

BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION

Beneficiary State of Arkansas

Lead Agency Authorized to Act on Behalf of the Beneficiary Arkansas Department of Energy and Environment

Action Title:	Reduce Emissions from Diesels (DERA)
Beneficiary's Project ID:	Go RED!
Funding Request No.	28
Request Type: (select one or more)	<input type="checkbox"/> Reimbursement <input type="checkbox"/> Other (specify): <div>✓ Advance</div>
Payment to be made to: (select one or more)	<div>✓ Beneficiary</div> <div><input type="checkbox"/> Other (specify):</div>
Funding Request & Direction (Attachment A)	<div><input type="checkbox"/> Attached to this Certification</div> <div>✓ To be Provided Separately</div>

SUMMARY

Eligible Mitigation Action	<input type="checkbox"/> Appendix D-2 item (specify): _____
Action Type	✓ 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): This Eligible Mitigation Action Certification (EMAC) provides for the use of Trust funds for Arkansas's Voluntary Match to the EPA State Clean Diesel Grant under the DERA program as described in section IV.D. of Arkansas's Beneficiary Mitigation Plan submitted to the Trustee on June 25, 2018.	
Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2): A detailed description is included in the E&E Division of Environmental Quality's (DEQ's) work plan submitted to the United States Environmental Protection Agency (EPA) as part of DEQ's application to the EPA State Clean Diesel Grant. This work plan is included in Attachment E. DEQ is using VW funds to match funding received from EPA for use in federal fiscal year 2024/2025.	
Estimate of Anticipated NOx Reductions (5.2.3): OAQ estimated anticipated emission reductions anticipated from projects funded under the Go RED! program in its State Clean Diesel Grant work plan. See Attachment E.	

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):

Arkansas Department of Finance and Administration

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

DEQ will post this EMAC as well as project application instructions for the program described in this EMAC to <https://www.adeq.state.ar.us/air/planning/vw.aspx>. DEQ will upload information including estimated emissions reductions, program implementation milestones, and project recipients and awards; to the same webpage.

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

Cost share requirements are based on the EPA State Clean Diesel Grant Minimum mandatory cost-shares listed in the table below.

Eligible Technologies	Funding Limit (percent of eligible costs)	Minimum Mandatory Cost-Share (applicant contribution)
Drayage Truck Replacement	50%	50%
Vehicle or Equipment Replacement with EPA-Certified Engine	25%	75%
Vehicle or Equipment Replacement with CARB-Certified Low NOx Engine	35%	65%
Vehicle or Equipment Replacement with Zero-Tailpipe Emission Power Source	45%	55%
Engine Replacement with EPA-Certified Engine	40%	60%
Engine Replacement with CARB-Certified Low NOx Engine	50%	50%
Engine Replacement with Zero-Tailpipe Emission Power Source	60%	40%
EPA-Certified Remanufacture Systems	100%	0%
EPA-Verified Highway Idle Reduction Technologies when Combined with New or Previously Installed Exhaust After-Treatment Retrofit	100%	0%
EPA-Verified Highway Idle Reduction Technologies without New Exhaust After-Treatment Retrofit	25%	75%
EPA-Verified Locomotive Idle Reduction Technologies	40%	60%
EPA-Verified Marine Shore Connection Systems	25%	75%
EPA-Verified Electrified Parking Space Technologies	30%	70%
EPA-Verified Exhaust After-Treatment Retrofits	100%	0%
EPA-Verified Engine Upgrade Retrofits	100%	0%
EPA-Verified Hybrid Retrofit Systems	60%	40%
EPA-Verified Aerodynamics and Low Rolling Resistance Tires when Combined with New Exhaust After-Treatment Retrofit	100%	0%
Alternative Fuel Conversion	40%	60%

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

On February 28, 2018, DEQ provided notice to the US. Fish and Wildlife Service, U.S. National Park Service, and the U.S. Forest Service of Arkansas's designation as a Beneficiary under the Trust. These notices were sent to the email addresses listed in the Trust Agreement and included a letter from Stuart Spencer, Associate Director of the Office of Air Quality at DEQ, the Environmental Mitigation Trust Agreement for State Beneficiaries, the Notice of Beneficiary Designation, and the Amended D-3 Certification with Attachment. These federal land managers were also provided with a link to <https://www.ADEQ.state.ar.us/air/planning/vw.aspx>, where DEQ is posting information related to DEQ's implementation of Arkansas's beneficiary mitigation plan. These notifications have been posted to the web page.

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).

DEQ's Go RED! program evaluates eligible proposals based on several criteria under a point system with a total of one hundred points possible. Up to twenty-five points are available for projects with a thorough explanation of air quality concerns for areas impacting nonattainment or near nonattainment areas, federal Class I areas, and areas with toxic air pollution concerns. An additional fifteen points are available based on the extent to which a proposed project benefits the public, affects a large population density, and reduces environmental risks to the public, sensitive populations, economically disadvantaged populations, and other populations with disproportionately high and adverse health or environmental impacts.

ATTACHMENTS
(CHECK BOX IF ATTACHED)

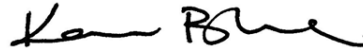
- | | |
|-----------------------|---|
| Attachment A | Funding Request and Direction |
| ✓ Attachment B | Eligible Mitigation Action Management Plan Including Detailed Budget and Implementation and Expenditures Timeline (5.2.4) |
| ✓ Attachment C | Detailed Plan for Reporting on Eligible Mitigation Action 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 Arkansas, 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: 05.29.2025



Karen Blue
Financial Analyst, Office of Air Quality

Arkansas Department of Energy and Environment
[LEAD AGENCY]

for

State of Arkansas
[BENEFICIARY]