

APPENDIX D-4
Beneficiary Eligible Mitigation Action Certification

BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION

Beneficiary State of North Carolina

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

Action Title:	ZEV Equipment Supply-Phase 1
Beneficiary's Project ID:	NCDEQ-ZEVSE-FY20
Funding Request No.	<i>(sequential)</i> 1
Request Type: (select one or more)	<input type="checkbox"/> Reimbursement <input checked="" type="checkbox"/> Advance <input type="checkbox"/> Other (specify): _____
Payment to be made to: (select one or more)	<input checked="" type="checkbox"/> Beneficiary <input type="checkbox"/> Other (specify): _____
Funding Request & Direction (Attachment A)	<input checked="" type="checkbox"/> Attached to this Certification <input type="checkbox"/> To be Provided Separately

SUMMARY

Eligible Mitigation Action	<input checked="" type="checkbox"/> Appendix D-2 item (specify): <u>9. Light Duty Zero Emission Vehicle Supply Equipment</u>
Action Type	<input type="checkbox"/> Item 10 - DERA Option (5.2.12) (specify and attach DERA Proposal): _____
Explanation of how funding request fits into Beneficiary's Mitigation Plan (5.2.1): See attached.	
Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2): See attached.	
Estimate of Anticipated NOx Reductions (5.2.3): See attached.	
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): See attached.	
Describe how the Beneficiary will make documentation publicly available (5.2.7.2). See attached.	
Describe any cost share requirement to be placed on each NOx source proposed to be mitigated (5.2.8). See attached.	
Describe how the Beneficiary complied with subparagraph 4.2.8, related to notice to U.S. Government Agencies (5.2.9). See attached.	

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 North Carolina Department of Environmental Quality _____, 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:

7/30/20



Michael A. Abraczinskas
Director, Division of Air Quality

Department of Environmental Quality

[LEAD AGENCY]

for

State of North Carolina

[BENEFICIARY]

Attachment B

Project Budget

Period of Performance: FY 2020 – FY 2022			
Budget Category	Total Approved Budget	Share of Total Budget to be Funded by the Trust	Cost-Share paid by fleet owners
1. Equipment Expenditure	\$5,764,152.39	\$4,585,545.39	\$1,178,607.00
2. Contractor Support <i>(provide list of Approved Contractors as Attachment with approved funding ceilings)</i>	\$0	\$0	\$0
3. Subrecipient Support <i>(Provide List of Approved Subrecipients or Grant Awardees as Attachment with approved funding ceilings)</i>	\$0	\$0	\$0
4. Administrative ¹	\$525,000.00	\$525,000.00	\$0
Project Totals	\$6,289,152.39	\$5,110,545.39	\$1,178,607.00
Percentage	100%	81.3%	18.7%

¹ Subject to Appendix D-2 15% administrative cap.

TIMELINE AND MILESTONES:

Task	Date Completed
Request for Proposals announced – Phase 1 Diesel Bus and Vehicle Program	July 1, 2019
Request for Proposal Closing – Application Deadline	September 30, 2019
NCDEQ selects grant recipients	July 14, 2020
Public notification of awarded projects	July 31, 2020
NCDEQ submits D-4 and other required forms to Trustee	August 7, 2020
Trustee acknowledges receipt of funding request	Receipt from Trustee
Begin processing contracts for awardees	CY 2020, Q3 – Q4
Trustee allocates share of state funds	Transfer Date
Request for Proposals announced – Phase 1 ZEV Infrastructure Program – Level 2 Rebate Program – Open until allocated are funds exhausted	Transfer Date
Contracts with awardees signed	CY 2020, Q3 – CY 2021, Q1
Subgrantees begin project work	CY 2020, Q4 – CY 2021, Q1
NCDEQ submits 1 st biannual report for 2020	December 31, 2020
NCDEQ submits 1 st biannual report for 2021	June 30, 2021
NCDEQ submits 2 nd biannual report for 2021	December 31, 2021
NCDEQ submits 1 st biannual report for 2022	June 30, 2022
NCDEQ submits 2 nd biannual report for 2022	December 31, 2022
Grantee provides proof of destruction, invoices and other documents required for reimbursement.	CY 2021, Q3 – CY 2022, Q4
NCDEQ reviews, requests corrections if necessary, certifies project completion, and provides reimbursement.	CY 2021, Q3 – CY 2022, Q4
NCDEQ reports to the Trustee on the status of and expenditures with Mitigation Actions completed and underway.	No later than 90 days after October 31, 2022

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

The DEQ will provide detailed reporting on this funding request in two ways:

1. Timely updates to the DEQ's Volkswagen Diesel Settlement website,
2. Semi-annual reporting to the Trustee as required by subparagraph 5.3 of the Environmental Mitigation Trust for State Beneficiaries.

DEQ Website

The North Carolina Department of Environmental Quality maintains a website describing the DEQs activities associated with the Volkswagen Diesel Emissions Environmental Mitigation Trust for State Beneficiaries. The website may be found here: deq.nc.gov/VWsettlement. Information associated with DEQ's VW programs, applications, and application guides, as well as a description of the VW Beneficiary Mitigation Plan, community outreach activities and copies of award decisions will be posted here. This website will also be used to track the status, progress, and results for projects under this funding category.

All application materials, reimbursement requests and other required documentation submitted by applicants will be available to the public through the DEQ Volkswagen webpage or upon request. Funding recipients' executed contracts for the DEQ's Zero Emission Vehicle Infrastructure Program are archived in the DEQ Grant Management system.

Semi-Annual Reports to the Trustee

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

D-4 Summary Attachment

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

The North Carolina Department of Environmental Quality (NC DEQ) requests \$5,096,910.39 in funds for the installation of Light Duty Zero Emission Vehicle Supply Equipment. (Page 9, State of North Carolina Volkswagen Mitigation Plan)

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

This category includes the installation of Light Duty Zero Emission Vehicle Supply Equipment. The installation of publicly accessible DC Fast electric vehicle charging stations located near highways across the state and Level 2 electric vehicle charging stations near business, multi-unit dwellings, and workplaces will help remove the barrier to widespread public adoption of electric vehicles. Increased market penetration of electric vehicles will have numerous air quality and community benefits including a reduction in NOx emissions and other air pollutants.

Estimate of Anticipated NOx Reductions (5.2.3):

An estimated 2.9 annual tons of NOx is estimated to be reduced with the installation of the 33 selected DC Fast charging infrastructure projects to fund. The Level 2 program will be a rebate program and it is very difficult to assign a numeric value to the associated estimated emission reductions until the actual number of Level 2 charging sites funded is known. NC DEQ will be able to estimate emission reductions once sites are operational and will report that information in the biannual reports.

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):

North Carolina Department of Environmental Quality

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

The NC DEQ, as lead agency for the state of North Carolina implementing the Environmental Mitigation Plan, has established a web page on the VW Trust and mitigation actions where documents will be made publicly available, deq.nc.gov/VWsettlement.

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

Maximum funding percentages for selected projects depend on the Eligible Mitigation Action type, the fuel type of the replacement/repower (diesel, alternative fuel, and all-electric), and whether it is a government (public) or nonprofit (private) owned fleet; however, maximum funding for any project proposal application is not guaranteed. NC DEQ may partially fund a proposal application by funding a portion of a proposed project. Applicants receiving funding will be notified of the actual amount awarded for their project. Applicants awarded funding have the option to accept or decline the award.

Public-private partnerships are agreements that involve a contract between a public-sector authority and a private party, in which the private party provides a public-sector service or project and assumes substantial financial, technical, and operational risk in the project. For projects that are public-private partnerships, the ownership of the original and replacement equipment or vehicle will determine the maximum funding percentages. Public-private partnership projects where the original and replacement equipment or vehicle is owned by the public entity will be eligible for the maximum funding percentages

allowed under government-owned vehicle categories found in the tables below. Public-private partnership projects where the original and replacement equipment or vehicle is owned by the private entity will be eligible for the maximum funding percentages allowed under non-government categories.

Applicants may request Phase 1 funds to cover the following expenses for the cost to purchase, install and maintain eligible light-duty electric vehicle supply equipment for DC Fast Charging Infrastructure:

DC Fast Charging Infrastructure Cost Share

Project Type	Publicly Accessible	Maximum Funding Percentage
Government	Yes	100%
Non-Government	Yes	80%

Applicants may request rebates to cover the following expenses for cost to purchase, install and maintain eligible light-duty electric vehicle supply equipment for Level 2 Charging Infrastructure:

Level 2 Rebate Amounts and Cost Share

Project Type	Accessible to General Public	Maximum Rebate per Charging Port	Or (whichever is less)	Maximum % of Total Project Costs
Government Owned Property	Yes	\$5,000	or	100%
Government Owned Property	No	\$4,000	or	80%
Non-Government Owned Property	Yes	\$4,000	or	80%
Non-Government Owned Property	No	\$3,000	or	60%
Workplace or Multi-Unit Dwelling	No	\$3,000	or	60%

Payments will be made on a reimbursement basis for eligible expenses incurred and paid by the grant recipient. A cost may not be considered incurred until the grant funded goods and services have been received and accepted by the grant recipient. Grant recipients will be required to provide documentation to show that equipment or services have been received and the expenses have been incurred and paid by the grant recipient before reimbursement is provided by the NC DEQ.

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 NC DEQ sent e-mail notices of the availability of funds to representatives of the U.S. Department of Interior and the U.S. Department of Agriculture listed in subparagraph 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):

NC DEQ developed a quantifiable Social Vulnerability Index (SVI) using statistical and geographic information system (GIS) methods to show which counties in North Carolina have the highest concentrations of particularly vulnerable populations. This SVI was developed using datasets from the US Census Bureau and the NC Department of Commerce.

The American Community Survey data was reclassified by creating four “bin” ranges for each demographic group. This was done by separating the data into quartiles and assigning a value of 1 to 4. The NC Department of Commerce sorts counties into three distinct county tiers based on average unemployment rate, median household income, percentage growth in population, and adjusted property tax base per capita. The forty most distressed counties are considered Tier 1, the 40 counties which are identified as mildly distressed are Tier 2, and 20 least distressed counties are Tier 3. To add this data into the overall vulnerability index in a meaningful way, the inverse of the county tier number designations was used to give Tier 1 (most distressed) a designation of “3”, and so on and so forth. To create the final vulnerability index, the American Community Survey data was summed (1, 2, 3 or 4) for each county along with the inverse of the NC Department of Commerce County Tier rankings to create resulting totals for each county. Then the resulting totals were placed into their own quartile bins and assigned a final Environmental Justice (EJ) Score of 1 to 4.

Mobile NOx emissions in tons per year from the 2014 National Emissions Inventory (Version 2) were arranged from highest to lowest and divided in the quintiles and points were assigned to each of the quintiles.

There are a few incidences where the SVI did not accurately correspond to the tier county designations and the concentration of some demographic groups in the region. Therefore, to assign a score, the final SVI scores were weighted at 1.5 and the Mobile NOx Bin scores weighted at 1. The scores were summed by county as the EJ Score. The EJ Score is a component of the project scoring criteria used to evaluate project. In addition, the state has committed to spend at least 32% of the funds in rural counties. DC Fast projects were selected based on proximity to priority corridors identified the DC Fast request for proposals.

Attachment D

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

**State of North Carolina VW Settlement Phase 1 Awards
Light-Duty Zero Emission Vehicle Supply Equipment Eligible Action**

Site	Awardee	Award Amount	Project Type	Number of Ports	Charging kW	Location
1	Mark Oil Company, Inc.	\$69,974.50	DC FAST	1	62	Huntersville BP EV Chargers 101 S. Statesville Rd Huntersville, Mecklenburg County
2	North Carolina Electric Membership Corporation	\$71,415.70	DC FAST	1	62	EMCEMC Office 679 NC Hwy 33 East Tarboro, Edgecombe County
3	ElectriCities of NC	\$53,525.00	DC FAST	1	62	Lexington Starbucks 77 Plaza Parkway Lexington, Davidson County
4	North Carolina Electric Membership Corporation	\$73,180.50	DC FAST	1	62	Boone Offie Blue Ridge Energy 2491 US-421 Boone, Watauga County
5	North Carolina Electric Membership Corporation	\$71,673.78	DC FAST	1	62	Swift Island BP Randolph EMC 4560 NC Hwy 24/27 W Mount Gilead, Montgomery County
6	ElectriCities of NC	\$102,400.00	DC FAST	2	62	Wilson 5000 Hayes Place Wilson, Wilson County
7	ElectriCities of NC	\$128,715.96	DC FAST	2	62	New Bern Red Bear Lot 100 Craven St. New Bern, Craven County
8	City of Wilmington	\$163,430.00	DC FAST	1	62	City of Wilmington DC Fast Charger Project 115 Market St Wilmington, New Hanover County
9	North Carolina Electric Membership Corporation	\$61,883.61	DC FAST	1	62	Oasis Travel Roanoke EC 10401 NC-903 Halifax, Halifax County
10	North Carolina Electric Membership Corporation	\$74,534.13	DC FAST	1	62	Starbucks Albermarle 109 Tanglewood Pkwy Elizabeth City, Pasquotank County
11	North Carolina Electric Membership Corporation	\$74,543.13	DC FAST	1	62	Sheetz Energy United 1449 Yadkinville Rd Mocksville, Davie County
12	North Carolina Electric Membership Corporation	\$72,716.34	DC FAST	1	62	Pilot Travel Center Haywood EMC 3712 Crabtree Rd Waynesville, Haywood County

**State of North Carolina VW Settlement Phase 1 Awards
Light-Duty Zero Emission Vehicle Supply Equipment Eligible Action**

13	SHIV Sumangala LLC	\$250,201.79	DC FAST	2	160	Smart Shop #2 3819 McConnell Rd. Greensboro, Guilford County
14	NR Edge Property Owner LLC	\$140,008.24	DC FAST	2	62	Carraway Village 3000 Eubanks Road Chapel Hill, Orange County
15	Chatham County	\$82,971.20	DC FAST	1	62	Siler City Smithfield's US64 and US421 14215 US-64 Siler City, Chatham County
16	North Carolina Electric Membership Corporation	\$63,832.94	DC FAST	1	62	Arby's Mebane Piedmont EMC 1316 Mebane Oaks Rd Mebane, Alamance County
17	North Carolina Electric Membership Corporation	\$64,769.20	DC FAST	1	62	Carrboro Plaza Piedmont EMC NC Hwy 54 Carrboro, Orange County
18	Piedmont Authority for Regional Transportation	\$70,138.00	DC FAST	2	62	Graham Electric Vehicle DC Fast Charging Stations 820 S. Main St. Graham, Alamance County
19	Henderson County	\$111,989.53	DC FAST	1	50	Courthouse Overflow 200 N Grove St #163 Hendersonville, Henderson County
20	ElectriCities of NC	\$71,344.00	DC FAST	1	62	Kinston North Herritage 101 N. Herritage Street Kinston, Lenoir County
21	EVgo Services LLC	\$111,849.49	DC FAST	2	50	Lowes Foods Guilford College Jamestown 1236 Guilford College Road Jamestown, Guilford County
22	Town of Marshville	\$91,027.00	DC FAST	2	62	Electric Vehicle DC Fast Charger N. Elm Street Marshville, Union County
23	Sovereign Energy	\$114,472.00	DC FAST	1	50	Westpark Shopping Center 3210 Taylorsville Rd Statesville, Iredell County
24	Sovereign Energy	\$152,088.00	DC FAST	2	100	North Duke Crossing 3600 N Duke St Durham, Durham County
25	Sovereign Energy	\$152,088.00	DC FAST	2	100	Cloverdale Plaza 2235 Cloverdale Ave Winston-Salem, Forsyth County

**State of North Carolina VW Settlement Phase 1 Awards
Light-Duty Zero Emission Vehicle Supply Equipment Eligible Action**

26	Sovereign Energy	\$114,472.00	DC FAST	1	50	Berkeley Mall 625 N Berkeley Blvd H Goldsboro, Wayne County
27	EVgo Services LLC	\$150,169.35	DC FAST	2	200	Lowes Foods Brier Creek Raleigh 8100 Brier Creek Parkway Raleigh, Wake County
28	EVgo Services LLC	\$149,520.37	DC FAST	2	200	Lowes Foods Kernersville 240 Market View Drive Kernersville, Forsyth County
29	North Carolina Electric Membership Corporation	\$74,543.13	DC FAST	1	62	Loves Energy United 229 Mocksville Hwy Statesville, Lenoir County
30	Electricities of North Carolina	\$117,626.00	DC FAST	2	62	Morganton Union Street 905 West Union Street Morganton, Burke County
31	Electricities of North Carolina	\$117,626.00	DC FAST	2	62	Morganton Bush Drive 0 Bush Drive Morganton, Burke County
32	EVgo Services LLC	\$147,014.50	DC FAST	2	50	Lowes Foods Harrisburg 4445 School House Commons Harrisburg, Cabarrus County
33	EMPIRE ESTATE LLC	\$69,231.00	DC FAST	2	50	STOP N GO #5 1900 East William Street Apex, Wake County
	Total DC Fast Program	\$3,434,974.39	DC FAST			
	Total ZEV Level 2 Program	\$1,150,570.00	LEVEL 2			