



The State of New Hampshire
Department of Environmental Services



January 30, 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-25-01, the sixteenth 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 VW EMT Municipal Vehicle Replacements	
Beneficiary's Project ID:	NHDES-25-01	
Funding Request No.	16	
Request Type: (select one or more)	<input checked="" type="checkbox"/> Reimbursement <input type="checkbox"/> Advance <input checked="" type="checkbox"/> Other (specify): Estimated amount required for eligible projects	
Payment to be made to: (select one or more)	<input type="checkbox"/> Beneficiary <input checked="" type="checkbox"/> Other (specify): NHDES, municipal grantees	
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): Item 6 – Class 4-7 Local Freight Trucks (Medium Trucks)
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): 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: 1/31/25



Craig Wright
Director, Air Resources

New Hampshire Department of
Environmental Services

for

State of New Hampshire

ATTACHMENT B

PROJECT MANAGEMENT PLAN PROJECT SCHEDULE AND MILESTONES

Milestone	Date
Lead Agency Provides Notice of Availability of Mitigation Action Funds	9/7/2018
Project Solicitations Begin for First VW Municipal Vehicle Replacement RFP	6/9/2023
Project Solicitations Close for First VW Municipal Vehicle Replacement RFP	10/13/2023
Scoring/Selection of Grantees for First RFP Completed	11/14/2023
Development of Grant Agreements with Selectees of First RFP	Fall 2023 to Spring 2024
First RFP Grantees Begin Projects	After G&C Approval
First RFP Grantees Submit Reports to Lead Agency	Quarterly after G&C Approval until two years after acquisition of replacement unit. Annually for three years after the last quarterly report.
Lead Agency Reports to Trustee on Status of and Expenditures with Mitigation Actions Completed and Underway	Semi-Annual reports submitted January 30 th and July 30 th .

PROJECT BUDGET

Period of Performance: <u>June 2023 – October 2027</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	\$0*	\$1,181,855.94	\$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	\$0*	\$1,181,855.94	\$0*	\$0*
Percentage (excl. admin costs)	0%	0%	0%	0%

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

*Cost-share unknown. Not all vendors and locations have been selected yet through competitive bid solicitations.

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	\$7,253,895.14
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	\$17,253,895.14
7. Beneficiary Share of Estimated Funds Remaining in Trust	\$31,204,145	\$27,472,800	\$26,711,493 ²	\$25,809,908	\$25,809,908 ⁷	\$24,632,464.27	\$24,632,464.27
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	\$14,632,464.27

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.

²Per Wilmington trust website's actual market share as of February 2023, inclusive of the Trust's growth.

³\$231,076.16 of funds allocated to NHDES in 2023 were spent on DERA projects. Funds have been requested and have not yet been received as of January 2025.

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.

ATTACHMENT D

Detailed cost estimates from selected or potential vendors for each proposed expenditure exceeding \$25,000 (5.2.6)

Grantee	Project Location	Estimated Total Eligible Project Cost	Trust Portion	Grantee Match of Eligible Costs
Town of Belmont	Belmont	\$259,179	\$207,342	\$51,837
Town of Greenville	Greenville	\$130,915	\$104,732	\$26,183
	TOTAL:	\$390,094.00	\$312,074.00	\$78,020.00

Attachment 1

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

The New Hampshire (NH) Volkswagen (VW) Environmental Mitigation Trust (EMT) Municipal Vehicle Replacement Program, which is designed to fund the replacement of existing diesel engines and vehicles in municipal fleets, as well as the installation of marine shore power technology, fits into the Mitigation Plan by addressing the principal goal of NH's EMT to alleviate excess nitrogen oxide emissions caused by the VW violations through implementation of cost-effective projects in all regions of the state.

Utilizing Trust funds for the replacement of publicly owned vehicles lowers operating and maintenance costs for these fleets and saves taxpayers money. The replacement and installation projects to be completed through this program will take place 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 replacement of older diesel vehicles with newer, lower or zero emission vehicles maximizes air quality benefits by also reducing particulate matter emissions, greenhouse gas emissions, and the carcinogens associated with diesel exhaust. Use of municipal matching funds (i.e., cost share) for these projects serves to leverage investment of additional funds and expand the number and scope of projects to be served by the Trust.

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

Projects funded through this program will consist of municipal grantees across the state who will either replace older diesel vehicles and engines with newer, more efficient and lower or zero emissions vehicles and engines, or install marine shore power technology to eliminate emissions associated with diesel engine idling in marine vessels. These projects will result in air quality benefits to the state through reductions in NOx and particulate matter emissions, as well as reductions in greenhouse gas emissions. The projects will further benefit NH communities by lowering maintenance and fuel costs in municipal fleets, enabling taxpayer savings.

Estimate of Anticipated NOx Reductions(5.2.3):

Emissions reductions have been calculated using EPA's Diesel Emissions Quantifier (DEQ) tool for the projects received under the program's first solicitation. An estimated 0.67 tons of NOx are expected to be reduced through the lifetime of the two (2) projects selected for funding so far. In addition, it is estimated that these two (2) projects will result in a lifetime reduction of 0.06 tons of PM2.5 emissions. Further NOx and PM2.5 emissions reductions are anticipated as additional projects are selected through subsequent solicitations.

Grantee	Project Lifetime NOx Reduction (Tons)	Project Lifetime PM2.5 Reduction (Tons)
Town of Belmont	0.62	0.05
Town of Greenville	0.05	0.01
Total	0.67	0.06

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

Grantees proposing diesel-to-diesel replacement projects are required to provide a minimum 20% cost share. Grantees proposing the replacement of diesel engines or vehicles with fully electric alternatives are required to provide a minimum 5% cost share, while those proposing to install marine shore power

pedestals are required to provide a minimum 10% cost share for their projects.

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 EMT Agreement for State Beneficiaries, the New Hampshire Department of Environmental Services (NHDES), Lead Agency for the NH EMT, 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 NH Beneficiary Environmental Mitigation Plan and State Trust Agreement documents on the VW page of the NHDES website. The NH Beneficiary Environmental Mitigation Plan and State Trust Agreement documents had been initially made available on the website of the original Lead Agency, the NH Office of Strategic Initiatives, beginning on September 7, 2018. This information is now available on the VW page of the NHDES website: <https://www.des.nh.gov/business-and-community/loans-and-grants/volkswagen-mitigation-trust>

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):

Several of the municipalities whose projects have been selected from the first RFP, are in or abut areas of Environmental Justice (EJ) concern, including towns and cities which historically have been affected disproportionately by air pollution in adverse ways. Eligible projects were scored competitively (see RFP for full details) with points awarded in the EJ criterion if the project is located in—or has impacts on—an EJ community.