



STATE OF HAWAII

VOLKSWAGEN SETTLEMENT ENVIRONMENTAL MITIGATION TRUST AGREEMENT

SEMI-ANNUAL REPORT (January 1 – June 30, 2020)

Prepared and submitted by the Hawaii State Energy Office within the State of Hawaii

Department of Business, Economic Development, and Tourism

July 2020

State of Hawaii
Volkswagen Settlement Semi-Annual Report (January –June 2020)

Beneficiary	Hawaii
Lead Agency	Department of Business, Economic Development, and Tourism Office
Reporting Period	January – June 2020

Summary of All Costs

Beneficiary Project ID	Project	Total Funds Obligated	Total Funds Expended to Date
VW - 0010 - 0001	ACTION 10 DERA FY17/18 HONOLULU TRANSIT BUS REPLACEMENT	\$ 230,087	\$ 19,610.21
VW - 0010 - 0002	ACTION 10 DERA FY19 ELECTRIC BUS ASSISTANCE PROGRAM	\$ 316,494	\$ 19,610.21
VW - 0009 – 0003	ACTION 9 LIGHT DUTY ZEV SUPPLY EQUIPMENT	\$ 1,218,750	\$ 0

Date Submitted	Submission/Status
January 2020	Hawaii Semi-Annual Report (Jul – Dec 2019) submitted
March 2020	Project 1 – U.S. EPA approved no-cost extension with updated deadline of June 2021
March 18, 2020	Project 1 – HSEO and DOH-CAB finalized Memorandum of Agreement Project 2 – HSEO and DOH-CAB finalized Memorandum of Agreement
May 8, 2020	Project 1 – solicitation open for “Furnish and Deliver 29’ to 35’ Heavy Duty Low Floor Battery Electric Bus
June 8, 2020	Project 1 – all bids received for “Furnish and Deliver 29’ to 35’ Heavy Duty Low Floor Battery Electric Bus
June 30, 2020	Project 2 – DERA FY20 workplan submitted to U.S. EPA for approval

Program details on following pages.

The information in this report is true and correct and submission is made under penalty of perjury.	<i>Donna Mau</i>	Jul 21, 2020
	Donna Mau Energy Program Manager	Date

Project 1 Update – Action 10 DERA FY 17/18 Honolulu Transit Bus Replacement

On May 19, 2019, HSEO submitted a D-4 Funding Request to the Trustee for \$230,087. The funding request was approved by the Trustee on July 19, 2019. Trust funds were disbursed to the State of Hawaii on August 2, 2019.

The City and County of Honolulu, Department of Transit Services (DTS) and Oahu Transit Services (OTS) will introduce a new three-mile bus route for TheBus to be named “the Downtown Health Circular”. The City and County of Honolulu, DTS and OTS, plan to operate the route with two (2) battery electric buses. Hawaii State Energy Office (HSEO) will utilize Trust Funds and Department of Health, Clean Air Branch (DOH-CAB) DERA funds to assist with the purchase of the two (2) battery electric buses. The funds from the D-4 funding request will allow the DOH-CAB to receive \$113,088 of EPA DERA FY 17/18 matching incentive funds for the project.

HSEO and DOH-CAB finalized the Memorandum of Agreement for the project on March 18, 2020, and DOH-CAB and City and County of Honolulu DTS are finalizing the subgrant agreement for DERA FY17/18 programming.

The City and County of Honolulu DTS Purchasing Department opened the “Furnish and Deliver 29’ to 35’ Heavy Duty Low Floor Battery Electric Bus” solicitation on May 8, 2020 and received all offeror bids on June 8, 2020. The offeror bids are currently being evaluated and scored.

Project Modifications

The project deadline has been extended from the initial deadline of March 31, 2020 due to delays of bus procurement. In March 2020, DOH-CAB’s request for a no-cost extension was approved by the U.S. EPA for the DERA FY17/18 Program. The updated project deadline is June 2021.

Project Budget

Budget Category	Total Funds Expended to Date	Total Approved Budget	Share of Total Budget to be Funded by the Trust	Cost-Share, DERA FY17/18 EPA Allocation	Cost-Share, City and County of Honolulu
Equipment Expenditure	\$ 0	\$ 1,524,000	\$ 195,574	\$ 471,244	\$ 857,182
Administrative @ 15%	\$ 19,610.21	\$ 34,513	\$ 34,513	-	
Project Totals		\$ 1,558,513	\$ 230,087	\$ 471,244	\$ 857,182
Percentage		100%	15%	30%	55%

Project 2 Update – Action 10 DERA FY 19 Electric Bus Assistance Program

On July 8, 2019, HSEO submitted its second D-4 Funding Request to the Trustee for \$316,494. The funding request was approved by the Trustee on September 6, 2019. Trust funds were disbursed to the State of Hawaii on September 21, 2019.

The Electric Bus Assistance Program will utilize \$316,494 of Trust Funds and \$158,247 of DERA FY19 matching incentive funds from DOH-CAB to provide incentives up to 40% of bus costs to awarded fleet owners. Fleet owners would be required to cover the remaining cost-match of each battery electric bus purchased. The program will replace at least two (2) diesel buses in its first year with an anticipated NOx emission reduction of 2.89 tons. The Electric Bus Assistance program is anticipated to recur on an annual basis.

HSEO is currently developing the Request for Proposals for the statewide Electric Bus Assistance Program, which will offer financial assistance to private and/or public fleet owners looking to replace older, diesel buses with battery electric buses (Eligible Class 4-8 School Bus, Shuttle Bus, or Transit Bus). The program is being developed to fulfill the goals and requirements of the Trust and the DERA FY19 program. The program will be a competitive process, scoring on criteria such as vehicle engine model eligibility, NOx reductions, diesel vehicle replacement, project/fleet sustainability, community benefits, and areas of service.

HSEO and DOH-CAB finalized the Memorandum of Agreement for the project and ongoing partnership for Hawaii’s DERA state allocation on March 18, 2020.

Project Modifications

Due to COVID-19, HSEO delayed the release of the Electric Bus Assistance Program. The solicitation will be released in August 2020 instead of previously estimated date of March 2020.

Due to the adjusted timeline, the Electric Bus Assistance program will now utilize DERA FY19 funds and DERA FY20 funds, increasing the program by an anticipated \$824,317. The expanded Electric Bus Assistance Program will combine DERA FY19/20 funds and Trust Funds totaling \$1,299,061. The program will offer incentives for electric buses and charging equipment and have an updated deadline of September 2022.

DOH-CAB submitted the proposed DERA FY20 workplan to the U.S. EPA in June 2020. Once the EPA has approved the proposed workplan, HSEO will submit a D-4 funding request to the Trustee for \$329,728 to be used as additional matching funds for the Electric Bus Assistance program.

State of Hawaii
Volkswagen Settlement Semi-Annual Report (January –June 2020)

Project Budget					
Budget Category	Total Funds Expended to Date	Total Approved Budget	Share of Total Budget to be Funded by the Trust	Share of Total Budget to be Funded by DERA State Allocation	Cost-Share, (DERA Grant)
Equipment Expenditure	\$ 0	\$ 1,050,000	\$ 269,020	\$ 158,247	\$ 622,733
Administrative @ 15%	\$ 19,610.21	\$ 47,474	\$ 47,474	-	
Project Totals		\$ 1,097,474	\$ 316,494	\$ 158,247	\$ 622,733
Percentage		100%	29%	14%	57%

NOTE: The aforementioned DERA FY20 matching funds are not included in the project budget above, as a D-4 funding request has not been submitted at this time. Once the D-4 funding request has been approved by the Trustee the project budget will be updated.

Project 3 Update – Action 9 Light Duty Zero Emission Vehicle (ZEV) Supply Equipment

On October 16, 2019, HSEO submitted its third D-4 Funding Request to the Trustee for \$1,218,750. The funding request was approved by the Trustee on December 16, 2019. Trust funds were disbursed to the State of Hawaii on December 24, 2019,

HSEO plans to utilize these Trust funds to contribute towards the purchase, installation, and maintenance of approximately 20-30 light duty electric vehicle (EV) charging stations, which may include a mix of Level 1 chargers, Level 2 chargers, and DC fast chargers. The program will focus on locations (1) available to the public at government-owned properties, (2) available at workplaces, or (3) that support charging network connectivity. The funded EV charging stations will help to expand Hawaii’s statewide EV charging network and support the state’s fleet electrification efforts. Program and projects are anticipated to run through December 2025.

HSEO plans to allocate a portion of the Trust funds for EV charging infrastructure in strategic locations which support economically efficient deployment and utilization of EV charging infrastructure from a holistic energy system perspective. The program seeks to support workplace or daytime charging infrastructure to align with peak solar generation periods. Ideal EV charging infrastructure will also serve the needs of both private personal EVs and public fleets, maximizing charging infrastructure utilization and increasing EV adoption.

HSEO also plans to allocate funds to EV charging infrastructure projects that support the expansion of Hawaii’s EV charging network to areas not yet serviced, ideally along Hawaii’s federally recognized Alternative Fuel Corridors. The funding allocation for EV charging infrastructure will take into consideration support of EV adoption within the four major counties of Hawaii, existing charging station ports, and stakeholder engagement.

The County of Maui released the “Electric Vehicle Supply Equipment and Associated Services” solicitation in January 2020. The County of Maui seeks to install new EV charging equipment and upgrade existing DC fast charging equipment at selected County-owned properties. The EV charging equipment and associated operation and maintenance services will support all-electric and plug-in hybrid vehicles used by the general public and County of Maui employees. HSEO will use up to \$125,000 of Trust funds to contribute towards the purchase, installation, and maintenance of the charging stations as they are available to the public on government owned properties and support Hawaii’s statewide EV charging network. HSEO and the County of Maui are drafting a Memorandum of Agreement for the project with an anticipated award to be made in July 2020.

No modifications have been made to this project.

State of Hawaii
Volkswagen Settlement Semi-Annual Report (January –June 2020)

Project Budget			
Budget Category	Total Approved Budget	Share of Total Budget to be Funded by the Trust	Cost-Share (if applicable) *
Charging Stations	\$ 1,035,939	\$ 1,035,939	TBD
Holistic EV Charging Infrastructure Deployment		\$ 635,939	
Statewide EV Charging Network Connectivity Infrastructure		\$ 400,000	
Administrative @ 15%	\$ 182,811	\$ 182,811	TBD
Project Totals	\$ 1,218,750	\$ 1,218,750	TBD