

State of New York

Lead Agency Authorized to Act on Behalf of the Beneficiary: New York State Department of Environmental Conservation (DEC)

<input type="checkbox"/> To be provided separately <input checked="" type="checkbox"/> Attached to this Certification	Funding Request & Transaction (Attachment A)
<input checked="" type="checkbox"/> Other (specify): New York State Energy Research & Development Authority	Payment to be made for (select one or more)
<input type="checkbox"/> Base Fund <input type="checkbox"/> Other (specify):	Request Type (select one or more)
<input type="checkbox"/> Reimbursement <input checked="" type="checkbox"/> Advance	Funding Request No. (optional)
CA111434	Beneficiary's Project ID
NYSDOT: NYSPR-EMA-1-Class 8 Local Freight and Port Drayage Trucks	Action Title

### APPENDIX D-4 Beneficiary Eligible Mitigation Action Certification

State of New York  
 New York State Department of Environmental Conservation –  
 New York State Energy Research & Development Authority  
 Cooperative Agreement #CA11434  
 Eligible Mitigation Action Item 1: Class 8 Local Freight Trucks and Port Drayage (Large Trucks) Advance Funding Request #21

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Detailed Description of Mitigation Action Item 1: This mitigation action is intended to provide funding for the purchase of Class 8 Local Freight Trucks and Port Drayage Trucks. The trucks will be equipped with engines certified to meet the latest emissions standards. The trucks will be used for the transport of goods and materials. The trucks will be used for the transport of goods and materials. The trucks will be used for the transport of goods and materials.

# BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION

Beneficiary: State of New York

Lead Agency Authorized to Act on Behalf of the Beneficiary: New York State Department of Environmental Conservation (NYSDEC)

*(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)*

<b>Action Title:</b>	NYSERDA: NYTVIP EMA 1: Class 8 Local Freight and Port Drayage Trucks
<b>Beneficiary's Project ID:</b>	CA11434.MAI1
<b>Funding Request No.</b>	<i>(sequential)</i> 21
<b>Request Type: (select one or more)</b>	<input type="checkbox"/> Reimbursement <span style="float:right">X Advance</span> <input type="checkbox"/> Other (specify): _____
<b>Payment to be made to: (select one or more)</b>	<input type="checkbox"/> Beneficiary X Other (specify): <u>New York State Energy Research &amp; Development Authority</u>
<b>Funding Request &amp; Direction (Attachment A)</b>	X Attached to this Certification <input type="checkbox"/> To be Provided Separately

## SUMMARY

<p><b>Eligible Mitigation Action Type</b> Appendix D-2, Mitigation Action 1. Class 8 Local Freight Trucks and Port Drayage (Large Trucks)</p>
<p><b>Explanation of how funding request fits into Beneficiary's Mitigation Plan (5.2.1):</b> VW funding will provide incentives to replace older diesel-powered trucks with new, all-electric, hybrid electric, alternative fueled, or new diesel trucks as stated in New York's Beneficiary Mitigation Plan (BMP). Up to \$11.5 million in New York's allocation from the VW Mitigation Trust has been proposed for EMA 1: Class 8 Local Freight Trucks and Port Drayage (Large Trucks). See: <a href="https://www.dec.ny.gov/docs/air_pdf/vwcleantransportplan19.pdf">https://www.dec.ny.gov/docs/air_pdf/vwcleantransportplan19.pdf</a> (pp. 1, 16, and 18.)</p>
<p><b>Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2):</b> Truck replacement incentive funding made available through the NYSERDA New York Truck Voucher Incentive Program (NYTIVP) will replace older trucks that often operate in Disadvantaged Communities. The new Class 8 replacement trucks will be equipped with engines certified to much lower emissions standards resulting in significantly decreased NOx emissions and improved local air quality. Existing, older NYS-registered diesel-powered trucks will be scrapped.</p>

**Estimate of Anticipated NOx Reductions (5.2.3):** The projected 10-year vehicle lifetime NOx emission benefits from replacing an estimated 103 older diesel trucks with all-electric, CNG, propane, hybrid, and plug-in hybrid trucks, is estimated to be 290 tons. In addition, greenhouse gases will be reduced from these truck replacement projects. Final NOx emission reductions will be calculated based on projects completed under this mitigation action.

**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):**

New York State Energy Research & Development Authority

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

New York State submitted an Appendix D-3, Certification for Beneficiary Status Under Environmental Trust Agreement, on November 1, 2017, in which the State of New York (NYS) agreed to maintain and make publicly available all documentation and records:

- (i) submitted by it in support of each funding request; and
- (ii) supporting all expenditures of the Trust Fund by the State of New York, each until the Termination Date of the Trust pursuant to Paragraph 6.8 of the Trust Agreement. These records will be made accessible to the public through the lead agency, New York State Department of Environmental Conservation (NYSDEC), website at: <http://www.dec.ny.gov/chemical/109784.html>

Documentation will be available to the public in an easy to access, publicly available webpage. Links to the documents will be contained in a table developed by the NYSDEC utilizing Appendix D-2 eligible mitigation action categories in chronological order based on DEC submission date to the Trustee. All expenditures made by the Trustee to designated NYS recipients will be formatted in a similar manner. DEC will update the webpage within 10 days of a funding request made to the Trustee, or receipt of a Trustee payment. All necessary or publicly available records associated with DEC funding requests and Trustee payments will be provided in Adobe PDF format or equivalent as determined by the DEC website administrator.

The DEC website will make these records available to the public through a link on the NYSDEC main webpage. The NYSDEC VW Settlement site can also be easily located through a search engine result of entering "NYSDEC VW Settlement."

**Describe any cost share requirement to be placed on each NOx source proposed to be mitigated (5.2.8).** VW funding, provided through the NYTVIP, will fund a portion the cost of an eligible, new replacement truck. The level of VW funding will depend on the NYS county of vehicle registration, vehicle type (e.g., fuel type, weight class), and/or availability of alternate funding sources (e.g., CMAQ).

A NYTVIP incentive schedule (e.g., table) will be established prior to the program launch and will be displayed on NYSERDA's public NYTVIP website. The vehicle-specific (by make/model) incentive amount will be based on, the lesser of either:

- i) a percentage of the new vehicle incremental cost, or
- ii) a weight class-based (i.e., Class 8) cap.

New vehicle incremental cost is defined as the cost difference between a new diesel truck and the equivalent eligible new, all-electric, CNG, propane, hybrid, or plug-in hybrid truck. The outstanding balance of the new replacement vehicle after the NYTVIP incentive will be provided by the vehicle owner or lessee.

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

NYSDEC (lead agency) notified the U.S. Government agencies as prescribed in 5.2.9 via email on February 9, 2018. See attached Notice of Availability of Mitigation Action Funds.

**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).**

New York State's Beneficiary Mitigation Plan, Clean Transportation NY, describes the overall goals of improving air quality and accelerating the transition to zero emission transportation through funding made available under the Volkswagen Trust. These air quality improvement goals include reducing nitrogen oxides (NOx), greenhouse gases, particulate matter, hydrocarbon, and mobile source air toxics emissions throughout the state. Funding those projects described in the Plan will result in significant NOx reductions while accelerating the transformation to a zero-tailpipe emission transportation system. Projects will be located throughout New York State, with a particular focus on communities and neighborhoods subject to a disproportionate amount of air pollution from diesel-powered vehicles and equipment. NYSERDA will conduct targeted outreach to fleets with trucks domiciled in, or operated near, NYSERDA defined Disadvantaged Communities and will report on the award of incentives for trucks in these areas.

This Class 8 truck replacement project will lower NOx emissions and improve local air quality by replacing older diesel powered, higher emitting trucks that frequent residential areas. These replacement trucks are certified to much lower emission standards and will improve local air quality in communities that that have historically borne a disproportioned share of the adverse impact of diesel exhaust emissions.

**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.]

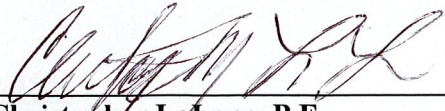
**CERTIFICATIONS**

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

1. This application is submitted on behalf of Beneficiary State of New York, 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: 1/17/2024

  
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Christopher LaLone, P.E.  
Division Director, Division of Air Resources

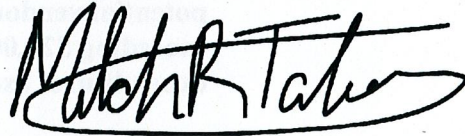
New York State Department of Environmental Conservation

[LEAD AGENCY]

for

State of New York

[BENEFICIARY]



**ATTACHMENTS B AND D TO APPENDIX D-4**

**ATTACHMENT B TO APPENDIX D-4**

**Action Title: NYSERDA 'NYTVIP' – Class 8 Truck Replacements**

**Eligible Mitigation Action Management Plan including Detailed Budget and Implementation and Expenditures Timeline. (5.2.4)**

**Implementation and Expenditures Milestones and Timeline**

<b>Milestone</b>	<b>Date</b>
DEC and NYSERDA sign Cooperative Agreement for VW Funding for truck replacement projects	7/18/2019 (actual)
NYSERDA provides DEC with Project Budget Plan as required in Cooperative Agreement	12/17/2019 (actual, revised)
DEC submits Project Certification and Funding Direction to Trustee for 33.3% of Advance Funding available under original Cooperative Agreement and as amended (Payment Request #1)	12/17/2019 (actual, revised)
Trustee Acknowledges Receipt of Project Certification and Funding Direction	12/17/2019 (actual)
Trustee allocates Advance Funding to NYSERDA	12/26/2019 (actual)
NYSERDA posts information and application material on NYSERDA NYT-VIP website;	1/14/2020

NYSERDA provides outreach efforts to notify stakeholders of availability of funds	(actual, revised)
Review of submitted applications begins	2/10/2020 (actual)
Initial notification of approved voucher applicants begins	6/2/2020 (actual)
Formal approval of approved voucher applicants begins	9/30/2020 (actual)
NYSERDA completes projects representing 25% of total funding available under original Cooperative Agreement and as amended and submits documentation to DEC	11/17/2022 (actual)
DEC submits Funding Direction to Trustee for additional 33.3% of Advance Funding available under original Cooperative Agreement and as amended (Payment Request #2)	12/9/2022 (actual)
NYSERDA completes projects representing 50% of total funding available under original Cooperative Agreement and as amended and submits documentation to DEC	1/15/2024 (actual)
DEC submits Funding Direction to Trustee for remaining balance of Advance Funding available under this Cooperative Agreement	Date
Deadline for completion of truck replacement projects (revised)	8/6/2025 (actual)
NYSERDA provides detailed invoices for all claimed project costs, documentation for emission reduction estimates, required certification documents to DEC to support final project accounting	Date
NYSERDA returns any unused funds to Trustee	Date
NYSERDA certifies project completion	Date
DEC reports project completion	Date



## Project Budget

**(Mitigation Action Item #1)** – Class 8 Local Freight Trucks and Port Drayage Trucks (Eligible Large Trucks). Large trucks eligible to be replaced include 1992-2009 engine model year Class 8 Local Freight or Drayage trucks.

Item #1 Incentive Costs: \$6,250,000

Item #1 Administrative Costs (Capped at 10%): \$625,000

Funding Method: Advance

Procurement Method: Voucher Incentive/Aggregate Procurement

Amendment #3 to the Cooperative Agreement (CA11434) between DEC and NYSERDA for this project was approved on 1/9/2024. Amendment #3 revised the total project cost to \$6,875,000, revised the incentive period to be 72 months (revised incentive period end date of 8/6/2025), and revised the project term to be 11 years (revised project term end date of 8/6/2030).

DEC will direct VW Settlement funding to the NYSERDA 'NYTVIP' truck replacement program in three advance payments for Class 8, Local Freight & Port Drayage Trucks, as project completion milestones are met. 1/3 of the original CA11434 funding amount will be available at the start of the truck replacement project, the next 1/3 of original CA11434 funding amount becomes available when 25% of the truck replacement projects are complete, and the final 1/3 of original CA11434 funding amount, plus the additional funds added in Amendment #3, becomes available when 50% of the truck replacement projects are complete.

## Total Project Budget

Project	Truck Funding Amount	Administrative Costs	Total Project Cost
EMA 1: Class 8 Trucks	\$6,250,000	\$625,000	\$6,875,000

## Funding Milestones

Initial Advance Funding Amount	\$1,320,000
Second round of funding when 25% of projects completed	\$1,320,000
Third round of funding when 50% of projects completed	\$4,235,000
<b>Total Project Cost</b>	<b>\$6,875,000</b>

**ATTACHMENT D to APPENDIX D-4**

**Action Title: NYSERDA 'NYTVIP' – Class 8 Truck Replacements**

**Detailed Costs Estimates from Selected Potential Vendors for Each Proposed Expenditure Exceeding \$25,000 (5.2.6)**

DEC will direct VW Trust funding to the NYSERDA 'NYTVIP' truck replacement program in the form of advance payments for Class 8 truck replacement project incentives. Cost estimates from selected trucks vendors will be part of the 'NYTVIP'. Preliminary cost estimates for Class 8 trucks (all-electric, CNG/propane, hybrid, plug-in hybrid) are provided in the table below.

**Preliminary Class 8 Truck Cost Estimates**

<b>Class 8 Truck Category</b>	<b>Number of Units</b>	<b>Cost per Unit</b>	<b>Total Cost</b>
All-Electric	78	\$20,000-\$185,000	\$1,560,000-\$6,250,000
CNG/Propane	10	\$40,000-\$60,000	\$400,000-\$600,000
Hybrid	10	\$30,000-\$55,000	\$300,000-\$550,000
Plug-in Hybrid	5	\$60,000-\$120,000	\$300,000-\$600,000
		<b>Total Budget</b>	<b>\$6,250,000</b>