

APPENDIX D-4
Beneficiary Eligible Mitigation Action Certification

BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION

Beneficiary Colorado

Lead Agency Authorized to Act on Behalf of the Beneficiary Colorado Department of Public Health & Environment
(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:	CDOT Class 4-8 Tranist buses
Beneficiary's Project ID:	CDOT 9A18DD
Funding Request No.	(sequential) 3
Request Type: (select one or more)	☐ Reimbursement ☒ Advance ☐ Other (specify): _____
Payment to be made to: (select one or more)	☒ Beneficiary ☐ Other (specify): _____
Funding Request & Direction (Attachment A)	☒ Attached to this Certification ☐ To be Provided Separately

SUMMARY

Eligible Mitigation Action ☒ Appendix D-2 item (specify): <u>EMA #2, Class 4-8 Transit Buses</u> 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 Attached
Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2): See Attached
Estimate of Anticipated NOx Reductions (5.2.3): See Attached
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): See Attached
Describe how the Beneficiary will make documentation publicly available (5.2.7.2). See Attached
Describe any cost share requirement to be placed on each NOx source proposed to be mitigated (5.2.8). See Attached
Describe how the Beneficiary complied with subparagraph 4.2.8, related to notice to U.S. Government Agencies (5.2.9). See Attached

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 Attached

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 Colorado, 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: 5/14/2026

Jim Reasor

Jim Reasor
Deputy Director, APCD

Colorado Department of Public Health & Environment

[LEAD AGENCY]

for

Colorado

[BENEFICIARY]

Summary

Explanation of how funding request fits into Beneficiary's Mitigation Plan (5.2.1):
The state of Colorado's Beneficiary Mitigation Plan (BMP) allocates \$31,205,632.66 to the Colorado Department of Transportation's (CDOT) Alternative-fuel Transit Bus Replacement Program to replace conventional fuel buses with eligible alternative fuel buses and related electric vehicle charging equipment. This funding request will provide funds to incentivize alternative fuel transit fleet conversions and reduce NOx emissions, which are both specific goals of Colorado's BMP. The eligibility requirements for Class 4-8 Transit Buses and related charging equipment under this Program are detailed in the original state BMP (March 2018) on pages 14-16 and in the second state BMP (September 2019) on pages 13-14. The third update to the state BMP (April 2026) acknowledges this Program.
Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2):
To help improve air quality and to encourage conversion to cleaner fueled public transportation fleets statewide, this mitigation action helps replace 49 aging diesel transit buses operated by eleven transit agencies with propane, renewable natural gas, and electric buses with associated electric charging equipment. These new alternatively fueled buses will help reduce NOx emissions, VOCs, and greenhouse gases associated with the older (pre-2009) diesel buses. Emission reductions resulting from 49 bus replacement awards are estimated to be: NOx (23.6 tons/yr) and GHG (4,798.8 tons/yr). These buses will reduce local diesel emissions exposure in the communities where they are operated, while also decreasing regionally transported NOx pollution that contributes to the formation of ground-level ozone pollution. Supporting publicly owned fleets will also directly benefit the communities involved through decreased operating and maintenance costs and increased fleet reliability while easing the up-front capital funding needs to convert fleets to low-emission and zero-emission fuel types.
Estimate of Anticipated NOx Reductions (5.2.3):
The estimated emissions benefits from the replacement of 49 transit buses will reduce NOx emissions by 23.6 tons/yr. The estimates were prepared using the Greenhouse gases, Regulated Emissions, and Energy use in Transportation (GREET) model. Annual vehicle miles traveled (VMT) were obtained from statewide transit asset inventory data.
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 Colorado Department of Public Health & Environment.
Describe how the Beneficiary will make documentation publicly available (5.2.7.2). :
The Colorado Department of Public Health and Environment (CDPHE) has created a public website for information related to the Volkswagen settlement, which can be accessed at: https://cdphe.colorado.gov/apcd/vwdiesel-settlement. The website contains a description of the Trust

Agreement, information about Colorado’s implementation plans, and links to Trust documents. As of the date Colorado filed its Certification for Beneficiary Status, the website linked to the Trust Agreement, Certification for Beneficiary Status and Colorado’s proposed Beneficiary Mitigation Plan. As Colorado prepares and submits the semiannual reports required by paragraph 5.3 of the Trust Agreement, CDPHE will either post documents to its website or maintain a link to other public-facing website that provide the documentation. The CDPHE website will be maintained and updated until the Trust’s Termination Date or the date required by the Colorado Open Records Act or other applicable law, whichever is later. Records or documents may also be requested by emailing the CDPHE comments line at cdphe.commentsapcd@state.co.us
Describe any cost share requirement to be placed on each NOx source proposed to be mitigated (5.2.8).
The Alternative Fuel Transit Bus Replacement Program will provide incentives for public and private Class 4-8 public transit bus operators to convert to low-emission, alternative fueled vehicles by reducing the amount of local agency funding typically required to replace buses. Upon the update of the state BMP in September of 2019, Colorado is focusing all remaining transit bus replacement funds on battery electric, hydrogen fuel cell, and renewable natural gas vehicles. No additional diesel, propane, or (non-renewable) compressed natural gas vehicles will be funded beyond the initial round of awards. For Class 4-8 buses the total incentive will be limited to 110% of the incremental cost between the alternative-fuel replacement vehicle and a conventional fuel (diesel) vehicle of like class, size and capacity to the vehicle being replaced. Cost sharing is required to fund the remaining vehicle acquisition expenses and is expected to be sourced locally or through a combination of local and other traditional federal or state sources. For associated electric charging equipment and its installation, the program will provide 100% of the cost up to \$100,000 per charging unit. Any vehicle or charging infrastructure costs beyond these funding levels will be borne by the entity receiving the funding.
Describe how the Beneficiary complied with subparagraph 4.2.8, related to notice to U.S. Government Agencies (5.2.9). :
On February 27, 2018 the Colorado Department of Public Health and Environment provided notice of availability of funds via email to Federal Agencies pursuant to Section 4.2.8 of the Trust Agreement.
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). :
This program will mitigate impacts of NOx emissions by replacing higher polluting diesel Class 4-8 buses in communities that have historically borne a disproportionate share of air pollution. Transit buses also often serve lower-income citizens and financially disadvantaged communities that may bear a disproportionate share of the air pollution burden. These projects will reduce emissions in these communities helping to mitigate the impact of air pollution in these areas.

Attachment B
Project Management Plan

Project Schedule and Milestones

Milestone	Date
CDOT provides notice of funding availability (NOFA)	2018 -2026- One (1) time per year
Due date for applicants to submit project proposals to CDOT	30 Days after NOFA
CDOT notifies applicants of successful project proposals	Within 180 days of application closing
CDOT executes award contracts and scopes of work, including vehicle scrapping requirements	One (1) time per year
Awardees complete procurement, obtain detail vendor costs estimate and issue vehicle and charging equipment purchase orders.	Award contract + 1-6 months
Vendors/manufacturers deliver and install charging equipment (if applicable)	Purchase order + 1-12 months
Vendors/manufacturers deliver vehicle(s)	Purchase order + 12-18 months
Vehicle Acceptance; awardee remits full payment to vendor	Delivery + 30 days
Awardee submits invoices, proof of payment, and other documents required for reimbursement; CDOT remits partial reimbursement within 30 days, following review	Acceptance + 15 days
Awardee scraps replaced vehicle and submits documented evidence; CDOT remits full award reimbursement within 30 days	Acceptance + 120 days*
CDPHE reports to Trust on status of projects every six months after first disbursement of funds; semiannual reporting.	January 30 and July 30 after first disbursement of funds.

*Awardee is allowed to operate replacement Electric Vehicles through the first winter following Acceptance before they are required to destroy the existing conventional-fuel fleet vehicle. Volkswagen funds are not paid out until vehicle is scrapped. This ensures successful implementation.

PROJECT BUDGET

Period of Performance: April 2019 – June 2027			
Budget Category	Total Budget	Share of Total Budget to be Funded by the Trust	Cost-Share, if applicable (Project Awardees)
1. Equipment Expenditure	\$53,552,776	\$30,896,666	\$22,656,110
2. Administrative*	\$644,000	\$644,000	
Totals	\$54,196,776	\$31,540,666	\$22,656,110

*Includes indirect costs and is subject to Appendix D-2 15% administrative cap.

Incentive levels provided for public and non-profit of 110% of incremental vehicle cost, and up to 100% of associated costs for charging stations, capped at \$100,000.

PROJECTED TRUST ALLOCATIONS:

	2019-2027
1. Anticipated Project Funding Request to be paid through the Trust	\$30,896,666
2. Administrative Request to be paid through the Trust	\$644,000
3. Total Trust Funds Budgeted	\$31,540,666
4. Total Budget previously approved by the Trust	\$24,705,866.26
5. Cumulative Trustee Payments Made to Date Against previously approved Beneficiary Allocation	\$11,931,448.72
6. Beneficiary Funds Remaining in previously approved Budget (line 4 minus line 5)	\$12,774,417.54
7. Total Remaining Trust Funds under this Program (line 3 minus line 5)	\$19,609,217

Attachment C

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

The Colorado Department of Public Health and Environment (CDPHE) will work with the Colorado Department of Transportation (CDOT) to report on the implementation and progress of the Alternative Fuel Transit Bus Replacement Program in the state of Colorado. CDPHE has developed a specific webpage that will provide information on the application process and status of eligible mitigation actions under the VW Environmental Mitigation Trust Fund. Awarded projects will be posted as well as information on emission reductions based upon awarded projects. Vehicle usage data will be collected two times a year for five years and made available. CDPHE will submit reports every six months to meet the semiannual reporting requirements under 5.3 of the Trust agreement.

Attachment D

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

Awardee	Fuel	<u>Buses</u>			<u>Chargers</u>		
		Units	Vehicle Cost Estimate*	Funding	Units	Cost Per Unit Estimate*	Total Funding
Gunnison Valley RTA	CNG	1	\$183,700	\$183,700	0	\$0	\$0
Eagle County	BEB	3	\$1,402,701	\$467,567	3	\$60,000	\$180,000
Transfort (City of Ft. Collins)	LPG	3	\$116,268	\$38,756	0	\$0	\$0
Transfort (City of Ft. Collins)	BEB	2	\$937,640	\$468,820	2	\$100,000	\$200,000
City of Boulder	BEB	1	\$483,122	\$483,122	1	\$0	\$0
Mountain Metro (City of Colorado Springs)	BEB	2	\$1,089,052	\$544,526	1	\$100,000	\$100,000
City of Boulder	BEB	1	\$436,150	\$436,150	1	\$85,000	\$85,000
City of Boulder	BEB	3	\$1,308,450	\$436,150	3	\$85,000	\$255,000
Transfort (City of Ft. Collins)	BEB	1	\$552,000	\$552,000	2	\$100,000	\$100,000
Via Mobility	BEB	1	\$167,140	\$167,140	0	\$0	\$0
Eagle County	BEB	2	\$880,000	\$440,000	2	\$72,500	\$145,000
Town of Breckenridge	BEB	1	\$482,900	\$482,900	2	\$101,022	\$202,044
Town of Vail	BEB	4	\$2,064,548	\$516,137	4	\$63,932	\$255,728
Summit County	BEB	3	\$1,501,500	\$500,500	3	\$80,000	\$240,000
Via Mobility	BEB	1	\$161,700	\$161,700	1	\$50,000	\$50,000
Town of Breckenridge	BEB	1	\$479,470	\$479,470	1	\$76,750	\$76,750
RFTA	BEB	10	\$8,580,000	\$858,000	10	\$150,000	\$1,500,000
Town of Winter Park	BEB	2	\$1,518,660	\$759,330	0	\$0	\$0
Town of Breckenridge	BEB	7	\$4,624,893	\$660,699	7	\$76,750	\$537,250

		49	\$8,636,667	\$26,969,894	23	\$1,200,954	\$3,926,772
Vehicle and Charger Funding Combined							\$30,896,666

*Cost estimates are based on applicants’ market research at the time of application. Actual costs will be determined by vendor cost proposals during the procurement process.