

APPENDIX D-4
Beneficiary Eligible Mitigation Action Certification

BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION

Beneficiary Commonwealth of Massachusetts

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

Action Title:	Electric Transit Buses
Beneficiary's Project ID:	Electric Transit Buses
Funding Request No.	<i>(sequential)</i> N/A
Request Type: (select one or more)	<input type="checkbox"/> Reimbursement <input type="checkbox"/> Advance <input checked="" type="checkbox"/> Other (specify): <u>General D-4 submitted for 60-day review by Wilmington Trust</u>
Payment to be made to: (select one or more)	<input type="checkbox"/> Beneficiary <input checked="" type="checkbox"/> Other (specify): <u>Grantee or grantee's vendor, only after future submission of project-specific Attachment A</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>EMA 2, School, Shuttle or Transit Buses</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): See attached	
Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2): See attached	
Estimate of Anticipated NOx Reductions (5.2.3): See attached	
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): Massachusetts Department of Environmental Protection (MassDEP)	
Describe how the Beneficiary will make documentation publicly available (5.2.7.2). See attached	
Describe any cost share requirement to be placed on each NOx source proposed to be mitigated (5.2.8). See attached	
Describe how the Beneficiary complied with subparagraph 4.2.8, related to notice to U.S. Government Agencies (5.2.9). See attached	

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).
See attached

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

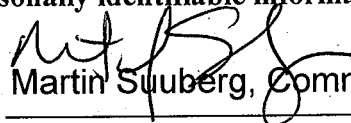
By submitting this application, the Lead Agency makes the following certifications:

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

10/3/19


Martin Stueberg, Commissioner

[NAME]

[TITLE]

Department of Environmental Protection

[LEAD AGENCY]

for

Massachusetts

[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	1/11/18
Project Sponsor Submits Proposal to Lead Agency	-
Lead Agency Provides Written Approval of Project Sponsor's Proposal	7/12/19 & 7/18/19
Lead Agency Incorporates Project Sponsor's Proposal into Mitigation Plan	12/7/18
Trustee Acknowledges Receipt of Project Certification and Funding Direction	TBD
Trustee Allocates Share of State Funds for Approved Project	TBD
Lead Agency Directs Funding (Advance Funded Projects)	N/A
Project Sponsor Obtains Cost Share, Notifies or Certifies to Lead Agency	N/A
Project Sponsor Enters into Contracts, Purchase Orders, etc. - Start	Ongoing
Project Sponsor Enters into Contracts, Purchase Orders, etc. - Complete	Ongoing
Project Installation(s) – Start	TBD
Project Installation(s) – Complete	TBD
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)	TBD
Trustee Acknowledges Receipt of Direction for Payment(s) (Advance Funded, Reimbursement)	-
Project Sponsor Certifies Project Completion	TBD
Lead Agency Reports Project Completion	TBD

PROJECT BUDGET

Period of Performance: <u>Year One Electric Transit Buses</u>				
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	\$ 9,746,080	\$ 9,546,080	\$ 200,000	\$ 0
2. Contractor Support <i>(Provide List of Approved Contractors as Attachment with approved funding ceilings)</i>	\$ 0	\$ 0	\$ 0	\$ 0
3. Subrecipient Support <i>(Provide List of Approved Subrecipients or Grant Awardees as Attachment with approved funding ceilings)</i>	\$ 0	\$ 0	\$ 0	\$ 0
4. Administrative ¹	\$ 1,431,912	\$ 1,431,912	\$ 0	\$ 0
Project Totals	\$ 11,177,992	\$ 10,977,992	\$ 200,000	\$ 0
Percentage	14.62 %	14.62 %	N/A %	N/A %

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	\$ 0	\$ 0	\$ 3.9M	\$ 5,646,080	\$
2. Anticipated Annual Cost Share	\$ 0	\$ 0	\$ 200,000	\$ 0	\$
3. Anticipated Total Project Funding by Year (line 1 plus line 2)	\$ 0	\$ 0	\$ 4.1M	\$ 5,646,080	\$
4. Cumulative Trustee Payments Made to Date Against Cumulative Approved Beneficiary Allocation	\$ 0	\$ 0	\$ 5M	\$ 0	\$
5. Current Beneficiary Project Funding to be paid through the Trust (line 1)	\$ 0	\$ 0	\$ 3.9M	\$ 5,646,080	\$
6. Total Funding Allocated to for Beneficiary, inclusive of Current Action by Year (line 4 plus line 5)	\$ 0	\$ 0	\$ 3.9M	\$ 5,646,080	\$
7. Beneficiary Share of Estimated Funds Remaining in Trust	\$ 75,064,424.40	\$ 75,064,424.40	\$ 70,064,424.40	\$ 66,164,424.40	\$
8. Net Beneficiary Funds Remaining in Trust, net of cumulative Beneficiary Funding Actions (line 7 minus line 6)	\$ 75,064,424.40	\$ 75,064,424.40	\$ 66,164,424.40	\$ 60,518,344.40	\$

Attachment to

BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION

SUMMARY

Explanation of how funding request fits into Beneficiary's Mitigation Plan (5.2.1):

Funding electric transit buses and associated charging infrastructure meets and fulfills the following five goals identified in the Massachusetts Beneficiary Mitigation Plan (BMP):

- 1) Help the Commonwealth in achieving GHG emission reduction targets and reduce air pollution in the transportation network;
- 2) Promote electrification of the State's transportation network;
- 3) Drive technological and policy progress in air pollution mitigation and GHG emissions reduction in the transportation network;
- 4) Serve environmental justice populations; and
- 5) Promote equitable geographic distribution across the state.

Electric transit buses and associated charging infrastructure support each of the five goals by: a) focusing on achieving GHG and air pollution reductions through the placement of new electric transit buses and associated charging infrastructure (Goals 1 & 2); b) allowing for the introduction of new electric transit buses and associated charging infrastructure technology (Goal 3); c) serving communities with known environmental justice populations (Goal 4); and d) siting the electric transit buses and associated charging infrastructure in a range of geographic areas across Massachusetts (Goal 5).

Massachusetts was allocated \$75,064,424.40 under the VW Settlement. Massachusetts plans to spend \$9,546,080 to support the purchase of electric transit buses and associated charging infrastructure by the Pioneer Valley Transit Authority (PVTA) and Martha's Vineyard Transit Authority (VTA) (collectively, Regional Transit Authorities or RTAs). The Settlement also allows a maximum of 15%, or \$11,259,663.66, to be used for the actual administrative expenditures associated with implementing eligible mitigation projects. The MA BMP indicates that the "Commonwealth will review each mitigation project to determine the appropriate level of administrative expenditure and does not expect to use the entire 15% for this purpose." Thus, no more than 15% of \$9,546,080, or \$1,431,912, may be used for Year One electric transit bus and associated charging infrastructure administrative expenditures.

Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2):

In an effort to provide continuing community benefits, MassDEP requires electric transit bus grantees to:

- Place the buses and charging infrastructure into service within 19 months after the effective date of the contract between funding recipients and the Commonwealth;
- Keep the buses and charging infrastructure in service for a minimum of 36 months, and do so within five years after placing the buses and charging infrastructure into service;
- Scrap existing transit buses within 90 days after new buses are placed into service;
- Provide adequate property and casualty insurance coverage for each bus and the charging infrastructure;
- Train personnel on the operation and maintenance of the transit buses and the charging infrastructure;
- Provide an annual report, including, but not limited to, data on vehicle miles traveled, ridership, electrical usage, bus and charging infrastructure operation and maintenance costs and records, and

the driver experience;

-Maintain the transit buses and the charging infrastructure in accordance with the manufacturer's recommended procedures and specifications.

Air quality benefits include the elimination of NO_x, carbon dioxide (CO₂), carbon monoxide (CO), particulate matter (PM), and hydrocarbons (HC) tailpipe emissions from conventional internal combustion vehicles. Reduced exposure to these pollutants provides additional community benefits.

Estimate of Anticipated NO_x Reductions (5.2.3):

Based on bus data provided by the RTAs and using MassDEP inspection data to calculate the annual vehicle miles traveled by the existing buses in 2018, MassDEP was able to use the US Environmental Protection Agency's Diesel Emissions Quantifier to estimate emissions reductions from the project. Reductions after upgrades would be approximately 2.68 metric tons NO_x and 1,083 metric tons CO₂.

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

As detailed in the Massachusetts Attachment to D-3:

"In addition to compliance with the Public Records Law, and in order to enhance access and reduce the burden for the general public, MassDEP will continue to post appropriate records regarding the VW settlement agreement and MassDEP's implementation of the Beneficiary Mitigation Plan, including records submitted by MassDEP in support of funding requests and expenditures of Trust Funds, on its searchable website at <http://www.mass.gov/dep>. The website can be used to easily access and produce electronic copies of such records without the need for a formal public records request."

Describe any cost share requirement to be placed on each NO_x source proposed to be mitigated (5.2.8).

As defined in Appendix D-2, both grantees are government agencies purchasing new All-Electric Government Owned Eligible transit Buses (and charging infrastructure for one grantee), and are therefore eligible for 100% of costs, and are not required by the VW Settlement to provide a cost share. Pioneer Valley Transit Authority (PVTA) has been approved to receive up to \$2,735,540 for four 40-foot long buses, up to \$2,575,540 for four 35-foot long buses and up to \$335,000 for charging infrastructure and installation. Any additional costs will be covered by PVTA from other sources. Martha's Vineyard Transit Authority (VTA) has been approved to receive up to \$750,000 each for four 35-foot long buses and up to \$550,000 each for two 30-foot long buses, with a combined maximum of \$3.9 million (since the combination of individual bus costs adds to \$4.1 million, VTA must cover the \$200,000 difference as a cost share from other sources; also, VTA is funding charging infrastructure from other sources).

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

On February 27, 2018, MassDEP, the designated lead agency for the Beneficiary, the Commonwealth of Massachusetts, notified agencies via e-mail that they could "request Eligible Mitigation Action funds for use on lands within the Department of Interior's/Department of Agriculture's custody, control or management (including, but not limited to, Clean Air Act Class I and II areas)." MassDEP notified the Department of the Interior, National Park Service, Air Resources Division; the Department of the Interior; U.S. Fish and Wildlife Service; the Department of Agriculture; and the U.S. Coast Guard Base Cape Cod.

If applicable, describe how the mitigation action will mitigate the impacts of NO_x emissions on communities that have historically borne a disproportionate share of the adverse impacts of such emissions (5.2.10).

As stated in the BMP goals, MassDEP is interested in funding projects that serve environmental justice populations. MassDEP used the Environmental Justice (EJ) Viewer provided by the Commonwealth of Massachusetts at http://maps.massgis.state.ma.us/map_ol/ej.php to determine that both PVTA and

VTA have bus routes that are located in EJ areas. The EJ criteria of minority status, English isolation, income, or a combination are inclusive of or correlated to communities that have historically borne a disproportionate share of the adverse impacts of NOx and other emissions, as listed in <https://www.mass.gov/files/documents/2016/07/ul/ej-2010-communitystatistics.pdf>.

ATTACHMENT C

Detailed Plan for Reporting on Eligible Mitigation Action Implementation (5.2.11).

As detailed in Massachusetts Attachment to D-3, filed November 21, 2017:

“In addition to compliance with the Public Records Law, and in order to enhance access and reduce the burden for the general public, MassDEP will continue to post appropriate records regarding the VW settlement agreement and MassDEP’s implementation of the Beneficiary Mitigation Plan, including records submitted by MassDEP in support of funding requests and expenditures of Trust Funds, on its searchable website at <http://www.mass.gov/dep>. The website can be used to easily access and produce electronic copies of such records without the need for a formal public records request.”

In addition, Wilmington Trust will post on its public facing website the semi-annual reports MassDEP is required to submit pursuant to Settlement section 5.3:

“5.3 Beneficiary Reporting Obligations: For each Eligible Mitigation Action, no later than six months after receiving its first disbursement of Trust Assets, and thereafter no later than January 1 and July 1 of each year, each Beneficiary shall serve upon the Trustee, a semiannual report describing the progress implementing each Eligible Mitigation Action during the six-month period leading up to the reporting date (including a summary of all costs expended on the Eligible Mitigation Action through the reporting date). Such reports shall include a complete description of the status (including actual or projected termination date), development, implementation, and any modification of each approved Eligible Mitigation Action. ... The Trustee shall post each semiannual report on the Trust’s public-facing website upon receipt.”

ATTACHMENT D

Detailed cost estimates from selected or potential vendors for each proposed expenditure exceeding \$25,000 (5.2.6).

MassDEP will only fund costs as detailed on Section 5.2.8 above, and in no case more than actual costs incurred. Final actual invoices are required to be submitted to MassDEP with payment requests.

As agreed by MassDEP and Wilmington Trust in June 2019, while MassDEP and Wilmington Trust work out payment processing details, Wilmington Trust will issue up to 35 checks to grantees or vendors. Attached is an explanatory document to be enclosed with the checks for electric transit buses and associated charging infrastructure.

You are receiving the enclosed check in response to a payment request submitted to the Massachusetts Department of Environmental Protection (MassDEP) related to an award of grant funding from the Volkswagen Environmental Mitigation Trust. Should you have any questions about this check, please contact Ms. Sharon Weber at MassDEP at (617) 556-1190 or Sharon.Weber@mass.gov . Do not contact Wilmington Trust, N.A. with questions. Thank you.