

APPENDIX D-4
Beneficiary Eligible Mitigation Action Certification

State of New York
New York State Department of Environmental Conservation –
New York State Energy Research and Development Authority
Cooperative Agreement #CA11813
Eligible Mitigation Action Item 2: Transit Buses, School Buses and Shuttle Buses
Advance Funding Request #9

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):

New York State Energy Research and Development Authority

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

New York State submitted an Appendix D-3, Certification for Beneficiary Status Under Environmental Trust Agreement, on November 1, 2017, in which the State of New York (NYS) agreed to 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 the Trust Fund by the State of New York, each until the Termination Date of the Trust pursuant to Paragraph 6.8 of the Trust Agreement. These records will be made accessible to the public through the lead agency, New York State Department of Environmental Conservation (NYSDEC), website at: <http://www.dec.ny.gov/chemical/109784.html>

Documentation will be available to the public in an easy to access, publicly available webpage. Links to the documents will be contained in a table developed by the NYSDEC utilizing Appendix D-2 eligible mitigation action categories in chronological order based on DEC submission date to the Trustee. All expenditures made by the Trustee to designated NYS recipients will be formatted in a similar manner. DEC will update the webpage within 10 days of a funding request made to the Trustee, or receipt of a Trustee payment. All necessary or publicly available records associated with DEC funding requests and Trustee payments will be provided in adobe PDF format or equivalent as determined by the DEC website administrator.

The DEC website will make these records available to the public through a link on the NYSDEC main webpage. The NYSDEC VW Settlement site can also be easily located through a search engine result of entering "NYSDEC VW Settlement."

Describe any cost share requirement to be placed on each NOx source proposed to be mitigated (5.2.8). VW funding, provided through the NYSERDA 'NYTVIP', will fund a portion the cost of an eligible, new replacement school bus. The level of VW funding will depend on the vehicle type (e.g., fuel type, weight class).

An incentive schedule (e.g., table) will be established prior to the program launch and will be displayed on NYSERDA 'NYTVIP' truck replacement program public website. The vehicle-specific (by make/model) incentive amount will be based on, the lesser of either:

- i) a percentage of the new vehicle incremental cost, or
- ii) a weight class-based (i.e., Classes 8) cap.

New vehicle incremental cost is defined as the cost difference between a new diesel truck and the equivalent eligible new, all-electric, or alternative fueled truck. The outstanding balance of the new replacement vehicle after the NYSERDA 'NYTVIP' incentive will be provided by the vehicle owner or lessee.

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

NYSDEC (lead agency) notified the U.S. Government agencies as prescribed in 5.2.9 via email on February 9, 2018. See attached Notice of Availability of Mitigation Action Funds.

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).

New York State's Beneficiary Mitigation Plan, Clean Transportation NY, describes the overall goals of improving air quality and accelerating the transition to zero emission transportation through funding made available under the Volkswagen Trust. These air quality improvement goals include reducing nitrogen oxides (NOx), greenhouse gases, particulate matter, hydrocarbon, and mobile source air toxics emissions throughout the state. Funding those projects described in the Plan will result in significant NOx reductions while accelerating the transformation to a zero-tailpipe emission transportation system. Projects will be located throughout New York State, with a particular focus on communities and neighborhoods subject to a disproportionate amount of air pollution from diesel-powered vehicles and equipment. The NYSERDA 'NYTVIP' will conduct targeted outreach to school districts, contractors under contract with school districts, or eligible private schools with school buses domiciled in, or operated near, DEC defined potential environmental justice areas and will report on the award of incentives for school buses in these areas.

This school bus replacement project will lower NOx emissions and improve local air quality by replacing older diesel powered, higher emitting school buses that frequent residential areas. These replacement school buses are all-electric or certified to much lower emission standards and will improve local air quality in communities that have historically borne a disproportional share of the adverse impact of diesel exhaust emissions.

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 New York, 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 10, 2020



Steven E. Flint, P.E.
Division Director, Division of Air Resources

New York State Department of Environmental Conservation

[LEAD AGENCY]

for

State of New York

[BENEFICIARY]



ATTACHMENTS B, C, D TO APPENDIX D-4

ATTACHMENT B TO APPENDIX D-4

Action Title: NYSERDA ‘NYTVIP’ – School Bus Replacements

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

Implementation and Expenditures Milestones and Timeline

Milestone	Date
DEC and NYSERDA sign Cooperative Agreement to VW funding for school bus replacement projects	7/15/2020
DEC provides Notice to Proceed	7/17/2020
NYSERDA provides DEC with Project Budget Plan within 30 days of Notice to Proceed	CY 2020, Q3 (est)
NYSERDA provides DEC with Draft Community Outreach Plans for each participating Contractor within 30 days of Notice to Proceed	CY 2020, Q3 (est)
NYSERDA provides DEC with Program Scrappage Requirements within 30 days of the Notice to Proceed	CY 2020, Q3 (est)
NYSERDA provides DEC with draft Vehicle Inventory within 30 days of the Notice to Proceed	CY 2020, Q3 (est)
NYSERDA provides DEC with 1 st Advance Funding Request and Direction form, Schedule 2, Project Management Plan, and Schedule 3, Payment Request Forms	CY 2020, Q3 (est)
DEC submits Project Certification and Funding Direction to Trustee for 33.3% Advance Funding available under this Cooperative Agreement	CY 2020, Q3 (est)
Trustee Acknowledges Receipt of Project Certification and Funding Direction	CY 2020, Q3 (est)
Trustee allocates Advance Funding to NYSERDA	CY 2020, Q4 (est)
NYSERDA completes feasibility of All-Electric School Bus/Charging Equipment aggregate purchase(s). (If applicable, develop School Bus specification and Aggregate Purchase Plan)	CY 2020, Q4 (est)
DEC/NYSERDA make final decision on All-Electric Aggregate School Bus/Charging Infrastructure aggregate procurement Request for Proposal(s); or development of NYTVIP School Bus Eligibility/Incentive Table	CY 2021, Q1 (est)
NYSERDA posts Voucher Application material on NYSERDA NYT-VIP website	CY 2021, Q1 (est)
Review of submitted applications begins	CY 2021, Q2 (est)
NYSERDA completes projects representing 25% of total funding available under this Cooperative Agreement and submits documentation to DEC	CY 2021, Q2 (est)
NYSERDA provides DEC with 2 nd Advance Funding Request and Direction form, Schedule 2, Project Management Plan, and Schedule 3, Payment Request Forms	CY 2021, Q3 (est)
NYSERDA coordinates and finalizes All-Electric reporting requirements with each participating school bus Contractor	CY 2021, Q3 (est)
End of Initial 12-month Incentive Schedule (from Notice to Proceed)	CY 2021, Q3 (est)
DEC submits Funding Direction to Trustee for additional 33.3% Advance Funding available under this Cooperative Agreement	CY 2021, Q4 (est)
DEC approves revision(s) to Schedule 7, Incentives	CY 2021, Q3 (est)

NYSERDA completes projects representing 50% of total funding available under this Cooperative Agreement and submits documentation to DEC	CY 2022, Q2 (est)
NYSERDA provides DEC with 3 rd Advance Funding Request and Direction form, Schedule 2, Project Management Plan, and Schedule 3, Payment Request Forms	CY 2022, Q2 (est)
DEC submits Funding Direction to Trustee for remaining balance of Advance Funding available under this Cooperative Agreement	CY 2023, Q2 (est)
End of 42-month Incentive Period for School Bus Replacement Projects (from Notice to Proceed)	CY 2024, Q1 (est)
NYSERDA provides detailed invoices for all claimed project costs, documentation for emission reduction estimates, required certification documents to DEC to support final project accounting (no later than 13 months after receipt of the 3 rd advance funding request)	CY 2024, Q2 (est)
NYSERDA returns any unused funds to Trustee	CY 2024, Q2 (est)
NYSERDA certifies project completion	CY 2024, Q2 (est)
DEC reports project completion	CY 2024, Q2 (est)

Project Budget

(Mitigation Action Item #2) – Transit Buses, School Buses and Shuttle Buses. Buses eligible to be replaced include 2009 engine model year or older buses.

Item #2 Incentive Costs: \$12,000,000

Item #2 Administrative Costs (Capped at 10%): \$1,200,000

Funding Method: Advance

Procurement Method: Voucher Incentive/Aggregate Procurement

DEC will direct VW Settlement funding to the NYSERDA 'NYTVIP' in three equal advance payments at 1/3 of the total amount payable as project completion milestones are met. 1/3 of the funding will be available at the start of the school bus replacement project, the next 1/3 of funding becomes available when 25% of the school bus replacement projects are complete, and the final 1/3 of funding becomes available when 50% of the school bus replacement projects are complete.

Total Project Budget

Project	School Bus Funding Amount	Administrative Costs	Total Project Cost
EMA 2: School Buses	\$12,000,000	\$1,200,000	\$13,200,000

Funding Milestones

Initial Advance Funding Amount	\$4,400,000
Second round of funding when 25% of projects completed	\$4,400,000
Third round of funding when 50% of projects completed	\$4,400,000
Total Project Cost	\$13,200,000

ATTACHMENT C to APPENDIX D-4

Action Title: NYSERDA 'NYTVIP' – School Bus Replacements

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

New York State Department of Environmental Conservation will meet the requirements of Appendix D to the Partial Consent Decree, section 5.3:

5.3 Beneficiary Reporting Obligations: *For each Eligible Mitigation Action, no later than six months after receiving its first disbursement of Trust Assets, and thereafter no later than January 1 and July 1 of each year, each Beneficiary shall serve upon the Trustee, a semiannual report describing the progress implementing each Eligible Mitigation Action during the six-month period leading up to the reporting date (including a summary of all costs expended on the Eligible Mitigation Action through the reporting date). Such reports shall include a complete description of the status (including actual or projected termination date), development, implementation, and any modification of each approved Eligible Mitigation Action.*

Beneficiaries may group multiple Eligible Mitigation Actions and multiple sub-beneficiaries into a single report. These reports shall be signed by an official with the authority to submit the report for the Beneficiary and must contain an attestation that the information is true and correct and that the submission is made under penalty of perjury. To the extent a Beneficiary avails itself of the DERA Option described in Appendix D-2, that Beneficiary may submit its DERA Quarterly Programmatic Reports in satisfaction of its obligations under this subparagraph as to those Eligible Mitigation Actions funded through the DERA Option. The Trustee shall post each semiannual report on the Trust's public-facing website upon receipt.

DEC will post its semiannual reports made to the Trustee on the public-facing website for New York's Volkswagen Settlement at <https://www.dec.ny.gov/chemical/109784.html>.

PROJECTED TRUST ALLOCATIONS: New York State

Project Name	Funding Request #	EMA #	Cooperative Agreement # *	Cumulative Approved Funding Requests	2020 Pending Funding Requests Undergoing WT Review	2020 Anticipated Additional Funding Requests	2021 Anticipated Funding Requests	2022 Anticipated Funding Requests	Total Project Allocations	
NYSERDA Class 8 Trucks	1	1	CA11434	\$ 1,320,000.00			\$ 1,320,000.00	\$ 1,320,000.00	\$ 3,960,000.00	
NYSERDA Class 4-7 Trucks	2	6	CA11434	\$ 1,760,000.00			\$ 1,760,000.00	\$ 1,760,000.00	\$ 5,280,000.00	
NYSERDA Transit Buses	3	2	CA11725	\$ 6,116,000.00		\$ 25,000,000.00	\$ 5,232,000.00		\$ 36,348,000.00	
NYCDOT Clean Truck Class 4-7	4	6	CA11728	\$ 1,358,500.00			\$ 1,358,500.00	\$ 1,358,500.00	\$ 4,075,500.00	
NYCDOT Clean Truck Class 8	5	1	CA11728	\$ 1,925,000.00			\$ 1,925,000.00	\$ 1,925,000.00	\$ 5,775,000.00	
NYPA Transit Bus EVSE	6	2	CA11699		\$ 2,000,000.00		\$ 2,000,000.00	\$ 2,000,000.00	\$ 6,000,000.00	
NYSERDA DCFC EVSE	7	9	CA11943		\$ 6,050,000.00		\$ 6,050,000.00		\$ 12,100,000.00	
NYSERDA Charge Ready NY- Light Duty EVSE	8	9	CA11863		\$ 5,500,000.00				\$ 5,500,000.00	
NYSERDA School Bus	9	2	CA11813		\$ 4,400,000.00		\$ 4,400,000.00	\$ 4,400,000.00	\$ 13,200,000.00	
Totals				\$ 12,479,500.00	\$ 17,950,000.00	\$ 25,000,000.00	\$ 24,045,500.00	\$ 12,763,500.00	\$ 92,238,500.00	
Total Available New York VW Funding (with no accumulated interest added)					Remaining Balance of Available New York VW Trust after:					Total Remaining Balance not Allocated
				\$ 115,222,307.00	\$ 97,272,307.00	\$ 72,272,307.00	\$ 48,226,807.00	\$ 35,463,307.00	\$ 35,463,307.00	
				\$ 127,701,807.00	Check Sum					\$ 127,701,807.00

* Additional Cooperative Agreements for VW funded projects are under development

ATTACHMENT D to APPENDIX D-4

Action Title: NYSERDA 'NYTVIP' – School Bus Replacements

Detailed Costs Estimates from Selected Potential Vendors for Each Proposed Expenditure Exceeding \$25,000 (5.2.6)

DEC will direct VW Trust funding to the NYSERDA 'NYTVIP' in the form of advance payments for school bus replacement project incentives. Cost estimates from selected trucks vendors will be part of the 'NYTVIP'. Preliminary cost estimates for school bus (all-electric, CNG, propane) are provided in the table below.

Preliminary School Bus Cost Estimates

School Bus Category	Number of Units	Cost per Unit	Total Cost
All-Electric	50-55	\$200,000 - \$220,000	\$11,500,000
CNG	7	\$60,000	\$420,000
Propane	8	\$10,000	\$80,000
		Total Budget	\$12,000,000