Attachment 1 to Appendix D-4 and Attachment A
DEP Funding Request
0021-49A

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

This project complies with PA's stated overall goal of funding projects throughout PA that will reduce or eliminate emissions of oxides of nitrogen (NO_X), focusing on the most cost-effective projects that will maximize emission reductions, including those that focus on: large number of diesel engines and vehicles; priority areas; nonattainment or maintenance areas for National Ambient Air Quality Standards (NAAQS); high population density and high traffic density areas; and advancing PA's energy, environmental, or economic development goals. This project complies with PA's stated intent to consider funding for all Eligible Mitigation Actions and Eligible Mitigation Action Administrative Expenditures. This project is included under the on-road fleet projects funding category identified in PA's Beneficiary Mitigation Plan (BMP) and are within the percentage of funding PA expects to request for this category. If scrappage requirements apply to these Eligible Mitigation Actions, funding recipients were required to submit proof of scrappage for their project. This project will contribute to PA's expected NO_X emission reductions from the on-road fleet project category established in PA's BMP. Finally, this project is awarded funding under a grant program, identified as an eligible funding mechanism by PA in its BMP.

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

The purpose of this project is to replace (2) diesel-powered, Class 8 trucks. This project will improve the air quality in the communities where it is located by reducing exposure of NO_X and other emissions from diesel-powered mobile sources to residents and others. For vehicle and engine replacement or repower projects, this will occur because of cleaner vehicles or engines replacing older diesel vehicles or engines. In addition to the NO_X emission reductions listed below, these projects will annually reduce 0.004 tons of volatile organic compounds (VOC), 0.024 tons of carbon monoxide (CO), 2.8 tons of carbon dioxide (CO_2), and 0.003 tons of fine particulate matter ($PM_{2.5}$). Additionally, this project will result in lifetime emission reductions of 0.036 tons of VOC, 0.213 tons of CO, 24.9 tons of CO_2, and 0.030 tons $PM_{2.5}$.

Estimate of Anticipated NO_X Reductions (5.2.3):

This project is expected to reduce 0.067 tons of NO_X emissions annually and 0.680 tons of lifetime NO_X emissions.

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):

DEP is the government entity responsible for reviewing and auditing expenditures of Eligible Mitigation Action funds to ensure compliance with applicable laws in accordance with subparagraph 5.2.7.1.

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

DEP created and maintains a public web site as a clearinghouse for information relating to the Environmental Mitigation Trust Agreement for State Beneficiaries, including all public information relating to PA's Beneficiary Mitigation Plan and programs funded by the State Mitigation Trust. On this web site or an associated web site, DEP will post summary

information about all funding requests submitted to the Trustee, including the funding recipient, funding amount, and a summary of the project. In addition to the summary information, DEP will post and comply with the following statement: "The following is a summary of all funding requests submitted to the Trustee. Public records supporting the submitted funding requests, and public records supporting all expenditures of the Trust Fund by PA, are available to the public upon request, subject to all applicable laws governing the publication of confidential business information and personally identifiable information. A public record excludes confidential proprietary information, confidential business information, and personal identification information. Please contact DEP for additional information." The web site can be accessed at: https://www.dep.pa.gov/Business/Air/Volkswagen/Pages/default.aspx.

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

For this project, the grantee committed to funding 55.1 percent of the total eligible project costs for the vehicle replacements. DEP committed to reimburse 44.9 to 75.0 percent of the total eligible project costs, through a direct payment from the Commonwealth. The funds used for payment will be transferred to a Commonwealth account by the Trustee from PA's allocation of the State Mitigation Trust, in accordance with approved Appendix D-4s. See Appendix D-4, Attachment B for detailed project budgets.

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

DEP complied with subparagraph 4.2.8 by submitting letters to the personnel at the U.S. Department of the Interior and the U.S. Department of Agriculture on February 8, 2018. In the letters, DEP explained that PA may request Eligible Mitigation Action funds for use on lands within the custody, control, or management (including, but not limited to, Clean Air Act Class I and II areas) of these agencies. Additionally, DEP set forth in the letters the procedures by which PA will review, consider, and make a written determination on requests for funding from these agencies, in accordance with subparagraph 4.2.8. The DEP provided a copy of the Trust Agreement with Attachments as an attachment to the letters.

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).

This project addresses pollution in areas which bear a disproportionate share of the air pollution burden, such as NAAQS nonattainment or maintenance areas, brownfields, Environmental Justice areas, and/or high pollution areas (ports, bus depots, etc.). This project will accomplish that goal by reducing exposure to emissions for residents where the replaced vehicles operate. DEP's programs, through application scoring or eligibility criteria, give additional weight to projects occurring in these types of communities, thus prioritizing funding in these areas.