

APPENDIX D-4
Beneficiary Eligible Mitigation Action Certification

BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION

Beneficiary Puerto Rico

Lead Agency Authorized to Act on Behalf of the Beneficiary Department of Natural and Environmental Resources
(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:	Class 4-7 Trucks
Beneficiary's Project ID:	DNER VW EM-6
Funding Request No.	(sequential) 1
Request Type: (select one or more)	<input type="checkbox"/> Reimbursement <input checked="" type="checkbox"/> Advance <input type="checkbox"/> Other (specify): _____
Payment to be made to: (select one or more)	<input type="checkbox"/> Beneficiary <input checked="" type="checkbox"/> Other (specify): <u>Department of Natural and Environmental Resources</u>
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 checked="" type="checkbox"/> Appendix D-2 item (specify): <u>Mitigation Action 6, Class 4-7</u>
Action Type <input type="checkbox"/> Item 10 - DERA Option (5.2.12) (specify and attach DERA Proposal): _____
Explanation of how funding request fits into Beneficiary's Mitigation Plan (5.2.1): <small>Volkswagen (VW) Trust will provide funds to replace trucks or truck engines to reduce nitrogen oxides (NOx) emissions, according to the Puerto Rico (PR) Beneficiary Mitigation Plan. Up to \$3.125 million in PR allocation from the VW Mitigation Trust has been proposed for Eligible Mitigation Action.</small>
Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2): <small>Truck replacement funds will be available through the Department of Natural and Environmental Resources (DNER) to replace older trucks that are operated by the Government of Puerto Rico and its Municipalities. These entities provide transportation services, refuse collection, maintenance, and property protection, among others. Diesel engines can continue operation for decades and due to its longevity and the government fiscal situation, government fleets are composed of equipment with old diesel engines with significant high emissions of air pollutants when compared with new diesel engines technologies. These funds to acquire new Class 4-7 trucks will help to greatly reduce emission of air pollutants from old government and municipalities fleets at the time it will reduce maintenance and fuel costs associated with the operation of old equipment.</small>
Estimate of Anticipated NOx Reductions (5.2.3): <small>The projected 3 years vehicle NOx emission benefits for replacing an estimated 12 Class 4-7 trucks with new diesel trucks is estimated to be 16.3 tons. The USEPA Diesel Emission Quantifier was used to estimate anticipated NOx reductions. Also, greenhouse gases will be reduced from</small>
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): Puerto Rico Department of Natural and Environmental Resources
Describe how the Beneficiary will make documentation publicly available (5.2.7.2): <small>As the lead agency acting on behalf of the beneficiary Puerto Rico, DNER has established a website for the Volkswagen Diesel Environmental Mitigation Trust: https://www.dner.pr.gov/vw_mit_trust/. This website includes General Information about the Volkswagen Consent Decree, Not</small>
Describe any cost share requirement to be placed on each NOx source proposed to be mitigated (5.2.8): <small>According to the Consent Decree, the total cost funding per vehicle must not exceed a 100 percent for government owned trucks. Therefore, Volkswagen funding provided through DNER, will fund up to 100 percent the cost of an eligible new replacement truck, since all the recipients are government agencies.</small>
Describe how the Beneficiary complied with subparagraph 4.2.8, related to notice to U.S. Government Agencies (5.2.9): <small>DNER notified the US Government Agencies as prescribed in subparagraph 4.2.8 via email on July 21, 2020. Each notification letter included information of fund availability, instructions on accessing more information about the Trust via DNER's website and provided an email to contact</small>

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).

Under Mitigation Action Number 8, Volkswagen funds will be distributed to various government entities to replace Class 4-7 diesel trucks with new replacement truck that will lower NOx emissions. This will greatly improve the air quality and environmental conditions in the San Joaquin Metro

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 Department of Natural and Environmental Resources, 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: 02/24/2025


[NAME] Amarilys Rosario Ortiz
[TITLE] Project Manager

Department of Natural and Environmental Resources

[LEAD AGENCY]

for

Puerto Rico

[BENEFICIARY]

[SAMPLE ATTACHMENT B - USE OF THIS FORMAT IS NOT MANDATORY]

PROJECT MANAGEMENT PLAN
PROJECT SCHEDULE AND MILESTONES

Milestone	Date
Lead Agency Provides Notice of Availability of Mitigation Action Funds	October 1, 2020
Project Sponsor Submits Proposal to Lead Agency	November 15, 2020
Lead Agency Provides Written Approval of Project Sponsor's Proposal	October 20, 2023
Lead Agency Incorporates Project Sponsor's Proposal into Mitigation Plan	
Trustee Acknowledges Receipt of Project Certification and Funding Direction	Fall 2024
Trustee Allocates Share of State Funds for Approved Project	Fall 2024
Lead Agency Directs Funding (Advance Funded Projects)	Fall 2024
Project Sponsor Obtains Cost Share, Notifies or Certifies to Lead Agency	Fall 2024
Project Sponsor Enters into Contracts, Purchase Orders, etc. - Start	Fall 2024
Project Sponsor Enters into Contracts, Purchase Orders, etc. - Complete	2025
Project Installation(s) – Start	2025
Project Installation(s) – Complete	2025
Project Sponsor provides detailed invoices for all claimed project costs, documentation for emission reduction estimates, required certification documents to Lead Agency to support direction to Trustee for Payment (Reimbursement, Direct-to-Vendor) or final accounting (Forward Funded Projects)	-
Lead Agency completes review and certifies payment direction to Trustee (Reimbursement)	Not applicable
Trustee Acknowledges Receipt of Direction for Payment(s) (Advance Funded, Reimbursement)	-
Project Sponsor Certifies Project Completion	2026
Lead Agency Reports Project Completion	Fall 2026

PROJECT BUDGET

Period of Performance: <u>October 1, 2020 - Fall 2026</u>				
Budget Category	Total Approved Budget	Share of Total Budget to be Funded by the Trust	Cost-Share, if applicable (Entity #1)	Cost-Share, if applicable (Entity #2)
1. Equipment Expenditure	\$5,942,120	\$5,942,120	\$0	\$0
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 ¹	\$0	\$0	\$0	\$0
Project Totals	\$5,942,120	\$5,942,120	\$0	\$0
Percentage	100 %	100 %	0 %	0 %

¹ Subject to Appendix D-2 15% administrative cap.

PROJECTED TRUST ALLOCATIONS:

	2024	2025	2026	2027	2028
1. Anticipated Annual Project Funding Request to be paid through the Trust	\$ 5,942,120	\$	\$	\$	\$
2. Anticipated Annual Cost Share	\$ 0	\$	\$	\$	\$
3. Anticipated Total Project Funding by Year (line 1 plus line 2)	\$ 5,942,120	\$	\$	\$	\$
4. Cumulative Trustee Payments Made to Date Against Cumulative Approved Beneficiary Allocation	\$ 0	\$	\$	\$	\$
5. Current Beneficiary Project Funding to be paid through the Trust (line 1)	\$ 5,942,120	\$	\$	\$	\$
6. Total Funding Allocated to for Beneficiary, inclusive of Current Action by Year (line 4 plus line 5)	\$ 5,942,120	\$	\$	\$	\$
7. Beneficiary Share of Estimated Funds Remaining in Trust	\$ 9,228,513.75	\$	\$	\$	\$
8. Net Beneficiary Funds Remaining in Trust, net of cumulative Beneficiary Funding Actions (line 7 minus line 6)	\$ 3,286,393.75	\$	\$	\$	\$