

APPENDIX D-4
Beneficiary Eligible Mitigation Action Certification

BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION

Beneficiary State of Alabama

Lead Agency Authorized to Act on Behalf of the Beneficiary Alabama Department of Economic and Community Affairs (ADECA) (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: | FY20 DERA Option for ADEM State Clean Diesel Grant Program |
| Beneficiary's Project ID: | ADECA-FY20-ED-01 |
| Funding Request No. | <i>(sequential)</i> 2 |
| Request Type: (select one or more) | <input type="checkbox"/> Reimbursement <input checked="" 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 checked="" type="checkbox"/> Attached to this Certification <input type="checkbox"/> To be Provided Separately |

SUMMARY

| | |
|---|---|
| Eligible Mitigation Action | <input type="checkbox"/> Appendix D-2 item (specify): _____ |
| Action Type | <input checked="" type="checkbox"/> Item 10 - DERA Option (5.2.12) (specify and attach DERA Proposal): State Clean Diesel Grant Program |
| Explanation of how funding request fits into Beneficiary's Mitigation Plan (5.2.1): To increase funding for Alabama's DERA program by using Environmental Mitigation Trust Funds as voluntary match per page 11 of Alabama's Beneficiary Mitigation Plan. | |
| Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2): Funds will be provided to the Alabama Department of Environmental Management (ADEM). ADEM will be partnering with the Piggly Wiggly Alabama Distribution Center to replace 12 diesel-only Transportation Refrigeration Units (TRUs) and trailers with new hybrid electric TRUs and new higher-efficiency trailers. This upgrade allows for low to zero diesel emissions as the new units can utilize electrified parking spaces at the facility as opposed to continued idling of the diesel engines. This project reduces diesel emissions and also reduces noise, both of which are a benefit to the surrounding community. ADEM will also be partnering with the Winston and Randolph County school systems to replace a total of 14 school buses. The new school buses will meet EPA's current emissions standards, which will reduce diesel emissions and improve air quality for the children during pick up, drop off and while traveling. | |
| Estimate of Anticipated NOx Reductions (5.2.3): The approximate amount of NOx reductions for the three projects the DERA Program will be funding is a combined total of 3 tons annually over the life of the vehicles and equipment. | |
| 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): Once funds are provided as match for the Alabama DERA Program, the ADEM will ensure that all funding will comply with applicable laws. | |
| Describe how the Beneficiary will make documentation publicly available (5.2.7.2): Notification of Environmental Mitigation Trust Funds to serve as voluntary match for the Alabama DERA program is publicly available on the Alabama VW Website. | |

Describe any cost share requirement to be placed on each NOx source proposed to be mitigated (5.2.8). For all three projects, ADEM will be providing up to 25% of the total project cost, as well as applying a 15% administrative fee. For the Piggly Wiggly project, approximately \$265,000 of DERA funding will be used, and a combined total of approximately \$355,000 will be used for both school bus replacement projects.

Describe how the Beneficiary complied with subparagraph 4.2.8, related to notice to U.S. Government Agencies (5.2.9). Pursuant to subparagraph 4.2.8, within 30 days of the filed Notice of Beneficiary Designation listing ADECA as the Beneficiary of the State Trust, ADECA mailed a copy of the State Trust Agreement to required federal agencies.

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). Not applicable

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 Alabama Department of Economic and Community Affairs, 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:

1/15/21


Kenneth W. Boswell
Director

Alabama Department of Economic
and Community Affairs

[LEAD AGENCY]

for

Alabama

[BENEFICIARY]

ATTACHMENT B
PROJECT MANAGEMENT PLAN
PROJECT SCHEDULE AND MILESTONES

Please see attached DERA Application for project timeline and milestones

PROJECT BUDGET

Period of Performance: FY 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 | \$ | \$ | \$ | \$ |
| 2. Contractor Support <i>(Provide List of Approved Contractors as Attachment with approved funding ceilings)</i> | \$ | \$ | \$ | \$ |
| 3. Subrecipient Support <i>(Provide List of Approved Subrecipients or Grant Awardees as Attachment with approved funding ceilings)</i> | \$804,193 | \$321,677 | \$482,516 | \$ |
| 4. Administrative ¹ | \$9,892 | \$9,892 | \$ | \$ |
| Project Totals | \$814,085 | \$331,569 | \$482,516 | \$ |
| Percentage | 100% | 40.7% | 59.3% | % |

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

PROJECTED TRUST ALLOCATIONS:

| | 2020 |
|--|--------------------------------------|
| 1. Anticipated Annual Project Funding Request to be paid through the Trust | \$331,569.00 |
| 2. Anticipated Annual Cost Share | \$482,516.00 |
| 3. Anticipated Total Project Funding by Year (line 1 plus line 2) | \$814,085.00 |
| 4. Cumulative Trustee Payments Made to Date Against Cumulative Approved Beneficiary Allocation | \$3,288,637.76 (pending approval) |
| 5. Current Beneficiary Project Funding to be paid through the Trust (line 1) | \$331,569.00 |
| 6. Total Funding Allocated to for Beneficiary, inclusive of Current Action by Year (line 4 plus line 5) | \$3,620,206.76 |
| 7. Beneficiary Share of Estimated Funds Remaining in Trust | \$25,480,968.00 |
| 8. Net Beneficiary Funds Remaining in Trust, net of cumulative Beneficiary Funding Actions (line 7 minus line 6) | \$21,860,761.24 |

ATTACHMENT C
REPORTING PLAN

The Alabama Department of Economic and Community Affairs (ADECA) has created a website (<https://adeca.alabama.gov/Divisions/energy/vw/Pages/default.aspx>) for public information relating to the VW Settlement. Recipients will be required to submit semi-annual reports to ADECA to aid in reporting to the Trust as part of their Grant Agreement. ADEM will provide ADECA with a copy of their report to the Environmental Protection Agency (EPA). Data from these reports will be included in ADECA's semi-annual reports to the Trustee per Section 3.3.1 of the Environmental Mitigation Trust Agreement for State Beneficiaries.

ATTACHMENT D
DETAILED COST ESTIMATES FROM
SELECTED POTENTIAL VENDORS FOR
EACH PROPOSED EXPENDITURE
EXCEEDING \$25,000

| ADEM DERA GRANT VW EQUIPMENT EXPENDITURES | | | | |
|---|-------------------------------------|--|--|---|
| Project | Type Of Expenditure | Expenditure Per Bus Covered By VW Funds | Total Expenditure Covered By VW Funds | Total Expenditure (VW, DERA and Company Match) |
| Randolph County Schools | 6 School Buses (2020) | 9,880.31 | 59,281.86 | |
| | 6 School Buses (2021) | 10,262.96 | 61,577.76 | |
| | 2 Special Needs School Buses (2021) | 12,473.42 | 24,946.84 | |
| | Total | | 145,806.46 | 1,166,451.92 |
| Winston County Schools | 3 School Buses | 11,728.50 | 35,185.50 | 281,486 |
| Clay County Schools | 4 School Buses | 11,687.50 | 46,750.00 | 374,000 |
| | | | | |
| | | | | |
| ADEM DERA GRANT VW EQUIPMENT EXPENDITURES | | | | |
| Project | Type Of Expenditure | Expenditure Per TRU and Trailer Covered By VW Funds | Total Expenditure Covered By VW Funds | Total Expenditure (VW, DERA and Company Match) |
| Piggly Wiggly Alabama Distributing Co., Inc. | 12 TRUs and Trailers | 9,607.81 | 115,293.72 | 922,350 |