

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



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 Attachment G

**ATTACHMENTS**  
**(CHECK BOX IF ATTACHED)**

- |                                     |                     |   |
|-------------------------------------|---------------------|---|
| <input checked="" type="checkbox"/> | <b>Attachment A</b> | <b>Funding Request and Direction.</b>   |
| <input checked="" type="checkbox"/> | <b>Attachment B</b> | <b>Eligible Mitigation Action Management Plan Including Detailed Budget and Implementation and Expenditures Timeline (5.2.4).</b>   |
| <input checked="" type="checkbox"/> | <b>Attachment C</b> | <b>Detailed Plan for Reporting on Eligible Mitigation Action Implementation (5.2.11).</b>   |
| <input checked="" type="checkbox"/> | <b>Attachment D</b> | <b>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.]</b> |
| <input type="checkbox"/>            | <b>Attachment E</b> | <b>DERA Option (5.2.12). [Attach only if using DERA option.]</b>  |
| <input type="checkbox"/>            | <b>Attachment F</b> | <b>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.]</b> |

**CERTIFICATIONS**

By submitting this application, the Lead Agency makes the following certifications:

1. This application is submitted on behalf of Beneficiary Kentucky, 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: 9/28/2021

Kenya Stump, Executive Director  
[NAME] Kenya Stump  
[TITLE]

EEC  
[LEAD AGENCY]

for  
Kentucky  
[BENEFICIARY]

## ATTACHMENT B

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

#### PROJECT MANAGEMENT PLAN School Bus Replacement Program

Milestone	Date
HB352 - outlining Kentucky's plan for expending the Trust Funds and providing appropriation for expending the funds became effective	7/1/2020
Beneficiary Mitigation Plan Finalized and submitted to Trustee by Energy & Environment Cabinet, Office of Energy Policy (Lead Agency)	6/1/2020
Kentucky Energy & Environment Cabinet, Office of Energy Policy opened the application process for the School Bus Replacement Program. Applications describe the projects, projected emissions reductions, and identifies buses to be replaced and new buses to be purchased.	9/9/2020
EEC/OEP held a webinar in conjunction with the Kentucky Department of Education, Pupil Transportation Office, to outline program requirements and timeframes.	9/9/2020
Application period for school bus replacement/reimbursement closed.	10/9/2020
EEC/OEP begins notification to School Districts on approved school bus replacements and reimbursement amounts.	11/6/2020
Lead Agency requests Trust Funding to cover bus projects.	9/21/2021
Lead Agency begins review of reimbursement requests in anticipation of issuing funds for approved bus replacements, including proof of old bus scrappage.	7/1/21 thru 12/21
Lead Agency determines funding remaining in the school bus replacement category and process for additional school bus replacements	1/18/2022

**Attachment B**  
*(continued)*  
**Detailed Budget**  
**Approved School Bus Awards**

School System	Authorized Expenditures			# Buses
	Fuel	Cost	50%	
<b>1 Allen County</b>	Propane	\$96,195.00	\$48,097.50	5
	Propane	\$96,195.00	\$48,097.50	
	Propane	\$102,395.00	\$51,197.50	
	Diesel	\$90,995.00	\$45,497.50	
	Diesel	\$90,995.00	\$45,497.50	
	<b>Total</b>		<b>\$238,387.50</b>	
<b>2 Anderson County</b>	Propane	\$95,795.00	47897.5	3
	Propane	\$95,795.00	47897.5	
	Propane	\$95,795.00	47897.5	
	<b>Total</b>		<b>\$143,692.50</b>	
<b>3 Ashland Independent</b>	Diesel	\$89,190.00	\$44,595.00	4
	Diesel	\$89,190.00	\$44,595.00	
	Diesel	\$87,019.00	\$43,509.50	
	Diesel	\$84,957.00	\$42,478.50	
	<b>Total</b>		<b>\$175,178.00</b>	
<b>4 Barbourville Independent</b>	Diesel	\$89,190.00	\$44,595.00	1
	<b>Total</b>		<b>\$44,595.00</b>	
<b>5 Beechwood Independent</b>	Diesel	\$97,070.00	\$48,535.00	1
	<b>Total</b>		<b>\$48,535.00</b>	
<b>6 Bell County</b>	Diesel	\$95,750.00	\$47,875.00	2
	Diesel	\$95,750.00	\$47,875.00	
	<b>Total</b>		<b>\$95,750.00</b>	
<b>7 Berea</b>	diesel	\$95,750.00	\$47,875.00	1
	<b>Total</b>		<b>\$47,875.00</b>	
<b>8 Bowling Green Independent</b>	diesel	\$97,070.00	\$48,535.00	1
	<b>Total</b>		<b>\$48,535.00</b>	
<b>9 Bourbon County</b>	propane	\$104,520.00	\$52,260.00	1
	<b>Total</b>		<b>\$52,260.00</b>	

10	<b>Boyd County</b>	diesel	\$105,546.00	\$52,773.00	1
		Total		<b>\$52,773.00</b>	
11	<b>Bracken County</b>	diesel	\$95,750.00	\$47,875.00	1
		Total		<b>\$47,875.00</b>	
12	<b>Breckinridge County</b>	diesel	\$92,995.00	\$46,497.50	3
		diesel	\$92,995.00	\$46,497.50	
		diesel	\$90,995.00	\$45,497.50	
		Total		<b>\$138,492.50</b>	
13	<b>Butler County</b>	Diesel	\$90,395.00	\$45,197.50	1
		Total		<b>\$45,197.50</b>	
14	<b>Caldwell County</b>	diesel	\$115,953.00	\$57,976.50	2
		diesel	\$115,953.00	\$57,976.50	
		Total		<b>\$115,953.00</b>	
15	<b>Calloway County</b>	diesel	\$91,595.00	\$45,797.50	1
		Total		<b>\$45,797.50</b>	
16	<b>Campbellsville Independ</b>	diesel	\$93,474.00	\$46,737.00	1
		Total		<b>\$46,737.00</b>	
17	<b>Clark County</b>	diesel	\$95,750.00	\$47,875.00	2
		diesel	\$94,550.00	\$47,275.00	
		Total		<b>\$95,150.00</b>	
18	<b>Clay County</b>	Diesel	\$87,019.00	\$43,509.50	1
		Total		<b>\$43,509.50</b>	
19	<b>Corbin Independent</b>	Diesel	\$89,190.00	\$44,595.00	3
		Diesel	\$104,592.00	\$52,296.00	
		Diesel	\$104,592.00	\$52,296.00	
		Total		<b>\$149,187.00</b>	
20	<b>Crittenden County</b>	Propane	\$95,795.00	\$47,897.50	1
		Total		<b>\$47,897.50</b>	
21	<b>Cumberland County</b>	Propane	\$97,065.00	\$48,532.50	1
		Total		<b>\$48,532.50</b>	
22	<b>Danville Independent</b>	Diesel	\$112,976.00	\$56,488.00	1
		Total		<b>\$56,488.00</b>	
23	<b>East Bernstadt Independent</b>	Diesel	\$93,378.00	\$46,689.00	1
		Total		<b>\$46,689.00</b>	

24 Edmonson County	Diesel	\$90,995.00	\$45,497.50	5
	Diesel	\$90,995.00	\$45,497.50	
	Diesel	\$90,995.00	\$45,497.50	
	Diesel	\$90,995.00	\$45,497.50	
	Diesel	\$95,295.00	\$47,647.50	
	<b>Total</b>		<b>\$229,637.50</b>	
25 Elizabethtown Independent	Diesel	\$90,395.00	\$45,197.50	1
	<b>Total</b>		<b>\$45,197.50</b>	
26 Estill County	diesel	\$98,000.00	\$49,000.00	1
	<b>Total</b>		<b>\$49,000.00</b>	
27 Fairview Independent	Diesel	\$88,795.00	\$44,397.50	1
	<b>Total</b>		<b>\$44,397.50</b>	
28 Fleming County	Diesel	\$90,995.00	\$45,497.50	1
	<b>Total</b>		<b>\$45,497.50</b>	
29 Floyd County Schools	Diesel	\$116,995.00	58497.5	1
	<b>Total</b>		<b>\$58,497.50</b>	
30 Fulton County Schools	Diesel	\$112,595.00	\$56,297.50	1
	<b>Total</b>		<b>\$56,297.50</b>	
31 Gallatin County	Diesel	\$94,596.00	\$47,298.00	1
	<b>Total</b>		<b>\$47,298.00</b>	
32 Graves County Schools	Diesel	\$95,520.00	\$47,760.00	4
	Diesel	\$95,520.00	\$47,760.00	
	Diesel	\$95,520.00	\$47,760.00	
	Diesel	\$95,520.00	\$47,760.00	
	<b>Total</b>		<b>\$191,040.00</b>	
33 Green County Schools	diesel	\$94,595.00	\$47,297.50	4
	diesel	\$94,595.00	\$47,297.50	
	diesel	\$112,595.00	\$56,297.50	
	diesel	\$94,595.00	\$47,297.50	
	<b>Total</b>		<b>\$198,190.00</b>	
34 Harlan Independent	diesel	\$90,995.00	\$45,497.50	1
	<b>Total</b>		<b>\$45,497.50</b>	



35 Harlan County Schools	diesel	\$84,957.00	\$42,478.50	5
	diesel	\$92,943.00	\$46,471.50	
	diesel	\$92,943.00	\$46,471.50	
	diesel	\$92,943.00	\$46,471.50	
	diesel	\$92,943.00	\$46,471.50	
	<b>Total</b>		<b>\$228,364.50</b>	
36 Hart County	Diesel	\$90,216.00	\$45,108.00	1
	<b>Total</b>		<b>\$45,108.00</b>	
37 Henderson County	diesel	\$112,595.00	\$56,297.50	2
	diesel	\$90,395.00	\$45,197.50	
	<b>Total</b>		<b>\$101,495.00</b>	
38 Henry County	diesel	\$105,036.00	\$52,518.00	1
	<b>Total</b>		<b>\$52,518.00</b>	
39 Jefferson County	Diesel	\$79,045.00	\$39,522.50	5
	Diesel	\$79,045.00	\$39,522.50	
	Diesel	\$79,045.00	\$39,522.50	
	Diesel	\$79,045.00	\$39,522.50	
	Diesel	\$79,045.00	\$39,522.50	
	<b>Total</b>		<b>\$197,612.50</b>	
40 Knott County Schools	Diesel	\$84,957.00	\$42,478.50	4
	Diesel	\$89,190.00	\$44,595.00	
	Diesel	\$89,190.00	\$44,595.00	
	Diesel	\$87,019.00	\$43,509.50	
	<b>Total</b>		<b>\$175,178.00</b>	
41 Knox County Schools	Diesel	\$105,546.00	\$52,773.00	3
	Diesel	\$105,546.00	\$52,773.00	
	Diesel	\$93,474.00	\$46,737.00	
	<b>Total</b>		<b>\$152,283.00</b>	
42 LaRue County	propane	\$98,680.00	\$49,340.00	1
	<b>Total</b>		<b>\$49,340.00</b>	
43 Laurel County Schools	Diesel	\$112,976.00	\$56,488.00	4
	Diesel	\$112,976.00	\$56,488.00	
	Diesel	\$112,976.00	\$56,488.00	
	Diesel	\$112,976.00	\$56,488.00	
	<b>Total</b>		<b>\$225,952.00</b>	

44 Lawrence County	Diesel	\$94,795.00	\$47,397.50	3
	Diesel	\$105,546.00	\$52,773.00	
	Diesel	\$105,546.00	\$52,773.00	
	<b>Total</b>		<b>\$152,943.50</b>	
45 Lee County	Diesel	\$92,943.00	\$46,471.50	2
	Diesel	\$87,019.00	\$43,509.50	
	<b>Total</b>		<b>\$89,981.00</b>	
46 Leslie County	Diesel	\$87,019.00	\$43,509.50	1
	<b>Total</b>		<b>\$43,509.50</b>	
47 Livingston County	diesel	\$89,190.00	\$44,595.00	1
	<b>Total</b>		<b>\$44,595.00</b>	
48 Logan County	Diesel	\$95,295.00	\$47,647.50	1
	<b>Total</b>		<b>\$47,647.50</b>	
49 Madison County	Diesel	\$115,953.00	\$57,976.50	4
	Diesel	\$115,953.00	\$57,976.50	
	Diesel	\$115,953.00	\$57,976.50	
	Diesel	\$115,953.00	\$57,976.50	
	<b>Total</b>		<b>\$231,906.00</b>	
50 Magoffin County	diesel	\$84,957.00	\$42,478.50	3
	diesel	\$84,957.00	\$42,478.50	
	diesel	\$90,216.00	\$45,108.00	
	<b>Total</b>		<b>\$130,065.00</b>	
51 Marion County	Diesel	\$107,375.00	\$53,687.50	1
	<b>Total</b>		<b>\$53,687.50</b>	
52 Marshall County	Diesel	\$115,953.00	\$57,976.50	2
	Diesel	\$90,216.00	\$45,108.00	
	<b>Total</b>		<b>\$103,084.50</b>	
53 Mayfield Independent	Diesel	\$95,520.00	\$47,760.00	3
	Diesel	\$95,520.00	\$47,760.00	
	Diesel	\$95,520.00	\$47,760.00	
	<b>Total</b>		<b>\$143,280.00</b>	
54 McLean County	Diesel	\$93,474.00	\$46,737.00	1
	<b>Total</b>		<b>\$46,737.00</b>	
55 McCracken County	diesel	\$90,216.00	\$45,108.00	1
	<b>Total</b>		<b>\$45,108.00</b>	
56 Meade County	Diesel	\$89,190.00	\$44,595.00	1
	<b>Total</b>		<b>\$44,595.00</b>	
57 Mercer County Schools	Propane	\$95,795.00	\$47,897.50	1
	<b>Total</b>		<b>\$47,897.50</b>	

58	Middlesboro Independent	diesel	\$88,795.00	\$44,397.50	1
		Total		\$44,397.50	
59	Monroe County	Diesel	\$94,595.00	\$47,297.50	1
		Total		\$47,297.50	
60	Muhlenberg County	diesel	\$94,595.00	\$47,297.50	1
		Total		\$47,297.50	
61	Ohio County	Diesel	\$90,216.00	\$45,108.00	2
		Diesel	\$90,216.00	\$45,108.00	
		Total		\$90,216.00	
62	Oldham County	diesel	\$112,976.00	\$56,488.00	1
		Total		\$56,488.00	
63	Owen County	propane	\$95,795.00	\$47,897.50	1
		Total		\$47,897.50	
64	Owensboro Independent	diesel	\$97,983.00	\$48,991.50	1
		Total		\$48,991.50	
65	Owsley County	diesel	\$87,019.00	\$43,509.50	2
		diesel	\$87,019.00	\$43,509.50	
		Total		\$87,019.00	
66	Pendleton County	diesel	\$93,995.00	\$46,997.50	1
		Total		\$46,997.50	
67	Perry County Schools	diesel	\$84,957.00	\$42,478.50	3
		diesel	\$84,957.00	\$42,478.50	
		diesel	\$89,190.00	\$44,595.00	
		Total		\$129,552.00	
68	Pike County Schools	diesel	\$92,943.00	\$46,471.50	1
		Total		\$46,471.50	
69	Pineville Ind.	diesel	\$90,216.00	\$45,108.00	2
		diesel	\$90,216.00	\$45,108.00	
		Total		\$90,216.00	
70	Powell County Schools	diesel	\$105,546.00	\$52,773.00	4
		diesel	\$105,546.00	\$52,773.00	
		diesel	\$94,795.00	\$47,397.50	
		diesel	\$94,795.00	\$47,397.50	
		Total		\$200,341.00	
71	Rockcastle County Schools	diesel	\$95,750.00	\$47,875.00	1
		Total		\$47,875.00	
72	Rowan County	Diesel	\$94,595.00	\$47,297.50	1
		Total		\$47,297.50	

73 Russell County	Diesel	\$87,019.00	\$43,509.50	3
	Diesel	\$93,378.00	\$46,689.00	
	Diesel	\$105,546.00	\$52,773.00	
	<b>Total</b>		<b>\$142,971.50</b>	
74 Russelville	Diesel	\$90,995.00	\$45,497.50	1
	<b>Total</b>		<b>\$45,497.50</b>	
75 Somerset Independent	Diesel	\$112,976.00	\$56,488.00	1
	<b>Total</b>		<b>\$56,488.00</b>	
76 Taylor County Schools	Diesel	\$94,595.00	\$47,297.50	2
	Diesel	\$105,546.00	\$52,773.00	
	<b>Total</b>		<b>\$100,070.50</b>	
77 Todd County Schools	Diesel	\$112,595.00	\$56,297.50	1
	<b>Total</b>		<b>\$56,297.50</b>	
78 Union County	Diesel	\$88,795.00	\$44,397.50	1
	<b>Total</b>		<b>\$44,397.50</b>	
79 Walton-Verona	Diesel	\$94,595.00	\$47,297.50	1
	<b>Total</b>		<b>\$47,297.50</b>	
80 Warren County	Diesel	\$90,216.00	\$45,108.00	1
	<b>Total</b>		<b>\$45,108.00</b>	
81 Washington County	Diesel	\$104,250.00	\$52,125.00	1
	<b>Total</b>		<b>\$52,125.00</b>	
82 Wayne County Schools	diesel	\$94,795.00	\$47,397.50	5
	diesel	\$86,095.00	\$43,047.50	
	diesel	\$88,195.00	\$44,097.50	
	diesel	\$112,595.00	\$56,297.50	
	diesel	\$112,595.00	\$56,297.50	
	<b>Total</b>		<b>\$247,137.50</b>	
83 Whitley County Schools		\$87,019.00	\$43,509.50	5
		\$90,216.00	\$45,108.00	
		\$112,976.00	\$56,488.00	
		\$115,953.00	\$57,976.50	
	<b>Total</b>		<b>\$261,058.50</b>	

84	Williamsburg Independent	diesel	\$93,474.00	\$46,737.00	1
			<b>Total</b>	<b>\$46,737.00</b>	
85	Wolfe County	diesel	\$92,943.00	\$46,471.50	1
			<b>Total</b>	<b>\$46,471.50</b>	
86	Adair County	diesel	\$84,957.00	\$42,478.50	3
		diesel	\$92,943.00	\$46,471.50	
		diesel	\$92,943.00	\$46,471.50	
			<b>Total</b>	<b>\$135,421.50</b>	
87	Bardstow Independent	diesel	\$94,595.00	\$47,297.50	1
			<b>Total</b>	<b>\$47,297.50</b>	
88	Barren County	diesel	\$94,795.00	\$47,397.50	1
			<b>Total</b>	<b>\$47,397.50</b>	
89	Bath	diesel	\$95,295.00	\$47,647.50	1
			<b>Total</b>	<b>\$47,647.50</b>	
90	Casey County	diesel	\$97,070.00	\$48,535.00	1
			<b>Total</b>	<b>\$48,535.00</b>	
91	Glasgow Independent	diesel	\$94,595.00	\$47,297.50	1
			<b>Total</b>	<b>\$47,297.50</b>	
92	Hardin County	diesel	\$90,395.00	\$45,197.50	2
		diesel	\$90,395.00	\$45,197.50	
			<b>Total</b>	<b>\$90,395.00</b>	
93	Clinton County	diesel	\$112,595.00	\$56,297.50	1
			<b>Total</b>	<b>\$56,297.50</b>	169

**Total Projected Reimbursement  
1st round** **\$8,128,827.00**

**Remainder for 2nd Round Proposals** **\$ 392,873.00**

**Funds Authorized by Legislature for  
School Bus Replacements** **\$8,521,700.00**  
**Administrative Costs** **\$ 139,250.00**

**Total D4 Request** **\$8,660,950.00**

## ATTACHMENT C

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

After being named by the Governor as Kentucky's Lead Agency, the Energy and Environment Cabinet created a web site specific to information associated with the administration of the Environmental Mitigation Trust Funds and all activities associated with administering those funds in the Commonwealth.

This site has been used to report on the development of and final Beneficiary Mitigation Plan (BMP) developed by the Commonwealth, as well as the entities chosen to receive funding under each activity outlined in the BMP.

This site is used to provide the public a comprehensive, transparent accounting of the information on funding, as well as the information being submitted by the chosen entities and funds distributed in the state.

The semi-annual reports associated with each activity will be posted on this dedicated web site as the reports are submitted to the Trustee.

All information from entities receiving funds under this trust, reimbursements made, will be posted on the web site.

#### **Kentucky's BMP**

The Kentucky Energy and Environment Cabinet, Office of Energy Policy will provide detailed reporting on this Environmental Mitigation Trust project in two ways:

1. Timely updates to Kentucky EEC Volkswagen Diesel Settlement public-facing webpage which can be accessed at <https://eec.ky.gov/Energy/Programs/Pages/Volkswagen-Settlement.aspx>;
2. Kentucky's semi-annual Beneficiary Reporting Obligations to Wilmington Trust (the "Trustee").

The Commonwealth of Kentucky's Beneficiary Mitigation Plan and all documentation and records submitted by the Beneficiary in support of each funding request to the Trustee is and will be available to the public on the agency webpage. The webpage will be updated with the latest information in order to inform the general public on the projects' status as well as when these projects have been completed. Kentucky shall comply with Subparagraph 5.3 of the Environmental Mitigation Trust Agreement for State Beneficiaries, which details the following 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 30 (for the preceding six-month period of July 1 to December 31) and July 30 (for the preceding six-month period of January 1 to June 30) of each year, each Beneficiary shall submit to the Trustee a semi-annual 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. The Trustee shall post each semiannual report on the State Trust's public-facing website upon receipt.

Additionally, these reports will be posted on the Energy and Environment Cabinet's Volkswagen Settlement Fund web-pages which provide information on the Beneficiary Mitigation Plan, awards, requests for draw down of funds (D4s) and any payments made using these funds.

- The ninety-three (93) Kentucky school districts, in order to be reimbursed for replacement buses, must provide proof that replacement buses have been received and the invoices paid prior to receiving any reimbursement under this program. Additionally, proof of the existing bus(s) having been scrapped must also be provided in order to receive reimbursement.
- Information on awardees under the School Bus Replacement Program has been posted on the Cabinet VW website since they were notified of the funding approval. A detailed list of the school districts, and amounts to be reimbursed has been included as part of Appendix B of this document.

## **ATTACHMENT D**

### **DETAILED COST ESTIMATES FROM SELECTED OR POTENTIAL VENDORS FOR EACH PROPOSED EXPENDITURE EXCEEDING \$25,000**

The potential amounts for reimbursements to the ninety-three (93) sub-recipients under the School Bus Replacement Program are included with this documentation to the Trustee, along with the number of buses to be replaced by each district. Detailed cost invoices for the eligible School Bus Replacements will be held on-site and a roll-up of reimbursements provided to the Trustee with the semi-annual reports, and documented on the cabinet's website devoted to the Kentucky portion of the Volkswagen Trust.



# ATTACHMENT G

## BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION SUMMARY

### 5.2.1 – Explanation of how funding request fits into Beneficiary’s Mitigation Plan

Section E.1 states that the Commonwealth will allocate \$8,521,700 to eligible School Bus Replacement Projects.

Based on provisions in Kentucky House Bill 352, eligible school buses in Kentucky shall include 2001 engine model year or older... school buses. Eligible buses must be scrapped. Section E.1 also provides for the availability of administrative funds for administering the Mitigation Trust and a portion of that funding has been requested with this action..

### 5.2.2 – Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits

Kentucky, will partially fund the replacement of (169) older diesel school buses, including some operating in areas of the state that have current or historic air quality issues. Kentucky’s BMP outlined that all efforts would be made to prioritize funding in these areas of the state.

School buses operate in areas where children go to school and play on a daily basis, and who can be much more susceptible to exhaust emissions. In Kentucky, school districts, during the 1<sup>st</sup> round of bus replacements could only replace an existing diesel bus with either a cleaner diesel or propane bus. Removing the older, higher emitting buses from will reduce the emissions surrounding bus stops and schools where the older buses operated. Additionally, providing new, cleaner buses will help reduce street-level exhaust emissions. Many of the school districts with replacement buses those operating in Qualified Opportunity Zones (QOZ) and those designated as distressed counties. Several of the projects funded under the School Bus Replacement Program are located in counties that currently, or historically, had air quality issues for ozone and/or PM2.5. Replacement of these older buses, to cleaner, new, lower emitting buses will have a direct benefit on the communities where these buses operate.

### 5.2.3 – Estimate of Anticipated NOx Reductions

The available funding, once all buses are received and operating, and the older buses scrapped and out of use, will provide approximately 145 tons of NOx emission reductions over the lifetime of the buses. These estimates are from each of the districts where projects being funded, with a separate analysis done by lead agency staff. These emission reductions were calculated using the U.S. Environmental Protection Agency’s (EPA) Diesel Emissions Quantifier Tool.

### 5.2.7.1 – Identification of the Government Entity Responsible for Reviewing and Auditing Expenditures of Eligible Mitigation Action Funds to Ensure Compliance with Applicable Law

## Kentucky Energy and Environment Cabinet

### **5.2.7.2 – Describe how the Beneficiary will make Documentation Publicly Available**

After being named by the Governor as Kentucky's Lead Agency, the Energy and Environment Cabinet created a web site specific to information associated with the administration of the Environmental Mitigation Trust Funds and all activities associated with administering those funds in the Commonwealth.

This site has been used to report on the development of and final Beneficiary Mitigation Plan (BMP) developed by the Commonwealth, as well as the entities chosen to receive funding under each activity outlined in the BMP.

This site is used to provide the public a comprehensive, transparent accounting of the information on funding, as well as the information being submitted by the chosen entities and funds distributed in the state.

The semi-annual reports associated with each activity will be posted on this dedicated web site as the reports are submitted to the Trustee.

All information from entities receiving funds under this trust, reimbursements made, will be posted on the web site. This Information is also included in Attachment C.

### **5.2.8 – Describe any Cost share requirement to be placed on each NOx source proposed to be mitigated.**

HB352, of Kentucky's 2020 Legislative Session, prescribed that \$8,521,700 of the available funds be used to provide 50% of the base cost of a new replacement school bus. The funds were available on a reimbursable basis and the buses being replaced had to be model 2001 and older, and operating on a daily basis. Districts were only allowed funding for up to five (5) replacement buses.

Although Appendix D2 of the Settlement would allow for 100% of the cost of a replacement Bus, Kentucky's legislative directive was to maximize the use of the funding and replace as many older buses as possible.

### **5.2.9 – Describe how the Beneficiary complied with Subparagraph 2.4.8, related to notice to U.S. Government Agencies**

On February 20, 2018, the Commonwealth of Kentucky notified appropriate federal agencies that the Commonwealth had been named a beneficiary of the Mitigation Trust and providing notification of the possibility of said funds pursuant to Section 4.2.8 of the Volkswagen Environmental Mitigation Trust Agreement for State Beneficiaries -- Volkswagen "Clean Diesel" Marketing, Sales Practices and Products Liability Litigation (Docket #2103-1) As required by Section 4.2.8 of the Volkswagen Environmental Mitigation Trust Agreement for State Beneficiaries (copy attached), this communication is provided to your federal agency. Please be advised that the Beneficiary Mitigation Plan for the Commonwealth of Kentucky,

when finalized, may provide for the availability of funds which your federal agency or other parties could apply for proposed projects for use on lands within your agency's custody, control, or management.

**5.2.10 – If applicable, describe how the mitigation action will mitigate the impacts of NOx emission on communities that have historically borne a disproportionate share of the adverse impacts of such emissions.**

Funding authorized for the replacement of school buses in Kentucky will be used in many areas of the state currently experiencing, or having experienced, air quality issues in the past. But more importantly, it will provide emission reductions at schools and bus stops, where children can be most impacted by diesel exhaust emissions.

Replacing the older diesel buses providing student transportation on a daily basis, lowers the NOx emissions associated with ozone formation and will also impact the emission of PM2.5 and toxic emissions from older diesel engines.

Providing new, cleaner buses will help reduce street-level exhaust emissions, in all areas, including those operating in Qualified Opportunity Zones (QOZ), distressed counties, and will allow for emissions reductions in all neighborhoods.