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Volkswagen Environmental Mitigation Trust
C/O Wilmington Trust
Attn: Michael Bochanski, Jr.
1100 North Market Street
Wilmington, DE 19890

January 26, 2024

Dear Mr. Bochanski,

Attached to this letter is Minnesota's 11th "Report to the Trustee". The requirements of this report are described in paragraph 5.3 of the VW Environmental Mitigation Trust.

This report covers the time from July 1, 2023 through December 31, 2023.

Please contact Rocky Sisk, of my staff, if you have any questions or concerns about this report. He can be reached at 651-757-2173, or by e-mail at rocky.sisk@state.mn.us.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dave Benke', written in a cursive style.

Dave Benke
Division Director
MPCA

Volkswagen Diesel Emission Environmental Mitigation Trust for States

Beneficiary	Minnesota
Lead Agency	Minnesota Pollution Control Agency
Reporting Period	July 1, 2023 - December 31, 2023

MPCA Funds	2018	2019	2020	2021	2022	2023	Total
Total VW Funds Received	\$ 2,350,000	\$ 7,401,110	\$ 1,871,242	\$ 6,664,286	\$ 5,330,412	\$ 13,084,559	\$ 36,701,609
Total VW Funds Returned	\$ -	\$ -	\$ (122,304)	\$ (166,278)	\$ (1,155,931)	\$ (162,262)	\$ (1,606,775)
Interest Earned	\$ 4,423	\$ 86,837	\$ 79,480	\$ 20,390	\$ 98,975	\$ 508,963	\$ 799,068
Interest Returned	\$ -	\$ (53,157)	\$ (102,257)	\$ (25,557)	\$ (35,366)	\$ (300,809)	\$ (517,145)
Disbursements	\$ (213,172)	\$ (1,364,903)	\$ (6,490,238)	\$ (2,291,915)	\$ (4,076,091)	\$ (3,068,119)	\$ (17,504,438)
Total Cash Balance	\$ 2,141,251	\$ 6,069,887	\$ (4,764,076)	\$ 4,200,926	\$ 161,999	\$ 10,062,333	\$ 17,872,319

Project Description	Summary of All Costs									VW Funds Received
	VW Mitigation Funds			Match Funds			Total Project Cost			
	Obligated	Expended	Total	Obligated	Expended	Total	Obligated	Expended	Total	
Phase 1 School Bus	\$ 40,000	\$ 1,960,000	\$ 2,000,000	\$ 137,000	\$ 7,617,786	\$ 7,754,786	\$ 177,000	\$ 9,577,786	\$ 9,754,786	\$ 2,115,000
Phase 1 EV Fast Chargers	\$ 242,342	\$ 1,145,602	\$ 1,387,944	\$ 81,659	\$ 602,496	\$ 684,155	\$ 324,001	\$ 1,748,098	\$ 2,072,099	\$ 1,390,500
Phase 1 DERA 1	\$ -	\$ 700,652	\$ 700,652	\$ -	\$ 5,599,781	\$ 5,599,781	\$ -	\$ 6,300,433	\$ 6,300,433	\$ 881,110
Phase 2 Level 2 Chargers	\$ 34,419	\$ 98,185	\$ 132,604	\$ 18,521	\$ 128,127	\$ 146,648	\$ 52,940	\$ 226,312	\$ 226,312	\$ 197,963
Phase 2 School Bus	\$ 90,000	\$ 470,000	\$ 560,000	\$ 434,500	\$ 2,121,902	\$ 2,556,402	\$ 524,500	\$ 2,591,902	\$ 3,116,402	\$ 580,500
Phase 1 Heavy Duty On Road Class 8	\$ 120,000	\$ 2,580,187	\$ 2,700,187	\$ 887,234	\$ 10,743,877	\$ 11,631,111	\$ 1,007,234	\$ 13,324,064	\$ 14,331,299	\$ 2,775,559
Phase 1 Heavy Duty On Road Class 4-7	\$ 182,000	\$ 664,896	\$ 846,896	\$ 546,000	\$ 2,793,439	\$ 3,339,439	\$ 728,000	\$ 3,458,335	\$ 4,186,335	\$ 929,184
Phase 1 DERA 2	\$ -	\$ 1,124,687	\$ 1,124,687	\$ -	\$ 4,482,029	\$ 4,482,029	\$ -	\$ 5,606,716	\$ 5,606,716	\$ 1,210,965
Phase 1 Heavy Duty Electric Vehicle 1	\$ 300,000	\$ -	\$ 300,000	\$ 360,000	\$ -	\$ 360,000	\$ 660,000	\$ -	\$ 660,000	\$ 300,000
Phase 1 Heavy Duty Electric Vehicle 2	\$ -	\$ 100,000	\$ 100,000	\$ -	\$ 299,999	\$ 299,999	\$ -	\$ 399,999	\$ 399,999	\$ 100,000
Phase 1 Heavy Duty Electric Vehicle 3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 94,250
Phase 1 Heavy Duty Electric Vehicle 4	\$ -	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ 100,000
Phase 2 Electric School Bus	\$ -	\$ 2,131,884	\$ 2,131,884	\$ -	\$ 763,104	\$ 763,104	\$ -	\$ 2,894,988	\$ 2,894,988	\$ 2,573,269
Phase 2 DERA 3	\$ -	\$ 720,242	\$ 720,242	\$ -	\$ 6,207,129	\$ 6,207,129	\$ -	\$ 6,927,371	\$ 6,927,371	\$ 753,303
Phase 2 EV Fast Chargers	\$ 2,576,785	\$ -	\$ 2,576,785	\$ 746,650	\$ -	\$ 746,650	\$ 3,323,436	\$ -	\$ 3,323,436	\$ 2,576,786
Phase 2 Level 2 Chargers	\$ 117,800	\$ 52,200	\$ 170,000	\$ 136,340	\$ 100,287	\$ 236,627	\$ 254,140	\$ 152,487	\$ 406,627	\$ 170,000
Phase 2 School Bus	\$ 1,100,000	\$ 500,000	\$ 1,600,000	\$ 4,853,112	\$ 2,760,686	\$ 7,613,798	\$ 5,953,112	\$ 3,260,686	\$ 9,213,798	\$ 1,600,200
Phase 2 Heavy Duty On Road Class 8	\$ 210,430	\$ 170,529	\$ 380,959	\$ 533,732	\$ 625,432	\$ 531,235	\$ 744,162	\$ 795,961	\$ 1,540,123	\$ 400,995
Phase 2 Heavy Duty On Road Class 4-7	\$ 678,221	\$ 433,069	\$ 1,111,290	\$ 4,104,047	\$ 1,733,810	\$ 5,837,857	\$ 4,782,268	\$ 2,166,879	\$ 6,949,147	\$ 1,194,975
Phase 2 Heavy Duty On Road Class 4-7	\$ 139,218	\$ 18,490	\$ 157,707	\$ 421,973	\$ 57,297	\$ 479,270	\$ 561,191	\$ 75,787	\$ 636,978	\$ 157,707
Phase 2 Heavy Duty On Road Class 8	\$ 1,838,049	\$ -	\$ 1,838,049	\$ 6,017,137	\$ -	\$ 6,017,137	\$ 7,855,186	\$ -	\$ 7,855,186	\$ 1,838,049
Phase 2 DERA 4	\$ 163,475	\$ 678,649	\$ 842,124	\$ 474,599	\$ 2,869,455	\$ 3,344,054	\$ 638,074	\$ 3,548,104	\$ 4,186,178	\$ 1,139,112
Phase 2 DERA 5	\$ 231,435	\$ 408,565	\$ 640,000	\$ 252,651	\$ 1,524,951	\$ 1,777,603	\$ 484,086	\$ 1,933,516	\$ 2,417,603	\$ 640,000
Phase 2 Heavy Duty Electric Class 4-7	\$ 2,317,313	\$ 359,790	\$ 2,677,103	\$ 785,771	\$ 119,931	\$ 905,702	\$ 3,103,083	\$ 479,721	\$ 3,582,804	\$ 2,677,103
Phase 2 Heavy Duty Electric Class 8	\$ 3,597,288	\$ 190,000	\$ 3,787,288	\$ 1,245,210	\$ 76,591	\$ 1,321,801	\$ 4,842,498	\$ 266,591	\$ 5,109,089	\$ 3,885,838
Phase 2 Level 2 Chargers	\$ 664,035	\$ -	\$ 664,035	\$ 925,157	\$ -	\$ 925,157	\$ 1,589,192	\$ -	\$ 1,589,192	\$ 664,035
Phase 2 Electric School Bus	\$ 2,619,000	\$ -	\$ 2,619,000	\$ 474,400	\$ -	\$ 474,400	\$ 3,093,400	\$ -	\$ 3,093,400	\$ 2,619,000
Contractor Administration	\$ -	\$ 5,331	\$ 5,331	\$ -	\$ -	\$ -	\$ -	\$ 5,331	\$ 5,331	\$ 0
Program Administration	\$ -	\$ 2,891,480	\$ 2,891,480	\$ -	\$ -	\$ -	\$ -	\$ 2,891,480	\$ 2,891,480	\$ 3,136,206
Totals	\$ 17,261,810	\$ 17,504,438	\$ 34,766,248	\$ 23,435,693	\$ 51,228,110	\$ 74,035,874	\$ 40,697,503	\$ 68,732,548	\$ 109,150,799	\$ 36,701,609

Project Description	Project Narrative	
	Environmental Mitigation Action #	Project Status
Phase 1 School Bus	2	Funds received from Trustee 11/28/18. 21 bus replacement contracts were signed, for a total of 111 buses from around the state. Most bus owners have purchased their new buses and destroyed old buses. As of this date, 103 buses have been destroyed and replaced with new buses, 8 have been canceled. Originally, new buses needed to be purchased and old buses destroyed by March 2021 for this first round of school bus contracts.
Phase 1 EV Fast Chargers	9	The funds for this grant were received from the Trustee on 2/1/19. Contracts between MPCA and the grantee were signed in the 2nd quarter of 2019. MPCA has reported previously that 18 charging hubs have been built of the 22 originally funded. The grantee continues to work on securing the remaining site host agreements, site plan development and construction. The remaining 4 stations are planned for completion in April 2024 although all stations will be complete within the terms of the 5-year agreement that ends in Spring of 2024.
Phase 1 DERA 1	10	Funds received from Trustee 3/15/19. A total of 13 projects were funded with these VW and DERA funds. All 13 of these projects have been completed.
Phase 1 Level 2 Chargers	9	Funds were received from the Trustee on 5/2/19. Nine contracts for a total of 25 dual port level 2 charging projects were signed. As of December 31, 2023, 21 dual port EV Level 2 chargers have been installed. One grant was extended to Spring 2024. Three of the original grantees have declined either all of the funds or a portion of the funds due to extenuating circumstances. An additional grantee declined the funds due to increase in labor and construction costs.
Phase 2 School Bus	2	Funds received from Trustee 12/1/19. 19 bus replacement contracts for Greater Minnesota have been signed, for a total of 31 buses. Bus owners in process of purchasing new buses and destroying old buses. As of this date, 25 buses have been destroyed and replaced with new buses. One bus has dropped out, leaving 5 buses to go. Due to COVID related delays, remaining contracts have been extended until November 2024.
Phase 1 Heavy Duty On Road Class 8	1	Funds received from Trustee 12/1/19. 19 class 8 truck replacement contracts have been signed in Minnesota, for a total of 92 class 8 trucks. Truck owners in process of purchasing new trucks and destroying old ones. As of this date, 87 class 8 trucks have been destroyed and replaced with new ones. One project has been cancelled, and those funds have been returned to trustee. After some contract extensions due to COVID related vehicle delivery delays, all remaining new trucks must be purchased and old ones destroyed by November 2024 for this round of truck replacement contracts.
Phase 1 Heavy Duty On Road Class 4-7	6	Funds received from Trustee 12/1/19. 12 class 4-7 truck replacement contracts have been signed in Minnesota, for a total of 32 class 4-7 trucks. Truck owners in process of purchasing new trucks and destroying old ones. As of this date, 27 class 4-7 trucks have been destroyed and replaced with new ones. After some contract extensions due to COVID related vehicle delivery delays, all remaining new trucks must be purchased and old ones destroyed by November 2024 for this round of truck replacement contracts.
Phase 1 DERA 2	10	Funds received from Trustee 4/17/20. All 11 projects have been completed.
Phase 1 Heavy Duty Electric Vehicle 1	1	Funds received from Trustee 1/15/20. One electric class 8 truck replacement contract has been signed in Minnesota, for a total of three class 8 electric trucks. Truck owner is in process of purchasing new trucks and destroying old ones. All equipment must be purchased, and old equipment destroyed, by 4/26/24.
Phase 1 Heavy Duty Electric Vehicle 2	2	Funds received from Trustee 1/15/20. One electric bus replacement contract has been signed for one bus. Bus has been purchased and is currently in operation. This project is complete.
Phase 1 Heavy Duty Electric Vehicle 3	6	Funds received from Trustee 1/15/20. One class 4-7 truck replacement contract has been signed for one truck. Contract has recently been canceled, and funds have been returned to Trustee.

Project Narrative		
Project Description	Environmental Mitigation Action #	Project Status
Phase 1 Heavy Duty Electric Vehicle 4	7	Funds received from Trustee 1/15/20. One airport ground equipment replacement contract has been signed. As of June 30, 2022, airline owner has purchased new equipment and destroyed old equipment. This project is complete.
Phase 2 Electric School Bus (1)	2	Funds received from Trustee 4/9/21. Five bus replacement contracts have been signed for a total of 8 new electric school buses. All eight of the buses are now operating. During the 2022-2023 school year, grantees are reporting to PCA on a quarterly basis valuable data and information on the buses, including vehicle operations and efficiency, maintenance history, and driver and passenger satisfaction. This information will be used to help inform future electric school bus funding opportunities. MPCA has received approximately half of the data to date.
Phase 2 DERA 3	10	Funds received from Trustee 4/9/21. All 10 of these projects have been completed.
Phase 2 EV Fast Chargers	9	Funds received from Trustee 5/15/21. Contracts have been signed to install a total of 38 DC Fast chargers by 2024. These corridors will add 2,500 miles to the statewide network of EV charging corridors. As of this date, five charging stations have been built. Site selection and planning is underway for the remaining 33. Construction began in Spring of 2023.
Phase 2 Level 2 Chargers (1)	9	Funds received from the Trustee on July 8, 2021 for 25 dual port Level 2 electric vehicle charging stations. All of the contracts were signed between MPCA and the grantees in the remainder of 2021. Five of the grants are complete and the grantees have been reimbursed. Others are either waiting for construction season or progress on larger projects.
Phase 2 School Bus 2	2	Funds received from Trustee 2/7/22. 22 bus replacement contracts for Minnesota have been signed, for a total of 92 buses. Bus owners in process of purchasing new buses and destroying old buses. To date, 33 buses have been destroyed and replaced with new buses. Several grant recipients have reported that supply chain issues and COVID related slowdowns are delaying the delivery of the new buses until 2023.
Phase 2 Heavy Duty On-Road Class 8	1	Funds received from Trustee 4/21/22. Contracts for replacing 24 class 8 trucks have been signed. Grantees are in the process of purchasing their new trucks, and destroying their old diesel vehicles. As of this date, eleven trucks have been destroyed and replaced with new trucks.
Phase 2 Heavy Duty On-Road Class 4-7	6	Funds received from Trustee 4/21/22. Contracts for replacing 9 class 4-7 trucks have been signed. Grantees are in the process of purchasing their new trucks, and destroying their old diesel vehicles. As of this date, five trucks have been destroyed and replaced with new trucks.
Phase 2 DERA 4	10	Funds received from Trustee 5/24/22. 8 of the 10 projects have been completed with two projects cancelled (grantee reapplied for DERA 6 2023).
Phase 2 DERA 5	10	Funds received from Trustee 12/21/22. 5 projects completed, one will complete by March 15, 2024. One project cancelled.
Heavy Duty Electric On-Road Class 4-7	6	Funds received from Trustee 1/22/23. Contracts for replacing 10 class 4-7 trucks have been signed. Grantees are in the process of purchasing their new trucks, and destroying their old diesel vehicles. As of this date, one truck has been destroyed and replaced with a new electric truck.
Heavy Duty Electric On-Road Class 8	1	Funds received from Trustee 1/22/23. Contracts for replacing 16 class 8 trucks have been signed. Grantees are in the process of purchasing their new trucks, and destroying their old diesel vehicles. As of this date, one truck has been destroyed and replaced with a new electric truck.
Phase 2 Level 2 Chargers (2)	9	Funds received from the Trustee on 10/31/23 for 70 single-port and 17 dual-port Level 2 electric vehicle charging stations. All of the contracts are in the process of being signed, and no projects have been started at this time.
Phase 2 Electric School Bus (2)	2	Funds received from Trustee 12/29/23. Three bus replacement contracts have been signed for a total of 7 new electric school buses. All seven of the buses are now being ordered by the respective grantees.

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



David Benke, Division Director

Jan 26, 2024

Date