APPENDIX D-4
Beneficiary Eligible Mitigation Action Certification

BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION

Beneficiary State of Indiana

Lead Agency Authorized to Act on Behalf of the Beneficiary Indiana Department of Environmental Management
(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:	R4 - DERA Option Awards
Beneficiary's Project ID:	R4 - Fastenal Terminal Truck Replacement
Funding Request No.	*(sequential)* 90
Request Type: **(select one or more)**	■ Reimbursement ☐ Advance ☐ Other (specify): _____
Payment to be made to: **(select one or more)**	☐ Beneficiary ■ Other (specify): Grantee: Fastenal Company as detailed in Attachment A
Funding Request & Direction (Attachment A)	■ Attached to this Certification ☐ To be Provided Separately

SUMMARY

Eligible Mitigation Action Action Type	☐ Appendix D-2 item (specify): _____ ■ Item 10 - DERA Option (5.2.12) (specify and attach DERA Proposal): Attached
Explanation of how funding request fits into Beneficiary's Mitigation Plan (5.2.1):	See Appendix D-4 Summary Details attachment.
Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2):	See Appendix D-4 Summary Details attachment.
Estimate of Anticipated NOx Reductions (5.2.3):	See Appendix D-4 Summary Details attachment.
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):	See Appendix D-4 Summary Details attachment.
Describe how the Beneficiary will make documentation publicly available (5.2.7.2).	See Appendix D-4 Summary Details attachment.
Describe any cost share requirement to be placed on each NOx source proposed to be mitigated (5.2.8).	See Appendix D-4 Summary Details attachment.
Describe how the Beneficiary complied with subparagraph 4.2.8, related to notice to U.S. Government Agencies (5.2.9).	See Appendix D-4 Summary Details attachment.

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).
See Appendix D-4 Summary Details attachment.

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 , State of Indiana, 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: 10/24/23

Brian Rockensuess, Commissioner
[NAME]
[TITLE]

Indiana Department of Environmental Management
[LEAD AGENCY]

for

State of Indiana
[BENEFICIARY]

Appendix D-4 Summary Details

Eligible Mitigation Action Type:

Category 10: DERA Option

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

Indiana will generally fund all eligible mitigation action (EMA) types included in Appendix D-2 of the national consent decree. The Mission Statement and Overall Goals are described below:

> In promoting the reduction of emissions of NOx, the Indiana Volkswagen Environmental Mitigation Trust Fund Program will prioritize sustainable projects that are transformative, positively impacting the environment, enhancing the health and well-being of residents, and promoting Indiana's growing economy.
>
> The Program will focus on technological change and advancement with resiliency and favoring use of domestic fuel, where possible.
>
> The goals of the Indiana Volkswagen Mitigation Trust Program include:
>
> - Improving air quality across Indiana through cost-effective NOx emission reduction strategies
> - Maximizing diesel emission reductions across Indiana, while considering various categories of sensitive populations as areas of specific focus
> - Providing appropriate considerations to projects that have diesel emission reductions that go beyond just NOx, including $PM_{2.5}$, hydrocarbons (HC), carbon monoxide (CO), and carbon dioxide (CO_2)
> - Encouraging leveraging of project partner funds with VW Trust funds to further the reach of the Indiana program

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

This project is for the purchase, installation, operation and maintenance of one (1) 2023 model-year, or newer, U.S. EPA emission compliant (Tier 4) all-electric-powered terminal truck that will REPLACE one (1) of the Grantee's Pre-Tier 4 existing diesel-powered terminal trucks that will be used for the same purpose. The replacement vehicles will be located and primarily operated in Indianapolis, Indiana.

All-electric-powered terminal trucks dramatically improve air quality and the quality-of-life conditions for operators, technicians, and citizens in the areas of operation due to notably lower tailpipe emissions in addition to less noisy engine operations.

The lifetime estimated emission reductions of pollutants according to U.S. EPA's Diesel Emission Quantifier (DEQ) include 0.514 tons of nitrogen oxides (NOx) and 0.052 tons of fine particulate matter (PM2.5).

Estimate of Anticipated NOx Reductions (5.2.3):

Over the lifetime of this terminal truck, U.S. EPA's DEQ model estimates this project will result in a NOx reduction of 0.514 tons**.**

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):

Indiana Department of Environmental Management

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

In October of 2017, IDEM published a website with specific information on the national mitigation trust as well as the Indiana program. The website included an opportunity to sign up for automated updates to make sure interested parties were always kept apprised of any changes made to the program website. This web portal will be the location for all information related to the Indiana Volkswagen Mitigation Trust Program.

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

Indiana will use Volkswagen Mitigation Trust funds to reimburse non-government-owned fleet and equipment owners at the levels specified in Appendix D-2 of the national mitigation trust. IDEM will also use Volkswagen Mitigation Trust funds to reimburse government-owned fleets and equipment at the same level as non-government owned fleet and equipment owners, as opposed to the full cost reimbursement permitted by Appendix D-2.

Specifically, for this project, the Indiana Volkswagen Mitigation Trust Program will cover up to 74% of the total project cost while the Grantee and/or other programs covers the remaining 26%.

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

The Indiana Department of Environmental Management notified representatives as identified in Appendix D-2 of the national consent decree via email in March of 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):

Not applicable to this specific project.

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Attachment B Details

Project Schedule and Milestones:

Indiana announces Round 4 – DERA Option funding opportunity via online Request for Proposals (RFP)	October 11, 2022
Deadline for Round 4 – DERA Option program applications	December 16, 2022
Indiana notifies applicants of award decisions	March 9, 2023
Funding Agreement between Indiana and Grantee is fully executed	April 25, 2023
Grantee project implementation	April 25, 2023 to September 30, 2024
Indiana reviews programmatic, financial, and other materials for compliance with Appendix D-2 of the national consent decree	Ongoing
Indiana submits Appendix D-4 to Trustee to initiate payment to Grantee in accordance with Payee Contact and Wire Information form along with other supporting documentation	October 25, 2023
Indiana coordinates with Trustee on any questions or issues that arise related to the submitted Appendix D-4	October 25, 2023 to D-4 approval
Trustee responds to Indiana Appendix D-4	Within 60 days of submittal
Trustee disburses payment to Grantee	Within 15 days of Appendix D-4 approval

Project Budget:

Project Description	Indiana VW Mitigation Trust Grant Not to Exceed Total	Grantee Cost Share Not Less than Total	Project Total
The purchase, installation, operation and maintenance of one (1) 2023 model-year, or newer, U.S. EPA emission compliant electric-powered terminal tractor that will REPLACE one (1) of the Grantee's model year 1992-2009 existing diesel-powered	$278,303.00	$97,024.51	$375,327.51

terminal tractors that will be used for the same purpose. The replacement vehicles will be located and primarily operated in Indianapolis, Indiana.			
Percentage	74%	26%	100%

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State of Indiana Total Trust Allocation:

1) State of Indiana's Total Trust Allocation	$40,935,880.59
2) Obligated Awards from Previous D-4 Submittals	$17,637,636.31
3) State of Indiana's Net Remaining Allocation Prior to this D-4 Submittal	$23,298,244.28
4) Current D-4 Funding Request Total	$278,303.00
5) State of Indiana's Remaining Allocation After this D-4 Submittal	$23,019,941.28

Projected Allocation Totals per Project Type:

	Total per Category	**Annually Based on Expected Project Reimbursements**
Total Trust	$40,935,880.59	NA
To EV (15%) over 3 years (2021 to 2023)	$6,140,382.09	$2,046,794.03
To Admin (3%) over 4 years (2020 to 2023)	$1,228,076.42	$307,019.11
To EMAs (82%) over 3 years (2020 to 2022)	$33,567,422.08	$11,189,140.69

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Projected Trust Allocations:

	2020	2021	2022	2023
1) Anticipated Annual Project Funding Request to be paid through the Trust	$11,189,140.69	$13,235,934.72	$13,235,934.72	$2,046,794.03
2) Anticipated Annual Cost Share (Administrative Costs)	$307,019.11	$307,019.11	$307,019.11	$307,019.11
3) Anticipated Total Project Funding by Year (Line 1 + Line 2)	$11,496,159.8	$13,542,953.8	$13,542,953.8	$2,353,813.14
4) Cumulative Trustee Payments Made to Date Against Cumulative Approved Beneficiary Allocation	$3,895,454.40	$4,710,898.20	$5,165,086.48	$3,625,293.23
5) Current Beneficiary Project Funding to be paid through the Trust (Line 1)	$101,199.00	$130,705.00	$9,000.00	$278,303.00
6) Total Funding Allocated to Beneficiary, inclusive of Current Action by Year (Line 4 + Line 5)	$3,996,653.40	$4,841,603.20	$5,174,086.48	$3,903,596.23
7) Beneficiary Share of Estimated Funds Remaining in Trust at Beginning of Year	$40,935,880.59	$36,939,227.19	$32,097,623.99	$26,923,537.51
8) Net Beneficiary Funds Remaining in Trust, net of cumulative Beneficiary Funding Actions (Line 7 – Line 6)	$36,939,227.19	$32,097,623.99	$26,923,537.51	$23,019,941.28

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Attachment C Details

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

The Indiana Department of Environmental Management (IDEM) is committed to meet the reporting requirements as detailed in Subparagraph 5.3 of the Environmental Mitigation Trust Agreement for State Beneficiaries. Specifically, this subparagraph states:

> "For each Eligible Mitigation Action, no later than six months after receiving its first disbursement of Trust Assets, and thereafter no later than January 30 (for the preceding six-month period of July 1 to December 31) and July 30 (for the preceding six-month period of January 1 to June 30) of each year, each Beneficiary shall submit to 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. Beneficiaries may group multiple Eligible Mitigation Actions and multiple sub-beneficiaries into a single report. These reports shall be signed by an official with the authority to submit the report for the Beneficiary and must contain an attestation that the information is true and correct and that the submission is made under penalty of perjury. To the extent a Beneficiary avails itself of the DERA Option described in Appendix D-2, that Beneficiary may submit its DERA Quarterly Programmatic Reports in satisfaction of its obligations under this Paragraph as to those Eligible Mitigation Actions funded through the DERA Option. The Trustee shall post each semiannual report on the State Trust's public-facing website upon receipt."

IDEM will meet these obligations in coordination with our project partners. Project partners are obligated to provide IDEM the necessary information for reports to the Trustee through the Funding Agreements between IDEM and each project partner. This language states:

> **"4. Implementation and Reporting Requirements**
>
> A. The Grantee shall implement and complete the Project in accordance with **Attachment A** and the plans and specifications contained in its Funding Application. Modification of the Project shall require prior written approval from IDEM. If IDEM determines that the Grantee is not

making adequate progress in implementation of the approved Project in accordance with **Attachment A**, IDEM may rescind the award.

B. The Grantee shall submit to IDEM written progress reports until the completion of the Project. These reports shall be submitted in accordance with the reporting schedule contained in **Attachment C** and shall contain such detail of progress or performance on the Project as is required under the terms of the Volkswagen Diesel Emissions Environmental Mitigation Trust. If additional documentation is required for IDEM to meet reporting obligations under the Volkswagen Diesel Emissions Environmental Mitigation Trust, IDEM may request such documentation as necessary at any time during the term of this Agreement."

Attachment D Details

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

Detailed in the following pages:

Fastenal

UNITED STATES

Agreement

Fastenal Company
P.O. Box 1286
Winona, MN 55987-1286

Reference No	*Date*
FASTENAL DieselWise - DOR4-003	8/4/2023

P.O. 2022 DieselWise - DOR4-003

Agreement with:

Indiana Department of Environmental Management
Attn: Shawn M. Seals
Office of Air Quality - Mail Code 61-50
100 N. Senate Ave
Indianapolis, IN 46204-2251

Line No.	*Date Added*	*Description*	*Amount*	
1	8/4/2023	All Electric Terminal Truck Replacement	278,303.00	USD

Sales Invoice

Orange EV

5710 NW 41st Street
Riverside, MO
USA, 64150
Phone : 866-688-5223
sales@orangeev.com

Invoice No.	**00127509**
Date	05/08/2023
Contact	Phone : 507-453-5404

Bill To	***40243***
Fastenal Company	
2001 Theurer Blvd,	
Winona, Minnesota	
USA, 55987	

Ship To	***40243-01***
Fastenal Company	
6003 Guion Road,	
Indianapolis, Indiana	
USA, 46254	

PO No.	Sales Order No.	Shipping No.	Reference No.	Ship Method	Payment Terms
	00016490			Non applicable	25% downpayment, remainder due at delivery.

Sales Rep	Shipping Date	Carrier	Due Date
Non-applicable (NA)		Not Applicable	05/08/2023

No.	Qty	UN	Item	Description	Retail Price		Net Price	Amount
1	1.000	EA	DEPOSIT	Initial Payment	$87,660.00		$87,660.00	$87,660.00

% Planned	Plan. amount	Description	Note(s)	Item	Description
25.00%	$87,660.00				

TRUCK NAME: FSNL1
DEPOSIT

Subtotal:	$87,660.00
Taxes:	$0.00
Total:	**$87,660.00**
	PAID IN FULL

USD

Sales Invoice

Orange EV

5710 NW 41st Street
Riverside, MO
USA, 64150
Phone : 866-688-5223
sales@orangeev.com

Invoice No.	**00127527**
Date	05/12/2023
Contact	Phone : 507-453-5404

Bill To	***40243***
Fastenal Company	
2001 Theurer Blvd,	
Winona, Minnesota	
USA, 55987	

Ship To	***40243-01***
Fastenal Company	
6003 Guion Road,	
Indianapolis, Indiana	
USA, 46254	

PO No.	Sales Order No.	Shipping No.	Reference No.	Ship Method	Payment Terms
	00016490	00014986		Non applicable	25% downpayment, remainder due at delivery.

Sales Rep	Shipping Date	Carrier	Due Date
Non-applicable (NA)	05/02/2023	Not Applicable	05/12/2023

No.	Qty	UN	Item	Description	Retail Price		Net Price	Amount
2	0.000	EA	CFGPROD_TRUCK_DTS	DTS Truck, to be Configured for Specific Jobs	$341,140.00		$341,140.00	$0.00
5	1.000	EA	CFGPROD_CHRGCAB	Charging Cabinet	$9,500.00		$9,500.00	$9,500.00
7	1.000	EA	PPD CUSTOMER EXPENSE	LTL Freight to ship charging cabinet to customer	$142.71		$142.71	$142.71

TRCO1
CHARING CABINET SERIAL# CBU23-668
LTL FREIGHT TO SHIP CABINET

Subtotal:	$9,642.71
Taxes:	$665.00
Total:	**$10,307.71**
	PAID IN FULL

USD

Sales Invoice

Orange EV

5710 NW 41st Street
Riverside, MO
USA, 64150
Phone : 866-688-5223
sales@orangeev.com

Invoice No.	**00128033**
Date	05/31/2023
Contact	Phone : 507-453-5404

Bill To	***40243***
Fastenal Company	
2001 Theurer Blvd,	
Winona, Minnesota	
USA, 55987	

Ship To	***40243-01***
Fastenal Company	
6003 Guion Road,	
Indianapolis, Indiana	
USA, 46254	

PO No.	Sales Order No.	Shipping No.	Reference No.	Ship Method	Payment Terms
	00016490	00015310		Less-than-Truckload Freight Shipping	25% downpayment, remainder due at delivery.

Sales Rep	Shipping Date	Carrier	Due Date
Non-applicable (NA)	05/31/2023	WARREN TRANSPORTATION	05/31/2023

No.	Qty	UN	Item	Description	Retail Price		Net Price	Amount
3	1.000	EA	CFGPROD_TRUCK_DTS	DTS Truck, to be Configured for Specific Jobs	$341,140.00		$341,140.00	$341,140.00
4	0.000	EA	CFGPROD_CHRGCAB	Charging Cabinet	$9,500.00		$9,500.00	$0.00
6	0.000	EA	PPD CUSTOMER EXPENSE	LTL Freight to ship charging cabinet to customer	$0.00		$0.00	$0.00
8	1.000	EA	DEPOSIT	Initial Payment	($87,660.00)		($87,660.00)	($87,660.00)

TRUCK NAME: FSNL1
SERIAL# DKXD23-004886
VIN# 1Z9TA8EA7PR530218

Subtotal:	$253,480.00
Taxes:	$23,879.80
Total:	**$277,359.80**
	PAID IN FULL

USD

Bank Name: MERCHANTS BANK N.A.

Bank Account #: [redacted]

Pay Cycle: USCHK **Seq Num:** 2878

Vendor Name: ORANGE EV

Address: 5710 NW 41st Street

RIVERSIDE MO 64150 USA

Payment Amount: 97,967.71 USD **Payment Method:** CHK

Pymnt Ref ID: 3165524

Accounting Date: 05/24/2023

Payment Date: 05/24/2023

Days Outstanding: 9

Payment Clear Date: 06/02/2023

Reconcile Date: 06/02/2023

Value Date: 05/24/2023

Voided On:

Voided By:

Description

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Business Unit	Voucher ID	Advice Seq	Advice Date	Invoice Number	Gross Paid Amount	Paid Amount	Currency	Discount Taken	Late Charge	Source
FCUSA	58693999	1	05/08/2023	00127509	87,660.00	87,660.00	USD			Accounts Payable Vouchers
FCUSA	58693998	1	05/12/2023	00127527	10,307.71	10,307.71	USD			Accounts Payable Vouchers

Bank Name: MERCHANTS BANK N.A.

Bank Account #: [redacted]

Pay Cycle: USCHK **Seq Num:** 2886

Vendor Name: ORANGE EV

Address: 5710 NW 41st Street

RIVERSIDE MO 64150 USA

Payment Amount: 277,359.80 USD

Payment Method: CHK

Description

Pymnt Ref ID: 3174642

Accounting Date: 06/06/2023

Payment Date: 06/06/2023

Days Outstanding:

Payment Clear Date:

Reconcile Date:

Value Date: 06/06/2023

Voided On:

Voided By:

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Business Unit	Voucher ID	Advice Seq	Advice Date	Invoice Number	Gross Paid Amount	Paid Amount	Currency	Discount Taken	Late Charge	Source
FCUSA	58818996	1	05/31/2023	00128033	277,359.80	277,359.80	USD			Accounts Payable Vouchers

2022 DieselWise Indiana – DERA with Volkswagen DERA Option
Fastenal Company
Narrative Work Plan

Scoring Criteria Summary

I. Cost effectiveness of project ($ per ton of NO_x reduced).
-This electric terminal truck replacement project has a value of $27,557 per NO_x ton reduced.

II. Transformational potential.
-This electric terminal truck replacement project is transformational due to the overall supply chain footprint this truck operates. This is a proven class 8 GVWR electrification project for an industry that is heavily reliant on diesel fuel.

III. Project's total NO_x emission reduction potential (based on type of project and/or the use of vehicle).
-This project will reduce over 10 tons of NO_x over the life of this project.

IV. National Ambient Air Quality Standards (NAAQS) sensitive areas as a percentage of current standards.
-This project is taking place in Marion County, Indiana which is on 2021 DERA Priority list for NATA and is identified as a disadvantaged area for many economic and social factors.

V. Air quality benefits to areas with sensitive populations or that bear a disproportionate share of the air pollution burden.
-This project will have will have an immediate impact on the asthmatic and disadvantaged population. Due to the location of this project located in Marion County, IN, and combined with the operation of being a goods distribution center of high diesel engine concentration from transgressing trucks.

VI. Leveraging of Resources (financial or resource match).
-Fastenal will provide a 25% cost share. Fastenal estimates that the charging station will cost $41,000 and $13,000 required for installation. This project is not requesting funding for the charging station or infrastructure install.

VII. Entities registered with the Indiana Secretary of State that operate vehicles and equipment in conjunction with Indiana facilities (include Indiana Economic Impact documentation).
-Yes. Please see attached documentation.

VIII. Active participant in the State of Indiana, Department of Administration or Department of Transportation Minority/Women/Veterans Business Enterprise Participation Plan.
-No, but on a national level Fastenal does have published guidelines to prioritize working and hiring Minority/Women/Veterans in its participation plan. Document is attached in email.

2022 DieselWise Indiana
DERA with Volkswagen DERA Option
All Electric Logistics

Narrative Work Plan

PROJECT TITLE: All Electric Logistics

SOLICITATION: 2022 DieselWise Indiana – DERA with Volkswagen DERA Option

CATEGORY: Nonroad Equipment Replacement
All Electric Terminal Truck Replacement

GRANTEE INFORMATION: Kevin Larson, V.P. of Transportation
Fastenal Company
klarson@fastenal.com
5851 Guion Road
Indianapolis, IN 46254
Phone: (507)-453-8404

Table 1: General Fleet Information[1]	
Number of Vehicles/Equipment to Replace	1
Annual Hours Usage Per Equipment	1,899 hours
Estimated Monthly Idle Hours	38 hours
Estimated Monthly Fuel Consumption	807 diesel gallons
Estimated Monthly Use (Hours)	158 hours
Equipment To Be Replaced (Engine Details)	2010 Kalmar Ottawa 6x4 (Tier 3, 240 HP)
Proposed new Equipment	(1) Orange EV e-TRIEVER (180 kWh)
Estimated Years to Remain in Active Fleet	13 Years

FUNDING REQUESTED: $278,303.00

TOTAL PROJECT COST: $92,767.00

Table 2: Budget Summary			
Source	**Type**	**Amount**	**Cost Share**
2022 DieselWise Indiana Funding	Grant	$278,303.00	75%
Applicant Share – Fastenal Company	Cash	$92,767.00	25%
Total			**$371,070.00**

1 Breakdown of each vehicles is provided in Attachment IV - Indiana Fleet Data Spreadsheet

PROJECT PERIOD: February 24th, 2023 – September 30th , 2024

In the table outlined below, the All Electric Logistics projected timeline is planned out with dates, tasks and deliverables for this project. Once awarded, this project will be able to be completed within the given timeframe of September 30, 2024. Fastenal Company plans to have the one, 70 kW charging station installed on site and operational before the Orange EV terminal truck is delivered at the beginning of 2024.

Table 3: Project Timeline and Milestones

	2023											2024								
Activity	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9
Grant Award Notification	X																			
IN Contracts Agreement		X																		
Place Order of Orange EV Truck		X	X																	
Orange EV Terminal Truck Delivery												X	X							
Fastenal Company Staff Training													X							
Old Truck/Engine Destruction and Certification								X	X											
Charging Station Delivery											X									
Charging Station Install												X								
Quarterly Reports			X				X				X				X				X	
Vendor/Equipment Payment										X										
Request for Reimbursement											X									
Marketing & Outreach													X	X	X					X
Final Report																				X

GENERAL FLEET BACKGROUND:

Fastenal Company (Fastenal) opened for business in 1967 as a fastener distributing company in a very saturated market. By the mid-1990s, Fastenal had become the largest distributor of industrial and construction products in America. Fastenal has become a supply chain leader by vertically integrating all areas of logistics to better provide customer service across America. The Fastenal fleet has over 200 semis, 150 sprinters and 100 straight trucks. More recently, Fastenal has piloted class 7 GVWR electric straight trucks and class 8 GVWR semi tractors at its Los Angeles operations. In continuity with integrating cleaner forms of logistics into its fleet, Fastenal is seeking funding for an electric terminal truck to replace a 2010 EMY diesel terminal truck in

Indianapolis, IN. At the heart of Fastenal supply chain solutions is Fastenal's master distribution center hub in Indianapolis which houses over $100,000,000 worth of product. The address of the master hub is 5851 Guion Road, Indianapolis, IN. This one million square foot campus houses virtually every product that Fastenal supplies to every customer. The master distribution center serves two basic functions. First, it processes over 37,000 orders by utilizing advance work order to technology to supply next day delivery to its customers. Second, it serves as the nexus hub for Fastenal's transportation system that allows for cross docking for over 40 semi-trucks every day to transport inventory to the regional hubs across America. The terminal tractors support this supply chain solutions providing tractor trailer switching operations between the distribution dock and over-the-road trucks.

PROJECT DESCRIPTION:

Fig. 1: Fastenal Master Distribution Center

The current terminal truck operations at the master hub in Indianapolis, IN consist of four terminal trucks that operate 24 hours a day, 6 days a week for an average of 312 days a year. The engine hours of all four trucks combine for annual operations of 10,420 hours. The truck that is scheduled to be replaced is a 2010 Kalmar Ottawa that operates 1,899 annual hours and annually consumes 9,685 gallons of fuel. The 2010 Kalmar Ottawa was prioritized because of this truck being the most used and the truck that has the lowest emission controls in the terminal truck fleet. This truck never leaves the master distribution center and currently has onsite fueling. The typical load weight of the trailers being switch is 30,000 lbs.

Fastenal's terminal truck operations help support dock operations that allow trailer efficiencies between the cross docking supply team and over the road truck operations. The over-the-road truck team bring empty trailers back to the master distribution center, then the terminal trucks hitch the trailers and move the trailers to the designated dock in order to be loaded. The terminal trucks unhitch and allow for the trailers to be loaded. Once loaded, an over the road truck hitches the full trailer and is able to move the necessary product to deliver to the end customer or to a regional distribution center.

The terminal truck operation is part of Fastenal's Blue Lane Freight program that supports Fastenal's nationwide transportation network to move product more efficiently. Fastenal's Blue Lane Freight is a licensed common carrier that provides less than truckload service in specific lanes. The key to success logistics is consistency, and Fastenal's Blue Line Freight routes are 95% static, Fastenal is able to provide consistent service and control transportation costs.

Fastenal supports the majority of manufacturing, Port of Indiana clients, steel mills and many other essential businesses that are part of Indiana's economic backbone. Fastenal provides the onsite tools, materials and components that are indispensable to the daily operations of these essential Indiana companies. Being able to provide day of or next delivery is a crucial part to any business's operations. Sustainability is built into the approach of Fastenal's distribution by leveraging local infrastructure, careful inventory planning, consistent transportation routes, warehouse and point-of-use technologies to minimize not only costs and delays for customers, but also tailpipe emissions, energy usage, packaging and product consumption.

Fastenal has sustainability goals focused to include greenhouse gas emission, energy use and consumption, recycling and waste reduction and efficient use of resources that are outlined in Figure 2. In order to provide sustainable operations to the clients it serves, Fastenal continues to innovate in areas such as automated supply technology, lean solutions, LEED construction support, warehouse technology and transportation efficiencies.

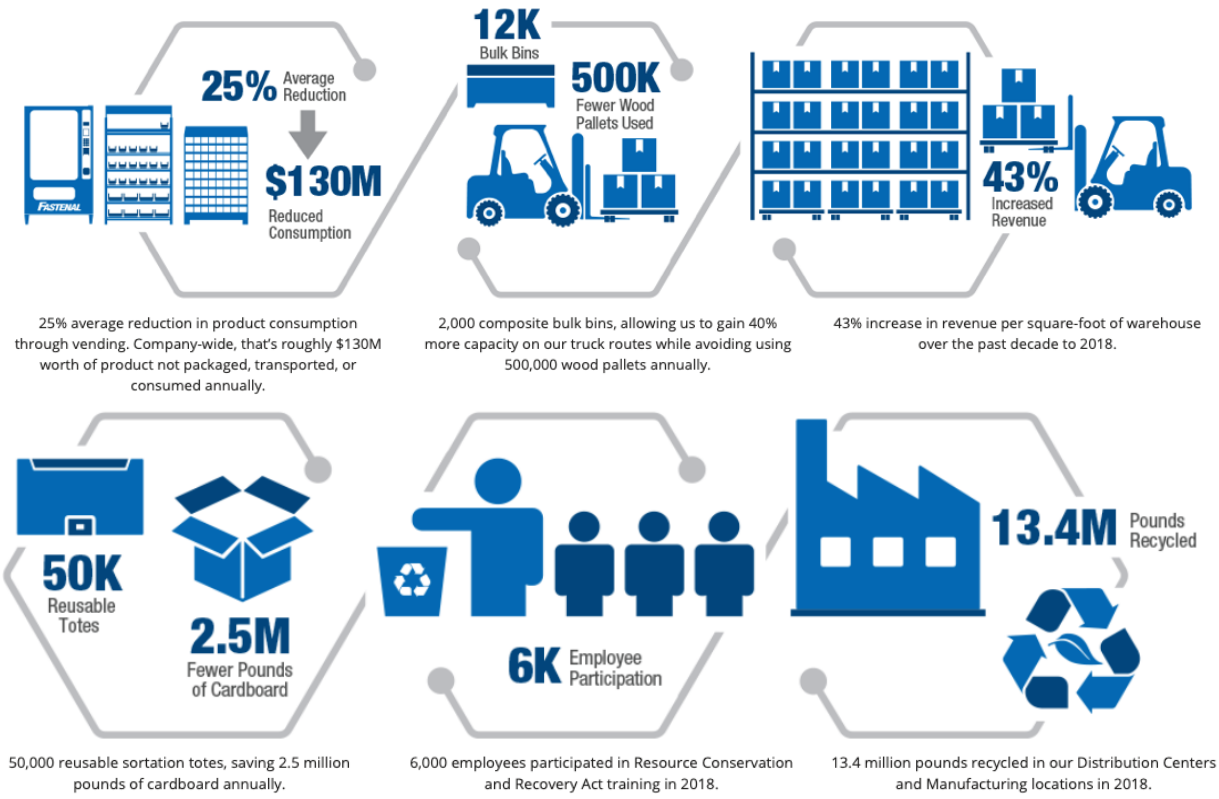

Fig. 2: Fastenal Sustainability Initiatives

As part of Fastenal's goals to lower greenhouse gas emissions, Fastenal's Environmental Management System has incorporated a variety of areas that will help achieve target opportunities focusing on fuel efficiency and reduced emissions from its

fleet. Fastenal is committed to using the most current vehicle model trucks that are upfitted with EPA current emission control technologies. Fastenal's latest model, small fleet delivery trucks, has an average age of 21 months. The latest model commercial fleet is the most fuel efficient and aerodynamic fleet on the road. Fastenal's average semi-truck age is 29 months compared to the industry average of 84 - 96 months. Fastenal is a designated SmartWay fleet and only deploys SmartWay certified equipment to significantly lower fuel consumption and emissions.

Though Fastenal has completed electric pilot programs for its onroad fleet in other parts of the country, this will be the first electric terminal truck project deployed by Fastenal. Fastenal has completed a one month long, Orange EV demonstration in order to see if the technology meets the duty cycle of the Fastenal terminal truck operations at the Indianapolis master distribution center.

Air Quality Benefits

The All Electric Logistics project will take place at Fastenal's master distribution hub located in Indianapolis, Indiana, located in Marion County, IN. According to the U.S. Census.gov, the City of Indianapolis, Indiana has a population of 882,039. Indianapolis has a 28.8% African American population vs 13.6% nationally or 10.2% statewide. Indianapolis has 16.4% poverty rate compared to 11.6% nationally or 12.2% statewide. Anderson has a higher disability rate of 10.4% and persons without health insurance rate of 11%. The majority of Indianapolis is classified as disadvantaged according to the Climate and Economic Justice Screening Tool. Marion County is a prioritized county in the NATA category from the EPA 2021 DERA priority county list. All these factors make Indianapolis an excellent area to displace diesel emissions in a city that has historic air quality issues. In addition, the Centers for Disease Control shows 9.6 percent of Indiana adults have asthma compared to 7.8 percent at the national level.

In the chart below, the All Electric Logistics project emissions were calculated utilizing the U.S. EPA's – Diesel Emission Quantifier. Through the implementation of this project, over ten short tons of NO_x will be displaced over the life of this project. As a result of this emission reduction, the negative health effects of exposure from NO_x for people with asthma, children and older adults will not be exposed to these harmful emissions. In consideration to the other emissions quantified from the DEQ, almost all emissions and criteria air pollutants are reduced by 100%.

Table 4: Fastenal Company – All Electric Logistics: Electric Terminal Truck Replacement Project
Estimated Annual Emissions Reductions
Data was used utilizing the most current U.S. EPA Diesel Emission Quantifier

Annual Results *(short tons)*	**NO_x**	**$PM_{2.5}$**	**HC**	**CO**	**CO_2**	**Fuel**
Baseline for Upgraded Vehicles	0.777	0.078	0.059	0.390	109.0	9,685
Amount Reduced After Upgrades	0.777	0.078	0.059	0.390	109.0	9,685

Percent Reduced After Upgrades	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Lifetime Results *(short tons)*	**NO_x**	**$PM_{2.5}$**	**HC**	**CO**	**CO_2**	**Fuel**
Baseline for Upgraded Vehicles	10.099	1.018	0.763	5.072	1,416.4	125,905
Amount Reduced After Upgrades	10.099	1.018	0.763	5.072	1,416.4	125,905
Percent Reduced After Upgrades	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Lifetime Cost Effectiveness *($/short ton reduced)*	**NO_x**	**$PM_{2.5}$**	**HC**	**CO**	**CO_2**
Total Cost Effectiveness (includes all project costs)	$36,744	$364,585	$486,393	$73,155	$262

ANTICIPATED OUTCOMES

In order to provide the most sustainable options for Fastenal's supply options, this project will replace one Tier-3 diesel powered terminal trucks with one EMY 2023 Orange EV e-TRIEVER all electric terminal truck. The Orange EV e-TRIEVER terminal trucks have a GCWR of 81,000 lbs. and 180 kWh battery capacity. The Orange e-TRIEVER terminal truck is capable of 70kW charging rate and have an operating range of over 24 hours. These capabilities will exceed the operation requirements at the master distribution center in Indianapolis, IN. Through the replacement of the existing diesel powered terminal truck, the All Electric Logistics project is expected to displace 9,685 diesel gallons in the first year alone. Over the thirteen year life of this project, it is expected that over 125,905 diesel gallons will be displaced.

The Orange EV e-TRIEVER is the vendor selected for this project due to the experience that Fastenal has had during the previous month demonstration. Orange EV is well respected in the electric truck industry. Since 2015, Orange EV has deployed over 400 electric terminal trucks with 134 fleets across North America. From Fastenal's perspective, equipment uptime is extremely important in the logistics services it provides to its customers. Orange EV has an average uptime of 98%-99% and has a lower total cost of ownership compared to conventional diesel terminal trucks which translates into a 3-4 year return on investment. The low voltage control system has been the lead key to success deployments compared to other all-electric terminal trucks. Additionally, the Orange EV terminal trucks are able to charge during the 30-minute lunches that the drivers have. Though these trucks have been proven to exceed the 24-hour shift at the Fastenal master distribution center, the lunch break can provide a needed opportunity charge.

METRICS

Fastenal is planning to install one, 70 kW (480 VAC) DCFC charging station to charge the batteries of the Orange EV e-TRIEVER terminal trucks. There is ample electric infrastructure at this location and there isn't need to bring an extra transformer from the

utility. The estimated costs for the installation of the charging station are around $11,000; which this project is not requesting funding for the charging station or required installation.

On average, terminal truck operations are associated with high idle operations of diesel engines between the switching of trailers within a distribution center. Some diesel truck terminal truck operations idle on at average for over 50% of their operations. The current Fastenal 2010 Kalmar Ottawa terminal truck idles an average of 23% its annual operations. Engine idling leads to an increase in unneeded maintenance costs and breakdowns for terminal tractors. The need for engine idling is 100% reduced for the Orange EV terminal truck.

Table 5: Anticipated Target Metrics		
Performance Measures:	**Current (2022)**	**Target (2024)**
Volume of diesel used annually (diesel gallon equivalents)	9,685	0
Volume of diesel displaced annually (gallons)	0	9,685

LOCATION AND HOURS OPERATION

The Fastenal master distribution center is located 5851 Guion Road, Indianapolis, IN. This is a large distribution center that has a high concentration of diesel trucks in order to distribute Fastenal products. Adjacent to this property are several multi-unit housing dwellings. This multimodal facility operates 24 hours a day, 6 days a week for the calendar year.

GRANTEE AND PARTNERS ROLES

Drive Clean Indiana (DCI) is an Indiana 501(c)(3) nonprofit organization whose aim is to educate and assist both public and private fleet owners and individuals. The purpose of DCI is to help meet the requirements of the national Energy Policy Act of 1992, which is aimed at promoting national energy security, and to help meet the requirements of the federal Clean Air Act as amended in 1990, which strives to promote clean air. DCI is a SmartWay Affiliate Partner and is committed to promoting the use of alternative fuels as well as idle and fuel use reduction and air quality improvement efforts.

In addition to the purchase, installation and deployment activities, Fastenal personnel will also work with DCI to track performance and fuel reduction on the existing equipment to provide a point of comparison to evaluate the success of the projects. The same analytics will be tracked on the new all-electric terminal truck once deployed. In addition to tracking performance and estimated reduction in tailpipe emissions; hours of operation, efficiencies, and fuel cost savings will be assessed. The data collected will allow for evaluation of the public benefits of the project for the life of the vehicle.

DCI will also work with IDEM/VW Advisory Committee and Fastenal personnel to implement the following aspects of this project:

- Promoting diesel emission reduction projects and use policies, education and awareness programs with its employees.
- Celebrating and announcing the success of these projects with a press conference with IDEM.

Fastenal is a member of the Indiana Green Fleet Program which promotes partnerships and training with:

- IDEM DieselWise
- IDEM Partners for Clean Air
- IDEM Environmental Stewardship Program
- IDEM Partners for Pollution Prevention
- ASE Mechanic Training
- U.S. EPA Midwest Clean Diesel Initiative and SmartWay Affiliate
- National Fire Protection Association

KEY PERSONNEL CONTACT INFORMATION

The contacts below will serve as liaisons with the 2022 DieselWise Indiana staff on this project.

Table 6: All Electric Logistics Project Contacts			
Contact	**Organization/Title**	**Phone**	**Email**
Kevin Larson	V.P. of Transportation	507-453-8404	klarson@fastenal.com
Ryan Lisek	Drive Clean Indiana/Project Manager	219-644-3690	rlisek@drivecleanindiana.org

EVALUATION CRITERIA

The All Electric Logistics project is a transformational project that will reduce supply chain emission for products distribute at the Indianapolis location. This project will immediately reduce diesel emission in Indianapolis, IN by replacing a diesel emitting terminal truck with a battery electric terminal truck. The location of Fastenal master distribution facility and the high density of diesel engine volume make this a great location to deploy a zero emission project that is industry proven equipment. The need for heavy duty electric vehicle logistics is essential to the fiscal growth and economic development not just for Indiana, but the United States. This project demonstrates proven class 8 GVWR electrification in an industry that relies on diesel fuel. This project will lead to future onroad electrification endeavors for Fastenal in the State of Indiana and the national footprint. It is the goal of this initial program to be the catalyst for future electric deployments in the Hoosier state.

BUDGET

Table 7: All Electric Logistics Project Budget Line Items

Equipment	Units	2022 DieselWise Funding (75%)	Applicant Cost-Share Funds (25%)	Total
2023 Orange EV E-TRIEVER (All-Electric, 180kW)	1	$278,303.00	$92,767.00	$371,070.00
PROJECT GRAND TOTAL	**1**	$278,303.00	$92,767.00	**$371,070.00**

ATTACHMENTS

I. Automated Direct Deposit Authorization Agreement State Form 47551
II. Indiana Economic Impact – Proposals and Contracts - State Form 51778
III. Fastenal Company Letter of Cost Share Commitment
IV. Fastenal Company W-9
V. Fastenal Supplier Diversity Document
VI. Orange EV e-TRIEVER Equipment Quote
VII. Indiana Fleet Data Spreadsheet (Attached in email)