APPENDIX D-4
Beneficiary Eligible Mitigation Action Certification

BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION

Lead Agency Authorized to Act on Behalf of the Beneficiary Tanana Chiefs Conference

Trustee pursuant to a Delegation of Authority and Certificate of Incumbency)

(Any authorized person with delegation of such authority to direct the Trustee delivered to the

Beneficiary Beaver Village

Action Title:	Replacement of Three Stationary Power Generators in Beaver, Alaska
Beneficiary's Project ID:	18-BVR-VW1
Funding Request No.	(sequential) 1
Request Type:	■ Reimbursement □ Advance
(select one or more)	☐ Other (specify):
Payment to be made to:	☐ Beneficiary
(select one or more)	■ Other (specify): Tanana Chiefs Conference
Funding Request &	Attached to this Certification
Direction (Attachment A)	☐ To be Provided Separately
	SUMMARY
Eligible Mitigation Action	Appendix D-2 item (specify):
	Item 10 - DERA Option (5.2.12) (specify and attach DERA Proposal): Attached
Engine replacement through tribal DERA. Two existing size that will operate more efficiently. The two, Tier 3 or replacement of a Tier 1 engine with a smaller Tier 2 en	gation Action Item Including Community and Air Quality Benefits (5.2.2): stationary tier 2 generators will be replaced with tier 3 generators. One existing Tier 1 generator will be replaced with a tier 2 generator of a smaller tiesel fired generators will result in a 12.3% reduction in NOx, a 35.6% reduction in PM 2.5 and a 45.9% reduction in Hydrocarbons. The gine will result in a reduction in NOx of 48.3%, a reduction in PM2.5 of 47.1%, a reduction in Hydrocarbons of 38.5% and a reduction in CO burned o close to a health clinic, school and water plant and have been verified through the use of the EPA's DEQ tool located on the epa-gov website.
Estimate of Anticipated NOx	Reductions (5.2.3):
Through the conversion of their 3 powerplant generators,	which provide 100% of the electricity to the tiny native community of Beaver, AK on the North bank of the Yukon River approximately (SEE ADDENDUM)
	tal Entity Responsible for Reviewing and Auditing Expenditures of Eligible Ensure Compliance with Applicable Law (5.2.7.1):
The 1st Chief of Beaver Village council, R	thonda Pitka, will be responsible for auditing expenditures of Eligible Mitigation Action Funds (SEE ADDENDUM)
Describe how the Beneficiary	will make documentation publicly available (5.2.7.2).
The beneficiary, with assistance	from the Lead Agency will publish publicly available reports detailing (SEE ADDENDUM)
Describe any cost share requ	irement to be placed on each NOx source proposed to be mitigated (5.2.8).
The Cost share requirements through the the DERA program through mandatory not	EPA DERA program requires the applicant to provide at least 20% of the cost of engine purchase and installation for n-federal match. Beaver Village Council is working with the Denali Commission in Alaska and has commitment from vill provide 20% of the purchase and installation costs for the new, higher tiered engines. Funding from the VW
Describe how the Beneficiary Agencies (5.2.9).	complied with subparagraph 4.2.8, related to notice to U.S. Government
The Beaver Village (Benef	iciary) will submit within 30 days a copy of the tribe's (SEE ADDENDUM

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).

Beaver, AK has a minimal impact on the Alaskan Air-shed but numerous reports have shown the negative effects of NOx (SEE ADDENDUM)

ATTACHMENTS (CHECK BOX IF ATTACHED)

7	Attachment A	Funding Request and Direction.
Ø	Attachment B	Eligible Mitigation Action Management Plan Including Detailed Budget and Implementation and Expenditures Timeline (5.2.4).
Ø	Attachment C	Detailed Plan for Reporting on Eligible Mitigation Action Implementation (5.2.11).
7	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.]
Ø	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 Beaver Village 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:	Feb 19th 2019	Dave Messier, TCC Energy Manager
DATED.		[NAME] [TITLE]
	e T	Tanana Chiefs Conference
_		[LEAD AGENCY]
		for
		Beaver Village
		[BENEFICIARY]

[SAMPLE ATTACHMENT B - USE OF THIS FORMAT IS NOT MANDATORY]

PROJECT MANAGEMENT PLAN PROJECT SCHEDULE AND MILESTONES

Milestone	Date	
Lead Agency Provides Notice of Availability of Mitigation Action Funds		
Project Sponsor Submits Proposal to Lead Agency		
Lead Agency Provides Written Approval of Project Sponsor's Proposal		
Lead Agency Incorporates Project Sponsor's Proposal into Mitigation Plan		
Trustee Acknowledges Receipt of Project Certification and Funding Direction	3/1/2019	
Trustee Allocates Share of Funds for Approved Project	5/1/2019	
Lead Agency Directs Funding (Advance Funded Projects)	5/15/2019	
Project Sponsor Obtains Cost Share, Notifies or Certifies to Lead Agency	5/15/19	
Project Sponsor Enters into Contracts, Purchase Orders, etc Start		
Project Sponsor Enters into Contracts, Purchase Orders, etc Complete		
Project Installation(s) – Start		
Project Installation(s) – Complete	9/30/20	
Project Sponsor provides detailed invoices for all claimed project costs, documentation for emission reduction estimates, required certification documents to Lead Agency to support direction		
to Trustee for Payment (Reimbursement, Direct-to-Vendor) or final accounting (Forward Funded Projects)	-	
Lead Agency completes review and certifies payment direction to Trustee (Reimbursement)		
Trustee Acknowledges Receipt of Direction for Payment(s) (Advance Funded, Reimbursement)		
Project Sponsor Certifies Project Completion		
Lead Agency Reports Project Completion	9/30/20	

PROJECT BUDGET

Period of Performance: May 1st 2019 - Dec 31st 2020					
Budget Category	Total Approved Budget	Share of Total Budget to be Funded by the Trust	Cost-Share, if applicable (Entity #1)	Cost-Share, if applicable (Entity #2)	
1. Equipment Expenditure	\$225,000	^{\$} 68,348	^{\$} 156652	\$	
2. Contractor Support (Provide List of Approved Contractors as Attachment with approved funding ceilings)	\$95000	\$	\$95000	\$	
3. Subrecipient Support (Provide List of Approved Subrecipients or Grant Awardees as Attachment with approved funding ceilings)	\$	\$	\$	\$	
4. Administrative ¹	\$21,740	\$	\$21740	\$	
Project Totals	\$341,740	\$68348	\$273392	\$	
Percentage	100 %	20 %	80 %	%	

¹ Subject to Appendix D-2 15% administrative cap.

PROJECTED TRUST ALLOCATIONS:

	2017	2018	2019	2020	2021
1. Anticipated Annual Project Funding Request to be paid through the Trust	\$	\$	\$68348	\$	\$
2. Anticipated Annual Cost Share	\$	\$	\$ 273392	\$	\$
3. Anticipated Total Project Funding by Year (line 1 plus line 2)	\$	\$	^{\$} 341740	\$	\$
4. Cumulative Trustee Payments Made to Date Against Cumulative Approved Beneficiary Allocation	\$	\$	\$	\$	\$
5. Current Beneficiary Project Funding to be paid through the Trust (line 1)	\$	\$	^{\$} 68348	\$	\$
6. Total Funding Allocated to for Beneficiary, inclusive of Current Action by Year (line 4 plus line 5)	\$	\$	\$ 68348	\$	\$
7. Beneficiary Share of Estimated Funds Remaining in Trust	\$	\$	\$68348	\$	\$
8. Net Beneficiary Funds Remaining in Trust, net of cumulative Beneficiary Funding Actions (line 7 minus line 6)	\$	\$	\$0	\$	\$



122 1st Avenue Fairbanks, AK 99701 907-452-8251 www.tananachiefs.org

Addendum to Beaver Village D-4 for VW trust Settlement

Summary Questions from D-4:

Q: Detailed Description of Mitigation Action Item Including Community and Air quality Benefit's:

A: Engine replacement through tribal DERA. Two existing stationary tier 2 generators will be replaced with tier 3 generators. One existing Tier 1 generator will be replaced with a tier 2 generator of a smaller size that will operate more efficiently. The two, Tier 3 diesel fired generator sets will result in a 12.3% reduction in NOx, a 35.6% reduction in PM 2.5 and a 45.9% reduction in Hydrocarbons. The replacement of a tier 1 engine with a smaller Tier 2 engine will result in a reduction in NOx of 48.3%, a reduction in PM2.5 of 47.1%, a reduction in Hydrocarbons of 36.5% and a reduction in CO burned of 57.3%. These Air quality benefits will occur in an area close to a health clinic, school and water plant and have been verified through the use of the EPA's DEQ tool located on the epa.gov website.

Q: Estimate of Anticipated NOx Reductions:

A: Through the conversion of their 3 power plant generators, which provide 100% of the electricity to the tiny native community of Beaver, AK on the North bank of the Yukon River approximately 100 air miles from the nearest population center of Fairbanks. The two existing JD4045 engines will each be upgraded to a higher tier engine and their NOx emissions will be reduced by 12.3%. The larger engine, currently a JD6068 will be reduced to a tier 2 JD4045 and we estimate a reduction in NOx of 48.3%.

Q: ID of Governmental Entity Responsible for Reviewing and Auditing Expenditures of eligible Mitigation Actions Funds to Ensure Compliance with Applicable Law (5.2.7.1)

A: The 1st Chief of Beaver Village, Rhonda Pitka, will be responsible for auditing expenditures of Eligible Mitigation Action Funds for the Beaver Village (Beneficiary). TCC Controller Debbie Meade, will be responsible for reviewing and auditing expenditures of Eligible Mitigation Action Funds for the Lead Agency, Tanana Chiefs Conference.

Q: Describe how the Beneficiary will make documentation publically available (5.2.7.2).

A: The beneficiary, with assistance from the Lead Agency will publish publicly available reports detailing the work completed on the power plant on public facing website of the Lead Agency, Tanana Chiefs Conference. This website is www.tananachiefs.org. In addition the tribe will be responsible for hanging printed information on the project in the post office in Beaver, Alaska.

Q: Describe Any Cost share requirement to be placed on each NOx source proposed to be mitigated:



122 1st Avenue Fairbanks, AK 99701 907-452-8251 www.tananachiefs.org

A: The Cost share requirements through the EPA DERA program requires the applicant to provide at least 20% of the cost of engine purchase and installation for the DERA program through mandatory non-federal match. Beaver Village Council is working with the Denali Commission in Alaska and has commitment from the Denali Commission that the 2 entities will provide 20% of the purchase and installation costs for the new, higher tiered engines. Funding from the VW settlement will be used as the tribe's voluntary match.

Q: Describe how the beneficiary complied with subparagraph 4.2.8 related to notice to US government Agencies 5.2.9

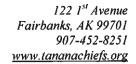
A: The Beaver Village (Beneficiary) will submit within 30 days a copy of the tribe's mitigation plan with Attachments to the United States Department of the Interior, and any other Federal Agency that has custody, control, or management of land within or contiguous to the territorial boundaries of the Beaver Village (Beneficiary) and has by then notified the Beaver Village (Beneficiary) its interest hereunder, explaining that the Beaver Village (Beneficiary) may request Eligible Mitigation Action funds for use on lands within that Federal Agency's custody, control, or management (including, but not limited to, Clean Air Act Class I and II areas), and setting forth the procedures by which the Beaver Village (Beneficiary) will review, consider, and make a written determination upon each such request. For the U.S. Department of the Interior and the U.S. Department of Agriculture, the Beaver Village (Beneficiary) will provide notice as required to the following. It should be noted that Beaver Village (Beneficiary) does not have trust land managed by the United States Government. Alaskan tribes land claims have been settled under the Alaska Native Claims Settlement Act (ANCSA).

Department of the Interior

National Park Service, Air Resources Division VW Settlement P.O. Box 25287 Denver, CO 80225-0287 Or via email to: vwsettlement@nps.gov

Tim Allen or other designated representative U.S Fish and Wildlife Service National Wildlife Refuge System Branch of Air Quality Re: VW Settlement 7333 W. Jefferson Ave., Suite 375 Lakewood, CO 80235-2017

Or via email to: VW Settlement@fws.gov





Q: 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:

A: Beaver, AK has a minimal impact on the Alaskan Air-shed but numerous reports have shown the negative effects of NOx and other greenhouse gases on global warming and climate change. As a subsistence community on the banks of the Yukon river that is mostly dependent on Salmon, residents in the community have witnessed decreased salmon runs and one of the lead causes is thought to be global climate change. Add this to the negative effects of acid rain on the interior caused by factories in Asia and you have a significant impact on the traditional way of life for residents of Beaver. This project will allow Beaver, a community disproportionately affected by climate changes and NOx to reduce its output of NOx and other greenhouse gases significantly.



BEAVER VILLAGE COUNCIL

P.O. Box 24029

Beaver, Alaska 99724

PHONE: 907-628-6126 OR 1-800-528-6813

FAX:907-628-6815

Beaver Village VW Settlement D-4

ATTACHMENT C

Detailed Plan for Reporting o Eligible Mitigation Action Implementation 5.2.11

The Beaver Village has ordinances and procedures set in place to properly manage all funding received by the Beaver Village. The Tribe has a robust fiscal department and will be assisted by their Lead Agency, Tanana Chiefs Conference (TCC). TCC employs an Executive Finance Officer (EFO) and a Controller who manage and have oversight of all funding received by the Tanana Chiefs Conference and any tribes that request assistance in working with them, such as Beaver Village. Tanana Chiefs Conference Controller ensures that all grant funds are being spent in accordance with grant guidelines and will prepare a Federal Financial Report (SF-425) to be submitted to the funding agency before the required timeline at the closing of the fiscal year.

As a requirement of the Federal Government and Office of Management and Budget Super Circular, a Single Agency Audit is performed on an annual basis. The Tanana Chiefs Conference and Beaver Village utilize an electronic and hard copy accounting system; document retention guidelines are strictly adhered to. Monthly expenditure reports are prepared on every grant contract and program and distributed to department directors, who are responsible for expenditure approval and the day-to-day management.

In addition to the financial management system in place and adhered to by both entities because funding from this opportunity will be utilized as the Voluntary match through the EPA DERA program, the EPA grants manager who oversees the DERA program will also be overseeing any and all expenditures from this opportunity. Any and all work completed under this opportunity will be reported to the EPA under regular DERA reports and we will be sure to include this information on the publically available website www.tananachiefs.org.



VW Settlement Environmental Mitigation Trust DERA Option for the Tribal Clean Diesel Funding Assistance Program Notice of Intent to Participate Fiscal Year 2017 Funding Information Page

The U.S. government and Volkswagen (VW) resolved allegations that VW violated the Clean Air Act by selling approximately 590,000 vehicles equipped with defeat devices. As part of this settlement, VW will fund an Environmental Mitigation Trust to fully remediate the amount of excess NOx emissions from these illegal vehicles. Provisions of the trust may be found in the Environmental Mitigation Trust Agreement for Indian Tribe Beneficiaries¹.

Under Eligible Mitigation Action (EMA) #10 (the DERA Option) of the trust agreement, federally recognized tribes and Alaska Native Villages² may use trust funds as their non-federal voluntary matching funds on EPA awarded Tribal Clean Diesel Funding Assistance Program grants. These grants are funded through the Diesel Emissions Reduction Act (DERA) program.

Tribal entities that select the DERA Option must certify as beneficiaries to the trust (Section 2.1.2 of trust agreement). The Beneficiary Eligible Mitigation Action Certification (Appendix D-4 of the trust agreement) allows a tribal entity to select "Item 10 - The DERA Option" as an EMA for funding, and requires a DERA proposal to be submitted as Attachment E.

The tribal entity may use one of the following two options as the required Attachment E to the Beneficiary Eligible Mitigation Action Certification submitted to the trustee:

- 1) The tribal entity may submit a copy of the "Project Narrative" portion of its application package submitted (or to be submitted) to EPA under the <u>Tribal Clean Diesel Funding Assistance Program Fiscal Year (FY) 2017 Request for Proposals, Funding Opportunity Number EPA-OAR-OTAQ-17-08</u>. The "Project Narrative" should be prepared as described in Section IV.C and Appendix B of the Request for Proposals.
- 2) Alternately, the tribal entity may submit a *Notice of Intent to Participate* (Notice) using the template that follows this page.

The Beneficiary Eligible Mitigation Action Certification, indicating EMA Item 10 - the DERA Option, with required attachments, will reserve trust funds from the Tribal Allocation Subaccount for the tribal entity to use on a Tribal Clean Diesel Funding Assistance Program FY 2017 grant awarded under Funding Opportunity Number EPA-OAR-OTAQ-17-08.

Allowable activities under EMA Item 10 – The DERA Option may be found in the Tribal Clean Diesel Funding Assistance Program FY 2017 Request for Proposals under Section I. All

¹ Referred to as "trust agreement" throughout this document.

² Federally recognized tribes and Alaska Native Villages will be referred to as "tribal entities" throughout this document.

projects funded with DERA funds, mandatory cost-share funds, and non-federal voluntary matching funds (such as trust funds) must meet all funding eligibility requirements described in the RFP and the terms and conditions for awarded projects.

This Notice for FY 2017 is due on or before Tuesday, January 2, 2018 to Wilmington Trust.

The template form for the Notice follows this page.

VW Settlement Environmental Mitigation Trust DERA Option for the Tribal Clean Diesel Funding Assistance Program Notice of Intent to Participate Fiscal Year 2017 Funding

Beneficiary Beaver Village

Lead Agency Authorized to Act on Behalf of the Beneficiary Tanana Chiefs Conference

The Beneficiary Eligible Mitigation Action Certification for the DERA Option with required attachments is due to Wilmington Trust on or before **Tuesday**, **January 2**, **2018**. Complete DERA grant proposal packages are due to EPA on or before **Thursday**, **January 18**, **2018**. A tribal entity's Tribal Clean Diesel Funding Assistance Program Fiscal Year 2017 proposal must be selected by EPA in order to receive trust funds reserved in this Notice.

The Tribal Clean Diesel Funding Assistance Program FY 2017 Request for Proposals (RFP) is posted at www.epa.gov/cleandiesel/clean-diesel-tribal-grants

TRUST FUNDS REQUESTED

Please indicate the total amount of trust funds requested that will be used as the non-federal voluntary match for the proposed project.

Beaver is requesting non-federal voluntary match funds of \$68,348 from the VW settlement for use in the Beaver DERA application.

DERA FUNDS REQUESTED

Please indicate the total amount of DERA funds that will be requested for the proposed project.

The total funding requested by Tanana Chiefs Conference for Both Beaver and Stevens Village is \$497,354. The total requested for the Beaver Village project portion is \$249,348

SOURCE OF NON-FEDERAL MANDATORY COST-SHARE

Please describe how the tribal entity will provide the non-federal mandatory cost-share amount for the proposed project.

Beaver Village Council has money saved and will work with Denali Commission to fund the non-federal mandatory cost-share for the proposed project. As required by EPA this mandatory match will be at least 20% of the equipment purchase and installation. The Denali Commission has committed to supporting Beaver with necessary funding to ensure the project is a success

SUMMARY OF PROJECT

Please write a summary of the proposed project, including the number and types of vehicles, engines, and technologies to be funded, and estimated emission reductions.

Beaver Village Council owns and operates Beaver Joint Utilities which supplies 100% of the power needs in Beaver, AK with diesel fired generators. These engines run 24/7/365 and are located in the middle of the community of Beaver within 500 feet of the local school, clinic and the water plant. They currently have 3 engines in their power plant. Two of these engines are JD4045 tier 2 engines and 1 is a JD6068 tier 1. Under the DERA proposal we will be replacing the Tier 2 engines with 2- JD4045AFM85 Tier 3 marine engine and generator and the JD6068 with a JD4045 Tier 2 Marine engine. Due to the challenges of working in a remote community only accessible by plane and barge we typically purchase and install completely new generator sets which have been appropriately tested and put together in town. Estimated Emission reductions from this replacement are. For the two 4045 Engines in Beaver, the EPA Diesel Emission Quantifier (DEQ) tool estimates a 12.3% reduction in NOx, a 35.6% reduction in PM 2.5 and a 45.9% reduction in Hydrocarbons. For the JD 6068 engine the savings will be even more significant since we will be able to convert the engine to a smaller unit. This change out will result in a reduction in NOx of 48.3%, a reduction in PM2.5 of 47.1%, a reduction in Hydrocarbons of 36.5% and a reduction in CO burned of 57.3% according to the EPA's DEQ tool located on the epa.gov website. These conversions will reduce Beaver's negative impact on the Alaskan air shed and improve the health of all residents in the community because the power plant is centrally located.

The official from the lead agency who signs the Beneficiary Eligible Mitigation Action Certification form should fill out the information below.

Signature	de Ton
Name (Print)	Dave Messier
Title	Rural Energy Coordinator
Department/Office	Energy Department
Phone	907-452-8251 ext 3479
Email Address	Dave.pm@tananachiefs.org
Mailing Address	122 1 st ave suite 600 Fairbanks, AK 99701

Please attach this form as Attachment E to the Beneficiary Eligible Mitigation Action Certification Form and return to Wilmington Trust.

Licensed ~ Bonded ~ Insured



Current River Electric

A General Contractor specializing in all aspects of: Overhead and Underground Power Line Construction and Maintenance Power Generation Installation, Upgrade & New Build



Original Estimate: December 10th 2017
Updated Feb 2019: Please reference original estimate

Beaver Village Council

Estimate for Work to be done in the Beaver Powerhouse

Existing Generator 1 - 6068TF150 Tier 1

Recommended Replacement JD 4045AFM85 Tier 3

After an extensive review of different options available and the average and peak load in Beaver, AK it is recommended that the existing 6068TF150 be replaced with a JD4045AFM85 Tier3 engine. These engines are very difficult to find in the age range that is eligible for installation as a prime power generator under EPA RICE rules and we estimate it will be much easier and more cost effective to complete a full replacement of this engine with a pre-built and packaged engine that can be fully load tested and rebuilt in our shop before shipping the engine to Beaver for installation.

Estimated Cost of Genset: \$75000

Estimated Cost of Labor and shipping: \$25,000

Existing Generator 2 and 3 – 4045TFM75A Tier 2 Recommended Replacement JD 4045AFM85 Tier 3

After reviewing the engines and available used market for JD4045AFM85 engine blocks, generators and components it is recommended that the Beaver replace their 2 existing JD4045TFM75A Tier 2 engines with 2 – JD4045AFM85 Tier 3 engines. These engines will come with a 99kW generator end either Kato or Newage. The generator sets will be built up at our shop in Wasilla, AK and load tested there before freighting them to Beaver Village for installation.

Estimated Cost of Genset: \$75000 each, \$150,000 total

Estimated Cost of Labor and shipping: \$25,000 each \$50,000 total

It is estimated that the total cost with shipping for Current River Electric to complete the work on this project is approximately

Genset 1: \$100,000 Genset 2: \$100,000 Genset 3: \$100,000

Total: \$300,000

Please note this Estimate is only Valid for 30 days and may change dependent on which engines are available

Thank you for your business!