The State of New Hampshire
Department of Environmental Services

February 25, 2025

Mr. Michael Bochanski Jr.
Volkswagen Environmental Mitigation Trust
c/o Wilmington Trust, N.A. as Trustee
1100 North Market Street
Attn: Capital Markets & Agency Services
Wilmington, DE 19890

Dear Mr. Bochanski,

The New Hampshire Department of Environmental Services has enclosed the State of New Hampshire's funding request NHDES-25-02, the seventeenth funding request for the State of New Hampshire, as required by paragraph 5.2 of the Trust Agreement.

Thank you for your attention to this matter. If you have any questions regarding this submission, please contact me – Craig Wright, Director, Air Resources Division at craig.a.wright@des.nh.gov or at (603) 271-1088.

Sincerely,

Craig Wright
Director, Air Resources Division
New Hampshire Department of Environmental Services
P.O. Box 95
Concord, NH 03302-0095

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)

Action Title:	NH Clean Diesel Grant Program (DERA)
Beneficiary's Project ID:	NHDES-25-02
Funding Request No.	*17*
Request Type: **(select one or more)**	☒ Reimbursement ☒ Advance ☐ Other (specify):
Payment to be made to: **(select one or more)**	☐ Beneficiary ☒ Other (specify): NH Department of Environmental Services
Funding Request & Direction (Attachment A)	☒ Attached to this Certification ☐ To be Provided Separately

SUMMARY

Eligible Mitigation Action ☐ 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): See Attachment 1
Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2): See Attachment 1
Estimate of Anticipated NOx Reductions(5.2.3): See Attachment 1
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): New Hampshire Department of Environmental Services
Describe how the Beneficiary will make documentation publicly available (5.2.7.2). https://www.des.nh.gov/business-and-community/loans-and-grants/volkswagen-mitigation-trust
Describe any cost share requirement to be placed on each NOx source proposed to be mitigated (5.2.8). See Attachment 1
Describe how the Beneficiary complied with subparagraph 4.2.8, related to notice to U.S. Government Agencies (5.2.9). See Attachment 1
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). 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:_____

Craig Wright

Craig Wright
Director, Air Resources

New Hampshire Department of Environmental Services

for

State of New Hampshire

ATTACHMENT B

PROJECT MANAGEMENT PLAN
PROJECT SCHEDULE ANDMILESTONES

Milestone	Date
Lead Agency Provides Notice of Availability of Mitigation Action Funds	9/7/2018
Project Solicitations Begin for First 2020 Funding Round	October 2020
Project Solicitations Close for First 2020 Funding Round	November 2020
Project Solicitations Close for Second 2020 Funding Round	January 2021
Projects Notified of Selection	December 2020 (First Round) February 2021 (Second Round)
Subgrantees Receive Governor and Council Approval	Spring-Summer 2021
Subgrantees Receive Replacement Units and Destroy Original Units	June 2021-August 2022
Lead Agency Reports to Trustee on Status of and Expenditures with Mitigation Actions Completed and Underway	Semi-Annual reports submitted January 30th and July 30th.

PROJECT BUDGET[1]

Period ofPerformance: October 2019 – September 2025

Budget Category	**Total Approved Budget**	**Share of Total Budget to be Funded by the Trust**	**Cost-Share, if applicable (DERA)**	**Cost-Share, if applicable (Subgrantees[2])**
1. Equipment Expenditure	$823,943	$329,577	$494,366	$TBD[1]
2. Contractor Support *(Provide List of Approved Contractors as Attachment with approved funding ceilings)*	$0	$0	$0	$0
3. Subrecipient Support *(Provide List of Approved Subrecipients or Grant Awardees as Attachment with approved funding ceilings)*	$0	$0	$0	$0
4. Administrative[3]	$0	$0	$0	$0
Project Totals	$823,943	$329,577	$494,366	$TBD[1]
Percentage (excl. admin costs)	100%	40%	60%	TBD[1]%

[1]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 repowering a unit with a diesel engine requires a 60% cost share. Details found in Attachment E.

PROJECTED TRUST ALLOCATIONS:

PROJECTED TRUST ALLOCATIONS:

	2019 (Actuals)	2020 (Actuals)	2021 (Actuals)	2022 (Actuals)	2023 (Actuals)	2024 (Actuals)	2025 (Estimated)
1. Anticipated Annual Project Funding Request to be paid through the Trust	$3,731,345	$761,307	$2,118,031	$0[1]	$936,978[3]	$730,836.59	$10,000,000
2. Anticipated Annual Cost Share	$5,033,176	$828,624	$529,508	$459,707	$1,283,060	$1,195,394.66	$2,000,000
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	$1,926,231.25	$12,500,000
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	$7,380,853.59	$7,380,853.59
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	N/A— Actuals	$10,000,000
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	$7,380,853.59	$17,380,85359
7. Beneficiary Share of Estimated Funds Remaining in Trust	$31,204,145	$27,472,800	$26,711,493	$25,809,908[2]	$25,809,908	$24,632,464.27	$24,632,46427
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	$23,901,627.68	$14,632,46427

[1]$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.

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 and completed so far:

Subgrantee	Estimated Total Project Cost	Grant Funding Limit (%)	Grant Funding Limit ($)	Trust Portion (55%)	Subgrantee Cost-Share	Comments
Cora Beth Fisheries	$100,000	40%	$40,000	$15,000	$60,000	2 Marine Engines
First Student Inc	$1,706,370	25%	$426,592	$234,625	$1,279,777	19 School Buses
Two Devine Lobster	$95,000	40%	$38,000	$20,900	$57,000	1 Marine Engine
Current Totals	$1,901,370		$504,592	$270,525	$1,396,777	

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 NOx, 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 (FFY) 2020 DERA funding.

Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2):
Projects funded under the FFY 2020 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; marine engines; 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 NOx, 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 NOx Reductions(5.2.3):
It is estimated that the FY 2020 New Hampshire Clean Diesel Grant program will result in an annual reduction in the following emissions:

	Estimated Annual Reduction	Estimated Lifetime Reduction
NO_x	13.9 tons	42.3 tons
$PM_{2.5}$	0.17 tons	0.52 tons
CO	1.2 tons	4.2 tons
CO_2	411 tons	1,345 tons

Describe any cost share requirement to be placed on each NOx 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 three already approved projects, subgrantees have committed a minimum of $1,396,777 of the total $1,901,370 estimated for the projects—representing 73.4% 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.

2020 Diesel Emissions Reduction Act (DERA) State Grants

Work Plan and Budget Narrative Template

INSTRUCTIONS: States and territories applying for 2020 DERA State Grant funds must use this template to prepare their Work Plan and Budget Narrative.

Please refer to the 2019-2020 DERA State Grants Program Guide full program details, eligibility criteria and funding restrictions, and application instructions.

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SUMMARY PAGE

Project Title: New Hampshire State Clean Diesel FY 2020 Program Plan

Project Manager and Contact Information

Organization Name: New Hampshire Department of Environmental Services

Project Manager: Timothy White

Mailing Address: 29 Hazen Drive, PO Box 95, Concord, NH 03302

Phone: 603.271.5552

Fax: 603.271.1381

Email: timothy.white@des.nh.gov

Project Budget Overview:

	2020
EPA Base Allocation	$ 329,577
EPA Match Bonus (if applicable)	$ 164,789
State or Territory Voluntary Matching Funds (if applicable)	$ 329,577
Mandatory Cost-Share	$ TBD
TOTAL Project Cost	**$ 823,943**

*If state participated in 2019

Project Period

October 1, 2020 – September 30, 2021

Summary Statement

New Hampshire's State Clean Diesel program is a sub-grant program designed to reduce diesel emissions. The program will be applied broadly across various sectors in the state, employing a variety of diesel reduction strategies. The program will target projects that reduce emissions in economically challenged communities; areas with historical air quality issues; projects that reduce emissions in highly populated areas, areas with sensitive receptor groups such as schools or hospitals, or areas that receive a disproportionate quantity of air pollution from diesel vehicles and equipment; and projects in areas that are near non-attainment for other pollutants such as particulate matter. New Hampshire intends to use Volkswagen Environmental Mitigation Trust

funds (VW Trust Funds) to match the federal funds for the fiscal year 2020. More information about the State Clean Diesel Program is available at this website https://www.des.nh.gov/organization/divisions/air/tsb/tps/msp/diesel-vehicles/dera.htm

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SCOPE OF WORK

New Hampshire Department of Environmental Services (NHDES) will institute a subgrant program to fund projects that reduce on-and non-road (including stationary) diesel engine emissions in the state. This will be accomplished via a solicitation whereby projects are rated based on potential emission reduction, health benefits, location in the state and any ancillary benefits. New Hampshire will utilize VW Trust Funds as non-federal voluntary match for the fiscal year 2020 grant pursuant to the "DERA Option" [1] specified in Appendix D-2 of the Volkswagen Partial Consent Decree. Use of all funds will be in line with the scope of work outlined in this plan and the funding restrictions outlined in the 2019-2020 Diesel Emissions Reduction Act (DERA) State Grants Program Guide and the VW Environmental Mitigation Trust Agreement for State Beneficiaries.

STATE/TERRITORY GOALS AND PRIORITIES:

Even with today's cleaner fuels and new heavy-duty greenhouse gas and fuel efficiency rules, millions of diesel engines already in use across the United States continue to emit large amounts of nitrogen oxides, particulate matter, and air toxics which contribute to serious public health problems including asthma, lung cancer and various other cardiac and respiratory diseases. These emissions contribute to thousands of premature deaths, millions of lost work days, and numerous other negative health impacts every year. In 2012, the World Health Organization classified diesel exhaust as a Group 1 (human) carcinogen. In addition, older, less efficient diesel vehicles emit greater amounts of greenhouse gas emissions that contribute to climate change.

Principal pollutants of concern with diesel emissions are fine particulate matter ($PM_{2.5}$), air toxics, greenhouse gases, and oxides of nitrogen (NO_x) that contribute to the formation of ground level ozone. Currently, all of New Hampshire is unclassifiable/attainment under the 2008 8-Hour Ozone National Ambient Air Quality Standard (NAAQS).

Fine particulate levels have also decreased in the state since the early 1990s. Presently, New Hampshire is in attainment statewide for the current 2012 fine particulate NAAQS.

Over the past five years, New Hampshire has experienced an annual average of 2.4 ozone "Air Quality Action Days;" days with unhealthy concentrations of ground-level ozone for sensitive individuals. In addition, concentrations of fine particle pollution over the same five-year period have reached unhealthy levels in certain locations. Valley areas during cold-season temperature inversions are particularly susceptible to elevated PM2.5 concentrations.

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[1] *The DERA Option: Eligible Mitigation Action #10 under the Volkswagen Settlement, Appendix D*

NHDES chooses to support a variety of emission reduction strategies and project partners in order to maximize our success. In recent years, grantees with the State Clean Diesel program favored vehicle and engine replacements. In addition to continuing to support vehicle replacement projects that utilize new, cleaner diesel engines, NHDES will also encourage applicants to consider use of cleaner alternative fuels and exhaust controls.

VEHICLES AND TECHNOLOGIES:

a) Eligible Applicants and Vehicles

This solicitation will be open to New Hampshire municipal and state agencies and departments, and to private sector businesses operating in New Hampshire.

b) Eligible Diesel Vehicles, Engines, and Equipment

a. Buses;
b. Medium-duty or heavy-duty trucks;
c. Marine Engines;
d. Locomotives; and
e. Nonroad engines, equipment or vehicles used in:
    i. Construction;
    ii. Handling of cargo (including at a port or airport);
    iii. Agriculture;
    iv. Mining; or
    v. Energy production (including stationary generators and pumps).

c) Eligible Diesel Emission Reduction Solutions

Projects must include one or more of the following diesel emission reduction solutions that utilize a certified engine configuration and/or a verified technology.

Diesel Engine Retrofit Technologies:
Diesel engine retrofits are one of the most cost-effective solutions for reducing diesel engine emissions. Retrofits include pollution control devices installed in the exhaust system, such as diesel oxidation catalysts (DOCs) and diesel particulate filters (DPFs), or systems that include closed crankcase ventilation (CCV) filtration systems. Older, heavy-duty diesel vehicles that will not be scrapped, retried or replaced for several years are good candidates for retrofits. This funding can cover up to 100% of the cost (labor and equipment) for an eligible verified diesel engine retrofit technology. The eligible cost of retrofits includes the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the equipment functional, including related labor expenses. A list of eligible, EPA verified diesel engine retrofit technologies is available at: www.epa.gov/verified-diesel-tech/verified-technologies-list-clean-diesel; a list of eligible, California Air Resources Board (CARB) verified diesel engine retrofit technologies is available at: http://www.arb.ca.gov/diesel/verdev/vt/cvt.htm. The types (e.g., DOC, DPF, etc.) of retrofits proposed for funding under this category must exist on

one of these lists for the specific vehicle/engine application specified in the application at the time of application submission to NHDES. If selected for funding, the actual engine retrofit technologies used by the grant recipient must be specifically named on EPA or CARB's Verified Technologies lists at the time of acquisition and used only for the vehicle/engine applications specified on the list, to be eligible for funding. NHDES suggests that each applicant requesting diesel particulate filters consult with retrofit suppliers to confirm that the proposed vehicles/engines and their duty-cycles are good candidates for DPFs.

Engine Upgrades and Remanufacture Systems:
Generally, an engine upgrade involves the removal of parts on an engine during a rebuild and replacement with parts that cause the engine to represent an engine configuration which is cleaner than the original engine. Some non-road and marine engines can be upgraded to reduce their emissions by applying manufacturer upgrades that are diesel engine retrofits currently verified by EPA or CARB as a package of components demonstrated to achieve specific levels of emissions reductions. Some locomotives and marine engines can be upgraded through the application of a certified remanufacture system that is used to rebuild the engine to represent a cleaner engine configuration. Engine upgrades may not be available for all engines, and not all upgrades may achieve an emissions benefit. Applications for upgrades should include a discussion of the availability of engine upgrade kits/systems and indicate the pre- and post-project emission standard levels of the engines to demonstrate that the upgrade will result in a significant emissions benefit.

Funding can cover up to 40% of the cost (labor and equipment) of an eligible nonroad, locomotive or marine engine upgrade. To be eligible for funding, the upgrade must either be a verified retrofit as described above, or a certified remanufacture system that will result in a significant emissions benefit by rebuilding the engine to a cleaner engine configuration. For an engine to be eligible for an upgrade, the engine must be currently operating and performing its intended function. If a certified remanufacture system for a locomotive includes a full engine replacement, the fleet expansion funding restrictions will apply (see the 2019-2020 Diesel Emissions Reduction Act (DERA) State Grants Program Guide for more information). If a certified remanufacture system is applied at the time of rebuild, funds under this award cannot be used for the entire cost of the engine rebuild, but only for the cost of the certified remanufacture system and associated labor costs for installation.

A list of eligible, EPA verified engine upgrade technologies is available at: www.epa.gov/verified-diesel-tech/verified-technologies-list-clean-diesel. Lists of certified remanufacture systems for locomotives and marine engines are available at: www.epa.gov/compliance-and-fuel-economy-data/engine-certification-data. Engine upgrades proposed for funding under this category must exist on one of these lists for the specific vehicle/engine application specified in the application at the time of application

submission to NHDES. If selected for funding, the actual engine upgrades used by the grant recipient must be specifically named on EPA's list of certified remanufacture systems or EPA or CARB's Verified Technologies lists at the time of acquisition and used only for the vehicle/engine applications specified on the lists, to be eligible for funding.

Cleaner Fuels and Additives:
Eligible cleaner fuels and additives are limited to those verified by EPA and/or CARB to achieve emissions reductions when applied to an existing diesel engine. NHDES will not fund stand-alone cleaner fuel/additive use. For new or expanded use, this funding can cover the cost differential between the cleaner fuel/additive and conventional diesel fuel if that cleaner fuel is used in combination, and on the same vehicle, with a new eligible verified engine retrofit or an eligible engine upgrade or an eligible certified engine replacement or an eligible certified vehicle/equipment replacement funded under this Program, as described in this Section.

A list of eligible, EPA-verified cleaner fuels and additives is available at: www.epa.gov/verified-diesel-tech/verified-technologies-list-clean-diesel; a list of eligible, CARB-verified cleaner fuels and additives is available at: www.arb.ca.gov/diesel/verdev/vt/cvt.htm. The types of fuels and additives (e.g., biodiesel, cetane enhancers) proposed for funding under this category must exist on one of these lists for the specific vehicle/engine application specified in the application and be used only for the vehicle/engine applications specified on the list to be eligible for funding.

Idle Reduction Technologies:
An idle reduction project is generally defined as the installation of a technology or device that reduces unnecessary idling of diesel vehicles or equipment and/or is designed to provide services (such as heat, air conditioning, and/or electricity) to vehicles and equipment that would otherwise require the operation of the main drive or auxiliary engine(s) while the vehicle is temporarily parked or remains stationary. The reduction in idling will conserve diesel fuel and must also lower emissions.

Lists of eligible, EPA verified idle reduction technologies are available at: https://www.epa.gov/verified-diesel-tech/smartway-technology. The types of idle reduction technologies proposed for funding under this category must exist on this list for the vehicle/engine application specified in the application at the time of application submission to EPA. The technology categories include: Auxiliary power units and generator sets, battery air conditioning systems, thermal storage systems, electrified parking spaces (truck stop electrification), fuel operated heaters, shore connection systems and alternative maritime power, shore connection systems for locomotives, and automatic shutdown/start-up systems for locomotives. To be eligible for funding, the actual idle reduction technologies used must be specifically named on EPA's SmartWay

Verified Technologies list at the time of acquisition and used only for the vehicle/engine applications specified on the list.

a) Locomotive Idle Reduction Technologies:
Funding can cover up to 40% of the cost (labor and equipment) of eligible verified idle reduction technologies for locomotives.

b) Electrified Parking Spaces:
Electrified Parking Spaces (EPS), also known as Truck Stop Electrification (TSE), operates independent of the truck's engine and allows the truck engine to be turned off as the EPS system supplies heating, cooling, and/or electrical power. The EPS system provides off-board electrical power to operate either:
- an independent heating, cooling, and electrical power system, or
- a truck-integrated heating and cooling system, or
- a plug-in refrigeration system that would otherwise be powered by an engine.

Funding can cover up to 30% of the cost (labor and equipment) of eligible electrified parking space technologies, including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the equipment functional. Examples of eligible EPS costs include, but are not limited to, the purchase and installation of electrical infrastructure or equipment to enable heating, cooling, and the use of cab power for parked trucks, or to enable the use of power for transport refrigeration units (TRUs) and auxiliary power systems at distribution centers, intermodal facilities, and other places where trucks congregate. Examples of ineligible costs for EPS include but are not limited to: on-board auxiliary power units and other equipment installed on trucks; equipment and services unrelated to heating and cooling (e.g., telephone, internet, television, etc.); TRUs; electricity costs; and operation and maintenance costs.

c) Marine Shore Power Connection Systems:
Shore power systems allow maritime vessels to "plug into" an electrical power source instead of using diesel main or auxiliary engines while at port. This funding can cover up to 25% of the cost (labor and equipment) of eligible marine shore power connection systems, including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the equipment functional. Examples of eligible marine shore power connection costs include but are not limited to various components such as cables, cable management systems, shore power coupler systems, distribution control systems, transformers, grounding switches, service breakers, capacitor banks, and power distribution. Funding may support new installations, or expansions of existing shore power systems. Examples of ineligible costs for marine shore

power connection systems include, but are not limited to, shipside modifications to accept shore-based electrical power, electricity costs, and operation and maintenance costs. Due to the unique nature and custom design of marine shore power connection systems, NHDES will review and approve the marine shore power connection system proposed by the applicant on a case-by-case basis.

Highway Idle Reduction Technologies:
Funding can cover up to 100% of the cost (labor and equipment) for verified idle reduction technologies installed on long haul Class 8 trucks and school buses, if combined on the same vehicle with the new installation of one or more of the Verified Engine Retrofit Technologies funded under this Program, as described in this Section. Funding can cover up to 100% of the cost (labor and equipment) for verified idle reduction technologies installed on long haul Class 8 trucks and school buses with model year 2006 or older engines that have been previously retrofitted with a verified emission control device. Funding can cover up to 25% of the cost (labor and equipment) of stand-alone installations of eligible, verified idle reduction technologies on long-haul trucks and school buses.

Aerodynamic Technologies and Verified Low Rolling Resistance Tires:
To improve fuel efficiency, long haul Class 8 trucks can be retrofitted with aerodynamic trailer fairings or the fairings can be provided as new equipment options. Certain tire models can provide a reduction in NOx emissions and fuel savings, relative to the "standard" new tires for long haul Class 8 trucks, when used on all axles.

A list of eligible, EPA verified aerodynamic technologies is available at: www.epa.gov/verified-diesel-tech/smartway-verified-list-aerodynamic-devices, and includes:

a) gap fairings that reduce the gap between the tractor and the trailer to reduce turbulence;
b) trailer side skirts that minimize wind under the trailer; and
c) trailer rear fairings that reduce turbulence and pressure drop at the rear of the trailer.

A list of EPA verified low rolling resistance tires is available at: www.epa.gov/verifieddiesel-tech/smartway-verified-list-low-rolling-resistance-lrr-new-and-retread-tire, and includes both dual tires and single wide tires (single wide tires replace the double tire on each end of a drive or trailer axle, in effect turning an "18" wheeler into a "10" wheeler). Low rolling resistance tires can be used with lower-weight aluminum wheels to further improve fuel savings, however aluminum wheels are not eligible for funding under this program. The actual technologies/tires used by the grant recipient must be specifically named on EPA's SmartWay Verified Technologies list at the time of acquisition and used only for the vehicle/engine applications specified on the

list, in order to be eligible for funding. NHDES will not fund stand-alone aerodynamic technologies or low rolling resistance tires. Funding can cover up to 100% of the cost (labor and equipment) for verified aerodynamic technologies or verified low rolling resistance tires installed on long haul Class 8 trucks, if combined on the same vehicle with the new installation of one or more of the Verified Engine Retrofit Technologies funded under this program, as described in this Section. Note: Low rolling resistance tires are not eligible for funding where these types of tires have already been installed on the truck.

Engine Replacement:
Engine Replacement includes, but is not limited to, diesel engine replacement with an engine certified for use with diesel or an alternative fuel (e.g., gasoline, CNG, propane), diesel engine replacement with a zero tailpipe emissions power source (grid, battery or fuel cell), and/or diesel engine replacement with an electric generator(s) (genset). Zero tailpipe emissions engine replacements do not require EPA or CARB certification.

The eligible cost of engine replacement includes the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the equipment functional, including related labor expenses. Charges for equipment and parts on engine replacement projects are only eligible for funding if they are included in the certified engine configuration and/or are required to ensure the effective installation and functioning of the new technology but are not part of typical vehicle or equipment maintenance or repair. Examples of ineligible engine replacement costs include, but are not limited to: tires, cabs, axles, paint, brakes, and mufflers. For engine replacement with battery, fuel cell, and grid electric, examples of eligible engine replacement costs include, but are not limited to: electric motors, electric inverters, battery assembly, direct drive transmission/gearbox, regenerative braking system, vehicle control/central processing unit, vehicle instrument cluster, hydrogen storage tank, hydrogen management system, fuel cell stack assembly, and the purchase and installation of electrical infrastructure or equipment to enable the use of power. Examples of ineligible costs include, but are not limited to, electricity, and operation and maintenance costs.

a) Locomotive, Marine, and Nonroad Diesel Vehicles and Equipment:

   i. Funding can cover up to 40% of the cost (labor and equipment) of replacing a diesel engine with a 2019 model year or newer engine certified to EPA emission standards. Previous engine model year engines may be used if the engine is certified to the same emission standards applicable to the engine in EMY 2019. Nonroad, locomotive, and marine engine emission standards are on EPA's website at: www.epa.gov/emissionstandards-reference-guide/epa-emission-standards-nonroad-engines-and-vehicles.

ii. Funding can cover up to 60% of the cost (labor and equipment) of replacing a diesel engine with a zero tailpipe emissions power source.

b) Highway Diesel Vehicles:

i. Funding can cover up to 40% of the cost (labor and equipment) of replacing a diesel engine with a 2016 model year or newer engine certified to EPA emission standards. Highway engine emission standards are on EPA's website at: www.epa.gov/emission-standards-reference-guide/epa-emission-standards-heavyduty-highway-engines-and-vehicles.

ii. Funding can cover up to 50% of the cost (labor and equipment) of replacing a diesel engine with a 2016 model year or newer engine that is certified to CARB's Optional Low-NOx Standards of 0.1 g/bhp-hr, 0.05 g/bhp-hr, or 0.02 g/bhp-hr NOx. Engines certified to CARB's Optional Low NOx Standards may be found by searching CARB's Executive Orders for Heavy-duty Engines and Vehicles, found at: www.arb.ca.gov/msprog/onroad/cert/cert.php.

iii. Funding can cover up to 60% of the cost (labor and equipment) of replacing a diesel engine with a zero tailpipe emissions power source.

Vehicle and Equipment Replacements:

Nonroad and highway diesel vehicles and equipment, locomotives, and marine vessels can be replaced under this program with newer, cleaner vehicles and equipment that operate on diesel or alternative fuels and use engines certified by EPA and, if applicable, CARB to meet a more stringent set of engine emission standards. Replacement includes, but is not limited to, diesel vehicle/equipment replacement with newer, cleaner diesel, zero tailpipe emission (grid, battery or fuel cell), hybrid or alternative fuel (e.g., gasoline, CNG, propane) vehicles/equipment. Zero tailpipe emissions vehicles and equipment do not require EPA or CARB certification.

The eligible cost of a vehicle/equipment replacement includes the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the equipment functional. The cost of additional "optional" components or "add-ons" that significantly increase the cost of the vehicle may not be eligible for funding under the grant; the replacement vehicle should resemble the replaced vehicle in form and function. For grid electric powered equipment replacements, examples of eligible replacement costs include, but are not limited to, the purchase and installation of electrical infrastructure or equipment to enable the use of power. Examples of ineligible costs include, but are not limited to, electricity, and operation and maintenance costs.

a) Locomotives, Marine Vessels and Nonroad Diesel Vehicles and Equipment:

i. Funding can cover up to 25% of the cost of a replacement locomotive, marine vessel, or nonroad vehicle or piece of equipment powered by a 2019 model year or newer engine certified to EPA emission standards. Previous engine model year engines may be used if the engine is certified to the same emission standards applicable to EMY 2019. Nonroad, locomotive and marine engine emission standards are on EPA's website at: https://www.epa.gov/emission-standards-reference-guide/epa-emission-standards-nonroad-engines-and-vehicles.

ii. Funding can cover up to 45% of the cost of a new, zero tailpipe emissions locomotive, marine vessel, or nonroad vehicle or piece of equipment.

b) Highway Diesel Vehicles and Buses (other than Drayage):

i. Funding can cover up to 25% of the cost of a replacement vehicle powered by a 2016 model year or newer engine certified to EPA emission standards. Highway engine emission standards are on EPA's website at: https://www.epa.gov/emission-standards-reference-guide/epa-emission-standards-heavy-duty-highway-engines-and-vehicles.

ii. Funding can cover up to 35% of the cost of a replacement vehicle powered by a 2016 model year or newer engine certified to meet CARB's Optional Low-NOx Standards of 0.1 g/bhp-hr, 0.05 g/bhp-hr, or 0.02 g/bhp-hr NOx. Engines certified to CARB's Optional Low NOx Standards may be found by searching CARB's Executive Orders for Heavy-duty Engines and Vehicles, found at: www.arb.ca.gov/msprog/onroad/cert/cert.php.

iii. Funding can cover up to 45% of the cost of a new, zero tailpipe emissions replacement vehicle.

c) Drayage Vehicles:
Funding can cover up to 50% of the cost of a replacement drayage truck powered by a 2013 model year or newer certified engine.

i. Definition of Drayage Truck: A "Drayage Truck" means any Class 8 (GVWR greater than 33,000) highway vehicle operating on or transgressing through port or intermodal rail yard property for the purpose of loading, unloading or transporting cargo, such as containerized, bulk or break-bulk goods.

ii. Drayage Operating Guidelines: If an application for the replacement of drayage trucks is selected for funding, the grant recipient will be required

to establish guidelines to ensure that any existing truck replaced with grant funds has a history of operating on a frequent basis over the prior year as a drayage truck, and to ensure any new truck purchased with grant funds is operated in a manner consistent with the definition of a drayage truck, as defined above.

ROLES AND RESPONSIBILITIES:

As with prior projects, NHDES will collaborate with other state agencies, municipalities and school districts, public and private transit companies, and marine operators and private fleets. As noted, we believe that making the sub-grants and participant support costs available to the widest possible audience will help with our success. Subawards will be disbursed through a solicitation for projects and the participant support costs will be disbursed through a grant program.

TIMELINE AND MILESTONES:

During the development of this Work Plan, progress on the FY 2019 New Hampshire State Clean Diesel program was impacted by the COVID-19 epidemic. At the time of the drafting of this document, the planned completion date of a FY 2019 grant tentatively awarded to the Town of Lyndeborough was extended to May 31, 2021. Additionally, on April 14, 2020, the Town of Whitefield requested postponement of their tentatively awarded FY 2019 grant. In response to a March, 2020 request from EPA Region 1, this information related to anticipated impacts of the COVID-19 epidemic on the FY 2019 State Clean Diesel program have been incorporated into this document.

The timeline and milestones presented in this section assume that, three months prior to the end of the Work Plan, NHDES will request that EPA provide an extension to the FY 2019 contract. The new agreement consisting of a one year no-cost extension will provide for a new completion date for the FY 2019 contract of September 30, 2021.

The following list provides anticipated milestones for the FY 2020 Work Plan and the extended FY 2019 Work Plan. It should be noted that these dates are only an estimate based on the current situation at the time of the drafting of this report and are provided to EPA for planning purposes only:

- 04/14/20 – Town of Whitefield requests postponement of FY 2019 grant
- 07/31/20 – Apply to EPA Region 1 for extension of FY 2019 contract
- 09/30/20 – Original completion date for FY 2019 contract
- 10/01/20 – A Request for Proposals (RFP) will be released by NHDES. In addition to posting on the NHDES website, the open solicitation will be publicized via a monthly newsletter geared to municipalities, and via relationships with NH Local Energy Solutions Workgroup, New Hampshire School Transportation Association, NH Local

Government Center, NH Municipal Association and NH Association of Counties, NH Motor Transit Association, NH Association of General Contractors, Granite State Clean Cities Coalition and others. The list of publications to target and groups to contact will be developed prior to the project start date.

- Early Winter 2020 – Round 2 RFP – If all program funding is not obligated during an initial round, a subsequent RFP will be released.

- January 2021 – Submit Round 1 grant agreements for approval by Governor and Council.

- Spring 2021 – Submit Round 2 grant agreements for approval by Governor and Council.

- February 2021 through September 2021 – Round 1 and Round 2 project implementation. All projects will be completed by September 30, 2021.

- 05/31/21 – Project completion date for Lyndeborough (FY 2019) grant

- 09/30/21 – Completion date of FY 2020 contract and FY 2019 extended contract

- 01/31/21, 04/30/21, 07/31/21 and 10/31/21 – Submit quarterly reports to EPA.

- 12/31/21 – Submit final report to EPA.

Following the effective date of their agreement, project awardees will be responsible for submitting quarterly status reports to NHDES for a period of two years beginning with the first quarter following the completion of the work or by 09/30/2021, whichever comes first. Beginning one year after completion of the final quarterly report, awardees will be responsible for submitting annual reports to NHDES for a period of three years.

In order to ensure that up to date project information continues to be available, periodic reviews and updates of program information on the NHDES website will be completed.

DERA PROGRAMMATIC PRIORITIES:

New Hampshire will ensure that the programmatic priorities, as outlined in the 2019-2020 Diesel Emissions Reduction Act (DERA) State Grants Program Guide will be met by selecting diesel emission reduction projects that achieve significant reductions in diesel emissions and reductions in diesel emission exposure from vehicles, engines, and equipment. Additionally, EPA's priorities include projects located in areas that receive a disproportionate quantity of air pollution from diesel fleets, including: truck stops; ports; rail yards; terminals; construction sites; and school bus depots/yards. NH's Clean Diesel Program will prioritize projects for diesel vehicles and equipment operating in highly populated areas, areas with sensitive receptor groups such as schools or hospitals, or areas that receive a disproportionate quantity of air pollution from diesel fleets, and in areas that are near non-attainment for other pollutants such as particulate matter.

EPA has identified a list of priority counties and areas, which can be found here https://www.epa.gov/sites/production/files/2018-12/documents/fy19-priority-county-list-2018-12-7.pdf. In New Hampshire, Rockingham County is identified as a priority county as an area with toxic air pollutant concerns as identified from the National Air Toxics Assessment data.

Diesel exhaust is a complex mixture of pollutants including particulate matter, nitrogen oxides and volatile organic compounds which contribute to smog, acid rain, climate change, and a range of health problems. Truck drivers, railroad workers and equipment operators may have an increased risk of health related issues from occupational exposure to diesel exhaust. The PM2.5 and toxic chemicals found in diesel exhaust can lead to respiratory problems and exacerbate asthma. According to "Asthma Burden Report New Hampshire 2014," New Hampshire has a "significantly higher" asthma prevalence rate when compared to the rest of the nation, with approximately 11 percent of adults and 10.6 percent of children currently afflicted with the disease. EPA indicates the fine particles in diesel exhaust can aggravate asthma and cause lung damage and premature death. In 2012, the World Health Organization declared diesel exhaust to be carcinogenic to humans.

Vehicle and equipment replacements are an effective option because they eliminate the need for matching retrofit equipment to the engine or vehicle, and provide the highest emission reduction over the useful life of the engine. Alternative fuel vehicles accomplish emission reductions and increase fuel diversity in the region. Replacing a diesel powered vehicle with a vehicle fueled by propane, CNG or electricity can also reduce high maintenance costs associated with the newer diesel engine systems.

Engine replacements can be a cost effective means of reducing emissions in existing vehicles, particularly for non-road equipment. Exhaust controls are another lower cost option, but they do not offer the economic incentive of fuel savings or maximizing the useful life of the vehicle or engine. NHDES seeks to promote all diesel reduction strategies outlined in this document, to promote emissions reduction and further the improvement of promising technologies.

As in fiscal year 2019, New Hampshire intends to use VW Trust Funds to match the federal funds for the federal fiscal year 2020 grant. Projects utilizing VW Trust Funds will reduce emissions of NOx and PM and also support the goals of the New Hampshire Beneficiary Environmental Mitigation Plan[2], which aligns closely with the programmatic priorities identified above.

EPA'S STRATEGIC PLAN LINKAGE AND ANTICIPATED OUTCOMES/OUTPUTS:

Linkage to EPA Strategic Plan

NHDES intends to reduce emissions from older diesel vehicles through implementation of this program and in doing so will assist in reducing the amount of NOx and PM that is emitted to the air. This aligns with Objective 1.1 in the EPA's FY 2018-22 Strategic Plan which is to improve air quality. As part of its mission to protect human health and the environment, EPA is dedicated to improving the quality of the nation's air.

[2] State of New Hampshire Beneficiary Environmental Mitigation Plan September 7, 2018

1. Outputs
   Some specific outputs of the NH Clean Diesel Program include:

   A. NHDES will issue an RFP as described in the Project Description section of this work plan. NHDES will evaluate the proposals based on program goals.

   B. The Diesel Emission Quantifier (DEQ) and/or Motor Vehicle Emission Simulator (MOVES) will be used to quantify project benefits before project selections are made.

   C. NHDES will encourage the use of the funds for municipal and state fleets as well as other publically owned fleets.

   D. NHDES will continue to support the Granite Sate Clean Cities Coalition and engage its stakeholders when requesting project proposals.

   E. NHDES will produce quarterly reports to the EPA identifying the progress of the program.

   F. Program Completion Report: NHDES will undertake a full evaluation of the program. The program completion report will include the number of miles or hours retrofitted or replaced units have been in service since the project occurred, fuel consumption since the beginning of the project, emissions reduced or eliminated, maintenance issues (if any), and documentation of outreach conducted in support of the project.

   G. Notification of grants awarded will be posted on a public facing website along with a complete list of awardees.

2. Outcomes
   Some specific outcomes of the NH Clean Diesel Program include:

   A. Potential Outcomes presented below were estimated using the Diesel Emissions Quantifier:

      - Engine Repower: Engine repowers can provide up to one ton of NO_x and 500 lbs. $PM_{2.5}$ of annual emission reductions.
      - Idle Reduction: Transit buses and long distance haulers can provide 4 and 6 tons respectively of NOx emission reductions in their lifetime. Idle reduction devices also provide cost effective reductions in greenhouse gas and result in fuel savings.
      - Vehicle Replacements: Vehicle replacements can yield cost-effective NOx reductions and can provide sustained clean air benefits in a community. Deployment of alternative fuel vehicles and associated infrastructure promotes adoption by others and reduces petroleum imports.

   B. Community engagement and partnership;

C. Better understanding, knowledge and acceptance of currently available pollution control technology and equipment by state and municipal fleet managers, fleet owners and the public and school transportation sectors;

D. Increased data and information on verified control equipment/technology for use by other potential users;

E. Expansion of alternative fuel vehicle use in the state;

F. Increased awareness of the health and climate change benefits of particulate controls, alternative fuels, and reduced idling in the state's transportation sector and by the traveling public who will be made aware of the program through outreach;

G. Sustained or improved air quality in NH;

SUSTAINABILITY OF THE PROGRAM:

NHDES' Mobile Sources Section includes a grant manager with extensive experience who also serves as New Hampshire's Clean Cities Coordinator. This individual is acquainted with many of the state's public and private fleet managers and will manage the program. Technical support is provided by the other Mobile Sources staff.

NHDES is committed to continue to educate diesel equipment users about the environmental, health, and monetary benefits of utilizing emission reduction technology, cleaner fuels, cleaner vehicles, and modifying driver behavior.

NHDES will require grantees to submit quarterly reports for two years and yearly reports for an additional three years in order to track the success of the program past the end of the official grant period.

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BUDGET NARRATIVE

2020 Itemized Project Budget

Budget Category	EPA Allocation	Mandatory Cost-Share	Voluntary Match (if applicable)		Line Total
			VW Mitigation Trust Funds	Other Funds	
1. Personnel	41,881				41,881
2. Fringe Benefits	25,936				25,936
3. Travel					0
4. Equipment					0
5. Supplies					0
6. Contractual					0
7. Other	424,833	To Be Determined	329,577		754,410
8. Total Direct Charges (sum 1-7)	492,650	To Be Determined	329,577		822,227
9. Indirect Charges	1,716				1,716
10. Total (Indirect + Direct)	494,366	To Be Determined	329,577		823,943
11. Program Income					0

*Do not include Other Leveraged Funds on SF-424 or SF-424A

Explanation of Budget Framework

- **Personnel - List all staff positions by title. Give annual salary, percentage of time assigned to the project, and total cost for the budget period.**

	Annual Salary	% of Time	Total Salary
Grant Manager	**$60,470**	**8.27%**	**$5,002**
Transportation Program Specialist	**$63,180**	**36%**	**$22,745**
Mobile Sources Supervisor	**$75,134**	**14.86%**	**$11,165**
Administrator, Tech Services	**$98,962**	**3%**	**$2,969**
		Total	**$41,881**

- **Fringe Benefits –**
  FICA: 5.96 to 6.14%

Health Insurance: Percentage Varies
Medicare: 1.39 to 1.44%
Retirement: 11.93%
Additional Fringe Benefits: 10.43%

Dental: Percentage Varies
Life Insurance: Percentage Varies

	Benefits - % of Salary	Total
Grant Manager	**61.93**	**$3,098**
Transportation Program Specialist	**61.93**	**$14,086**
Mobile Sources Supervisor	**61.93**	**$6,914**
Administrator, Tech Services	**61.93**	**$1,838**
	Total	**$25,936**

- **Travel –**
  No travel expenses will be charged to this grant for program implementation. Existing state funds will be used to cover such expenses if any are incurred.

- **Supplies –**
  No supplies will be purchased using these funds.

- **Equipment –**
  No equipment purchases beyond the subawards for equipment specified under "other" below will be made using these funds.

- **Contractual –**
  No contractual/consultant services are anticipated to be needed for this project.

- **Other –**
  Subawards, participant support costs and administrative costs will be made under this category. The details of the subawards and participant support costs will not be known prior to the completion of a solicitation for project proposals. NHDES intends to issue subawards via grant agreements with eligible applicants and for eligible projects as described in New Hampshire's Program Plan, which is consistent with EPA's DERA program requirements. All subawards will be made according to the Terms and Conditions of the award agreement.

Category	Amount
Subawards	**$754,410**
Total	**$754,410**

- **Indirect Charges –**
  Indirect Costs = 2.53% of the sum of personnel and fringe benefits.

	Total Indirect Costs
Total	**$1,716**

Administrative Costs Expense Cap

Based on the calculations completed in the tables above and illustrated below, the administrative costs are below the 15% allowable cap.

Total Personnel	**$41,881**
Fringe Benefits	**$25,936**
Indirect	**$1,716**
Total Administrative	**$69,533**
15% of Budget ($494,366)	**$74,155**

Matching Funds and Cost-Share Funds

New Hampshire will utilize VW Trust Funds as non-federal voluntary match for the fiscal year 2020 grant pursuant to the "DERA Option"[3] specified in Appendix D-2 of the Volkswagen Partial Consent Decree. Use of all funds will be in line with the scope of work outlined in this plan and the funding restrictions outlined in the 2019-2020 Diesel Emissions Reduction Act (DERA) State Grants Program Guide and the VW Environmental Mitigation Trust Agreement for State Beneficiaries.

In the event that the Volkswagen settlement funds are not made available during the project period of this assistance agreement and New Hampshire decides to not match the DERA base allocation, the State will submit an amendment to the award to decrease the total award amount down to the EPA base allotment of $329,577 and return the state Match Bonus funds totaling $164,789.

The mandatory cost-share funds will be determined after a solicitation of projects has been completed. The solicitation of projects will be completed with a focus on public fleets (municipal and state) and the cost share funds will be provided by the subaward grantees.

Funding Partnerships

NHDES will collaborate with other state agencies, municipalities and school districts, public and private transit companies, and marine operators and private fleets. As noted, we believe that making the sub-grants and participant support costs available to the widest possible audience will help with our success.

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[3] *The DERA Option: Eligible Mitigation Action #10 under the Volkswagen Settlement, Appendix D*