

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.	(sequential)
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 NO_x 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:

11/9/23

Brian Lockenbush, Commissioner

[NAME]

[TITLE]

Indiana Department of Environmental Management

[LEAD AGENCY]

for

State of Indiana

[BENEFICIARY]

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: _____

[NAME]

[TITLE]

[LEAD AGENCY]

for

[BENEFICIARY]

Appendix D-4 Summary Details

Eligible Mitigation Action Type:

Category 3: Freight Switchers

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 NO_x, 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 NO_x 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 NO_x, including PM_{2.5}, hydrocarbons (HC), carbon monoxide (CO), and carbon dioxide (CO₂)
- 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) 2022 model-year, or newer, U.S. EPA emission compliant near-zero-emissions switcher locomotive that will REPLACE one (1) of the Grantee's existing diesel-powered switcher locomotives that will be used for the same purpose. The replacement locomotive will be located and primarily operated in Crawfordsville, Indiana.

Near-zero-emissions switcher locomotives dramatically improve air quality and the quality-of-life conditions for engineers, technicians, and citizens in the areas of operation due to notably lower stack 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 24.890 tons of nitrogen oxides (NO_x) and 0.894 tons of fine particulate matter (PM_{2.5}).

Estimate of Anticipated NO_x Reductions (5.2.3):

Over the lifetime of this locomotive, U.S. EPA's DEQ model estimates this project will result in a NOx reduction of 24.890 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 40% of the total project cost while the Grantee and/or other programs covers the remaining 60%.

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.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK.

Attachment B Details

Project Schedule and Milestones:

Indiana announces Round 3 – VW Onroad and Nonroad funding opportunity via online Request for Proposals (RFP)	March 23, 2021
Deadline for Round 3 – VW Onroad and Nonroad program applications	June 1, 2021
Indiana notifies applicants of award decisions	September 16, 2021
Funding Agreement between Indiana and Grantee is fully executed	December 7, 2021
Grantee project implementation	December 7, 2021 to December 31, 2022
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	November 14, 2023
Indiana coordinates with Trustee on any questions or issues that arise related to the submitted Appendix D-4	November 14, 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 equipment to REPOWER one (1) of the Grantee's existing U.S. EPA emission compliant pre-Tier 3 diesel-powered switcher locomotives with one (1) Tier 4 diesel-powered switcher locomotive that will be used for the same	\$870,400.00	\$1,328,100.00	\$2,198,500.00

purpose. The replacement switcher locomotive will be operated in and around Crawfordsville, Indiana.			
Percentage	40%	60%	100%

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK.

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	\$18,996,045.31
3) State of Indiana's Net Remaining Allocation Prior to this D-4 Submittal	\$21,939,835.28
4) Current D-4 Funding Request Total	\$870,400.00
5) State of Indiana's Remaining Allocation After this D-4 Submittal	\$21,069,435.28

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

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK.

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	\$4,983,702.23
5) Current Beneficiary Project Funding to be paid through the Trust (Line 1)	\$101,199.00	\$130,705.00	\$9,000.00	\$870,400.00
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	\$5,854,102.23
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	\$21,069,435.28

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK.

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:

Check Inquiry Summary



Account Number: 3299129454
Account Name: Nucor Steel Indiana
Bank ID: 061000052

562555

Bank of America

44-1273 / 611 GA

10-MAR-2022

612367

VOID AFTER 90 DAYS

4537 South Nucor Road
Crawfordsville, IN 47933
Telephone 765/364-1323

Pay NINE HUNDRED EIGHTY-NINE THOUSAND
THREE HUNDRED TWENTY -FIVE AND
ZERO/100

Pay to the
order of KNOXVILLE LOCOMOTIVE WORKS INC
PO BOX 2408
KNOXVILLE, TN 37901-

TWO SIGNATURES REQUIRED

FOR DEPOSIT ONLY

Seq: 1
Dep: 002116
Date: 03/11/22

For Deposit Only to
Gulf & Ohio Railways Inc
Knoxville Locomotive Works Inc
Master
Deposited by:

Check Details	
Check Number: 612367	Amount: 989,325.00
Account Number [REDACTED]	Posted Date: 03/14/2022
Account Name: Nucor Steel Indiana	
Bank ID [REDACTED]	

Check Inquiry Summary



Account Number: [REDACTED]

Account Name: Nucor Steel Indiana

Bank ID: [REDACTED]

Electronic Endorsement Information

BOFD - Bank Of First Deposit

Bank Name: Bank of America, NA (BOFD)

Date: 03/11/2022

R/T: 111000025

Sequence Number: 8152872936

Check Inquiry Summary



Account Number: 3299129454

Account Name: Nucor Steel Indiana

Bank ID: 061000052

THIS DOCUMENT HAS BLEED THRU NUMBERING, VISIBLE AND INVISIBLE FIBERS, MICRO PRINTING, AND A TRUE WATERMARK

579475
NUCOR
4537 South Nucor Road
Crawfordsville, IN 47933
Telephone 765/364-1323

Bank of America
61-1278 / 611 GA
07-SEP-2023
632025
VOID AFTER 90 DAYS

Pay NINE HUNDRED EIGHTY-NINE THOUSAND
THREE HUNDRED TWENTY -FIVE AND
ZERO/100

Pay to the
order of KNOXVILLE LOCOMOTIVE WORKS INC
PO BOX 2408
KNOXVILLE, TN 37901-

\$989,325.00

TWO SIGNATURES REQUIRED

Seq: 1
Dep: 002629
Date: 09/11/23

FOR DEPOSIT ONLY
Knoxville Locomotive Works Inc
Master
Deposited by:

Seq: 1-09/11/23 Dep: 002629 AG: 1 Cust: 81005 User: 1198378

Check Details

Check Number: [REDACTED] Amount: 989,325.00
Account Number: [REDACTED] Posted Date: 09/12/2023
Account Name: Nucor Steel Indiana Paid Date: 09/12/2023
Bank ID: [REDACTED]

Electronic Endorsement Information

BOFD - Bank Of First Deposit

Bank Name: Bank of America, NA (BOFD)
Date: 09/11/2023
R/T: 111000025
Sequence Number: 8252240711



4537 South Nucor Road

Crawfordsville, IN 47933

Telephone 765/364-1323

INVOICE DATE	INVOICE NUMBER	GROSS	DISCOUNT	NET
10-JUL-2023	C001104-IN	219850.00	.00	219850.00
			USD	219850.00

THIS DOCUMENT HAS BLEED THRU NUMBERING, VISIBLE AND INVISIBLE FIBERS, MICRO PRINTING, AND A TRUE WATERMARK

580024



Bank of America

64-1278 / 611 GA

26-SEP-2023

632694

VOID AFTER 90 DAYS

4537 South Nucor Road
Crawfordsville, IN 47933
Telephone 765/364-1323

Pay TWO HUNDRED NINETEEN THOUSAND EIGHT
HUNDRED FIFTY AND ZERO/100
DOLLARS-----

\$219,850.00

Pay to the
order of KNOXVILLE LOCOMOTIVE WORKS INC
PO BOX 2408
KNOXVILLE, TN 37901-

TWO SIGNATURES REQUIRED

20



Invoice

Knoxville Locomotive Works, Inc.

P.O. Box 2408
Knoxville, TN 37901-2408

Phone 865-525-9400 Ext 131

2022 05

Invoice Date	Invoice #
2/22/2022	KLW5889

Bill To			Ship To		
Nucor Steel Indiana ATTN: Accounts Payable PO Box 907 Crawfordsville, IN 47933-9450			Nucor Steel Indiana 4537 South Nucor Road Crawfordsville, IN 47933-0907		
P.O. Number	Terms	S.O. No.	Via	Project	Completion Date
692893	Net 30				
Quantity	Item Code	Description		Price Each	Amount
	Unearned Income	45% deposit KLW NZE15BET4L Switcher Locomotive Per purchase order 692893 dated 2.21.2022		989,325.00	989,325.00
				Total	\$989,325.00

**Invoice**

Knoxville Locomotive Works
PO Box 2408
Knoxville, TN 37901
(865) 522-7078

Invoice Number: C001101-IN
Invoice Date: 6/7/2023
Unit:
Customer Number: NUCOR
Customer P.O.: 692893

Bill to:

Ship to:

Nucor Steel Indiana
ATTN: Accounts Payable
PO Box 907
Crawfordsville, IN 47933-9450

Ship VIA:

Terms: Net 30

Description	UM	Quantity	Price	Amount
Advance deposit 45% deposit KLW NZE15BET4L Switcher Locomotive Per purchase order 692893 dated 2.21.2022	EACH	1.000	989,325.000	989,325.00
				Net Invoice: 989,325.00
				Freight: 0.00
				Sales Tax: 0.00
				Invoice Total: 989,325.00

ACH & Wiring Instructions

Beneficiary Name: Knoxville Locomotive Works, Inc.
Beneficiary Bank: Bank of America
Beneficiary Bank Address: 100 W 33rd Street, New York, NY 10001
Beneficiary Account #: 444014537109
ACH ABA#: 064000020

Please email remittance advice to: KJK@GulfAndOhio.com



Invoice

Page: 1

Knoxville Locomotive Works
PO Box 2408
Knoxville, TN 37901
(865) 522-7078

Invoice Number: C001104-IN
Invoice Date: 7/10/2023
Unit:
Customer Number: NUCOR
Customer P.O.: 692893

Bill to:

Nucor Steel Indiana
ATTN: Accounts Payable
PO Box 907
Crawfordsville, IN 47933-9450

Ship to:

Nucor Steel Indiana
4537 South Nucor Road
Crawfordsville, IN 47933-0907

Ship VIA:

Terms: Net 30

Description	UM	Quantity	Price	Amount
Advance deposit 10% net 30 following delivery	EACH	1.000	219,850.000	219,850.00
				Net Invoice: 219,850.00
				Freight: 0.00
				Sales Tax: 0.00
				Invoice Total: 219,850.00

ACH & Wiring Instructions

Beneficiary Name: Knoxville Locomotive Works, Inc.
Beneficiary Bank: Bank of America
Beneficiary Bank Address: [REDACTED] New York, NY 10001
Beneficiary Account #: [REDACTED]
ACH ABA#: [REDACTED]

Please email remittance advice to: KJK@GulfAndOhio.com