

APPENDIX D-4
Beneficiary Eligible Mitigation Action Certification

BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION

Beneficiary State of Ohio

Lead Agency Authorized to Act on Behalf of the Beneficiary Ohio Environmental Protection Agency
(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:	Class 4-8 School Bus, Shuttle Bus, or Transit Bus (Eligible Buses)
Beneficiary's Project ID:	School and Transit Bus Replacement Cycles 2 and 3
Funding Request No.	<i>(sequential)</i> 1 first modification
Request Type: (select one or more)	<input type="checkbox"/> Reimbursement <input checked="" type="checkbox"/> Advance <input type="checkbox"/> Other (specify): _____
Payment to be made to: (select one or more)	<input checked="" type="checkbox"/> Beneficiary <input type="checkbox"/> Other (specify): _____
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>2</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): See Attached.
Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2): See Attached
Estimate of Anticipated NOx Reductions (5.2.3): See Attached
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): See Attached
Describe how the Beneficiary will make documentation publicly available (5.2.7.2). See Attached
Describe any cost share requirement to be placed on each NOx source proposed to be mitigated (5.2.8). See attached
Describe how the Beneficiary complied with subparagraph 4.2.8, related to notice to U.S. Government Agencies (5.2.9). See Attached

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

ATTACHMENTS
(CHECK BOX IF ATTACHED)

- Attachment A Funding Request and Direction.
- Attachment B Eligible Mitigation Action Management Plan Including Detailed Budget and Implementation and Expenditures Timeline (5.2.4).
- Attachment C Detailed Plan for Reporting on Eligible Mitigation Action Implementation (5.2.11).
- Attachment D Detailed cost estimates from selected or potential vendors for each proposed expenditure exceeding \$25,000 (5.2.6). [Attach only if project involves vendor expenditures exceeding \$25,000.]
- Attachment E DERA Option (5.2.12). [Attach only if using DERA option.]
- Attachment F Attachment specifying amount of requested funding to be debited against each beneficiary's allocation (5.2.13). [Attach only if this is a joint application involving multiple beneficiaries.]

CERTIFICATIONS

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

1. This application is submitted on behalf of Beneficiary State of Ohio, 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: 11/22/22

Laurie A. Stevenson Laurie A. Stevenson, Director

[NAME]
[TITLE] Director

Ohio Environmental Protection Agency

[LEAD AGENCY]

for

State of Ohio

[BENEFICIARY]

Beneficiary Eligible Mitigation Action Certification
Supplemental Information (Attachments A, B, C and D)
Beneficiary: State of Ohio
Lead Agency: Ohio Environmental Protection Agency
In support of November 2022 Modification to Funding Request No. 1

ATTACHMENT A
Funding Request and Direction

Eligible Mitigation Action Type **Appendix D-2 item (specify): 2**
Class 4-8 School Bus, Shuttle Bus, or Transit Bus (Eligible Buses)

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

In public comments received during development of Ohio’s plan, the two most requested uses of the VW Mitigation funds were school bus replacements, followed by transit bus replacements. Ohio’s BMP filed May 31, 2018 allocates \$40 million to the replacement or repower of on-road diesel fleets, including specifically \$15,000,000 for school buses and \$15,000,000 for transit buses. Ohio’s BMP anticipated awarding competitive grants of \$5 million for school and \$5 million for transit buses in each of the first three years of the program (2018-2020), based on cost effectiveness of NOx emission reductions. ON 4/1/19, the Trustee approved the transfer of funds to Ohio for school and transit bus projects awarded funds in the first (2018) grant cycle. This request is to support school and transit bus projects awarded grants in 2019 and 2020 and now nearing completion. These projects will replace 271 old diesel buses operating in counties identified in Ohio’s BMP as priority for receiving funding, based on air quality, nonattainment of the national air quality standard for ozone, areas that have disproportionately borne the burden of diesel air pollution, and areas where VW vehicles equipped with illegal defeat devices were registered. Improving air quality in these is the overriding concern of Ohio EPA in prioritizing where funded Mitigation Actions should be located.

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

Ohio continues to emphasize the replacement of aging diesel school buses as a major focus for expenditure. School-age children are among the most vulnerable populations to the harmful pollutants in diesel exhaust, because children breathe at a faster rate than adults, and their lungs are still developing. Public transit systems support Ohio’s most vulnerable individuals by increasing access to health care, human services, job training and education, employment and quality of life. The transit systems in Ohio’s priority counties serve densely populated urban areas that have been disproportionately affected by the pollutants in diesel exhaust, including Cleveland, Columbus, and the Cincinnati-Dayton corridor.

In the competitive grant application cycles that closed August 2, 2019 and August 7, 2020, Ohio EPA used US EPA’s Diesel Emission Quantifier (DEQ) tool to select the most cost effective projects at reducing emissions from school and transit buses in Ohio’s priority counties. These awards total \$13,723,584.10 to permanently remove from service 271 model year 1991-2008 diesel school and transit buses and replace them with 36 propane, 16 CNG, 10 electric and 209 new diesel school and transit buses of model years 2018-2021. The DEQ estimate is that the school bus replacements will

reduce 18.209 annual tons of NOx, and the transit bus replacements will reduce another 10.755 annual tons of NOx. We also ran estimates for reductions of PM 2.5, Hydrocarbons and Carbon Monoxide. These estimates are based on proposed bus purchases at the time grant applications were submitted. Ohio EPA often approves substitution requests from grantees for some the old vehicles to be replaced or the new vehicles to be purchased. Because of these changes, Ohio EPA generates a DEQ annual and lifetime emission reduction estimate for NOx and the other parameters at the conclusion of each project, to better reflect the actual emission reductions achieved.

All new school and transit bus models proposed by Ohio grant applicants as replacements must have a Certificate of Conformity issued by U.S. EPA, or the equivalent Executive Order issued by the California Air Resources Board, certifying that the new engine meets federal emission standards for the applicable model year. To be eligible for funding, new school buses must also meet the Ohio Department of Education's Pupil Transportation Operation and Safety Rules, and the Ohio State Highway Patrol's Ohio School Bus Construction Standards, verified through annual inspections by the Patrol. To be eligible for funding, new transit buses must also meet the Federal Transit Administration's rules for safety, reliability, fuel economy and emissions ("Altoona Testing").

Contracts were executed with these grant recipients, and Ohio EPA is issued authorizations to initiate purchasing once recipients provided acceptable documentation that they are using a competitive procurement process. A few fleets requested to spread their purchases across two or three calendar years, for budgetary reasons. Ohio EPA issues grant contracts for 24-month or 36-month project periods, to accommodate these requests and anticipated time needed to complete competitive procurement and take delivery of new vehicles from bus manufacturers. We have also issued time extensions on many projects because of supply chain disruptions due to the COVID-19 pandemic, delaying delivery of new vehicles. Ohio EPA's administrative costs reflect many hours of personnel time assisting grant applicants in this EMA category, reviewing applications, preparing contracts, reviewing bid packages for competitive procurement, reviewing submitted invoices and old engine destruction documentation. We were not able to conduct site visits to observe engine destruction during the pandemic, but we are resuming site visits in 2022-2023.

Ohio's BMP designated a total of \$30 million (approximately 40% of its allocation) for school and transit bus replacements. Ohio's Beneficiary Mitigation Plan estimates our administrative costs at \$5.05 million, or 7% of the state's total allocation. This request includes \$960,650.89 (7% of \$13,723,584.10) for administrative costs, which will be itemized in the required semi-annual reports to the Trustee in terms of staff hours, equipment and travel costs incurred in reviewing applications for school and transit bus replacement projects and overseeing implementation of the selected school and transit bus projects.

Estimate of Anticipated NOx Reductions (5.2.3)

As noted above, Ohio EPA used the Diesel Emissions Quantifier tool to estimate that these combined school bus and transit bus replacements will mitigate 28.964 annual tons of NOx. Ohio EPA's final Diesel Emission Quantifier estimates for annual and lifetime emission reductions of NOx and the other pollutants will be included in reporting on completed projects.

Identification of Governmental Entity Responsible for Reviewing and Auditing Expenditure of Eligible Mitigation Action Funds to Ensure Compliance with Applicable Law (5.2.7.1)

The Ohio Environmental Protection Agency.

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

The Ohio Environmental Protection Agency, as the lead agency for the State of Ohio implementing the Beneficiary Mitigation Plan, is committed to maintaining and making publicly available all documentation submitted in support of the funding requests 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. Ohio EPA is subject to Ohio public records requirements in chapter 149 of the Ohio Revised Code, and also to requirements in Ohio Revised Code Section 125.112 that state agencies post all grant awards above \$25,000 on a public-facing website.

Ohio EPA has established a webpage on the VW Settlement and mitigation actions, VW Mitigation Grants | Ohio Environmental Protection Agency. This site includes Ohio's Beneficiary Mitigation Plan; public comments received during Plan development and Ohio EPA's response; the annual Request for Proposals, grant application guidelines, slides and recordings from webinars for prospective grant applicants; posted questions and answers compiled from email and telephone inquiries received by Ohio EPA during the grant application cycle; a rank ordering of applications received by cost effectiveness of the projected emission reductions; short descriptions of all projects selected for funding; and a chart of Ohio planned allocations by sector and amounts awarded. To facilitate public record and file review requests, Ohio EPA is preparing the selected grant applications for posting to the Agency's online searchable eDocument database at <https://epa.ohio.gov/dir/publicrecords#lt-112012639-edocument-search>.

During development of Ohio's draft Beneficiary Mitigation Plan in 2016, Ohio EPA issued news releases and sent an initial email announcement inviting comments to 20,355 addresses from all the Agency's mailing lists. From that effort, Ohio EPA developed and currently maintains an electronic listserv, open to the public, to communicate news, events, and information specifically about Mitigation Trust Fund and other diesel emission reduction grant application opportunities and awarded projects. The listserv currently includes contact information for more than 4,300 individuals. Ohio EPA issues news releases and emails announcing each new application cycle, and each new set of grant awards from Ohio's Mitigation Trust Fund. This information is also shared through partner organizations such as the Ohio School Boards Association, Ohio Public Transit Association, regional planning agencies, Clean Fuels Ohio (Ohio's US DOE Clean Cities affiliate), the Midwest Clean Diesel Initiative coordinated by US EPA Region 5 in Chicago, and the national VW Settlement Clearinghouse and VW Settlement state and local programs website maintained by NASEO and NACAA.

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

Ohio Environmental Mitigation Funds will provide up to 75% for replacement of a government-owned school bus, and up to 25% for replacement of a non-government owned school bus. Recipients provide the balance. The percentage and dollar amounts for each of the awarded school bus replacement projects are detailed on the list appended at the end of this document.

Ohio Environmental Mitigation Funds will provide up to 75% for replacement of a government-owned transit bus, and up to 25% for replacement of a non-government owned transit bus. Recipients provide the balance. The percentage and dollar amounts for each of the awarded transit bus replacement projects are detailed on the list appended at the end of this document.

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

On February 23, 2018, Ohio EPA provided notice, via letter and email, of availability of Mitigation Action Funds to all the parties named in 4.2.8, as well as the Wright-Patterson Air Force Base (WPAFB) Civil Engineer Group, the WPAFB Environmental Branch, both in Dayton, and the U.S. Army Corps of Engineers Great Lakes and Ohio River Division in Cincinnati. The notification to the U.S. Fish and Wildlife Service was copied to the Ottawa National Wildlife Refuge in Oak Harbor, Ohio. Notification to the U.S. Forest Service was copied to the Wayne National Forest headquarters in Nelsonville, Ohio. Notification to the National Park Service was copied to the Cuyahoga Valley National Park office in Brecksville, Ohio. The notice included a summary description of the Volkswagen Settlement including links to Appendix D-2 and Ohio's at-that-time Draft Beneficiary Mitigation Plan with a listing of Eligible Mitigation Actions, an explanation of how Ohio EPA would evaluate grant applications, and instructions to sign up for notification about implementation of Ohio's BMP, funding opportunities and application guidelines for the program in Ohio.

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

This program will reduce emission exposures of children riding on school buses, individuals riding on transit buses, as well as individuals who are themselves in the roadway travelling behind buses and individuals either living, working or simply occupying areas near public right of way where these buses operate. These buses are operating in ten Ohio counties that have all been designated as first priority for receiving Environmental Mitigation Funds based on the following considerations:

- air quality (Ohio counties of concern due to nonattainment of national air quality standards for ozone and PM_{2.5});
- historical levels of diesel emissions;
- the location of concentrated sources of air pollution such as distribution centers, multimodal centers, ports, rail and bus terminals and airports;
- the counties where the most VW vehicles equipped with defeat devices were registered in Ohio; and
- county overlays using U.S. EPA's *EJScreen: Environmental Justice Screening and Mapping Tool*.

ATTACHMENT B
Eligible Mitigation Action Management Plan, Including Detailed Budget and Implementation and Expenditures Timeline (5.2.4)

Project Management Plan
Project Schedule and Milestones

Milestone	Date
2019 Request for Proposals opens	CY 2019 Q2
2019 new grant awards announced for school and transit bus replacement	CY 2019 Q4
Contracts are executed and authorizations to proceed with competitive procurement issued to 2019 grant recipients	CY 2020 Q1-3
2020 Request for Proposals opens	CY 2020 Q2
2020 New grant awards announced for school and transit bus replacements	CY 2020 Q4
Contracts are executed and authorizations to proceed with competitive procurement issued to 2020 grant recipients	CY2020 Q1-3
<i>Note significant delays in ordering and delivery of new buses due to supply chain disruptions during the COVID-19 pandemic. New bus deliveries resume in 2021 but delays have continued throughout 2022 and many grantees are spreading purchases across several years.</i>	CY 2020 CY 2021
2019 and 2020 grant recipients submit evidence of old bus engine scrapping, invoices and documents required for reimbursement	CY 2021 Q2-4 CY 2022 Q1-4 CY2023 Q1-4
Ohio EPA reviews, requests corrections if necessary, certifies project completion, provides reimbursement for 2019-2020 grant recipients. In-person site visits to observe some projects resume in 2021.	CY 2021 Q3-4 CY 2022 Q1-4 CY2023 Q1-4 CY2024 Q1-4
Ohio EPA reports to Trustee on status of and expenditures with Mitigation Actions completed and underway	Within 6 months of first disbursement; January 30 and July 30 thereafter

PROJECT BUDGET

Period of Performance for these 37 grant recipients: January 2020 – December 2024			
Budget Category	Total Approved Budget	Share of Total Budget to be Funded by the Trust	Cost Share, Paid by Bus Owners
Equipment Expenditure			
School Bus Black River LS (Second grant)	\$278,208	\$69,552 (25%)	\$208,656
School Bus Boardman LS	\$360,473	\$75,000 (20.8%)	\$285,473
School Bus Centerville CS	\$1,032,160	\$206,000 (20%)	\$826,160
School Bus Chagrin Falls EVS	\$247,500	\$61,875 (25%)	\$185,625
School Bus Crestwood LS	\$176,210	\$84,080 (48%)	\$92,130
School Bus Deer Park	\$314,996	\$78,749 (25%)	\$236,247
School Bus Dublin CS	\$1,478,000	\$369,500 (25%)	\$1,108,500
School Bus East Cleveland CS	\$324,932	\$81,233 (25%)	\$243,699
School Bus Firelands LS	\$506,300	\$126,575 (25%)	\$379,725
School Bus James A. Garfield LS	\$177,100	\$50,000 (28.2%)	\$127,100
School Bus Manchester LS	\$189,036	\$47,259 (25%)	\$141,777
School Bus Mason CS	\$2,220,500	\$488,510 (22%)	\$1,731,990
School Bus Ross LS	\$288,264	\$66,300 (23%)	\$221,964
School Bus Southwest LS	\$389,552	\$97,373 (25%)	\$292,179
School Bus Springboro CS	\$384,172	\$153,669 (40%)	\$230,503
School Bus Stark County Educational Service Ctr	\$4,057,952	\$1,999,936 (49.3%)	\$2,058,016
School Bus Toledo PS	\$577,590	\$144,255 (23%)	\$433,335
School Bus Westerville CS	\$536,137	\$99,737 VW (plus \$27,563 DERA) for 23% of total project cost	\$436,400
School Bus 908 Equipment	\$338,572	\$84,643 (25%)	\$253,929
School Bus Benton-Carroll-Salem LS	\$200,000	\$50,000 (25%)	\$150,000
School Bus Centerville CS (second grant)	\$801,500	\$200,500 (25%)	\$601,000
School Bus New Albany Plain LS	516,444	\$129,111 (25%)	\$387,333

School Bus Newark CS	\$508,836	\$178,092.60 (35%)	\$330,743.40
School Bus Olmsted Falls BOE	\$184,386	\$92,193 (50%)	\$92,193
School Bus Riverside LS	\$857,740	\$200,000 (\$23%)	\$657,740
School Bus Shaker Heights CS	\$193,618	\$50,000 (25.8%)	\$143,618
School Bus South-Western CS	\$2,305,825	\$518,811 (22.5%)	\$1,787,014
School Bus Sycamore CS	\$340,048	\$85,012 (25%)	\$255,036
School Bus Youngstown CS	\$1,794,008	\$387,075 (24.8%)	\$1,406,933
Transit Greater Dayton RTA	\$3,904,120	\$947,217.50 (23.8%) (\$960,000 less \$12,782.50 scrap value received)	\$2,956,902.50
Transit LAKETRAN	\$5,034,000	\$1,575,000 (31.3%)	\$3,459,000
Transit METRO RTA	\$1,920,000	\$590,500 (30.8%)	\$1,329,500
Transit Ottawa County	\$129,042	\$83,877 (65%)	\$45,165
Transit Toledo Area RTA	\$482,410	\$361,807 (75%)	\$120,603
Transit Greater Cleveland RTA (second grant)	\$3,138,000	\$2,000,000 (63.7%)	\$1,138,000
Transit Ohio State University	\$2,324,952	\$697,485 (30%)	\$1,627,467
Transit Southwest Ohio RTA	\$7,951,007	\$1,192,657 (15%)	\$6,758,350
Contractor Support	\$0	\$0	\$0
Subrecipient Support	\$0	\$0	\$0
Administrative ¹	\$960,650.89	\$960,650.89	\$0
Project Totals	\$47,424,240.89	\$14,684,234.99	\$32,740,005.90
Percentage	100%	31%	69%

¹Subject to Appendix D-2 15% administrative cap. Ohio BMP caps administrative at 7%.

PROJECTED TRUST ALLOCATIONS

	2022	2023	2024
1. Anticipated Annual Project Funding Request to be paid through the Trust	\$14,684,234.99 for school and transit buses	\$14,768,735 (\$5,000,000 switcher locomotives, \$6,058,280 port cargo/GSE, \$3,710,455 trucks), plus \$1,033,811.45 (7% admin) for a total of \$15,802,546.45	\$10,345,000 (\$3,400,000 school buses plus \$6,945,000 other TBA after plan amendment) plus \$724,150 (7% admin) for a total of \$11,069,150.00
2. Anticipated Annual Cost Share	\$32,740,005.90	\$15,000,000	\$12,000,000
3. Anticipated Total Project Funding by Year (line 1 plus line 2)	\$47,424,240.89	\$30,802,546.45	\$23,069,150
4. Cumulative Trustee Payments Made to Date Against Cumulative Approved Beneficiary Allocation	\$33,691,960.00	\$48,376,194.99	\$64,178,741.44
5. Current Beneficiary Project Funding to be paid through the Trust (line 1)	\$14,684,234.99	\$15,802,546.45	\$11,069,150.00
6. Total Funding Allocated to Beneficiary, including of Current Action by Year (line 4 plus line 5)	\$48,376,194.99	\$64,178,741.44	\$75,247,891.44
7. Beneficiary Share of Estimated Funds Remaining in Trust	\$41,610,562.67	\$26,926,327.68	\$11,123,781.23
8. Net Beneficiary Funds Remaining in Trust, net of cumulative Beneficiary Actions (line 7 minus line 6 5)	\$26,926,327.68	\$11,123,781.23	\$54,631.23

ATTACHMENT C

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

The Ohio Environmental Protection Agency will provide detailed reporting on this Category 2 school and transit bus replacement project in two ways:

- (1) Timely updates to Ohio EPA's Volkswagen Mitigation Grant webpage, <https://epa.ohio.gov/oee/#131365122-vw-mitigation-grants>; and
- (2) Ohio's semiannual reporting obligation to Wilmington Trust (the "Trustee").

Ohio EPA maintains a VW Environmental Mitigation Trust specific webpage that has been designed to support public access and limit burden for the public. The Agency is committed to maintaining and making publicly available all documentation submitted in support of the funding requests 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. Ohio EPA is subject to Ohio public records requirements in chapter 149 of the Ohio Revised Code, and also to requirements in Ohio Revised Code Section 125.112 that state agencies post all grant awards above \$25,000 on a public-facing website. These laws outline best practices for public access to records, and exemptions in the case of confidential business information and personally identifiable information meeting exemption criteria under the Ohio Public Records Law.

None of the information requested or received by Ohio EPA in the 2018 Mitigation Trust Fund grant cycle met the criteria under Ohio law for a trade secret exemption. To the limited extent information is submitted to Ohio EPA that meets exemption criteria under Ohio public records law, Ohio EPA will maintain that information as confidential.

To facilitate public record and file review requests, Ohio EPA is preparing the selected grant applications for posting to the Agency's online searchable eDocument database at <https://epa.ohio.gov/dir/publicrecords#lt-112012639-edocument-search>. All documentation submitted by grant recipients in support of the funding requests and all records supporting all expenditures of Eligible Mitigation Action funds will be posted to this searchable eDocument database, subject to applicable laws governing the publication of confidential business information and personally identifiable information. Records will be retained until the termination date of the Environmental Mitigation Fund or by retention schedules determined by the State Records Program under Ohio Revised Code section 149.333, whichever is longer.

Subparagraph 5.3 of the Environmental Mitigation Trust Agreement for State Beneficiaries details Ohio's reporting obligations:

"For each Eligible Mitigation Action, no later than six months after receiving its first disbursement of Trust Assets, and thereafter no later than January 30 (for the preceding six-month period of July 1 to December 31) and July 30 (for the preceding six-month period of January 1 to June 30) of each year, each Beneficiary shall submit to the Trustee a semiannual report describing the progress implementing each Eligible Mitigation Action during the six-month period leading up to the reporting date (including a summary of all costs expended on the Eligible Mitigation Action through the reporting date.) Such reports shall include a complete description of the status (including actual or projected termination date), development,

implementation, and any modification of each approved Eligible Mitigation Action. Beneficiaries may group multiple Eligible Mitigation Actions and multiple sub-beneficiaries into a single report. These reports shall be signed by an official with the authority to submit the report for the Beneficiary and must contain an attestation that the information is true and correct and that the submission is made under penalty of perjury. 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. The Trustee shall post each semiannual report on the State Trust's public-facing website upon receipt."

Ohio EPA shall, in the next semiannual report following the Trustee's approval of this request, describe the progress implementing this Eligible Mitigation Action that will include a summary of all costs expended on the Eligible Mitigation Action through the reporting date. The report will also include a complete description of the status, development, implementation (including project schedule and milestone updates), and any modification to this Eligible Mitigation Action.

ATTACHMENT D

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

School Bus Replacement Projects

Grant Applicant	New Bus Fuel Type	Number of Buses	Quoted New Per Bus Cost	Awarded New Per Bus Cost and %
Black River LS V20F-001 (2 nd grant)	Diesel	3	\$96,821	\$23,184 (25%)
Boardman LS V20F-002	Diesel	4	\$90,118	18,750 (20.8%)
Centerville CS V20F-003	Diesel	10	\$103,216	\$20,600 (20%)
Chagrin Fall EVS V20F-004	Diesel	3	\$82,500	20,625 (25%)
Crestwood LS V20F-006	Diesel	2	\$88,905	\$42,290 and 41,790 (48%)
Deer Park Comm SD V20F-007	Diesel	3	\$105,811	\$26,250 (25%)
Dublin CS V20F-008	6 CNG, 8 Diesel	14	\$127,000 CNG and \$89,500 diesel	\$31,750 CNG and \$22,375 diesel (25%)
East Cleveland CS V20F-009	Diesel	4	\$82,000	\$20,308 (25%)
Firelands LS V20F-010	Diesel	6	\$86,278	\$21,569 (25%)
James A Garfield LS V20F-011	Diesel	2	\$88,550	\$25,000 (28.2%)
Manchester LS V20F-012	Diesel	2	\$100,206.50	\$25,052 (25%)
Mason CS V20F-013	Diesel	22	\$100,023	\$25,006 (25%)
Ross LS V20F-014	Diesel	3	\$96,088	\$22,100 (23%)
Southwest Local Schools (Butler/Hamilton) V20F-015	Diesel	4	\$99,773	\$24,943 (25%)
Springboro CCSD V20F-016	Diesel	4	\$96,043	38,417 (40%)
Stark County Educational Service Center (multiple districts) V20F-017	39 Diesel, 6 Propane	45	\$89,159 diesel and \$96,794 propane	\$43,947 diesel and 47,667 propane (49.3%)
Triway Local Schools DERA20F-044	Propane	4	\$86,900	\$21,725 (25%)
Westerville CS V20F-045 DERA	Propane	6	\$84,867	\$21,217 (25%)
Toledo PS V20F-046 DERA	Propane	6	\$96,170	\$24,043 (25%)
908 Equipment LLC V21F-001	Diesel	4	\$84,643	\$21,161 (25%)
Benton-Carroll-Salem LS V21F-002	Diesel	2	\$100,000	\$25,000 (25%)

Centerville CS V21F-003 (2 nd grant)	Diesel	8	100,188	\$25,063 (25%)
New Albany Plain LS V21F-004	Diesel	6	\$85,074	\$21,519 (25%)
Newark CS V21F-005	Diesel	6	\$89,800	\$31,430 (35%)
Olmsted Falls BOE V21F-006	Diesel	2	\$94,776	\$47,389 (50%)
Riverside LS V21F-007	Diesel	10	\$85,424	\$20,000 (23.4%)
Shaker Heights CS V21F-009	Diesel	2	\$96,809	\$25,000 (25.8%)
South-Western CS (Franklin) V21F-009	Diesel	23	\$100,295	\$22,566 (22.5%)
Sycamore Comm SD V21F-010	Diesel	4	\$85,012	\$21,253 (25%)
Youngstown CS V21F-011	Propane	17	\$105,529	\$26,176 (24.8%)

Grant applicants included quotes from school bus vendors or state term competitive procurement contracts in the state of Ohio for prospective costs to purchase new school buses by fuel and bus type, generally for 48 passenger Type C or D buses, and for some special needs buses with wheelchair lifts. Ohio chose to fund between 20% and 75% of the new school bus cost, as requested by the applicant and depending on the eligibility of the applicant as a government-owned (25-75%) or non-government-owned (up to 25%) fleet. These price quotes ran to several hundred pages. Ohio EPA is working to post them to the Agency's online searchable eDocument database at [eDocument Search | Ohio Environmental Protection Agency](#).

Transit Bus Replacement Projects

Grant Applicant	New Bus Fuel Type	Number of Buses	Quoted New Bus Cost	Awarded New Bus Cost and %
Greater Dayton RTA V20F-018	Diesel	8	\$503,337.00	\$120,000.00 (23.8%)
LAKETRAN V20F-019	Electric	6	\$839,000.00	\$262,500.00 (31.3%)
METRO RTA (Summit) V20F-020	Electric	2	\$960,000.00	\$295,250.00 (30.8%)
Ottawa County Transit Board V20F-021	Propane	1	\$129,042.00	\$83,877.00 (65%)

Toledo Area RTA V20F-022	Electric	2	\$241,205.00	\$180,903.50 (75%)
Greater Cleveland RTA V21F-012	CNG	6	\$523,000.00	\$333,333.33 (63.7%)
The Ohio State University V21F-013	CNG	4	\$581,238.00	\$174,371.25 (30%)
Southwest Ohio Regional Transit Authority	Diesel	15	\$530,067.13	\$79,510.47 (15%)

Grant applicants included quotes from bus vendors or from state and local government cooperative purchasing agreements in the state of Ohio for prospective costs to purchase new buses by fuel and vehicle type. Because of the number of pages, these price quotes are not included in this request, but Ohio EPA is working to post them with each selected grant application to the Agency's online searchable eDocument database at <https://epa.ohio.gov/dir/publicrecords#lt-112012639-edocument-search>.

Ohio Diesel Mitigation Trust Fund 2019-2020 Grant Awards for School and Transit Buses

In 2019 and 2020, Ohio EPA awarded a total of \$13,723,584.10 to replace 271 old diesel school and transit buses

\$4,299,603 Awarded in 2019 for School Bus Replacement Projects

These 18 grants will replace 143 old diesel school buses, with 18 propane, 6 compressed natural gas and 119 new diesel school buses.

Black River Local Schools, Medina and Lorain Counties, \$69,552 for 25% of the cost to replace three model year 2002-2003 diesel powered school buses with three model year 2021 new diesel powered school buses, #V20F-001. Contact: Chris Clark, cclark@blrvv.org or (419) 736-3300. *Note this is Black River's second grant from this program.*

Boardman Local Schools, Mahoning County, \$75,000 for 20.8% of the cost to replace four model year 2004-2006 diesel powered school bus with four model year 2020 new diesel powered school bus, #V20F-002. Contact: Ryan Dunn, ryan.dunn@boardmanschools.org or (330) 726-3409.

Centerville City Schools, Montgomery County, \$206,000 for 20% of the cost to replace 10 model year 2005-2007 diesel powered school buses with 10 model year 2021 new diesel powered school buses, #V20F-003. Contact: Andrew Grasty, andrew.grasty@centerville.k12.oh.us or (937) 885-7776.

Chagrin Falls Exempted Village School District, Geauga and Cuyahoga Counties, \$61,875 for 25% of the cost to replace 3 model year 2004-2007 diesel powered school buses with 3 model year 2020 new diesel powered school buses, #V20F-004. Contact: Michael Morgan, mike.morgan@chagrinschools.org or (440) 893-4055.

Crestwood Local School District, Portage County, \$84,080 for 48% of the cost to replace two model year 2001 and 2003 diesel powered school buses with two model year 2020 new diesel powered school buses, #V20F-006. Contact: Sharon Dove, sdove@crestwoodschools.org or (330) 357-8207.

Deer Park Community School District, Hamilton County, \$78,749 for 25% of the cost to replace three model year 2000-2007 diesel powered school buses with three model year 2019 new diesel powered school buses, #V20F-007. Contact: Jeff Lewis, lewis.j@dpcscsd.org or (513) 936-5933.

Dublin City Schools, Franklin County, \$369,500 for 25% of the cost to replace 14 model year 2006-2007 diesel powered school buses with 6 model year 2020 CNG powered school buses and 8 model year 2020 new diesel powered school buses, #V20F-008. Contact: Amy Salay, salay_amy@dublinschools.net or (614) 760-4504.

East Cleveland City Schools, Cuyahoga County, \$81,233 for 25% of the cost to replace 4 model year 1998-2000 diesel powered school buses with 4 model year 2020 new diesel powered school buses, #V20F-009. Contact: Alan Wolf, awolf@eastclevelandschools.org or (216) 268-6586.

Firelands Local Schools, Lorain County, \$126,575 for 25% of the cost to replace 6 model year 2005-2008 diesel powered school buses with 6 model year 2020 new diesel powered school buses, #V20F-010. Contact: Milton Saylor, msaylor@firelandsschools.org or (440) 965-4105.

James A Garfield Local Schools, Portage County, \$50,000 for 28.2% of the cost to replace two model year 1999 and 2003 diesel powered school buses with two model year 2019 new diesel powered school buses, #V20F-011. Contact: Ted Lysiak, tlysiak@jagschools.org or (330) 527-4336.

Manchester Local Schools, Summit County, \$47,259 for 25% of the cost to replace two model year 2000 and 2006 diesel powered school buses with two model year 2020 new diesel powered school buses, #V20F-012. Contact: James Robinson, james.robinson@manchester-panthers.org or (330) 882-6926.

Mason City Schools, Warren County, \$488,510 for 22% of the cost to replace 22 model year 2005-2006 diesel powered school buses with 22 model year 2021-2023 new diesel powered school buses, #V20F-013. Contact: Carolyn Thornton, thornton@masonohioschools.com or (513) 398-6682.

Ross Local Schools, Butler County, \$66,300 for 23% of the cost to replace 3 model year 2000-2003 diesel powered school buses with 3 model year 2019 new diesel powered school buses, #V20F-014. Contact: Peggy Lehmann, peggy.lehmann@rossrams.com or (513) 738-2900.

Southwest Local Schools, Butler and Hamilton Counties, \$97,373 for 25% of the cost to replace 4 model year 1996-2008 diesel powered school buses with 4 model year 2020 new diesel powered school buses, #V20F-015. Contact: Adam Lohbeck, adam.lohbeck@southwestschools.org or (513) 738-2900.

Springboro Community City School District, Montgomery and Warren Counties, \$153,669 for 40% of the cost to replace 4 model year 2000-2001 diesel powered school buses with 4 model year 2019 new diesel powered school buses, #V20F-016 Contact: Terrah Floyd, tfloyd@springboro.org or (937) 748-3960.

Stark County Educational Service Center, on behalf of multiple school districts in Stark and Tuscarawas Counties, \$1,999,936 for 49.3% of the cost to replace 45 model year 1998-2009 diesel powered school buses with 39 model year 2019-2021 new diesel powered school buses and 6 model year 2021 propane school buses, #V20F-017. Contact: Douglas Neading, d.neading@svlocal.org or (330) 209-8507.

Toledo Public Schools, Lucas County, \$144,255 for 23% of the cost to replace 6 model year 2002-2009 diesel school buses with 6 model year 2020 propane school buses, #V20F-046. Contact Mike Baldwin, dbaldwin@tps.org or (419) 671-8546.

Westerville City Schools, Franklin County, \$99,737 from Ohio's VW allocation (supported with \$27,563 in federal funds from a US EPA DERA grant to Ohio EPA) for 23% of the cost to replace 6 model year 2006-2009 diesel school buses with 6 model year 2022 propane school buses, #V20F-045. Contact Shawn Dawson, DawsonS@westerville.k12.oh.us or 614-797-5957.

\$1,975,437.60 Awarded in 2020 for School Bus Replacement Projects

These eleven grants will replace 84 old school buses, with 17 propane and 67 new diesel.

908 Equipment, LLC, Cuyahoga County, \$84,643 for 25% of the cost to replace 4 model year 2005 diesel powered school buses with 4 new diesel powered school buses, #V21F-001. Contact: Matthew Thomas, mthomas@com-bus.com or 216-538-7009.

Benton-Carroll-Salem Local Schools, Ottawa County, \$50,000 for 25% of the cost to replace 2 model year 2008 and 2009 diesel powered school buses with 2 new diesel powered school buses, #V21F-002. Contact: Jeannie Behnken, jbehnken@bcssd.com or 419-898-6214.

Centerville City Schools, Montgomery County, \$200,500 for 25% of the cost to replace 8 model year 2006 diesel powered school buses with 8 new diesel powered school buses, #V21F-003. Contact: Andrew Grasty, andrew.grasty@centerville.k12.oh.us or 937-885-7776.

New Albany Plain Local School District, Franklin County, \$129,111 for 25% of the cost to replace 6 model year 2005-2007 diesel powered school buses with 6 new diesel powered school buses, #V21F-004. Contact: Sabrina Lycans, lycans.1@napls.us or 614-855-2033.

Newark City Schools, Delaware, Fairfield, Franklin, and Licking Counties, \$178,092.60 for 35% of the cost to replace 6 model year 2001-2005 diesel powered school buses with 6 new diesel powered school buses, #V21F-005. Contact: Mark Shively, mshively@newarkschools.us or 740-670-7046.

Olmsted Falls Board of Education, Cuyahoga and Lorain Counties, \$92,193 for 50% of the cost to replace 2 model year 2002 and 2004 diesel powered school buses with 2 new diesel powered school buses, #V21F-006. Contact: Heath Krakowiak, hkrakowiak@ofcs.net or 440-427-6350.

Riverside Local School District, Geauga and Lake Counties, \$200,000 for 23.4% of the cost to replace 10 model year 2001-2006 diesel powered school buses with 10 new diesel powered school buses, #V21F-007. Contact: Gary Platko, gary.platko@riversideschools.net or 440-358-8902.

Shaker Heights City School District, Cuyahoga County, \$50,000 for 25.8% of the cost to replace 2 model year 2009 diesel powered school buses with 2 new diesel powered school buses, #V21F-008. Contact: Jim Sullivan, sullivan_j@shaker.org or 216-295-4392.

South-Western City School District, Franklin County, \$518,811 for 22.5% of the cost to replace 23 model year 2003-2005 diesel powered school buses with 23 new diesel powered school buses, #V21F-009. Contact: Monte Detterman, monte.detterman@swcsd.us or 614-801-3062.

Sycamore Community Schools, Hamilton County, \$85,012 for 25% of the cost to replace 4 model year 2005 diesel powered school buses with 4 new diesel powered school buses, #V21F-010. Contact: Michael Miller, millermi@sycamoreschools.org or 513-686-1785.

Youngstown City Schools, Mahoning County, \$387,075 for 24.8% of the cost to replace 17 model year 2004-2007 diesel powered school buses with 17 new propane powered school buses, #V21F-011. Contact: Colin Bittner, cbittner@guaranteedcleanenergy.com or 814-657-5964.

\$3,558,401.50 Awarded in 2019 for Transit Bus Replacement Projects

These 5 grants will replace 19 old transit buses with 1 propane, 10 electric and 8 new diesel transit buses.

Greater Dayton Regional Transit Authority, Montgomery County, \$947,217.50 for 23.8% of the cost to replace 8 model year 2009 diesel powered transit buses with 8 model year 2020 new diesel powered transit buses, #V20F-018. Contact: Robert Ruzinsky, bruzinsky@greaterdaytonrta.org or (937) 425-8360.

Laketran, Lake County, \$1,575,000 for 31.3% of the cost to replace six model year 2009 diesel powered transit buses with six model year 2021 all-electric transit buses, #V20F-019. Contact: Andrea Aaby, aaaby@laketran.com or (440) 350-1022.

METRO Regional Transit Authority, Summit County, \$590,500 for 30.8% of the cost to replace two model year 2009 diesel powered transit buses with two model year 2021 all-electric transit buses, #V20F-020. Contact: Matthew Mullen, matthew.mullen@akronmetro.org or (330) 564-2222.

Ottawa County Transit Board, Erie, Ottawa, and Sandusky Counties, \$83,877 for 65% of the cost to replace one model year 2009 diesel powered transit buses with one model year 2019 propane powered transit bus, #V20F-021. Contact: Laurie Cleaver, lcleaver@octapublictransit.org or (567) 262-3161.

Toledo Area Regional Transit Authority, Lucas County, \$361,807 for 75% of the cost to replace two model year 2008 and 2009 diesel powered transit buses with two model year 2019 electric powered transit buses, #V20F-022. Contact: Sean Smith, ssmith@tarta.com or (419) 245-5217.

\$3,890,142 Awarded in 2020 for Transit Bus Replacement Projects.

These grants will replace 25 old transit buses, with 15 new diesel and 10 CNG.

Greater Cleveland Regional Transit Authority (GCRTA), Cuyahoga County, \$2,000,000 for 63.7% of the cost to replace 6 model year 2001 diesel powered transit buses with 6 new CNG powered transit buses, #V21F-012. Contact: Mary Flannery, mflannery@gcrtcra.org or 216-356-3177.

Ohio State University, Franklin County, \$697,485 for 30% of the cost to replace 4 model year 2003 and 2005 diesel powered transit buses with 4 new CNG powered transit buses, #V21F-013. Contact: John Marlow, marlow.25@osu.edu or 614-247-7808.

Southwest Ohio Regional Transit Authority, Butler, Clermont, Hamilton, and Warren Counties, \$1,192,657 for 15% of the cost to replace 15 model year 2006-2009 diesel powered transit buses with 15 new diesel powered transit buses, #V21F-014. Contact: Mary Huller, mhuller@go-metro.com or 513-632-7533.

ATTACHMENT E: DERA OPTION APPROVED WORKPLAN

2020 Diesel Emissions Reduction Act (DERA) State Grants

Ohio Work Plan and Budget Narrative, June 9, 2020 Update

INSTRUCTIONS: States and territories applying for 2020 DERA State Grant funds must use this template to prepare their Work Plan and Budget Narrative.

Please refer to the 2019-2020 DERA State Grants Program Guide full program details, eligibility criteria and funding restrictions, and application instructions.

SUMMARY PAGE

Project Title: Ohio State Clean Diesel Rebate Program 2020

Project Manager and Contact Information

Organization Name: Ohio Environmental Protection Agency

Project Manager: Carolyn Watkins

Mailing Address: PO Box 1049, Columbus, OH 43216-1049

Phone: 614-644-3768 or 614-378-8688 while state employees are working from home

Fax: 614-752-0727

Email: carolyn.watkins@epa.ohio.gov

Project Budget Overview:

	2019*	2020
EPA Base Allocation	\$331,920	\$364,960
EPA Match Bonus (if applicable)	\$165,960	\$182,480
State or Territory Voluntary Matching Funds (if applicable)	\$331,920	\$368,867
Mandatory Cost-Share	\$1,820,790	\$1,979,187
TOTAL Project Cost	\$2,649,134.50	\$2,895,494

*If state participated in 2019

Project Period

October 1, 2019 – September 30, 2022

Summary Statement

Ohio EPA proposes to use FFY 2020 DERA funds and VW matching funds to pay 45% of the cost (\$432,977) to replace one diesel transit bus with a new all-electric zero emission transit bus, and 25% of the cost (\$124,875) to replace three heavy duty road maintenance trucks with new clean diesel trucks. The remaining funds will be used to pay three Ohio school districts 25% of the cost to replace a total of sixteen eligible diesel school buses with new propane school buses.

STATE/TERRITORY GOALS AND PRIORITIES:

Based upon the 2014 National Emissions Inventory, the diesel fleet in Ohio contributes 7,268 tons of PM_{2.5} emissions annually, of which 603 tons originate in Franklin County, which is where the new electric transit bus proposed for funding will operate. The new diesel trucks will operate in Fairfield County and the new school buses will operate in Franklin, Lucas and Wayne Counties. Statewide, non-road diesel equipment accounts for 2,962 tons, on-road diesel heavy duty vehicles account for 3,043 tons, on-road diesel light duty vehicles account for 119 tons, commercial marine vessels account for 41 tons, locomotives account for 1,103 tons, and aircraft account for 245 tons. In Franklin County, non-road diesel equipment accounts for 250 tons, on-road diesel heavy duty vehicles account for 296 tons, on-road diesel light duty vehicles account for 8 tons, commercial marine vessels account for 0 tons, locomotives account for 22 tons, and aircraft account for 27 tons. Please note this does not include emissions from point sources (operations at individual facilities). Data for marine vessels, locomotives and aircraft includes all types of fuels although it is expected that the majority of those are diesel.

While the PM_{2.5} air quality in Ohio continues to improve from historical levels, areas of Ohio continue to struggle in meeting health-based air quality standards as USEPA continues to lower those standards. Currently Ohio is not meeting the PM_{2.5} annual standard in Cuyahoga and Lorain Counties. PM_{2.5} levels tend to be highest in the urban and industrialized areas of Columbus, Cincinnati, and Cleveland, along with the counties surrounding those areas.

While the ozone air quality in Ohio continues to improve from historical levels, areas of Ohio continue to struggle in meeting health-based air quality standards as US EPA continues to lower those standards. NO_x emissions contribute to the formation of ozone. On April 30, 2018, U.S. EPA designated fifteen Ohio counties as nonattainment for the 2015 eight-hour ozone standard. As a result, additional strategies will be necessary to achieve further emission reductions in these counties. Ohio EPA designated these counties as First Priority for eligible mitigation actions to be funded from Ohio's allocation under the Volkswagen settlement, in the state's [Beneficiary Mitigation Plan](#) that was submitted to the VW Trustee 5/31/18. Ozone levels tend to be highest in the urban and industrialized areas of Columbus, Cincinnati, and Cleveland, and their surrounding counties. On July 3, 2019, US EPA proposed to find that the Columbus, Ohio area is attaining the 2015 ozone National Ambient Air Quality Standard (NAAQS) and to redesignate the central Ohio counties to attainment. However, Ohio EPA is continuing efforts to reduce diesel emissions in these counties, to help maintain compliance with the standard.

For the past 16 years, Ohio EPA has coordinated more than \$104 million in funding to support 383 projects to reduce diesel emissions from mobile sources, using a combination of state civil penalties, DERA and ARRA grants from US EPA, Congestion Mitigation and Air Quality (CMAQ) funding from the Federal Highway Administration, and most recently, Ohio's allocation from the Volkswagen Mitigation Trust Fund. The projects proposed in this workplan, to replace aging diesel transit buses, heavy duty trucks and school buses builds upon that experience, including the significant emission reductions achieved with previous [VW-funded grants](#) to two of the proposed subrecipients (Central Ohio Transit Authority and Fairfield County Engineer). The three proposed school district subrecipients (Toledo Public Schools,

Triway Local Schools, and Westerville City Schools) have experience replacing aging diesel school buses with propane buses using funds from Ohio's state-funded [Alternative Fuel Vehicle \(AFV\) grant program](#).

Ohio supports a network of 27 urban and 34 rural transit systems designed to meet the mobility needs of local communities. Public transit systems support Ohio's most vulnerable individuals by increasing access to health care, human services, job training and education, employment and quality of life. The Ohio Department of Transportation's [2015 Ohio Statewide Transit Needs Study](#) examined existing transit services, Ohio's demographics and travel trends to determine how to best stretch limited dollars while meeting the demands of Ohio's riders today and in the future. The Study identified a \$273 million backlog of capital vehicle replacement needed just to bring Ohio's transit fleet to a state of good repair. In addition to the growing backlog, the Study identified an additional \$192 million needed to purchase vehicles and infrastructure necessary to support transit service to better meet the unmet need across Ohio.

In 2005, Ohio EPA Director Joe Koncelik received approval from the Ohio General Assembly to create the Ohio Clean Diesel School Bus Fund, earmarking a portion of state civil penalties to protect young children, the population segment most vulnerable to adverse health effects from the harmful pollutants in diesel exhaust. According to US EPA, 24 million American children ride a school bus every day, spending an average of 90 minutes each weekday in a school bus. According to the Ohio Department of Education, 1.3 million children in Ohio ride school buses.

That decision to focus our efforts on children riding school buses has been reaffirmed by three subsequent Ohio EPA directors and recognized with 2008 Leadership Awards from the Midwest Clean Diesel Initiative to both Joe Koncelik and Ohio EPA. Over the past decade, Ohio EPA has directed \$5.85 million in state funds, augmented with \$4.05 million in DERA and ARRA state clean diesel allocation funds, to cleaning up aging diesel school buses. To date, we have awarded more than \$9.2 million in 216 grants to school districts and county developmental disability programs and one commercial provider of school bus services to Ohio school districts, to:

- retrofit emission controls such as diesel particulate filters, diesel oxidation catalysts, and closed crankcase filters onto 2,625 school buses;
- install direct-fired heaters onto 1,037 school buses to reduce engine idling and fuel consumption; and
- pay a portion of the engine component costs to replace 44 aging diesel buses with new clean diesel buses.

Ohio EPA used the Diesel Emissions Quantifier to estimate that these efforts have resulted in annual reductions of more than 117 tons of pollutants (PM 2.5, carbon monoxide, NOx and hydrocarbons). These benefits will continue to accrue as long as these school buses remain in service.

In recent years, Ohio EPA has pivoted to provide funding to retire and replace old diesel vehicles with new clean diesel and alternative fueled or zero emission vehicles, using CMAQ, DERA, and VW funds. Ohio EPA also encouraged Ohio entities to take advantage of other funding

opportunities to reduce diesel emissions, such as US EPA's DERA competitive grants, the Federal Transit Administration, the US Department of Energy's Clean Cities program and alternative fuel incentives, and occasional Supplemental Environmental Projects in enforcement cases.

Ohio EPA is currently distributing a one-time allocation of \$5 million in state funds for grants supporting a portion of the cost differential to replace heavy duty (class 7 and 8) diesel trucks and buses with those fueled with CNG, LNG or propane. This [Alternative Fuel Vehicle \(AFV\) Grant program](#) has awarded grants to pay a portion of the costs of 258 new heavy duty alternative fuel vehicles, including 76 propane school buses, 2 compressed natural gas (CNG) school buses, 44 CNG transit buses, 107 CNG refuse trucks, 1 propane refuse truck, 2 CNG tractor trucks, 18 liquid natural gas (LNG) tractor trucks and 8 CNG plow/dump trucks. These grants are supported with dollars from the Alternative Fuel Transportation Fund of the Ohio Developmental Services Agency. These grants leveraged more than \$57 million in new alternative fuel vehicle purchases.

Ohio EPA will continue to direct available CMAQ and DERA federal funds and dollars from the Volkswagen Mitigation Trust to support similar diesel emission reduction projects.

VEHICLES AND TECHNOLOGIES:

Ohio EPA proposes to spend \$432,977 of the available DERA funds to provide 45% of the cost to help the Central Ohio Transit Authority in Franklin County replace one model year 2008 forty foot low-floor diesel transit bus of 39,600 GVWR with one model year 2022 battery electric zero-emission transit bus of comparable size and GVWR.

We propose to award \$124,875 in VW funds to the Fairfield County Engineer to provide 25% of the cost to replace three class 8, model year 2002-2003 diesel plow/dump trucks of 39,000 GVWR with comparable sized new clean diesel trucks, to be used for road maintenance.

We propose to award \$127,300 (\$27,563 from DERA and \$99,737 from VW funds) to Westerville City Schools in Franklin County to provide 25% of the cost to replace 6 diesel school buses of model years 2006-2008 with new propane school buses. Partial engine data is provided, and the school district will provide the annual mileage figures Ohio EPA will need to estimate emission reduction benefits of this project.

We propose to award \$86,900 in DERA funds to Triway Local Schools (Wayne County) to provide 25% of the cost to replace four eligible model year diesel school buses with new propane school buses. Ohio EPA used the DEQ to estimate that this project will reduce 0.476 tons of NO_x, 0.039 tons of PM 2.5, 0.051 tons of HC, 0.020 tons of CO, 63.0 tons of CO₂ annually. This estimate may slightly underestimate reductions because of a possible error in the DEQ which is producing negative numbers for some parameters for the scenario of a 2007 diesel school bus replaced with propane. The error was reported to US EPA's DEQ team May 12, 2020 and this estimate will be re-run at the conclusion of the project.

We propose to award \$144,255 in VW funds to Toledo Public Schools (Lucas County) to provide 25% of the cost to replace six eligible model year diesel school buses with new propane

school buses. The School District is in the process of identifying the specific old buses to be replaced and will provide the engine data Ohio EPA will need to estimate emission reduction benefits of this project. The District must also secure permission to participate from their Treasurer and School Board. If this is not granted, Ohio EPA will offer the remaining available funds to other school districts that have indicated interest in replacing their old diesel buses with new propane buses.

Ohio EPA will use the Diesel Emission Quantifier (DEQ) tool to estimate the annual emission reductions to be achieved for the proposed projects, for NOx; PM_{2.5}; HC, and CO.

ROLES AND RESPONSIBILITIES:

After receiving approval from US EPA, Ohio EPA will award grant contracts to the proposed subrecipients, outlining their responsibilities consistent with DERA and VW funding requirements. Once the contracts have been signed and executed by both parties, Ohio EPA will approve competitive procurement procedures submitted by the subrecipients, and notify the subrecipients to initiate purchase of the replacement vehicles. Subrecipients will pay 100% of the cost of the new vehicles, provide proof of payment, and submit an invoice to Ohio EPA for the approved allowable costs of the new vehicles.

The proposed subrecipients are aware of, and will be contractually obligated to fulfill, a requirement to destroy the old diesel vehicles within 90 days of placing the new vehicles into service. Ohio EPA will not approve payments for new vehicles until the old vehicles have been properly decommissioned.

Ohio EPA requires quarterly expenditure and activity reports from subrecipients, and payments to subrecipients are strictly for reimbursement of eligible expenses based on Ohio EPA approval of submitted invoices. Subrecipients are contractually required to keep receipts and financial records for five years after concluding the grant and make those records available for inspection when requested. The contracts will also require that the replacement vehicles be kept in service in Ohio counties for a minimum of five years. Subrecipients may not make changes to equipment or timelines without prior written approval from Ohio EPA. Staff members from Ohio EPA's Office of Environmental Education (OEE) and/or Division of Air Pollution Control (DAPC) may also conduct site visits to observe destruction of old vehicles, verify receipt of new vehicles, or audit financial records.

TIMELINE AND MILESTONES:

Ohio EPA anticipates executing a contract with the proposed subrecipients within 30-60 days of receiving notification from US EPA of final workplan approval and authorization to proceed. We expect to review proposed competitive purchasing procedures and authorize the subrecipients by November 30, 2020 to initiate purchasing of the replacement vehicles. We expect that our subrecipients will all be able to take delivery of the new vehicles by September 30, 2022. Ohio EPA will inform USEPA of any delays, and if it becomes necessary, request a time extension for the affected projects.

DERA PROGRAMMATIC PRIORITIES:

By using the federal grant funds to replace aging diesel transit and school buses and trucks in urban areas with cleaner technology, this proposal will maximize the public health benefits of emission reductions for residents of communities that have disproportionately suffered from diesel emissions, by reducing their exposure to particulate matter, carbon monoxide, nitrogen oxides and hydrocarbons. Three of the five proposed projects are located in Fairfield and Franklin Counties, which are DERA 2020 priority counties for ozone. The two other proposed projects are operating school buses on daily routes in the urban core communities of Toledo and Wooster.

Two of the project proposals (COTA and Fairfield County Engineer) were reviewed in Ohio's 2019 VW application cycle, and ranked highly based on a formula that includes calculation of cost effectiveness in terms of the dollar cost per pound of PM_{2.5} and NO_x reductions that can be achieved, based on the type of engine, model year, miles traveled or hours of operation, and the emissions factors published in the US EPA- and CARB-issued engine conformity certificates. The three school bus projects are building on a successful track record of replacing diesel school buses with propane buses, with support from Ohio's Alternative Fuel Vehicle program.

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

This proposal supports "A Cleaner, Healthier Environment: Deliver a cleaner, safer, and healthier environment for all Americans and future generations by carrying out the Agency's core mission." Objective 1.1, "Improve Air Quality" of EPA's FY 2018-22 Strategic Plan. The proposed project will reduce emissions from diesel vehicles in a priority area, thereby reducing local and regional air pollution of criteria pollutants and air toxics.

Outputs: Ohio EPA will track the destruction of the engines of the replaced transit and school buses and trucks and verify that new zero-emission or lower emission transit buses and trucks are placed into service. Ohio EPA will use the Diesel Emissions Quantifier tool to estimate the annual pounds or tons of fine particulate matter (PM_{2.5}), nitrogen oxides and other pollutants reduced, and will calculate the project cost-effectiveness in dollars per pound of PM_{2.5} and NO_x emission reductions achieved. Ohio EPA will provide US EPA with a preliminary DEQ estimate once complete engine data is received from the proposed subrecipients. Specific emission reduction estimates for the projects will be revised in the final project report to reflect the vehicles actually purchased.

Outcomes: Short term outcomes include direct reductions in emissions from the replacement of an aging diesel transit bus with a new zero emission, all-electric bus, and replacing other aging diesel school buses and trucks with new lower-emission vehicles. These actions will have immediate public health benefits for the adults and children riding these buses and the residents of the local communities where the buses and trucks operate. Another will be the increased public awareness of the benefits of the clean diesel program, as Ohio EPA and the subrecipients publicize their efforts.

Medium-term outcomes include the widespread adoption of cleaner technology by diesel fleets in Ohio, and documented emission reductions estimated by Ohio EPA using the Diesel Emissions Quantifier tool.

Long-term outcomes include improved air quality in some of the state's urban areas that have struggled to meet and maintain PM_{2.5} and ozone standards for air quality. These actions will also contribute toward the ongoing Midwest Clean Diesel Initiative's efforts to reduce emissions from diesel engines in the Midwest through voluntary actions. What is learned from these diesel vehicle replacement projects is anticipated to help inform our efforts to encourage the more widespread adoption of low-emission and zero-emission technology by other targeted fleets, allowing continued expansion of Ohio's diesel emission reduction initiative.

SUSTAINABILITY OF THE PROGRAM:

Ohio EPA will continue its efforts to reduce diesel emissions from mobile sources, using a combination of state civil penalties, DERA grants from US EPA, Congestion Mitigation and Air Quality (CMAQ) funding from the Federal Highway Administration, and Ohio's allocation from the Volkswagen Mitigation Trust Fund. Results will be reported every quarter to US EPA and every six months to the VW Trustee, according to each program's requirements.

Ohio EPA issues a news release to major media outlets statewide each grant cycle, announcing the recipients and grant amounts awarded, and amount of pollution reduction that is anticipated to result. The news release is also sent to the subrecipients' local media outlets. Ohio EPA will publicize the program through its Web pages <http://www.epa.ohio.gov/oeef/schoolbus.aspx> and <https://epa.ohio.gov/oeef/#131365122-vw-mitigation-grants>, in public meetings planned for the next VW grant cycle; and in newsletter articles, presentations and exhibits at conferences of organizations such as Clean Fuels Ohio (Midwest Green Fleets), the Ohio Department of Transportation's Transportation Education Conference, the Ohio School Boards Association, Ohio Health Commissioners Association, Ohio Public Health Association, Ohio Pupil Transportation Association, Ohio Environmental Health Association, Science Education Council of Ohio, and Environmental Education Council of Ohio.

Ohio's clean diesel projects are also featured in Ohio EPA exhibits at large public events such as the Ohio State Fair and regional Earth Day celebrations, at the Mid-Ohio Regional Planning Commission's annual Clean Air Fair and Sustainability Summit events, at career day and environmental education programs for schools and workshops for teachers. Reminders of upcoming grant application deadlines are sent to a clean diesel program interested parties list with more than 2000 names, to school bus fleet managers through the e-mail newsletters and listservs of the Ohio Pupil Transportation Association, Ohio School Boards Association and the Ohio Association of County Boards of Developmental Disabilities. Ohio EPA has given several presentations to the Midwest Clean Diesel Initiative steering committee about our efforts with combined state and federal funds to address emissions from all transportation sectors.

Subrecipients are encouraged to educate students, teachers, staff, parents, and local residents about their efforts to reduce emissions from their fleets. They are asked to include copies of news clippings and other documentation in their reports to Ohio EPA.

BUDGET NARRATIVE

2020 Itemized Project Budget

Budget Category	EPA Allocation	Mandatory Cost-Share	Voluntary Match (if applicable)		Line Total
			VW Mitigation Trust Funds	Other Funds	
1. Personnel					
2. Fringe Benefits					
3. Travel					
4. Equipment					
5. Supplies					
6. Contractual					
7. Other					
Subgrant to Central Ohio Transit Authority (COTA) for replacement zero emissions bus	\$432,977	\$529,195			\$962,172
Subgrant to Fairfield County Engineer for 3 replacement clean diesel trucks		\$374,625	\$124,875		\$499,500
Subgrant to Westerville City Schools for 6 propane replacement school buses	\$27,563	\$381,902	\$99,737		\$509,202
Subgrant to Triway Local Schools for 4 propane replacement school buses	\$86,900	\$260,700			\$347,600
Subgrant to Toledo Public Schools for 6 propane replacement school buses		\$432,765	\$144,255		\$577,020
8. Total Direct Charges (sum 1-7)	\$547,440	\$1,979,187	\$368,867		\$2,895,494
9. Indirect Charges					
10. Total (Indirect + Direct)	\$547,440	\$1,979,187	\$368,867		\$2,895,494
11. Program Income					

Explanation of Budget Framework

- *Personnel – N/A*
- *Fringe Benefits – N/A*
- *Travel – N/A*
- *Equipment – N/A*
- *Supplies – N/A*
- *Contractual – N/A*
- *Other*

The amount of the proposed subaward to the Central Ohio Transit Authority, COTA, is based on a current quote of \$962,172 per new all-electric zero emissions transit bus. The 45% grant share would be \$432,977, funded with DERA funds. The 55% mandatory local cost share would be \$529,195 provided from COTA's general operating fund.

The amount of the proposed subaward to the Fairfield County Engineer is based on a current quote of \$499,500 for the three new diesel trucks, with 25% or \$124,875 to be provided from Ohio's VW funds, and the remaining 75% to be provided from the County Engineer's general operating fund.

The amount of the proposed subaward to Westerville City Schools is based on a recent quote of \$84,867 for a new propane school bus, for the purchase of six new buses for \$509,202, with the 25% grant share of \$127,300 to be split between \$27,563 from DERA funds and \$99,737 from Ohio's VW funds. The remaining 75% will be provided from the school district transportation budget.

The amount of the proposed subaward to Triway Local Schools is based on a recent quote of \$86,900 for a new propane school bus, with the 25% grant share of \$86,900 for four new buses to be provided from DERA funds, and the remaining 75% to be provided from the school district transportation budget.

The amount of the proposed subaward to Toledo Public Schools is based on a recent quote of \$96,170 for a new propane school bus, with the 25% grant share of \$144,255 for six new buses to be provided from Ohio's VW funds, and the remaining 75% to be provided from the school district transportation budget.

- *Indirect Charges – N/A*

Matching Funds and Cost-Share Funds

Ohio EPA submitted the state's [Beneficiary Mitigation Plan](#) to the VW Trustee on May 31, 2018, laying out proposed uses for \$75,302,522.67 from the VW settlement. A posted chart of [Ohio VW allocations by sector and amounts awarded to date](#) shows that ample funds remain in the transit bus, school bus and heavy duty truck categories to provide the match offered in this workplan. Ohio's BMP allocates \$15 million for transit bus projects, with \$8.5 million awarded to date; \$15 million for school bus projects, with \$9.3 million awarded to date; and \$8 million for class 8 heavy duty trucks, with \$5.8 million awarded to date.

Funding Partnerships

Ohio EPA may opt to provide participant support costs rather than full subawards for these projects.