

APPENDIX D-4
Beneficiary Eligible Mitigation Action Certification

BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION

Beneficiary State of Illinois

Lead Agency Authorized to Act on Behalf of the Beneficiary Illinois Environmental Protection Agency (Illinois EPA)

Action Title:	Public Transit Bus Replacement
Beneficiary's Project ID:	2018-001, 2018-002
Funding Request No.	2
Request Type: (select one or more)	<input checked="" type="checkbox"/> Reimbursement <input type="checkbox"/> Advance <input type="checkbox"/> Other (specify): _____
Payment to be made to: (select one or more)	<input type="checkbox"/> Beneficiary <input checked="" type="checkbox"/> Other (specify): <u>Pace Suburban Bus, Chicago Transit Authority</u>
Funding Request & Direction (Attachment A)	<input type="checkbox"/> Attached to this Certification <input checked="" type="checkbox"/> To be Provided Separately

SUMMARY

Eligible Mitigation Action	<input checked="" type="checkbox"/> Appendix D-2 item (specify): <u>2. Class 4-8 Transit Bus Replacement and Administrative Expenditures</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):	
<small>Illinois' BMP allocates up to 30 percent (or up to approx. \$32,603,903) for public transit projects which include replacing transit buses and repowering or replacing passenger/commuter locomotives with new, cleaner vehicles and engines (Section IV(D)(2)), p. 17).</small>	
Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2):	
<small>This project involves the replacement of nine Class 8 engine MY 2002 and 2003 diesel transit buses with six new Class 8 engine MY 2019 natural gas transit buses owned by Pace Suburban Bus and three new engine MY 2020 electric transit buses owned by Chicago Transit Authority. The grant award is 75% (\$4,203,166.50) of eligible costs for the nine new buses that will serve the City of Chicago and the counties of Cook, DuPage, and Will, which are all part of the Chicago ozone nonattainment area. These new buses will travel through environmental justice areas and provide public transportation to job centers. Replacing these older diesel buses with new, cleaner natural gas and electric buses will result in reductions of NOx and other pollutants thereby providing air quality benefits to the nonattainment area and environmental justice areas served as well as provide impacted communities with cleaner public transportation options to job centers.</small>	
Estimate of Anticipated NOx Reductions (5.2.3):	
It is anticipated that this project will result in 5.0336 tons of annual NOx reductions.	
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):	
Illinois EPA	
Describe how the Beneficiary will make documentation publicly available (5.2.7.2).	
See "Attachment for 5.2.7.2"	
Describe any cost share requirement to be placed on each NOx source proposed to be mitigated (5.2.8).	
Environmental Mitigation Trust Funds will provide 75% funding (\$4,203,166.50). Grantees will provide a 25% cost share: Pace Suburban Bus cost share is \$769,230 and Chicago Transit Authority cost share is \$631,825.50.	
Describe how the Beneficiary complied with subparagraph 4.2.8, related to notice to U.S. Government Agencies (5.2.9).	
Illinois EPA provided the requisite notice via email to the appropriate agencies on February 27, 2018.	

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).

The new buses will operate in the Chicago ozone nonattainment area and travel through environmental justice areas. This project will reduce emissions impacts in this nonattainment area and to the disadvantaged environmental justice communities served.

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

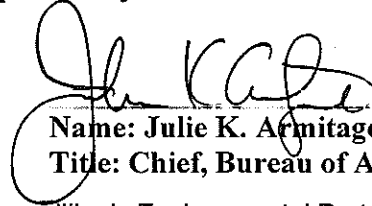
By submitting this application, the Lead Agency makes the following certifications:

1. This application is submitted on behalf of Beneficiary State of Illinois, 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:

1/10/19



Name: Julie K. Armitage
Title: Chief, Bureau of Air

Illinois Environmental Protection Agency

LEAD AGENCY

for

State of Illinois

BENEFICIARY

ATTACHMENT FOR 5.2.7.2

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

The public may access documentation and records relative to the State of Illinois' administration of Trust Funds by submitting a request to the Illinois EPA pursuant to the Illinois Freedom of Information Act (5 ILCS 140/1, et. seq.). The Illinois EPA has regulations ("Access to Public Records of the Illinois Environmental Protection Agency," 2 Ill. Adm. Code Part 1828) that provide the framework by which Illinois EPA public records may be requested, accessed, inspected, duplicated, and further lists the records that will not be disclosed to the public, including records that contain personally-identifiable information and confidential business information. Trade secret and confidential business information claims are reviewed by the Illinois EPA in accordance with procedures and rules provided in 35 Ill. Adm. Code Part 130 and 2 Ill. Adm. Code Part 1828.

The Illinois EPA will make certain documentation and records relative to its administrative of Trust Funds available on its Driving a Cleaner Illinois webpage. The Illinois EPA's Beneficiary Mitigation Plan ("BMP") was made available to the public for review and comment, and the final BMP is available through the Illinois EPA's Driving a Cleaner Illinois webpage. The Illinois EPA will make available funding opportunities and related information and documents through this webpage. Further, the Illinois EPA will maintain and make available for public review all documentation submitted in support of funding requests and all records supporting all expenditures of eligible mitigation action funds consistent with the aforementioned laws and regulations.

ATTACHMENT B

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

Public Transit Bus Replacements

Pursuant to Section 5.2.4 of the Environmental Mitigation Trust Agreement, the Illinois EPA provides the following Eligible Mitigation Action Management Plan. The milestone dates and yearly budget distributions provided are estimates and are subject to change based on the date of grant agreement execution and other variables.

Project Implementation Schedule and Milestones

Project: Pace Suburban Bus Public Transit Bus Replacement
ID: 2018-001

Period of Performance: April 2019 – May 2020

Milestone	Estimated Date
Illinois EPA provides Notice of Availability of VW Environmental Mitigation Trust Funds	8/29/18
Applicant Submits Proposal to Illinois EPA	10/15/18
Illinois EPA provides a Notice of State Award to Applicant	12/3/18
Trustee Acknowledges Receipt of D-4	1/25/19
Trustee Approves D-4	3/25/19
Illinois EPA enters into Grant Agreement	4/15/19
Applicant enters into Purchase Agreement/Places Order	9/30/19
Delivery of Vehicle(s) from Vendor	12/30/19
New Vehicle(s) put into Service	2/15/20
Existing Vehicle(s) Scrapped	2/28/20
Applicant provides detailed invoices for all claimed project costs and required final project certification documents to Illinois EPA to support direction to Trustee for Payment (Reimbursement, Direct-to-Vendor)	3/31/20
Illinois EPA Completes Review and Certifies Payment Direction to Trustee (Reimbursement)	5/15/20
Trustee Acknowledges Receipt of Direction for Payment(s) (Reimbursement)	5/30/20
Illinois EPA submits Final Report for Project Completion	7/30/20

Project: Chicago Transit Authority Public Transit Bus Replacement
ID: 2018-002

Period of Performance: April 2019 – October 2020

Milestone	Estimated Date
Illinois EPA provides Notice of Availability of VW Environmental Mitigation Trust Funds	8/29/18
Applicant Submits Proposal to Illinois EPA	10/15/18
Illinois EPA provides a Notice of State Award to Applicant	12/3/18
Trustee Acknowledges Receipt of D-4	1/25/19
Trustee Approves D-4	3/25/19
Illinois EPA enters into Grant Agreement	4/15/19
Applicant enters into Purchase Agreement/Places Order	10/1/19
Delivery of Vehicle(s) from Vendor	5/1/20
New Vehicle(s) put into Service	7/1/20
Existing Vehicle(s) Scrapped	8/1/20

Applicant provides detailed invoices for all claimed project costs and required final project certification documents to Illinois EPA to support direction to Trustee for Payment (Reimbursement, Direct-to-Vendor)	9/1/20
Illinois EPA Completes Review and Certifies Payment Direction to Trustee (Reimbursement)	10/15/20
Trustee Acknowledges Receipt of Direction for Payment(s) (Reimbursement)	10/30/20
Illinois EPA submits Final Report for Project Completion	1/30/21

Project Budget

Budget Category	Total Approved Budget	Share of Total Budget to be Funded by the Trust	Cost-Share Pace Suburban Bus	Cost-Share Chicago Transit Authority
Equipment Expenditure	\$5,604,222	\$4,203,166.50	\$769,230	\$631,825.50
IEPA Administration @2%	\$84,063.33	\$84,063.33		
Project Totals	\$5,688,285.33	\$4,287,229.83	\$769,230	\$631,825.50
Percentage of Equipment Expenditure	100%	75%	13.7%	11.3%

Projected Trust Allocations

Illinois' Allocation	\$108,679,676.98
Obligated Awards from Previous Project #1 D-4 Submittal (Equipment + Administration Costs)	\$769,397.49
Illinois' Net Allocation	\$107,910,279.49
Current D-4 Project Funding Request (Project #2 Public Transit Bus Replacements)	\$4,287,229.83
Illinois' Remaining Unobligated Allocation	\$103,623,049.66

Project #2: Anticipated Budget Year Distribution of Project Costs (Equipment + Admin.)	2019	2020 (9 transit bus replacements)	2021
1. Anticipated Annual Project and Administrative Funding request to be paid through the Trust		\$4,287,229.83	
2. Anticipated Annual Cost Share		\$1,401,055.50	
3. Anticipated Total Project Funding by Year		\$5,688,285.33	

ATTACHMENT C

Detailed Plan for Reporting on Eligible Mitigation Action Implementation (5.2.11) Public Transit Bus Replacements

Pursuant to Sections 5.2.11 and 5.3 of the Environmental Mitigation Trust Agreement, the Illinois EPA provides this project implementation reporting plan for the public transit bus replacement projects undertaken by Pace Suburban Bus and Chicago Transit Authority. This detailed plan for reporting incorporates applicable State of Illinois grantee reporting requirements as well as Illinois' obligation to comply with the semi-annual reporting requirement contained in Section 5.3 of the Environmental Mitigation Trust Agreement. Grantees, Pace Suburban Bus and Chicago Transit Authority, will provide the reports as specified below to the Illinois EPA. Further, the Illinois EPA will provide semi-annual reports to the Volkswagen Trustee as specified below and as required based on the reporting information received from the grantees. The reporting deadlines contained herein are estimates and are subject to change based on the date of grant agreement execution and other variables.

Grantee: Pace Suburban Bus
Project ID: 2018-001

Reports and Reporting Schedule

Estimated execution of grant agreement and start of project:	April 15, 2019
Due date of quarterly project report #1 from Grantee to Illinois EPA:	July 15, 2019 (Start -June 2019)
Due date of semi-annual project report #1 from Illinois EPA to Trustee:	July 30, 2019 (Start – June 2019)
Due date of quarterly project report #2 from Grantee to Illinois EPA:	October 15, 2019 (July-September 2019)
Due date of quarterly project report #3 from Grantee to Illinois EPA:	January 15, 2020 (October-December 2020)
Due date of semi-annual project report #2 from Illinois EPA to Trustee:	January 30, 2020 (July – December 2019)
Due date of quarterly project report #4 from Grantee to Illinois EPA:	April 15, 2020 (January – March 2020)
Due date of final project report from Grantee to Illinois EPA:	April 30, 2020
Due date of final project report from Illinois EPA to Trustee:	July 30, 2020

Grantee: Chicago Transit Authority
Project ID: 2018-002

Reports and Reporting Schedule

Estimated execution of grant agreement and start of project:	April 15, 2019
Due date of quarterly project report #1 from Grantee to Illinois EPA:	July 15, 2019 (Start -June 2019)
Due date of semi-annual project report #1 from Illinois EPA to Trustee:	July 30, 2019 (Start – June 2019)
Due date of quarterly project report #2 from Grantee to Illinois EPA:	October 15, 2019 (July-September 2019)
Due date of quarterly project report #3 from Grantee to Illinois EPA:	January 15, 2020 (October-December 2019)

Due date of semi-annual project report #2 from Illinois EPA to Trustee: January 30, 2020 (July – December 2019)

Due date of quarterly project report #4 from Grantee to Illinois EPA: April 15, 2020 (January-March 2020)

Due date of quarterly project report #5 from Grantee to Illinois EPA: July 15, 2020 (April-June 2020)

Due date of semi-annual project report #3 from Illinois EPA to Trustee: July 30, 2020 (January - June 2020)

Due date of final project report from Grantee to Illinois EPA. October 1, 2020

Due date of quarterly project report #6 from Grantee to Illinois EPA: October 15, 2020 (July – September 2020)

Due date of final project report from Illinois EPA to Trustee: January 30, 2021

Report Content

Grantees and Illinois EPA reports will contain, at a minimum, the following information:

1. Summary of all costs expended through the reporting period and to date
2. Project status and development and implementation accomplishments
3. Any project modifications as compared to the original plan
4. Actual or projected project completion or grant termination date

ATTACHMENT D

Detailed Cost Estimates from Selected or Potential Vendors for each Proposed Expenditure Exceeding \$25,000 (5.2.6) Public Transit Bus Replacements

Pursuant to Section 5.2.6 of the Environmental Mitigation Trust Agreement, Illinois EPA provides the following detailed cost estimates for the public transit bus replacement projects undertaken by Pace Suburban Bus and Chicago Transit Authority. Separate cost estimates are attached.

Grantee: Pace Suburban Bus
Project ID: 2018-001

Quantity 6 engine MY 2019 El Dorado National CNG transit buses (@\$512,820 per bus)	\$3,076,920
Total Project Cost:	\$3,076,920
Total Trust Fund Request @75%:	\$2,307,690
Total Grantee Cost Share @25%:	\$769,230

Grantee: Chicago Transit Authority
Project ID: 2018-002

Quantity 3 engine MY 2020 Proterra all-electric transit buses (@\$842,434 per bus)	\$2,527,302
Total Project Cost:	\$2,527,302
Total Trust Fund Request @75%:	\$1,895,476.50
Total Grantee Cost Share @25%:	\$631,825.50

Totals for Public Transit Bus Replacement Projects

Quantity 6 natural gas transit buses	\$3,076,920
Quantity 3 electric transit buses	\$2,527,302
Total Project Cost:	\$5,604,222
Total Trust Fund Request @75% for 9 new transit buses:	\$4,203,166.50
Total Grantee Cost Share @25% for 9 new transit buses:	\$1,401,055.50
Illinois EPA 2% Administrative Costs:	\$84,063.33
Total Trust Fund Request for Public Transit Bus Replacements	\$4,287,229.83

Pace CNG bus project budget--Driving a Cleaner Illinois grant program

Quantity	Item	Est 2019 price per bus	Grant-eligible cost per bus	Total	Funding source
13	CNG 40-foot bus (base price)	\$512,820	\$512,820	\$6,666,660	grant + match
13	Video surveillance system	13,000	0	\$169,000	unrestricted net position
13	IBS mounting brackets	300	0	\$3,900	unrestricted net position
1	Pre-award audit of buses	750	0	\$750	operating funds
13	Bus inspection	800	0	\$10,400	operating funds
1	Post-delivery audit of buses	750	0	\$750	operating funds
13	Scrappage of diesel bus	3,300	0	\$42,900	operating funds
13	<i>Total</i>	<i>\$531,720</i>	<i>\$512,820</i>	<i>\$6,894,360</i>	
13	<i>Total (eligible costs)</i>			<i>\$6,666,660</i>	
13	<i>Pace's local 25% share of eligible costs</i>		<i>\$128,205</i>	<i>\$1,666,665</i>	<i>unrestricted net position</i>
	<i>Requested grant amount</i>			<i>\$4,999,995</i>	<i>DaCI grant</i>

CHICAGO TRANSIT AUTHORITY (CTA)

**Application to the Illinois Environmental Protection Agency (IEPA)
for funding through the
Driving A Cleaner Illinois Grant Program
October 12, 2018**

OVERALL PROJECT COST ESTIMATE

Summary of Project Costs

Overall project cost: \$5,897,038.00

Requested funding (75%) from IEPA "Driving A Cleaner Illinois" program: \$4,422,778.00

Match funding (25%) from CTA: \$1,474,260.00

Requested funding for vehicle charging infrastructure: \$0.00

Itemized Project Cost per E-Bus and in Total

<i>Budget Item</i>	<i>State: IEPA</i>	<i>Non-State: CTA</i>	<i>Total</i>
Program cost share for Government applicant	75%	25%	100%
<i>Itemized eligible cost per e-bus – equipment only:</i> <ul style="list-style-type: none">• Base cost for each fully-accessible, 40-foot, all-electric transit bus;• Includes bus chassis, electric drivetrain, and essential body and interior components per CTA specifications;• Excludes optional warranties and add-on technologies.	\$631,825.43	\$210,608.57	\$842,434.00
Number of buses requested	7	7	7
Total project cost (7x base cost for each bus)	\$4,422,778.00	\$1,474,260.00	\$5,897,038.00

Additional Ineligible Costs Related to the Project

Outside of eligible project costs, CTA will incur additional *ineligible* costs for the deployment of each of the seven proposed e-buses. Ineligible costs include:

- an extended bus warranty;
- an additional propulsion system warranty;
- interior electronic displays;
- rear door fare collection equipment; and
- operator seat belt alarms.

These ineligible costs sum to \$30,926 per e-bus, for a total of \$216,482 across the seven proposed e-buses in this project.

CTA confirms that it has not yet incurred any costs for the proposed project.