

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 Passenger/Commuter Line Haul Locomotive Replacements
Beneficiary's Project ID:	2018-003
Funding Request No.:	3
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>Northeast Illinois Regional Commuter Railroad Corporation (Metra)</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 Action Type	<input type="checkbox"/> Appendix D-2 item (specify): _____ <input checked="" type="checkbox"/> Item 10 – DERA Option (5.2.12) (specify and attach DERA Proposal): See Attachment E.
Explanation of how funding request fits into Beneficiary's Mitigation Plan (5.2.1):	
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).	
Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2):	
This project involves the replacement of 8 older diesel passenger/commuter locomotives with 8 new model year 2021 Tier 4 diesel locomotives owned and operated by Metra. The grant award is \$14 million (25% grant award) for the new locomotives that will operate out of Union Station in the City of Chicago traveling through the Chicago nonattainment area and environmental justice areas. Replacing older diesel locomotives with new cleaner Tier 4 certified diesel locomotives will result in reductions of NOx and other pollutants thereby providing air quality benefits to the nonattainment and environmental justice areas and area residents as well as provide commuters with cleaner public rail transportation options.	
Estimate of Anticipated NOx Reductions (5.2.3):	
It is anticipated that the project will result in 285.08 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 (5.2.7.2):	
Illinois EPA	
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 what 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.

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 25% funding (\$14 million) for this "DERA Option" locomotive replacement project. Metra will provide a 75% cost share in the amount of \$42 million.

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 locomotives will replace older diesel locomotives that operate out of Union Station and throughout the Chicago ozone nonattainment and environmental justice areas. These areas have historically borne a disproportionate share of the adverse impacts of NOx emissions. By replacing the older diesel locomotives with new, cleaner Tier 4 locomotives, this project will reduce the NOx emissions impacts to these areas, area residents, and the commuters served.

ATTACHMENTS
(CHECK BOX IF ATTACHED)

<input type="checkbox"/>	Attachment A	Funding Request and Direction.
<input checked="" type="checkbox"/>	Attachment B	Eligible Mitigation Action Management Plan Including Detailed Budget and Implementation and Expenditures Timeline (5.2.4).
<input checked="" type="checkbox"/>	Attachment C	Detailed Plan for Reporting on Eligible Mitigation Action Implementation (5.2.11).
<input checked="" type="checkbox"/>	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.]
<input checked="" type="checkbox"/>	Attachment E	DERA Option (5.2.12). [Attach only if using DERA option.]
<input type="checkbox"/>	Attachment F	Attachment specifying amount of requested funding to be debited against each beneficiary's allocation (5.2.12). [Attach only if this is a joint application involving multiple beneficiaries.]

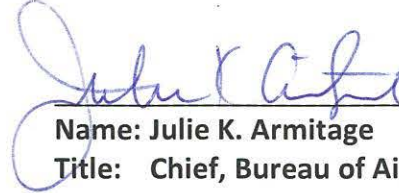
CERTIFICATIONS

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

1. This application is submitted on behalf of the 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 Attached 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: 1/28/19


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

Illinois Environmental Protection Agency
LEAD AGENCY

For

State of Illinois
BENEFICIARY

ATTACHMENT B

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

Public Passenger/Commuter Line Haul Locomotive 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: Metra
ID: 2018-003

Period of Performance: April 2019 - November 2022

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	8/1/21 – 9/1/22
New Vehicle(s) put into Service	8/8/21-9/8/22
Existing Vehicle(s) Scrapped	8/15/21-9/15/22
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)	10/15/22
Illinois EPA Completes Review and Certifies Payment Direction to Trustee (Reimbursement)	11/30/22
Trustee Acknowledges Receipt of Direction for Payment(s) (Reimbursement)	12/15/22
Illinois EPA submits Final Report for Project Completion	1/30/23

PROJECT BUDGET

Public Passenger/Commuter Line Haul Locomotive Replacements

Budget Category	Total Approved Budget	Share of Total Budget to be Funded by the Trust	Cost-Share Metra
Equipment Expenditure	\$56,000,000	\$14,000,000	\$42,000,000
IEPA Administration @2%	\$280,000	\$280,000	
Project Totals	\$56,280,000	\$14,280,000	\$42,000,000
Percentage of Equipment Expenditure	100%	25%	75%

PROJECTED TRUST ALLOCATIONS

Illinois' Allocation	\$108,679,676.98
Obligated Awards from Previous D-4 Submittals for Projects #1-2 (Equipment + Administration Costs)	\$5,056,627.32
Illinois' Net Allocation	\$103,623,049.66
Current D-4 Project Funding Request (Project #3 Locomotive Replacements)	\$14,280,000
Illinois' Remaining Unobligated Allocation	\$89,343,049.66

Project #3: Anticipated Budget Year Distribution of Project Costs (Equipment + Admin.)	2020	2021	2022 (8 locomotives)
1. Anticipated Annual Project and Administrative Funding request to be paid through the Trust			\$14,280,000
2. Anticipated Annual Cost Share			\$42,000,000
3. Anticipated Total Project Funding by Year			\$56,280,000

ATTACHMENT C

Detailed Plan for Reporting on Eligible Mitigation Action Implementation (5.2.11) Public/Passenger Commuter Line Haul Locomotive 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/passenger commuter line haul locomotive replacement project undertaken by Northeast Illinois Railroad Corporation (Metra). 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. Metra 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: Metra
Project ID: 2018-003

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 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 quarterly project report #6 from Grantee to Illinois EPA:	October 15, 2020 (July – September 2020)
Due date of quarterly project report #7 from Grantee to Illinois EPA:	January 15, 2021 (October – December 2020)
Due date of semi-annual project report #4 from Illinois EPA to Trustee:	January 30, 2021 (July – December 2020)
Due date of quarterly project report #8 from Grantee to Illinois EPA:	April 15, 2021 (January – March 2021)
Due date of quarterly project report #9 from Grantee to Illinois EPA:	July 15, 2021 (April – June 2021)
Due date of semi-annual project report #5 from Illinois EPA to Trustee:	July 30, 2021 (January – June 2021)
Due date of quarterly project report #10 from Grantee to Illinois EPA:	October 15, 2021 (July – September 2021)
Due date of quarterly project report #11 from Grantee to Illinois EPA:	January 15, 2022 (October – December 2021)

Due date of semi-annual project report #6 from Illinois EPA to Trustee: January 30, 2022 (July – December 2021)

Due date of quarterly project report #12 from Grantee to Illinois EPA: April 15, 2022 (January – March 2022)

Due date of quarterly project report #13 from Grantee to Illinois EPA: July 15, 2022 (April – June 2022)

Due date of semi-annual project report #7 from Illinois EPA to Trustee: July 30, 2022 (January – June 2022)

Due date of quarterly project report #14 from Grantee to Illinois EPA: October 15, 2022 (July – September 2022)

Due date of final project report from Grantee to Illinois EPA: November 15, 2022

Due date of final project report from Illinois EPA to Trustee: January 30, 2023

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/Passenger Commuter Line Haul Locomotive Replacements**

Pursuant to Section 5.2.6 of the Environmental Mitigation Trust Agreement, Illinois EPA provides the following detailed cost estimate for the public/passenger commuter line haul locomotive replacement project to be undertaken by Metra.

Grantee: Metra
Project ID: 2018-003

	Equipment Cost	Labor Cost	Eligible	Ineligible
Tier 4 Diesel Locomotive (#1)	\$7,000,000	\$ -	\$7,000,000	\$ -
Tier 4 Diesel Locomotive (#2)	\$7,000,000	\$ -	\$7,000,000	\$ -
Tier 4 Diesel Locomotive (#3)	\$7,000,000	\$ -	\$7,000,000	\$ -
Tier 4 Diesel Locomotive (#4)	\$7,000,000	\$ -	\$7,000,000	\$ -
Tier 4 Diesel Locomotive (#5)	\$7,000,000	\$ -	\$7,000,000	\$ -
Tier 4 Diesel Locomotive (#6)	\$7,000,000	\$ -	\$7,000,000	\$ -
Tier 4 Diesel Locomotive (#7)	\$7,000,000	\$ -	\$7,000,000	\$ -
Tier 4 Diesel Locomotive (#8)	\$7,000,000	\$ -	\$7,000,000	\$ -
Total	\$56,000,000	\$ -	\$56,000,000	\$ -

Quantity 8 engine MY 2021 Tier 4 Diesel Locomotives (@\$7,000,000 per locomotive): \$56,000,000

Total Project Cost: \$56,000,000

Total Trust Fund Request @25%: \$14,000,000

Total Grantee Cost Share @75%: \$42,000,000

Illinois EPA 2% Administrative Costs: \$280,000

Total Trust Fund Request for Locomotive Replacements: \$14,280,000

ATTACHMENT E

DERA OPTION (5.2.12)

Pursuant to Appendix D-2 and Section 5.2.12 of the Environmental Mitigation Trust Agreement, the project (Project ID: 2018-03) associated with this Funding Request Number 3 involves use of the DERA Option. While not required for purposes of this Funding Request Number 3, the Illinois EPA will make its DERA Proposal available on its Driving a Cleaner Illinois webpage (<https://www2.illinois.gov/epa/topics/air-quality/driving-a-cleaner-illinois/Pages/default.aspx>) when finalized.