

APPENDIX D-4
Beneficiary Eligible Mitigation Action Certification

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.]

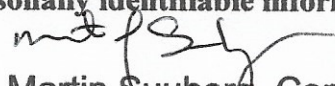
CERTIFICATIONS

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: 12/22/2020


Martin Suuberg, 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	
Project Sponsor Submits Proposal to Lead Agency	
Lead Agency Provides Written Approval of Project Sponsor's Proposal	
Lead Agency Incorporates Project Sponsor's Proposal into Mitigation Plan	
Trustee Acknowledges Receipt of Project Certification and Funding Direction	
Trustee Allocates Share of State Funds for Approved Project	
Lead Agency Directs Funding (Advance Funded Projects)	
Project Sponsor Obtains Cost Share, Notifies or Certifies to Lead Agency	
Project Sponsor Enters into Contracts, Purchase Orders, etc. - Start	
Project Sponsor Enters into Contracts, Purchase Orders, etc. - Complete	
Project Installation(s) – Start	
Project Installation(s) – Complete	
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)	
Trustee Acknowledges Receipt of Direction for Payment(s) (Advance Funded, Reimbursement)	-
Project Sponsor Certifies Project Completion	
Lead Agency Reports Project Completion	

PROJECT BUDGET

Period of Performance: _____				
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>	\$	\$	\$	\$
4. Administrative ¹	\$	\$	\$	\$
Project Totals	\$	\$	\$	\$
Percentage	%	%	%	%

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	\$	\$	\$	\$	\$
2. Anticipated Annual Cost Share	\$	\$	\$	\$	\$
3. Anticipated Total Project Funding by Year (line 1 plus line 2)	\$	\$	\$	\$	\$
4. Cumulative Trustee Payments Made to Date Against Cumulative Approved Beneficiary Allocation	\$	\$	\$	\$	\$
5. Current Beneficiary Project Funding to be paid through the Trust (line 1)	\$	\$	\$	\$	\$
6. Total Funding Allocated to for Beneficiary, inclusive of Current Action by Year (line 4 plus line 5)	\$	\$	\$	\$	\$
7. Beneficiary Share of Estimated Funds Remaining in Trust	\$	\$	\$	\$	\$
8. Net Beneficiary Funds Remaining in Trust, net of cumulative Beneficiary Funding Actions (line 7 minus line 6)	\$	\$	\$	\$	\$

Attachment to
BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION

SUMMARY

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

EMA 6 projects were awarded \$859,877.32 under a \$7.5 million VW Open Solicitation included in the Massachusetts Beneficiary Mitigation Plan (BMP). Open Solicitation projects meet and fulfill the following goals identified in the Massachusetts 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.

The VW Open Solicitation supports each of the five goals by: a) focusing on achieving GHG and air pollution reductions through the placement of equipment (Goals 1 & 2); b) allowing for the introduction of new charging station technology (Goal 3); c) serving communities with known environmental justice populations (Goal 4); and d) siting the charging stations in a range of geographic areas across Massachusetts, including in each of MassDEP's four regions (Goal 5).

Massachusetts was allocated \$75,064,424.40 under the VW Settlement. MassDEP's December 2019 Amendment to *Final Massachusetts Volkswagen Settlement Beneficiary Mitigation Plan* (<https://www.mass.gov/doc/amendment-to-massachusetts-volkswagen-settlement-beneficiary-mitigation-plan-december-2019/download>) requires "\$7.5 million [be] made available through an open solicitation for proposals to implement projects eligible under any of the EMAs (except the EVSE EMA) allowed under the VW Settlement." The Settlement also allows a maximum of 15%, or \$11,259,663.66, to be used for the actual administrative expenditures associated with implementing all eligible mitigation projects. The December 2018 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 \$859,877.32, or \$128,981.60, may be used for EMA 6 administrative expenditures.

The \$18,987,421.67 2020 projection in row 1 of the page 8 Table in this D-4 includes: \$3,337,554.04 from a separate EMA 1 D-4 for large trucks, plus \$10,977,992 from a separate EMA 2 D-4 for electric buses, plus \$223,858.77 from a separate EMA 4 D-4 for ferries, plus \$3,459,157.95 from a separate EMA 9 D-4 for electric vehicle supply equipment, plus \$859,877.32 expected to be issued under this EMA 6 D-4, plus up to \$128,981.60 for administrative expenditures.

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

MassDEP posted Open Solicitation application forms and requirements documents at:

<https://www.mass.gov/how-to/apply-for-a-vw-open-solicitation-grant>

In an effort to provide continuing community benefits, EMA 6 grantees are required to:

- Purchase and place the new diesel vehicle(s) in service within 18 months of the effective date of the contract;

- Own and operate the vehicle(s) for a minimum of three consecutive years following the date the vehicle(s) are placed in service;
- If any issue arises that requires the vehicle(s) to be taken out of service for more than 30 consecutive days in the three-year period, notify MassDEP of the issue within 45 days of the vehicle(s) first being taken out of service, and within 45 days of the vehicle(s) being returned to service;
- Allow MassDEP access to the vehicle(s) to verify that the vehicle(s) are in service;
- Scrap the existing vehicle(s) within 90 days of the new vehicle(s) being placed in service;
- Provide adequate property and casualty insurance coverage for each vehicle;
- Train personnel on the operation and maintenance of the new vehicle(s);
- Provide, upon request by MassDEP, data on the operation of the vehicle(s) including, but not limited to, vehicle miles travelled, vehicle operation and maintenance costs and records, documentation of operation inside Massachusetts, in addition to other related information;
- Maintain the vehicle(s) in accordance with the manufacturer's recommended procedures and specifications.

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

Estimate of Anticipated NO_x Reductions (5.2.3):

Estimates were calculated using the US Environmental Protection Agency Diesel Emissions Quantifier and are based on vehicle data (engine model year, annual fuel use, vehicle miles travelled (VMT) and idling hours, and remaining vehicle life) provided by funding recipients. Reductions after upgrades would be approximately 0.4 short tons NO_x and 13.6 short tons CO₂ equivalents (CO₂e) per year. Actual VMT and fuel use will determine the actual NO_x and CO₂e reductions.

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).

Massachusetts funding for EMA 6 (Medium Trucks) allows non-government grantees up to 25% to replace a diesel vehicle with a new diesel or alternative fuel (AF) vehicle, up to 40% to repower a diesel engine with a new diesel or AF engine and up to 75% to repower with a new all-electric engine or replace with a new all-electric vehicle. Government entities are allowed up to 80% funding for all technologies. Under the VW Open Solicitation, MassDEP allocates a maximum of \$500,000 to a grantee. Grantees must pay the portion not covered, including 100% of the costs above \$500,000, from non-VW funding 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 NOx emissions on communities that have historically borne a disproportionate share of the adverse impacts of such emissions (5.2.10).

For MassDEP's VW Open Solicitation, including new diesel Class 4-7 vehicle funding, one project selection criterion was whether applicants' projects are located in communities that have historically borne a disproportionate share of NOx emissions, as listed in <https://www.mass.gov/files/documents/2016/07/ul/ej-2010-communitystatistics.pdf> and detailed in the Environmental Justice (EJ) Viewer provided by the Commonwealth of Massachusetts at http://maps.massgis.state.ma.us/map_ol/ej.php. All of the 9 selected projects are located in EJ areas, and were required as part of their application to use the EJ Viewer to determine the EJ criteria (minority, English isolation, income or a combination) of the project location.

MassDEP will monitor the locations awarded funding, and has indicated in the "Massachusetts Volkswagen Open Solicitation: Application Guidance and Grant Requirements" document that "The Commonwealth seeks to promote the equitable distribution of funding across the state. Geographic areas are defined as the four MassDEP Regional Service Areas." Because one of the goals of the MA BMP is reducing NOx, the repower of diesel vehicles in all areas of the state under the VW funding will help mitigate NOx emissions in communities that have historically borne a disproportionate share of NOx emissions.

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).

As detailed above (in *Describe any cost share requirement to be placed on each NOx source proposed to be mitigated (5.2.8)*), under the VW Open Solicitation, MassDEP allocates a maximum of \$500,000 to a grantee. Therefore, there is the potential for a single vendor to receive more than \$25,000 for a particular project. Quotes are required to be submitted to MassDEP with VW Open Solicitation applications. Final actual invoices are required to be submitted to MassDEP with payment requests.

As agreed by MassDEP and Wilmington Trust in a December 2019 disbursement agreement, Wilmington Trust will disburse checks to grantees or vendors. Attached is an explanatory document to be enclosed with such checks.

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. Haidee Janak at MassDEP at (617) 556-1138 or Haidee.Janak@mass.gov . Do not contact Wilmington Trust, N.A. with questions. Thank you.