

MISSOURI
DEPARTMENT OF
NATURAL RESOURCES

Michael L. Parson
Governor

Dru Buntin
Director

July 29, 2022

Russell L. Crane
Volkswagen Environmental Mitigation Trust
c/o Wilmington Trust, N.A. as Trustee
1100 North Market Street
Attn: Capital Markets & Agency Services
Wilmington, DE 19890

Dear Russell Crane,

The Missouri Department of Natural Resources has enclosed the information necessary to complete the semi-annual reporting requirement found in paragraph 5.3 of the Volkswagen Environmental Mitigation Trust Agreement for State Beneficiaries. The department has collected the data relevant to reporting requirements for the six-month period of January 1, 2022, to June 30, 2022.

Thank you for attention to this matter. If you have any questions regarding this submission, please contact Shelly Reimer, with the department's Air Pollution Control Program at P.O. Box 176, Jefferson City, MO 65102 or by phone at (573) 526-1836 or email at shelly.reimer@dnr.mo.gov.

Sincerely,

AIR POLLUTION CONTROL PROGRAM

Stephen M. Hall
Director

SMH:jjc

Enclosure



Environmental Mitigation Trust Agreement for State Beneficiaries:
Semi-Annual Report

Reporting Period:
January 1, 2022 through June 30, 2022

Submitted on July 31, 2022
Missouri Department of Natural Resources

Category 1: School Buses: EMA 2

The Department opened the Category 1 application period from July 28, 2021, thru October 12, 2021, and selected projects by lottery. The Department awarded 85 projects totaling \$3,968,932. The Department disburses the awarded amounts only upon completion of each project. All awarded projects are in progress. A project is complete when the new bus is delivered, the old bus is disabled, and proof of payment is verified.

Category 2: Government Owned Medium and Large Trucks: EMA 6, EMA 1

The Department opened the Category 2 application period from July 28, 2021, thru October 12, 2021, and selected the highest scoring projects for funding. The Department used a ranking system based on estimated NO_x reduction, cost-effectiveness, and area of operation. The Department awarded 29 projects totaling \$2,314,454. All awarded projects are in progress. The Department disburses the awarded amounts only upon completion of each project. A project is complete when the new truck is delivered, the old truck is disabled, and proof of payment is verified.

Category 3: Transit and Shuttle Buses: EMA 2

The Department opened the Category 3 application period from July 28, 2021, thru October 12, 2021, and selected the highest scoring projects for funding using a ranking system based on NO_x reduction, cost-effectiveness, and area of operation. The Department did not receive any applications in this category during the application period.

Category 4: Nongovernment Owned Medium and Large Trucks: EMA 6, EMA 1

The Department opened the Category 4 application period from July 28, 2021, thru October 12, 2021, and selected the highest scoring projects for funding using a ranking system based on NO_x reduction, cost-effectiveness, and area of operation. The Department awarded 62 projects totaling \$1,774,940. All awarded projects are in progress. The Department disburses the awarded amounts only upon completion of each project. A project is complete when the new truck is delivered, the old truck is disabled, and proof of payment is verified.

Category 5: Locomotive and Marine: EMA 3, EMA 4

The Department opened the Category 5 application period from July 28, 2021, thru October 12, 2021, and selected the highest scoring projects for funding using a randomized selection method weighted by estimated NO_x reduction. This category includes EMA 3 for switch locomotives and EMA 4 for marine engine repowers; however, the air program did not receive any applications for projects falling under EMA 3. The Department awarded one EMA 4 project totaling \$470,000. The project is in progress and thus, no payments disbursed. A project is complete when the new engines are installed, old engines are disabled, and proof of payment is verified.

Category 6: Airport and Cargo Handling Equipment: EMA 7, EMA 8

The Department opened the Category 6 application period from July 28, 2021, thru October 12, 2021, and selected the highest scoring projects for funding using a randomized selection method weighted by estimated NO_x reduction. This category includes EMA 7 for airport ground support equipment and EMA 8 for forklifts and port cargo handling equipment. The Department awarded 29 EMA 7 projects totaling \$530,000. All awarded projects are in progress. A project is complete when the new equipment is delivered, the old equipment is disabled, and proof of payment is verified.

Category 7: DERA Option: EMA 10

The Department opened Category 7's application period from July 28, 2021 thru October 12, 2021, and selected projects by lottery. The Department awarded 38 projects totaling \$986,991.98. All awarded projects are in progress. The Department disburses the awarded amounts only upon completion of each project. A project is complete when the new vehicle is delivered, the old vehicle is disabled, and proof of payment is verified.

Category 8: EV Charging Station: EMA 9

The Department accepted applications from July 12, 2021, thru October 12, 2021. This funding period is for the installation of direct current fast chargers (DCFC) at specific locations to work toward the stakeholder goal of creating a minimum practical highway-charging network. On December 14, 2021, the Department awarded four projects totaling \$1,200,960. The Department disburses the awarded amounts only upon completion of each project. A project is complete when the charging station is installed, available for public use, and proof of payment verified.

| Category 1: School Buses | Allocation From Trust | New Fuel Type | Awarded Vehicles | Est. Lifetime NO _x Reduction (tons) | Funding Awarded | Funding Disbursed |
|---------------------------------|-----------------------|----------------------------------|---------------------------------------|--|--------------------|---------------------|
| Total: | \$481,933.00 | Diesel, Electric, Propane | 85 | 211 | \$3,968,932 | \$481,933.00 |
| School Buses: Category 1 | \$481,933.00 | Diesel, Electric, Propane | 74 diesel 10 electric 1 propane | 211 | \$3,968,932 | \$481,933.00 |

| Category 2: Government Owned Trucks (Class 4-8) | Allocation From Trust | New Fuel Type | Awarded Vehicles | Est. Lifetime NO _x Reduction (tons) | Funding Awarded | Funding Disbursed |
|---|--|---------------|------------------|--|--------------------|---------------------|
| Total: | \$353,151.00 | Diesel | 29 | 23.749 | \$2,314,454 | \$353,151.00 |
| Medium (Class 4-7) | 50% Cost Share Replacement \$179,646.00 | Diesel | 8 | 2.608 | \$554,620 | \$179,646.00 |
| Large (Class 8) | 50% Cost Share Replacement \$173,505.00 | Diesel | 21 | 21.141 | \$1,759,834 | \$173,505.00 |

| Category 3: Transit Buses, Shuttle Buses | Allocation From Trust | New Fuel Type | Awarded Vehicles | Est. Lifetime NO _x Reduction (tons) | Funding Awarded | Funding Disbursed |
|--|--|---------------|------------------|--|------------------|-------------------|
| Total: | \$249,600.00 | Diesel | 2 | 0.456 | \$249,600 | \$249,600 |
| Transit/Shuttle Buses | 50% Cost Share Replacement \$249,600.00 | Diesel | 2 | 0.456- | \$249,600 | \$249,600 |

| Category 4: Nongovernment Owned Trucks (Class 4-8) | Allocation From Trust | New Fuel Type | Awarded Vehicles | Est. Lifetime NO _x Reduction (tons) | Funding Awarded | Funding Disbursed |
|--|--|------------------------|------------------|--|--------------------|-----------------------|
| Total: | \$528,808.00 | Diesel, Propane | 62 | 239.134 | \$1,774,940 | \$1,164,454.38 |
| Medium (Class 4-7) | 25% Cost Share Replacement 0.00 | Diesel, Propane | 8 | 11.094 | \$160,002 | \$635,646.38 |
| Large (Class 8) | 25% Cost Share Replacement \$528,808.00 | Diesel | 54 | 228.04 | \$1,614,938 | \$528,808.00 |

| Category 5: Locomotive and Marine | | Allocation From Trust | New Fuel Type | Awarded Engines | Est. Lifetime NO _x Reduction (tons) | Funding Awarded | Funding Disbursed |
|-----------------------------------|------------------------|-----------------------|---------------|-----------------|--|-----------------|-------------------|
| Total: | | \$259,714.55 | Diesel | 1 | 204.21 | \$470,600 | \$259,714.55 |
| Marine Repowers | 40% Cost Share Repower | \$259,714.55 | Diesel | 1 | 204.21 | \$470,600 | \$259,714.55 |

| Category 6: Airport and Cargo Equipment | | Allocation From Trust | New Fuel Type | Awarded Equipment | Est. Lifetime NO _x Reduction (tons) | Funding Awarded | Funding Disbursed |
|---|----------------------------|-----------------------|---------------|-------------------|--|-----------------|-------------------|
| Total: | | 0.00 | All-electric | 29 | 91.78 | \$530,000 | 0.00 |
| Cargo Equipment | 50% Cost Share Replacement | 0.00 | All-electric | 29 | 91.78 | \$530,000 | 0.00 |


| Category 7: DERA Option | Allocation From Trust | New Fuel Type | Awarded Vehicles | Disbursed Vehicles and/or Equipment | Est. Lifetime NO _x Reduction (tons) | Funding Awarded | Funding Disbursed |
|-------------------------|-----------------------|------------------|------------------|-------------------------------------|--|-----------------|-------------------|
| Total: | \$608,690.75 | Diesel | 38 | School buses | 33.547 | \$956,778.60 | \$148,740.75 |
| Nonroad Equipment | 0.00 | Diesel | - | - | - | - | - |
| School Buses | \$608,690.75 | Diesel, Gasoline | 38 | School buses | 33.547 | \$956,778.60 | \$148,740.75 |

| Category 8: EV Charging Stations | | Allocation From Trust | New Fuel Type | Awarded Infrastructure | Est. Lifetime NO _x Reduction (tons) | Funding Awarded | Funding Disbursed |
|----------------------------------|--|-----------------------|---------------|------------------------|--|-----------------|-------------------|
| Total: | | \$380,117.00 | All-electric | 4 | n/a | \$1,200,960 | \$380,117.00 |
| Charging Stations | | \$380,117.00 | All-electric | 4 | n/a | \$1,200,960 | \$380,117.00 |

| Eligible Mitigation Actions | Category | Allocation From Trust | Awarded Applications | New Fuel Type | Awarded Vehicles and Equipment | Est. Lifetime NO _x Reduction (tons) | Funding Awarded | Funding Disbursed |
|-----------------------------|----------|-----------------------|----------------------|----------------------------------|--------------------------------|--|------------------------|-----------------------|
| Total: | | \$2,862,014.35 | 75 | Diesel, Propane, Electric | 75 | 561.584 | \$11,580,887.01 | \$3,037,510.28 |
| EMA 1 | 2, 4 | \$702,312.60 | 17 | Diesel, Propane, Electric | 75 | 249.181 | \$3,374,772 | \$702,312.60 |
| EMA 2 | 1,3 | \$731,533.00 | 44 | Diesel | 85 | 211 | \$3,968,932 | \$731,533.00 |
| EMA 4 | 5 | \$259,715.00 | 1 | Diesel | 1 | 204.21 | \$470,000 | \$259,714.55 |
| EMA 6 | 2, 4 | \$179,646 | 7 | Diesel | 16 | 13.702 | \$714,662 | \$815,292.38 |
| EMA 7 | 6 | 0.00 | 1 | All-Electric | 39 | 91.79 | \$530,000 | 0.00 |
| EMA 9 | 8 | \$380,117.00 | 1 | All-Electric | 4 | 0 | \$1,200,960 | \$380,117.00 |
| EMA 10 | 7 | \$608,690.75 | 18 | Diesel | 38 | 33.547 | \$986,991.98 | \$148,540.75 |

| <u>Eligible Mitigation Action</u> | <u>Allocation from Trust</u> | <u>Administrative Costs</u> |
|-----------------------------------|------------------------------|-----------------------------|
| Total: | \$2,862,014.35 | \$67,197.19 |
| EMA 1: | 702,312.60 | \$16,803.24 |
| EMA 2: | \$731,533.00 | \$20,695.66 |
| EMA 3: | 0.00 | 0.00 |
| EMA 4: | \$259,715.00 | \$314.57 |
| EMA 6: | \$179,646.00 | 0.00 |
| EMA 7: | 0.00 | \$2,180.78 |
| EMA 8: | 0.00 | 0.00 |
| EMA 9: | \$380,117.00 | \$26,721.65 |
| EMA 10: | \$608,690.75 | 0.00 |

This information is true and correct and the submission is made under penalty of perjury.



 Stephen M. Hall,
 Air Pollution Control Program Director