

APPENDIX D-4
Beneficiary Eligible Mitigation Action Certification

BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION

Beneficiary The District of Columbia

Lead Agency Authorized to Act on Behalf of the Beneficiary District Department of Energy and Environment (DOEE)
(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:	DC DEAL Program
Beneficiary's Project ID:	DC - VWSWPR
Funding Request No.	(sequential) DC - VWSWPR - 1
Request Type: (select one or more)	<input checked="" type="checkbox"/> Reimbursement <input type="checkbox"/> Advance <input type="checkbox"/> Other (specify): _____
Payment to be made to: (select one or more)	<input checked="" type="checkbox"/> Beneficiary <input type="checkbox"/> Other (specify): _____
Funding Request & Direction (Attachment A)	<input checked="" 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 checked="" 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): Pages 11-14 of DC's Beneficiary Mitigation Plan (BMP) details how these expenses fit into the BMP.
Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2): The DEAL Program provides District government agencies with the means to overcome the high incremental cost of purchasing alternative fuel fleet. Details on this Action are available on pages 13-16 of DC's BMP. Benefits of the DEAL program (waste management) are on page 25 of DC's BMP.
Estimate of Anticipated NOx Reductions (5.2.3): An estimated reduction of 0.47 tons of NOx per year per vehicle will be reduced.
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): Department of Energy and the Environment (DOEE), District of Columbia Government
Describe how the Beneficiary will make documentation publicly available (5.2.7.2). Page 10 of DC's BMP describes how documentation will be made publicly available.
Describe any cost share requirement to be placed on each NOx source proposed to be mitigated (5.2.8). DOEE is subsidizing the cost of purchasing new, electric buses/vocational vehicles. For the vocational vehicles we are using the DERA option. The partner agency is responsible for the remainder of the cost share.
Describe how the Beneficiary complied with subparagraph 4.2.8, related to notice to U.S. Government Agencies (5.2.9). Letters to the appropriate parties were sent over email on Monday, February 12, 2018.

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).

Please refer to page 27 of DC's BMP for how this project relates to communities that have historically borne a disproportionate share of the adverse impacts of emissions.

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 checked="" 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 The District of Columbia, 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: June 12, 2024



Digitally signed by Joseph Jakuta
DN: cn=Joseph Jakuta, o=DC DOEE,
ou=Air Quality Division,
email=joseph.jakuta@dc.gov, c=US
Date: 2024.06.13 11:15:16 -04'00'

Joseph Jakuta, Chief, Air Quality Planning Branch

[NAME]

[TITLE]

Department of Energy and Environment

[LEAD AGENCY]

for

The District of Columbia

[BENEFICIARY]

ATTACHMENT B
DC - VWSWPR

Eligible Mitigation Action Management Plan Including Detailed Budget and Implementation and Expenditures

Pursuant to Section 5.2.4 of the Environmental Mitigation Trust Agreement, the District of Columbia Department of Energy and Environment (DOEE) provides the following Eligible Mitigation Action Management Plan.

The milestone dates and yearly budget distributions provided are estimates and are subject to change. DOEE's fiscal year begins on October 1 of the previous calendar year and ends on September 30 of the year with which it is numbered (for example, FY 2020 began on October 1, 2019 and will end on September 30, 2020).

Project Implementation Schedule and Milestones

Project: DC Deal Program - DPW Sweeper Electrification

Project ID: DC - VWSWPR

Period of Performance: October 2018 – September 2024 (FY 2019 – FY 2024)

Milestone	Date
DOEE Begins work on RFP	Spring 2019
DOEE Provides Notice of Availability – RFP	Summer 2019
Applicants Submit Proposals to DOEE	March 15, 2021
DOEE Enters into MOU with DPW	September 15, 2021
DPW Enters into Purchase Agreement with Vendor	May 19, 2022
Street Sweeper are delivered and put into Service	Summer 2023
Existing Vehicles Scrapped	Winter 2024
Parties Submit proof of scrappage	February 21, 2024
DOEE and DPW work to make sure vehicles are operated according to BMP specifications	July 2024

TOTAL PROJECT BUDGET – FY 2024

DC Deal Program - DPW Sweeper Electrification

Category	Total	Share of Budget Funded by VW Trust	Cost-Share DPW	DERA Grant
Equipment	\$1,844,791.00	\$309,000.00	\$1,164,711	\$411,080
DOEE Administrative	\$785.00	\$785.00	\$0	\$0
Percent of Equipment Expenditure	100%	100%	100%	100%
Total	\$1,845,576.00	\$309,785.00	\$1,164,711	\$411,080

* Since this was considered part of the DC-VWDEAL program admin costs were not separated out from that program for accounting purposed until FY2024.

ATTACHMENT C

Detailed Plan for Reporting on Eligible Mitigation Action Implementation (S.2.11)

DC Deal Program - DPW Sweeper Electrification: DC – VWSWPR

Pursuant to Sections 5.2.11 and 5.3 of the Environmental Mitigation Trust Agreement, DOEE provides this project implementation reporting plan for the Amtrak DC Rail Yard Locomotive Switcher Engine Replacement project undertaken by DOEE's sub-grantee in partnership with Amtrak. This detailed plan for reporting incorporates applicable DOEE sub-grantee reporting requirements as well as DOEE's obligation to comply with the semi-annual reporting requirement contained in Section 5.3 of the Environmental Mitigation Trust Agreement. Sub-grantee will provide the reports as specified below to DOEE. Further, DOEE will provide reports to the U.S. Environmental Protection Agency (EPA) as required for the DERA grant. The reporting deadlines contained herein are estimates and may be subject to change. Since this was considered part of the DC-VWDEAL program separate reporting did not occur until July 31, 2022.

DDOT Circulator Bus Electrification

Report	Due
Budget and timeline from DPW to DOEE	1/1/2019
Semi-Annual Project Report from DOEE to Trustee	1/31/2020
Semi-Annual Project Report from DOEE to Trustee	7/31/2020
Semi-Annual Project Report from DOEE to Trustee	1/31/2021
Semi-Annual Project Report from DOEE to Trustee	7/31/2021
Semi-Annual Project Report from DOEE to Trustee	1/31/2022
Semi-Annual Project Report from DOEE to Trustee	7/31/2022
Semi-Annual Project Report from DOEE to Trustee	1/31/2023
Semi-Annual Project Report from DOEE to Trustee	7/31/2023
Semi-Annual Project Report from DOEE to Trustee	1/31/2024
Semi-Annual Project Report from DOEE to Trustee	7/31/2024

Reporting will continue in the pattern set above on a semi-annual schedule to the Trustee from DOEE and a quarterly schedule from sub-grantee to DOEE (includes final reports) for subsequent Switcher repowers until all repower work has been completed. Quarterly reporting to EPA will end in FY21, the anticipated end date of the DERA grant. Extension of grants or additional grants may require additional reporting.

Report Content

Sub-grantee and DOEE reports will contain at a minimum:

1. Summary of all costs expended through the reporting period and to-date
2. Project status and development and implementation accomplishments
3. Any project modifications, including timeline, compared to proposal and work plan

Attachment D:
Project ID: DC – VWSWPR

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

Description	Repower Equipment Estimate
Switcher Locomotive Repower (Switcher 1) – Tier 4 or better	\$614,930.33
Switcher Locomotive Repower (Switcher 2) – Tier 4 or better	\$614,930.33
Switcher Locomotive Repower (Switcher 3) – Tier 4 or better	\$614,930.33
Total	\$1,844,791

Cost estimates are based on the purchase price of the street sweepers provided by DPW.

Attachment E: DERA Option

Pursuant to Appendix D-2 and Section 5.2.12 of the Environmental Mitigation Trust Agreement, the project (Project ID: DC - VWSWPR) associated with this Funding Request involves use of the DERA Option. DOEE will make its DERA grant award available on its webpage. DOEE's proposal and award is also attached.

FISCAL YEAR 2018

STATE CLEAN DIESEL GRANT PROGRAM

WORK PLAN AND BUDGET NARRATIVE – REVISED 7/19/2023

INSTRUCTIONS: States and territories applying for FY 2018 DERA State Clean Diesel Grant Program funding must use this template to prepare their Work Plan and Budget Narrative.

Please refer to the FY 2017-2018 STATE CLEAN DIESEL PROGRAM INFORMATION GUIDE for full Program details, eligibility criteria and funding restrictions, and application instructions.

SUMMARY PAGE

Project Title: District of Columbia FY 2018 State DERA Grant

Project Manager and Contact Information

Organization Name: District of Columbia Department of Energy and Environment (DOEE)

Project Manager: Joseph Jakuta

Mailing Address: 1200 First Street, NE, Fifth Floor, Washington, DC 20002

Phone: 202-669-5817

Email: joseph.jakuta@dc.gov

Summary of Changes:

DOEE requests a six-month NCTE to extend the project to March 30, 2024. No budget changes have been made.

Project Budget Overview:

Table 1: Project Budget Overview

	FY 2017*	FY 2018
EPA Base Allocation	\$	\$ 274,053
State or Territory Matching Funds (if applicable)	\$	\$ 309,000
EPA Match Incentive (if applicable)	\$	\$ 137,027
Mandatory Cost-Share	\$	\$880,097
TOTAL Project	\$	\$1,600,177

*FY 2017 budget is only for states and territories with open FY 2017 State DERA grants

Project Period

October 1, 2018 – March 30, 2024

Summary Statement

The District of Columbia's (District) Department of Energy and Environment (DOEE) is proposing to use the DERA Grant funds to replace DERA-eligible medium and/or heavy-duty on-road diesel vehicles with zero-emission vehicles. The District will be using a portion of its Volkswagen Settlement Funds as a State Voluntary Match for the FY 2018 DERA grant.

SCOPE OF WORK

DOEE will work with eligible District fleet owners to help reduce diesel emissions in the District. As the target fleets are owned and operated by the District, DOEE will directly implement the project in partnership with District agencies.

STATE/TERRITORY GOALS AND PRIORITIES:

The District is currently in attainment with national ambient air quality standards (NAAQS) for particulate matter (PM_{2.5}), carbon monoxide (CO), lead, sulfur dioxide (SO₂), and nitrogen dioxide (NO₂). The District is in marginal nonattainment for the 2015 ozone NAAQS and in maintenance of the 2008 ozone NAAQS. Therefore, there is need to find additional reductions of oxides of nitrogen (NO_x) emissions, a precursor for ozone, including from sources of diesel emissions to attain the 2015 and maintain the 2008 ozone NAAQS.

According to the 2014 National Emissions Inventory, 6,518 tons of NO_x were emitted from the mobile sector in the District, and of that total, 3,909 tons were emitted from diesel vehicles. The mobile sector also accounted for 383 tons of PM_{2.5} emissions, with diesel vehicles emitting 226 tons per year.

Diesel emissions contain NO_x, PM_{2.5}, and air toxics. Because of the negative impacts on public health of PM_{2.5} and NO_x, including respiratory impacts such as asthma and cardiac-related problems, EPA has set health-based NAAQS for these pollutants. Air toxics have well-known negative effects on human health as well. In the District, asthma affects nearly 15.5 percent of children under 18, compared to a national rate of less than 9 percent. The proposed projects will immediately reduce diesel emissions and improve public health since emission reductions from medium and heavy-duty diesel engines can achieve some of the most significant NO_x reductions among the clean diesel options.

VEHICLES AND TECHNOLOGIES:

The vehicle replacements will be open to public entities. The vehicles selected will meet EPA's eligibility criteria under VIII.C.7.b of the DERA program guide. Funding will be available for most technologies with a priority for new electric vehicles.

ROLES AND RESPONSIBILITIES:

DOEE will open up an application in February 2021 for eligible District Government fleet managers and will award on a first-come-first-served basis. DOEE will develop a Memorandum of Understanding on the scope, deliverables, schedule, activities, and funding of the project with the fleet owner. The fleet owner will select a vendor for their new equipment in communication with DOEE and execute contracts. DOEE will verify that the project is eligible. The fleet owner will provide quarterly reports on the status of the project. Upon successful completion of the new vehicle replacement, the fleet owner must scrap the old engine and provide documentation to DOEE. DOEE will inspect the new vehicle to verify that an eligible vehicle was received. DOEE will directly pay the vendor along with the fleet owner for its share of the cost of the project. These will be District-owned vehicles and therefore classifiable as equipment.

TIMELINE AND MILESTONES:

Table 2: Timeline and Milestones

Action	Schedule
Applications period open	February 15, 2021
Award project and develop MOU	September 15, 2021
Procurement process	March 15, 2022
Vehicle replacement	May 31, 2023
Project completion	March 30, 2024

DERA PROGRAMMATIC PRIORITIES:

The District is considered a priority area under EPA’s 2018 National Priority Area List for the 2008 Ozone NAAQS, 1997 PM_{2.5} NAAQS, and NATA. The District is also designated as nonattainment under both the 2008 and 2015 Ozone NAAQS, although it will likely be re-designated to maintenance for the 2008 Ozone NAAQS. Thus it is a priority to focus on the reduction of NO_x and PM_{2.5} emissions. The vehicle replacement project will immediately reduce diesel emissions and improve public health.

The cost effectiveness of the vehicle replacements was calculated to be approximately \$1,327,371 per ton of NO_x reduction based on a cost of \$500,000 per vehicle and an emission reduction of 0.38 tons per year (tpy) per vehicle. Assuming that approximately three vehicles can be replaced, the total savings will be approximately 1.13 tpy.

EPA’S STRATEGIC PLAN LINKAGE AND ANTICIPATED OUTCOMES/OUTPUTS:

Goal 1 of EPA’s 2018-2022 Strategic Plan is “Core Mission: Deliver real results to provide Americans with clean air, land, and water, and ensure chemical safety”. The proposed projects will replace medium and/or heavy-duty diesel vehicles with new zero-emission vehicles which

will emit lower levels of NO_x and PM_{2.5}. As a result, local and regional air pollution will be reduced and health improved.

The outputs of DOEE's proposed projects include at least one medium or heavy duty vehicle replaced with an electric vehicle, with the more likely scenario being three to five vehicles. The number of vehicles replaced is uncertain at this point as it is open to any interested public entity, but we assumed three replacements for the purposes of our calculations.

The vehicle replacements will result in environmentally beneficial outcomes, both in the short- and long-term. As a result of the proposed projects, in the short term the District will have decreased daily and weekly NO_x and PM_{2.5} emissions and thus decreased exposure to these pollutants of residential communities located near the areas that the vehicles operate (as a condition of the program, we are requesting that the new vehicles operate the majority of stops or service time in Wards 7 and 8 of the District, which have been previously identified as environmental justice communities). The proposed projects will reduce NO_x and PM_{2.5} emissions over the course of years, helping to reduce the formation of ozone in the District and to maintain the status as attainment for fine particulates. In the long term, the reduction of diesel emissions resulting from the proposed project will help to reduce the asthma rate in the District. The outcomes for both projects can be seen in the table below.

Table 3: Emission Reduction Benefits

Output	Outcome	
	NO _x reduced (tpy)	PM _{2.5} Reduced (tpy)
Three Vehicle Replacements	0.11	0.01

Emissions benefits for the vehicle replacement were calculated using EPA's Diesel Emissions Quantifier.

In addition to emission reductions, these projects will result in reduced fuel consumption. The vehicle replacements will result in savings of about 1,000 gallons of diesel annually for a single replacement, or 3,000 gallons for three vehicles.

SUSTAINABILITY OF THE PROGRAM:

The vehicle replacement(s) will be permanent installations, and thus will continue to reduce harmful emissions throughout their useful life. Contingent on funding, we hope that this program will continue past these first vehicle replacements. DOEE will also send out periodic tweets on the project, and will post updates to DOEE's website, doee.dc.gov.

THE DISTRICT OF COLUMBIA’S SPENDING PLAN FOR VOLKSWAGEN SETTLEMENT FUNDS (BENEFICIARY MITIGATION PLAN)

July 6, 2018

March 19, 2021

Updated July 13, 2023



1. Introduction

Washington, DC (District, or DC) will receive \$8.125 million as a result of the civil enforcement case, *Volkswagen “Clean Diesel” Marketing, Sales, Practices, and Products Liability Litigation*. The settlement stems from Volkswagen’s (VW) use of a defeat device in its diesel vehicles, which allowed the vehicles to emit much higher levels of oxides of nitrogen (NOx) than allowed by the U.S. Environmental Protection Agency (EPA). The settlement funds are primarily intended to reduce NOx emissions from diesel vehicles.

To use the VW settlement funds, the District must develop a beneficiary mitigation plan that describes how the District intends to use its allotted funds to offset the air quality impacts, primarily NOx pollution, that occurred due to the defeat devices on VW vehicles. The funds can only be utilized on eligible mitigation actions as defined in the VW settlement, specifically Appendix D-2.¹ Examples of eligible uses of the funds include replacement of older model heavy duty diesel vehicles; replacement of the engines of older model heavy duty diesel vehicles; installation of electric vehicle infrastructure; and installation of idle reduction technologies. The following are examples of *ineligible* uses of the VW funds: replacement of gasoline powered vehicles; installation of compressed natural gas fueling infrastructure; and expansion of an existing vehicle fleet.

Mayor Bowser selected the District’s Department of Energy and Environment (DOEE) to serve as the lead agency to coordinate the use of the District’s VW settlement funds. This document constitutes the District’s Spending Plan for Volkswagen Settlement Funds (“Spending Plan” or “Beneficiary Mitigation Plan”).

2. Air Pollution Emissions in Washington, DC

The principal air pollutants of concern in the District are NOx, fine particles (PM2.5), ozone, greenhouse gases (GHG), and air toxics. Although the VW settlement is primarily focused on reducing NOx emissions, the District has also decided to consider reduction of PM2.5, GHGs, and air toxics in developing this spending plan. Air pollutants contribute to various health ailments and threats to the environment, described in more detail below.²

Air pollutants in Washington, DC originate from a variety of sources. The total inventory of emissions of an air pollutant is typically subdivided into four types of sources: area, off-road, on-road, and point. Area sources include small, disperse sources such as small boilers and emergency generators. Off-road sources use both gasoline and diesel and include construction and lawn/garden equipment, portable generators, locomotives, and marine engines. On-road

¹ Appendix D-2 of the VW settlement gives details of eligible mitigation actions and can be found at: <https://www.epa.gov/sites/production/files/2017-10/documents/statebeneficiaries.pdf>.

² All data in this section other than the GHG data is sourced from EPA’s National Emissions Inventory database. GHG data is sourced from DOEE’s forthcoming Greenhouse Gas Inventory.

sources use both gasoline and diesel, and include any highway vehicles. Stationary industrial sources, also known as point sources, are larger sources that emit pollution from a single location, such as industrial facilities and power plants.

Past research has shown higher levels of some air pollutants near heavily traveled roads and highways, leading to increased levels of lung and heart diseases, particularly in children and adolescents. Tailpipe standards have become more stringent and the levels of air pollutants from vehicles are decreasing. The near-road monitor in the District shows levels of nitrogen dioxide (NO₂), PM_{2.5}, and carbon monoxide only slightly above the levels at other District monitors (air toxics are not measured at the near-road site).

NO_x: One component of NO_x is NO₂. Breathing air with high levels of NO₂ can irritate airways. Such exposures over short periods can aggravate respiratory diseases, particularly asthma, leading to respiratory symptoms (such as coughing, wheezing, and difficulty breathing). Longer exposures to high levels of NO₂ may contribute to the development of asthma and potentially increase susceptibility to respiratory infections. NO_x emissions also lead to higher ozone levels. Breathing ozone can trigger chest pain, coughing, throat irritation, and airway inflammation. It can also harm lung tissue and reduce lung function. Ozone can worsen bronchitis, emphysema, and asthma.

The total amount of NO_x emitted in Washington, DC in 2014, the most recent year for which comprehensive data is available, was 8,606 tons. On-road and off-road vehicles together were the largest source of NO_x emissions, emitting 6,518 tons or 76 percent of total NO_x emissions in 2014.

NO_x emissions from diesel vehicles totaled 3,909 tons, which accounted for 60 percent of the NO_x emissions from all vehicles. Gasoline vehicles accounted for the remaining 2,609 tons of vehicle NO_x emissions in 2014. Figure 1 represents the distribution of NO_x emissions between different types of **diesel** vehicles in 2014.

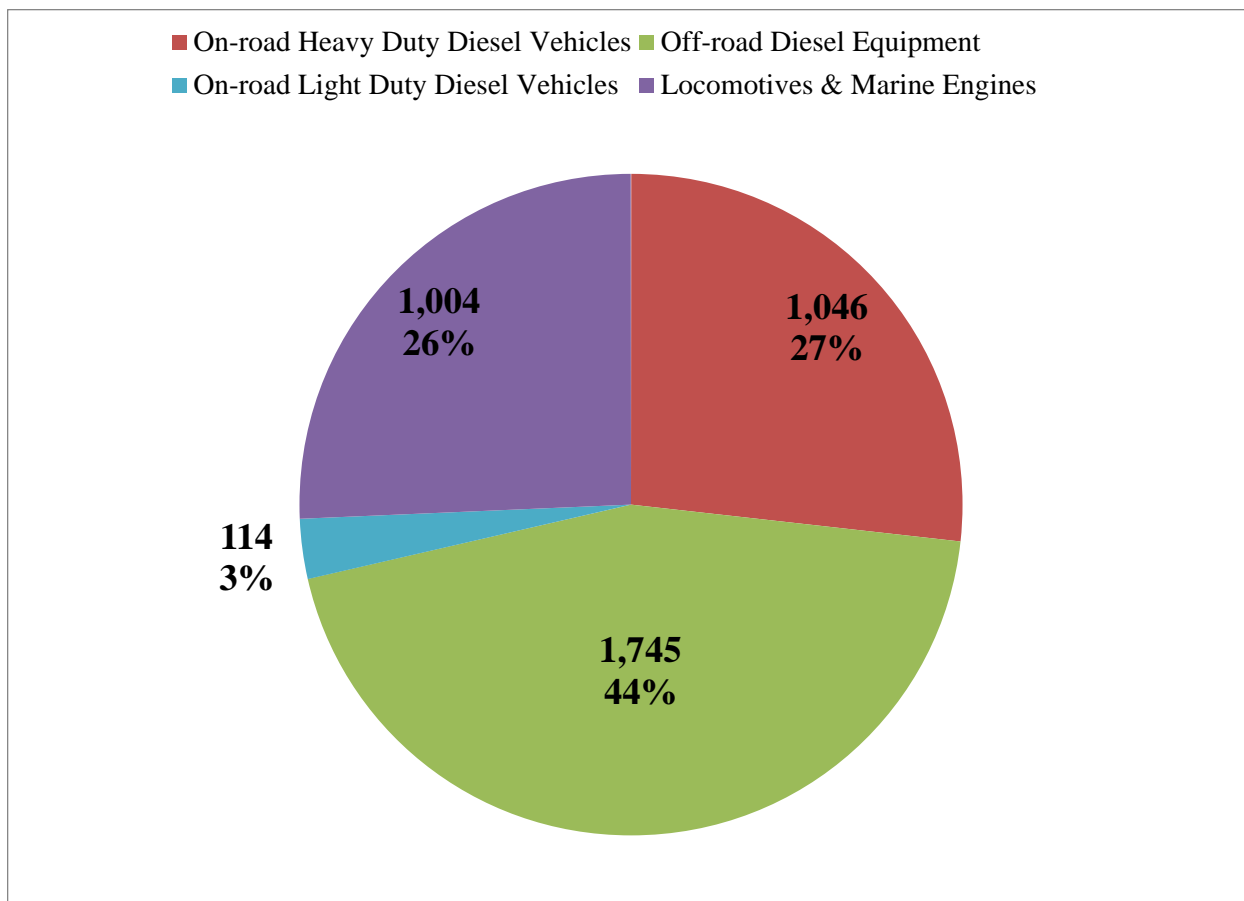


Figure 1: 2014 NOx Emissions from Diesel Vehicles in Washington, DC in tons (Total: 3,909 tons/year)

PM2.5: Particulate matter is solid and liquid particles suspended in air, such as dust, soot, pollen, and smoke; it results from human activity but also occurs naturally. Most particles form in the atmosphere as a result of complex reactions of chemicals such as sulfur dioxide and NOx, which are pollutants emitted from power plants, industrial processes, and on-road and off-road vehicles. Diesel exhaust is mostly composed of particulate matter.

The smaller the particle, the more dangerous for human health, as particles can travel deep into the respiratory system and bloodstream. Repeated inhalation of these particles can lead to serious lung and heart health problems. These small particles are referred to as PM2.5.

In 2014, emissions of PM2.5 from all sources in Washington, DC totaled 1,219 tons. Of that, 383 tons were from all types of on-road and off-road vehicles. Diesel vehicles (on-road and off-road) accounted for 226 tons of PM2.5 emissions, with gasoline and other alternatively fueled vehicles accounting for the remaining 157 tons.

GHGs: Gases that trap heat in the atmosphere are called greenhouse gases (GHGs) and include carbon dioxide, methane, nitrous oxide (N2O), and fluorinated gases. GHGs contribute to

climate change, which is predicted to cause extreme heat waves, rising sea levels, changes in precipitation resulting in flooding and droughts, intense hurricanes, and degraded air quality, all of which can directly and indirectly affect the physical, social, and psychological health of humans. The District is doing its best to reduce the impact of climate change in keeping with Mayor Bowser's pledge to reduce greenhouse gas emissions by 100 percent by 2050. Note that N₂O is also one of the compounds that make up NO_x.

The latest GHG emission inventory from 2015 estimated a total of 8,844,152 tons of GHG emissions in the District. Diesel vehicle (on-road and off-road) emissions accounted for 126,085 tons or 1.4 percent of the total of GHG emissions in the District.

Air Toxics: Air toxics, also known as toxic air pollutants or hazardous air pollutants (HAPs), are those pollutants that cause or may cause cancer and other serious health effects, such as reproductive effects or birth defects. The Clean Air Act identifies 187 HAPs that EPA and states are required to control to protect public health. Although Washington, DC does not have high levels of air toxics, they are emitted from diesel engines. In 2014, diesel vehicles accounted for 117 tons out of the total 815 tons (14 percent) of HAPs emissions in the District.

3. Impacted Communities in the District

The VW settlement requires each beneficiary, including the District, to describe how our proposed projects will benefit areas of the city that bear a disproportionate share of the air pollution burden. To identify the areas of the city that are the most vulnerable and impacted by air pollution, we have looked at the following indicators: asthma rates in the District, mortality rates from cancer and heart disease, and underrepresented neighborhoods as defined by income levels.

Asthma Rates in Washington, DC: The current citywide rate of asthma among adults is 11.5%.³ Asthma rates in Washington, DC reflect national trends,⁴ with African American adults, adults with lower incomes, and adults who did not finish high school disproportionately impacted. African American adults in Washington, DC had twice the rate of asthma (15.4%) than Caucasian adults (7.6%). Asthma was also more prevalent among District adults with annual incomes below \$15,000 (25.7%) and among those with less than a high school education (20.9%).⁵

³ Government of the District of Columbia Department of Health (DOH), *Behavioral Risk Factor Surveillance System (BRFSS) Annual Health Report, 2014*, District of Columbia: DOH, 39, <https://doh.dc.gov/node/1190347> (accessed November 20, 2017).

⁴ U.S. Department of Health and Human Services (HHS), Centers for Disease Control and Prevention (CDC). *Asthma Facts—CDC's National Asthma Control Program Grantees*. Atlanta, GA: HHS, CDC, 2013, https://www.cdc.gov/asthma/pdfs/asthma_facts_program_grantees.pdf (accessed November 20, 2017).

⁵ Government of the District of Columbia Department of Health, *Behavioral Risk Factor Surveillance System (BRFSS) Annual Health Report, 2014*, 39.

Geographic disparities in asthma prevalence are also evident in Washington, DC. Current asthma rates among District adults are highest in Ward 8 (17.6%) and Ward 7 (16.9%), followed by Ward 5 (14%) (see Figure 2).

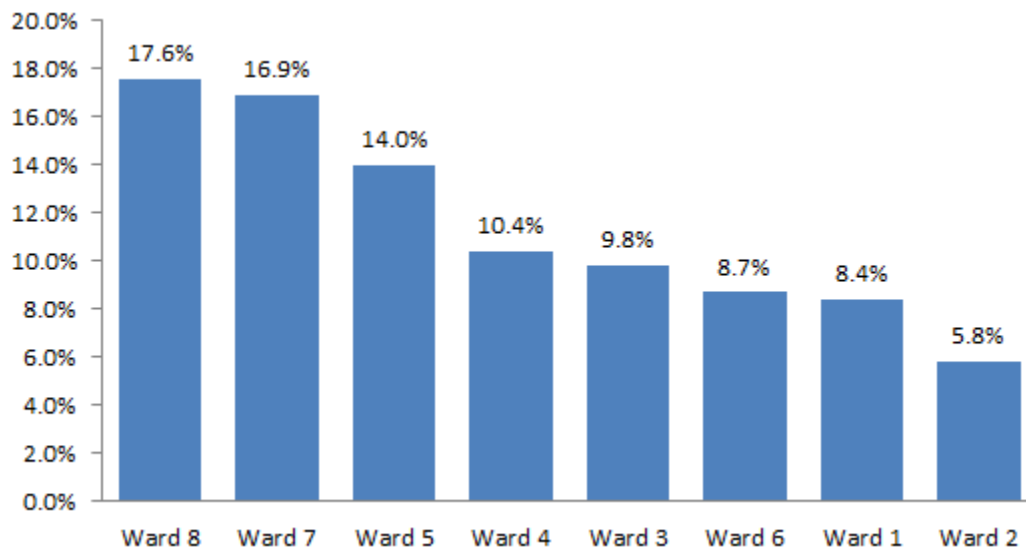


Figure 2: Current Asthma Rates Among District Adults, Ranked by Ward, BRFSS, 2014⁶.

Current asthma rates are higher among children in Washington, DC than among children nationwide. An estimated 15.5% of District children 0–17 years of age currently have asthma, compared with 8.8% of children in the same age range nationwide.⁷ Similarly, while 22.8% of high school students nationwide have ever been told by a doctor or nurse that they had asthma; District students in middle and high school have a lifetime prevalence of asthma of 25.9% and 30.8%, respectively.⁸

A higher burden of asthma is also borne by youth of color in Washington, DC. African American students in the District’s middle and high schools have much higher lifetime asthma rates (at 28.8% and 32.6%, respectively) than their Caucasian counterparts (at 14.0% and 19.0%, respectively).⁹ Lifetime asthma rates are also higher among middle and high school students classified as Hispanic, Other, or Multiple Races, ranging from 21.3% to 35.6%.¹⁰

⁶ Ibid.

⁷ National Survey of Children's Health. NSCH 2011/12. Data query from the Child and Adolescent Health Measurement Initiative, Data Resource Center for Child and Adolescent Health website. Retrieved November 20, 2017 from <http://www.childhealthdata.org/browse/survey/results?q=2400&r=1&r2=10>.

⁸ Sowole-West, Omotunde and Scholl, Kelley (2016) *2015 District of Columbia Youth Risk Behavior Survey Surveillance Report*. Office of the State Superintendent of Education: Washington, DC, 56 and 68, <https://osse.dc.gov/sites/default/files/dc/sites/osse/publication/attachments/2015%20YRBS%20Report.pdf> (Accessed November 20, 2017).

⁹ Ibid.

¹⁰ Ibid.

Figure 3 represents the asthma-related emergency room visits for residents of all ages, by Ward.¹¹ According to the DC Hospital Association, the highest rates of asthma-related emergency room visits are in Ward 8, 7, and 5.

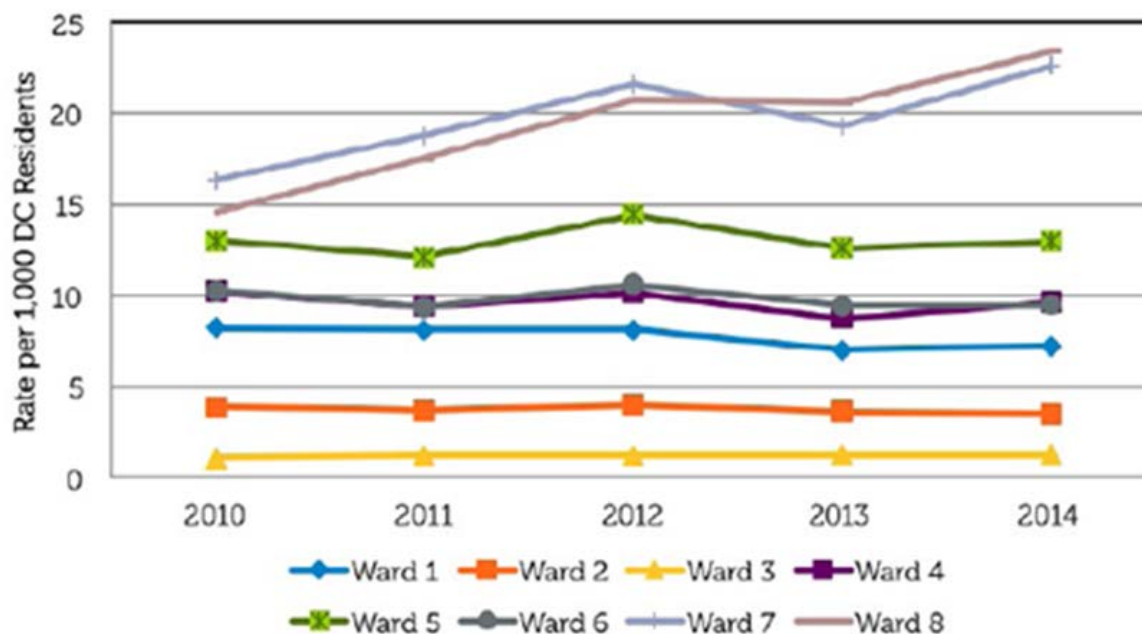


Figure 3: Emergency Room Visit Rate for Asthma by Ward, 2010-2014.

Mortality Rates from Cancer and Heart Disease: There is evidence that exposure to NO₂ from vehicle emissions is associated with lung cancer.¹² Scientific studies have linked particle pollution exposure to various health impacts, including premature death in people with heart or lung disease.¹³ See map in Appendix 3 for roadways with high traffic volumes in Washington, DC.

In Washington, DC, there are geographic disparities in the mortality rates from cancer and heart disease. Current mortality rates from cancer and heart disease among District residents are highest in Ward 8 and Ward 7, followed by Ward 5 (see Table 1).

¹¹ District of Columbia Community Health Needs Assessment, June 2016, By Chaya Merrill, DrPH; Linda Cottrell, MPH; and, Kimberle Searcy, MPH, http://www.dchealthmatters.org/content/sites/washingtondc/2016_DC_CHNA_062416_FINAL.pdf (Accessed on November 20, 2017).

¹² Lung Cancer and Exposure to Nitrogen Dioxide and Traffic: A Systematic Review and Meta-Analysis, November 2015, By Ghassan Hamra, Francine Laden, Aaron Cohen, Ole Raaschou-Nielsen, Michael Brauer, and Dana Loomis, <https://ehp.niehs.nih.gov/1408882/> (Accessed April 23, 2018).

¹³ Health and Environmental Effects of Particulate Matter, US Environmental Protection Agency, <https://www.epa.gov/pm-pollution/health-and-environmental-effects-particulate-matter-pm> (Accessed April 23, 2018).

Table 1: Mortality Rate per Ward¹⁴

Ward	1	2	3	4	5	6	7	8
Cancer	171.9	88.7	115.1	160.4	220.1	185.9	233.1	323.8
Heart Disease	204.3	127.6	98.5	188.2	267.5	224.1	309.4	370

Note: The mortality rate is stated as the age adjusted rate per 100,000. A higher number indicates a higher mortality rate.

Underrepresented Neighborhoods: According to 2016 Census estimates, the overall racial/ethnic makeup of Washington, DC residents is 47.7% African American, 36.4% Caucasian, 10.9% Hispanic/Latino, and 4.1% Asian.¹⁵ The District's Office of Planning reports that 25.9% of the District's African American residents, or nearly 80,000 individuals, were living in poverty in 2014.¹⁶ Roughly 47% of the District's African American population lives east of the Anacostia River, specifically in Wards 7 and 8, where the median income is less than half of the District's \$75,000 median income.¹⁷

Geographically, the highest poverty rates in the city are in Wards 7 and 8, where more than 90% of the residents in both wards are African American. The percentage of families living below the poverty level in Wards 7 (25%) and 8 (29%) is significantly higher than the citywide average of 18.5%, and about 15 times higher than in Ward 3 (2%).¹⁸ Rates of childhood poverty are also higher than average in these communities, at 40% in Ward 7 and 50% in Ward 8 (Table 2).¹⁹

Table 2: District Children < 5 Years, by Population, Race/Ethnicity, and Poverty, by Ward

Ward	1	2	3	4	5	6	7	8
Total Population	4,723	2,174	4,241	5,565	5,743	4,804	5,204	7,870
% Hispanic/Latino	39%	17%	16%	31%	19%	11%	5%	3%

¹⁴ District of Columbia Behavioral Risk Factor Surveillance System, 2014, By Department of Health https://dchealth.dc.gov/sites/default/files/dc/sites/doh/publication/attachments/BRFSS_Annual_Report_2014.pdf (Accessed on April 19, 2018).

¹⁵ U.S. Bureau of the Census. QuickFacts: District of Columbia, U.S. Government Printing Office, Washington, DC, July 1, 2006, <https://www.census.gov/quickfacts/DC>, <https://www.washingtonian.com/2016/09/21/the-dc-area-has-the-highest-median-income-in-the-us-again/>; https://www.washingtonpost.com/local/dc-losing-black-residents-west-of-the-anacostia-census-data-show/2016/09/30/b74279e8-8725-11e6-92c2-14b64f3d453f_story.html?utm_term=.fafeef883a7c (Accessed on November 20, 2017).

¹⁶ https://planning.dc.gov/sites/default/files/dc/sites/op/page_content/attachments/Poverty%20in%20DC%202014_1.pdf (Accessed on November 20, 2017).

¹⁷ DC Fiscal Policy Institute. DC's Black Residents Increasingly Live East of the Anacostia River, September 28, 2016, By Claire Zippel, <https://www.dcfpi.org/all/dcs-black-residents-increasingly-live-east-of-the-anacostia-river/> (Accessed on January 3, 2018).

¹⁸ District of Columbia Community Health Needs Assessment, June 2016, By Chaya Merrill, DrPH; Linda Cottrell, MPH; and, Kimberle Searcy, MPH, http://www.dchealthmatters.org/content/sites/washingtondc/2016_DC_CHNA_062416_FINAL.pdf (Accessed on November 20, 2017).

¹⁹ https://planning.dc.gov/sites/default/files/dc/sites/op/page_content/attachments/Key%20Indicators%202011-2015_0.pdf.

% African American	28%	4%	4%	46%	63%	29%	94%	91%
Child Poverty ²⁰	24%	6%	3%	16%	21%	17%	40%	50%

Priority Neighborhoods for VW Funds: Based on the review of asthma rates, mortality rates from cancer and heart disease, and income levels in Washington, DC, DOEE determined that Wards 7, 8, and 5 demonstrate the highest need. Accordingly, DOEE is prioritizing projects in Ward 7, Ward 8, and Ward 5 within the VW Spending Plan. Ward 7 and Ward 8 will receive a higher level of priority in the VW Spending Plan than Ward 5 due to exhibiting a higher level of need. Due to the types of projects that are eligible for VW funds and due to the mobile nature of vehicles, DOEE elected not to prioritize particular communities (Census tracts) within Wards.

4. Public Engagement

In June 2017, DOEE issued a Request for Information (RFI) to solicit public input on the potential uses of the District’s VW settlement funds. DOEE received 16 responses to the RFI. Summaries of the responses are posted on the District’s VW settlement webpage, <https://doee.dc.gov/node/1257131>.

DOEE also invited the public to complete a short survey on how the District should spend the VW settlement funds. DOEE received feedback from 170 residents across all eight Wards. Figures 4 and 5 illustrate the survey responses. A fuller summary of the survey responses is posted on the District’s VW settlement webpage, <https://doee.dc.gov/node/1257131>.

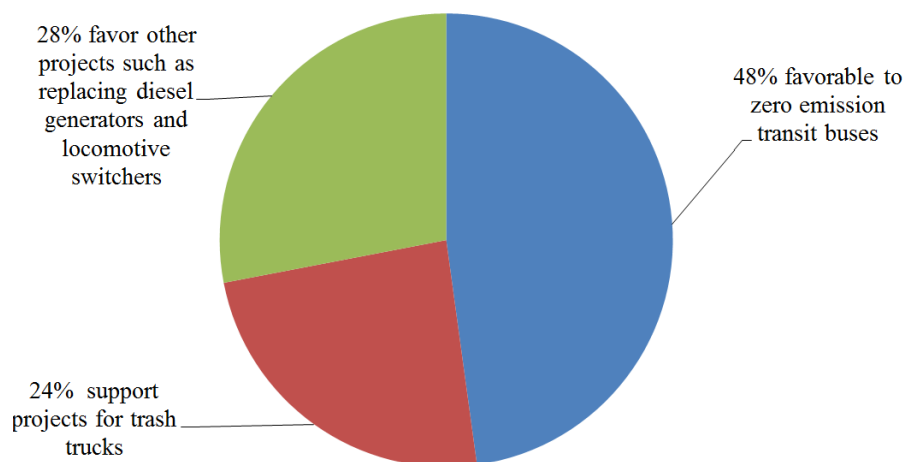


Figure 4: VW Proposed Projects Survey Results.

²⁰ Percent of children under 18 years living below 100 percent of the federal poverty level.

Source: The Annie E. Casey Foundation, KIDS COUNT Data Center, <http://datacenter.kidscount.org>.

Accessed April 17, 2017. From U.S. Census Bureau, 2010 Decennial Census, 2011-2014 ACS 5-Year Estimates.

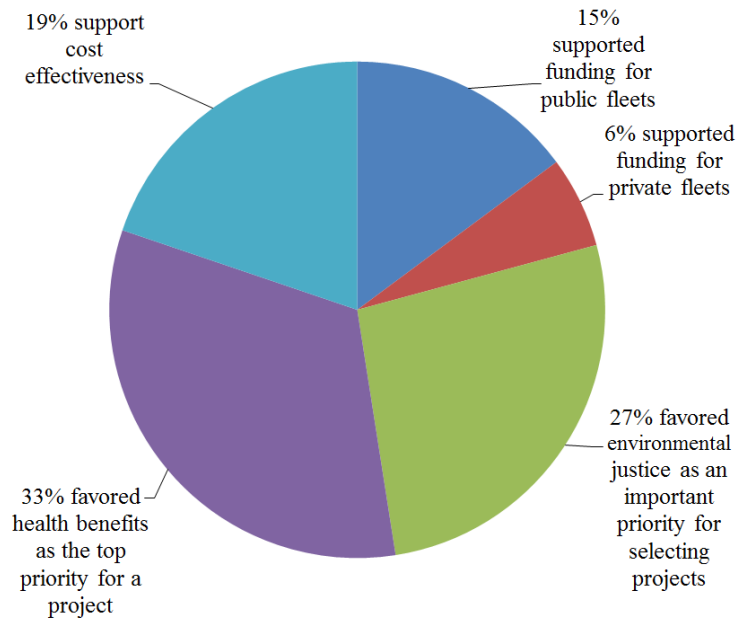


Figure 5: VW Project Selection Criteria in the Survey Results.

On July 13, 2017, DOEE held a Public Information Open House in Ward 8 on the VW settlement funds. Approximately 25 members of the public participated and talked with DOEE staff about the settlement.

DOEE staff also met with interested entities and individual stakeholders upon request and held discussions with other District Government agencies to gather their input.

While DOEE received comments on a wide variety of topics, several themes emerged:

- **Public transportation, specifically zero-emission buses.** The survey allowed respondents to rank their top three favorite project ideas, with 48 percent favoring transit buses (WMATA and Circulator). Additionally, 717 residents signed a Sierra Club petition requesting the Mayor to convert the Circulator bus fleet from diesel to electric using VW settlement funds.
- **Trash trucks.** 24 percent of survey respondents favored lower-emitting trash trucks.
- **Reduce related pollutants (which include greenhouse gases, PM2.5, and air toxics) in addition to reducing NOx.** The survey allowed respondents to rank their top three (3) factors to consider in project selection, with 33 percent of survey voters favoring health benefits.
- **Prioritize vulnerable communities/environmental justice.** 27 percent of survey respondents and two (2) RFI commenters supported this goal.
- **Cost-effectiveness is an important but not deciding factor.** 19 percent of survey respondents and five (5) RFI commenters supported this goal.

On January 26, 2018, DOEE solicited input on a Draft Spending Plan from all interested parties. The public comment period closed on March 12, 2018. DOEE received 16 written comments from trade associations, vehicle and equipment manufacturers, businesses, consultants, members of the public, a District government agency, and an environmental organization. Summaries of the responses are posted on the District's VW settlement webpage, <https://doee.dc.gov/page/volkswagen-settlement>.

On February 21, 2018, DOEE held a Public Information Open House in Ward 7 on the VW settlement funds. Approximately 5 members of the public participated and talked with DOEE staff about the settlement. Open House participants also had the opportunity to provide written comments on the Draft Spending Plan.

Some of the suggestions DOEE received during the public engagement process, while excellent, did not fit the legal parameters of eligible projects for funding through the VW settlement. The VW settlement funds are primarily geared towards equipment-based solutions related to repowering or replacing of older diesel vehicles.

During the implementation of the District's Spending Plan, DOEE will use its VW settlement webpage (<https://doee.dc.gov/page/volkswagen-settlement>) to house and publish District of Columbia-specific documents related to the VW settlement. This webpage will be used to publish all documents, information, and updates related to the VW Settlement, including documents to be submitted in support of each funding request and information on expenditures from the settlement.

5. Goals of the Beneficiary Mitigation Plan

The District selected and will implement mitigation actions that will achieve the following overarching goals:

- **Health:** Positively impact the health of Washington, DC residents by reducing emissions from diesel engines, such as NO_x and PM_{2.5} emissions that contribute to lung and heart problems; GHG emissions that will increase temperature, flooding, and disease; and air toxics that contribute to cancer and birth defects.
- **Environmental Justice (EJ):** To ensure that all communities receive the same degree of protection from environmental and health hazards, prioritize VW funds to address air pollution in wards with the most vulnerable and impacted populations, including underrepresented communities, communities with high cancer and heart disease mortality rates, and neighborhoods with high asthma rates.
- **Zero-Emissions and Alternative Fuels:** Prioritize funds to drive the greatest possible reduction in emissions by catalyzing the adoption of zero-emission and alternative fuel vehicles.

6. Methodology for Project Selection

In evaluating potential projects to implement, we asked the following questions:

- i. Is it an eligible project per the VW settlement?²¹
- ii. How much will it reduce NOx emissions?
- iii. What other pollutants will be reduced and by how much?
- iv. What is the cost-effectiveness of the project? (dollars per ton of pollutant reduction)
- v. Can external funds be used to add to the VW settlement funds for the project?
- vi. Will the project provide a direct health benefit to vulnerable and impacted populations? For example, will the replacement vehicles be physically routed in areas of the city that have historically borne a disproportionate high share of air pollution?
- vii. Will the overall mix of projects cost-effectively contribute to NOx emission reductions while also helping to catalyze the adoption of zero emission and alternative fuel vehicles in Washington, DC?

7. Spending Plan

The District plans to spend the \$8.125 million of VW settlement funds in three project areas: locomotive switcher engine replacement; incentives for replacement of diesel transit buses and trash trucks; and rebates for tailpipe pollution reduction retrofits. DOEE will also use a portion of the VW funds for project administration. Each project is described in detail in this section. Table 3 provides a breakdown of the funds allocated for each project.

DOEE plans to leverage the VW funds as a match to the Diesel Emissions Reduction Act (DERA) grant. The DERA option provides additional funding for certain VW mitigation actions through a yearly grant provided by EPA to invest in cleaner vehicular technology and ultimately reduce emissions from diesel vehicles. In addition to the base amount of the DERA grant funds obtained, EPA will provide additional bonus funding equal to 50 percent of the base grant amount. For example, the District is expected to receive a DERA grant for \$411,000 (base amount \$274,000 plus \$137,000 bonus), which will be available for use during Fiscal Year (FY) 2019. As the DERA grant is not funded consistently year-to-year, DERA grant funds are not included in Table 3 beyond FY 2024. As noted in Table 3, the DERA grant will supplement VW funds for three specific eligible actions in the District's Spending Plan- 1) Locomotive Switcher Engine Replacements 2) DERA-DEAL Vehicle Replacements, and 3) Private Fleet DEAL (PF-DEAL) Vehicle Replacements.

Table 3 shows the timeframe in which DOEE plans to spend the funds. The timeframe for spending is subject to change based on the demand for each project; if demand for a project is

²¹ <https://www.vwcourtsettlement.com/wp-content/uploads/documents/DOJ/Approved%20Appendix%20D-2.pdf>

low, DOEE may reallocate the remaining funds to other projects in the Spending Plan. Table 3 does not include investment income (interest accrued) from the VW funds; to the extent that interest is accrued, DOEE may allocate the accrued interest towards any of the projects in the Spending Plan or to project administration as needed.

Also, as new zero-emission and alternative fuel vehicles become available, DOEE will evaluate them for inclusion in the Spending Plan. To the extent that DOEE amends components of the Spending Plan projects in the future, updated project descriptions will be available on the DOEE VW settlement webpage, <https://doee.dc.gov/page/volkswagen-settlement>.

Table 3: The District's Spending Plan for VW Settlement Funds

Project	VW Settlement Fund Contribution							DERA Federal Grant Contribution			Totals (VW+DERA)
	FY 2019-2022	FY 2023	FY 2024	FY 2025	FY 2026	VW Contribution	% of VW Fund	FY2023	FY2024	FY 2025 -FY 2027	
Locomotive Switcher Engine Replacement (VW+DERA)		\$416,000	\$208,000	\$520,000	\$520,000	\$1,664,000	21%	\$624,000	\$312,000	Unknown	\$2,600,000
District Electrification And Low-NOx Program (DEAL)	\$5,031,000					\$5,031,000	62%				\$5,031,000
VW DEAL- DERA (VW+DERA)		\$309,000				\$309,000	4%	\$411,080		Unknown	\$720,080
VW PFDEAL (VW+DERA)		\$699,542				\$699,542	9%	\$1,034,850			\$1,734,392
DOEE Administrative Costs	\$254,324	\$5,894	\$40,000	\$40,000	\$56,240	\$396,458	5%				\$396,458
Total	\$5,285,324	\$1,430,436	\$248,000	\$560,000	\$576,240	\$8,100,000	100 %	\$2,069,930	\$312,000	Unknown	\$10,481,930

Locomotive Switcher Engine Replacement: DOEE plans to allocate 24 percent of the District's VW settlement funds (approximately \$2 million) to upgrade and repower five (5) old diesel-powered switcher locomotives at Union Station with new, much cleaner diesel engines (or electric engines if the technology becomes viable) over five years.

Switcher locomotives are engines that switch railcars or assemble trains in the railyard. The switcher locomotives at Union Station are high polluting sources because they operate every day (more than 8,000 hours per year); operate under high load conditions; are powered by diesel engines; and they are old – some switchers are over 50 years old. The switcher locomotives operate solely in the railyards that run between Ivy City and Union Station in Wards 5 and 6, respectively, which creates a hotspot for NOx and other pollutant emissions in this area. This investment is a very cost-effective way to reduce NOx emissions; this project alone will lead to approximately 1 percent reduction of total NOx emissions in Washington, DC. Under the terms

and conditions of the VW settlement, to be eligible for this project the switcher locomotive must currently operate at least 1,000 or more hours per year.

Currently, a railyard in California is field testing battery powered all-electric switcher locomotives. As the technology advances and matures in the coming years, DOEE may reevaluate this project and consider exploring battery powered switchers instead of rebuilding diesel powered switcher locomotives.

This project will be funded jointly by VW funds and the DERA grant for up to 40 percent (approximately \$2.6 million) of the total cost estimated at \$6.5 million for the five switcher locomotives. Amtrak must contribute the remaining 60 percent (approximately \$3.9 million) of the cost for this project. As noted in Table 3, a contribution of \$717,600 (\$358,800 for both FY 2021 and FY 2022) is expected from the DERA grant for this project. DERA grant funds, if available in future years, will reduce the VW settlement fund's contribution towards the locomotive switcher engine replacements. Whenever the DERA grant becomes available in a future year, the unspent VW funds allocated for this project will be moved to the other projects described below.

The District Electrification And Low-NOx Program (DEAL Program): The DEAL Program, to be managed by DOEE, will provide District government agencies with the means to overcome the high incremental cost of purchasing alternative fuel fleet. DOEE will allocate 62 percent of VW settlement funds (approximately \$5.03 million) to the DEAL Program starting in FY 2019. Any DEAL Program funds remaining available at the end of FY 2019 will be carried over to subsequent years until all funds are spent. DOEE may increase the funding amount allocated for the DEAL Program in future years if funds allocated to other projects become available. Conversely, DOEE may reduce the funding amount allocated for the DEAL program if there is insufficient demand and move those VW funds to other projects.

At this time, the DEAL Program covers the following technologies: electric transit buses and infrastructure, electric refuse trucks and infrastructure, and CNG refuse trucks. The funds will cover approximately 80 percent of the incremental cost of purchasing electric vehicle technologies, and 55 percent of the incremental cost of purchasing CNG technologies, when compared with the cost of purchasing a new diesel vehicle.²² Although the DEAL Program will not cover 100 percent of the incremental cost, savings made through fuel and maintenance will help cover the remaining costs and provide overall long term savings during the life of the new vehicle. As new zero emission and alternative fuel vehicles become available, DOEE will evaluate and consider them for inclusion in the Spending Plan.

²² Please refer to Table A6 in the Appendix for cost comparison between electric, CNG, and new diesel refuse truck and transit bus replacements.

The DEAL Program is modeled on successful vehicle voucher and rebate programs implemented in other jurisdictions,²³ which capped incentives at 80 percent of the incremental cost or up to a designated amount, usually no greater than \$150,000. These programs have demonstrated that covering a portion of the incremental cost of the new vehicle provides the vehicle owner with a significant financial savings over the lifetime of the vehicle. The DEAL Program approach is supported by the District's climate and energy action plan, Clean Energy DC, which states that zero emission buses have a significant role to play in reducing transit GHG emissions. Clean Energy DC recommends that the District pursue funding options to subsidize the purchase of electric transit vehicles and electric charging infrastructure.²⁴

Service Conditions and Vehicle Funding for the DEAL Program

District government agencies interested in participating in the DEAL Program will be responsible for meeting the following service conditions:

²³ including California, Oregon, New York, Maryland, and Chicago

²⁴ DOEE forthcoming publication of final Clean Energy DC Plan; draft available at: <https://doee.dc.gov/publication/cleanenergydc> .

Electric transit buses:

Service Conditions	Funding Amount per Vehicle
Requirements: <ul style="list-style-type: none"> • In order to be eligible for funds, agencies must prove that the vehicle and infrastructure will serve Wards 5, 7, and/or 8 for at least 60 percent of the service time or 60 percent of stops over a 6-year period. • The vehicle will have signage displaying the health benefits of the vehicle. • Agencies receiving funds must provide at least 6 asthma outreach/educational events over a 6-year period, irrespective of the number of vehicles purchased. 	\$155,000
Bonus: If the vehicle and infrastructure serves Wards 7 and/or 8 for at least 60 percent of the service time or 60 percent of stops over a 6 year period, the vehicle will be eligible for additional funding.	\$270,000
Total available if all service conditions are met:	\$425,000

Electric and CNG refuse trucks:

Service Conditions	Funding Amount per Vehicle for Electric Refuse Trucks	Funding Amount per Vehicle for CNG Refuse Trucks
Requirements: <ul style="list-style-type: none"> • The vehicle and infrastructure purchased with these funds must be used for routes in Wards 7 and 8, for a period of at least 6 years. The vehicle can also be used for routes outside Wards 7 and 8. • The vehicle will have signage displaying the health benefits of the vehicle. • Agencies receiving funds must provide at least 6 asthma outreach/educational events over a 6-year period, irrespective of the number of vehicles purchased. 	\$240,000	\$50,000
Total available if all service conditions are met:	\$240,000	\$50,000

DEAL Program Framework

District government agencies will be allowed to plan for their fleet replacement in future years by “reserving” a portion of the allotment on a “first come, first served” basis. However, the amount reserved must be used within two years or the funds will be reallocated to the next request in line.

DOEE can advance DEAL project funds to District government agencies that are within the District government’s financial system; District government agencies that are outside the District government’s financial system will receive a reimbursement after purchase has been completed. DOEE will establish agreements with each agency that will delineate the timing and the process for the funds transfer and reporting requirements. As a condition of receiving DEAL Program funds, the vehicle to be replaced must have been used for at least 1,000 hours annually and agencies will be required to supply proof for the scrapped vehicle they are replacing.

DEAL-DERA Vehicle Replacements:

The District will also utilize Eligible Mitigation Action #10 as outlined in Appendix D-2 of the Consent Decree²⁵ to assist with the transition of District fleets from older diesel vehicles to cleaner technologies. Approximately 6% of VW funds will be set aside for this endeavor, which leverages DERA funds along with fleet-owner contributions. This option will operate similarly to the DEAL option, however, under the DERA-DEAL option, on-road vehicles eligible under DERA and all DERA requirements will supersede requirements under the original DEAL program to include vehicle mileage, vehicle weight and class, applicable competitive procurement, replacement and scrapped vehicle plans, and reporting requirements, among others.²⁶

By requiring new vehicle purchases, we will enhance vehicle safety and invest trust funds in projects with longer service lives compared to vehicle repowers. By leveraging DERA funds, the District is able to enhance the total amount of funding available for previously considered vehicles, like electric refuse trucks, while also extending the program to vehicles that may not have been originally included in the BMP (like medium-duty trucks). Currently, DERA requires a match of 75% for the new hybrid vehicle and 55% for a new electric vehicle from the participating party or vehicle owner/operator, though the DERA program may be updated by the granting authority (the Environmental Protection Agency) in future years.

Eligible projects include, but are not limited to, the replacement of highway diesel vehicles and equipment with newer, cleaner diesel, zero tailpipe emission (grid, battery, or fuel cell), hybrid,

²⁵ Appendix D-2 of the VW settlement gives details of eligible mitigation actions and can be found at: <https://www.epa.gov/sites/production/files/2017-10/documents/statebeneficiaries.pdf>.

²⁶ More information on the DERA option can be found on EPA’s website: <https://www.epa.gov/dera/volkswagen-vw-settlement-dera-option>

or alternative fuel vehicles/equipment that use engines certified by EPA to meet a more stringent set of engine emission standards. DOEE will prioritize electric and diesel-electric hybrid model replacement vehicles first under this program. To comply with Clean Energy DC, as well as the Clean Energy Omnibus Act of 2018, the District will prioritize public fleets for vehicle replacements through this program.

PF-DEAL Vehicle Replacements:

The District will also utilize Eligible Mitigation Action #10 as outlined in Appendix D-2 of the Consent Decree²⁷ to assist with the transition of private fleets from older diesel vehicles to cleaner technologies. Approximately 9% of VW funds will be set aside for this endeavor, which leverages DERA funds along with fleet-owner contributions. This option will operate similarly to the DERA-DEAL option, however, under the PF-DEAL option, eligible on-road vehicles will come from private fleet owners rather than governmental agencies and the replacement vehicles will be owned by same private fleet owner.²⁸

By requiring new vehicle purchases as opposed to vehicles repowers, we will enhance vehicle safety and invest trust funds in projects with longer service lives. By leveraging DERA funds, the District will enhance the total amount of funding available for vehicle replacements. Currently DERA requires a match of 75% for a new hybrid vehicle and 55% for a new electric vehicle from the participating party or vehicle owner/operator, though the DERA program may be updated by the granting authority (the Environmental Protection Agency) in future years.

Eligible projects include, but are not limited to, the replacement of highway diesel vehicles and equipment with zero tailpipe emission (grid, battery, or fuel cell), vehicles. DOEE will prioritize funding to fleets that operate in overburdened communities.

Project Administration: DOEE plans to allocate 8% of the VW funds for administrative purposes. These funds will cover the costs of program outreach, soliciting and reviewing project applications, writing Memoranda of Understanding with agencies, issuing rebates, verifying project completion, verifying scrappage, discussions with EPA and technical experts, accounting, audits, legal compliance, recordkeeping, reporting and related costs. In FY 2019, DOEE plans to hire one full-time staff member to coordinate the implementation of the Spending Plan. DOEE is also considering outsourcing some of these administrative functions, such as issuing rebates and verifying the destruction of engines, through a competitive procurement process. DOEE will

²⁷ Appendix D-2 of the VW settlement gives details of eligible mitigation actions and can be found at: <https://www.epa.gov/sites/production/files/2017-10/documents/statebeneficiaries.pdf>.

²⁸ More information on the DERA option can be found on EPA's website: <https://www.epa.gov/dera/volkswagen-vw-settlement-dera-option>

report its actual administrative expenditures associated with implementing each project as part of its regular reports to the VW Settlement Trust.

8. Estimated Emission Benefits

DOEE has estimated the emission reduction benefits that could be achieved from the Locomotive Switcher Engine Replacement project, DEAL Program, DEAL-DERA program, and PF-DEAL program. The estimates were prepared using a hypothetical mix of vehicle categories, model years, fuel types, and charging station capacities. Emission reduction data was modeled using the Alternative Fuel Life-Cycle Environmental and Economic Transportation (AFLEET) Tool from Argonne National Laboratory and EPA's Diesel Emissions Quantifier. Actual emission benefits will vary depending on the specifics of the projects approved for funding.

Table 4 presents the costs and the total emission benefits, based on conservative estimates, resulting from the projects proposed in this spending plan.

Table 4: Potential Costs and Emission Benefits for All Projects²⁹

Project	NOx Reduction (tons/year)	PM_{2.5} Reduction (tons/year)	GHG Reduction (tons/year)	Cost (in millions)*
Switcher Engine Replacement	60-65	1-2	685-695	~\$2.60
DEAL	6-47	0.1-2	285-4,002	~\$5.04
DEAL-DELA	0.2-2	0.01-0.08	49-225	~\$1.13
PF DEAL	0.44	0.001	218	~\$1.66
Total	67-114	1.1-4.1	1,237-5,140	~\$10.43

* The cost estimates are based on the District's VW fund contribution and DELA grant.

9. Equipment the District Decided Not To Fund

There are other types of equipment eligible for VW settlement funds, which the District has elected not to fund:

Electric vehicle charging infrastructure for light duty vehicles: The District is not allocating VW settlement funding for supply equipment, such as electric vehicle charging stations, for light duty zero emissions vehicles. The primary beneficiaries of this type of infrastructure would be private owners of electric vehicles. Instead, the District has opted to prioritize vehicle types that provide a direct benefit to a greater number of residents. Separately from the VW effort, the District is involved in ongoing work to leverage private funding to invest in private vehicle charging infrastructure in Washington, DC. Additionally, Electrify America is planning to install ZEV charging stations in the DC metropolitan area in the next 24 months.

Biofuels: Biofuel repowering was not chosen due to the Department of Public Works' interest in using soybean oil. When evaluating biofuels developed from soybean oil, a life cycle analysis shows the land use for growing the soybean is not sustainable and could be as harmful to the environment as the use of fossil fuels in regards to GHG emissions. The benefits of using the necessary land for food production rather than for fuel production are also a subject of debate.³⁰ Another concern revolves around the issue that biodiesel fuel could increase NOx emissions compared to petroleum diesel, possibly as much as 10 to 12 percent.³¹ There has been development of control technologies that have successfully mitigated the increased NOx

²⁹ This information was calculated from Argonne National Laboratory Alternative Fuel Life-Cycle Environmental and Economic Transportation (AFLEET) Tool and EPA's Diesel Emissions Quantifier Tool. This data is calculated based on preliminary assumptions about the types and numbers of vehicles that will participate in these programs.

³⁰ <http://www.raeng.org.uk/publications/reports/biofuels>.

³¹ <https://elibrary.asabe.org/abstract.asp?aid=20475>.

emissions but these technologies have resulted in decreased engine efficiency and have shown an increase in other harmful pollutants, such as carbon monoxide and hydrocarbons.³²

New diesel trucks and buses: DOEE decided not to fund new diesel trucks and buses mainly due to environmental factors. Although new diesel vehicles have greatly reduced their NOx emissions, use of diesel-powered vehicles still results in relatively high GHG and air toxics emissions. DOEE also wants to incentivize more zero emission vehicles, and the continued purchase of diesel vehicles would inhibit the incentive to move toward zero emission technology.

CNG buses: It appears that there is not much interest by District agencies to invest in any CNG buses due to the successful deployment of electric buses in other cities and the high cost of CNG fueling infrastructure. Table A8 also shows that CNG buses result in higher GHG emissions compared to electric buses.

School buses: The Office of the State Superintendent of Education (OSSE) is currently replacing older diesel school buses with new gasoline vehicles. Gasoline vehicle replacement is not eligible for funding under the VW Settlement Appendix D-2; therefore, the VW funds could not be utilized for this project.

Rebates for Tailpipe Pollution Reduction Retrofits: DOEE decided not to pursue this project as lower-emission vehicle technologies have advanced significantly in recent years, and by requiring new vehicle purchases, we will enhance vehicle safety and invest trust funds in projects with longer service lives compared to retrofits.

10. Next Steps

This Spending Plan has been developed in accordance with the terms of the VW settlement. Funding from the VW settlement was made available to the District after the Spending Plan was accepted by the VW Trustee on July 6, 2018. DOEE began implementing the Spending Plan in early FY 2019. DOEE will use the District's VW settlement webpage (<https://doee.dc.gov/page/volkswagen-settlement>) to announce funds availability and application instructions, along with other District of Columbia-specific documents related to the VW settlement.

³² <http://www.sciencedirect.com/science/article/pii/S0196890413004305>.

APPENDICES

Appendix 1: Description of Locomotive Switcher Engine Replacement

Table A1: Locomotive Switcher Engine Replacement

Project Description:	Replace the engines of five older diesel switcher locomotives with new diesel engines that are compliant with EPA's Tier 4 emission standards, or replacement with battery powered all-electric switchers. The switchers operate between Ivy City in Ward 5 and the Union Station Rail Terminal.
Implementing Agency:	Amtrak
Timeline for Implementation:	5 years
Project Cost:	Cost per switcher: \$1.3 million Total project cost (for 5 switchers): \$6.5 million
Leveraging: Will the project leverage outside funds?	Yes. This project will use DERA grant funds and Amtrak funds, in addition to VW settlement funds. Through the DERA option, Amtrak must contribute 60 percent of the cost of the project over the five-year period.
Anticipated Benefits:	Per switcher: <ul style="list-style-type: none">• NOx reduction: 12.9 tons per year• PM2.5 reduction: 0.33 tons per year• GHG reduction: 138.4 tons of CO2 per year• Increased reliability, and reduced maintenance and fuel costs
EJ considerations	Switchers operate solely in the railyards that run between Ivy City and Union Station in Wards 5 and 6, respectively. Please refer to Figures A1 and A2 for a map of the railyard where the switchers are located. Comparing Figures A1 and A2 with Figure 3, the railyards are located adjacent to and upwind from the Wards with the highest asthma rates. As the prevailing wind direction flows toward the southeast, the emissions from the railyard flow through Wards 5, 7, and 8.

Table A2: Cost Benefit Analysis of a Switcher Replacement³³

Option	Tons of NO _x Reduced/yr	Tons of PM _{2.5} Reduced/yr	Tons of CO ₂ Reduced/yr	Cost of new switcher	DERA\$/Ton of NO _x Reduced	\$/Ton of PM _{2.5} Reduced	\$/Ton of CO ₂ Reduced
New Diesel Switcher Engines	12.9	0.33	138.4	\$1,300,000	\$104,284	\$3,951,368	\$9,393
All-Electric Switcher Replacement	13.9	0.343	281.3	\$1,260,000	\$90,647	\$3,673,469	\$4,479

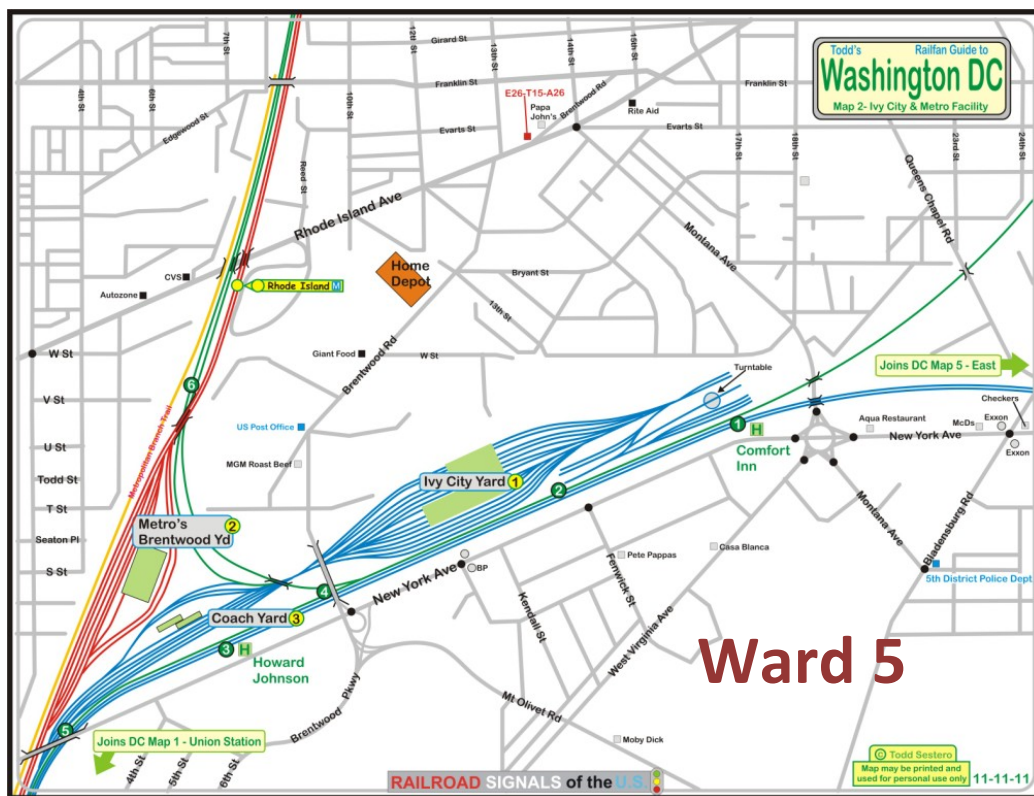


Figure A1: Map of the Ivy City rail yard in Ward 5. The rail yard is depicted as the blue lines.³⁴

³³ Emission estimates were calculated from EPA's Diesel Emissions Quantifier Tool. Cost estimates are based on an engine replacement cost of \$1,300,000 and do not include maintenance/repair, fuel, infrastructure, etc. The emission reductions are calculated based on the replacement of an older diesel locomotive.

³⁴ <http://www.railfanguides.us/dc/map2/index.htm>.

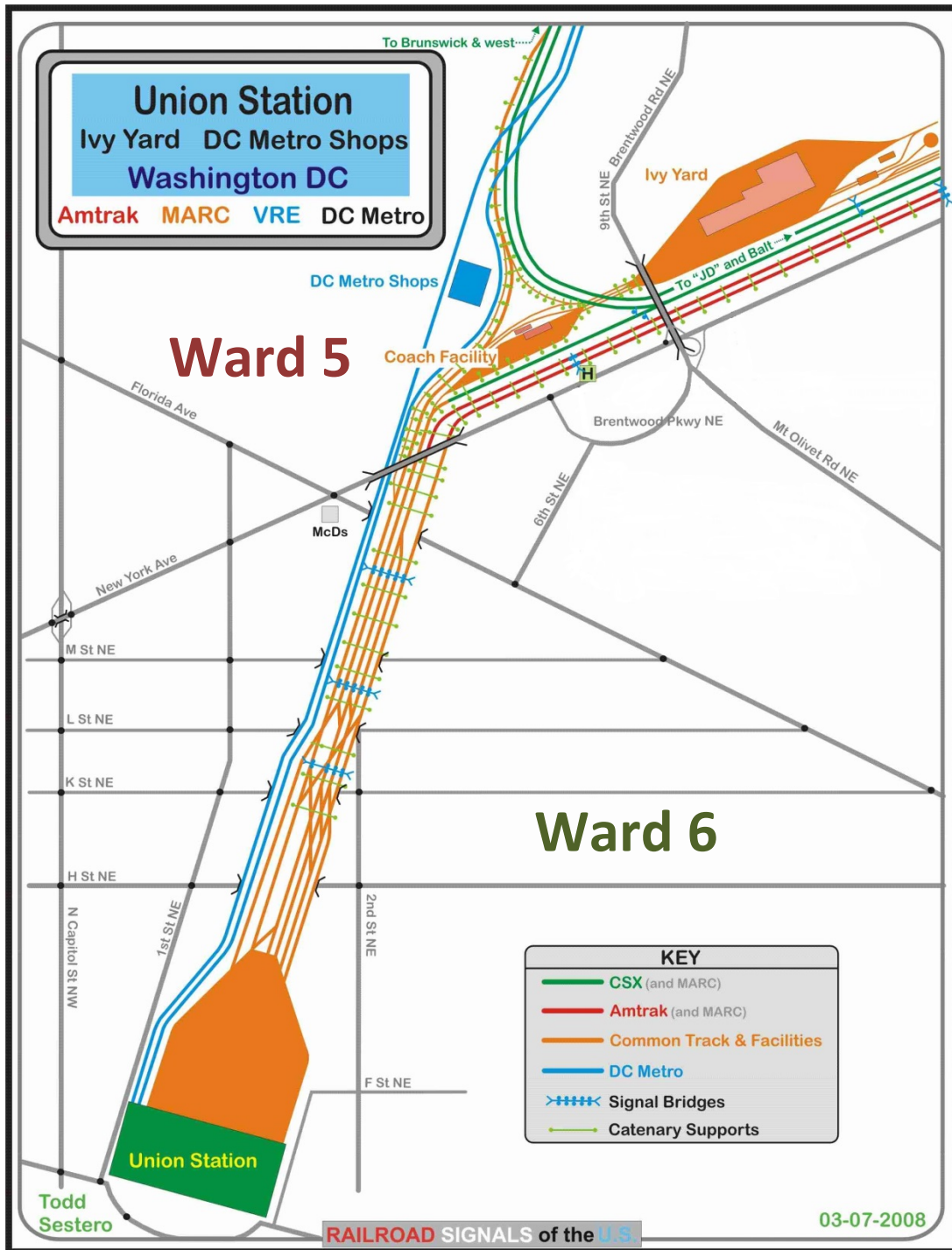


Figure A2: Map of the Union Station Railyard and Its Connection to the Ivy City Railyard (both in orange color).³⁵

³⁵ <http://www.railfanguides.us/dc/map2/index.htm>.

Appendix 2: Description of DEAL Program

Table A3: Electric Refuse Truck Replacement

Project Description:	The DEAL Program funds enable District government agencies to replace older diesel refuse trucks by covering a portion of the incremental cost for new electric refuse trucks and infrastructure.
Implementing Agency:	To be determined.
Timeline for Implementation:	Starting in FY 2019, until funds run out.
Project Cost:	A new electric refuse truck is estimated to cost \$450,000, and the infrastructure cost for one electric refuse truck is an additional \$50,000 to \$60,000. ³⁶ The DEAL Program will fund up to \$240,000 towards the cost of a new electric refuse truck and infrastructure. This amount (\$240,000) corresponds to 80 percent of the difference between the cost of purchasing a new electric refuse truck (and associated electric infrastructure) and the cost of purchasing a new diesel refuse truck.
Leveraging: Will the project leverage outside funds?	Yes. The agency purchasing the vehicle will cover the remaining costs as part of the DEAL Program.
Anticipated Benefits: ³⁷	<ul style="list-style-type: none"> • NOx reduction: 0.470 tons • PM2.5 reduction: 0.021 tons • GHG reduction: 56.2 tons • Noise reduction, and reduced maintenance and fuel costs
EJ considerations	The vehicle and infrastructure purchased with these funds must be used for routes in Wards 7 and 8, for a period of at least 6 years. The vehicle can also be used for routes outside Wards 7 and 8.

³⁶ Source: AFLEET.

³⁷ This information was calculated from Argonne National Laboratory Alternative Fuel Life-Cycle Environmental and Economic Transportation (AFLEET) Tool and EPA's Diesel Emissions Quantifier Tool.

TableA4: DEAL Program-- CNG Refuse Truck Replacement

Project Description:	The DEAL Program funds enable District government agencies to replace older diesel refuse trucks by covering a portion of the incremental cost for new CNG refuse trucks.
Implementing Agency:	To be determined.
Timeline for Implementation:	Starting in FY 2019, until funds run out.
Project Cost:	A new CNG refuse truck is estimated to cost \$300,000. The DEAL Program will fund up to \$50,000 towards the cost of a new CNG refuse truck. This amount (\$50,000) corresponds to 55 percent of the difference between the cost of purchasing a new CNG refuse truck and the cost of purchasing a new diesel refuse truck. (CNG fueling station infrastructure costs are not eligible for VW settlement funds.)
Leveraging: Will the project leverage outside funds?	Yes. The agency purchasing the vehicle will cover the remaining costs as part of the DEAL Program.
Anticipated Benefits: ³⁸	<ul style="list-style-type: none"> • NOx reduction: 0.470 tons • PM2.5 reduction: 0.021 tons • GHG reduction: 39.7 tons • Noise reduction
EJ considerations	The vehicle and infrastructure purchased with these funds must be used for routes in Wards 7 and 8, for a period of at least 6 years. The vehicle can also be used for routes outside Wards 7 and 8.

Table A5. Cost Benefit Analysis of a Refuse Truck Replacement³⁹

Option	Tons of NOx Reduced/yr	Tons of PM2.5 Reduced/yr	Tons of GHG Reduced/yr	Cost of Vehicle	\$/Ton of NOx Reduced	\$/Ton of PM2.5 Reduced	\$/Ton GHG Reduced
Electric	0.47	0.02	56.2	\$450,000	\$955,414	\$21,276,596	\$8,007
CNG	0.47	0.02	39.7	\$300,000	\$638,978	\$14,598,540	\$7,557

³⁸ This information was calculated from Argonne National Laboratory Alternative Fuel Life-Cycle Environmental and Economic Transportation (AFLEET) Tool.

³⁹ This information was calculated from Argonne National Laboratory Alternative Fuel Life-Cycle Environmental and Economic Transportation (AFLEET) Tool. Cost estimates are based on the purchase price of a new electric or CNG refuse truck and do not include maintenance/repair, fuel, infrastructure, etc. The emission reductions are calculated based on the replacement of an older diesel vehicle.

Table A6: DEAL Program—Electric Transit Bus Replacement

Project Description:	The DEAL Program funds enable District government agencies to replace older diesel transit buses by covering a portion of the incremental cost for new electric transit buses and infrastructure.
Implementing Agency:	To be determined.
Timeline for Implementation:	Starting in FY 2019, until funds run out.
Project Cost:	The estimated cost of a new electric transit bus is \$770,000, and the infrastructure cost for one electric transit bus is an additional \$50,000 to \$60,000. ⁴⁰ The DEAL Program will fund up to \$425,000 of the cost of a new electric transit bus and infrastructure. This amount (\$425,000) corresponds to 80 percent of the difference between the cost of purchasing a new electric transit bus (and associated electric infrastructure) and the cost of purchasing a new diesel transit bus.
Leveraging: Will the project leverage outside funds?	Yes. The agency purchasing the vehicle will cover the remaining costs as part of the DEAL Program.
Anticipated Benefits: ⁴¹	<ul style="list-style-type: none"> • NOx reduction: 0.462 tons • PM2.5 reduction: 0.010 tons • GHG reduction: 24 tons • Noise reduction, and reduced maintenance and fuel costs
EJ considerations	<p>As a minimum requirement, agencies must prove that the vehicle and infrastructure will serve Wards 5, 7, and/or 8 for at least 60 percent of the service time or 60 percent of stops over a 6-year period.</p> <p>If the vehicle and infrastructure serves Wards 7 and/or 8 for at least 60 percent of the service time or 60 percent of stops over a 6-year period, the vehicle will be eligible for additional funding.</p>

⁴⁰ Source: AFLEET.

⁴¹ This information was calculated from Argonne National Laboratory Alternative Fuel Life-Cycle Environmental and Economic Transportation (AFLEET) Tool.

Table A7: Cost Benefit Analysis of a Transit Bus Replacement⁴²

Option	Tons of NO _x Reduced/yr	Tons of PM _{2.5} Reduced/yr	Tons of GHG Reduced/yr	Cost of Vehicle	\$/Ton of NO _x Reduced	\$/Ton of PM _{2.5} Reduced	\$/Ton GHG Reduced
Electric	0.46	0.01	24.1	\$770,000	\$1,666,667	\$74,038,462	\$31,950

Table A8: Project Comparisons between Refuse Truck and Transit Bus Replacements⁴³

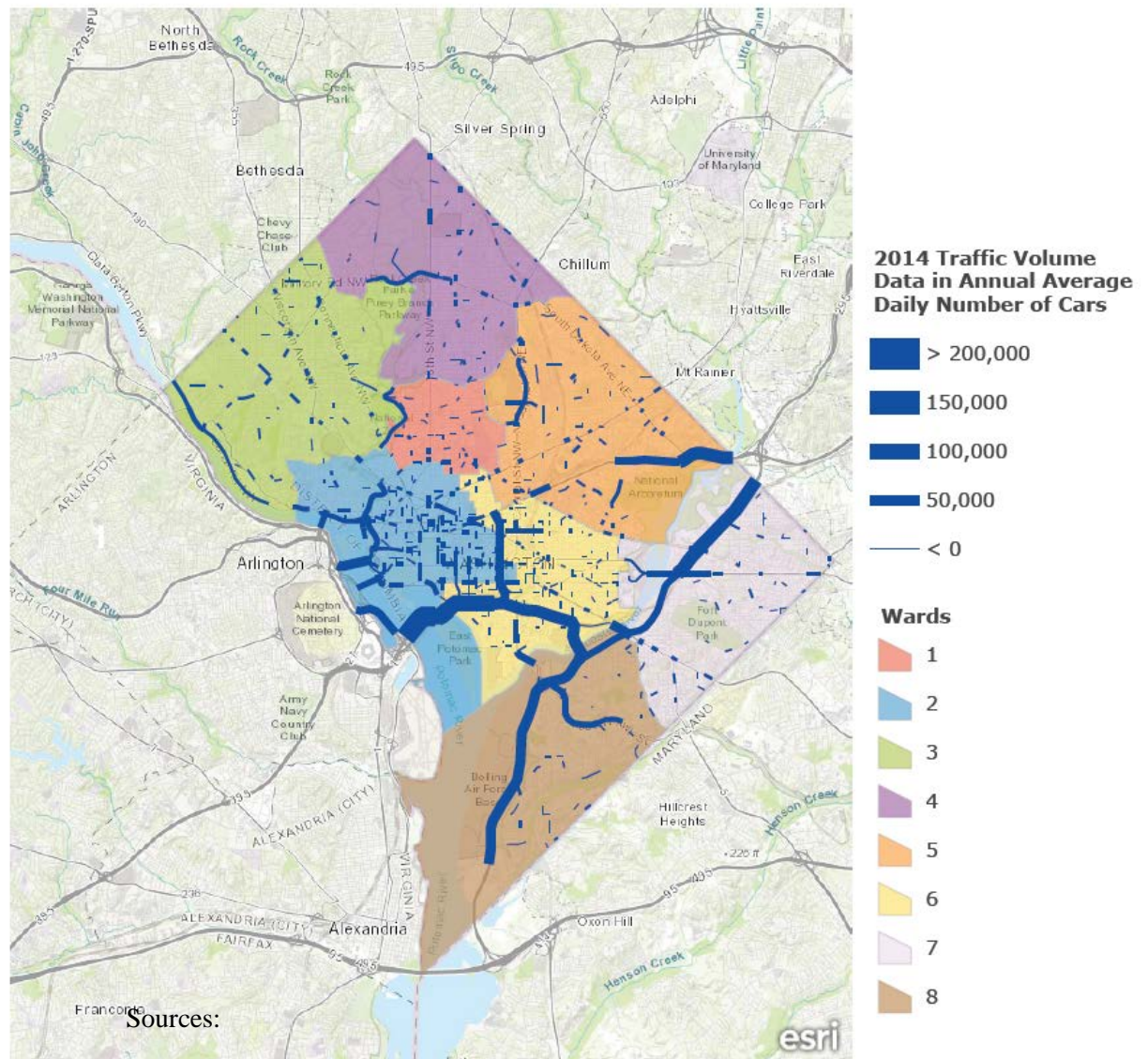
Vehicle Type	Vehicle Purchase Cost ⁴⁴	NO _x Emissions (tons emitted per year)	PM 2.5 Emissions (tons emitted per year)	GHG Emissions (tons emitted per year)	Air Toxics Emissions (tons emitted per year)
Electric Refuse Truck	\$450,000	0	0	139	NONE
CNG Refuse Truck	\$300,000	0.001	0.001	156	MEDIUM
New Diesel Refuse Truck	\$210,000	0.029	0.001	196	HIGH
Electric Transit Bus	\$770,000	0	0	64	NONE
CNG Transit Bus	\$360,000	0.0013	0.001	72	MEDIUM
New Diesel Transit Bus	\$300,000	0.027	0.001	88	HIGH

⁴² This information was calculated from Argonne National Laboratory Alternative Fuel Life-Cycle Environmental and Economic Transportation (AFLEET) Tool. Cost estimates are based on the purchase price of a new electric transit bus and do not include maintenance/repair, fuel, infrastructure, etc. The emission reductions are calculated based on the replacement of an older diesel vehicle.

⁴³ This information was calculated from Argonne National Laboratory Alternative Fuel Life-Cycle Environmental and Economic Transportation (AFLEET) Tool and EPA's Diesel Emissions Quantifier Tool. This chart illustrates the total pollution emitted from one vehicle per year.

⁴⁴ The vehicle cost does not include the infrastructure cost of charging or fueling station. Electric charging stations typically cost around \$100,000 and can be covered under the VW funds. CNG fueling infrastructure typically costs around \$1.2 million and is not eligible for funding. Both costs include installation. Source: Alternative Fuels Data Center.

Appendix 3: Traffic Volume Data



M-NCPPC, VITA, Esri, HERE, Garmin, Intermap, USGS, NGA, EPA, USDA, NPS

Figure A3: Daily Traffic Volume Data in Washington, DC

Appendix 4:

Summary of Modifications to the State's BMP (Updated January 31, 2021)

DEAL Program Update: Medium and Heavy-Duty Vehicles under Eligible Mitigation Action 10 ("The DERA Option")

As part of periodic evaluations, the State may revise the final Beneficiary Mitigation Plan (BMP) as necessary to reflect major changes in project demand, the State's priorities, and/or any increases to the State's EMT allocation in future years. A major driver of this update is the signed Multi-State Medium- and Heavy-Duty Zero Emission Vehicle Memorandum of Understanding ⁴⁵ and the aggressive vehicle electrification goals outlined in Clean Energy DC⁴⁶, which did not exist at the time of the original BMP.

The purpose of this update is to expand the current Diesel Emission And Low-NOx (DEAL) Program outlined in the Volkswagen Settlement BMP. Under the Volkswagen Mitigation Settlement, Beneficiaries may select from a defined list of ten Eligible Mitigation Actions (EMAs) that have proven records of reducing NOx emissions. These EMAs can be found in Appendix D-2 of the Consent Decree. EMA #10, the "DERA Option," allows beneficiaries to use trust funds for their non-federal voluntary match on state and tribal Diesel Emission Reduction Act (DERA) grants.

The DEAL program is expanding to include more types of on-road vehicles through this option, which will be referred to as the DEAL-DERA program. To the extent that DERA funding is available in future years, DOEE will make funding available under the DEAL-DERA program. DERA funding is also planned for use for the Locomotive Switcher engine repowers.

DOEE will no longer pursue the Tailpipe Pollution Reduction Retrofits Project and funding from this project will be reallocated to the DEAL-DERA program. Additional funds have been made available through lower than anticipated Volkswagen funding needed on the Switcher Replacement project due to DERA awards. See more on page 13.

⁴⁵ The Multi-State Medium- and Heavy-Duty Zero Emission Vehicle Memorandum of Understanding was signed by The District of Columbia in July, 2020: <https://www.nescaum.org/documents/multistate-truck-zev-governors-mou-20200714.pdf>.

⁴⁶ Among other provisions, the Act mandates that 100% of public buses and public fleets be zero-emission by 2045: <https://doee.dc.gov/service/clean-energy-dc-act#:~:text=The%20Clean%20Energy%20Omnibus%20Amendment,the%20fight%20against%20climate%20change.>

Requirements:

Table A9: DEAL-DERA Vehicle Replacement

Project Description:	The DEAL-DERA Program funds enable District government agencies to replace older diesel vehicles by covering a portion of the incremental cost for new electric or hybrid vehicles and infrastructure as permitted under the DERA program.
Implementing Agency:	To be determined.
Timeline for Implementation:	Starting in FY 2021, until funds run out.
Project Cost:	A new hybrid or electric medium or heavy-duty refuse truck is estimated to cost between \$400,000 and \$650,000 and the infrastructure cost for one electric truck is an additional \$10,000 to \$60,000. ⁴⁷ The DEAL-DERA Program will fund up to 25% of the cost of a hybrid truck and 45% of the cost of a new electric truck and infrastructure at present as determined by the EPA. Other vehicle types, as permitted under DERA, will also be considered, which may change cost estimates.
Leveraging: Will the project leverage outside funds?	Yes. DERA funds and the agency purchasing the vehicle will cover a portion of the costs as part of the DEAL-DERA Program.
Anticipated Benefits: ⁴⁸	<ul style="list-style-type: none">• NOx reduction: 0.470 tons• PM2.5 reduction: 0.021 tons• GHG reduction: 56.2 tons• Noise reduction, and reduced maintenance and fuel costs
EJ considerations	The vehicle and infrastructure purchased with these funds must be used primarily for routes in Wards 7 and 8, for a period of at least 6 years. The vehicle can also be used for routes outside Wards 7 and 8.

⁴⁷ Source: Vendor Inquires and AFLEET.

⁴⁸ This information was calculated from Argonne National Laboratory Alternative Fuel Life-Cycle Environmental and Economic Transportation (AFLEET) Tool and EPA's Diesel Emissions Quantifier Tool. Benefits will vary.

Appendix 5:

Summary of Modifications to the State's BMP (Updated July 13, 2023)

DEAL Program Update: Medium and Heavy-Duty Vehicles under Eligible Mitigation Action 10 ("The DERA Option")

As part of periodic evaluations, the State may revise the final Beneficiary Mitigation Plan (BMP) as necessary to reflect major changes in project demand, the State's priorities, and/or any increases to the State's EMT allocation in future years. A major driver of this update is the additional funding that has been obtained through the DERA program, which has offset some of the costs originally expected to be borne by the VW Mitigation Trust. Additionally, DOEE is still developing approaches to implementing the Multi-State Medium- and Heavy-Duty Zero Emission Vehicle Memorandum of Understanding ⁴⁹ and the aggressive vehicle electrification goals outlined in Clean Energy DC⁵⁰, which did not exist at the time of the original BMP.

The purpose of this update is to expand the current Diesel Emission And Low-NOx (DEAL) Program outlined in the Volkswagen Settlement BMP. Under the Volkswagen Mitigation Settlement, Beneficiaries may select from a defined list of ten Eligible Mitigation Actions (EMAs) that have proven records of reducing NOx emissions. These EMAs can be found in Appendix D-2 of the Consent Decree. EMA #10, the "DERA Option," allows beneficiaries to use trust funds for their non-federal voluntary match on state and tribal Diesel Emission Reduction Act (DERA) grants.

The DEAL program is expanding to include more types of on-road vehicles through this option, which will be referred to as the Private-Fleet DEAL (PF-DEAL). To the extent that DERA funding is available in future years, DOEE will also make funding available under the PF-DEAL program in addition to the DEAL-DERA program. The DEAL-DERA program has focused on governmental vehicles, whereas this new program is extending eligibility for vehicle electrification funds to private fleet owners. DERA funding is also planned for use for the Locomotive Switcher replacements.

⁴⁹ The Multi-State Medium- and Heavy-Duty Zero Emission Vehicle Memorandum of Understanding was signed by The District of Columbia in July, 2020: <https://www.nescaum.org/documents/multistate-truck-zev-governors-mou-20200714.pdf>.

⁵⁰ Among other provisions, the Act mandates that 100% of public buses and public fleets be zero-emission by 2045: <https://doee.dc.gov/service/clean-energy-dc-act#:~:text=The%20Clean%20Energy%20Omnibus%20Amendment,the%20fight%20against%20climate%20change>.

Requirements:

Table A10: PF-DEAL Vehicle Replacement

Project Description:	The PF-DEAL Program funds enable District government agencies to replace older diesel vehicles by covering a portion of the incremental cost for new electric or hybrid vehicles and infrastructure as permitted under the DERA program.
Implementing Agency:	DOEE
Timeline for Implementation:	Starting in FY 2023, until funds run out.
Project Cost:	A new hybrid or electric class 5+ medium or heavy duty vehicles estimated to cost between approximately \$400,000 and \$950,000 and the infrastructure cost for one electric vehicle is an additional \$10,000 to \$60,000. ⁵¹ The PF-DEAL Program will fund up to 25% of the cost of a hybrid vehicle and 45% of the cost of a new electric vehicle and infrastructure at present as determined by the EPA. Other vehicle types, as permitted under DERA, will also be considered, which may change cost estimates.
Leveraging: Will the project leverage outside funds?	Yes. DERA funds and the agency purchasing the vehicle will cover a portion of the costs as part of the PF-DEAL Program.
Anticipated Benefits: ⁵²	<ul style="list-style-type: none"> • NOx reduction: 6.62 tons • PM2.5 reduction: 0.022 tons • GHG reduction: 3,278.01 tons • Noise reduction, and reduced maintenance and fuel costs
EJ considerations	DOEE will prioritize awarding funds to fleets replacing vehicles that operate in communities overburdened by diesel emissions. DOEE defines overburdened as greater than the 80th percentile for the Environmental Justice index for diesel particulate matter as compared to the US as a whole (see EPA EJ Screen https://ejscreen.epa.gov/mapper/).

⁵¹ Source: Vendor Inquires and AFLEET.

⁵² This information was calculated from Argonne National Laboratory Alternative Fuel Life-Cycle Environmental and Economic Transportation (AFLEET) Tool and EPA's Diesel Emissions Quantifier Tool. Benefits will vary.