

APPENDIX D-4
Beneficiary Eligible Mitigation Action Certification

BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION

Beneficiary Washington State

Lead Agency Authorized to Act on Behalf of the Beneficiary Washington Department of Ecology
(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:	Shore Power for Ocean Going Vessels
Beneficiary's Project ID:	EMA5-Shore Power-C1
Funding Request No.	<i>(sequential)</i> 6
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 checked="" type="checkbox"/> Beneficiary <input type="checkbox"/> Other (specify): _____
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>EMA5 Shore Power for Ocean Going Vessels</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 summary attached.	
Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2): See summary attached.	
Estimate of Anticipated NOx Reductions (5.2.3): See summary 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): See summary attached.	
Describe how the Beneficiary will make documentation publicly available (5.2.7.2). See summary attached.	
Describe any cost share requirement to be placed on each NOx source proposed to be mitigated (5.2.8). Ecology estimates this action will reduce 4,000 lifetime tons of NOx.	
Describe how the Beneficiary complied with subparagraph 4.2.8, related to notice to U.S. Government Agencies (5.2.9). See summary 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 summary 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 State of Washington, 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:

1/22/20

Polly Zelm

Polly Zelm, Deputy Directory

Department of Ecology

[LEAD AGENCY]

for

Washington State

[BENEFICIARY]

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

PROJECT MANAGEMENT PLAN
PROJECT SCHEDULE AND MILESTONES

Milestone	Date
Ecology develops grant application forms for Ecology's Administration of Grants and Loans (EAGL) database	11/2019 – 3/2020
Ecology Submits D-4 to Trustee for approval	1/2020
Ecology opens funding opportunity and notifies potential applicants via EAGL, Ecology's VW webpage, and Ecology's VW listserv	3/2020
Final day for grant applicants to submit grant applications via EAGL	4/2020
Ecology notifies grant recipients of award	6/2020
Ecology and grant awardees finalize contract	8/2020
Ecology submits funding direction (Appendix D-4 Attachment A) to the Trustee for administrative cost reimbursement	8/2020
Trustee reimburses Ecology for administrative costs	9/2020
Ecology reviews reimbursement requests from grant awardee and provides reimbursements for projects, as completed	9/2020-5/2023
Ecology submits funding direction (Appendix D-4 Attachment A) to the Trustee for project funding reimbursement	10/2020-6/2023
Trustee reimburses Ecology for project expenditures	11/2020-7/2023
Grant awardee reports on installation/construction progress to Ecology	Quarterly
Ecology reports on project progress to the Trustee	1/31 & 7/30 annually
Ecology completes mitigation action and submits final project report to the Trustee	9/2023

PROJECT BUDGET

Period of Performance: 11/2019 - 9/2023				
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	\$ 14,400,000	\$ 3,600,000	\$ 10,800,000	\$
2. Contractor Support <i>(Provide List of Approved Contractors as Attachment with approved funding ceilings)</i>	\$ 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	\$
4. Administrative ¹	\$ 400,000	\$ 400,000	\$ 0	\$
Project Totals	\$ 14,800,000	\$ 4,000,000	\$ 10,800,000	\$
Percentage	100 %	25 %	75 %	%

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

PROJECTED TRUST ALLOCATIONS:

	2019	2020	2021	2022	2023
1. Anticipated Annual Project Funding Request to be paid through the Trust	\$ 0	\$ 0	\$ 444,444	\$ 1,333,333	\$ 2,222,223
2. Anticipated Annual Cost Share	\$ 0	\$ 0	\$ 1,200,000	\$ 3,600,000	\$ 6,000,000
3. Anticipated Total Project Funding by Year (line 1 plus line 2)	\$ 0	\$ 0	\$ 4,933,333	\$ 4,933,333	\$ 8,222,223
4. Cumulative Trustee Payments Made to Date Against Cumulative Approved Beneficiary Allocation	\$ 600,000	\$ 20,347,000	\$ 19,621,000	\$ 19,621,000	\$ 225,000
5. Current Beneficiary Project Funding to be paid through the Trust (line 1)	\$ 0	\$ 0	\$ 1,333,333	\$ 1,333,333	\$ 2,222,223
6. Total Funding Allocated to for Beneficiary, inclusive of Current Action by Year (line 4 plus line 5)	\$ 0	\$ 20,347,000	\$ 20,954,333	\$ 20,954,333	\$ 2,447,223
7. Beneficiary Share of Estimated Funds Remaining in Trust	\$ 112,100,000	\$ 112,100,000	\$ 62,101,556	\$ 62,101,556	\$ 41,147,223
8. Net Beneficiary Funds Remaining in Trust, net of cumulative Beneficiary Funding Actions (line 7 minus line 6)	\$ 112,100,000	\$ 91,753,000	\$ 41,147,223	\$ 41,147,223	\$ 38,700,000

ATTACHMENT C – DETAILED PLAN FOR REPORTING ON ELIGIBLE MITIGATION ACTION IMPLEMENTATION (5.2.11).

The Washington Department of Ecology, as the lead agency for the state of Washington implementing the Environmental Mitigation plan, will provide detailed reporting on this funding request in two ways: (1) timely updates to the Department of Ecology's Volkswagen Federal Enforcement Action website; and (2) semi-annual reports to the Trustee as required by subparagraph 5.3 of the Environmental Mitigation Trust Agreement for State Beneficiaries.

The Department has established a public VW website that will host detailed implementation reporting information. The public website, <https://ecology.wa.gov/Air-Climate/Air-quality/Vehicle-emissions/VW-federal-enforcement-action>, was created to provide information related to the Trust, the VW partial Consent Trust Decrees, Washington's plans, and implementation information. In order to provide transparency and accountability, the Department of Ecology will make publically available all the required documentation under Paragraph 7 of the Appendix D-3 Certification for Beneficiary Status form.

The Department will comply with the reporting obligations listed in the Environmental Mitigation Trust Agreement for State Beneficiaries in subparagraph 5.3, reporting to Trustee on the status of and expenditures associated with the Mitigation Actions completed and underway within six months of the first disbursement and then January 30th and July 30th thereafter.

The Department of Ecology will periodically evaluate implementation of the Beneficiary Mitigation Plan and implementation of the Eligible Mitigation Actions after the initial round of funding and will determine whether any revisions to the Beneficiary Mitigation Plan and funding levels are appropriate or necessary.

ATTACHMENT D – DETAILED COST ESTIMATES FROM SELECTED OR POTENTIAL VENDORS FOR EACH PROPOSED EXPENDITURE EXCEEDING \$25,000 (5.2.6).

Cost estimates for installing shore power for ocean going vessels shore power. The wide range in estimates depends on the number of berths, on-terminal infrastructure costs, and utility distribution network upgrade costs.

Ecology circulated a Request for Information (RFI) to Washington’s marine ports to inform the development of this funding opportunity. The RFI asked the ports for information including terminal type, total calls per month, number of berths, average time at berth, average ship size, estimated cost for dock-side installation, and estimated cost for upland or utility-side upgrades.

Ports submitted the information below which show an average cost estimate of \$8.3M to install GOV shore power.

Terminal	Number of Berths	On-Terminal Infrastructure Costs	Utility Distribution Network Upgrade Costs	Total Cost Estimate
T-3 (Port Angeles)	1	\$300,000	\$600,000	\$900,000
Curtis Wharf (Port of Anacortes)	1	\$2,200,000		\$2,200,000
T-5 (Seattle)	2	\$4,360,000	\$592,250	\$4,952,250
T-18 (Seattle)	2	\$5,510,000	\$100,000	\$5,610,000
Pier 2 (Port of Anacortes)	1	\$4,320,000	\$2,125,000	\$6,445,000
PCT	2	\$4,050,000	\$7,500,000	\$11,550,000
Husky (Tacoma)	2	\$5,310,000	\$7,500,000	\$12,810,000
WUT	2	\$5,830,000	\$7,500,000	\$13,330,000
Pier 66 (Seattle)	1			\$17,000,000
Average				\$8,310,806

SUMMARY

Eligible Mitigation Action Appendix D-2 item (specify): EMA5 OGV Shore Power
Action Type Item 10-DEIRA Option (5.2.12) (specify/attach Proposal):

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

The State of Washington Volkswagen Beneficiary Mitigation Plan outlines principles and priorities to guide the state's selection and prioritization of projects to achieve Washington's goal to:

- reduce emissions from diesel engines in the state where the 2.0 and 3.0 liter VW vehicles were, are, or will operate; and
- fully mitigate the total, lifetime excess NOX emissions of the subject vehicles.

Washington's mitigation plan principles are to:

- Improve air quality for communities that have historically borne a disproportionate share of the air pollution burden in Washington.
- Maximize air quality co-benefits beyond nitrogen oxide reductions.
- Maximize public health benefits.

Washington's mitigation plan prioritizes projects that:

- Accelerate adoption of electric vehicles (EVs), equipment, and vessels;
- Promote electrification technologies in public transportation fleets;
- Accelerate fleet turnover to the cleanest engines;
- Achieve substantial additional emissions reductions beyond what would occur absent trust funding;
- Ensure cost-effectiveness; and
- Leverage additional matching funds.

Washington's Beneficiary Mitigation Plan highlights an unprecedented opportunity to invest VW settlement funds to make transformative improvements across Washington's transportation sector. This action will help accelerate the transformation to electric shore power for ocean going vessels at Washington ports. Investing in zero-emission technologies will help address current air pollution problems, avoid future air pollution problems, and improve both near and long-term public health in communities historically disproportionately impacted by diesel pollution.

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

Publicly owned Port Districts in Washington will be offered the opportunity to compete for funding for electric shore power for ocean going vessels (OGV). Eligible marine shore power includes systems that enable a compatible vessel's main and auxiliary engines to remain off while the vessel is at berth. This action will help accelerate the transformation to electric shore

power for ocean going vessels. It will also encourage other marine vessels to convert to shore power capability. Investing in shore power for ocean going vessels provides substantial air quality benefits beyond NOx reductions, especially a reduction in toxic diesel particulates, ozone precursors, and greenhouse gases.

Estimate of Anticipated NOx Reductions (5.2.3):

Ecology estimates this action will reduce 4,000 tons of lifetime NOx.

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):

Washington Department of Ecology

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

As stated in response to paragraph #7 in Attachment A of Washington's Appendix D-3 filing, Ecology will make documents and records submitted in support of funding requests and documents and records supporting expenditures of trust funds available to the public through an application, system, or library on the agency's website at ecology.wa.gov. Easy-to-use functionality will be incorporated as much as possible to ensure unburdened, public access to project documentation and other pertinent mitigation fund information.

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

Ecology will award a maximum of up to \$2,000,000 per terminal/pier project to help purchase and install shore power. Ecology will fund up to 25% of the total project costs. Grant recipients must provide funding to pay the difference between the full cost of the shore power and the grant provided from this funding opportunity.

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, Washington Department of Ecology contacted the U.S. Department of Interior, U.S. Department of Agriculture, U.S. Forest Service via email to notify them of the availability of Washington State Volkswagen Mitigation Action Funds. The notice included a link to the State Trust agreement and attachments; a link to Ecology's procedures for review, consideration, and written determination for each request of funds; and instructions to subscribe to the Washington Department of Ecology's listserv to receive up-to-date information, if desired.

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).

Ecology used the Washington Tracking Network's (WTN) "Diesel and Disproportionately Impacted Communities" Index to identify and locate communities that have historically borne a disproportionate share of the air pollution burden in Washington. Ecology identified 14 priority counties: Benton, Clallam, Clark, Cowlitz, Franklin, King, Lewis, Pierce, Skagit, Snohomish, Spokane, Thurston, Whatcom and Yakima. These counties contain about 85% of the state's population, 84% of the violating vehicles, and 100% of Washington's disproportionately impacted population. The "Disproportionately Impacted Communities" include those census tracts in the top 20th percentile for exposure to diesel emissions and the

following five socioeconomic factors: limited English, unaffordable housing, no high school diploma, population living in poverty, and unemployment. Ecology will prioritize investing settlement funds in areas that improve air quality for disproportionately impacted communities. High-traffic transportation corridors and urban population centers, especially those with and near ports and industrial facilities, will provide the greatest opportunity for Washington to achieve its mitigation plan goal, principles and priorities. Strategic deployment of shore power for ocean going vessels could improve air quality and public health in communities that have historically borne an undue share of the air pollution burden.

