

**APPENDIX D-4**  
**Beneficiary Eligible Mitigation Action Certification**

## BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION

Beneficiary State of New Hampshire

Lead Agency Authorized to Act on Behalf of the Beneficiary NH Department of Environmental Services

*(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)*

<b>Action Title:</b>	NH Clean Diesel Grant Program (DERA)
<b>Beneficiary's Project ID:</b>	NHDES-23-01
<b>Funding Request No.</b>	09
<b>Request Type:</b> (select one or more)	<input checked="" type="checkbox"/> Reimbursement <input checked="" type="checkbox"/> Advance <input type="checkbox"/> Other (specify): _____
<b>Payment to be made to:</b> (select one or more)	<input type="checkbox"/> Beneficiary Other (specify): <u>NH Department of Environmental Services</u>
<b>Funding Request &amp; Direction (Attachment A)</b>	<input type="checkbox"/> Attached to this Certification <input type="checkbox"/> To be Provided Separately

### SUMMARY

<b>Eligible Mitigation Action</b> <input type="checkbox"/> Appendix D-2 item (specify): __ <b>Action Type</b> <input checked="" type="checkbox"/> Item 10 - DERA Option (5.2.12) (specify and attach DERA Proposal):
<b>Explanation of how funding request fits into Beneficiary's Mitigation Plan (5.2.1):</b> See Attachment 1
<b>Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2):</b> See Attachment 1
<b>Estimate of Anticipated NOx Reductions(5.2.3):</b> See Attachment 1
<b>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):</b> New Hampshire Department of Environmental Services
<b>Describe how the Beneficiary will make documentation publicly available (5.2.7.2).</b> <a href="https://www.des.nh.gov/business-and-community/loans-and-grants/volkswagen-mitigation-trust">https://www.des.nh.gov/business-and-community/loans-and-grants/volkswagen-mitigation-trust</a>
<b>Describe any cost share requirement to be placed on each NOx source proposed to be mitigated (5.2.8).</b> See Attachment 1
<b>Describe how the Beneficiary complied with subparagraph 4.2.8, related to notice to U.S. Government Agencies (5.2.9).</b> See Attachment 1
<b>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).</b> See Attachment 1

## **ATTACHMENTS**

**(CHECK BOX IF ATTACHED)**

- ☒ **Attachment A** Funding Request and Direction.
- ☒ **Attachment B** Eligible Mitigation Action Management Plan Including Detailed Budget and Implementation and Expenditures Timeline (5.2.4).
- ☒ **Attachment C** Detailed Plan for Reporting on Eligible Mitigation Action Implementation (5.2.11).
- ☒ **Attachment D** Detailed cost estimates from selected or potential vendors for each proposed expenditure exceeding \$25,000 (5.2.6). [Attach only if project involves vendor expenditures exceeding \$25,000.]
- ☒ **Attachment E** DERA Option (5.2.12).  
[Attach only if using DERA option.]
- ☐ **Attachment F** Attachment specifying amount of requested funding to be debited against each beneficiary's allocation (5.2.13).  
[Attach only if this is a joint application involving multiple beneficiaries.]



### CERTIFICATIONS

By submitting this application, the Lead Agency makes the following certifications:

1. This application is submitted on behalf of Beneficiary State of New Hampshire, 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: 7/17/24

  
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Craig Wright  
Director, Air Resources

New Hampshire Department of  
Environmental Services

for

State of New Hampshire

## ATTACHMENT B

### **PROJECT MANAGEMENT PLAN** **PROJECT SCHEDULE AND MILESTONES**

<b>Milestone</b>	<b>Date</b>
Lead Agency Provides Notice of Availability of Mitigation Action Funds	9/7/2018
Project Solicitations Begin for 2021 Funding Round	October 2021
Project Solicitations Close for 2021 Funding Round	December 2021
Project Solicitations Begin for 2022 Funding Round	July 2022
Project Solicitations Close for 2022 Funding Round	March 2023
Project Solicitations Open for 2023 Funding Round	May 2023
Subgrantees Receive Governor and Council Approval	2023 (ongoing)
Subgrantees Receive Replacement Units and Destroy Original Units	June 2023-September 2024
Lead Agency Reports to Trustee on Status of and Expenditures with Mitigation Actions Completed and Underway	Semi-Annual reports submitted January 30 <sup>th</sup> and July 30 <sup>th</sup> .

### **PROJECT BUDGET<sup>1</sup>**

**Period of Performance:** January 2021 – September 2024

<b>Budget Category</b>	<b>Total Approved Budget</b>	<b>Share of Total Budget to be Funded by the Trust</b>	<b>Cost-Share, if applicable (DERA)</b>	<b>Cost-Share, if applicable (Subgrantees<sup>2</sup>)</b>
1. Equipment Expenditure	\$1,576,777	\$687,225	\$889,552	\$TBD <sup>2</sup>
2. Contractor Support <i>(Provide List of Approved Contractors as Attachment with approved funding ceilings)</i>	\$0	\$0	\$0	\$0
3. Subrecipient Support <i>(Provide List of Approved Subrecipients or Grant Awardees as Attachment with approved funding ceilings)</i>	\$0	\$0	\$0	\$0
4. Administrative <sup>3</sup>	\$141,286	\$81,708.81	\$141,286	\$0
<b>Project Totals</b>	<b>\$1,799,771.81</b>	<b>\$768,933.81</b>	<b>\$1,030,838</b>	<b>\$TBD<sup>2</sup></b>
<b>Percentage (excl. admin costs)</b>	<b>100%</b>	<b>43%</b>	<b>57%</b>	<b>TBD<sup>2</sup>%</b>

<sup>1</sup>Project Budget is based on the combined grant award of FY 2021 and FY 2022

<sup>2</sup>Cost-share is dependent on project type of selected projects. For instance, replacing a diesel vehicle requires a 75% cost share by the subgrantee, but replacing a diesel engine requires a 60% cost share. Details found in Attachment E.

<sup>3</sup>Subject to Appendix D-2 15% administrative cap.



### PROJECTED TRUST ALLOCATIONS:

	2019 (Actuals)	2020 (Actuals)	2021 (Actuals)	2022 (Actuals)	2023 (Actuals)
1. Anticipated Annual Project Funding Request to be paid through the Trust	\$3,731,345	\$761,307	\$2,118,031	\$0 <sup>1</sup>	\$936,978
2. Anticipated Annual Cost Share	\$5,033,176	\$828,624	\$529,508	\$459,707	\$1,283,060
3. Anticipated Total Project Funding by Year (line 1 plus line 2)	\$8,764,521	\$1,589,931	\$2,647,539	\$459,707	\$2,220,038
4. Cumulative Trustee Payments Made to Date Against Cumulative Approved Beneficiary Allocation	\$3,731,345	\$4,492,652	\$6,610,683	\$6,610,683	\$6,650,017
5. Current Beneficiary Project Funding to be paid through the Trust (line 1)	N/A—Actuals	N/A—Actuals	N/A—Actuals	N/A—Actuals	N/A—Actuals
6. Total Funding Allocated to the Beneficiary, inclusive of Current Action by Year (line 4 plus line 5)	\$3,731,345	\$4,492,652	\$6,610,683	\$6,610,683	\$6,650,017
7. Beneficiary Share of Estimated Funds Remaining in Trust	\$31,204,145	\$27,472,800	\$26,711,493	\$25,809,908	\$25,809,908 <sup>2</sup>
8. Net Beneficiary Funds Remaining in Trust, net of cumulative Beneficiary Funding Actions (line 7 minus line 1)	\$27,472,800	\$26,711,493	\$24,593,462	\$25,809,908	\$24,872,930

<sup>1</sup>\$73,904.38 of funds allocated to NHDES in 2021 were spent on DERA projects. \$271,532 were requested for disbursement in 2022, but were not received until March 2023.

<sup>2</sup>Per Wilmington Trust website's actual market share, including growth, as of February 2023.

## **ATTACHMENT C**

### **Detailed Plan for Reporting on Eligible Mitigation Action Implementation (5.2.11).**

Information on funding availability, the application process, and status of approved projects under the New Hampshire Beneficiary Mitigation Trust are made available on the New Hampshire Department of Environmental Services' VW webpage in the form of a report that is consistent with Trust requirements. Records may also be requested by contacting the Department of Environmental Services.

Further details on the DERA program are described in the attached DERA Work Plan (Attachment E).



## ATTACHMENT D

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

Project solicitation and contract negotiation continues, but these projects have been approved so far:

Subgrantee	Estimated Total Project Cost	Grant Funding Limit (%)	Grant Funding Limit (\$)	Trust Portion (55%)	Subgrantee Cost-Share	Comments
S&J Transportation	\$306,474	50%	\$153,237	\$84,280	\$153,237	2 Drayage Trucks
Town of Barnstead	\$235,000	25%	\$58,750	\$32,313	\$176,250	1 Plow Truck
Windfield Alloy	\$700,800	25%	\$175,200	\$96,360	\$525,600	1 Material Handler
Town of Loudon	\$377,430	25%	\$94,358	\$51,897	\$238,073	1 Plow Truck and 1 Loader
Town of Bradford	\$404,000	25%	\$101,000	\$55,550	\$303,000	1 Grader
Town of Dalton	\$244,180	25%	\$61,045	\$33,575	\$183,135	1 Plow Truck
C&J Bus Lines	\$685,000	25%	\$171,250	\$94,188	\$513,750	1 Motorcoach
Current Totals	\$2,952,884		\$814,840	\$448,163	\$2,093,045	



## Attachment 1

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

The New Hampshire Clean Diesel Grant Program, which operates as a sub-grant program designed to reduce diesel emissions, fits into the Mitigation Plan by addressing the principal goal of New Hampshire's Mitigation Trust to alleviate excess nitrogen oxide emissions caused by the Volkswagen violations through implementation of cost-effective projects in all regions of the state and employing a variety of diesel reduction strategies. The replacement of older diesel vehicles/engines/equipment ("units") with lower emission units, replacement of diesel units with electric units, and installment of idle reduction technology such as electrified truck stops maximizes air quality benefits by reducing NO<sub>x</sub>, particulate emissions, greenhouse gas emissions, and the carcinogens associated with diesel exhaust. Pursuant to the Environmental Mitigation Trust Agreement for State Beneficiaries, New Hampshire is utilizing Trust funding to match the federal fiscal year 2021 and 2022 DERA funding.

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

Projects funded under the FY 2021 and 2022 New Hampshire Clean Diesel Grant program will consist of subgrantees across the state of New Hampshire and representing the public and private sectors. The scope of projects includes medium- and heavy-duty highway vehicles like school and transit buses, trucks used for snow plowing and municipal services, and freight-bearing drayage trucks; non-road equipment like wheeled loaders serving various municipal needs; stationary idle reduction technology like plug-in power at truck stops to allow long-haul truckers to hotel without idling; and more. Replacement of older and less efficient units via the NH Clean Diesel Grant program will benefit air quality in the state through reductions in emissions such as NO<sub>x</sub>, particulate matter, and greenhouse gases. Additionally, the replacement of publicly-owned diesel units will provide a broad public benefit by lowering maintenance and fuel costs for the public fleets, and thus for taxpayers.

### **Estimate of Anticipated NO<sub>x</sub> Reductions(5.2.3):**

It is estimated that the FY 2021 and 2022 New Hampshire Clean Diesel Grant program will result in an annual reduction in the following emissions:

	Estimated Annual Reduction	Estimated Lifetime Reduction
NO <sub>x</sub>	10 tons	30 tons
PM <sub>2.5</sub>	0.33 tons	1 tons
CO	2 tons	6 tons
CO <sub>2</sub>	600 tons	1,800 tons

### **Describe any cost share requirement to be placed on each NO<sub>x</sub> source proposed to be mitigated (5.2.8).**

Cost share amounts are dependent on project type. For most projects, the cost share amount is between 40% and 75%. For instance, replacing an older diesel unit (including chassis) with a new diesel unit requires a cost share of 75% of eligible project costs; repowering a unit with a new diesel engine requires a cost share of 60%; replacing a diesel unit (including chassis) with an electric unit requires a cost share of 55%.

For the seven already approved projects, subgrantees have committed a minimum of \$2,093,045 of the total \$2,952,884 estimated for the projects—representing 70.9% of total project funds. See Attachment D for details on these projects. Selected projects that are not yet approved are expected to continue this trend.

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

Pursuant to Section 4.2.8 of the Environmental Mitigation Trust Agreement for State Beneficiaries, the New Hampshire Department of Environmental Services (DES), Lead Agency for the New Hampshire Environmental Mitigation Trust, has made information pertaining to the availability of Trust funding for eligible mitigation activities publicly available. This notification was accomplished through the presentation of the New Hampshire Beneficiary

Environmental Mitigation Plan and State Trust Agreement documents on the Volkswagen page of the DES website. The New Hampshire Beneficiary Environmental Mitigation Plan and State Trust Agreement documents had been initially made available on the website of the original Lead Agency, the New Hampshire Office of Strategic Initiatives, beginning on September 7, 2018. This information is now available on the Volkswagen page of the DES website.

**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):**

Some of the vehicles to be replaced through these projects will operate throughout the state, including in areas with historical air quality issues, and areas that receive a disproportionate quantity of air pollution from diesel fleets. The NH Clean Diesel Grant Program targets fleets that operate in highly populated areas, areas with sensitive receptor groups such as schools or hospitals, areas that receive a disproportionate quantity of air pollution from diesel fleets, areas that are near non-attainment for other pollutants such as particulate matter, and areas which rate relatively high on the EPA's Environmental Justice index for NOx.