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January 27, 2022

Volkswagen Environmental Mitigation Trust
C/O Wilmington Trust
Attn: Russel Crane
1100 North Market Street
Wilmington, DE 19890

Dear Mr. Crane:

Attached to this letter is Minnesota's 7th "Report to the Trustee". The requirements of this report are described in paragraph 5.3 of the VW Environmental Mitigation Trust.

This report covers the time from July 1, 2021 through December 31, 2021.

Please contact Rocky Sisk, of my staff, if you have any questions or concerns about this report. He can be reached at 651-757-2173, or by e-mail at rocky.sisk@state.mn.us.

Sincerely,

A handwritten signature in black ink, appearing to read 'David J. Benke', written in a cursive style.

David J. Benke
Division Director
Resource Management and Assistance Division

Volkswagen Diesel Emission Environmental Mitigation Trust for States

Beneficiary	Minnesota
Lead Agency	Minnesota Pollution Control Agency
Reporting Period	July 1, 2021 - December 31, 2021

MPCA Funds	2018	2019	2020	2021	Total
Total VW Funds Received	\$ 2,350,000	\$ 7,401,110	\$ 1,871,242	\$ 6,664,286	\$ 18,286,638
Total VW Funds Returned	\$ -	\$ -	\$ (122,304)	\$ (166,278)	\$ (288,582)
Interest Earned	\$ 4,423	\$ 86,837	\$ 79,480	\$ 20,390	\$ 191,130
Interest Returned	\$ -	\$ (53,157)	\$ (102,257)	\$ (25,557)	\$ (180,971)
Disbursements	\$ (213,172)	\$ (1,364,903)	\$ (6,475,919)	\$ (2,434,047)	\$ (10,488,042)
Total Cash Balance	\$ 2,141,251	\$ 6,069,887	\$ (4,749,758)	\$ 4,058,794	\$ 7,520,173

Summary of All Costs										
Project Description	VW Mitigation Funds			Match Funds			Total Project Cost			VW Funds Received
	Obligated	Expended	Total	Obligated	Expended	Total	Obligated	Expended	Total	
Phase 1 School Bus	\$ 175,000	\$ 1,860,000	\$ 2,035,000	\$ 671,726	\$ 7,241,189	\$ 7,912,915	\$ 846,726	\$ 9,101,189	\$ 9,947,915	\$ 2,115,000
Phase 1 EV Fast Chargers	\$ 375,630	\$ 1,012,314	\$ 1,387,944	\$ 190,718	\$ 472,369	\$ 663,086	\$ 566,348	\$ 1,484,683	\$ 2,051,030	\$ 1,390,500
Phase 1 DERA 1	\$ -	\$ 700,652	\$ 700,652	\$ -	\$ 5,599,781	\$ 5,599,781	\$ -	\$ 6,300,433	\$ 6,300,433	\$ 881,110
Phase 1 Level 2 Chargers	\$ 70,731	\$ 95,073	\$ 165,804	\$ 29,879	\$ 126,051	\$ 155,930	\$ 100,610	\$ 221,125	\$ 321,735	\$ 195,750
Phase 2 School Bus	\$ 210,000	\$ 350,000	\$ 560,000	\$ 898,500	\$ 1,543,597	\$ 2,442,097	\$ 1,108,500	\$ 1,893,597	\$ 3,002,097	\$ 580,500
Phase 1 Heavy Duty On Road Class 8	\$ 386,853	\$ 2,315,443	\$ 2,702,296	\$ 1,831,126	\$ 9,476,039	\$ 11,307,165	\$ 2,217,979	\$ 11,791,482	\$ 14,009,461	\$ 2,772,066
Phase 1 Heavy Duty On Road Class 4-7	\$ 225,869	\$ 664,896	\$ 890,765	\$ 813,048	\$ 2,793,439	\$ 3,606,487	\$ 1,038,917	\$ 3,458,335	\$ 4,497,252	\$ 929,184
Phase 1 DERA 2	\$ -	\$ 1,124,687	\$ 1,124,687	\$ -	\$ 5,258,789	\$ 5,258,789	\$ -	\$ 6,383,476	\$ 6,383,476	\$ 1,210,965
Phase 1 Heavy Duty Electric Vehicle 1	\$ 300,000	\$ -	\$ 300,000	\$ 360,000	\$ -	\$ 360,000	\$ 660,000	\$ -	\$ 660,000	\$ 300,000
Phase 1 Heavy Duty Electric Vehicle 2	\$ -	\$ 100,000	\$ 100,000	\$ -	\$ 299,999	\$ 299,999	\$ -	\$ 399,999	\$ 399,999	\$ 100,000
Phase 1 Heavy Duty Electric Vehicle 3	\$ 94,250	\$ -	\$ 94,250	\$ 94,250	\$ -	\$ 94,250	\$ 188,500	\$ -	\$ 188,500	\$ 94,250
Phase 1 Heavy Duty Electric Vehicle 4	\$ 100,000	\$ -	\$ 100,000	\$ 192,270	\$ -	\$ 192,270	\$ 292,270	\$ -	\$ 292,270	\$ 100,000
Phase 2 Electric School Bus	\$ 2,148,359	\$ -	\$ 2,148,359	\$ 716,120	\$ -	\$ 716,120	\$ 2,864,479	\$ -	\$ 2,864,479	\$ 2,573,269
Phase 2 DERA 3	\$ 489,195	\$ 238,285	\$ 727,480	\$ 1,713,700	\$ 5,729,344	\$ 7,443,044	\$ 2,202,895	\$ 5,967,628	\$ 8,170,523	\$ 753,303
Phase 2 EV Fast Chargers	\$ 2,576,785	\$ -	\$ 2,576,785	\$ 197,301	\$ -	\$ 197,301	\$ 2,774,086	\$ -	\$ 2,774,086	\$ 2,576,786
Phase 2 Level 2 Chargers	\$ 170,000	\$ -	\$ 170,000	\$ -	\$ -	\$ -	\$ 170,000	\$ -	\$ 170,000	\$ 170,000
Contractor Administration	\$ 697	\$ 4,634	\$ 5,331	\$ -	\$ -	\$ -	\$ 697	\$ 4,634	\$ 5,331	\$ 5,706
Program Administration	\$ -	\$ 1,894,245	\$ 1,894,245	\$ -	\$ -	\$ -	\$ -	\$ 1,894,245	\$ 1,894,245	\$ 1,538,249
Totals	\$ 7,323,369	\$ 10,360,228	\$ 17,683,597	\$ 7,708,638	\$ 38,540,597	\$ 46,249,235	\$ 15,032,007	\$ 48,900,825	\$ 63,932,832	\$ 18,286,638

Project Narrative		
Project Description	Environmental Mitigation Action #	Project Status
Phase 1 School Bus	2	Funds received from Trustee 11/28/18. 21 bus replacement contracts were signed, for a total of 111 buses from around the state. Bus owners are in the process of purchasing new buses and destroying old buses. As of this date, 98 buses have been destroyed and replaced with new buses, 4 have been canceled, leaving 9 to go. Originally, new buses needed to be purchased, and old buses destroyed, by March, 2021 for this first round of school bus contracts. Due to COVID related delays, some contractes have been extended until December 2022.
Phase 1 EV Fast Chargers	9	The funds for this grant were received from the Trustee on 2/1/19. Contracts between MPCA and the grantee were signed in the 2nd quarter of 2019. MPCA has reported previously that 16 charging hubs have been built of the 22 originally funded. The grantee continues to work on securing the remaining site host agreements, site plan development and construction. The remaining 6 stations are planned for completion in 2022.

Project Narrative		
Project Description	Environmental Mitigation Action #	Project Status
Phase 1 DERA 1	10	Funds received from Trustee 3/15/19. A total of 13 projects were funded with these VW and DERA funds. All 13 of these projects have been completed.
Phase 1 Level 2 Chargers	9	Funds were received from the Trustee on 5/2/19. Nine contracts for a total of 25 dual port level 2 charging projects were signed. As of December 31, 2021 twelve dual port EV Level 2 chargers have been installed. Four remaining grantees who completed 1 year extensions will complete the construction of their charging stations in Spring 2022. Two of the original grantees have declined either all of the funds or a portion of the funds due to extenuating circumstances.
Phase 2 School Bus	2	Funds received from Trustee 12/1/19. 19 bus replacement contracts for Greater Minnesota have been signed, for a total of 31 buses. Bus owners in process of purchasing new buses and destroying old buses. As of this date, 19 buses have been destroyed and replaced with new buses. One bus has dropped out, leaving 11 buses to go. Due to COVID related delays, remaining contracts have been extended until November 2023.
Phase 1 Heavy Duty On Road Class 8	1	Funds received from Trustee 12/1/19. 19 class 8 truck replacement contracts have been signed in Minnesota, for a total of 92 class 8 trucks. Truck owners in process of purchasing new trucks and destroying old ones. As of this date, 77 class 8 trucks have been destroyed and replaced with new ones. One project has been cancelled, and those funds will be returned to trustee. After some contract extensions due to COVID related vehicle delivery delays, all 14 remaining new trucks must be purchased, and old ones destroyed, by November, 2022, for this round of truck replacement contracts.
Phase 1 Heavy Duty On Road Class 4-7	6	Funds received from Trustee 12/1/19. 12 class 4-7 truck replacement contracts have been signed in Minnesota, for a total of 32 class 4-7 trucks. Truck owners in process of purchasing new trucks and destroying old ones. As of this date, 26 class 4-7 trucks have been destroyed and replaced with new ones. After some contract extensions due to COVID related vehicle delivery delays, all six remaining new trucks must be purchased, and old ones destroyed, by November, 2022, for this round of truck replacement contracts.
Phase 1 DERA 2	10	Funds received from Trustee 4/17/20. All 11 projects have been completed.
Phase 1 Heavy Duty Electric Vehicle 1	1	Funds received from Trustee 1/15/20. One electric class 8 truck replacement contract has been signed in Minnesota, for a total of three class 8 electric trucks. Truck owner is in process of purchasing new trucks and destroying old ones. All equipment must be purchased, and old equipment destroyed, by 4/26/22.
Phase 1 Heavy Duty Electric Vehicle 2	2	Funds received from Trustee 1/15/20. One electric bus replacement contract has been signed for one bus. Bus has been purchased and is currently in operation. This project is complete.
Phase 1 Heavy Duty Electric Vehicle 3	6	Funds received from Trustee 1/15/20. One class 4-7 truck replacement contract has been signed for one truck. Contract has recently been canceled, and funds will be returned to Trustee.
Phase 1 Heavy Duty Electric Vehicle 4	7	Funds received from Trustee 1/15/20. One airport ground equipment replacement contract has been signed. Airline owner is in the process of purchasing new equipment and destroying old equipment. All equipment must be purchased, and old equipment destroyed, by 4/26/22.
Phase 2 Electric School Bus	2	Funds received from Trustee 4/9/21. Five bus replacement contracts have been signed for a total of 8 new electric school buses. Several of the electric buses have been delivered to grantees and the remaining are awaiting their arrival. It looks as though all electric buses from this grant will be in use by August 2022, which was the goal stated within the original request for projects.
Phase 2 DERA 3	10	Funds received from Trustee 4/9/21. 5 grant agreements have been signed for a total of 10 projects between VW and DERA funding. 1 project is complete and awaiting reimbursement. The remaining 9 projects are underway and must be complete by September 2022.
Phase 2 EV Fast Chargers	9	Funds received from Trustee 5/15/21. Contracts have been signed to install a total of 38 DC Fast chargers by 2024. These corridors will add 2,500 miles to the statewide network of EV charging corridors.
Phase 2 Level 2 Chargers	9	Funds received from the Trustee on July 8, 2021 for 25 dual port Level 2 electric vehicle charging stations. All of the contracts were signed between MPCA and the grantees in the remainder of 2021. Projects have not yet begun construction.

This information is true and correct and the submission is made under penalty of perjury.



 David Benke, Division Director

1/27/2022

 Date