

APPENDIX D-4
Beneficiary Eligible Mitigation Action Certification

VRP03_EMA6_Class 4-7 Local Freight Truck

Project ID: 2018-04

November 2019 Revision

BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION

Beneficiary _____

Lead Agency Authorized to Act on Behalf of the Beneficiary _____
(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:	
Beneficiary's Project ID:	
Funding Request No.	<i>(sequential)</i>
Request Type: (select one or more)	<input type="checkbox"/> Reimbursement <input type="checkbox"/> Advance <input type="checkbox"/> Other (specify): _____
Payment to be made to: (select one or more)	<input type="checkbox"/> Beneficiary <input type="checkbox"/> Other (specify): _____
Funding Request & Direction (Attachment A)	<input 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 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):
Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2):
Estimate of Anticipated NOx Reductions (5.2.3):
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):
Describe how the Beneficiary will make documentation publicly available (5.2.7.2).
Describe any cost share requirement to be placed on each NOx source proposed to be mitigated (5.2.8).
Describe how the Beneficiary complied with subparagraph 4.2.8, related to notice to U.S. Government Agencies (5.2.9).

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).

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 _____, 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: _____

Tiffany Floyd

[NAME] Tiffany Floyd

[TITLE] Air Quality Division Administrator

[LEAD AGENCY]

for

[BENEFICIARY]

BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION
EMA-6_Class 4 – 7 Local Freight Truck – Vehicle Replacement Program
State of Idaho, Department of Environmental Quality

SUMMARY

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

This D-4 revises the original D-4 for Action Title “VRP03_EMA6_Class 4-7 Local Freight Truck” approved by Wilmington Trust on July 15, 2019. This D-4 does not change the number of vehicles proposed for replacement, however, provides updates to Attachment B, Projected Trust Allocations for EMA-6. This table has revised values for line-item 4, ‘Cumulative Trustee Payments Made to Date Against Cumulative Approved Beneficiary Allocation’.

This project is the Idaho DEQ Vehicle Replacement Program (VRP) for Class 4-7 local freight trucks. The State of Idaho Beneficiary Mitigation Plan (BMP), posted in May 2018 identified environmental priorities for the state that mitigation actions as described in Appendix D-2 could address, including air quality and public health. As described in Section 4.2 of Idaho’s Beneficiary Mitigation Plan, Idaho will use trust funds as a rebate toward Project Sponsors’ replacement of eligible buses, including Class 4-7 local freight trucks.

The Idaho DEQ has completed an application period for DEQ’s Vehicle Replacement Program which includes vehicles under Eligible Mitigation Action (EMA) 1, 2, & 6. This D-4 is specific to the one application associated with EMA-6; the funding request to distribute funds from the Trust directly to the Project Sponsor will be sent as the project is completed.

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

The VRP for EMA-6, Class 4-7 local freight truck will provide 25% of the cost to replace an eligible local freight truck in the form of a rebate once the new vehicle is purchased and the vehicle being replaced is properly scrapped. The Idaho BMP outlined a protocol to be used for project selection that prioritizes areas designated as air quality priority areas, prioritizes counties designated as NOx emission priority counties, as well as those projects that will impact areas with larger sensitive populations. The project funded under EMA-2 includes an area within Idaho that is currently designated as non-attainment for PM2.5 (Franklin County). This project will reduce particulate matter emissions and ozone precursor emissions in these regions of poor air quality.

Estimate of Anticipated NOx Reductions (5.2.3):

For this particular D-4 associated with EMA-6 for an eligible local freight truck, the proposed replacement would reduce diesel engine emissions of nitrogen oxides, particulate matter, carbon monoxide, hydrocarbons, and carbon dioxide.

The estimated emission reductions were calculated for the application received using the EPA’s Diesel Emission Quantifier and is based on information gathered on the application. Annual mileage and fuel usage for each vehicle was input into the model. Some additional assumptions or special notes related to the Diesel Emission Quantifier include:

- Estimated years of remaining life were calculated using the maximum number of years allowed in the model.
- Idling hours were based on the Diesel Emission Quantifier Default Values found in EPA document number EPA-420-B-10-035, which may be found

here: <http://purl.fdlp.gov/GPO/gpo18652>

- ‘Annual miles driven’ was not based Diesel Emission Quantifier default values, but on information provided on each application.
- Where annual mileage travel was less than the default value, the annual idling hours applied in the model were calculated based on the percentage of the actual miles driven compared to the default value.

The Idaho DEQ has completed an application process associated with a Vehicle Replacement Program; applications were received for Mitigation Actions 1, 2, and 6. Applications received include total project costs of \$23,451,726.10, of which \$8,174,742.72 has been requested in VW Settlement Trust funding. The estimated lifetime emission from these applications if they were all funded is 274 tons of NO_x; and if all applications were funded, the funding would go toward replacing 132 vehicles.

For this specific D-4, associated with EMA-6 and Class 4-7 eligible local freight trucks, funding would go toward the replacement of one vehicle to be replaced with a new diesel truck. If this application is funded, the anticipated total lifetime emission reduction is approximately 11.3 tons of NO_x, with an average cost of \$22,516 per ton on NO_x emission reduced.

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):

The Idaho Department of Environmental Quality, Air Quality Division

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

As stated in Paragraph 7 of Idaho’s Appendix D-3 filing:

- (i) Information obtained by the Beneficiary is subject to public disclosure pursuant to the provisions of Idaho’s Public Records Act, Chapter 1, Title 74, Idaho Code, and IDAPA 58.01.21, Rules Governing the Protection and Disclosure of Records in the Possession of the Idaho Department of Environmental Quality.
- (ii) The Idaho DEQ has established a ‘Volkswagen Diesel Settlement’ website, which may be found at www.deq.idaho.gov/vw-settlement. The website provides information regarding the State Trust Agreement, Idaho’s Beneficiary Mitigation Plan, as well as the Idaho specific funding programs available. Documents submitted by Idaho DEQ to the Trustee will be available to the public on the DEQ’s VW Settlement website, including those submitted in support of each funding request. Stakeholders may subscribe to the page and receive automatic updates when new information is posted to the website. Information will also be available to the public on the Trustee website at <http://www.vwenvironmentalmitigationtrust.com>.
- (iii) In accordance with Sections 74-101 through 74-119, Idaho Code, and IDAPA 58.01.21, Rules Governing the Protection and Disclosure of Records in the Possession of the Idaho Department of Environmental Quality, any information submitted to the Beneficiary may be claimed as confidential by the submitter. It shall be the responsibility of the submitter to give notice of the existence of a claim of confidentiality on each page or other portion of information at the time of submittal, and such person shall have the burden of demonstrating that the information is confidential and exempt from disclosure under Idaho law.

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

The cost share requirement for this application is based on the follow table included in the DEQ application guide. Total estimated cost share dollars for EMA-6 is included in Attachment B, Project Budget.

EMA 6—Class 4-7 local freight trucks (medium trucks).

Replacement	Diesel	Alternate Fuel	All Electric^a
Government	40%	40%	45%
Nongovernment	25%	25% ^b	45%

a. DEQ will also fund 45% of the cost of infrastructure for charging new all-electric vehicles.
b. 40% for Drayage.

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

Idaho DEQ e-mailed Trust related documentation to recipients specified in subparagraph 4.2.8 on February 13, 2018.

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).

DEQ will review and score all completed applications received for eligible projects flowing a matrix provided in an application guidance document attached to the Vehicle Replacement Program application. Applications from areas designated as nonattainment, maintenance areas, or areas of concern will receive more points in the application review process. Also, projects in counties with higher diesel oxides of nitrogen (NOx) emissions currently impacting the public will be awarded points in this category. Points are scored based on a range of NOx emissions for the associated county, with more points being awarded to counties exposed to higher levels of NOx emissions.

The projects funded under this EMA-1 D-4 will include areas within Idaho that are currently designated as non-attainment for PM2.5 (Franklin County), and that DEQ has identified as areas of concern (i.e., areas that have concentration near the NAAQS), including Ada, Canyon, and Lemhi counties. A portion of Franklin County, Logan UT/ID NAA, was designated as nonattainment for the 2006 24-hour PM2.5 NAAQS in 2009. Ada County has been identified by EPA as an area where the population is exposed to more than 2.0 $\mu\text{g}/\text{m}^3$ of diesel PM2.5 emissions. DEQ has identified Lemhi County as an area of concern for PM2.5. Projects selected will reduce particulate matter emissions and ozone precursor emissions in these regions of poor air quality. While projects will be completed in these counties, DEQ will provide rebates statewide as applications are approved.

ATTACHMENT B

Eligible Mitigation Action Plan including Detailed Budget and Implementation and Expenditures Timeline (5.2.4)

There will be two types of funding requests associated with this EMA-2 D-4, including the following:

1. Reimbursement funding request for Idaho Department of Environmental Quality (DEQ), for the administration of DEQ's Vehicle Replacement Program.
2. Rebate funding request from the Trust directly to the Project Sponsor once all requirements of the VRP have been satisfied.

PROJECT SCHEDULE AND MILESTONES

Project Step	Milestone	Date
1	Lead Agency Provides Notice of Availability of Mitigation Action Funds	10/18/2018
2	Project Sponsor Submits Proposal to Lead Agency	01/30/2019
3	Lead Agency submits D-4 to Trustee	05/03/2019
4	Lead Agency Provides Initial Funding Decision Alerting Project Sponsor of Application Selection to Receive Funding	05/10/2019
5	Trustee Approves D-4	By 08/03/2019
6	Lead Agency Develops Agreement with Project Sponsor's Regarding Vehicle Replacement Projects, including eligible rebate amount, cost-share and scrappage requirements, and terms and conditions.	05/10/2019 – 08/03/2019
7	Trustee Acknowledges Receipt of Project Certification and Funding Direction for advance payment of Administrative category of proposed budget.	By 08/03/2019
8	Project Sponsor purchases new vehicle(s) and scraps vehicles to be replaced; 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-Project Sponsor), submits funding request to Lead Agency with appropriate documentation certifying satisfaction of Lead Agency/Project Sponsor Agreement	08/03/2019 (or Step 5 + 6-12 months)
9	Lead Agency submits Direction for Payment(s) associated with Administrative costs on a quarterly basis, beginning at Lead Agency's discretion.	Beginning approximately April 2020.
10	Lead Agency completes review and certifies payment direction to Trustee (Reimbursement)	Step 8 + 5-10 business days.
11	Trustee Acknowledges Receipt of Direction for Payment(s) and completes Reimbursement payment to Project Sponsor.	Step 9 + 14 calendar days
12	Project Sponsor Certifies Project Completion	Step 10 + 5 business days
13	Lead Agency Reports Project Completion	Step 11 + 5 business days

PROJECT BUDGET			
Period of Performance			
Budget Category	Total Approved Budget	Share of Total Budget to be Funded by the Trust	Cost-Share, Project Sponsors
1. Equipment Expenditure	\$90,065	\$22,516	\$67,516
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	\$0	\$19,188	\$0
Project Totals	\$90,065	\$41,704	\$67,516
Percentage	%	%	%

1. Subject to Appendix D-2 15% Administrative Cap

PROJECTED TRUST ALLOCATIONS: EMA-6			
	2019	2020	2021
1. Anticipated Annual Project Funding Request to be paid through the Trust	\$6,396*	\$28,912*	\$6,396*
2. Anticipated Annual Cost Share	\$TBD	\$TBD	\$TBD
3. Anticipated Total Project Funding by Year (line 1 plus line 2)	\$TBD	\$TBD	\$TBD
4. Cumulative Trustee Payments Made to Date Against Cumulative Approved Beneficiary Allocation	\$7,528,533	\$7,534,929	\$7,563,841
5. Current Beneficiary Project Funding to be paid through the Trust (line 1)	\$6,396	\$28,912	\$6,396
6. Total Funding Allocated to for Beneficiary, inclusive of Current Action by Year (line 4 plus line 5)	\$7,534,929	\$7,563,841	\$7,570,237
7. Beneficiary Share of Estimated Funds in Trust	\$17,349,037	\$17,349,037	\$17,349,037
8. Net Beneficiary Funds Remaining in Trust, net of cumulative Beneficiary Funding Actions (line 7 minus line 6)	\$9,814,108	\$9,785,196	\$9,778,800

* Includes 1/3 of Administrative Budget Category

ATTACHMENT C

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

The DEQ will provide detailed reporting on this funding request under the DERA option in three ways:

1. Timely updates to the DEQ's Volkswagen Diesel Settlement website.
2. Semi-annual reporting to the Trustee as required by subparagraph 5.3 of the Environmental Mitigation Trust for State Beneficiaries.

DEQ Website

The Idaho Department of Environmental Quality maintains a website describing the DEQs activities associated with the Volkswagen Diesel Emissions Environmental Mitigation Trust for State Beneficiaries. The website may be found here: <http://www.deq.idaho.gov/vw-settlement>. Information associated with DEQ's VW programs, applications and application guides, as well as a description of the VW Beneficiary Mitigation Plan, and community outreach activities. Documents submitted by Idaho DEQ to the Trustee will be available to the public on the DEQ's VW Settlement website, including those submitted in support of each funding request. Stakeholders may subscribe to and receive automatic updates when new information is posted to the website.

All application material, reimbursement requests, and required documentation submitted by applicants and funding recipients for the DEQ's DERA program are archived in the DEQ Enterprise Content Management System and are available to the public through the State Online Public Records Request, which may be accessed through the DEQ online form (<http://www.deq.idaho.gov/contact-us/public-records-request/online-prr-request-form/>).

Semi-Annual Reports to the Trustee

As required by subparagraph 5.3 of the Environmental Mitigation Trust Agreement for State Beneficiaries, DEQ will submit a report to the Trustee within 6 months of the first disbursement and thereafter no later than January 30 and July 30 for the preceding 6-month periods. These reports will describe the progress implementing this and any other Eligible Mitigation Action ongoing during the reporting period. These reports will include a summary of all costs expended and a complete description of the status (including the actual or projected termination date), development, implementation, and any modification of the Eligible Mitigation Action. These semi-annual reports to the Trustee will be posted on the DEQ website for public access.