

June 17, 2021

WW Environmental Mitigation Trust  
Wilmington Trust, NA, as Trustee  
1100 North Market Street  
Wilmington, DE 19890  
Attn: Russ Crane, 5<sup>th</sup> Floor

Re: Revised D4 certificate  
Action Title: #2 Alt Fuels Class 8 Heavy Duty Trucks  
Project ID: Alt Fuels 9U18AD

Dear Russ,

Please accept the attached revised Appendix D-4 certificate for the Alt Fuel Vehicle Replacement Program (Alt Fuels) that was submitted on 2/27/2020. The approved Appendix D-4 is for the replacement of eligible Class 8 Heavy Duty Trucks under mitigation action #1, Class 8 Local Freight Trucks (Large Trucks). Awards and funding for the replacement of 12 Class 8 diesel local delivery trucks (8 refuse trucks, 4 local delivery trucks) were originally requested in 2020. Since that time, the project for Anheuser Busch InBev was cancelled at the awardees request. Revisions to the Appendix D-4 certificate are based on the cancellation of four (4) electric Class 8 freight trucks, with associated charging stations, for Anheuser Busch InBev totaling \$1,260,000. The Alt Fuels program will reallocate the \$1,260,000 in cancelled project funding, and is requesting an additional \$80,937.23 in new funding to award subsequent projects as outlined in the Attachment D of the revised Appendix D-4 certificate. Total funding for the revised Appendix D-4 certificate increased by \$150,784.23 (\$80,937.23 project costs plus \$69,847 administrative costs) to cover new project costs plus total administrative costs. The administrative total costs are capped at 15% for the entire Appendix D-4 certificate funding request.

Under the initial approved Appendix D-4 certificate, the Colorado Department of Public Health and Environment (CDPHE) received a total of \$1,756,285.80. Therefore, the new Attachment A funding request will be for \$150,784.43, which is the difference between the initial Appendix D-4 certificate funding request and this revised Appendix D-4 certificate funding request.

We have also updated our Appendix D-4 certificate to reflect the revised emissions benefits and project quotes. All changes to these projects will also be documented in our semiannual reports to the Trustee.

All changes are reflected in **blue** and **red** text in the body of the revised Appendix D-4 certificate attached.

Please feel free to contact me if you have any questions.

Regards,



Christine Hoefler  
EPS II, Colorado Air Pollution Control Division



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

**BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION**

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Beneficiary \_\_\_\_\_

Lead Agency Authorized to Act on Behalf of the Beneficiary \_\_\_\_\_  
*(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>	
<b>Beneficiary's Project ID:</b>	
<b>Funding Request No.</b>	<i>(sequential)</i>
<b>Request Type: (select one or more)</b>	<input type="checkbox"/> Reimbursement <span style="margin-left: 200px;"><input type="checkbox"/> Advance</span> <input type="checkbox"/> Other (specify): _____
<b>Payment to be made to: (select one or more)</b>	<input type="checkbox"/> Beneficiary <input type="checkbox"/> Other (specify): _____
<b>Funding Request &amp; Direction (Attachment A)</b>	<input type="checkbox"/> 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> <input type="checkbox"/> Item 10 - DERA Option (5.2.12) (specify and attach DERA Proposal): _____
<b>Explanation of how funding request fits into Beneficiary's Mitigation Plan (5.2.1):</b>
<b>Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2):</b>
<b>Estimate of Anticipated NOx Reductions (5.2.3):</b>
<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>
<b>Describe how the Beneficiary will make documentation publicly available (5.2.7.2).</b>
<b>Describe any cost share requirement to be placed on each NOx source proposed to be mitigated (5.2.8).</b>
<b>Describe how the Beneficiary complied with subparagraph 4.2.8, related to notice to U.S. Government Agencies (5.2.9).</b>

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 \_\_\_\_\_, 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:** \_\_\_\_\_



\_\_\_\_\_  
**Christine Hoefler**  
**EPS II, Colorado Air Pollution Control Division**

\_\_\_\_\_  
**[LEAD AGENCY]**

**for**

\_\_\_\_\_  
**[BENEFICIARY]**

## Summary

<b>Explanation of how funding request fits into Beneficiary's Mitigation Plan (5.2.1):</b>
The state of Colorado's Beneficiary Mitigation Plan (BMP) describes how funding will be provided for eligible projects to reduce NOx emissions. As outlined in the BMP, The ALT Fuel Vehicle Replacement Program will distribute funding for several Eligible Mitigation Actions (EMA's) including EMA 1, 2, 3, 6, 7, and 8. The Colorado BMP has allocated \$21.5 million to these EMA's. This D-4 funding request is for EMA #1, Class 8 Local Freight Trucks (Large Trucks).
<b>Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2):</b>
To help improve air quality and to encourage switching to cleaner fueled vehicles across the state, this mitigation action will <a href="#">replace fifteen diesel Class 8 refuse trucks with fifteen Class 8 RNG refuse trucks, 3 diesel Class 8 yard trucks with 3 Class 8 electric yard trucks, and 1 diesel Class 8 local delivery truck with 1 Class 8 electric delivery truck.</a>
The Regional Air Quality Council (RAQC) will implement this EMA under a contract with Colorado Department of Public Health and Environment (CDPHE), in partnership with the Colorado Energy Office (CEO) and the Colorado Department of Transportation (CDOT). The eligibility requirements for Class 8 Local Freight Trucks (Large trucks) under the Alternative Fuel Vehicle Replacement Program are detailed in the BMP on pages 10-13.
These new alternatively fueled trucks will help reduce NOx emissions and greenhouse gases associated with the pre-2009 diesel trucks that will be scrapped. <a href="#">Emission reductions from this D4 submission for the replacement of fifteen diesel Class 8 refuse trucks with fifteen Class 8 RNG refuse trucks, 3 diesel Class 8 yard trucks with 3 Class 8 electric yard trucks, and 1 diesel Class 8 local delivery truck with 1 Class 8 electric delivery truck are estimated to be: NOx (9 tons/yr) and GHG (967 tons/yr).</a>
<b>Estimate of Anticipated NOx Reductions (5.2.3):</b>
The estimated emissions benefits from the replacement of <a href="#">fifteen diesel Class 8 refuse trucks with fifteen Class 8 RNG refuse trucks, 3 diesel Class 8 yard trucks with 3 Class 8 electric yard trucks, and 1 diesel Class 8 local delivery truck with 1 Class 8 electric delivery truck will reduce NOx emissions by 9 tons/yr.</a> The estimates of emissions were prepared using the Greenhouse gases, Regulated Emissions, and Energy use in Transportation (GREET) model, as well as the Diesel Emission Quantifier (DEQ).
<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>
The Colorado Department of Public Health & Environment. .
<b>Describe how the Beneficiary will make documentation publicly available (5.2.7.2). :</b>
The Colorado Department of Public Health and Environment (CDPHE) has created a public website for information related to the Volkswagen settlement, which can be accessed at: <a href="https://www.colorado.gov/cdphe/VW">https://www.colorado.gov/cdphe/VW</a> . The website contains a description of the Trust Agreement, information about the public process for Colorado's implementation plan, Colorado's original Beneficiary Mitigation Plan (BMP) and the revised BMP, and links to Trust documents. As Colorado

prepares and submits the semiannual reports required by paragraph 5.3 of the Trust Agreement, CDPHE will either post documents to its website or maintain a link to other public-facing website that provide the documentation. Colorado follows the Colorado Open Records Act, §§ 24-72-200 et seq., C.R.S., (CORA), which governs the public disclosure of records held by Colorado state agencies. CORA requires the custodian to deny inspection of several categories of public records, including for certain confidential business information and personally identifiable information. Specifically, § 24-72-204 (3)(a)(IV), C.R.S. provides:

The custodian shall deny the right of inspection of the following records, unless otherwise provided by law; ... Trade secrets, privileged information, and confidential commercial, financial, geological, or geophysical data, including a social security number unless disclosure of the number is required, permitted, or authorized by state or federal law, furnished by or obtained from any person....

Any additional information not posted on the CDPHE website will be released pursuant to CORA.

The CDPHE website will be maintained and updated until the Trust's Termination Date or the date required by the Colorado Open Records Act or other applicable law, whichever is later. Records or documents may also be requested by emailing the CDPHE comments line at [cdphe.commentsapcd@state.co.us](mailto:cdphe.commentsapcd@state.co.us)

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

The Alternative Fuel Vehicle Replacement Program will provide incentive levels for public and private Class 8 Local Delivery Trucks (large trucks). The program will fund 110% of the incremental cost between a comparable new diesel vehicle and the new electric or RNG vehicle. Funding for vehicles owned by private fleets shall not exceed 25% of the total new RNG vehicle price or 75% of the total new electric vehicle price. There are no funding caps for public fleets.

**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 Colorado Department of Public Health and Environment provided notice of availability of funds via email to Federal Agencies pursuant to Section 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). :**

This program will mitigate impacts of NOx emissions by replacing higher polluting diesel Class 8 trucks (large trucks) with cleaner fueled Class 8 RNG and electric trucks in areas that have historically borne a disproportionate share of air pollution.



**Attachment B**

**Project Management Plan**

**Project Schedule and Milestones – Alternative Fuel Vehicle Replacement Program**

Milestone	Date
AFC request for application announcement	October 7, 2019 April 15, 2020 November 2, 2020
Solicitation for applications project round closes	November 8, 2019 May 15, 2020 December 31, 2020
Technical Advisory Committee application review	December 10, 2019 June 11, 2020 January 25, 2021
Project contractor announced awards funding to eligible entities	January 2020 – June 2021
Awardees attend mandatory training webinar	CY 2020 – 2021 2 times per year
Project partners enters into Contract / Purchase Order with sub awardee (this includes scrappage information). Vehicles must be ordered within 6 months.	CY 2020 – 2022
Vehicles delivered and awardee shows proof of full payment. Awardee submits reimbursement paperwork. RAQC reimburses within 90 days	Monthly starting 2020 – December 2021
Project partner submitted invoicing, emission reductions estimates to CDPHE for filing of D4 and reimbursement.	February 2020, revised June 2021
Trust acknowledges receipt of Direction for Payment and reimbursement	Within 60 days of D4 submittal
CDPHE directs funding to project partners and project partners reimburse sub awardee	Monthly starting February 2020 – December 2022
CDPHE reports to Trust on status of projects every six months after first disbursement of funds; semiannual reporting.	January 30 and July 30 after first disbursement of funds.

**PROJECT BUDGET**

Period of Performance: <u>2019 - 2022</u>				
Budget Category	Total Approved Budget	Share of Total Budget to be Funded by the Trust for vehicles and associated chargers	Cost-Share, if applicable (Entity #1)	Cost-Share, if applicable (Entity #2)
1. Equipment Expenditure	\$6,141,981	\$1,660,937.23	\$4,481,043.77	\$
4. Administrative <sup>1</sup>	\$249,133	\$249,133	\$0	\$
<b>Project Totals</b>	\$6,391,114	\$1,907,070.23*	\$4,481,043.77	\$
<b>Percentage</b>	100%	30%	70%	\$

<sup>1</sup> Subject to Appendix D-2 15% administrative cap.

\*Note - CDPHE received \$1,756,285.80 from the initial D4 funding request submitted on 2/27/2020. This revision of the D4 is requesting an additional \$150,784.23, which will be requested in Attachment A.

**PROJECTED TRUST ALLOCATIONS:**

	<b>2021</b>
1. Anticipated Annual Project Funding Request to be paid through the Trust	\$1,907,070.23
2. Anticipated Annual Cost Share	\$4,481,043.77
3. Anticipated Total Project Funding by Year (line 1 plus line 2)	\$6,388,114
4. Cumulative Trustee Payments Made to Date Against Cumulative Approved Beneficiary Allocation	\$1,826,483.80
5. Current Beneficiary Project Funding to be paid through the Trust (line 1)	\$1,907,070.23
6. Total Funding Allocated to for Beneficiary, inclusive of Current Action by Year (line 4 plus line 5)	\$3,733,554.03
7. Beneficiary Share of Estimated Funds Remaining in Trust	\$66,913,434.53
8. Net Beneficiary Funds Remaining in Trust, net of cumulative Beneficiary Funding Actions (line 7 minus line 6)	\$63,179,880.45

**Attachment C**

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

The Colorado Department of Public Health and Environment (CDPHE) will work with the RAQC (Regional Air Quality Council) to report on the implementation and progress of the Alternative Fuel Vehicle Replacement Program in the state of Colorado. CDPHE has developed a specific webpage that will provide information on the application process and status of eligible mitigation actions under the VW Environmental Mitigation Trust Fund. Awarded projects will be posted as well as information on emission reductions based upon awarded projects. Vehicle usage data will be collected two times a year for five years and made available. CDPHE will submit reports every six months to meet the semiannual reporting requirements under 5.3 of the Trust agreement.

## Attachment D

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

Awards and funding for the replacement of 12 Class 8 diesel local delivery trucks (8 refuse trucks, 4 local delivery trucks) were originally requested in 2020. Since that time, the project for Anheuser Busch InBev was cancelled at the awardees request. The table below outlines current project statuses.

Fleet	Fuel	# of vehicles	Funding	Charging	Funding	Status
Waste Management	RNG	8	\$320,000.00			Active - Awaiting delivery
Anheuser Busch InBev	Electric	4	\$1,235,400.00	4	\$24,600.00	Cancelled
Vehicle & Charger Funding Combined					\$1,580,000.00	
Returned Vehicle Funds					\$1,260,000.00	

The Regional Air Quality Council (RAQC) will reallocate \$1,260,000 in cancelled project funding, in addition to \$80,937.23 in new funding requests, to award vehicles and stations as outlined in the table below.

Fleet	Fuel	# of vehicles	Funding	Charging	Funding	Status
Denver Mattress	Electric	1	\$193,435.00	1	\$6,000.00	Active - Awaiting delivery
FedEx Ground	Electric	1	\$137,500.00	1	\$30,000.00	Active - Awaiting delivery
Food Bank of the Rockies	Electric	1	\$351,405.00	1	\$30,000.00	Active - Awaiting delivery
McLane Company	Electric	1	\$215,289.00	1	\$6,000.00	Active - Awaiting delivery
Western Disposal	RNG	3	\$186,079.23			Active - Awaiting delivery
Western Disposal	RNG	4	\$185,229.00			Active - Awaiting delivery
Vehicle & Charger Funding Combined				\$1,340,937.23		
Returned Vehicle Funds (Anheuser Busch project cancellation)				\$1,260,000.00		
Additional Funding Requested				\$80,937.23		

The table below outlines new vehicle pricing information that the Regional Air Quality Council (RAQC) received from each awarded fleet for their preferred vehicle purchase. Fleets are required to abide by their internal procurement processes and receive competitive bids for vehicles (when available).

Fleet	Fuel	Make	Model	GVWR	Total Vehicle Cost
Denver Mattress	Electric	Orange EV	T-Series	81,000	\$294,450.00
FedEx Ground	Electric	Orange EV	T-Series	81,000	\$284,950.00
Food Bank of the Rockies	Electric	Lion	Lion 8 Tractor	80,000	\$468,541.00
McLane Company	Electric	Orange EV	T-Series	81,000	\$298,650.00
Western Disposal	RNG	Autocar	ACX42	50,000	\$373,283.00
Western Disposal	RNG	Autocar	ACX42	54,000	\$326,614.00
Waste Management	RNG	Autocar	AXC64	66,000	\$316,770.00