

Vermont Department of Environmental Conservation

Air Quality and Climate Division

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Montpelier, VT 05620-3802

Agency of Natural Resources

January 30, 2023

VW Environmental Mitigation Trust for State Beneficiaries

Mr. Michael Bochanski

c/o Wilmington Trust, N.A. as Trustee

Rodney Square North

1100 North Market Street

Wilmington, Delaware 19890

Re: State of Vermont VW Settlement – Semiannual Report
Reporting period July 1, 2022 to December 31, 2022

Dear Mr. Bochanski,

On November 1, 2017, Vermont filed its Beneficiary Certification Form, and Wilmington Trust (the Trustee) filed a Notice of Beneficiary Designation with the U.S. District Court for the Northern District of California, designating Vermont as a Beneficiary on January 29, 2018. Vermont's first funding request was approved by the Trustee on July 15, 2019.

On July 22, 2019, Vermont received its first disbursement of Trust Assets, commencing Vermont's reporting obligations to the Trustee. As per section 5.3 *Beneficiary Reporting Obligations* of the Environmental Mitigation Trust Agreement, each Beneficiary shall submit to the Trustee a semiannual report describing the following:

1. 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), and
2. the status (including actual or projected termination date), development, implementation, and any modification of each approved Eligible Mitigation Action.

Vermont is grouping all updates of Eligible Mitigation Actions in this single report.

This information is true and correct and this submission is made under penalty of perjury. If you have any questions or concerns, please contact me at (802) 261-0713 or email me at leigh.martin@vermont.gov.

Sincerely,



Leigh Martin, Environmental Analyst

Department of Environmental Conservation, Air Quality & Climate Division

Payee Recipient:	Vermont Department of Environmental Conservation
Eligible Mitigation Action Title:	9. Light-Duty Zero Emission Vehicle Supply Equipment
Reporting Period Covered:	7/1/2022 - 12/31/2022

Workplan Budget	Administrative	Project	Total
Total VW Funds Allocated	\$280,381.95	\$2,803,819.50	\$3,084,201.45
Running Total of VW Settlement Funds Received	\$280,381.95	\$2,803,819.50	\$3,084,201.45
Total VW Funds Obligated	\$280,381.95	\$2,566,484.00	\$2,846,865.95
Total VW Funds Expended	\$106,239.29	\$743,433.00	\$849,672.29
Total VW Funds on Hand	\$174,142.66	\$2,060,386.50	\$2,234,529.16
Total Cost Share Expended	--	\$311,115.00	\$311,115.00

Summary of Total VW Funds Expended - Administrative (Administrative costs include all personnel and fringe benefits)		
Entity	Expended During the Reporting Period	Cumulative Expenditures
Agency of Commerce & Community Development - Department of Housing & Community Development – Administrative	\$806.93	\$92,906.86
Agency of Natural Resources - Department of Environmental Conservation – Administrative	\$204.85*	\$13,332.43*
TOTAL	\$1,011.78	\$106,239.29*

Summary of Total EVSE Project Expenditures During Reporting Period		
EVSE Project Description	VW Funds Expended	Cost Share Expended
N/A	\$0	\$0
TOTAL	\$0	\$0

Narrative: The Vermont Electric Vehicle Supply Equipment (EVSE) Grant Program is administered by the Vermont Department of Housing and Community Development in coordination with the Vermont Department of Environmental Conservation, the Agency of Transportation (VTrans), the Public Service Department, and the Department of Health.

In 2019, the EVSE grant program received 141 applications in two grant rounds, requesting over \$4 million in funding. Thirty projects were selected and awarded over \$1 million in funding to install 75 Level 2 and five DC fast charge units located in state designated centers, highway corridors, public park and rides, major attractions and institutions, multi-family housing and workplaces.

In 2020, a request for proposals was released for \$1.7 million in VW funding to solicit the expansion of DC fast charge stations on highway corridors helping to fill out geographic gaps in Vermont’s EVSE network. Many site host agreements have been negotiated and project work is underway with installation continuing through 2023 and one station operating.

A few of the projects awarded in 2019 have come in under budget, while a few have not moved forward, resulting in unexpended funds. It is anticipated that another request for applications will be held by the Vermont EVSE Grant Program in 2023 to expend the remaining funds. No project expenditures occurred during the reporting period. The projected termination date for this eligible mitigation action is August 2026.

* Administrative costs for ANR DEC for December 2022 were not available at the time of this report; the amount reported herein reflects administrative costs incurred for July 2022 through November 2022. Values will be updated in future reports.

Payee Recipient:	Vermont Department of Environmental Conservation
Eligible Mitigation Action Title:	2. Class 4-8 School Bus, Shuttle Bus, or Transit Bus
Reporting Period Covered:	7/1/2022 – 12/31/2022

Workplan Budget	Administrative	Project	Total
Total VW Funds Allocated	\$320,000.00	\$3,720,000.00	\$4,040,000.00
Running Total of VW Settlement Funds Received	\$320,000.00	\$3,052,935.75	\$3,372,935.75
Total VW Funds Obligated	\$320,000.00	\$3,720,000.00	\$4,040,000.00
Total VW Funds Expended	\$306,436.10	\$3,052,935.75	\$3,359,371.85
Total VW Funds on Hand	\$13,563.90	\$0.00	\$13,563.90
Total Cost Share Expended	--	\$1,039,918.80	\$1,039,918.80

Summary of Total VW Funds Expended - Administrative (Administrative costs include all personnel and fringe benefits)		
Entity	Expended During the Reporting Period	Cumulative Expenditures
VEIC - Administrative	\$26,880.00	\$264,126.00
Agency of Natural Resources - Department of Environmental Conservation - Administrative	\$2,822.35	\$42,310.10
TOTAL	\$29,702.35	\$306,436.10

Summary of Total Bus Replacement Project Funds Expended During the Reporting Period		
Bus Replacement Project Description	VW Funds Expended	Cost Share Expended
Barre Unified Union School District is replacing two diesel powered school buses with two electric school buses	\$0	\$0
Champlain Valley School District is replacing two diesel powered school buses with two electric school buses	\$0	\$0
Franklin West Supervisory Union is replacing two diesel powered school buses with two electric school buses	\$0	\$0
Marble Valley Regional Transit District is replacing two diesel powered transit buses with two electric transit buses	\$0	\$0
TOTAL	\$0	\$0

Narrative: VEIC, on behalf of the Vermont Department of Environmental Conservation, is administering the Vermont Electric School and Transit Bus Pilot Program, in which three schools and a transit agency were selected to participate as Project Partners through a competitive two-step application process. Each Project Partner is replacing two diesel buses in their regular transportation service with electric buses.

In 2020, contracts were executed with all Project Partners, requests for proposals for the competitive procurement of vehicles and equipment were developed and issued, and the replacement electric buses and equipment were selected.

At the time of this report, all electric school buses and electric transit buses have arrived and all diesel buses being replaced have been scrapped. While administrative costs for the program will continue into 2023, no additional project costs are anticipated. The projected termination date for this project under this eligible mitigation action has been extended to June 2023 to ensure that data collection, administrative support and technical assistance is completed.

Payee Recipient:	Vermont Department of Environmental Conservation
Eligible Mitigation Action Title:	6. Class 4-7 Local Freight Trucks (Medium Trucks)
Reporting Period Covered:	7/1/2022 – 12/31/2022

Workplan Budget	Administrative	Project	Total
Total VW Funds Allocated	\$14,398.59	\$1,079,894.43	\$1,094,293.02
Running Total of VW Settlement Funds Received	\$14,398.59	\$1,079,894.43	\$1,094,293.02
Total VW Funds Obligated	\$14,398.59	\$1,079,894.43	\$1,094,293.02
Total VW Funds Expended	\$13,851.95	\$256,329.60	\$270,181.55
Total VW Funds on Hand	\$546.64	\$823,564.83	\$824,111.47
Total Cost Share Expended	--	\$85,443.20	\$85,443.20

Summary of Total VW Funds Expended - Administrative (Administrative costs include all personnel and fringe benefits)		
Entity	VW Funds Expended	Cost Share Expended
Agency of Natural Resources - Department of Environmental Conservation - Administrative	\$13,851.95 [†]	\$0
TOTAL	\$13,851.95	\$0

Summary of Total Truck Replacement Project Funds Expended During the Reporting Period		
Bus Replacement Project Description	VW Funds Expended	Cost Share Expended
Green Mountain Power is replacing one diesel-powered Class 4 stake truck with one electric Class 6 stake truck	\$256,329.60	\$85,443.20
Casella Waste Systems is replacing one diesel-powered Class 7 refuse truck with one electric Class 8 refuse truck	\$0	\$0
TOTAL	\$256,329.60	\$85,443.20

Narrative: In September 2020, Vermont Department of Environmental Conservation solicited applications for electric repower or replacement projects for all eligible mitigation actions under the Volkswagen Environmental Mitigation Trust. As a result of this solicitation, Vermont Department of Environmental Conservation is overseeing two small-scale vehicle fleet electrification projects involving Class 4-7 Local Freight Trucks: the replacement of a diesel-powered Class 4 stake truck with an electric Class 6 stake truck and the replacement of a diesel-powered Class 7 refuse hauler with an electric Class 8 refuse hauler. Contracts for these projects were executed in Q2 and Q3 of 2021; however, due to ongoing supply chain issues, both projects have experienced significant delays.

During the reporting period, project partner Green Mountain Power received its replacement electric Class 6 stake truck and the diesel-powered Class 4 stake truck being replaced was scrapped. The second project partner, Casella Waste Systems, is expected to complete their vehicle replacement during Q1 of 2023.

The projected completion date for the projects under this eligible mitigation action is currently June 2023.

[†] Administrative costs for ANR DEC were incomplete at the time of this report. Values will be updated in future reports.

Payee Recipient:	Vermont Department of Environmental Conservation
Eligible Mitigation Action Title:	2. Class 4-8 School Bus, Shuttle Bus, or Transit Bus
Reporting Period Covered:	7/1/2022 – 12/31/2022

Workplan Budget	Administrative	Project	Total
Total VW Funds Allocated	\$16,940.00	\$965,000.00	\$981,940.00
Running Total of VW Settlement Funds Received	\$16,940.00	\$965,000.00	\$981,940.00
Total VW Funds Obligated	\$16,940.00	\$965,000.00	\$981,940.00
Total VW Funds Expended	\$4,467.24	\$0	\$4,467.24
Total VW Funds on Hand	\$12,472.76	\$965,000.00	\$977,472.76
Total Cost Share Expended	--	\$0	\$0

Summary of Total VW Funds Expended - Administrative (Administrative costs include all personnel and fringe benefits)		
Entity	VW Funds Expended	Cost Share Expended
Agency of Natural Resources - Department of Environmental Conservation - Administrative	\$4,467.24	\$0
TOTAL	\$4,467.24	\$0

Summary of Total Truck Replacement Project Funds Expended During the Reporting Period		
Bus Replacement Project Description	VW Funds Expended	Cost Share Expended
Highland Electric Transportation, Inc., HET South Burlington, LLC is replacing four diesel-powered Class 7 school buses with four electric Class 7 school buses	\$0	\$0
TOTAL	\$0	\$0

Narrative: In September 2020, Vermont Department of Environmental Conservation solicited applications for electric repower or replacement projects for all eligible mitigation actions under the Volkswagen Environmental Mitigation Trust. As a result of this solicitation, Vermont Department of Environmental Conservation is overseeing one small-scale vehicle fleet electrification projects involving Class 4-8 School Buses, Shuttle Buses, or Transit Buses: the replacement of four diesel-powered Class 7 school buses with four electric Class 7 school buses. The contract for this project was executed in Q3 of 2021.

At the time of this report, all electric school buses have been delivered and all diesel buses being replaced have been scrapped. Highland Electric Transportation, Inc., HET South Burlington, LLC has not yet submitted all of the deliverables required by Vermont Department of Environmental Conservation prior to seeking reimbursement; therefore, project expenditures are not reflected in this report and will be included in future reporting once reimbursement has occurred.

The projected completion date for the projects under this eligible mitigation action is currently June 2023.