

September 17, 2019

Volkswagen Diesel Emissions Environmental
Mitigation Trust for State Beneficiaries,
Puerto Rico, and the District of Columbia
c/o Wilmington Trust, N.A. as Trustee
Wilmington Trust, National Association
Rodney Square North
1100 North Market Street
Attn: Capital Markets & Agency Services
Wilmington, DE 19890

Re: Second Resubmission of Funding Request #0001 Commonwealth of Pennsylvania

Dear Trustee:

The Pennsylvania Department of Environmental Protection, on behalf of the Commonwealth of Pennsylvania, is resubmitting the attached Funding Request #0001 for your review and approval. The Department is seeking reimbursement from the Environmental Mitigation Trust for State Beneficiaries, Puerto Rico, and the District of Columbia for completed projects and administrative expenditures as indicated in the attached documentation. This package includes three complete D-4 packages (one each for EMA 2, EMA 9, and EMA 10) which include the following documents:

- Appendix D-4 – Beneficiary Eligible Mitigation Action Certification. This form provides general information about the entire funding request, including how the funding request aligns with Pennsylvania’s Beneficiary Mitigation Plan, the air quality benefits, reimbursement percentages, and other information.
- Appendix D-4 Attachment A – Funding Request and Direction. This form provides the specifics for the payments the Department is requesting, including identifying payment recipients, payment amounts, and bank information for the payments. The deficiencies in the original Attachment A forms identified by Wilmington Trust for several recipients have been corrected.
- Appendix D-4 Attachment B – Eligible Mitigation Action Management Plan. This form provides a detailed budget for the entire funding request and Pennsylvania’s trust allocation, as well as an implementation schedule for the program for which the Department is requesting reimbursement, and the specific projects approved for reimbursement. It also shows total project costs based on the submitted invoices and the approved reimbursement or rebate voucher amounts.
- Appendix D-4 Attachment C – Detailed Plan for Reporting on Eligible Mitigation Action Implementation. This form provides an overview of the Department’s plans for reporting from recipients to the Department, and of reporting from the Department to the Trustee. It also identifies the types of programs (grants and rebates) used to award funding to recipients.

Appendix D-4 Attachment D – Cost Estimates from Selected or Potential Vendors for Each Proposed Expenditure Exceeding \$25,000. This includes a cover page and spreadsheet listing information for all the invoices for the projects for which the Department is seeking reimbursement for the recipients and for the Department's eligible administrative costs.

Appendix D-4 Attachment E – PA DEP DERA Proposal. This includes a cover page and a copy of the workplan and budget submitted to EPA in the Department's application for FY2017 State Clean Diesel Grant Funds in the EMA 10 package. This attachment is included because the Department is requesting reimbursement for projects funded under the PA State Clean Diesel Grant Program (DERA).

Thank you in advance for your favorable consideration of the attached funding request package. Should you have questions or need additional information, please contact Ms. Samantha Harmon, by e-mail at saharmon@pa.gov or by telephone at 717-787-9495.

Sincerely,



Krishnan Ramamurthy
Bureau Director
Bureau of Air Quality

BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION

Beneficiary Commonwealth of Pennsylvania (PA)

Lead Agency Authorized to Act on Behalf of the Beneficiary Department of Environmental Protection (DEP)
(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: | Driving PA Forward - Project Group 1 |
| Beneficiary's Project ID: | 0001-A-F |
| Funding Request No. | (sequential) 0001 |
| Request Type: (select one or more) | <input checked="" type="checkbox"/> Reimbursement <input type="checkbox"/> Advance <input type="checkbox"/> Other (specify): _____ |
| Payment to be made to: (select one or more) | <input checked="" type="checkbox"/> Beneficiary <input checked="" type="checkbox"/> Other (specify): <u>Multiple, see list on Attachment 1.</u> |
| 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>EMA #2 – Class 4-8 School Bus, Shuttle Bus, or Transit Bus</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): These projects comply with PA's stated overall goal of funding projects ...See Attachment 1. | |
| Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2): The purpose of these projects is to replace 8 Class 4-8 School Buses. These projects will improve the air quality in the community in which it occurs by reducing exposure of...See Attachment 1. | |
| Estimate of Anticipated NOx Reductions (5.2.3): These projects are expected to reduce 1.07 tons of NOX emissions annually...See Attachment 1. | |
| 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): The DEP is the government entity responsible for reviewing and auditing ...See Attachment 1. | |
| Describe how the Beneficiary will make documentation publicly available (5.2.7.2). The DEP has created, and will maintain, a public web site as a clearinghouse...See Attachment 1. | |
| Describe any cost share requirement to be placed on each NOx source proposed to be mitigated (5.2.8). For these projects, the applicants committed to funding between 50 percent and 80 percent for bus replacements. The DEP has committed to reimburse between 20...See Attachment 1. | |
| Describe how the Beneficiary complied with subparagraph 4.2.8, related to notice to U.S. Government Agencies (5.2.9). The DEP complied with subparagraph 4.2.8 by submitting letters to the personnel...See Attachment 1. | |

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).

These projects address pollution in areas which bear a disproportionate share of...See Attachment 1.

ATTACHMENTS
(CHECK BOX IF ATTACHED)

- | | | |
|-------------------------------------|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> | Attachment A | Funding Request and Direction. |
| <input checked="" type="checkbox"/> | Attachment B | Eligible Mitigation Action Management Plan Including Detailed Budget and Implementation and Expenditures Timeline (5.2.4). |
| <input checked="" type="checkbox"/> | Attachment C | Detailed Plan for Reporting on Eligible Mitigation Action Implementation (5.2.11). |
| <input checked="" type="checkbox"/> | 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.] |
| <input type="checkbox"/> | Attachment E | DERA Option (5.2.12). [Attach only if using DERA option.] |
| <input type="checkbox"/> | 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 Commonwealth of Pennsylvania, 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 16, 2019

Honorable Patrick McDonnell, Secretary

[NAME]

[TITLE]

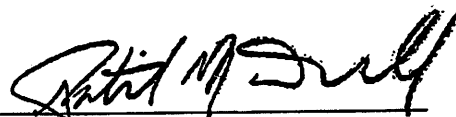
Department of Environmental Protection

[LEAD AGENCY]

for

Commonwealth of Pennsylvania

[BENEFICIARY]

X 

**Attachment 1 to Appendix D-4 and Attachment A
DEP Funding Request 0001-A-F**

List of Recipients for “Payment to be made to” box on page 2

| |
|---------------------------------|
| Garry L. Pepple |
| Joseph Ewain |
| Charles Esposito |
| McIlwain Charters, Inc. |
| Shutts Buses LLC – Ronald Shutt |
| Kauffman Bus Service Inc. |
| Commonwealth of Pennsylvania |

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

These projects comply with PA’s stated overall goal of funding projects throughout PA that will reduce or eliminate emissions of oxides of nitrogen (NO_x), focusing on the most cost-effective projects that will maximize emission reductions, including those that focus on: large numbers of diesel engines and vehicles; priority areas; National Ambient Air Quality Standard (NAAQS) nonattainment or maintenance areas; high population density and high traffic density areas; and advancing PA’s energy, environmental, or economic development goals. These projects comply with PA’s stated intent to consider funding for all Eligible Mitigation Actions and Eligible Mitigation Action Administrative Expenditures. These projects are included under the onroad fleet projects funding category identified in PA’s Beneficiary Mitigation Plan (BMP) and are within the percentage of funding PA expects to request for this category. If scrappage requirements apply to these Eligible Mitigation Actions, funding recipients were required to submit proof of scrappage for the project. These projects will contribute to PA’s expected NO_x emission reductions from the onroad fleet project category established in PA’s BMP. Finally, these projects were awarded funding under a grant or rebate program, both identified as eligible funding mechanisms by PA in its BMP.

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

The purpose of these projects is to replace 8 Class 4-8 School Buses. These projects will improve the air quality in the community where they are located by reducing exposure of residents and others to NO_x and other emissions from diesel-powered mobile sources. For vehicle and engine replacement or repower projects, this will occur as a result of a cleaner vehicle or engine replacing the older diesel vehicle or engine. In addition to the NO_x emission reductions listed below, these projects will annually reduce 0.147 tons of volatile organic compounds (VOC), 0.389 tons of carbon monoxide (CO), 0.068 tons of fine particulate matter (PM_{2.5}), and 79.324 tons of carbon dioxide (CO₂). Additionally, these projects will result in lifetime emission reductions of 0.44 tons of VOC, 1.17 tons of CO, 0.20 PM_{2.5}, and 237.97 tons of CO₂.

Estimate of Anticipated NO_x Reductions (5.2.3):

These projects are expected to reduce 1.07 tons of NO_x emissions annually and 3.21 tons of lifetime NO_x emissions.

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):

The DEP is the government entity responsible for reviewing and auditing expenditures of Eligible Mitigation Action funds to ensure compliance with applicable laws in accordance with subparagraph 5.2.7.1.

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

The DEP has created, and will maintain, a public web site as a clearinghouse for information relating to the Environmental Mitigation Trust Agreement for State Beneficiaries, including all public information relating to PA's Beneficiary Mitigation Plan and programs funded by the State Mitigation Trust. On this web site or an associated web site, DEP will post summary information about all funding requests submitted to the Trustee, including the funding recipient, funding amount, and a brief summary of the project. In addition to the summary information, DEP will post and comply with the following statement: "The following is a summary of all funding requests submitted to the Trustee. Public records supporting the submitted funding requests, and public records supporting all expenditures of the Trust Fund by PA, are available to the public upon request, subject to all applicable laws governing the publication of confidential business information and personally identifiable information. A public record excludes confidential proprietary information, confidential business information, and personal identification information. Please contact DEP for additional information." The web site can be accessed at:
<https://www.dep.pa.gov/Business/Air/Volkswagen/Pages/default.aspx>.

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

For these projects, the applicants committed to funding between 50 percent and 80 percent for bus replacements. The DEP has committed to reimburse between 20 and 50 percent of the total project costs, through a direct payment by the Trustee from PA's allocation of the State Mitigation Trust. See Appendix D-4, Attachment B for detailed project budgets.

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

The DEP complied with subparagraph 4.2.8 by submitting letters to the personnel at the U.S. Department of the Interior and the U.S. Department of Agriculture on February 8, 2018. In the letters, DEP explained that PA may request Eligible Mitigation Action funds for use on lands within the custody, control, or management (including, but not limited to, Clean Air Act Class I and II areas) of these agencies. Additionally, DEP set forth in the letters the procedures by which PA will review, consider, and make a written determination on requests for funding from these agencies, in accordance with subparagraph 4.2.8. The DEP provided a copy of the Trust Agreement with Attachments as an attachment to the letters.

If applicable, describe how the mitigation action will mitigate the impacts of NO_x emissions on communities that have historically borne a disproportionate share of the adverse impacts of such emissions (5.2.10).

These projects address pollution in areas which bear a disproportionate share of the air pollution burden, such as NAAQS nonattainment or maintenance areas, brownfields, Environmental Justice areas, and/or high pollution areas (ports, bus depots, etc.). These projects accomplish that goal by reducing exposure to emissions for residents where the replaced vehicles operate. DEP's programs, through application scoring or eligibility criteria, give additional weight to projects occurring in these types of communities, thus prioritizing funding in these areas.

ATTACHMENT A

FUNDING REQUEST AND DIRECTION

(Attachment to Appendix D-4, Beneficiary Eligible Mitigation Action Certification, pursuant to Paragraph 5.2 of the Environmental Mitigation Trust Agreement)

Pursuant to the authority granted to Department of Environmental Protection [insert Lead Agency] to act on behalf of Beneficiary Commonwealth of Pennsylvania under the Mitigation Trust, [Lead Agency] directs the Trustee to make the following payments from its subaccount no. 122969-048 to the following payees, for the amounts specified on the dates specified below.

LEAD AGENCY INFORMATION

| | | | |
|----------------------|-----------------------------------------------------|-----------------------------|---------------------------------|
| Beneficiary Name: | <u>Commonwealth of Pennsylvania (PA)</u> | Lead Agency Contact Person: | <u>Samantha Harmon</u> |
| Lead Agency Name: | <u>Department of Environmental Protection (DEP)</u> | Lead Agency Email Address: | <u>RA-EPVWMitigation@pa.gov</u> |
| Lead Agency Address: | <u>400 Market Street, Harrisburg, PA 17101</u> | Lead Agency Fax: | <u>717-772-2303</u> |
| Lead Agency Phone: | <u>717-787-9495</u> | Lead Agency TIN: | <u>23-2632825</u> |

Contact information entered above may correspond to Lead Agency or 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

MITIGATION ACTION INFORMATION

| | | | |
|---------------------------|----------------------------|---------------------|-------------|
| Action Title: | <u>DPF Project Group 1</u> | Funding Request No: | <u>0001</u> |
| Beneficiary's Project ID: | <u>0001-A-F</u> | | |

PAYMENTS REQUESTED

(attach additional pages if needed)

| Amount | Requested Date | Payee | Request Type |
|-------------|----------------|--------------------------------------------------------------|---------------|
| \$91,955.00 | 8/16/2019 | Garry L. Pepple | Reimbursement |
| \$40,000.00 | 8/16/2019 | Joseph Ewain | Reimbursement |
| \$40,000.00 | 8/16/2019 | Charles Esposito | Reimbursement |
| \$32,500.00 | 8/16/2019 | McIlwain Charters Inc. | Reimbursement |
| \$80,000.00 | 8/16/2019 | Shutts Buses LLC - Ronald Shutt | Reimbursement |
| | | SEE ATTACHMENT 2 for Additional Payees and Payee Information | |

**Attachment 2 to Appendix D-4 and Attachment A
DEP Funding Request 0001-A-F**

PAYMENTS REQUESTED
(additional pages)

| Amount | Requested Date | Payee | Request Type |
|---------------|-----------------------|------------------------------|---------------------|
| \$80,000.00 | 8/16/2019 | Kauffman Bus Service Inc. | Reimbursement |
| \$52,401.90 | 8/16/2019 | Commonwealth of Pennsylvania | Reimbursement |

PA – ATTACHMENT B
ELIGIBLE MITIGATION ACTION MANAGEMENT PLAN INCLUDING
DETAILED BUDGET AND IMPLEMENTATION AND EXPENDITURES
TIMELINE

(Attachment to Appendix D-4, Beneficiary Eligible Mitigation Action Certification, pursuant to Paragraph 5.2 of the Environmental Mitigation Trust Agreement)

Beneficiary Project ID: 0001-A-F

This attachment provides a Detailed Budget and Implementation and Expenditure Timeline for the above referenced project.

1. Detailed Project(s) Budget - The following chart provides details about the project budget.

| Budget Category | DEP/ Trust Fund Amount | (EPA DERA funds where applicable) | Recipient Match Amount | Total |
|-------------------------------|-------------------------------|------------------------------------------|-------------------------------|---------------------|
| Vehicle/Engine purchase costs | \$364,455.00 | \$0.00 | \$511,065.00 | \$875,520.00 |
| Administrative Costs | \$52,401.90 | \$0.00 | \$0.00 | \$52,401.90 |
| Total | \$416,856.90 | \$0.00 | \$511,065.00 | \$927,921.90 |

Descriptions of Budget Categories

- Vehicle/Engine purchase costs – This category includes the following for onroad vehicles and engines: new engine purchase cost, including taxes and fees; and new vehicle purchase costs, including taxes and fees, for similarly outfitted vehicle. This category is primarily for replacements.
- Equipment purchase costs – This category includes new equipment purchase costs, including nonroad vehicles and equipment.
- Engine installation costs – This category includes new engine installation costs, for vehicles or equipment. This category is primarily for repowers.
- EVSE with vehicle/engine purchase costs – This category includes: electric vehicle supply equipment (EVSE) purchase cost; EVSE installation costs; electric service upgrades; and connecting EVSE to electrical service. This category is for vehicle, engine, and equipment replacements and repowers.
- EVSE for Level 2 projects – This category includes the following costs for Level 2 EVSE: EVSE purchase cost; EVSE installation costs; electric service upgrades; connecting EVSE to electrical service; networking charges; EVSE maintenance contracts; signage for public access projects; and lighting for public access projects.
- EVSE for DCFC and H2FC projects – This category includes the following costs for DC fast charging (DCFC) infrastructure or hydrogen fuel cell refueling (H2FC) infrastructure projects: project/site design; DCFC & H2FC equipment costs; Level 2 EVSE costs (only when combined with new DCFC at the same location); ZEVSE installation costs; electric service upgrades; connecting ZEVSE to electrical service; charging network costs; maintenance costs; signage; onsite lighting of the ZEVSE and affiliated parking spaces; and battery storage.
- Subtotal - This category includes all project costs except administrative costs.
- Administrative Costs - This category includes administrative costs for DEP. DEP is not submitting administrative costs for funding recipients.

PA – ATTACHMENT B ELIGIBLE MITIGATION ACTION MANAGEMENT PLAN

2. Trust Allocation Budget – The following chart shows the expenditures and balance of PA's allocation of the State Mitigation Trust.

| | 2018 | 2019 | 2020 |
|-----------------------------------------------------|------------------|------------------|------------------|
| PA's Trust Allocation | \$118,569,539.52 | \$118,569,539.52 | \$118,152,682.62 |
| Previously approved disbursements | \$0.00 | \$0.00 | |
| Submitted but pending approval | \$0.00 | \$0.00 | |
| Amount of this funding request | \$0.00 | \$416,856.90 | |
| Remaining balance after approval of funding request | \$118,569,539.52 | \$118,152,682.62 | |

3. Program Implementation Schedule – The following chart provides the implementation schedule followed for the program under which the project(s) in this funding request is/are funded. See the project schedule below for details on project implementation.

| Program Activity – Onroad Rebate Program | Date |
|------------------------------------------------------------------|-------------------|
| Program opens for applications/ public notice of program opening | November 15, 2018 |
| Informational webinar on program | December 3, 2018 |
| Program closes for applications | March 8, 2019 |
| Awards announced | August 1, 2019 |

4. Project Implementation Schedule – The following chart provides the implementation schedule followed for the project(s). Rebate programs allow 180 days (six months) for project completion. Grant programs allow 1-2 years for project completion, with extensions possible on a case-by-case basis.

| | Action | Responsible Party | Date of Action Completion |
|---|---------------------------------------------|-------------------------------------|---------------------------------------------------------------------------------------|
| 1 | Purchase new buses (2); scrap old buses (2) | Garry L Pepple (A) | Purchase bus 1-2: 2/26/2019 and 4/19/2019; old buses scrapped 3/08/2019 and 4/23/2019 |
| 2 | Purchase new bus; scrap old bus | Joseph Ewain (B) | Purchase bus 1: 2/15/19; old bus scrapped 2/6/2019 |
| 3 | Purchase new bus; scrap old bus | Charles Esposito (C) | Purchase bus 1: 3/22/2019; old bus scrapped 3/06/2019 |
| 4 | Purchase new bus; scrap old bus | McIlwain Charters, Inc. (D) | Purchase bus 1: 4/29/2019; old bus scrapped 2/06/2019 |
| 5 | Purchase new buses (2); scrap old buses (2) | Shutts Buses LLC – Ronald Shutt (E) | Purchase buses 1-2: 3/25/2019; old buses scrapped 4/06/2019 |

PA – ATTACHMENT B ELIGIBLE MITIGATION ACTION MANAGEMENT PLAN

| | | | |
|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|---------------------------------------------------------------------------|
| 6 | Purchase new buses (2); scrap old buses (2) | Kauffman Bus Service Inc. (F) | Purchase buses 1-2: 5/06/2019; old buses scrapped 5/02/2019 and 5/08/2019 |
| 7 | Staff hours for development and management of grant and rebate programs; MOU/LOU for development of online application systems and reporting portal for all programs | Commonwealth of Pennsylvania (W) | October 2017 – April 2019 |

5. Expenditures – The following chart shows the invoice amounts and the corresponding reimbursement requests or rebate voucher redemption requests (by invoice) submitted to DEP for these projects, including details of what expenditures are included in each invoice.

| | Invoice Date(s) | Invoice Amount | Reimbursement Amount | Invoice ID | Description of Expenditures |
|---|---------------------------|----------------|----------------------|--------------|-------------------------------------------------------------------------------------------------------------------------|
| 1 | 02/22/2019; 04/09/2019 | \$183,910.00 | \$91,955.00 | A (A-1, A-2) | Purchase 2 new 72 passenger school buses |
| 2 | 02/05/2019 | \$95,259.00 | \$40,000.00 | B | Purchase 1 new 72 passenger school bus |
| 3 | 12/30/2018 | \$86,065.00 | \$40,000.00 | C | Purchase 1 new 72 passenger school bus |
| 4 | 03/31/2019 | \$163,578.00 | \$32,500.00 | D | Purchase 1 new 34 passenger commercial bus |
| 5 | 03/13/2019 (2) | \$172,334.00 | \$80,000.00 | E (E-1, E-2) | Purchase 2 new 72 passenger school buses |
| 6 | 05/03/2019 (2) | \$174,374.00 | \$80,000.00 | F (F-1, F-2) | Purchase 2 new 72 passenger school buses |
| 7 | 05/29/2019 | \$52,401.90 | \$52,401.90 | W-1 | Administrative costs for DEP, including: staff costs for program development and administration, and contractual costs. |

PA – ATTACHMENT C
DETAILED PLAN FOR REPORTING ON
ELIGIBLE MITIGATION ACTION IMPLEMENTATION

(Attachment to Appendix D-4, Beneficiary Eligible Mitigation Action Certification, pursuant to Paragraph 5.2 of the Environmental Mitigation Trust Agreement)

Reporting from Recipients to DEP (5.2.11)

Under paragraph 5.2.11, DEP, on behalf of the Commonwealth of Pennsylvania, is required to provide a detailed plan for reporting on Eligible Mitigation Action implementation. DEP has included reporting requirements, described below, for all funding recipients.

For grant programs, funding recipients are required to submit quarterly, final, and one-year follow-up reports to DEP. The quarterly reports must be submitted to DEP within 14 days of March 31, June 30, September 30, and December 31, during the term of the grant agreement. These reports include a summary of project activities during the reporting period (linked to the recipient's workplan), a summary of expenses incurred during the reporting period and whether a reimbursement request was submitted, and identification of any issues that will impact project completion. Additionally, funding recipients are required to submit a final report to DEP upon completion of the project, no later than 30 days after the end of the term of the grant agreement. The final report includes a summary of all project work completed under the grant agreement, a summary of all expenses incurred during the project period and verification that all reimbursement requests have been submitted to DEP, emission reduction estimates for the completed project, and proof of scrappage when applicable. Finally, funding recipients are required to submit a one-year follow up report one year from the completion of the project, but no later than one year and 30 days after the end of the term of the grant agreement for vehicle, engine, or equipment repower or replacement projects. The one-year follow up report for these projects includes: a brief summary of the original project; a brief summary of any positive or negative experiences the recipient had relating to the equipment/vehicles funded by the grant agreement during the year following the project completion; current operating status of equipment/vehicles funding by the grant; estimates of vehicle/equipment operating data such as estimates of operating hours, emission reductions, idling reductions, fuel use savings, and other information. For light-duty zero emission supply equipment grants, the funding recipient is required to submit annual station usage data for three years, beginning one year after project completion.

For vehicle, engine, or equipment repower or replacement rebate programs, funding recipients are required to submit annual usage data one year after project completion. For light-duty zero emission supply equipment projects, funding recipients must submit annual station usage data for three years, beginning one year after project completion.

DEP will use the information submitted by the funding recipients, as described above, to complete and submit reports to the Trustee as required by paragraph 5.3 (see next section).

PA – ATTACHMENT C DETAILED PLAN FOR REPORTING ON
ELIGIBLE MITIGATION ACTION IMPLEMENTATION

The project(s) submitted for funding under this Funding Request are:

- ☐ Grants
☒ Rebates
☐ Other: (specify)

Reporting from DEP to Trustee (5.3)

Under paragraph 5.3, for each Eligible Mitigation Action, DEP, on behalf of the Commonwealth of Pennsylvania, is required to submit to the Trustee no later than six months after receiving the 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, 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). These reports will include a complete description of the status (including actual or projected termination date), development, implementation, and any modification of each approved Eligible Mitigation Action. 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 Paragraph as to those Eligible Mitigation Actions funded through the DERA Option.

Using the information submitted to DEP by the funding recipients as described above, DEP will submit the semi-annual report required by paragraph 5.3 on the schedule indicated above. The report will include the following information:

- A list or other description of all active and completed projects that have been or will be funded, partially or fully, by PA's allocation of the State Mitigation Trust fund, and completion date if applicable.
- The status (active or complete) of the projects. No projects will be listed as proposed because DEP is not requesting advance funding for any projects and will only be requesting funds for completed projects.
- Funding amount requested from State Mitigation Fund allocation for each complete project or funding amount allocated for each active project.
- For DERA projects, the most recent quarterly status report submitted to the U.S. Environmental Protection Agency.

The semi-annual report will be signed by an official with the authority to submit the report for the Commonwealth of Pennsylvania and will contain an attestation that the information is true and correct and that the submission is made under penalty of perjury.

PA – ATTACHMENT D

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

(Attachment to Appendix D-4, Beneficiary Eligible Mitigation Action Certification, pursuant to Paragraph 5.2 of the Environmental Mitigation Trust Agreement)

Attached on the following pages are cost estimates or actual project cost documentation for projects where selected, potential, or actual vendor expenditures exceed \$25,000.00.

Invoice information is provided in a spreadsheet format. Copies of individual invoices are available upon request. Also included is an invoice for DEP's Eligible Mitigation Action Administrative Expenditures relating to projects under EMA 2.

PA DEP FR0001 A-F Invoice Spreadsheet

| | Recipient Name | Project / Invoice ID | Invoice Date(s) | Invoice Amount | Vendor | Reimbursement Amount | Description of Expenditures |
|---|------------------------------------------------|----------------------|-----------------|---------------------|------------------------------|----------------------|-------------------------------------------------------------------------------------------------------------------------|
| 1 | Garry L. Pepple | A-1 | 2/22/2019 | \$91,972.00 | Blue Bird Bus Sales | \$91,955.00 | Purchase 1 new 72 passenger school bus |
| | | A-2 | 4/9/2019 | \$91,938.00 | Wolfington Body Company Inc. | | Purchase 1 new 72 passenger school bus |
| 2 | Joseph Ewain | B | 2/5/2019 | \$95,259.00 | Wolfington Body Company Inc. | \$40,000.00 | Purchase 1 new 72 passenger school bus |
| 3 | Charles Esposito (Yatesville Bus Company Inc.) | C | 12/30/2018 | \$86,065.00 | Wolfington Body Company Inc. | \$40,000.00 | Purchase 1 new 72 passenger school bus |
| 4 | McIlwain Charters Inc. | D | 3/31/2019 | \$163,578.00 | Blue Bird Bus Sales | \$32,500.00 | Purchase 1 new 34 passenger commercial bus |
| 5 | Ronald Shutt (Shutt Buses LLC) | E-1 | 3/13/2019 | \$86,167.00 | Wolfington Body Company Inc. | \$80,000.00 | Purchase 1 new 72 passenger school bus |
| | | E-2 | 3/13/2019 | \$86,167.00 | Wolfington Body Company Inc. | | Purchase 1 new 72 passenger school bus |
| 6 | Kauffman Bus Service Inc. | F-1 | 5/3/2019 | \$87,187.00 | Rohrer Bus Sales | \$80,000.00 | Purchase 1 new 72 passenger school bus |
| | | F-2 | 5/3/2019 | \$87,187.00 | Rohrer Bus Sales | | Purchase 1 new 72 passenger school bus |
| 7 | Commonwealth of Pennsylvania | W-1 | 5/29/2019 | \$52,401.90 | | \$52,401.90 | Administrative costs for DEP, including: staff costs for program development and administration, and contractual costs. |
| | Totals | | | \$927,921.90 | | \$416,856.90 | |

**Pennsylvania Department of
Environmental Protection**

400 Market Street
Harrisburg, PA 17101
717-737-9495

INVOICE

DATE: August 13, 2019
W-1
FOR: *State Mitigation
Trust
Administrative
Expenditures*

Bill To:
Environmental Mitigation Trust for
State Beneficiaries
C/O Wilmington Trust
Rodney Square North
1100 North Market Street
Wilmington, DE 19890-0001

| ELIGIBLE MITIGATION ACTIONS | ADMINISTRATIVE EXPENDITURES CATEGORY | PA PROGRAM | DESCRIPTION | HOURS | AMOUNT |
|---------------------------------------------------------------|-------------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|-------------|
| EMA 2 - Class 4-8 School Bus, Shuttle Bus, and Transit Bus | Personnel and Fringe Benefits (Detailed hours report available upon request.) | Class 8 Truck and Transit Grant Program | This item includes all staff hours worked for the development and management of this program. Activities include the following: concept development for the program; development of program guidelines and application questions, online application (see Invoice W-2 re DCED contract), application instructions, associated forms and documents; webinar presentation by staff; response to public questions; assistance with applications; review and approval of applications; issuing rebate vouchers; voucher redemption; and monitoring of funded projects including tracking reporting and confirming project activities. | 37.25 | \$2,321.52 |
| EMA 2 - Class 4-8 School Bus, Shuttle Bus, and Transit Bus | Personnel and Fringe Benefits (Detailed hours report available upon request.) | Onroad Rebate Program | This item includes all staff hours worked for the development and management of this program. Activities include the following: concept development for the program; development of program guidelines and application questions, online application (see Invoice W-2 re DCED contract), application instructions, associated forms and documents; webinar presentation by staff; response to public questions; assistance with applications; review and approval of applications; issuing rebate vouchers; voucher redemption; and monitoring of funded projects including tracking reporting and confirming project activities. PA has allocated approximately \$30 million to this program, of which \$4.5 million is available for administrative costs. | 267.25 | \$22,252.85 |

| ELIGIBLE MITIGATION ACTIONS | ADMINISTRATIVE EXPENDITURES CATEGORY | PA PROGRAM | DESCRIPTION | HOURS | AMOUNT |
|------------------------------------------------------------|----------------------------------------------------------------|-------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|-------------|
| EMA 2 - Class 4-8 School Bus, Shuttle Bus, and Transit Bus | Personnel and Fringe Benefits (Detailed hours report attached) | Volkswagen Mitigation Implementation | This item includes activities relating to all of Pennsylvania's programs for all of the Eligible Mitigation Actions. Activities include: website development; newsletter development; modification of standard grant agreements to incorporate Trust Agreement language; preliminary conceptual development of all programs; and program roll-out planning. This administrative code was also used for early program specific work that occurred prior to individual administrative codes being created for each program in March 2018; program specific work may include some of the same items listed above for each program, specifically program guideline and application development. | 54.658 | \$3,327.53 |
| EMA 2 - Class 4-8 School Bus, Shuttle Bus, and Transit Bus | Contractual (MOU/LOU available upon request.) | Application Development; Reimbursement Request and Reporting Tool | This item includes activities relating to all of Pennsylvania's programs for all of the Eligible Mitigation Actions, specifically to the development of an online application system for all programs and a reporting portal. DEP contracted with its sister agency, the Pennsylvania Department of Community and Economic Development, to contract a dedicated developer to create and manage the online applications for all of Pennsylvania's programs under the VW settlement. This contract has developed (and will continue to develop) online applications through its existing Electronic Single Application (ESA) system, provide customer service for applications, enabled DEP to use ESA to issue rebate vouchers, and tied a reporting system (Partner Portal) to the ESA system that recipients use to upload rebate redemption requests, grant reimbursement requests, and reports as required for each program. | March 1, 2018 - September 30, 2019 | \$24,500.00 |
| TOTAL | | | | | \$52,401.90 |

Wire Transfer Information Provided in Attachment A to this submission.
If you have any questions concerning this invoice, Contact Samantha Harmon, 717-705-7686.
saharmon@pa.gov

THANK YOU!

BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION

Beneficiary Commonwealth of Pennsylvania (PA)

Lead Agency Authorized to Act on Behalf of the Beneficiary Department of Environmental Protection (DEP)
(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: | Driving PA Forward - Project Group 1 |
| Beneficiary's Project ID: | 0001-G-R |
| Funding Request No. | <i>(sequential)</i> 0001 |
| Request Type: (select one or more) | <input checked="" type="checkbox"/> Reimbursement <input type="checkbox"/> Advance <input type="checkbox"/> Other (specify): _____ |
| Payment to be made to: (select one or more) | <input checked="" type="checkbox"/> Beneficiary <input checked="" type="checkbox"/> Other (specify): <u>Multiple, see list on Attachment 1.</u> |
| 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>EMA # 9 – Light-Duty Zero Emission 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): These projects comply with PA's stated overall goal of funding projects ...See Attachment 1. | |
| Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2): The purpose of these projects is to install 44 Level 2 electric vehicle charging plugs. These projects will improve the air quality in the community where they are located by...See Attachment 1. | |
| Estimate of Anticipated NOx Reductions (5.2.3): These projects are expected to reduce 2.534 tons of NOX emissions annually...See Attachment 1. | |
| 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): The DEP is the government entity responsible for reviewing and auditing ...See Attachment 1. | |
| Describe how the Beneficiary will make documentation publicly available (5.2.7.2). The DEP has created, and will maintain, a public web site as a clearinghouse...See Attachment 1. | |
| Describe any cost share requirement to be placed on each NOx source proposed to be mitigated (5.2.8). For these projects, the applicants committed to funding between 1 percent and 77 percent for the purchase and installation of Level 2 EV charging infrastructure. The DEP has...See Attachment 1. | |
| Describe how the Beneficiary complied with subparagraph 4.2.8, related to notice to U.S. Government Agencies (5.2.9). The DEP complied with subparagraph 4.2.8 by submitting letters to the personnel...See Attachment 1. | |

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).
 These projects address pollution in areas which bear a disproportionate share of...See Attachment 1.

ATTACHMENTS
(CHECK BOX IF ATTACHED)

- | | | |
|-------------------------------------|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> | Attachment A | Funding Request and Direction. |
| <input checked="" type="checkbox"/> | Attachment B | Eligible Mitigation Action Management Plan Including Detailed Budget and Implementation and Expenditures Timeline (5.2.4). |
| <input checked="" type="checkbox"/> | Attachment C | Detailed Plan for Reporting on Eligible Mitigation Action Implementation (5.2.11). |
| <input checked="" type="checkbox"/> | 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.] |
| <input type="checkbox"/> | Attachment E | DERA Option (5.2.12). [Attach only if using DERA option.] |
| <input type="checkbox"/> | 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 Commonwealth of Pennsylvania, 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 16, 2019

Honorable Patrick McDonnell, Secretary

[NAME]

[TITLE]

Department of Environmental Protection

[LEAD AGENCY]

for

Commonwealth of Pennsylvania

[BENEFICIARY]

X

A handwritten signature in black ink, appearing to read "Patrick McDonnell", is written over a horizontal line.

**Attachment 1 to Appendix D-4 and Attachment A
DEP Funding Request 0001-G-R**

List of Recipients for “Payment to be made to” box on page 2

| |
|---------------------------------------------------------------------|
| Pennsylvania Department of Conservation and Natural Resources |
| Penn Mutual Life Insurance |
| Whitemarsh Township |
| Murano Condominium Association |
| Sams Auto |
| Executive Office Associates |
| College Township |
| Happy Holiday LLC |
| Allentown Parking Authority |
| 10 Rittenhouse Square Condominium Association |
| Camp Hebron Inc |
| Autobahn Indoor Speedway Harrisburg, LLC |
| Commonwealth of Pennsylvania |

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

These projects comply with PA’s stated overall goal of funding projects throughout PA that will reduce or eliminate emissions of oxides of nitrogen (NO_x), focusing on the most cost-effective projects that will maximize emission reductions, including those that focus on: large diesel engines; large numbers of diesel engines and vehicles; priority areas; National Ambient Air Quality Standard (NAAQS) nonattainment or maintenance areas; high population density and high traffic density areas; and advancing PA’s energy, environmental, or economic development goals. These projects comply with PA’s stated intent to consider funding for all Eligible Mitigation Actions and Eligible Mitigation Action Administrative Expenditures. These projects are included under the light duty zero emission vehicle supply equipment projects (LD ZEV SE) funding category identified in PA’s Beneficiary Mitigation Plan (BMP) and are within the percentage of funding PA expects to request for this category. These projects will contribute to PA’s expected NO_x emission reductions from the LD ZEV SE project category established in PA’s BMP. Finally, these projects were awarded funding under a grant or rebate program, both identified as eligible funding mechanisms by PA in its BMP.

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

The purpose of these projects is to install 44 Level 2 electric vehicle charging plugs. These projects will improve the air quality in the community where they are located by reducing exposure of residents and others to NO_x and other emissions from diesel-powered mobile

sources. For infrastructure projects, this will occur as a result of the elimination of diesel vehicle operations as those vehicles are replaced by electric vehicles or the elimination of diesel engine operations that are replaced by land-based electric power, when the infrastructure is in use. In addition to the NO_x emission reductions listed below, these projects will annually reduce 1.306 tons of volatile organic compounds (VOC), 0.088 tons of fine particulate matter (PM_{2.5}), 0.265 tons of coarse particulate matter (PM₁₀). Additionally, these projects will result in lifetime emission reductions of 6.532 tons of VOC, 0.440 tons of PM_{2.5}, and 1.326 tons of PM₁₀.

Estimate of Anticipated NO_x Reductions (5.2.3):

These projects are expected to reduce 2.534 tons of NO_x emissions annually and 12.669 tons of lifetime NO_x emissions.

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):

The DEP is the government entity responsible for reviewing and auditing expenditures of Eligible Mitigation Action funds to ensure compliance with applicable laws in accordance with subparagraph 5.2.7.1.

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

The DEP has created, and will maintain, a public web site as a clearinghouse for information relating to the Environmental Mitigation Trust Agreement for State Beneficiaries, including all public information relating to PA's Beneficiary Mitigation Plan and programs funded by the State Mitigation Trust. On this web site or an associated web site, DEP will post summary information about all funding requests submitted to the Trustee, including the funding recipient, funding amount, and a brief summary of the project. In addition to the summary information, DEP will post and comply with the following statement: "The following is a summary of all funding requests submitted to the Trustee. Public records supporting the submitted funding requests, and public records supporting all expenditures of the Trust Fund by PA, are available to the public upon request, subject to all applicable laws governing the publication of confidential business information and personally identifiable information. A public record excludes confidential proprietary information, confidential business information, and personal identification information. Please contact DEP for additional information." The web site can be accessed at: <https://www.dep.pa.gov/Business/Air/Volkswagen/Pages/default.aspx>.

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

For these projects, the applicants committed to funding between 1 percent and 77 percent for the purchase and installation of Level 2 EV charging infrastructure. The DEP has committed to reimburse between 23 and 99 percent of the total project costs, through a direct payment by the Trustee from PA's allocation of the State Mitigation Trust. See Appendix D-4, Attachment B for detailed project budgets.

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

The DEP complied with subparagraph 4.2.8 by submitting letters to the personnel at the U.S. Department of the Interior and the U.S. Department of Agriculture on February 8, 2018. In the letters, DEP explained that PA may request Eligible Mitigation Action funds for use on lands within the custody, control, or management (including, but not limited to, Clean Air Act Class I and II areas) of these agencies. Additionally, DEP set forth in the letters the procedures by which PA will review, consider, and make a written determination on requests for funding from these agencies, in accordance with subparagraph 4.2.8. The DEP provided a copy of the Trust Agreement with Attachments as an attachment to the letters.

If applicable, describe how the mitigation action will mitigate the impacts of NO_x emissions on communities that have historically borne a disproportionate share of the adverse impacts of such emissions (5.2.10).

These projects address pollution in areas which bear a disproportionate share of the air pollution burden, such as NAAQS nonattainment or maintenance areas, brownfields, Environmental Justice areas, and/or high pollution areas (ports, bus depots, etc.). These projects accomplish that goal by reducing exposure to emissions for residents as a result of the elimination of diesel vehicle operations as those vehicles are replaced by electric vehicles. DEP's programs, through application scoring or eligibility criteria, give additional weight to projects occurring in these types of communities, thus prioritizing funding in these areas.

ATTACHMENT A

FUNDING REQUEST AND DIRECTION

(Attachment to Appendix D-4, Beneficiary Eligible Mitigation Action Certification, pursuant to Paragraph 5.2 of the Environmental Mitigation Trust Agreement)

Pursuant to the authority granted to Department of Environmental Protection [insert Lead Agency] to act on behalf of Beneficiary Commonwealth of Pennsylvania under the Mitigation Trust, [Lead Agency] directs the Trustee to make the following payments from its subaccount no. 122969-048 to the following payees, for the amounts specified on the dates specified below.

LEAD AGENCY INFORMATION

| | | | |
|----------------------|-----------------------------------------------------|-----------------------------|---------------------------------|
| Beneficiary Name: | <u>Commonwealth of Pennsylvania (PA)</u> | Lead Agency Contact Person: | <u>Samantha Harmon</u> |
| Lead Agency Name: | <u>Department of Environmental Protection (DEP)</u> | Lead Agency Email Address: | <u>RA-EPVWMitigation@pa.gov</u> |
| Lead Agency Address: | <u>400 Market Street, Harrisburg, PA 17101</u> | Lead Agency Fax: | <u>717-772-2303</u> |
| Lead Agency Phone: | <u>717-787-9495</u> | Lead Agency TIN: | <u>23-2632825</u> |

Contact information entered above may correspond to Lead Agency or 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

MITIGATION ACTION INFORMATION

| | | | |
|---------------------------|----------------------------|---------------------|-------------|
| Action Title: | <u>DPF Project Group 1</u> | Funding Request No: | <u>0001</u> |
| Beneficiary's Project ID: | <u>0001-G-R</u> | | |

PAYMENTS REQUESTED

(attach additional pages if needed)

| Amount | Requested Date | Payee | Request Type |
|-------------|----------------|---------------------------------------------------------------|---------------|
| \$20,000.00 | 8/16/2019 | Pennsylvania Department of Conservation and Natural Resources | Reimbursement |
| \$8,000.00 | 8/16/2019 | Penn Mutual Life Insurance | Reimbursement |
| \$28,000.00 | 8/16/2019 | Whitemarsh Township | Reimbursement |
| \$16,000.00 | 8/16/2019 | Murano Condominium Association | Reimbursement |
| \$9,967.00 | 8/16/2019 | Sams Auto | Reimbursement |
| | | SEE ATTACHMENT 2 for Additional Payees and Payee Information | |

**Attachment 2 to Appendix D-4 and Attachment A
DEP Funding Request 0001-G-R**

PAYMENTS REQUESTED
(additional pages)

| Amount | Requested Date | Payee | Request Type |
|---------------|-----------------------|-----------------------------------------------|---------------------|
| \$8,000.00 | 8/16/2019 | Executive Office Associates | Reimbursement |
| \$3,739.00 | 8/16/2019 | College Township | Reimbursement |
| \$6,744.00 | 8/16/2019 | Happy Holiday LLC | Reimbursement |
| \$89,754.00 | 8/16/2019 | Allentown Parking Authority | Reimbursement |
| \$16,000.00 | 8/16/2019 | 10 Rittenhouse Square Condominium Association | Reimbursement |
| \$16,400.00 | 8/16/2019 | Camp Hebron Inc | Reimbursement |
| \$4,309.00 | 8/16/2019 | Autobahn Indoor Speedway Harrisburg, LLC | Reimbursement |
| \$34,036.95 | 8/16/2019 | Commonwealth of Pennsylvania | Reimbursement |

PA – ATTACHMENT B
ELIGIBLE MITIGATION ACTION MANAGEMENT PLAN INCLUDING
DETAILED BUDGET AND IMPLEMENTATION AND EXPENDITURES
TIMELINE

(Attachment to Appendix D-4, Beneficiary Eligible Mitigation Action Certification, pursuant to Paragraph 5.2 of the Environmental Mitigation Trust Agreement)

Beneficiary Project ID: 0001-G-R

This attachment provides a Detailed Budget and Implementation and Expenditure Timeline for the above referenced project.

1. Detailed Project(s) Budget - The following chart provides details about the project budget.

| Budget Category | DEP/ Trust Fund Amount | (EPA DERA funds where applicable) | Recipient Match Amount | Total |
|---------------------------|-------------------------------|------------------------------------------|-------------------------------|---------------------|
| EVSE for Level 2 projects | \$226,913.00 | \$0.00 | \$97,750.60 | \$324,663.60 |
| Administrative Costs | \$34,036.95 | \$0.00 | \$0.00 | \$34,036.95 |
| Total | \$260,949.95 | \$0.00 | \$0.00 | \$358,700.55 |

Descriptions of Budget Categories

- Vehicle/Engine purchase costs – This category includes the following for onroad vehicles and engines: new engine purchase cost, including taxes and fees; and new vehicle purchase costs, including taxes and fees, for similarly outfitted vehicle. This category is primarily for replacements.
- Equipment purchase costs – This category includes new equipment purchase costs, including nonroad vehicles and equipment.
- Engine installation costs – This category includes new engine installation costs, for vehicles or equipment. This category is primarily for repowers.
- EVSE with vehicle/engine purchase costs – This category includes: electric vehicle supply equipment (EVSE) purchase cost; EVSE installation costs; electric service upgrades; and connecting EVSE to electrical service. This category is for vehicle, engine, and equipment replacements and repowers.
- EVSE for Level 2 projects – This category includes the following costs for Level 2 EVSE: EVSE purchase cost; EVSE installation costs; electric service upgrades; connecting EVSE to electrical service; networking charges; EVSE maintenance contracts; signage for public access projects; and lighting for public access projects.
- EVSE for DCFC and H2FC projects – This category includes the following costs for DC fast charging (DCFC) infrastructure or hydrogen fuel cell refueling (H2FC) infrastructure projects: project/site design; DCFC & HFCF equipment costs; Level 2 EVSE costs (only when combined with new DCFC at the same location); ZEVSE installation costs; electric service upgrades; connecting ZEVSE to electrical service; charging network costs; maintenance costs; signage; onsite lighting of the ZEVSE and affiliated parking spaces; and battery storage.
- Subtotal - This category includes all project costs except administrative costs.
- Administrative Costs - This category includes administrative costs for DEP. DEP is not submitting administrative costs for funding recipients.

PA – ATTACHMENT B ELIGIBLE MITIGATION ACTION MANAGEMENT PLAN

2. Trust Allocation Budget – The following chart shows the expenditures and balance of PA's allocation of the State Mitigation Trust.

| | 2018 | 2019 | 2020 |
|-----------------------------------------------------|------------------|------------------|------------------|
| PA's Trust Allocation | \$118,569,539.52 | \$118,569,539.52 | \$117,891,732.67 |
| Previously approved disbursements | \$0.00 | \$0.00 | |
| Submitted but pending approval | | \$416,856.90 | |
| Amount of this funding request | | \$260,949.95 | |
| Remaining balance after approval of funding request | | \$117,891,732.67 | |

3. Program Implementation Schedule – The following chart provides the implementation schedule followed for the program under which the project(s) in this funding request is/are funded. See the project schedule below for details on project implementation.

| Program Activity – CY2018 Level 2 EV Charging Rebate Program | Date |
|---------------------------------------------------------------------|---------------------------------------------------------|
| Program opens for applications/ public notice of program opening | September 20, 2018 |
| Informational webinar on program | October 9, 2018 |
| Program closes for applications | Continuous through December 31, 2019, or funds run out. |
| Awards announced | August 1, 2019 |

4. Project Implementation Schedule – The following chart provides the implementation schedule followed for the project(s). Rebate programs allow 180 days (six months) for project completion. Grant programs allow 1-2 years for project completion, with extensions possible on a case-by-case basis.

| | Action | Responsible Party | Date of Action Completion |
|---|-------------------------------------------------------------|--------------------------------------------------------------------------|--------------------------------------------------|
| 1 | Installation of Level 2 EV charging equipment (2 locations) | Pennsylvania Department of Conservation and Natural Resources (DCNR) (G) | Installation complete: 1/14/2019 and 4/15/2019 |
| 2 | Installation of Level 2 EV charging equipment | Penn Mutual Life Insurance (H) | Installation complete: 10/30/2018 |
| 3 | Installation of Level 2 EV charging equipment (3 locations) | Whitemarsh Township (I) | Installation complete: 3/28/2019 (all locations) |
| 4 | Installation of Level 2 EV charging equipment | Murano Condominium Association (J) | Installation complete: 1/04/2019 |

PA – ATTACHMENT B ELIGIBLE MITIGATION ACTION MANAGEMENT PLAN

| | | | |
|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|--------------------------------------------------|
| 5 | Installation of Level 2 EV charging equipment | Sams Auto (K) | Installation complete: 1/04/2019 |
| 6 | Installation of Level 2 EV charging equipment | Executive Offices Associates (L) | Installation complete: 3/05/2019 |
| 7 | Installation of Level 2 EV charging equipment | College Township (M) | Installation complete: 4/03/2019 |
| 8 | Installation of Level 2 EV charging equipment | Happy Holiday LLC (N) | Installation complete: 2/21/2019 |
| 9 | Installation of Level 2 EV charging equipment (5 locations) | Allentown Parking Authority (O) | Installation complete: 4/18/2019 (all locations) |
| 10 | Installation of Level 2 EV charging equipment | 10 Rittenhouse Square Condominium Association (P) | Installation complete: 4/9/2019 |
| 11 | Installation of Level 2 EV charging equipment | Camp Hebron Inc (Q) | Installation complete: 3/29/2019 |
| 12 | Installation of Level 2 EV charging equipment | Autobahn Indoor Speedway Harrisburg, LLC (R) | Installation complete: 3/19/2019 |
| 13 | Staff hours for development and management of grant and rebate programs; MOU/LOU for development of online application systems and reporting portal for all programs | Commonwealth of Pennsylvania (W) | October 2017 – April 2019 |

5. Expenditures – The following chart shows the invoice amounts and the corresponding reimbursement requests or rebate voucher redemption requests (by invoice) submitted to DEP for these projects, including details of what expenditures are included in each invoice.

| | Invoice Date(s) | Invoice Amount | Reimbursement Amount | Invoice ID | Description of Expenditures |
|---|------------------------|----------------|----------------------|--------------|----------------------------------------------------------------------------------------------------------|
| 1 | 08/08/2018; 12/08/2018 | \$28,763.00 | \$20,000.00 | G (G-1, G-2) | Purchase and installation of 4 Level 2 charging stations (2 locations, 1 pedestal each, 2 stations each) |
| 2 | 10/17/2018, 01/29/2019 | \$35,277.00 | \$8,000.00 | H (H-1, H-2) | Purchase and installation of 2 Level 2 charging stations (1 location, 1 pedestal, 2 stations) |
| 3 | 02/26/2019 | \$32,589.00 | \$28,000.00 | I | Purchase and installation of 6 Level 2 charging stations (3 locations, 1 pedestal each, 2 stations each) |

PA – ATTACHMENT B ELIGIBLE MITIGATION ACTION MANAGEMENT PLAN

| | | | | | |
|----|---------------------------------------------------------|-------------|-------------|----------------------|-------------------------------------------------------------------------------------------------------------------------|
| 4 | 10/19/2018; 12/21/2018 | \$30,778.66 | \$16,000.00 | J (J-1, J-2) | Purchase and installation of 4 Level 2 charging stations (1 location, 2 pedestals, 2 stations each) |
| 5 | 12/18/2018 | \$14,238 | \$9,967.00 | K | Purchase and installation of 2 Level 2 charging stations (1 location, 2 pedestals, 1 station each) |
| 6 | 02/15/2019 | \$19,232.01 | \$8,000.00 | L (L-1, L-2, L-3) | Purchase and installation of 2 Level 2 charging stations (1 location, 1 pedestal, 2 stations) |
| 7 | 01/14/2019 | \$4,237.39 | \$3,739.00 | M (M-1, M-2) | Purchase and installation of 2 Level 2 charging stations (1 location, 1 pedestal, 2 stations) |
| 8 | 11/29/2018; 12/13/2018; 12/26/2018; 01/18/2019 | \$8,443.70 | \$6,744.00 | N (N-1 – N-4) | Purchase and installation of 2 Level 2 charging stations (1 location, 1 pedestal, 2 stations) |
| 9 | 01/14/2019; 03/18/2019 | \$90,210.00 | \$89,754.00 | O (O-1 – O-5) | Purchase and installation of 10 Level 2 charging stations (5 locations, 1 pedestal each, 2 stations each) |
| 10 | 01/30/2019; 01/31/2019; 02/19/2019 | \$30,860.48 | \$16,000.00 | P (P-1 – P-3) | Purchase and installation of 4 Level 2 charging stations (2 locations, 1 pedestal each, 2 stations each) |
| 11 | 03/27/2019 | \$23,428.36 | \$16,400.00 | Q | Purchase and installation of 4 Level 2 charging stations (1 location, 1 pedestal each, 1 station each) |
| 12 | 03/01/2019; 03/13/2019; 03/16/2019; 03/16/2019 | \$6,606.00 | \$4,309.00 | R (R-1 – R-4) | Purchase and installation of 2 Level 2 charging stations (1 location, 1 pedestal each, 1 station each) |
| 13 | 08/16/2019 | \$34,036.95 | \$34,036.95 | W-2 | Administrative costs for DEP, including: staff costs for program development and administration, and contractual costs. |

PA – ATTACHMENT C
DETAILED PLAN FOR REPORTING ON
ELIGIBLE MITIGATION ACTION IMPLEMENTATION

(Attachment to Appendix D-4, Beneficiary Eligible Mitigation Action Certification, pursuant to Paragraph 5.2 of the Environmental Mitigation Trust Agreement)

Reporting from Recipients to DEP (5.2.11)

Under paragraph 5.2.11, DEP, on behalf of the Commonwealth of Pennsylvania, is required to provide a detailed plan for reporting on Eligible Mitigation Action implementation. DEP has included reporting requirements, described below, for all funding recipients.

For grant programs, funding recipients are required to submit quarterly, final, and one-year follow-up reports to DEP. The quarterly reports must be submitted to DEP within 14 days of March 31, June 30, September 30, and December 31, during the term of the grant agreement. These reports include a summary of project activities during the reporting period (linked to the recipient's workplan), a summary of expenses incurred during the reporting period and whether a reimbursement request was submitted, and identification of any issues that will impact project completion. Additionally, funding recipients are required to submit a final report to DEP upon completion of the project, no later than 30 days after the end of the term of the grant agreement. The final report includes a summary of all project work completed under the grant agreement, a summary of all expenses incurred during the project period and verification that all reimbursement requests have been submitted to DEP, emission reduction estimates for the completed project, and proof of scrappage when applicable. Finally, funding recipients are required to submit a one-year follow up report one year from the completion of the project, but no later than one year and 30 days after the end of the term of the grant agreement for vehicle, engine, or equipment repower or replacement projects. The one-year follow up report for these projects includes: a brief summary of the original project; a brief summary of any positive or negative experiences the recipient had relating to the equipment/vehicles funded by the grant agreement during the year following the project completion; current operating status of equipment/vehicles funding by the grant; estimates of vehicle/equipment operating data such as estimates of operating hours, emission reductions, idling reductions, fuel use savings, and other information. For light-duty zero emission supply equipment grants, the funding recipient is required to submit annual station usage data for three years, beginning one year after project completion.

For vehicle, engine, or equipment repower or replacement rebate programs, funding recipients are required to submit annual usage data one year after project completion. For light-duty zero emission supply equipment projects, funding recipients must submit annual station usage data for three years, beginning one year after project completion.

DEP will use the information submitted by the funding recipients, as described above, to complete and submit reports to the Trustee as required by paragraph 5.3 (see next section).

PA – ATTACHMENT C DETAILED PLAN FOR REPORTING ON
ELIGIBLE MITIGATION ACTION IMPLEMENTATION

The project(s) submitted for funding under this Funding Request are:

- ☐ Grants
☒ Rebates
☐ Other: (specify)

Reporting from DEP to Trustee (5.3)

Under paragraph 5.3, for each Eligible Mitigation Action, DEP, on behalf of the Commonwealth of Pennsylvania, is required to submit to the Trustee no later than six months after receiving the 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, 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). These reports will include a complete description of the status (including actual or projected termination date), development, implementation, and any modification of each approved Eligible Mitigation Action. 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 Paragraph as to those Eligible Mitigation Actions funded through the DERA Option.

Using the information submitted to DEP by the funding recipients as described above, DEP will submit the semi-annual report required by paragraph 5.3 on the schedule indicated above. The report will include the following information:

- A list or other description of all active and completed projects that have been or will be funded, partially or fully, by PA's allocation of the State Mitigation Trust fund, and completion date if applicable.
- The status (active or complete) of the projects. No projects will be listed as proposed because DEP is not requesting advance funding for any projects and will only be requesting funds for completed projects.
- Funding amount requested from State Mitigation Fund allocation for each complete project or funding amount allocated for each active project.
- For DERA projects, the most recent quarterly status report submitted to the U.S. Environmental Protection Agency.

The semi-annual report will be signed by an official with the authority to submit the report for the Commonwealth of Pennsylvania and will contain an attestation that the information is true and correct and that the submission is made under penalty of perjury.

PA – ATTACHMENT D
DETAILED COST ESTIMATES FROM SELECTED OR POTENTIAL
VENDORS FOR EACH PROPOSED EXPENDITURE EXCEEDING \$25,000

(Attachment to Appendix D-4, Beneficiary Eligible Mitigation Action Certification, pursuant to Paragraph 5.2 of the Environmental Mitigation Trust Agreement)

Attached on the following pages are cost estimates or actual project cost documentation for projects where selected, potential, or actual vendor expenditures exceed \$25,000.00.

Invoice information is provided in a spreadsheet format. Copies of individual invoices are available upon request. Also included is an invoice for DEP's Eligible Mitigation Action Administrative Expenditures relating to projects under EMA 9.

PA DEP FR0001 G-R Invoice Spreadsheet

| | Recipient Name | Project/ Invoice ID | Invoice Date(s) | Invoice Amount | Vendor | Reimbursement Amount | Description of Expenditures |
|---|--------------------------------------------------------------------------|---------------------|-----------------|----------------|--------------------------------------|----------------------|----------------------------------------------------------------------------------------------------------|
| 1 | Pennsylvania Department of Conservation and Natural Resources (DCNR) (G) | G-1 | 08/16/18 | \$16,823.00 | RLS Construction Group | \$20,000.00 | Purchase and installation of 4 Level 2 charging stations (2 locations, 1 pedestal each, 2 stations each) |
| | | G-2 | 12/08/18 | \$11,940.00 | Millville Heating Plumbing Solar | | |
| 2 | Penn Mutual Life Insurance (H) | H-1 | 10/17/18 | \$11,000.00 | National Energy Solutions Inc. | \$8,000.00 | Purchase and installation of 2 Level 2 charging stations (1 location, 1 pedestal, 2 stations) |
| | | H-2 | 01/29/19 | \$24,277.00 | National Energy Solutions Inc. | | |
| 3 | Whitemarsh Township (I) | I | 02/26/19 | \$32,589.00 | Chargepoint | \$28,000.00 | Purchase and installation of 6 Level 2 charging stations (3 locations, 1 pedestal each, 2 stations each) |
| 4 | Murano Condominium Association (J) | J-1 | 10/19/18 | \$9,233.60 | Clinton Electric Co. Inc. | \$16,000.00 | Purchase and installation of 4 Level 2 charging stations (1 location, 2 pedestals, 2 stations each) |
| | | J-2 | 12/21/18 | \$21,545.06 | Clinton Electric Co. Inc. | | |
| 5 | Sems Auto (K) | K | 12/18/18 | \$14,238.00 | Slice of Sky | \$9,967.00 | Purchase and installation of 2 Level 2 charging stations (1 location, 2 pedestals, 1 station each) |
| 6 | Executive Offices Associates (L) | L-1 | 02/15/19 | \$1,260.00 | ABM Electrical Power Solutions | \$8,000.00 | Purchase and installation of 2 Level 2 charging stations (1 location, 1 pedestal, 2 stations) |
| | | L-2 | 01/08/19 | \$7,970.00 | Trigate Inc. | | |
| | | L-3 | 12/08/18 | \$10,002.01 | National Car Charging LLC | | |
| 7 | College Township (M) | M-1 | 01/14/19 | \$1,787.39 | Clipper Creek Inc. | \$3,739.00 | Purchase and installation of 2 Level 2 charging stations (1 location, 1 pedestal, 2 stations) |
| | | M-2 | 03/20/19 | \$2,450.00 | Heritage Electric | | |
| 8 | Happy Holiday LLC (N) | N-1 | 11/29/18 | \$923.70 | Clipper Creek Inc. | \$6,744.00 | Purchase and installation of 2 Level 2 charging stations (1 location, 1 pedestal, 2 stations) |
| | | N-2 | 12/13/18 | \$200.00 | B&B Sealcoating | | |
| | | N-3 | 12/26/18 | \$2,000.00 | Mike's Landscaping & Excavating Inc. | | |
| | | N-4 | 01/08/19 | \$5,320.00 | Nissley Electric Inc. | | |

| | | | | | | | |
|--------|---------------------------------------------------|------|----------|--------------|------------------------------------------------------------|--------------|-------------------------------------------------------------------------------------------------------------------------|
| 9 | Allentown Parking Authority (O) | O-1a | 01/14/19 | \$12,228.00 | Chargepoint | \$89,754.00 | Purchase and installation of 10 Level 2 charging stations (5 locations, 1 pedestal each, 2 stations each) |
| | | O-1b | 01/14/19 | \$8,000.00 | Diefenderfer Electrical Contractors and Telecommunications | | |
| | | O-2a | 01/14/19 | \$12,228.00 | Chargepoint | | |
| | | O-2b | 01/14/19 | \$4,080.00 | Diefenderfer Electrical Contractors and Telecommunications | | |
| | | O-3a | 01/14/19 | \$12,228.00 | Chargepoint | | |
| | | O-3b | 01/14/19 | \$4,270.00 | Diefenderfer Electrical Contractors and Telecommunications | | |
| | | O-4a | 01/14/19 | \$12,228.00 | Chargepoint | | |
| | | O-4b | 01/14/19 | \$4,720.00 | Diefenderfer Electrical Contractors and Telecommunications | | |
| | | O-5a | 01/14/19 | \$12,228.00 | Chargepoint | | |
| | | O-5b | 01/14/19 | \$8,000.00 | Diefenderfer Electrical Contractors and Telecommunications | | |
| 10 | 10 Rittenhouse Square Condominium Association (P) | P-1 | 02/19/19 | \$11,500.00 | Armour & Sons Electric Inc. | \$16,000.00 | Purchase and installation of 4 Level 2 charging stations (2 locations, 1 pedestal each, 2 stations each) |
| | | P-2 | 01/10/19 | \$17,654.00 | Chargepoint | | |
| | | P-3 | 03/02/19 | \$1,706.48 | Chargepoint | | |
| 11 | Camp Hebron Inc (Q) | Q | 03/27/19 | \$23,428.36 | Slice of Sky | \$16,400.00 | Purchase and installation of 4 Level 2 charging stations (1 location, 1 pedestal each, 1 station each) |
| 12 | Autobahn Indoor Speedway Harrisburg, LLC | R-1 | 03/01/19 | \$1,270.00 | Clipper Creek Inc. | \$4,309.00 | Purchase and installation of 2 Level 2 charging stations (1 location, 1 pedestal each, 1 station each) |
| | | R-2 | 03/13/19 | \$300.00 | Jeffrey T Sutton | | |
| | | R-3 | 03/16/19 | \$1,250.00 | Charge Forward LLC | | |
| | | R-4 | 03/18/19 | \$3,786.00 | Lapp Electric | | |
| 13 | Commonwealth of Pennsylvania (W) | W-2 | 08/16/19 | \$34,036.95 | | \$34,036.95 | Administrative costs for DEP, including: staff costs for program development and administration, and contractual costs. |
| TOTALS | | | | \$358,700.55 | | \$260,949.95 | |

**Pennsylvania Department of
Environmental Protection**

400 Market Street
Harrisburg, PA 17101
717-737-9495

INVOICE

DATE: August 16, 2019
W-2
FOR: *State Mitigation
Trust
Administrative
Expenditures*

Bill To:

Environmental Mitigation Trust for
State Beneficiaries
C/O Wilmington Trust
Rodney Square North
1100 North Market Street
Wilmington, DE 19890-0001

| ELIGIBLE MITIGATION ACTIONS | ADMINISTRATIVE EXPENDITURES CATEGORY | PA PROGRAM | DESCRIPTION | HOURS | AMOUNT |
|--------------------------------------------------------------|-------------------------------------------------------------------|---------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|---------------------|
| EMA 9 - Light Duty Zero Emission Vehicle Supply Equipment | Personnel and Fringe Benefits (Detailed hours report attached) | Level 2 EV Charging Rebate Program | This item includes all staff hours worked for the development and management of this program. Activities include the following: concept development for the program; development of program guidelines and application questions, online application (see Invoice W-2 re DCED contract), application instructions, associated forms and documents; webinar presentation by staff; response to public questions; assistance with applications; review and approval of applications; issuing rebate vouchers; voucher redemption; and monitoring of funded projects including tracking reporting and confirming project activities. PA has allocated approximately \$7.7 million to this program, of which \$1.155 million is available for administrative costs. | 496.25 | \$34,036.95 |
| TOTAL | | | | | \$ 34,036.95 |

Wire Transfer Information Provided in Attachment B to this submission.
If you have any questions concerning this invoice, Contact Samantha Harmon, 717-705-7686,
saharmon@pa.gov

THANK YOU!

BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION

Beneficiary Commonwealth of Pennsylvania (PA)

Lead Agency Authorized to Act on Behalf of the Beneficiary Department of Environmental Protection (DEP)
(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: | Driving PA Forward - Project Group 1 |
| Beneficiary's Project ID: | 0001-S-V |
| Funding Request No. | (sequential) 0001 |
| Request Type: (select one or more) | <input checked="" type="checkbox"/> Reimbursement <input type="checkbox"/> Advance <input type="checkbox"/> Other (specify): _____ |
| Payment to be made to: (select one or more) | <input checked="" type="checkbox"/> Beneficiary <input checked="" type="checkbox"/> Other (specify): Multiple, see list on Attachment 1. |
| 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 type="checkbox"/> Appendix D-2 item (specify): _____ |
| Action Type | <input checked="" type="checkbox"/> Item 10 - DERA Option (5.2.12) (specify and attach DERA Proposal): See Att. E |
| Explanation of how funding request fits into Beneficiary's Mitigation Plan (5.2.1): These projects comply with PA's stated overall goal of funding projects ...See Attachment 1. | |
| Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2): The purpose of these projects is to complete several DERA eligible projects including: 11 school buses, 1 crawler tractor, and 6 locomotive idle reduction units. These projects ...See Attachment 1. | |
| Estimate of Anticipated NOx Reductions (5.2.3): These projects are expected to reduce 5.047 tons of NOX emissions annually...See Attachment 1. | |
| 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): The DEP is the government entity responsible for reviewing and auditing ...See Attachment 1. | |
| Describe how the Beneficiary will make documentation publicly available (5.2.7.2). The DEP has created, and will maintain, a public web site as a clearinghouse...See Attachment 1. | |
| Describe any cost share requirement to be placed on each NOx source proposed to be mitigated (5.2.8). For these projects, the applicants committed to funding between 60 percent and 76 percent for bus replacements. The DEP has committed to reimburse between 24...See Attachment 1. | |
| Describe how the Beneficiary complied with subparagraph 4.2.8, related to notice to U.S. Government Agencies (5.2.9). The DEP complied with subparagraph 4.2.8 by submitting letters to the personnel...See Attachment 1. | |

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).
These projects address pollution in areas which bear a disproportionate share of...See Attachment 1.

ATTACHMENTS
(CHECK BOX IF ATTACHED)

- | | | |
|-------------------------------------|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> | Attachment A | Funding Request and Direction. |
| <input checked="" type="checkbox"/> | Attachment B | Eligible Mitigation Action Management Plan Including Detailed Budget and Implementation and Expenditures Timeline (5.2.4). |
| <input checked="" type="checkbox"/> | Attachment C | Detailed Plan for Reporting on Eligible Mitigation Action Implementation (5.2.11). |
| <input checked="" type="checkbox"/> | 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.] |
| <input checked="" type="checkbox"/> | Attachment E | DERA Option (5.2.12). [Attach only if using DERA option.] |
| <input type="checkbox"/> | 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 Commonwealth of Pennsylvania, 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 16, 2019

Honorable Patrick McDonnell, Secretary

[NAME]

[TITLE]

Department of Environmental Protection

[LEAD AGENCY]

for

Commonwealth of Pennsylvania

[BENEFICIARY]

X 

**Attachment 1 to Appendix D-4 and Attachment A
DEP Funding Request 0001-S-V**

List of Recipients for “Payment to be made to” box on page 2

| |
|-------------------------------------------|
| Shultz Transportation Company |
| Elizabeth Township |
| Allegheny Transportation Services Inc. |
| Lehigh Valley Rail Management LLC |
| Commonwealth of Pennsylvania |

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

These projects comply with PA’s stated overall goal of funding projects throughout PA that will reduce or eliminate emissions of oxides of nitrogen (NO_x), focusing on the most cost-effective projects that will maximize emission reductions, including those that focus on: large diesel engines; large numbers of diesel engines and vehicles; priority areas; National Ambient Air Quality Standard (NAAQS) nonattainment or maintenance areas; high population density and high traffic density areas; and advancing PA’s energy, environmental, or economic development goals. These projects comply with PA’s stated intent to consider funding for all Eligible Mitigation Actions and Eligible Mitigation Action Administrative Expenditures. These projects are included under the DERA eligible (DERA) projects funding category identified in PA’s Beneficiary Mitigation Plan (BMP) and are within the percentage of funding PA expects to request for this category. If scrappage requirements apply to these Eligible Mitigation Actions, funding recipients were required to submit proof of scrappage for the project. These projects will contribute to PA’s expected NO_x emission reductions from the DERA eligible (DERA) project category established in PA’s BMP. Finally, these projects were awarded funding under a grant or rebate program, both identified as eligible funding mechanisms by PA in its BMP.

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

The purpose of these projects is to complete several DERA eligible projects including: 11 school buses, 1 crawler tractor, and 6 locomotive idle reduction units. These projects will improve the air quality in the community where they are located by reducing exposure of residents and others to NO_x and other emissions from diesel-powered mobile sources. For vehicle and engine replacement or repower projects, this will occur as a result of a cleaner vehicle or engine replacing the older diesel vehicle or engine. In addition to the NO_x emission reductions listed below, these projects will annually reduce 0.315 tons of volatile organic compounds (VOC), 1.306 tons of carbon monoxide (CO), 0.728 tons of fine particulate matter (PM_{2.5}), and 0.248 tons of carbon dioxide (CO₂). Additionally, these projects will result in lifetime emission reductions of 8.290 tons of VOC, 18.950 tons of CO, 6.610 PM_{2.5}, and 237.97 tons of CO₂.

Estimate of Anticipated NO_x Reductions (5.2.3):

These projects are expected to reduce 5.047 tons of NO_x emissions annually and 12.390 tons of lifetime NO_x emissions.

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):

The DEP is the government entity responsible for reviewing and auditing expenditures of Eligible Mitigation Action funds to ensure compliance with applicable laws in accordance with subparagraph 5.2.7.1.

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

The DEP has created, and will maintain, a public web site as a clearinghouse for information relating to the Environmental Mitigation Trust Agreement for State Beneficiaries, including all public information relating to PA's Beneficiary Mitigation Plan and programs funded by the State Mitigation Trust. On this web site or an associated web site, DEP will post summary information about all funding requests submitted to the Trustee, including the funding recipient, funding amount, and a brief summary of the project. In addition to the summary information, DEP will post and comply with the following statement: "The following is a summary of all funding requests submitted to the Trustee. Public records supporting the submitted funding requests, and public records supporting all expenditures of the Trust Fund by PA, are available to the public upon request, subject to all applicable laws governing the publication of confidential business information and personally identifiable information. A public record excludes confidential proprietary information, confidential business information, and personal identification information. Please contact DEP for additional information." The web site can be accessed at:
<https://www.dep.pa.gov/Business/Air/Volkswagen/Pages/default.aspx>.

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

For these projects, the applicants committed to funding between 60 percent and 76 percent for bus replacements. The DEP has committed to reimburse between 24 and 40 percent of the total project costs, through a direct payment by the Trustee from PA's allocation of the State Mitigation Trust. See Appendix D-4, Attachment B for detailed project budgets.

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

The DEP complied with subparagraph 4.2.8 by submitting letters to the personnel at the U.S. Department of the Interior and the U.S. Department of Agriculture on February 8, 2018. In the letters, DEP explained that PA may request Eligible Mitigation Action funds for use on lands within the custody, control, or management (including, but not limited to, Clean Air Act Class I and II areas) of these agencies. Additionally, DEP set forth in the letters the procedures by which PA will review, consider, and make a written determination on requests for funding from these agencies, in accordance with subparagraph 4.2.8. The DEP provided a copy of the Trust Agreement with Attachments as an attachment to the letters.

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).

These projects address pollution in areas which bear a disproportionate share of the air pollution burden, such as NAAQS nonattainment or maintenance areas, brownfields, Environmental Justice areas, and/or high pollution areas (ports, bus depots, etc.). These projects accomplish that goal by reducing exposure to emissions for residents where the replaced vehicles operate. DEP's programs, through application scoring or eligibility criteria, give additional weight to projects occurring in these types of communities, thus prioritizing funding in these areas.

PA – ATTACHMENT B
ELIGIBLE MITIGATION ACTION MANAGEMENT PLAN INCLUDING
DETAILED BUDGET AND IMPLEMENTATION AND EXPENDITURES
TIMELINE

(Attachment to Appendix D-4, Beneficiary Eligible Mitigation Action Certification, pursuant to Paragraph 5.2 of the Environmental Mitigation Trust Agreement)

Beneficiary Project ID: 0001-S-V

This attachment provides a Detailed Budget and Implementation and Expenditure Timeline for the above referenced project.

1. Detailed Project(s) Budget - The following chart provides details about the project budget.

| Budget Category | DEP/ Trust Fund Amount | (EPA DERA funds where applicable) | Recipient Match Amount | Total |
|-------------------------------|-------------------------------|------------------------------------------|-------------------------------|-----------------------|
| Vehicle/Engine purchase costs | \$88,911.40 | \$133,367.10 | \$696,058.34 | \$918,336.84 |
| Equipment purchase costs | \$27,490.00 | \$41,235.00 | \$161,484.78 | \$230,209.78 |
| Administrative Costs | \$17,460.21 | \$0.00 | \$0.00 | \$17,460.21 |
| Total | \$133,861.61 | \$174,602.10 | \$857,543.12 | \$1,166,006.83 |

Descriptions of Budget Categories

- Vehicle/Engine purchase costs – This category includes the following for onroad vehicles and engines: new engine purchase cost, including taxes and fees; and new vehicle purchase costs, including taxes and fees, for similarly outfitted vehicle. This category is primarily for replacements.
- Equipment purchase costs – This category includes new equipment purchase costs, including nonroad vehicles and equipment.
- Engine installation costs – This category includes new engine installation costs, for vehicles or equipment. This category is primarily for repowers.
- EVSE with vehicle/engine purchase costs – This category includes: electric vehicle supply equipment (EVSE) purchase cost; EVSE installation costs; electric service upgrades; and connecting EVSE to electrical service. This category is for vehicle, engine, and equipment replacements and repowers.
- EVSE for Level 2 projects – This category includes the following costs for Level 2 EVSE: EVSE purchase cost; EVSE installation costs; electric service upgrades; connecting EVSE to electrical service; networking charges; EVSE maintenance contracts; signage for public access projects; and lighting for public access projects.
- EVSE for DCFC and H2FC projects – This category includes the following costs for DC fast charging (DCFC) infrastructure or hydrogen fuel cell refueling (H2FC) infrastructure projects: project/site design; DCFC & H2FC equipment costs; Level 2 EVSE costs (only when combined with new DCFC at the same location); ZEVSE installation costs; electric service upgrades; connecting ZEVSE to electrical service; charging network costs; maintenance costs; signage; onsite lighting of the ZEVSE and affiliated parking spaces; and battery storage.
- Subtotal - This category includes all project costs except administrative costs.
- Administrative Costs - This category includes administrative costs for DEP. DEP is not submitting administrative costs for funding recipients.

PA – ATTACHMENT B ELIGIBLE MITIGATION ACTION MANAGEMENT PLAN

2. Trust Allocation Budget – The following chart shows the expenditures and balance of PA's allocation of the State Mitigation Trust.

| | 2018 | 2019 | 2020 |
|-----------------------------------------------------|------------------|------------------|------------------|
| PA's Trust Allocation | \$118,569,539.52 | \$118,569,539.52 | \$117,757,871.06 |
| Previously approved disbursements | \$0.00 | \$0.00 | |
| Submitted but pending approval | | \$677,806.85 | |
| Amount of this funding request | | \$133,861.61 | |
| Remaining balance after approval of funding request | \$118,569,539.52 | \$117,757,871.06 | |

3. Program Implementation Schedule – The following chart provides the implementation schedule followed for the program under which the project(s) in this funding request is/are funded. See the project schedule below for details on project implementation.

| Program Activity – FY17 PA State Clean Diesel Grant Program | Date |
|------------------------------------------------------------------|--------------------|
| Program opens for applications/ public notice of program opening | May 19, 2018 |
| Informational webinar on program | June 6, 2018 |
| Program closes for applications | July 6, 2018 |
| Awards announced | September 28, 2018 |

4. Project Implementation Schedule – The following chart provides the implementation schedule followed for the project(s). Rebate programs allow 180 days (six months) for project completion. Grant programs allow 1-2 years for project completion, with extensions possible on a case-by-case basis.

| | Action | Responsible Party | Date of Action Completion |
|---|---------------------------------------------------------------------------------|--------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Purchase new buses (10); scrap old buses (10) (DERA Project) | Shultz Transportation Company (S) | Purchase buses 1-7: 07/17/2018; old buses scrapped: 01/15/2019 (3), 01/16/2019 (4) Purchase buses 8-10: 08/01/2018; old buses scrapped: 01/17/2019 (3) |
| 2 | Purchase new diesel-powered crawler tractor; scrap old equipment (DERA Project) | Elizabeth Township (T) | Purchase equipment: 10/11/2018; old equipment scrapped: 12/20/2018 |
| 3 | Purchase of new bus; scrap old bus (DERA Project) | Allegheny Transportation Services Inc. (U) | Purchase bus: 10/11/2018; old bus scrapped: 11/15/2018 |

PA – ATTACHMENT B ELIGIBLE MITIGATION ACTION MANAGEMENT PLAN

| | | | |
|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|----------------------------------------------------------------------------------------------------------------|
| 4 | Purchase and installation of 6 switcher locomotive idle-reduction units (DERA Project) | Lehigh Valley Rail Management LLC (V) | Purchase equipment: 10/08/2018; installed: 12/10/2018, 12/19/2018, 1/2/2019, 1/16/2019, 2/7/2019, and 4/4/2019 |
| 5 | Staff hours for development and management of grant and rebate programs; MOU/LOU for development of online application systems and reporting portal for all programs | Commonwealth of Pennsylvania (W) | October 2017 – April 2019 |

5. Expenditures – The following chart shows the invoice amounts and the corresponding reimbursement requests or rebate voucher redemption requests (by invoice) submitted to DEP for these projects, including details of what expenditures are included in each invoice.

| | Invoice Date(s) | Invoice Amount | Reimbursement Amount | Invoice ID | Description of Expenditures |
|---|-----------------------|----------------|--------------------------------------------------------|----------------|-------------------------------------------------------------------------------------------------------------------------|
| 1 | 07/17/18; 08/01/18 | \$829,222.84 | \$80,000.00 Trust funds (\$120,000.00 EPA funds) | S (S-1 – S-10) | Purchase 10 new 72 passenger school buses |
| 2 | 10/11/18 | \$154,588.00 | \$15,455.60 Trust funds (\$23,183.40 EPA funds) | T | Purchase 1 new front-end loader |
| 3 | 09/27/18 | \$89,114.00 | \$8,911.40 Trust funds (\$13,367.10 EPA funds) | U | Purchase 1 new 84 passenger school bus |
| 4 | 10/08/18 | \$75,621.78 | \$12,034.40 Trust funds (\$18,051.60 EPA funds) | V | Purchase 6 locomotive idle reduction heaters (overnight water heaters, Powerhouse 120 DWS) |
| 5 | 05/29/19 | \$17,460.21 | \$17,460.21 | W-3 | Administrative costs for DEP, including: staff costs for program development and administration, and contractual costs. |

PA – ATTACHMENT C
DETAILED PLAN FOR REPORTING ON
ELIGIBLE MITIGATION ACTION IMPLEMENTATION

(Attachment to Appendix D-4, Beneficiary Eligible Mitigation Action Certification, pursuant to Paragraph 5.2 of the Environmental Mitigation Trust Agreement)

Reporting from Recipients to DEP (5.2.11)

Under paragraph 5.2.11, DEP, on behalf of the Commonwealth of Pennsylvania, is required to provide a detailed plan for reporting on Eligible Mitigation Action implementation. DEP has included reporting requirements, described below, for all funding recipients.

For grant programs, funding recipients are required to submit quarterly, final, and one-year follow-up reports to DEP. The quarterly reports must be submitted to DEP within 14 days of March 31, June 30, September 30, and December 31, during the term of the grant agreement. These reports include a summary of project activities during the reporting period (linked to the recipient's workplan), a summary of expenses incurred during the reporting period and whether a reimbursement request was submitted, and identification of any issues that will impact project completion. Additionally, funding recipients are required to submit a final report to DEP upon completion of the project, no later than 30 days after the end of the term of the grant agreement. The final report includes a summary of all project work completed under the grant agreement, a summary of all expenses incurred during the project period and verification that all reimbursement requests have been submitted to DEP, emission reduction estimates for the completed project, and proof of scrappage when applicable. Finally, funding recipients are required to submit a one-year follow up report one year from the completion of the project, but no later than one year and 30 days after the end of the term of the grant agreement for vehicle, engine, or equipment repower or replacement projects. The one-year follow up report for these projects includes: a brief summary of the original project; a brief summary of any positive or negative experiences the recipient had relating to the equipment/vehicles funded by the grant agreement during the year following the project completion; current operating status of equipment/vehicles funding by the grant; estimates of vehicle/equipment operating data such as estimates of operating hours, emission reductions, idling reductions, fuel use savings, and other information. For light-duty zero emission supply equipment grants, the funding recipient is required to submit annual station usage data for three years, beginning one year after project completion.

For vehicle, engine, or equipment repower or replacement rebate programs, funding recipients are required to submit annual usage data one year after project completion. For light-duty zero emission supply equipment projects, funding recipients must submit annual station usage data for three years, beginning one year after project completion.

DEP will use the information submitted by the funding recipients, as described above, to complete and submit reports to the Trustee as required by paragraph 5.3 (see next section).

PA – ATTACHMENT C DETAILED PLAN FOR REPORTING ON
ELIGIBLE MITIGATION ACTION IMPLEMENTATION

The project(s) submitted for funding under this Funding Request are:

- ☒ Grants
- ☐ Rebates
- ☐ Other: (specify)

Reporting from DEP to Trustee (5.3)

Under paragraph 5.3, for each Eligible Mitigation Action, DEP, on behalf of the Commonwealth of Pennsylvania, is required to submit to the Trustee no later than six months after receiving the 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, 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). These reports will include a complete description of the status (including actual or projected termination date), development, implementation, and any modification of each approved Eligible Mitigation Action. 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 Paragraph as to those Eligible Mitigation Actions funded through the DERA Option.

Using the information submitted to DEP by the funding recipients as described above, DEP will submit the semi-annual report required by paragraph 5.3 on the schedule indicated above. The report will include the following information:

- A list or other description of all active and completed projects that have been or will be funded, partially or fully, by PA's allocation of the State Mitigation Trust fund, and completion date if applicable.
- The status (active or complete) of the projects. No projects will be listed as proposed because DEP is not requesting advance funding for any projects and will only be requesting funds for completed projects.
- Funding amount requested from State Mitigation Fund allocation for each complete project or funding amount allocated for each active project.
- For DERA projects, the most recent quarterly status report submitted to the U.S. Environmental Protection Agency.

The semi-annual report will be signed by an official with the authority to submit the report for the Commonwealth of Pennsylvania and will contain an attestation that the information is true and correct and that the submission is made under penalty of perjury.

PA – ATTACHMENT D
DETAILED COST ESTIMATES FROM SELECTED OR POTENTIAL
VENDORS FOR EACH PROPOSED EXPENDITURE EXCEEDING \$25,000

(Attachment to Appendix D-4, Beneficiary Eligible Mitigation Action Certification, pursuant to Paragraph 5.2 of the Environmental Mitigation Trust Agreement)

Attached on the following pages are cost estimates or actual project cost documentation for projects where selected, potential, or actual vendor expenditures exceed \$25,000.00.

Invoice information is provided in a spreadsheet format. Copies of individual invoices are available upon request. Also included is an invoice for DEP's Eligible Mitigation Action Administrative Expenditures relating to projects under EMA 10.

PA DEP FR0001 S-V Invoice Spreadsheet

| | Recipient Name | Project/ Invoice ID | Invoice Date(s) | Invoice Amount | Vendor | Reimbursement Amount | Description of Expenditures |
|---|--------------------------------------------|---------------------|-----------------|----------------|----------------------------------|----------------------|-------------------------------------------------------------------------------------------------------------------------|
| 1 | Shultz Transportation Company (S) | S-1 | 7/17/2018 | \$83,002.12 | Wolffington Body Company Inc. | \$80,000.00 | Purchase 10 new 72 passenger school buses |
| | | S-2 | 7/17/2018 | \$83,002.12 | Wolffington Body Company Inc. | | |
| | | S-3 | 8/1/2018 | \$82,736.00 | Wolffington Body Company Inc. | | |
| | | S-4 | 8/1/2018 | \$82,736.00 | Wolffington Body Company Inc. | | |
| | | S-5 | 8/1/2018 | \$82,736.00 | Wolffington Body Company Inc. | | |
| | | S-6 | 7/17/2018 | \$83,002.12 | Wolffington Body Company Inc. | | |
| | | S-7 | 7/17/2018 | \$83,002.12 | Wolffington Body Company Inc. | | |
| | | S-8 | 7/17/2018 | \$83,002.12 | Wolffington Body Company Inc. | | |
| | | S-9 | 7/17/2018 | \$83,002.12 | Wolffington Body Company Inc. | | |
| | | S-10 | 7/17/2018 | \$83,002.12 | Wolffington Body Company Inc. | | |
| 2 | Elizabeth Township (T) | T | 10/11/2018 | \$154,588.00 | Groff Tractor and Equipment Inc. | \$15,455.60 | Purchase 1 new front-end loader |
| 3 | Allegheny Transportation Services Inc. (U) | U | 9/27/2018 | \$89,114.00 | Brightbill Body Works | \$8,911.40 | Purchase 1 new 84 passenger school bus |
| 4 | Lehigh Valley Rail Management LLC (V) | V | 10/8/2018 | \$75,621.78 | Power Drives Inc. | \$12,034.40 | Purchase 6 locomotive idle reduction heaters (overnight water heaters, Powerhouse 120 DWS) |
| 5 | Commonwealth of Pennsylvania (W) | W-3 | 8/16/2019 | \$17,460.21 | Commonwealth of Pennsylvania | \$17,460.21 | Administrative costs for DEP, including: staff costs for program development and administration, and contractual costs. |

**Pennsylvania Department of
Environmental Protection**

INVOICE

400 Market Street
Harrisburg, PA 17101
717-737-9495

DATE: August 16, 2019
W-1
FOR: State Mitigation
Trust
Administrative
Expenditures

Bill To:
Environmental Mitigation Trust for
State Beneficiaries
C/O Wilmington Trust
Rodney Square North
1100 North Market Street
Wilmington, DE 19890-0001

| ELIGIBLE MITIGATION ACTIONS | ADMINISTRATIVE EXPENDITURES CATEGORY | PA PROGRAM | DESCRIPTION | HOURS | AMOUNT |
|---------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|-------------|
| EMA 10 - Diesel Emission Reduction Act (DERA) Option | Contractual (MOU/LOU available upon request.) | Application Development; Reimbursement Request and Reporting Tool | This item includes activities relating to all of Pennsylvania's programs for all of the Eligible Mitigation Actions, specifically to the development of an online application system for all programs and a reporting portal. DEP contracted with its sister agency, the Pennsylvania Department of Community and Economic Development, to contract a dedicated developer to create and manage the online applications for all of Pennsylvania's programs under the VW settlement. This contract has developed (and will continue to develop) online applications through its existing Electronic Single Application (ESA) system, provide customer service for applications, enabled DEP to use ESA to issue rebate vouchers, and tied a reporting system (Partner Portal) to the ESA system that recipients use to upload rebate redemption requests, grant reimbursement requests, and reports as required for each program. | March 1, 2018 - September 30, 2019 | \$4,451.13 |
| EMA 10 - Diesel Emission Reduction Act (DERA) Option | Personnel and Fringe Benefits (Detailed hours report attached) | PA State Clean Diesel Grant Program | This item includes all staff hours worked for the modification and management of this program. Activities include the following: revision of program guidelines and application questions; development of online application (see Invoice W-2 re DCED contract), application instructions, associated forms and documents; webinar presentation by staff; response to public questions; assistance with applications; reviewing and scoring of applications; processing grant agreements; and monitoring of funded projects including tracking, reporting, and confirming project activities. PA has allocated approximately \$9 million to this program, of which \$1.35 million is available for administrative costs. | 158.5 | \$ 9,681.56 |

| ELIGIBLE MITIGATION ACTIONS | ADMINISTRATIVE EXPENDITURES CATEGORY | PA PROGRAM | DESCRIPTION | HOURS | AMOUNT |
|-------------------------------------------------------|----------------------------------------------------------------|--------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|--------------|
| EMA 10 - Diesel Emission Reduction Act (DERA) Option. | Personnel and Fringe Benefits (Detailed hours report attached) | Volkswagen Mitigation Implementation | This item includes activities relating to all of Pennsylvania's programs for all of the Eligible Mitigation Actions. Activities include: website development; newsletter development; modification of standard grant agreements to incorporate Trust Agreement language; preliminary conceptual development of all programs; and program roll-out planning. This administrative code was also used for early program specific work that occurred prior to individual administrative codes being created for each program in March 2018; program specific work may include some of the same items listed above for each program, specifically program guideline and application development. | 54.658 | \$ 3,327.52 |
| TOTAL | | | | | \$ 17,460.21 |

Provided in Attachment B
to this submission.
If you have any questions concerning this invoice, Contact Samantha Harmon, 717-705-7686,
saharmon@pa.gov

THANK YOU!

PA – ATTACHMENT E
DERA OPTION

(Attachment to Appendix D-4, Beneficiary Eligible Mitigation Action Certification, pursuant to Paragraph 5.2 of the Environmental Mitigation Trust Agreement)

Attached on the following pages is DEP's Workplan and Budget Narrative submitted to the U.S. Environmental Protection Agency (EPA) as part of DEP's application for the EPA's FY2017 State Clean Diesel Program (DERA). The attached Workplan and Budget Narrative corresponds to the fiscal year funding that is being used to partially fund the project(s) submitted for reimbursement under this funding request. The FY2017 application was submitted to EPA on June 9, 2017, and approved by EPA.

FISCAL YEAR 2017**STATE CLEAN DIESEL GRANT PROGRAM****WORK PLAN AND BUDGET NARRATIVE TEMPLATE**

SUMMARY PAGE

Project Title: FY 2017 Pennsylvania State Clean Diesel Grant Program

Project Manager and Contact Information

Organization Name: Pennsylvania Department of Environmental Protection (PA DEP or Department) Bureau of Air Quality

Project Manager: Samantha Harmon

Mailing Address: P.O. Box 8468, Harrisburg, PA 17105-8468

Phone: 717.705.7686

Fax: 717.772.2303

Email: saharmon@pa.gov

Project Budget Overview:

| | FY 2017 |
|---------------------------------------------------|---------------------|
| EPA Base Allocation | \$275,479.00 |
| State or Territory Matching Funds (if applicable) | \$275,479.00 |
| EPA Match Incentive (if applicable) | \$137,739.00 |
| Mandatory Cost-Share | \$0.00 |
| TOTAL Project | \$688,697.00 |
| Additional Leveraged Resources | \$0.00 |

Project Period

The project period will begin October 1, 2017 and end September 30, 2018. See project timeline on page 7 for additional details.

Summary Statement

PA DEP requests \$413,218.00 (base and bonus funding) for fiscal year (FY) 2017 Diesel Emission Reduction Act funding. PA DEP intends to provide voluntary match funds for FY 2017. The source of these funds will be the Environmental Mitigation Trust Fund, established by Volkswagen and associated companies, as part of the settlement of the court case *In Re: Volkswagen "Clean Diesel" Marketing, Sales Practices, and Products Liability Litigation* (MDL No. 2672 CRB (JSC)). PA DEP is proposing to match the base funding dollar for dollar (\$275,479.00). PA DEP may, after the FY 2017 grant is awarded, request an amendment to commit additional voluntary match funds. PA DEP will use the DERA funding for reimbursement grants that will fund projects to reduce emissions from a wide array of diesel vehicles and equipment, including medium- and heavy-duty trucks, buses, construction equipment, airport ground support equipment, industrial vehicles, locomotives, marine engines and more. Eligible applicants will include: non-profit organizations, municipal authorities, school districts, political subdivisions, and other state agencies and businesses, including: corporations, partnerships, sole proprietorships, limited liability companies, business trusts or other legal business entities incorporated in the Commonwealth of Pennsylvania (Commonwealth) or registered to do business with the Commonwealth. The diesel vehicles or equipment being retrofitted, repowered, replaced, or converted must operate predominately in the Commonwealth to be an eligible project.

PA DEP intends to post all current and future awards on PA DEP Bureau of Air Quality's website, <http://www.dep.pa.gov/Business/Air/BAQ/Pages/default.aspx>, under the Grant Availability heading. There is currently one project funded by FY 2014-2016 funds listed on PA DEP's website. Once additional FY 2014-2016 sub-awards are finalized, PA DEP will post project descriptions on the website cited above. A separate webpage may be developed in the future, specifically for posting Pennsylvania State Clean Diesel Grant Program information, including award descriptions. If this occurs, a link to the new webpage will be provided on the existing website.

SCOPE OF WORK

STATE/TERRITORY GOALS AND PRIORITIES:

Air Quality:

Ground-level ozone and fine particulate matter (PM_{2.5}) emissions are a persistent problem in certain areas of the Commonwealth of Pennsylvania. Diesel-powered vehicles and engines produce emissions of oxides of nitrogen (NO_x) and volatile organic compounds (VOC) that combine in the atmosphere to form ozone. Repeated exposure to ozone pollution may cause a variety of adverse health effects for healthy people and those with existing conditions, including difficulty in breathing, chest pains, coughing, nausea, throat irritation, and congestion. Repeated exposure to ozone can also exacerbate asthma, bronchitis, heart disease, emphysema, and reduce lung capacity. Diesel emissions are a significant contributor to PM_{2.5} concentrations in the atmosphere. Diesel engines produce PM_{2.5} directly and create significant emissions of NO_x, which is a precursor to the formation of PM. Emissions from diesel engines contribute to serious public health problems including asthma attacks, respiratory disease, decreased lung function, cardiovascular disease, heart attacks, cancers and even premature death. EPA has identified diesel PM_{2.5} emissions as a likely human carcinogen.

Several areas of the Commonwealth are designated as nonattainment or maintenance areas for the 8-hour ozone National Ambient Air Quality Standards (NAAQS). Although EPA revoked the 1997 8-hour ozone NAAQS, effective April 6, 2015, the Philadelphia-Wilmington-Atlantic City, PA-NJ-MD-DE (Bucks, Chester, Delaware, Montgomery and Philadelphia Counties) and the Pittsburgh-Beaver Valley, PA (Allegheny, Armstrong, Beaver, Butler, Fayette, Washington, Westmoreland Counties) areas were classified as moderate nonattainment at the time of revocation and are subject to the anti-backsliding requirements of the federal Clean Air Act. The following areas in the Commonwealth are "marginal" nonattainment areas for the 2008 8-hour ozone NAAQS: Allentown-Bethlehem-Easton (Carbon, Lehigh and Northampton Counties); Lancaster (Lancaster County); Philadelphia-Wilmington-Atlantic City, PA-NJ-MD-DE (Bucks, Chester, Delaware, Montgomery and Philadelphia Counties); Pittsburgh-Beaver Valley (Allegheny, Armstrong, Beaver, Butler, Fayette, Washington, and Westmoreland Counties); and Reading (Berks County). In 2015, the EPA published a final rulemaking (80 FR 65292, October 26, 2015) that lowered the primary and secondary ozone NAAQS to 0.070 parts per million, while retaining their indicators, averaging times, and forms. PA DEP submitted initial designation recommendations for the 2015 ozone NAAQS to EPA on October 3, 2016. The recommendation included 4 nonattainment areas encompassing 14 counties. The areas included the 5-county Philadelphia Area, Lebanon County, Indiana County, and the 7-county Pittsburgh-Beaver Valley Area. Pennsylvania submitted revised recommendations to EPA on April 11, 2017 that recommended that the 7-county Pittsburgh-Beaver Valley area and Indiana County be considered to have attained the ozone standard. EPA expects to complete the designation process for the 2015 ozone NAAQS by October 1, 2018.

The Commonwealth also has several areas that are designated as nonattainment or maintenance areas for the 1997, 2006 or 2012 PM_{2.5} NAAQS. A "(p)" after a county means partial and indicates that only part of that county is designated as indicated. The following areas in the Commonwealth are designated as maintenance areas for the 1997 PM_{2.5} NAAQS: Harrisburg-

Lebanon-Carlisle (Cumberland, Dauphin and Lebanon Counties); Johnstown (Cambria and Indiana (p) Counties); Lancaster (Lancaster County); Philadelphia-Wilmington PA-NJ-DE (Bucks, Chester, Delaware, Montgomery and Philadelphia Counties); Pittsburgh-Beaver Valley (Allegheny (p-remainder), Armstrong (p), Beaver, Butler, Greene (p), Lawrence (p), Washington and Westmoreland Counties); Reading (Berks County); and York (York County). The following areas in the Commonwealth are designated as maintenance areas for the 2006 PM_{2.5} NAAQS: Allentown (Lehigh and Northampton Counties); Harrisburg-Lebanon-Carlisle-York (Cumberland, Dauphin, Lebanon and York Counties); Johnstown (Cambria and Indiana (p) Counties); Lancaster (Lancaster County); Philadelphia-Wilmington PA-NJ-DE (Bucks, Chester, Delaware, Montgomery and Philadelphia Counties); and Pittsburgh-Beaver Valley (Allegheny (p-remainder), Armstrong (p), Beaver, Butler, Greene (p), Lawrence (p), Washington and Westmoreland Counties). The Liberty-Clairton (Allegheny (p) County) is currently designated as moderate nonattainment for the 1997 and 2006 PM_{2.5} NAAQS. The following areas of the Commonwealth are designated as moderate nonattainment for the 2012 annual PM_{2.5} NAAQS: Allegheny, Delaware and Lebanon Counties.

These nonattainment and maintenance areas include many counties in high population urban areas, thus compounding the effects of exposure to diesel emissions. The Commonwealth also has nonattainment areas for other NAAQS (i.e., 1-hour SO₂ NAAQS) but the ozone and PM_{2.5} nonattainment and maintenance areas are "priority" locations for the PA State Clean Diesel Grant Program. While PA DEP does not limit applications to nonattainment areas, projects in nonattainment areas receive additional points in the application scoring process, thus providing an incentive to perform projects in nonattainment areas. Projects funded by this grant will improve air quality in the Commonwealth, as well as downwind areas in the Ozone Transport Region (OTR). States in the OTR are required to install certain controls to reduce ozone precursor emissions, even if some areas where the controls are required meet the ozone standards. This requirement is a result of the difficulty that nonattainment areas in the OTR have in meeting and maintaining the ozone NAAQS. Voluntary emission reduction efforts, such as this one, are an important way to reduce emissions so that states in the OTR can meet their clean air goals.

A study¹ of emissions in the Northeast United States shows that mobile and nonroad sources, including commercial marine, rail, and aircraft ground support equipment, will contribute approximately 51 percent of NO_x emissions, 9 percent of PM_{2.5}, and 34 percent of VOC emissions in the Northeast region in 2018, excluding emissions from fires and biogenic sources. Emission projections for future years indicate that emissions of ozone and PM_{2.5} precursors from mobile and nonroad sources will continue to be a significant contributor to regional emissions - making it safe to say that states will need to continue to further reduce emissions from these sources.

¹ Technical Support Document Emission Inventory Development For 2011, 2018 And 2028 for the Northeastern U.S. Alpha2 Version; Mid-Atlantic Regional Air Management Association, Inc. (MARAMA); November 23, 2015; and associated data files.

Diesel Fleet and Diesel Emissions:

Pennsylvania, as one of the most populous states in the country, has one of the largest vehicle populations, including a large population of diesel vehicles and equipment. Pennsylvania also contains several areas with high population densities where diesel vehicles congregate. Pennsylvania is a major freight corridor, for both rail and trucking, for the Northeast United States. Pennsylvania contains many interstate highways that provide quick access to major north-south and east-west routes and the economically significant Northeast United States for all truck drivers traveling in the Commonwealth. There are approximately 180,762 heavy-duty diesel vehicles registered in Pennsylvania, but the number actually operating in or traveling through Pennsylvania, is likely many times greater than the number of registered vehicles. Pennsylvania also contains many warehouse centers and intermodal facilities, several international airports, three ports used by commercial marine vessels, numerous railroads, and is a major destination for freight transport to and from these facilities. Many of these facilities also utilize diesel nonroad vehicles and engines. The diesel population of large nonroad vehicles and engines in Pennsylvania is approximately 159,270. The actual number is likely higher in Pennsylvania due to increased oil/gas drilling activities and forestry activities associated with the recent drilling boom in Pennsylvania; this increased activity is not reflected in the national trends of decreasing activity in these sectors. In addition to freight, Pennsylvania also has a significant commuter rail system, including both systems run by transit agencies and Amtrak lines crossing the commonwealth. In FY 2014-2015, Amtrak's Keystone Corridor Service carried 1,360,737 passengers². According to the Pennsylvania Department of Transportation's (PennDOT) Pennsylvania Public Transportation Performance Report – Fiscal Year 2014-2015, Pennsylvania has 38 urban and rural transit systems³, as well as several community transportation organizations and intercity bus lines. These include the 6th and 26th largest transit systems in the United States⁴. Combined these transit systems provided an estimated 429,739,509 passenger trips in FY 2014-2015. PennDOT records indicate that 8,401 transit buses and 18,582 school buses were registered in the Commonwealth in 2014.⁵

New standards for diesel vehicles and equipment promulgated by EPA will ensure that new medium-duty and heavy-duty diesel engines will be less polluting. Much of this equipment, however, can operate 25 to 30 years before replacement is required, so it may be many years before existing equipment is replaced with new, cleaner equipment due to normal fleet turnover. A large population of older diesel engines unaffected by the new standards will continue to operate in the Commonwealth into the future. Many strategies and programs exist to make these engines operate more cleanly. Replacing, retrofitting, repowering, or converting older diesel vehicles and engines with alternative fuels or new diesel versions are cost-effective strategies to reduce emissions of PM_{2.5} and precursor pollutants for the formation of PM_{2.5} and ozone,

² Passenger Rail Program, Pennsylvania Department of Transportation: *Pennsylvania Public Transportation Annual Performance Report FY 2014-15*, April 30, 2016.

³ Pennsylvania Department of Transportation: *Pennsylvania Public Transportation Annual Performance Report FY 2014-15*, April 30, 2016.
Fiscal Year 2014-15

⁴ Table 3: 50 Largest Transit Agencies Ranked by Unlinked Passenger Trips and Passenger Miles, Report Year 2013, American Public Transportation Association: *2015 Public Transportation Fact Book*, Washington, DC, November, 2015.

⁵ Pennsylvania Department of Transportation vehicle registration data, CY2014

including NO_x and VOC, by as much as 90 percent or more. According to EPA's 2014 National Emission Inventory, diesel emissions from diesel-powered on-road and non-road mobile sources, marine, rail, and aircraft in Pennsylvania accounted for approximately 145,395 tons per year (TPY) of NO_x, 13,874 TPY of VOC, 6,742 TPY of PM_{2.5}, and 8,145 TPY of PM₁₀. In order to achieve the greatest emission reductions possible, applications receive higher scores for higher emission reductions.

VEHICLES AND TECHNOLOGIES:

Eligible vehicles and equipment funded under this grant include diesel-powered buses (school, transit, coach); diesel-powered medium-duty or heavy-duty trucks including drayage trucks; diesel-powered nonroad engines, equipment or vehicles used in construction, handling of cargo (including at a port or airport), agriculture, mining or energy production (including stationary generators and pumps); locomotives; and marine engines. Eligible applicants include businesses (corporations, partnerships, sole proprietorships, limited liability companies, business trusts or other legal business entities incorporated in or registered with the PA Department of State Bureau of Corporations and Charitable Organizations to do business in the Commonwealth), incorporated nonprofits (an organization as described in Section 501(c)(3) of the Federal Internal Revenue Code of 1954, as amended that must be incorporated under PA law or registered with the PA Department of State Bureau of Corporations and Charitable Organizations to do business in the Commonwealth), school districts, municipal governments and municipal authorities, and other state agencies. Eligible project types include exhaust controls, engine upgrades, alternative fuel conversions, verified idle reduction technologies, certified engine repowers, verified aerodynamic technologies and verified low rolling resistance tires, and vehicle and equipment replacements. PA DEP is a SmartWay Affiliate and will encourage the use of SmartWay verified technologies for applicable projects. All eligible project types will be subject to the restrictions and cost-share requirements identified in EPA's FY 2017 State Clean Diesel Grant Program Information Guide.

ROLES AND RESPONSIBILITIES:

For FY 2017, PA DEP will continue to administer the PA State Clean Diesel Grant Program, which is a competitive grant/reimbursement program funded through State Clean Diesel Grant funds allocated by the EPA. The primary goal of the PA State Clean Diesel Grant Program is to improve air quality by decreasing emissions from diesel-powered sources, through funding diesel emission reduction projects. The PA State Clean Diesel Grant begins with a competitive application process, in which eligible and complete applications are scored using criteria substantially similar to the scoring criteria used by EPA in the National Clean Diesel Funding Assistance Program Request for Proposals (National RFP). The highest scoring application(s) is recommended for funding. Upon approval of the Secretary of the Department, funding is offered to the highest scoring successful applicant(s). Grant agreements are executed with those applicants that accept funding (subgrantees). Grant funding is offered as a reimbursement; subgrantees must show that funds have been expended for eligible project costs and the subgrantees are reimbursed after approval of their submitted reimbursement requests. Subgrantees are also responsible for complying with all reporting requirements, including submitting vehicle usage data and calculating emission reductions using EPA's Diesel Emission

Quantifier (DEQ), or a different DEP approved methodology for quantifying emission reductions, as long as supporting documentation and reproducible calculations are provided. The PA State Clean Diesel Grant Program has broad eligibility, in order to make funding available for as many eligible applicants and eligible projects as possible. PA DEP is not committing any additional leveraged resources, such as in-kind contributions, under this award.

TIMELINE AND MILESTONES:

PA DEP will announce a competitive grant program that will allow eligible applicants to apply for funding to eligible projects, including replacements, retrofits, re-powers and alternative fuel conversions. Complete applications will be reviewed and scored using criteria substantially similar to the EPA's National RFP. The applicants with the highest score, which will be based on the number of vehicles affected, emissions reduced, financial match, the NAAQS attainment status of the area where the vehicle operate, and other criteria, will be awarded a grant. PA DEP expects to have applications evaluated and scored within a month of the close of the application period, and will award the grants within two to three months of the close of the application period. As stated above in the Roles and Responsibilities section, grantees are eligible to be reimbursed as project work is completed and project costs are paid by the grantee.

Proposed Timeline and Milestones

| | Q3 2017 | Q4 2017 | Q1 2018 | Q2 2018 | Q3 2018 | Q4 2018 |
|----------------------------------------------------------------------------------------|---------------|-------------|-------------|--------------|---------------|-------------|
| | July- Sept | Oct- Dec | Jan- Mar | Apr- June | July- Sept | Oct- Dec |
| Receive grant from EPA | | | | | | |
| Task 1: Public Notification | | | | | | |
| A. Give a 45-day notice to Policy Office | | | | | | |
| B. Publish in <i>Pa. Bulletin</i> | | | | | | |
| C. Present webinar for interested parties | | | | | | |
| D. Receive applications | | | | | | |
| Task 2: Choose grantees | | | | | | |
| A. Evaluate applications | | | | | | |
| B. Make grantee selection | | | | | | |
| C. Review by management (~60 days) | | | | | | |
| D. Notify grantees and issue grants | | | | | | |
| Task 3: Purchase Equipment | | | | | | |
| A. Grantees purchase equipment | | | | | | |
| B. Grantee submits invoices for review and approval | | | | | | |
| C. Department reimburses grantee for purchase or taking delivery of invoiced equipment | | | | | | |
| D. Close grants | | | | | | |

| | | | | | | |
|---------------------------------------------------------|--|--|--|--|--|--|
| Task 4: Reporting | | | | | | |
| A. Department evaluates project and emission reductions | | | | | | |
| B. Provide PA DEP final report to EPA | | | | | | |

DERA PROGRAMMATIC PRIORITIES:

The principal objective of the assistance to be awarded under this program is to achieve significant reductions in diesel emissions in terms of tons of pollution produced and reductions in diesel emissions exposure from vehicles, engines and equipment operating in areas that receive a disproportionate quantity of air pollution from diesel fleets and in areas designated as priority locations, which include areas that meet any of the following criteria: areas in nonattainment or maintenance of NAAQS for ozone and/or PM_{2.5}; areas with toxic air pollutant concerns as identified from the National Air Toxics Assessment data; areas designated as Federal Class I areas; and/or areas accepted to participate in EPA's Ozone Advance or PM Advance Programs. This programmatic priority is achieved by prioritizing projects in priority locations identified by EPA and in areas that receive a disproportionate quantity of air pollution from diesel fleets. PA DEP supports these programmatic priorities by awarding additional points during the scoring process to priority locations, which include Allegheny, Armstrong, Beaver, Berks, Bucks, Butler, Cambria, Carbon, Centre, Chester, Cumberland, Dauphin, Delaware, Fayette, Franklin, Greene, Huntingdon, Indiana, Lancaster, Lawrence, Lebanon, Lehigh, Luzerne, Lycoming, Mifflin, Monroe, Montgomery, Northampton, Philadelphia, Washington, Westmoreland, and York Counties in FY 2017. PA DEP also awards additional points during the scoring process to projects located in areas with high levels of diesel emissions, including truck stops, ports, rail yards, terminals, major construction sites, bus depots or yards, and distribution centers.

EPA'S STRATEGIC PLAN LINKAGE AND ANTICIPATED OUTCOMES/OUTPUTS:

The PA State Clean Diesel Grant Program supports EPA's 2014-2018 Strategic Plan Goal 1, 'Addressing Climate Change and Improving Air Quality,' Objective 1.2, 'Improve Air Quality,' which states, "achieve and maintain health-and welfare-based air pollution standards and reduce risk from toxic air pollutants and indoor air contaminants." The PA State Clean Diesel Grant Program will fund projects that reduce emissions from diesel fleets, thereby reducing local and regional air pollution of criteria pollutants, air toxics, and greenhouse gases, by replacing or upgrading older diesel equipment and engines with newer, cleaner equipment and engines. PA DEP will ensure that Pennsylvania benefits from the funded projects by requiring that the vehicles or equipment being retrofitted, repowered, or replaced to operate predominately in Pennsylvania. Additionally, even though it is not the goal of the PA State Clean Diesel Grant Program, reducing diesel emissions in high population areas and high pollution areas may lead to some improvement in indoor air quality, due to reduced exposure to diesel exhaust emissions, which can be transported indoors without dilution in high density population and high pollution areas.

Outputs:

PA DEP anticipates several outputs from the projects funded by this grant, which

may include but are not limited to the following: number of retrofitted engines/vehicles/equipment; hours of operation and idling time; fleet details of both old and new vehicles and engines, including make, model, and model year; cost-effectiveness of project; and providing support to clean diesel coalitions by sharing information and working with interested fleets. In order to acquire this information, PA DEP will require sub-award recipients to provide information that is required to complete EPA's quarterly reporting documents. PA DEP will collate information received from the grant recipients to provide a summary of outputs to EPA for all projects funded by this program.

To quantify emission reductions, PA DEP will require the use of the EPA's Diesel Emission Quantifier (DEQ) which can be found here: <https://www.epa.gov/cleandiesel/diesel-emissions-quantifier-deq> or EPA's Motor Vehicle Emissions Simulator (MOVES), found at: <http://www.epa.gov/otaq/models/moves/index.htm>. Health benefits can also be derived from the DEQ. If the project is of a type that cannot be quantified by the DEQ or MOVES, PA DEP will allow applicants to propose a different methodology for quantifying emission reductions, if supporting documentation and reproducible calculations are provided to PA DEP. PA DEP may also utilize PAQONE, a MOVES-based mobile source model used for off-network and project level analysis, to analyze emission reduction estimates.

PA DEP will post the number of sub-awards, including detailed project descriptions, in order to notify the public of the funded projects and to promote the use of the funded technologies. PA DEP will also submit all required quarterly progress reports and a final report to EPA, at the completion of all funded projects.

Outcomes:

Expected outcomes from projects funded under this program may include, but are not limited to, the following:

- Short-term outcomes: increased number of retrofitted, repowered, or replaced diesel vehicles and equipment in Pennsylvania; immediate reduction in exposure to diesel emissions for populations near the updated diesel vehicles and equipment; decrease in diesel fuel use; increased business for emission reduction or idle reduction equipment manufacturing and sales companies; annual pounds or tons of PM_{2.5}, NO_x, greenhouse gases (GHG), VOC/HC, and CO reduced.
- Medium-term outcomes: documented annual emission reductions and fuel savings; increased awareness of emission reduction technology and methods via press releases, project details posted on PA DEP's website, listservs, and word of mouth by fleet owners and operators; increased interest in grant funding for similar projects; and educational outreach by PA DEP and/or fleet owners and operators about emission and idle reduction technologies.
- Long-term outcomes: health benefits achieved (health benefits may include reductions in numbers of illnesses, health care costs, or missed work/school absences); adoption of a corporate/business idle-reduction policy or changes in driver behavior regarding idling practices; documented improved ambient air quality; an increased understanding of the environmental or economic effectiveness of the implemented technology; and widespread adoption of the implemented technologies.

SUSTAINABILITY OF THE PROGRAM:

PA DEP includes requirements in all grant agreements for sub-awards funded by this program to keep and maintain diesel emission reduction technology for a specific amount of time. Some equipment funded by this program can easily be removed from a vehicle or piece of equipment. Requiring that the retrofit technology, re-powered engine, or replaced vehicle remains on the vehicle and be maintained for a specified amount of time will ensure that anticipated emission reductions are realized. PA DEP usually requires that the retrofit equipment remains used on the vehicle for at least four years and re-powered and replaced equipment for longer periods.

PA DEP staff will work with local air agencies, media outlets, and local non-governmental organizations to maintain awareness about this grant program and to inform the public of the projects currently being funded under this program. In addition to web postings and press releases, PA DEP publishes notice of available grant funding in the *Pennsylvania Bulletin* to keep the public informed of grant opportunities. PA DEP will also provide updates when projects are completed and provide a breakdown of the technologies funded and the final costs of the projects. Information about grant awards will be posted in PA DEP's Bureau of Air Quality website under the Grant Availability heading here:
<http://www.dep.pa.gov/Business/Air/BAQ/Pages/default.aspx>.

BUDGET NARRATIVE

Itemized Project Budget

| FY 2017 | | | |
|--------------------------------|---------------------|------------------------------------|-----------------------------------------|
| Budget Category | EPA Allocation | Voluntary Match (if applicable) | Mandatory Cost-Share (if applicable) |
| 1. Personnel | \$0.00 | \$0.00 | \$0.00 |
| 2. Fringe Benefits | \$0.00 | \$0.00 | \$0.00 |
| 3. Travel | \$0.00 | \$0.00 | \$0.00 |
| 4. Supplies | \$0.00 | \$0.00 | \$0.00 |
| 5. Equipment | \$0.00 | \$0.00 | \$0.00 |
| 6. Contractual | \$0.00 | \$0.00 | \$0.00 |
| 7. Program Income | \$0.00 | \$0.00 | \$0.00 |
| 8. Other | \$413,218.00 | \$275,479.00 | \$0.00 |
| 9. Total Direct Charges | \$413,218.00 | \$275,479.00 | \$0.00 |
| 10. Indirect Charges | \$0.00 | \$0.00 | \$0.00 |
| Grand Total | \$413,218.00 | \$275,479.00 | \$0.00 |

Explanation of Budget Framework

Personnel

- **Personnel –**
PA DEP is not requesting funding for Personnel under the FY 2017 DERA funding.
- **Fringe Benefits –**
PA DEP is not requesting funding for Fringe Benefits under the FY 2017 DERA funding.
- **Travel –**
PA DEP is not requesting funding for Travel under the FY 2017 DERA funding.
- **Equipment –**
PA DEP is not requesting funding for Equipment under the FY 2017 DERA funding.

- **Supplies –**
PA DEP is not requesting funding for Supplies under the FY 2017 DERA funding.
- **Contractual –**
PA DEP is not requesting funding for Contractual under the FY 2017 DERA funding.
- **Other –**
All funding received by PA DEP under the FY 2017 DERA funding will be distributed as sub-grants or sub-awards, and thus, falls under the 'Other' category for this narrative.

| Category: Other | FY 2017 | |
|---------------------------------------------------------------------------------------------------|--------------|------------------------------------------|
| | EPA | State or Territory Match (if applicable) |
| Sub-award: Multiple recipients for diesel emission reduction projects in Pennsylvania | \$413,218.00 | \$275,479.00 |

- **Indirect Charges –**
PA DEP is not requesting funding for Indirect Charges under the FY 2017 DERA funding.

Administrative Costs Expense Cap

States and territories must demonstrate that no more than 15 percent of a state's or territory's total project costs are being used to cover administrative costs as identified in OMB Circular A-87 Appendix B (e.g. personnel, benefits, travel, supplies). PA DEP is not proposing to use any of the FY 2017 funding for administrative costs, and, therefore, meets this requirement.

Matching Funds and Cost-Share Funds

PA DEP intends to provide voluntary match funds for FY 2017. The source of these funds will be the Environmental Mitigation Trust Fund, established by Volkswagen and associated companies, as part of the settlement of the court case *In Re: Volkswagen "Clean Diesel" Marketing, Sales Practices, and Products Liability Litigation* (MDL No. 2672 CRB (JSC)). PA DEP is proposing to match the base funding dollar for dollar (\$275,479.00), thus qualifying PA DEP for bonus funding from EPA (\$137,739.00). PA DEP may, after the FY 2017 grant is awarded, request an amendment in order to commit additional voluntary match funds. PA DEP is not subject to Mandatory Cost-Share requirements, as all funds are expected to be awarded as sub-grants. The sub-grantees will, however, be subject to the DERA funding limits and minimum mandatory cost-share requirements identified in EPA's FY 2017 State Clean Diesel Grant Program Information Guide.