500 pounds.</p>
	<p>TYPE B: A “type B school bus” is a conversion or body constructed and installed upon a van or front-section vehicle chassis, or stripped chassis, with a gross vehicle weight rating of more than 10,000 pounds, designed for carrying more than ten persons. Part of the engine is beneath or behind the windshield and beside the driver’s seat. The entrance door is behind the front wheels.</p>
	<p>TYPE C: A Type “C” school bus is constructed utilizing a chassis with a hood and front fender assembly. The entrance door is behind the front wheels. A “type C school bus” also includes a cutaway truck chassis or truck chassis with cab, with or without a left side door, and with a GVWR greater than 21,500 pounds.</p>
	<p>TYPE D: A “type D school bus” is a body installed upon a chassis, with the engine mounted in the front, midship or rear, with a gross vehicle weight rating of more than 10,000, designed for carrying more than ten persons. The engine may be behind the windshield and beside the driver’s seat; it may be at the rear of the bus, behind the rear wheels, or midship between the front and rear axles. The entrance door is ahead of the front wheels. A type D school bus has a maximum length of 45 feet.</p>