

Volkswagen Environmental Mitigation Trust
C/O Wilmington Trust
Attn: Michael Bochanski, Jr.
1100 North Market Street
Wilmington, DE 19890

January 24, 2023

Dear Mr. Bochanski,

Attached to this letter is Minnesota's 9th "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, 2022 through December 31, 2022.

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,



Dave Benke
Division Director
MPCA

Volkswagen Diesel Emission Environmental Mitigation Trust for States

Beneficiary	Minnesota
Lead Agency	Minnesota Pollution Control Agency
Reporting Period	July 1, 2022 - December 31, 2022

MPCA Funds	2018	2019	2020	2021	2022	Total
Total VW Funds Received	\$ 2,350,000	\$ 7,401,110	\$ 1,871,242	\$ 6,664,286	\$ 5,330,412	\$ 23,617,050
Total VW Funds Returned	\$ -	\$ -	\$ (122,304)	\$ (166,278)	\$ (1,155,931)	\$ (1,444,513)
Interest Earned	\$ 4,423	\$ 86,837	\$ 79,480	\$ 20,390	\$ 98,975	\$ 290,105
Interest Returned	\$ -	\$ (53,157)	\$ (102,257)	\$ (25,557)	\$ (35,366)	\$ (216,337)
Disbursements	\$ (213,172)	\$ (1,364,903)	\$ (6,475,919)	\$ (2,434,047)	\$ (4,111,457)	\$ (14,599,499)
Total Cash Balance	\$ 2,141,251	\$ 6,069,887	\$ (4,749,758)	\$ 4,058,794	\$ 126,633	\$ 7,646,806

Project Description	Summary of All Costs									VW Funds Received
	VW Mitigation Funds			Match Funds			Total Project Cost			
	Obligated	Expended	Total	Obligated	Expended	Total	Obligated	Expended	Total	
Phase 1 School Bus	\$ 140,000	\$ 1,860,000	\$ 2,000,000	\$ 521,426	\$ 7,241,189	\$ 7,762,615	\$ 661,426	\$ 9,101,189	\$ 9,762,615	\$ 2,115,000
Phase 1 EV Fast Chargers	\$ 242,342	\$ 1,145,602	\$ 1,387,944	\$ 81,659	\$ 602,496	\$ 684,155	\$ 324,001	\$ 1,748,098	\$ 2,072,099	\$ 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	\$ 54,419	\$ 98,185	\$ 152,604	\$ 21,355	\$ 128,127	\$ 149,482	\$ 75,774	\$ 226,312	\$ 302,086	\$ 195,750
Phase 2 School Bus	\$ 190,000	\$ 370,000	\$ 560,000	\$ 834,500	\$ 1,627,573	\$ 2,462,073	\$ 1,024,500	\$ 1,997,573	\$ 3,022,073	\$ 580,500
Phase 1 Heavy Duty On Road Class 8	\$ 309,000	\$ 2,391,187	\$ 2,700,187	\$ 1,536,000	\$ 9,983,119	\$ 11,519,119	\$ 1,845,500	\$ 12,374,306	\$ 14,219,306	\$ 2,772,066
Phase 1 Heavy Duty On Road Class 4-7	\$ 182,000	\$ 664,896	\$ 846,896	\$ 546,000	\$ 2,793,439	\$ 3,339,439	\$ 728,000	\$ 3,458,335	\$ 4,186,335	\$ 929,184
Phase 1 DERA 2	\$ -	\$ 1,124,687	\$ 1,124,687	\$ -	\$ 4,482,029	\$ 4,482,029	\$ -	\$ 5,606,716	\$ 5,606,716	\$ 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
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	\$ 27,810	\$ 2,120,549	\$ 2,148,359	\$ -	\$ 774,439	\$ 774,439	\$ 27,810	\$ 2,894,988	\$ 2,922,798	\$ 2,573,269
Phase 2 DERA 3	\$ -	\$ 720,242	\$ 720,242	\$ -	\$ 6,207,129	\$ 6,207,129	\$ -	\$ 6,927,371	\$ 6,927,371	\$ 753,303
Phase 2 EV Fast Chargers	\$ 2,576,785	\$ -	\$ 2,576,785	\$ 746,650	\$ -	\$ 746,650	\$ 3,323,435	\$ -	\$ 3,323,435	\$ 2,576,786
Phase 2 Level 2 Chargers	\$ 140,000	\$ 30,000	\$ 170,000	\$ 151,569	\$ 60,998	\$ 212,567	\$ 291,569	\$ 90,998	\$ 382,567	\$ 170,000
Phase 2 School Bus	\$ 1,510,000	\$ 90,000	\$ 1,600,000	\$ 6,886,015	\$ 537,637	\$ 7,423,652	\$ 8,396,015	\$ 627,637	\$ 9,023,652	\$ 1,600,200
Phase 2 Heavy Duty On Road Class 8	\$ 339,149	\$ 61,810	\$ 400,959	\$ 924,587	\$ 230,733	\$ 1,155,320	\$ 1,263,736	\$ 292,543	\$ 1,556,279	\$ 400,995
Phase 2 Heavy Duty On Road Class 4-7	\$ 859,655	\$ 251,635	\$ 1,111,290	\$ 4,673,046	\$ 769,208	\$ 5,442,253	\$ 5,532,701	\$ 1,020,843	\$ 6,553,543	\$ 1,194,975
Phase 2 DERA 4	\$ 551,496	\$ 310,628	\$ 862,124	\$ 3,012,979	\$ 670,078	\$ 3,683,057	\$ 3,564,475	\$ 980,705	\$ 4,545,180	\$ 1,139,112
Phase 2 DERA 5	\$ 640,000	\$ -	\$ 640,000	\$ 2,570,226	\$ -	\$ 2,570,226	\$ 3,210,226	\$ -	\$ 3,210,226	\$ 640,000
Contractor Administration	\$ -	\$ 5,331	\$ 5,331	\$ -	\$ -	\$ -	\$ -	\$ 5,331	\$ 5,331	\$ 5,706
Program Administration	\$ 274,609	\$ 2,390,915	\$ 2,665,524	\$ -	\$ -	\$ -	\$ 274,609	\$ 2,390,915	\$ 2,665,524	\$ 1,893,379
Totals	\$ 8,437,266	\$ 14,436,319	\$ 22,873,585	\$ 23,058,282	\$ 42,007,973	\$ 65,066,254	\$ 31,495,547	\$ 56,444,292	\$ 87,939,839	\$ 23,617,050

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. Most bus owners have purchased their new buses and destroyed old buses. As of this date, 98 buses have been destroyed and replaced with new buses, 6 have been canceled, leaving 7 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, the three remaining contracts have been extended until December 2023.
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. Two additional fast charging stations were completed this past biennium. The grantee continues to work on securing the remaining site host agreements, site plan development and construction. The remaining 4 stations are planned for completion in in 2023 although all stations will be complete within the terms of the 5-year agreement that ends in Spring of 2024.
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 June 30, 2021, 19 dual port EV Level 2 chargers have been installed of which two grantees still need to seek reimbursement. Two grants were extended to Spring 2022, and again to Spring of 2023. Three 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, 20 buses have been destroyed and replaced with new buses. One bus has dropped out, leaving 10 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, 78 class 8 trucks have been destroyed and replaced with new ones. One project has been cancelled, and those funds have been returned to trustee. After some contract extensions due to COVID related vehicle delivery delays, all 13 remaining new trucks must be purchased, and old ones destroyed, by November, 2023, 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, 2023, 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 4/26/23.
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 have been 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. As of June 30, 2022, airline owner has purchased new equipment and destroyed old equipment. This project is complete.

Project Narrative		
Project Description	Environmental Mitigation Action #	Project Status
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. All eight of the buses are now operating. During the 2022-2023 school year, grantees are reporting to PCA on a quarterly basis valuable data and information on the buses, including vehicle operations and efficiency, maintenance history, and driver and passenger satisfaction. This information will be used to help inform future electric school bus funding opportunities.
Phase 2 DERA 3	10	Funds received from Trustee 4/9/21. All 10 of these projects have been completed.
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. Site selection and planning is underway. The MPCA has approved a half dozen sites for potential development and several specific site plans. Construction will begin in Spring of 2023.
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. One of grants is complete and the grantee has been reimbursed. Several others are mid-way through the project awaiting Spring for final site development such as signage and stenciling.
Phase 2 School Bus 2	2	Funds received from Trustee 2/7/22. 22 bus replacement contracts for Minnesota have been signed, for a total of 92 buses. Bus owners in process of purchasing new buses and destroying old buses. To date, 6 buses have been destroyed and replaced with new buses. Several grant recipients have reported that supply chain issues and COVID related slowdowns are delaying the delivery of the new buses until 2023.
Phase 2 Heavy Duty On-Road Class 8	1	Funds received from Trustee 4/21/22. Contracts for replacing 24 class 8 trucks have been signed. Grantees are in the process of purchasing their new trucks, and destroying their old diesel vehicles. As of this date, two trucks have been destroyed and replaced with new trucks.
Phase 2 Heavy Duty On-Road Class 4-7	6	Funds received from Trustee 4/21/22. Contracts for replacing 9 class 4-7 trucks have been signed. Grantees are in the process of purchasing their new trucks, and destroying their old diesel vehicles. As of this date, two trucks have been destroyed and replaced with new trucks.
Phase 2 DERA 4	10	Funds received from Trustee 5/24/22. 3 of the 10 projects have been completed with the remaining 7 projects to be complete by September 2023.
Phase 2 DERA 5	10	Funds received from Trustee 12/21/22. 5 Grant agreements are currently being signed for a total of 7 projects. 6 of these projects are scheduled to be complete by September 2023 with the final project being complete by March 2024.

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



David Benke, Division Director

1/24/2023

Date