

APPENDIX D-4
Beneficiary Eligible Mitigation Action Certification

FUNDING REQUEST #18
REVISED

BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATIONBeneficiary: State of IllinoisLead 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:	A.M. Bus Company: 2024-008 Latino Express of Chicago: 2024-009 CANCELED
Funding Request No.:	18 (Revised due to cancellation of Latino Express project)
Request Type: (select one or more)	☒ Reimbursement ☐ Advance ☐ Other (specify): _____
Payment to be made to: (select one or more)	☐ Beneficiary ☒ Other (specify): <u>A.M. Bus Co.</u>
Funding Request & Direction: (Attachment A)	☐ Attached to this Certification ☒ To be Provided Separately

SUMMARY

Eligible Mitigation Action Action Type	☒ Appendix D-2 item (specify): <u>2. Class 4-8 School Bus Replacement and Administrative Expenditures</u> ☐ 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 13 Class 7 engine model year 2007-2009 school buses with 13 new all-electric school buses. The 13 new buses will operate in the Chicago nonattainment area (Priority Area 1 in Illinois' BMP) and serve Chicago Public School District 299. 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 A.M Bus Co. is \$3,548,746.50. The project includes the installation of charging equipment. Replacing 13 older diesel buses 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 0.6 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 13 new buses and for the necessary charging equipment. Applicants are required to provide a minimum 25% cost share, resulting in a total minimum cost share amount of \$1,182,915.50.

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 13 new electric school buses will operate in the Chicago ozone nonattainment area and will serve schools in the Chicago Public School District 299 in Cook County that have a higher proportion of minority and low-income students. These projects will reduce emission impacts in this nonattainment area and to the communities and students served.

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 (5.2.12). [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: 8-7-26



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

Grantees: A.M. Bus Company

Project ID: 2024-008

Period of Performance: October 2024 – April 2027

Milestone	Estimated Date
Illinois EPA enters into Grant Agreement	October 2024
Applicant enters into Purchase Agreement/Places Order	March 2025
Delivery of Vehicles from Vendor	March 2027
Existing Vehicles Scrapped	March 2027
New Vehicles placed into Service	April 2027
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)	April 2027
Illinois EPA Completes Review and Certifies Payment Direction to Trustee (Reimbursement)	May 2027
Trustee Acknowledges Receipt of Direction for Payment(s) (Reimbursement)	June 2027
Illinois EPA submits Final Report for Project Completion	July 2027

PROJECT BUDGET

Electric School Bus Replacements

Budget Category	Total Approved Budget	Share of Total Budget to be Funded by the Trust	Cost-Share
13 New Electric School Buses and Charging Equipment	\$4,731,662	\$3,548,746.50	\$1,182,915.50
IEPA Administration @2%	\$70,974.93	\$70,974.93	
Project Totals	\$4,802,636.93	\$3,619,721.43	\$1,182,915.50
Percentage of Bus and Equipment Expenditure (not including 2% admin.)	100%	75%	25%

PROJECTED TRUST ALLOCATIONS

Illinois' Allocation	\$108,679,676.98
Obligated Awards from Previous D-4 Submittals for Funding Requests #1-17 (Equipment + Administration Costs)	\$47,647,590.22
Illinois' Net Allocation	\$61,032,086.76
Current D-4 Project Funding Request (Funding Request #18 for 13 Electric Buses + Administration Costs)	\$3,619,721.43
Illinois' Remaining Unobligated Allocation	\$57,412,365.33

Funding Request #18: Anticipated Budget Year Distribution of Project Costs (Equipment + Admin.)	2026	2027 (13 Electric School Buses and Charging)	2028
1. Anticipated Annual Project and Administrative funding request to be paid through the Trust		\$3,619,721.43	
2. Anticipated Annual Cost Share		\$1,182,915.50	
3. Anticipated Total Project Funding by Year		\$4,802,636.93	

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 purchase of 13 new electric school buses and charging equipment by A.M. Bus Co. 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. A.M. Bus Co. 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: A.M. Bus Company

Project ID: 2024-008

Reports and Reporting Schedule

Estimated execution of grant agreement and start of project:	October 2024
Due date of quarterly project report #1 from Grantee to Illinois EPA:	January 15, 2025 (October-December 2024)
Due date of semi-annual project report #1 from Illinois EPA to Trustee:	January 30, 2025 (July-December 2024)
Due date of quarterly project report #2 from Grantee to Illinois EPA:	April 15, 2025 (January-March 2025)
Due date of quarterly project report #3 from Grantee to Illinois EPA:	July 15, 2025 (April-June 2025)
Due date of semi-annual project report #2 from Illinois EPA to Trustee:	July 30, 2025 (January-June 2025)
Due date of quarterly project report #4 from Grantee to Illinois EPA:	October 15, 2025 (July-September 2025)
Due date of quarterly project report #5 from Grantee to Illinois EPA:	January 15, 2026 (October-December 2025)
Due date of semi-annual project report #3 from Illinois EPA to Trustee:	January 30, 2026 (July-December 2025)
Due date of quarterly project report #6 from Grantee to Illinois EPA:	April 15, 2026 (January-March 2026)
Due date of quarterly project report #7 from Grantee to Illinois EPA:	July 15, 2026 (April-June 2026)
Due date of semi-annual project report #4 from Illinois EPA to Trustee:	July 30, 2026 (January-June 2026)
Due date of quarterly project report #8 from Grantee to Illinois EPA:	October 15, 2026 (July-September 2026)
Due date of quarterly project report #9 from Grantee to Illinois EPA:	January 15, 2027 (October-December 2026)
Due date of semi-annual project report #5 from Illinois EPA to Trustee:	January 30, 2027 (July-December 2026)
Due date of quarterly project report #10 from Grantee to Illinois EPA:	April 15, 2027 (January-March 2027)

Due date of final project report from Grantee to Illinois EPA: April 30, 2027

Due date of final project report from Illinois EPA to Trustee: July 30, 2027

Report Content

Grantee 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 and grant termination date

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 purchase of 13 new electric school buses by A.M Bus Co.

Grantees: A.M. Bus Company

Project ID: 2024-008

Equipment	Equipment Cost	Eligible Award Cost @75%
13 MY 2026 or newer electric school buses	\$345,982 per bus \$4,497,766 for 13 buses	\$259,486.50 per bus \$3,373,324.50 for 13 buses
Charging Equipment	\$17,992 per charger \$233,896 for 13 chargers	\$13,494 per charger \$175,422 for 13 chargers
TOTALS	\$4,731,662	\$3,548,746.50

Trust Fund Request 13 Electric School Buses and Charging Equipment:

\$3,548,746.50

Trust Fund Request for Illinois EPA 2% Administrative Costs:

\$70,974.93

Total Trust Fund Request for Funding Request #18:

\$3,619,721.43