

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

## BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION

Beneficiary Maryland

Lead Agency Authorized to Act on Behalf of the Beneficiary Maryland Department of the Environment  
(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>	Mid-Atlantic Electric Switcher (EMA-3)
<b>Beneficiary's Project ID:</b>	MAES-2025
<b>Funding Request No.</b>	(sequential) 19
<b>Request Type:</b> (select one or more)	<input checked="" type="checkbox"/> Reimbursement <input type="checkbox"/> Advance <input type="checkbox"/> Other (specify): _____
<b>Payment to be made to:</b> (select one or more)	<input type="checkbox"/> Beneficiary <input checked="" type="checkbox"/> Other (specify): <u>Mid-Atlantic Terminal</u>
<b>Funding Request &amp; Direction (Attachment A)</b>	<input type="checkbox"/> Attached to this Certification <input checked="" type="checkbox"/> To be Provided Separately

### SUMMARY

<b>Eligible Mitigation Action</b>	<input checked="" type="checkbox"/> Appendix D-2 item (specify): <u>3 - Freight Switchers</u>
<b>Action Type</b>	<input 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 Attached	
<b>Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2):</b> See Attached	
<b>Estimate of Anticipated NOx Reductions (5.2.3):</b> See Attached	
<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> See Attached	
<b>Describe how the Beneficiary will make documentation publicly available (5.2.7.2).</b> See Attached	
<b>Describe any cost share requirement to be placed on each NOx source proposed to be mitigated (5.2.8).</b> See Attached	
<b>Describe how the Beneficiary complied with subparagraph 4.2.8, related to notice to U.S. Government Agencies (5.2.9).</b> See Attached	

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).

**ATTACHMENTS**  
(CHECK BOX IF ATTACHED)

- |                                     |              |  |
|-------------------------------------|--------------|--|
| <input 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 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 Maryland, 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: 3/19/2025

Marcia Ways - Program Manager  
[NAME]  
[TITLE]

MD. Dept. of the Environment  
[LEAD AGENCY]

for

Maryland  
[BENEFICIARY]

**Appendix D-4 – Supplemental Information  
Beneficiary Eligible Mitigation Action Certification**

**Beneficiary: Maryland**

**Lead Agency: Maryland Department of the Environment**

**In support of funding request no. 19**

**Mid-Atlantic Electric Switcher (EMA-3)**

**Appendix D4 – Summary**

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

This funding request falls under the Other Eligible Projects that are detailed starting on page 14 of Maryland's Beneficiary Mitigation Plan (BMP). While this specific project is not outlined in Maryland's BMP, it falls under this section as a private sector alternative fueled project.

This project will replace one Tier 1 switcher with a new all-electric Zephir LOK 16E. The current switcher locomotive averages 1,248 hours per year, utilizing 16,244 gallons of diesel fuel. This funding request will use \$936,881 from the VW Trust to replace one diesel freight switcher with a new, zero-emission electric freight switcher.

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

Mid-Atlantic Terminals will replace one older diesel-powered rail switcher with one new zero-emission rail switcher. The diesel switcher is a Tier 1 Switcher with aging emission standards. These large diesel vehicles are often rebuilt to continue operating, but their emissions are rarely upgraded to meet newer emissions standards, meaning these vehicles can continue to operate with increased harmful emissions for many years after their intended lifespan has been reached. Replacing this aging, dirty diesel switcher with a new, zero-emission switcher will provide tremendous, direct emissions benefits to the area in and around the Port of Baltimore.

The total cost of this replacement is \$1,353,427.90 plus an estimated \$75,000 for charging equipment. Mid-Atlantic Terminals is committed to providing \$338,356.97 in matching funds and has requested \$1,015,070.93 from Maryland's Volkswagen Trust Funds to help fund this project.

This piece of equipment operates in and around the Port of Baltimore, which, contributes a disproportionate amount of harmful emissions to the Baltimore City. Baltimore City has been designated as a nonattainment area in Maryland. In 2016, Baltimore ranked in the top 10 worst locations for air pollution in the United States with 114 days of elevated air pollution (Elizabeth

Ridlington, Frontier Group & Christy Leavitt Environment America Research & Policy Center, Summer 2018)<sup>1</sup>. 60% of this pollution is from transportation vehicles.

MDE expects these replacements to result in the following reductions in air pollutants:

Pollutant	NOx	PM 2.5	GHG
Pollution Reduction (Lifetime Tons)	27.7	1.8	5,475

**Estimate of Anticipated NOx Reductions (5.2.3):**

Annual NOx reductions are estimated to be .925 Tons. Lifetime NOx reductions are estimated to be 27.7 Tons.

**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):**

The Maryland Department of the Environment is responsible for all Volkswagen Mitigation Plan projects in Maryland.

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

All documentation will be made publicly available on the Maryland Department of the Environment's Maryland Volkswagen Mitigation Plan website. This site can be found at:

<https://mde.maryland.gov/programs/Air/MobileSources/Pages/MarylandVolkswagenMitigationPlan.aspx>

**Describe any cost share requirements to be placed on each NOx Source proposed to be mitigated (5.2.8):**

Mid-Atlantic Terminals will utilize their own private funds to cover the remaining cost of purchasing the all-electric switcher. Mid-Atlantic Terminal will be responsible for covering at least 25% of the total cost of the vehicle.

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

The Maryland Department of the Environment sent the required notifications to the specified U.S. Government Agencies on February 27<sup>th</sup>, 2018.

**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):**

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<sup>1</sup> Frontier Group

This freight switcher operates in and around the Port of Baltimore, an area of the state heavily burdened by harmful vehicle emissions. Baltimore City is a designated nonattainment area in Maryland and ranks as one of the worst areas of the United States for elevated air pollution levels. The Port of Baltimore contributes to the emission problem in Baltimore in its effort to facilitate the vehicle traffic associated with port goods movements.

Replacing these old, Tier-1 diesel switchers with new, zero-emission electric freight switchers will provide direct emissions benefits to the communities around the Port of Baltimore that are subject to the Port's increased harmful emissions burden. Without funding from the VW Trust, this diesel switchers would not be replaced with an all-electric version any time in the near future, meaning harmful emissions would continue to burden the communities in and around the Port for years to come.

**ATTACHMENT B**

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

<b>Milestone</b>	<b>Date</b>
Application Submitted	March 2024
MDE Reviewed Application	April-May 2024
MDE Approved Application	May 2024
Vehicle Purchased and Delivered	February 2025
MDE Submits D-4 to Trustee	March 2025
MDE Submits Attachment A to reimburse project funds	Q2 2025

**PROJECT BUDGET**

<b>Period of Performance: <u>June 2024-Dec 2025</u></b>				
<b>Budget Category</b>	<b>Total Approved Budge</b>	<b>Share of Total Budget to be Funded by the Trust</b>	<b>Cost-Share, paid by Mid-Atlantic Terminals</b>	<b>Cost-Share, if applicable (Entity #2)</b>
1. Equipment Expenditure	\$1,353,427.90	\$1,015,070.93	\$338,356.97	NA
2. Contractor Support	\$0	\$0	\$0	NA
3. Subrecipient Support	\$0	\$0	\$0	NA
4. Administrative	\$110,000	\$110,000	\$	NA
<b>Project Totals</b>	<b>\$1,463,427.9</b>	<b>\$1,125,070.93</b>	<b>\$338,356.97</b>	<b>NA</b>
<b>Percentage</b>	<b>100%</b>	<b>76.9 %</b>	<b>23.1%</b>	<b>%</b>



**PROJECTED TRUST ALLOCATIONS:**

	2025
1. Anticipated Annual Project Funding Request to be paid through the Trust	\$1,125,070.93
2. Anticipated Annual Cost Share	\$338,356.97
3. Anticipated Total Project Funding by Year (line 1 plus line 2)	\$1,463,427.90
4. Cumulative Trustee Payments Made to Date Against Cumulative Approved Beneficiary Allocation	\$45,949,649.59
5. Current Beneficiary Project Funding to be paid through the Trust (line 1)	\$1,125,070.93
6. Total Funding Allocated to for Beneficiary, inclusive of Current Action by Year (line 4 plus line 5)	\$47,074,720.52
7. Beneficiary Share of Estimated Funds Remaining in Trust	\$85,039,467.28
8. Net Beneficiary Funds Remaining in Trust, net of cumulative Beneficiary Funding Actions (line 7 minus line 6)	\$37,964,746.76

## **ATTACHMENT C**

### **DETAILED PLAN FOR REPORTING ON ELIGIBLE MITIGATION ACTION IMPLEMENTATION**

The Maryland Department of the Environment (MDE) will provide detailed reporting on this Environmental Mitigation Trust projects in two ways:

1. Updates to MDE's Volkswagen Mitigation Trust webpage  
(<https://mde.maryland.gov/programs/Air/MobileSources/Pages/MarylandVolkswagenMitigationPlan.aspx>)
2. Maryland's semiannual reporting obligation to Wilmington Trust.

MDE maintains a VW Mitigation Trust webpage to provide information and updates to the public in a timely manner. MDE will utilize the webpage to inform the public of project awards and make all documents received publicly available by posting them on that page.

Subparagraph 5.3 of the Environmental Mitigation Trust Agreement for State Beneficiaries details Maryland's Reporting Obligations: "For each Eligible Mitigation Action, no later than six months after receiving its first disbursement of Trust Assets, and thereafter no later than January 30 (for the preceding six-month period of July 1 to December 31) and July 30 (for the preceding six-month period of January 1 to June 30) of each year, each Beneficiary shall submit to the Trustee a semiannual report describing the progress implementing each Eligible Mitigation Action during the six-month period leading up to the reporting date (including a summary of all costs expended on the Eligible Mitigation Action through the reporting date). Such reports shall include a complete description of the status (including actual or projected termination date), development, implementation, and any modification of each approved Eligible Mitigation Action. Beneficiaries may group multiple Eligible Mitigation Actions and multiple sub-beneficiaries into a single report. These reports shall be signed by an official with the authority to submit the report for the Beneficiary and must contain an attestation that the information is true and correct and that the submission is made under penalty of perjury. To the extent a Beneficiary avails itself of the DERA Option described in Appendix D-2, that Beneficiary may submit its DERA Quarterly Programmatic Reports in satisfaction of its obligations under this Paragraph as to those Eligible Mitigation Actions funded through the DERA Option. The Trustee shall post each semiannual report on the State Trust's public-facing website upon receipt."

In MDE's semiannual report following the Trustee's approval of this project, MDE will describe the progress of implementing this Eligible Mitigation Action and include a summary of all costs expended on the Eligible Mitigation Action through the reporting date. The report will also include a complete description of the status, development, implementation (including project schedule and milestone updates), and any modification to this Eligible Mitigation Action.

**ATTACHMENT D**  
**DETAILED COST ESTIMATES FROM SELECTED OR POTENTIAL VENDORS FOR EACH PROPOSED EXPENDITURE EXCEEDING \$25,000**

Mid-Atlantic Terminal submitted estimates for costs to purchase a Zero-Emission Electric Switcher. Replacement vehicles under this program are reimbursable based on the final invoice. Trust Funds are eligible to cover 75% of the amount of the replacement vehicles.

Freight Switcher	Year	Replacement Switcher	Engine Emission Tier	VW Funds Requested
RailKing	2001	Zephir LOK 16E	Zero-Emission	\$1,015,070.93