

APPENDIX D-4
Beneficiary Eligible Mitigation Action Certification

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).

N/A. All counties in SC are in attainment of the NAAQS, including the 2015 standard for ozone (i.e., 70 parts per billion).

ATTACHMENTS
(CHECK BOX IF ATTACHED)

- | | | |
|-------------------------------------|---------------------|---|
| <input checked="" type="checkbox"/> | Attachment A | Funding Request and Direction. |
| <input checked="" type="checkbox"/> | Attachment B | Eligible Mitigation Action Management Plan Including Detailed Budget and Implementation and Expenditures Timeline (5.2.4). |
| <input checked="" type="checkbox"/> | Attachment C | Detailed Plan for Reporting on Eligible Mitigation Action Implementation (5.2.11). |
| <input checked="" type="checkbox"/> | 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.] |
| <input type="checkbox"/> | Attachment E | DERA Option (5.2.12). [Attach only if using DERA option.] |
| <input type="checkbox"/> | 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 South Carolina, 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: 12/3/21



**Michael Wise
Deputy Director**

South Carolina Department of Insurance

[LEAD AGENCY]

for

State of South Carolina

[BENEFICIARY]

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

According to the United States Environmental Protection Agency (EPA), over half (55%) of the diesel only NOx emissions in South Carolina come from on-road diesel heavy duty vehicles. Given this, and the additional considerations outlined in South Carolina's Beneficiary Mitigation Plan, South Carolina prioritized Category 2 (Class 4-8 School, Shuttle, and Transit Buses) for funding, noting that 80% to 100% of the state's allocation would be utilized to fund Eligible Mitigation Actions under this category.

Our second round of funding, which was made available in December 2020, was designed to fund up to \$24.6 million of Category 2 projects. This represents the remainder balance under the state's approximately \$34 million allocation following awards issued in the initial round. Following a review of the eleven applications submitted, the state awarded \$24.5 million in projects to replace 238 school and transit buses.

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

The 238 buses to be funded have been awarded as follows:

- 235 propane school buses for the South Carolina Department of Education, going to the following school districts: Aiken, Beaufort, Berkeley, Charleston, Dorchester County School District Two, Greenville, Horry, Lexington School District One, Richland School District One, Richland School District Two, and York School District Four;
- 1 electric transit bus for the Berkeley-Charleston-Dorchester Council of Governments¹ going to the greater Charleston area; and
- 2 electric transit buses and charging infrastructure for the Pee Dee Regional Transportation Authority going to Florence County.

Over 96% of Round 2 funding will be utilized to replace 235 Model Years 2001 to 2008 school buses, averaging roughly 247,000 miles, reaching as high as 2,538,426 miles. These buses are outside of their useful life, posing a risk to the safety and wellbeing of the children that rely upon them to get to and from school. They will be replaced with Model Year 2022 propane buses, resulting in cleaner, safer transportation for our students.

Additional benefits include less noise pollution and improved operational economy due to less expensive fuel costs for propane as compared to diesel. There is also a slight reduction in the maintenance costs for propane buses as compared to diesel buses.

An additional 2.5% of this funding will be utilized to replace one Model Year 1996 diesel transit bus with approximately one million miles. This vehicle will be in transit revenue service seven days per week, 365 days per year, serving the greater Charleston area.

¹ The Berkeley-Charleston-Dorchester Council of Governments (BCDCOG) is the administrating and planning agency for the Charleston Area Regional Transportation Authority (CARTA)

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Many of CARTA's riders are transit dependent. Many of these riders are traveling to work, and CARTA's route services Trident Health Systems, the Medical University of South Carolina, the Charleston peninsula, Boeing (through connection), and the airport (through connection), among others. Further, CARTA serves several census tracts designated as Opportunity Zones (low income households that have historically experienced the negative health effects of emissions from industrial, roadway, and rail projects).

This electric transit bus will help to reduce congestion and emissions from traffic growth in one of the most quickly growing areas of our state. Additional benefits include better fuel economy (the average fuel economy of the buses being replaced is less than 5 mpg) and lower maintenance costs. Proterra has estimated a savings of \$448,000 over a 12-year lifetime for an all-electric bus as compared to a traditional diesel vehicle.

The remaining Round 2 funding will replace two Model Year 2007 to 2009 diesel buses with at or near 300,000 miles with a Model Year 2021 electric buses. They will operate in Florence County five to six days each week for 12 to 14 hours per day with estimated average annual mileage around 45,000 miles.

Estimate of Anticipated NOx Reductions (5.2.3):

We calculated anticipated NOx reductions utilizing a publicly available environmental tool, the Argonne National Laboratory Heavy-Duty Vehicle Emissions Calculator (HDVEC). The HDVEC was used to calculate an estimate of NOx emission reductions over the lifetime of the project for each of the projects funded. It also provided calculations of reductions in particulate matter (PM_{2.5}) and greenhouse gases (GHGs). We combined the results for all three funded projects to develop aggregated estimates of anticipated NOx reductions.

Based upon the HDVEC tool, the 238 buses will reduce emissions as follows:

- -87,901 lbs of NO_x,
- -2,019 lbs of PM_{2.5}, and

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

Our public records policy is outlined in Section VII of the state's Beneficiary Mitigation Plan (BMP) and in Section III of the Request for Applications: Round 1 - Application Manual. What follows is an excerpt from the Application Manual.

South Carolina's Records

As noted in the state's BMP, South Carolina is committed to an implementation process that is open and transparent. Accordingly, all applications for funding will be made publicly available on the VW website at vwsettlement.sc.gov. Further, all documentation and records submitted by South Carolina

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in support of a funding request, including documentation and records supporting expenditures, will be posted on this website. For more information on public access to documents related to the EMT, please refer to Section VII of the state's Beneficiary Mitigation Plan.

National Trustee's Records

In addition to the South Carolina Department of Insurance (SCDOI) making the above-referenced information publicly available, the National Trustee has established a website, <https://www.vwenvironmentalmitigationtrust.com>, where the Trustee will post each funding request.

Treatment of Confidential Information

The SCDOI will maintain the confidentiality of certain items that are exempt from the South Carolina Freedom of Information Act (FOIA), SC Code §30-4-10 et seq. An applicant or funding recipient is required to identify any item that they believe to be exempt from FOIA as a part of their application for funding or submission of documentation relating to a funding award. The SCDOI will review any requests for redaction to determine whether such information should be withheld from public disclosure pursuant to FOIA. The publication of records relating to the VW EMT will also be governed by the Family Privacy Protection Act, SC Code §30-2-10 et seq. Pursuant to the Act, the SCDOI will redact personal information, which includes bank account numbers.

Record Retention

The Finalized Trust Agreement requires that South Carolina maintain and make publicly available all documentation and records discussed in this section until the Termination Date of the Trust pursuant to Paragraph 6.8 of the Trust Agreement.

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

As noted below, each funding recipient is expected to allocate any scrap revenue toward the overall project costs with any such revenue reducing the costs to be borne through the Volkswagen Environmental Mitigation Trust. In addition, the transit buses include external funding sources as outlined below.

1. SC Department of Education

- ✓ 235 Thomas Built propane school buses
- ✓ Award Amount: Up to \$23,635,830.00
- ✓ Total Project Costs: \$23,753,330.00
- ✓ SCDOE will provide funding from the following sources:
 - Revenues (if any) from scrapping of buses to be replaced will be allocated toward project costs

2. Berkeley-Charleston-Dorchester Council of Governments

- ✓ 1 Proterra electric transit bus will be purchased for CARTA
- ✓ Award Amount: Up to \$608,000.00

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- ✓ Total Project Costs: \$760,000.00
- ✓ BCDCOG will provide funding from the following sources:
 - 20% of total project costs will be funded through Charleston County sales tax (\$152,000.00)
 - Revenues (if any) from scrappage of buses to be replaced will be allocated toward project costs; however, any federal reimbursement required for proceeds in excess of \$5,000 per vehicle will not be included in this offset.

3. Pee Dee Regional Transportation Authority

- ✓ 2 electric transit buses + charging infrastructure
- ✓ Award Amount: Up to \$295,500.00
- ✓ Total Project Costs: \$490,457.00
- ✓ COA will provide funding from the following sources:
 - 85% of total project costs will be funded through a federal grant (\$416,888.45)
 - Revenues (if any) from scrappage of buses to be replaced will be allocated toward project costs

The total project costs for the above projects (including external funding sources) total \$10,096,763. This figure does not account for the one percent budgeted for administrative expenses.

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

In late February 2018, SCDOI Director Ray Farmer sent a letter to representatives of the US Department of Interior and the US Department of Agriculture notifying them of the availability of Environmental Mitigation Action funds as required under Subparagraph 4.2.8 of the Volkswagen Diesel Emissions Environmental Mitigation Trust for State Beneficiaries, Puerto Rico, and the District of Columbia (the "State Trust Agreement"). This letter was sent via United States postal mail delivery and electronic mail delivery to the addresses provided in the State Trust Agreement.

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ATTACHMENT B

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

Pursuant to Subparagraph 5.2.4 of the State Trust Agreement, the SCDOI submits the following detailed budget and implementation and expenditure timeline. All dates are estimates and are subject to change. Some milestones are specific to one or more funding recipients and are notated accordingly.

ROUND 2 FUNDING: PROJECT IMPLEMENTATION SCHEDULE AND MILESTONES

<i>Milestone</i>	<i>Estimated Date</i>
SCDOI issues request for applications for Round 2 funding	12/14/20
Deadline for Applications for Round 2 funding	2/26/21
SCDOI provides written approval to funding recipients	4/8/21
Pee Dee Regional Transportation Authority provides documentation of federal cost share	3/19/21
Funding recipients execute required Funding Agreement w/ SCDOI	5/4/21
SCDOI Submits D-4 to Wilmington Trust	11/8/21
Wilmington Trust approves D-4	D-4 Submission + 60 days
Orders placed for replacement buses	
• SC Department of Education	6/1/21
• BCDCOG	5/12/21
• Pee Dee Regional Transportation Authority	8/31/21
Delivery of replacement buses	
• SC Department of Education	2/1/21
• BCDCOG	3/1/22
• Pee Dee Regional Transportation Authority	8/31/22
Start of operation of new buses	
• SC Department of Education	2/1/22
• BCDCOG	3/15/22
• Pee Dee Regional Transportation Authority	10/31/22
Scrappage of diesel buses being replaced ²	
• SC Department of Education	4/1/22
• BCDCOG	5/1/22
• Pee Dee Regional Transportation Authority	10/31/22
SCDOI verifies scrappage of diesel buses being replaced	Scrappage + 30 days
Attachment A submitted to request payment for SC Department of Education	2/14/22
Disbursement of Trust Assets for SC Department of Education	3/1/22
Attachment A submitted to request payment for BCDCOG	3/15/22
Disbursement of Trust Assets for BCDCOG	4/1/22
Attachment A submitted to request payment for Pee Dee Regional Transportation Authority	9/7/22

² SCDOI has imposed a deadline for scrappage of 90 days from receipt of new buses.

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Disbursement of Trust Assets for Pee Dee Regional Transportation Authority	9/22/22
Attachment A submitted for any outstanding funding needs (after verifying scrappage revenue, if any)	10/1/22
Disbursement of Trust Assets for remainder of outstanding funds (if any)	11/1/22
Project completion deadline (24 mos following Funding Agreement execution)	5/4/23
SCDOI verifies, reports project completion to Wilmington Trust	5/31/23
1 st reports due from funding recipients to SCDOI	1 st Disbursement + 5 months
1 st report due to Wilmington Trust	1 st Disbursement + 6 months
Semiannual reports due from funding recipients to SCDOI	1/5 and 7/5
Aggregated semiannual reports due to Wilmington Trust	1/30 and 7/30

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ROUND 1 FUNDING BUDGET

<i>Budget Category</i>	<i>Total Approved Budget</i>	<i>Share of Total Budget to be Funded by the Trust</i>	<i>Cost Share* (if applicable)</i>
Equipment Expenditure – Propane School Buses (235)	\$23,753,330.00	\$23,635,830.00	\$117,500.00
Equipment Expenditure – Electric Transit Buses (3)	\$2,630,000.00	\$882,500.00	\$320,737.60
Equipment Expenditure – Electric Charging Station(s)	\$140,000.00	\$21,000.00	\$129,000.00
Equipment Expenditure - Subtotal	\$26,523,330.00	\$24,539,330.00	\$1,984,000.00
Project Totals	\$26,523,330.00	\$24,539,330.00	\$1,984,000.00
Percentage	100%	92.5%	7.5%

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PROJECTED TRUST ALLOCATIONS

a. South Carolina's Allocation	\$33,895,491.39
b. Obligated Awards from Previous D-4 Submittals (Equipment + Administrative Costs)	\$9,270,791.95
c. South Carolina's Net Allocation (line a - line b)	\$24,624,699.44
d. Current D-4 Funding Request for Round 1 Awards (Equipment + 1% for Administrative Costs)	\$24,539,330.00
e. South Carolina's Remaining, Unobligated Allocation (line c - line d)	\$85,369.44

<i>Anticipated Calendar Year for Asset Trust Distributions (Equipment + 1% for Administrative Costs for Round 2 Funding)</i>	2022	2023
1. Anticipated Annual Project Funding Request to be paid through the Trust	\$24,539,330.00	\$0.00
2. Anticipated Annual Cost Share	\$1,984,000.00	\$0.00
3. Anticipated Total Project Funding by Year (line 1 + line 2)	\$26,523,330.00	\$0.00
4. Cumulative Trustee Payments Made Prior to Beginning of Year	\$9,270,791.95	\$33,810,121.95
5. Current Year Beneficiary Project Funding to be paid through the Trust (line 1)	\$24,539,330.00	\$0.00
6. Total Funding Paid to Beneficiary, inclusive of Current Action by Year (line 4 + line 5)	\$33,810,121.95	\$33,810,121.95
7. Beneficiary Share of Estimated Funds Remaining in Trust @ Beginning of Year	\$24,624,699.44	\$85,369.44
8. Net Beneficiary Funds Remaining in Trust @ Year End (line 7 - line 5)	\$85,369.44	\$85,369.44

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ATTACHMENT C

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

What follows is an excerpt from Section II of the Request for Applications: Round 1 - Application Manual:

Regular Progress Reports Required Under Trust Agreement

Subparagraph 5.3 of the Trust Agreement outlines South Carolina's reporting obligations under the EMT. Reports are due as follows:

- First report is due six (6) months following first disbursement of Trust Assets; and
- Semi-annual reports are due thereafter by:
 - January 30th (for prior 7/1 – 12/31 period); and
 - July 30th (for prior 1/1 – 6/30 period).

Reports to the Trustee must describe 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.

In order to ensure compliance with these reporting obligations, an award recipient, as a condition of receipt of funds, agrees to submit reports containing sufficient detail to comply with these reporting requirements no later than the following dates:

- First report is due five (5) months following first disbursement of Trust Assets; and
- Semi-annual reports are due thereafter by:
 - January 5th (for prior 7/1 – 12/31 period); and
 - July 5th (for prior 1/1 – 6/30 period).

Reports must contain the following certifying statement: "These reports shall be signed by an official with the authority to submit the report and must contain an attestation that the information is true and correct and that the submission is made under penalty of perjury."

These reports will be submitted until such time as the project is completed and written notice is provided by the SCDOI that further reports are no longer required. A final report with aggregated data will be required to provide a comprehensive overview of the funding received, its use, and the calculated environmental and public health benefits, including the reduction in NOx emissions.

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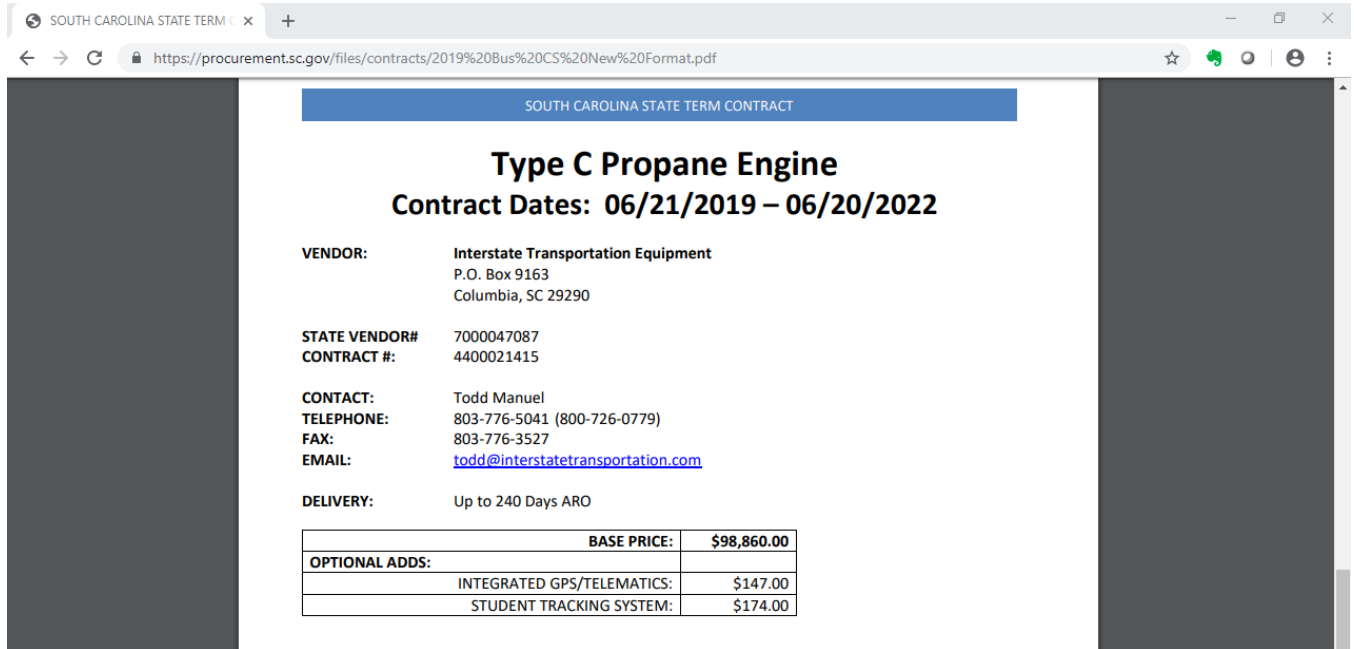
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ATTACHMENT D

Detailed cost estimates from selected or potential vendors for each proposed expenditure exceeding \$25,000 (5.2.6)

SC Department of Education (235 propane buses):

The state procurement contract for 06/21/2019 to 06/20/2022 provides for a base price of \$98,860.00:



SOUTH CAROLINA STATE TERM CONTRACT

Type C Propane Engine

Contract Dates: 06/21/2019 – 06/20/2022

VENDOR: Interstate Transportation Equipment
P.O. Box 9163
Columbia, SC 29290

STATE VENDOR# 7000047087
CONTRACT #: 4400021415

CONTACT: Todd Manuel
TELEPHONE: 803-776-5041 (800-726-0779)
FAX: 803-776-3527
EMAIL: todd@interstatetransportation.com

DELIVERY: Up to 240 Days ARO

BASE PRICE:	\$98,860.00
OPTIONAL ADDS:	
INTEGRATED GPS/TELEMATICS:	\$147.00
STUDENT TRACKING SYSTEM:	\$174.00

The SCDOE issued a change-order to include LED headlights and to increase the capacity to 77 students. The table below outlines the final pricing.

Bid Price	Tax	GPS/Telematics	77 Passenger Upgrade	LED Headlights	Total Purchase Price Per Unit
\$98,860.00	\$500	\$147	\$1,123.00	\$448.00	\$101,078.00

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Berkeley-Charleston-Dorchester Council of Governments (1 electric transit bus):

Request for Proposal
August 6, 2020

CER 6. Pricing Schedule

Charleston Area Regional Transportation Authority
RFP: CARTA2020-05 35ft Electric Bus

	All prices are to be in United States dollars	
	- Unit Price	- Extension
35ft Electric Transit Bus (Base Vehicle) Does not include ESS (Batteries)	\$552,173	\$11,043,460
Battery Purchase	\$196,000	\$3,920,000
Battery Lease See attached for details	\$35,000 per bus per year	Option
Depot Plug In Charging Stations Stations quoted include 2 dispensers each so only ten (10) are required for twenty (20) buses. Includes 5-year Warranty. See detail provided in Package 1.	\$57,500	\$1,150,000
On-Route Charging Stations Price includes 5-year warranty. See detail provided in package 1.	\$335,475	Option
- Extended Warranty Propulsion System 12 yrs / 500,000 miles	\$76,658	\$1,533,160
- Extended Warranty Axles - 5 yrs / 300,000 miles	\$1,100	\$22,000
Optional Base Drivetrain in place of DuoPower - Other	(\$40,000)	Option
- Other		
- Sales tax (if applicable)	N/A	N/A
- Delivery charges	No Charge	No Charge
- TOTAL PROPOSED PRICE		\$17,668,620
- ADA equipment (included in above unit prices)	\$13,880	\$277,600

- This form is to be completed and included in the Price Package.

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Pee Dee Regional Transportation Authority (2 electric transit buses):

Don Strickland
Executive Director
Pee Dee Regional Transportation Authority
313 Stadium Rd.
Florence, SC 29506

Subject: GILLIG, LLC (Budgetary Pricing)
For FTA's FY2021 Low-No Emission Vehicle Program

Dear Don:

In support of the FTA's Low-No Emission Vehicle Program, GILLIG LLC is pleased to join Pee Dee Regional Transportation Authority as your OEM Partner as a team member to assist in the successful completion of this exciting project. GILLIG would like to offer our budgetary pricing information for use in your FTA Low-No Grant application as follows;

GILLIG BUDGETARY PRICING FOR 2021 LOW-NO GRANT

- Base Price for the 35' EBUS -444KWH \$822,500
- Delivery Charges: \$15,000
- Configurable Options: \$50,000 – 100,00
- Depot Charger X 2 \$143,176
- Delivery: 12 – 15 months following receipt of firm order