
APPENDIX D-4
Beneficiary Eligible Mitigation Action Certification

REVISED FUNDING REQUEST #1

BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION

Beneficiary: State of Illinois

Lead Agency Authorized to Act on Behalf of the Beneficiary: Illinois Environmental Protection Agency (Illinois EPA)

Action Title:	Electric School Bus Replacements
Beneficiary's Project ID:	Cook-Illinois: 2018-004 First Student: 2018-005
Funding Request No.:	1 (Revised due to First Student coming in under-budget)
Request Type: (select one or more)	<input checked="" 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 checked="" type="checkbox"/> Other (specify): Cook-Illinois Corp, First Student, Inc.
Funding Request & Direction: (Attachment A)	<input type="checkbox"/> Attached to this Certification <input checked="" type="checkbox"/> To be Provided Separately

SUMMARY

Eligible Mitigation Action Action Type	<input checked="" type="checkbox"/> Appendix D-2 item (specify): <u>2. Class 4-8 School Bus Replacement and Administrative Expenditures</u> <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): Illinois' revised BMP submitted in April 2022 allocates up to 32 percent of its funds to replace older diesel school buses with new all-electric school buses and charging infrastructure and up to 2 percent for administrative costs (Section IV(D)).	
Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2): This funding request involves the replacement of three Class 7 (engine model year 2000, 2002, and 2007) diesel school buses with three new Class 7 electric school buses by Cook-Illinois Corp. and First Student. The three new buses will serve schools located in the City of Chicago and surrounding areas in Cook County in the Chicago nonattainment area (Priority Area 1 in Illinois' BMP). The grant award was established at 75% of eligible costs for the electric school buses and any necessary charging equipment. The total grant award for Cook-Illinois for two buses is \$474,146.25 and for First Student for one bus is \$241,108.50. The project includes the installation of charging equipment. Replacing three older diesel buses from model years 2000-2007 with new electric school buses will result in reductions of NOx and other pollutants thereby providing air quality benefits to the area and the students served by the buses.	
Estimate of Anticipated NOx Reductions (5.2.3): It is anticipated that the project will result in 0.28 tons of annual NOx reductions.	
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): Illinois EPA	

Describe how the Beneficiary will make documentation publicly available (5.2.7.2) The public may access documentation and records relative to the State of Illinois' administration of Trust Funds by submitting a request to the Illinois EPA pursuant to the Illinois Freedom of Information Act (5 ILCS 140/1, et. seq.). The Illinois EPA has regulations ("Access to Public Records of the Illinois Environmental Protection Agency," 2 Ill. Adm. Code Part 1828) that provide the framework by which Illinois EPA public records may be requested, accessed, inspected, duplicated, and further lists the records what will not be disclosed to the public, including records that contain personally-identifiable information and confidential business information. Trade secret and confidential business information claims are reviewed by the Illinois EPA in accordance with procedures and rules provided in 35 Ill. Adm. Code Part 130 and 2 Ill. Adm. Code Part 1828.

The Illinois EPA will make certain documentation and records relative to its administrative of Trust Funds available on its Driving a Cleaner Illinois webpage. The Illinois EPA's Beneficiary Mitigation Plan ("BMP") was made available to the public for review and comment, and the final BMP is available through the Illinois EPA's Driving a Cleaner Illinois webpage. The Illinois EPA will make available funding opportunities and related information and documents through this webpage. Further, the Illinois EPA will maintain and make available for public review all documentation submitted in support of funding requests and all records supporting all expenditures of eligible mitigation action funds consistent with the aforementioned laws and regulations.

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

Environmental Mitigation Trust Funds will provide 75% funding of eligible costs for the three new buses and for the necessary charging equipment. The applicants are required to provide a minimum 25% cost share, resulting in a minimum cost share amount of \$158,048.75 for Cook-Illinois and \$80,369.50 for First Student. The total cost-share for both projects is \$238,418.25.

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

Illinois EPA provided the requisite notice via email to the appropriate agencies on February 27, 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):

The three new electric school buses will operate in the Chicago ozone nonattainment area and will serve schools in the City of Chicago and the adjacent areas of Cook County that have a higher proportion of minority and low-income students. This project will reduce emission impacts in this nonattainment area and to the communities and students served.

**ATTACHMENTS
(CHECK BOX IF ATTACHED)**

<input type="checkbox"/>	Attachment A	Funding Request and Direction.
<input checked="" type="checkbox"/>	Attachment B	Eligible Mitigation Action Management Plan Including Detailed Budget and Implementation and Expenditures Timeline (5.2.4).
<input checked="" type="checkbox"/>	Attachment C	Detailed Plan for Reporting on Eligible Mitigation Action Implementation (5.2.11).
<input checked="" type="checkbox"/>	Attachment D	Detailed cost estimates from selected or potential vendors for each proposed expenditure exceeding \$25,000 (5.2.6). [Attach only if project involves vendor expenditures exceeding \$25,000.]
<input type="checkbox"/>	Attachment E	DERA Option (5.2.12). [Attach only if using DERA option.]
<input type="checkbox"/>	Attachment F	Attachment specifying amount of requested funding to be debited against each beneficiary's allocation (5.2.12). [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 the Beneficiary State of Illinois, 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 Attached 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: 2-5-26



Name: Julie K. Armitage
Title: Chief, Bureau of Air

Illinois Environmental Protection Agency
LEAD AGENCY

For

State of Illinois
BENEFICIARY

ATTACHMENT B

**Eligible Mitigation Action Management Plan Including Detailed Budget and Implementation and Expenditures
Timeline (5.2.4)**

Electric School Bus Replacements

Pursuant to Section 5.2.4 of the Environmental Mitigation Trust Agreement, the Illinois EPA provides the following Eligible Mitigation Action Management Plan. The milestone dates and yearly budget distributions provided are estimates and are subject to change based on the date of grant agreement execution and other variables.

Project Implementation Schedule and Milestones

Project: Cook-Illinois Corp. Electric School Bus Replacement
Project ID: 2018-004

Period of Performance: April 2019 – April 2020

Milestone	Estimated Date
Illinois EPA provides Notice of Availability of VW Environmental Mitigation Trust Funds	8/29/18
Applicant Submits Proposal to Illinois EPA	10/15/18
Illinois EPA provides a Notice of State Award to Applicant	12/3/18
Trustee Acknowledges Receipt of D-4	1/25/19
Trustee Approves D-4	3/25/19
Illinois EPA enters into Grant Agreement	4/15/19
Applicant enters into Purchase Agreement/Places Order	4/30/19
Delivery of Vehicle(s) from Vendor	2/28/20
New Vehicle(s) put into Service	4/15/20
Existing Vehicle(s) Scrapped	4/15/20
Applicant provides detailed invoices for all claimed project costs and required final project certification documents to Illinois EPA to support direction to Trustee for Payment (Reimbursement, Direct-to-Vendor)	4/15/20
Illinois EPA Completes Review and Certifies Payment Direction to Trustee (Reimbursement)	4/29/20
Trustee Acknowledges Receipt of Direction for Payment(s) (Reimbursement)	5/15/20
Illinois EPA submits Final Report for Project Completion	7/30/20

Project: First-Student, Inc. Electric School Bus Replacement
ID: 2018-005

Period of Performance: April 2019 – June 2020

Milestone	Estimated Date
Illinois EPA provides Notice of Availability of VW Environmental Mitigation Trust Funds	8/29/18
Applicant Submits Proposal to Illinois EPA	10/15/18
Illinois EPA provides a Notice of State Award to Applicant	12/3/18
Trustee Acknowledges Receipt of D-4	1/25/19
Trustee Approves D-4	3/25/19
Illinois EPA enters into Grant Agreement	4/15/19
Applicant enters into Purchase Agreement/Places Order	4/30/19
Delivery of Vehicle(s) from Vendor	4/30/20
New Vehicle(s) put into Service	5/31/20

Existing Vehicle(s) Scrapped	5/31/20
Applicant provides detailed invoices for all claimed project costs and required final project certification documents to Illinois EPA to support direction to Trustee for Payment (Reimbursement, Direct-to-Vendor)	6/15/20
Illinois EPA Completes Review and Certifies Payment Direction to Trustee (Reimbursement)	6/30/20
Trustee Acknowledges Receipt of Direction for Payment(s) (Reimbursement)	7/15/20
Illinois EPA submits Final Report for Project Completion	7/30/20

Project Budget

Budget Category	Total Approved Budget	Share of Total Budget to be Funded by the Trust	Cost-Share Cook-Illinois Corp.	Cost-Share First Student, Inc.
Equipment Expenditure	\$953,673	\$715,254.75	\$158,048.75	\$80,369.50
IEPA Administration @2%	\$14,305.10	\$14,305.10		
Project Totals	\$967,978.10	\$729,559.85	\$158,048.75	\$80,369.50
Percentage of Equipment Expenditure (not including 2% Admin.)	100%	75%	16.6%	8.4%

Projected Trust Allocations

Illinois' Allocation	\$108,679,676.98
Obligated Awards from Previous D-4 Submittals (Equipment + Administration Costs)	\$0
Illinois' Net Allocation	\$108,679,676.98
Current D-4 Project Funding Request (Project #1 Electric School Bus Replacements)	\$729,559.85
Illinois' Remaining Unobligated Allocation	\$107,950,117.13

Funding Request #1: Anticipated Budget Year Distribution of Project Costs (Equipment + Admin.)	2019	2020	2021
1. Anticipated Annual Project and Administrative Funding request to be paid through the Trust		\$729,559.85	
2. Anticipated Annual Cost Share		\$238,418.25	
3. Anticipated Total Project Funding by Year		\$967,978.10	

ATTACHMENT C

Detailed Plan for Reporting on Eligible Mitigation Action Implementation (5.2.11) Electric School Bus Replacements

Pursuant to Sections 5.2.11 and 5.3 of the Environmental Mitigation Trust Agreement, the Illinois EPA provides this project implementation reporting plan for the electric school bus replacement projects undertaken by Cook-Illinois Corp. and First Student, Inc. This detailed plan for reporting incorporates applicable State of Illinois grantee reporting requirements as well as Illinois' obligation to comply with the semi-annual reporting requirement contained in Section 5.3 of the Environmental Mitigation Trust Agreement. Cook-Illinois Corp. and First Student, Inc. will provide the reports as specified below to the Illinois EPA. Further, the Illinois EPA will provide semi-annual reports to the Volkswagen Trustee as specified below and as required based on the reporting information received from the grantees. The reporting deadlines contained herein are estimates and are subject to change based on the date of grant agreement execution and other variables.

Grantees: Cook-Illinois Corp.
Project ID: 2018-004

Reports and Reporting Schedule*

Estimated execution of grant agreements and start of projects:	April 15, 2019
Due date of monthly project report #1 from Grantee to Illinois EPA:	May 15, 2019 (Start – April 30, 2019)
Due date of monthly project report #2 from Grantee to Illinois EPA:	June 15, 2019 (May 1 -May 31, 2019)
Due date of monthly project report #3 from Grantee to Illinois EPA:	July 15, 2019 (June 1 – June 30, 2019)
Due date of semi-annual project report #1 from Illinois EPA to Trustee:	July 30, 2019 (Start - June 30, 2019)
Due date of monthly project report #4 from Grantee to Illinois EPA:	August 15, 2019 (July 1 – July 31, 2019)
Due date of monthly project report #5 from Grantee to Illinois EPA:	September 15, 2019 (August 1 – August 31, 2019)
Due date of monthly project report #6 from Grantee to Illinois EPA:	October 15, 2019 (September 1 – September 30, 2019)
Due date of monthly project report #7 from Grantee to Illinois EPA:	November 15, 2019 (October 1 -October 31, 2019)
Due date of monthly project report #8 from Grantee to Illinois EPA:	December 15, 2019 (November 1 -November 30, 2019)
Due date of monthly project report #9 from Grantee to Illinois EPA:	January 15, 2020 (December 1 - December 31, 2019)
Due date of semi-annual project report #2 from Illinois EPA to Trustee:	January 30, 2020 (July 1 – December 31, 2019)
Due date of monthly project report #10 from Grantee to Illinois EPA:	February 15, 2020 (January 1-January 31, 2020)

Due date of monthly project report #11 from Grantee to Illinois EPA: March 15, 2020 (February 1 – February 29, 2020)

Due date of final report from Grantee to Illinois EPA: April 30, 2020

Due date of final project report from Illinois EPA to Trustee: July 30, 2020

*Pursuant to State of Illinois grantee reporting requirements, Cook-Illinois Corp. will submit monthly reports to Illinois EPA, whereas First Student, Inc. is required to report quarterly.

Grantees: First Student, Inc.

Project ID: 2018-005

Reports and Reporting Schedule

Estimated execution of grant agreements and start of projects: April 15, 2019

Due date of quarterly project report #1 from Grantee to Illinois EPA: July 15, 2019 (April-June 2019)

Due date of semi-annual project report #1 from Illinois EPA to Trustee: July 30, 2019 (Start - June 2019)

Due date of quarterly project report #2 from Grantee to Illinois EPA: October 15, 2019 (July-September 2019)

Due date of quarterly project report #3 from Grantee to Illinois EPA: January 15, 2020 (October-December 2019)

Due date of quarterly project report #2 from Grantee to Illinois EPA: April 15, 2020 (January-March 2020)

Due date of final report from Grantee to Illinois EPA: June 30, 2020

Due date of final project report from Illinois EPA to Trustee: July 30, 2020

Report Content

Grantees and Illinois EPA reports will contain, at a minimum, the following information:

1. Summary of all costs expended through the reporting period and to date
 2. Project status and development and implementation accomplishments
 3. Any project modifications as compared to the original plan
 4. Actual or projected project completion or grant termination date
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ATTACHMENT D

Detailed Cost Estimates from Selected or Potential Vendors for each Proposed Expenditure Exceeding \$25,000 (5.2.6)

Electric School Bus Replacements

Pursuant to Section 5.2.6 of the Environmental Mitigation Trust Agreement, Illinois EPA provides the following detailed cost estimates for the electric school bus replacement projects undertaken by Cook-Illinois Corp. and First Student, Inc. Vendor cost estimates are attached.

Grantee: Cook-Illinois Corp.
Project ID: 2018-004

Quantity 2 MY 2018 Lion IL 3 electric school buses (@\$315,000 eligible per bus)	\$630,000
Quantity 1 Clipper Creek, Inc. CS-100 Electric Vehicle Charging Unit (charger only)	\$2,195
Total Project Cost:	\$632,195
Total Trust Fund Request @75%:	\$474,146.25
Total Grantee Cost Share @25%:	\$158,048.75

Grantee: First Student, Inc.
Project ID: 2018-005

Quantity 1 MY 2019 Thomas Built Saf-T-Liner C2 341TS 72 electric school bus	\$321,478
Total Project Cost:	\$321,478
Total Trust Fund Request @75%:	\$241,108.50
Total Grantee Cost Share @25%:	\$80,369.50

Total Equipment Costs for Electric School Bus Replacement Projects

Quantity 3 electric school buses	\$951,478
Quantity 1 electric charging units	\$2,195
Total Project Cost:	\$953,673
Total Trust Fund Request @75%:	\$715,254.75
Total Grantee Cost Share @25%:	\$238,418.25
Illinois EPA 2% Administrative Costs:	\$14,305.10
Total Trust Fund Request for Electric School Bus Replacement Projects	\$729,559.85