

APPENDIX D-4
Beneficiary Eligible Mitigation Action Certification

2025 VRP_EMA2_Class 4-8 Eligible Bus

Project ID: 2025-02

February 11, 2026 Revision

BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION

Beneficiary _____

Lead Agency Authorized to Act on Behalf of the Beneficiary _____
(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:	
Beneficiary's Project ID:	
Funding Request No.	<i>(sequential)</i>
Request Type: (select one or more)	<input type="checkbox"/> Reimbursement <input type="checkbox"/> Advance <input type="checkbox"/> Other (specify): _____
Payment to be made to: (select one or more)	<input type="checkbox"/> Beneficiary <input type="checkbox"/> Other (specify): _____
Funding Request & Direction (Attachment A)	<input type="checkbox"/> Attached to this Certification <input type="checkbox"/> To be Provided Separately

SUMMARY

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

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)

- 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 _____, 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: 2/11/2026

Michael Simon

[NAME] Michael Simon
[TITLE] Air Quality Division Administrator

[LEAD AGENCY]

for

[BENEFICIARY]

BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION
EMA-2_Class 4 - 8 Bus – Vehicle Replacement Program
State of Idaho, Department of Environmental Quality

SUMMARY

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

This project is the Idaho DEQ’s 2025 Vehicle Replacement Program (VRP) for Class 4-8 school, shuttle, or transit buses. The State of Idaho Beneficiary Mitigation Plan (BMP), posted in May 2018 identified environmental priorities for the state that mitigation actions as described in Appendix D-2 could address, including air quality and public health. As described in Section 4.2 of Idaho’s Beneficiary Mitigation Plan, Idaho will use trust funds as a rebate toward Participants’ replacement of eligible buses, including Class 4-8 school buses, shuttle buses, or transit buses.

The Idaho DEQ has completed an application period for DEQ’s 2025 VRP and executed Participant Support Cost Agreements (PSCAs) which includes projects for vehicles under Eligible Mitigation Action (EMA) 1, and 2. The DEQ’s VRP rebates will be funded by the VW Settlement funding and EPA Diesel Emission Reduction Act (DERA) grant funding. This D-4 is specific to EMA-2; funding request for program administration will be sent separately; additional funding request to distribute funds from the Trust directly to the Participant will be sent as projects are completed.

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

The VRP for EMA-2, Class 4-8 buses will provide between 25%-45% of the cost to replace eligible buses in the form of a rebate once the new vehicle is purchased and the vehicle being replaced is properly scrapped. The Idaho BMP outlined a plan to be used for project selection scoring criteria that prioritizes areas designated as air quality priority areas, prioritizes counties designated as NOx emission priority counties, as well as those projects that will impact areas with larger sensitive populations.

This project targeted areas in Idaho that are designated as attainment with maintenance plans for PM2.5 (Franklin and Shoshone Counties) and areas that DEQ has identified as areas of concern (i.e., areas that have concentrations near the NAAQS), including Ada and Canyon counties for PM2.5 and ozone; and Benewah and Lemhi counties selected for PM Advance. DEQ targeted projects in these counties through application scoring, however, DEQ considered projects statewide and awarded PSCAs based on total application points received.

Estimate of Anticipated NOx Reductions (5.2.3):

For this particular D-4 associated with EMA-2 for eligible buses, the proposed replacements would reduce diesel engine emissions of nitrogen oxides, particulate matter, carbon monoxide, hydrocarbons, and carbon dioxide.

The estimated emission reductions were calculated for each application received using the EPA’s Diesel Emission Quantifier (“Quantifier”) and are based on information gathered on each application. Annual mileage and fuel usage for each vehicle was input into the model. Some additional assumptions or special notes related to the Quantifier include:

- Estimated years of remaining life were calculated using useful remaining vehicle life of 35-years, based on stakeholder interaction and feedback.
- Idling hours were based on the Quantifier Default Values found in EPA document number EPA-420-B-10-035, which may be found here: <http://purl.fdlp.gov/GPO/gpo18652>
- ‘Annual miles driven’ information is provided by the Participant for each vehicle on the application.
- Default annual idling hours provided in the Quantifier were utilized.

The Idaho DEQ has completed an application period for DEQ’s 2025 VRP and executed PSCAs associated with Mitigation Actions 1, and 2. DEQ awarded PSCAs with total project costs of \$30,243,181 with \$9,460,368 in rebate requests, of which \$4,184,994 has been requested in VW Settlement Trust funding. The estimated lifetime emission from these projects is 15.8 tons of NOx at an average cost of \$257,968/ton; the funding would go toward replacing 68 vehicles.

For this specific D-4, associated with EMA-2 and Class 4-8 eligible bus replacements, Participants will replace approximately 20 vehicles with new diesel, compressed natural gas, propane, or all-electric powered vehicles with an estimated total lifetime emission reduction of 11.41 tons of NOx, with an average cost of \$241,309 per ton of NOx emission reduced. Emission reduction calculations will be updated upon project completion reporting.

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 Idaho Department of Environmental Quality, Air Quality Division

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

As stated in Paragraph 7 of Idaho’s Appendix D-3 filing:

(i) Information obtained by the Beneficiary is subject to public disclosure pursuant to the provisions of Idaho’s Public Records Act, Chapter 1, Title 74, Idaho Code, and IDAPA 58.01.21, Rules Governing the Protection and Disclosure of Records in the Possession of the Idaho Department of Environmental Quality.

(ii) The Idaho DEQ has established a ‘Volkswagen Diesel Settlement’ website, which may be found at www.deq.idaho.gov/vw-settlement. The website provides information regarding the State Trust Agreement, Idaho’s Beneficiary Mitigation Plan, as well as the Idaho specific funding programs available. Documents submitted by Idaho DEQ to the Trustee will be available to the public on the DEQ’s VW Settlement website, including those submitted in support of each funding request. Stakeholders may subscribe to the page and receive automatic updates when new information is posted to the website. Information will also be available to the public on the Trustee website at <http://www.vwenvironmentalmitigationtrust.com>.

(iii) In accordance with Sections 74-101 through 74-119, Idaho Code, and IDAPA 58.01.21, Rules Governing the Protection and Disclosure of Records in the Possession of the Idaho Department of Environmental Quality, any information submitted to the Beneficiary may be claimed as confidential by the submitter. It shall be the responsibility of the submitter to give notice of the existence of a claim of confidentiality on each page or other portion of information at the time of submittal, and such person shall have the burden of demonstrating that the information is confidential and exempt from disclosure under Idaho law.

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

This opportunity is awarded as a reimbursement rebate. If awarded, Participants are required to have purchased and received the replacement vehicle and scrapped the existing vehicle prior to submitting all required documentation and reimbursement request. The award will include the maximum rebate amount the Participant is eligible for (see Table below); the Participant is responsible for the remaining cost of the project. This is the Participant’s cost share requirement. Total estimated cost share dollars for EMA-2 are included in Attachment B, Project Budget.

EMA 2—Class 4-8 school buses, shuttle buses, or transit buses (eligible buses).

Project Type	New Vehicle		
	EPA Certified Engine	Low-No _x CARB Certified Engine	Zero Emission Engine
Replacement	25%	35% ^a	45%
Electric Vehicle Infrastructure	N/A	N/A	45% ^b

- a. Non-Government owned vehicles, maximum rebate is 25%; Government owned vehicles, maximum rebate is 35%
- b. DEQ will also fund 45% of the cost of charging infrastructure associated with new all-electric vehicles.

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

Idaho DEQ e-mailed Trust related documentation to recipients specified in subparagraph 4.2.8 on February 13, 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).

DEQ reviewed and scored all completed applications received for eligible projects by following a scoring matrix provided in an application guidance document. Projects in counties with higher diesel oxides of nitrogen (NOx) emissions based on NOx emissions from the 2020 National Emission Inventory, were awarded points in this category. Points are scored based on a range of NOx emissions for the associated county, with more points being awarded to counties exposed to higher levels of NOx emissions.

This project targeted areas in Idaho that are designated as attainment with maintenance plans for PM2.5 (Franklin and Shoshone Counties) and areas that DEQ has identified as areas of concern (i.e., areas that have concentrations near the NAAQS), including Ada and Canyon counties for PM2.5 and ozone; and Benewah and Lemhi counties selected for PM Advance. DEQ targeted projects in these counties through application scoring, however, DEQ considered projects statewide and awarded PSCAs based on total application points received.

ATTACHMENT B

Eligible Mitigation Action Plan including Detailed Budget and Implementation and Expenditures Timeline (5.2.4)

There will be two types of funding requests associated with this EMA-2 D-4, including the following:

1. Reimbursement funding request for Idaho Department of Environmental Quality (DEQ), for the administration of DEQ's Vehicle Replacement Program.
2. Rebate funding request from the Trust directly to the Project Sponsor once all requirements of the VRP have been satisfied.

PROJECT SCHEDULE AND MILESTONES

Project Step	Milestone	Date
1	Lead Agency announces 2025 Vehicle Replacement Program (VRP), opening a 60-day application period.	07/21/2025
2	Lead Agency's 2020 VRP application period closes; all Participants' applications submitted to Lead Agency.	09/22/2025
3	Lead Agency submits D-4 to Trustee.	02/11/2026
4	Lead Agency provides initial funding decisions alerting Participants of application selection to receive funding.	10/15/2026
5	Trustee to approves D-4.	04/12/2026
6	Lead Agency develops agreement with Participants regarding VRP projects, including eligible rebate amount, cost-share and scrapage requirements, and terms and conditions.	11/15/2025 – 01/13/2026
7	Participants purchase new vehicle(s) and scraps vehicle(s) to be replaced, submits a DEQ VRP Rebate Request Form accompanied with detailed invoices for all claimed project costs, documentation for vehicle purchase(s) and vehicle scrapage, and required project completion certification documents to Lead Agency.	Step 6 + 6-12 months
8	Lead Agency submits Attachment A, Funding Request and Direction, for payment(s) associated with administrative costs on a quarterly basis, beginning at Lead Agency's discretion.	Beginning approximately April 2026, and quarterly thereafter.
9	Lead Agency completes review of Participant rebate requests, and submits Attachment A, Funding Request and Direction, to Trustee for rebate reimbursement payment directly to Participant.	Step 7 + up to 30- days.
10	Trustee acknowledges receipt of Attachment A, Funding Request and Direction, and completes reimbursement payment to Participant.	Step 9 + 14 calendar days
11	Participant certifies project completion.	Step 10 + 5 business days
12	Lead Agency reports project completion.	Step 11 + 5 business days

PROJECT BUDGET			
Budget Category	Total Approved Budget	Share of Total Budget to be Funded by the Trust	Cost-Share, Project Sponsors
1. Equipment Expenditure	\$10,628,453.00	\$2,686,712.55	\$7,941,740.45
2. Contractor Support <i>(Provide List of Approved Contractors as Attachment with approved funding ceilings)</i>	\$0.00	\$0.00	\$0.00
3. Subrecipient Support <i>(Provide List of Approved Subrecipients or Grant Awardees as Attachment with approved funding ceilings)</i>	\$0.00	\$0.00	\$0.00
4. Administrative ¹	\$36,563.00	\$36,563.00	\$0.00
Project Totals	\$10,665,016.00	\$2,723,275.55	\$7,941,740.45
Percentage	100.00%	25.53%	74.47%

1. Subject to Appendix D-2 15% Administrative Cap.

PROJECTED TRUST ALLOCATIONS: EMA-2			
	2026	2027	2028
1. Anticipated Project Funding Request to be paid through the Trust	\$1,361,637.78	\$1,361,637.78	
2. Anticipated Annual Cost Share	\$3,970,870.23	\$3,970,870.23	\$0.00
3. Anticipated Total Project Funding by Year (line 1 plus line 2)	\$5,332,508.00	\$5,332,508.00	\$0.00
4. Cumulative Trustee Payments Made to Date Against Cumulative Approved Beneficiary Allocation	\$16,634,411.02	\$17,996,048.80	\$19,357,686.57
5. Current Beneficiary Project Funding to be paid through the Trust (line 1)	\$1,361,637.78	\$1,361,637.78	\$0.00
6. Total Funding Allocated to Beneficiary, inclusive of Current Action by Year (line 4 plus line 5)	\$17,996,048.80	\$19,357,686.57	\$19,357,686.57
7. Beneficiary Share of Estimated Funds in Trust	\$19,673,143.70	\$19,673,143.70	\$19,673,143.70
8. Net Beneficiary Funds Remaining in Trust, net of cumulative Beneficiary Funding Actions (line 7 minus line 6)	\$1,677,094.91	\$315,457.13	\$315,457.13

* Includes 1/2 of Administrative Budget Category

ATTACHMENT C

Detailed Plan for Reporting on Eligible Mitigation Action Implementation (5.2.11)

The DEQ will provide detailed reporting on this funding request through the following:

1. Timely updates to the DEQ's Volkswagen Diesel Settlement website.
2. Semi-annual reporting to the Trustee as required by subparagraph 5.3 of the Environmental Mitigation Trust for State Beneficiaries.

DEQ Website

The Idaho Department of Environmental Quality maintains a website describing the DEQs activities associated with the Volkswagen Diesel Emissions Environmental Mitigation Trust for State Beneficiaries. The website may be found here: <http://www.deq.idaho.gov/vw-settlement>. Information associated with DEQ's VW programs, applications and application guides, as well as a description of the VW Beneficiary Mitigation Plan, and community outreach activities. Documents submitted by Idaho DEQ to the Trustee will be available to the public on the DEQ's VW Settlement website, including those submitted in support of each funding request. Stakeholders may subscribe to and receive automatic updates when new information is posted to the website.

All application material, reimbursement requests, and required documentation submitted by applicants and funding recipients for the DEQ's DERA program are archived in the DEQ Enterprise Content Management System and are available to the public through the State Online Public Records Request, which may be accessed through the DEQ online form (<http://www.deq.idaho.gov/contact-us/public-records-request/online-prr-request-form/>).

Semi-Annual Reports to the Trustee

As required by subparagraph 5.3 of the Environmental Mitigation Trust Agreement for State Beneficiaries, DEQ will submit a report to the Trustee within 6 months of the first disbursement and thereafter no later than January 30 and July 30 for the preceding 6-month periods. These reports will describe the progress implementing this and any other Eligible Mitigation Action ongoing during the reporting period. These reports will include a summary of all costs expended and a complete description of the status (including the actual or projected termination date), development, implementation, and any modification of the Eligible Mitigation Action. These semi-annual reports to the Trustee will be posted on the DEQ website for public access.

ATTACHMENT D**Detailed cost estimate from selected or potential vendors for each proposed expenditure exceeding \$25,000**

The Idaho Department of Environmental Quality received vehicle estimates from Participants applying for VW settlement funds through the DEQ's 2025 Vehicle Replacement Program (VRP). DEQ awarded VRP Participant Support Cost Agreements for the replacement of 68 vehicles. The table below provides estimates for new vehicle purchases associated with EMA-2 exceeding \$25,000.

Applicant Organization	Applicant Vehicle # ID	Total Vehicle Cost	Total VW Vehicle Cost	Funding Request Percentage
Independent School District #1 County of Nez Perce	2	\$123,422.00	\$30,855.50	25%
Independent School District #1 County of Nez Perce	4	\$154,318.00	\$38,579.50	25%
Independent School District #1 County of Nez Perce	5	\$160,483.00	\$40,120.75	25%
Camas County Schools	1	\$140,620.00	\$49,217.00	35%
Kamiah Joint School District #304	1	\$155,370.00	\$54,379.80	35%
Western Trails Charters dba Salt Lake Express	1	\$659,616.00	\$164,904.00	25%
Western Trails Charters dba Salt Lake Express	2	\$659,616.00	\$164,904.00	25%
Western Trails Charters dba Salt Lake Express	3	\$659,616.00	\$164,904.00	25%
Western Trails Charters dba Salt Lake Express	4	\$659,616.00	\$164,904.00	25%
Western Trails Charters dba Salt Lake Express	5	\$659,616.00	\$164,904.00	25%
Salt Lake Express	1	\$659,616.00	\$164,904.00	25%
Salt Lake Express	2	\$659,616.00	\$164,904.00	25%
Salt Lake Express	3	\$659,616.00	\$164,904.00	25%
Salt Lake Express	4	\$659,616.00	\$164,904.00	25%
Salt Lake Express	5	\$659,616.00	\$164,904.00	25%
NWSBW LLC dba Northwestern Stage Lines	1	\$659,616.00	\$164,904.00	25%
NWSBW LLC dba Northwestern Stage Lines	2	\$659,616.00	\$164,904.00	25%
NWSBW LLC dba Northwestern Stage Lines	3	\$659,616.00	\$164,904.00	25%
NWSBW LLC dba Northwestern Stage Lines	4	\$659,616.00	\$164,904.00	25%
NWSBW LLC dba Northwestern Stage Lines	5	\$659,616.00	\$164,904.00	25%
Totals		\$10,628,453.00	\$2,686,712.55	