

APPENDIX D-4

Beneficiary Eligible Mitigation Action Certification

BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION

Beneficiary Commonwealth of Virginia

Lead Agency Authorized to Act on Behalf of the Beneficiary Virginia Department of Environmental Quality
(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:	Public Ferry Repower
Beneficiary's Project ID:	VA-VW-09
Funding Request No.	*(sequential)*
Request Type: **(select one or more)**	■ Reimbursement ☐ Advance ☐ Other (specify):
Payment to be made to: **(select one or more)**	■ Beneficiary ■ Other (specify): Virginia Department of Transportation
Funding Request & Direction (Attachment A)	☐ Attached to this Certification ■ To be Provided Separately

SUMMARY

Eligible Mitigation Action Action Type	■ Appendix D-2 item (specify): EMA 4 - Ferries/Tugs ☐ 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 - Summary Table
Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2):	See Attachment 1 - Summary Table
Estimate of Anticipated NOx Reductions (5.2.3):	See Attachment 1 - Summary Table
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 Attachment 1 - Summary Table
Describe how the Beneficiary will make documentation publicly available (5.2.7.2).	See Attachment 1 - Summary Table
Describe any cost share requirement to be placed on each NOx source proposed to be mitigated (5.2.8).	See Attachment 1 - Summary Table
Describe how the Beneficiary complied with subparagraph 4.2.8, related to notice to U.S. Government Agencies (5.2.9).	See Attachment 1 - Summary Table

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 - Summary Table

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** Commonwealth of Virginia **, 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: July 31, 2026

Thomas J. Ballou, Air Quality Planning Manager, Air & Renewable Energy Division

[NAME]
[TITLE]

Virginia Department of Environmental Quality

[LEAD AGENCY]

for

Commonwealth of Virginia

[BENEFICIARY]

Attachment 1: Summary Table to Appendix D-4 Beneficiary Eligible Mitigation Action Certification

Summary

Eligible Mitigation Action Type ☒Appendix D-2 item (specify): (4) Ferries and Tugs

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

Virginia's Beneficiary Mitigation Plan includes all eligible mitigation actions delineated in Appendix D-2 to the Volkswagen Settlement Agreements.

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

Virginia Department of Transportation's (VDOT) Jamestown-Scotland Ferry system is estimated to transport more than 1.7 million passengers annually and includes four (4) ferry vessels, including the Williamsburg Ferry vessel. This ferry system is a vital link between rural Surry County and James City County for employment and services such as medical, retail, and entertainment. Daily vehicle volumes average about 3,000 vehicles during the busiest summer months and approximately 2,200 vehicles per day during the rest of the year. Replacing the Williamsburg Ferry Vessel's old Tier 0 engine with a cleaner, more efficient Tier 3 engine reduces emissions and improves air quality around the ferry, directly benefiting the public and nearby communities. The new engine also increases reliability and fuel efficiency, helping ensure safer, more dependable ferry service for passengers.

Estimate of Anticipated NOx Reductions (5.2.3).

Replacing the Tier 0 diesel marine engine with Tier 3 diesel engine will yield approximately 70% reductions in nitrogen oxides ($NO_{x)}$ + Hydrocarbon (HC), 79% reductions in particulate matter ($PM_{2.5}$), and 75% reductions in carbon monoxide (CO) emissions (See table below for estimated lifetime emission reductions).

Lifetime Emission Reductions	
Pollutant	**Short Tons Reduced**
NO_x + HC	2150.91 / 30yr
$PM_{2.5}$	49.23 / 30yr
CO	130.38 / 30yr

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).

Virginia Department of Environmental Quality (DEQ).

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).

Per Appendix D-3 Certification for Beneficiary Status: Paragraph 7. Publicly Available Information, Virginia certifies that it will maintain and make publicly available all documentation and records: (I) submitted by it in support of each funding request; and (ii) supporting all expenditures of Trust Funds by the Beneficiary, each until the Termination Date of the Trust pursuant to Paragraph 6.8 of the Trust Agreement, unless the laws of the

Beneficiary require a longer record retention period. Together herewith, the Beneficiary attaches an explanation of: (a) the procedures by which the records may be accessed, which shall be designed to support access and limit burden for the general public; (ii) for the Beneficiary Mitigation Plan required under Paragraph 4.1 of the Trust Agreement, the procedures by which public input will be solicited and considered; and (iii) a description of whether and the extent to which the certification in this Paragraph 7 is subject to the Beneficiary's applicable laws governing the publication of confidential business information and personally identifiable information.

Procedures for Accessing Information Pertaining to the Use of State Beneficiary Environmental Mitigation Trust (State Trust) Funds

Information referenced under Paragraph 7 and submitted to the Trustee in support of funding request for eligible mitigation actions and expenditures of State Trust funds will be publicly available on the Trustee public facing website located at https://www.vwenvironmentalmitigationtrust.com/state-trust/virginia.

The public may access this information by submitting a request through the DEQ NextRequest Portal. Virginia's Freedom of Information Act delineates the procedures for accessing agency information as well as the treatment and disclosure of certified confidential business information (CBI) or personally identifiable information. DEQ's FOIA policy and procedures are established pursuant to the Virginia Freedom of Information Act (VFOIA) Va. Code §2.2-3700 (https://law.lis.virginia.gov/vacode/title2.2/chapter37/).

Procedures for Requesting and Considering Public Input on the State Beneficiary Mitigation Plan

Virginia developed a proposed Beneficiary Mitigation Plan (BMP) in 2016 intended to provide the public with insight into the Commonwealth's vision for the eligible uses of the VW Trust mitigation funds. The state conducted a public comment period (Nov 17 — Dec 16, 2016) and meeting (Dec 7, 2016) on the proposed mitigation plan. Virginia received 101 comments on the proposed mitigation plan that are currently under review (https://www.deq.virginia.gov/get-involved/topics-of-interest/volkswagen-settlement-agreement).

To further inform the state's understanding of the best use of VW EMT funds, Virginia released Request for Information (RFI) # 17-01-CP in April 2017 seeking early input from governmental and non-governmental entities on the type and scope of projects that they may later submit to compete for VW Trust funds, funding and project evaluation priorities, and methods the state could employ to increase participation in future requests for VW mitigation projects.

DEQ submitted a revised BMP to the Trustee on August 9, 2018. A state BMP is a living document. As such, public input is ongoing. The public may submit comments and/or questions regarding the BMP through the contact information available on website at https://www.deq.virginia.gov/news-info/shortcuts/topics-of-interest/volkswagen-settlement-agreement.

Applicability to State Laws Governing Confidential Business Information (CBI) and Personally Identifiable information

The certification in Paragraph 7 is fully subject to Virginia's applicable laws governing the publication of confidential business information and personally identifiable information, Va. Code § 2.2-4342(F) provides: "Trade secrets or proprietary information submitted by a bidder, offeror or contractor in connection with a procurement transaction or prequalification application submitted pursuant to subsection B of § 2.2-4317 shall not be subject to the Virginia Freedom of Information Act (§ 2.2-3700 et seq.); however, the bidder, offeror or contractor shall (it) invoke the protections of this section prior to or upon submission of the data or other materials, (ii) identify the data or other materials to be protected, and (iii) state the reasons why protection is necessary." See also Va. Code § 2.2-3705.6(10) (exempting "[c]onfidential information designated as provided in subsection F of § 2.2-4342 as trade secrets or proprietary information by any person in connection with a procurement transaction or by any person who has submitted to a public body an application for prequalification to bid on public construction projects in accordance with subsection B of § 2.2¬4317"). The certification is subject to the Commonwealth of Virginia's procurement policies and procedures in the "Agency Procurement and Surplus Property Manual" (APSPM). Available at: https://dgs.virginia.gov/procurement/policy-consulting--review/policy/. Specifically, Special Term and Condition #59 provides: "The contractor assures that information and data obtained as to personal facts and circumstances related to patients or clients will be collected and held confidential, during and following the term of this agreement, and unless disclosure is required pursuant to court order, subpoena or other regulatory authority, will not be divulged without the individual's and the agency's written consent and only in accordance with federal law or the Code of Virginia. Contractors who utilize, access, or store personally identifiable information as part of the performance of a contract are required to safeguard this information and immediately notify the agency of any breach or suspected breach in the security of such information. Contractors shall allow the agency to both participate in the investigation of incidents and exercise control over decisions regarding external reporting. Contractors and their employees working on this project may be required to sign a confidentiality statement." Additionally, Va. Code § 2.2-3705.1(10) excludes from disclosure under FIOA: "Personal contact information furnished to a public body for the purpose of receiving electronic mail from the public body, provided that the electronic mail recipient has requested that the public body not disclose such information. Finally, the certification is subject to the Government Data Collection and Dissemination Practices Act, Va. Code §§ 2.2-3800 through -3809. This Act provides some limits on the use of personal information by public agencies. For instance, any "agency maintaining an information system that includes personal information shall [c]ollect, maintain, use, and disseminate only that personal information permitted or required by law to be so collected, maintained, used, or disseminated, or necessary to accomplish a proper purpose of the agency." Va. Code § 2.2-3803(A)(1).

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

VDOT is a state agency and is eligible for 100% reimbursement per Attachment D-2 to the State Trust Agreement.

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

DEQ emailed the State Trust Agreement to specified U.S. Government Agencies on February 23, 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).

Replacing the Williamsburg Ferry Vessel's old Tier 0 engine with a cleaner, more efficient Tier 3 engine reduces emissions and improves air quality around the ferry, directly benefiting the public and nearby communities, including low-income communities. The new engine also increases reliability and fuel efficiency, helping ensure safer, more dependable ferry service for all passengers, including passengers who depend on the ferry to get to work and for medical care.

Attachment B: Eligible Mitigation Action Management Plan Including Detailed Budget and Implementation and Expenditures Timeline (5.2.4)

PUBLIC FERRY ENGINE REPOWER PROJECT SCHEDULE

Task/Milestone	Date
Repower Engineering Design and Procurement of New Tier 3 Engine and Reduction Gear Parts	July 2026 – August 2027
Fabrication of New Tier 3 Engine and Reduction Gear parts	January 2027 – January 2028
Bid and Procurement Award – Installation Contractor	November 2027 - January 2028
Removal/Scrappage of Old Engine and other components	January 2028 – July 2028
New Engine and Reduction Gear Installation	January 2028 – January 2028
Acceptance Testing and Commissioning	July 2028 – July 2028
Repower Operational	July 2028
Project Completion	September 2028

PUBLIC FERRY REPOWER PROJECT BUDGET

Budget Category	Total Approved Project Budget	Share of Total Project Budget to be Funded by the Trust	Required Share of Total Project Budget to be Funded by
Public Ferry Engine Repower	$5,500,000.00	$5,500,000.00	N/A
Administrative (DEQ only)	$350,000.00	$350,000.00	
Project Total	$5,850,000.00	$5,850,000.00	

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

The Virginia Department of Environmental Quality (DEQ) will provide reporting on this funding request for Eligible Mitigation Action (EMA) 4 (Ferries/Tugs) in two ways: 1) timely updates to DEQ's Volkswagen Environmental Mitigation Trust web pages; and 2) semi-annual reports to the Trustee as required by subparagraph 5.3 of the Environmental Mitigation Trust Agreement for State Beneficiaries.

DEQ Website
DEQ maintains a Volkswagen Mitigation webpage, which can be found at https://www.deq.virginia.gov/get-involved/topics-of-interest/volkswagen-settlement-agreement. Virginia's Beneficiary Mitigation Plan, information on planned or mitigation actions underway, and background information on the VW Settlement agreements are available for public access through the webpage. Links to approved funding requests (or D-4 forms) will be available for public access through links on the DEQ website and from the Trustee's public facing website at https://www.vwenvironmentalmitigationtrust.com/state-trust/virginia.

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 available for public access through links on the main Volkswagen Trust page on the DEQ website and from the Trustee's public facing website at https://www.vwenvironmentalmitigationtrust.com/state-trust/virginia.

Attachment D: Detailed cost estimates from selected vendor for each proposed expenditure exceeding $25,000 (5.2.6)

The Virginia Department of Environmental Quality satisfies 5.2.6 by requiring detailed information from Virginia Department of Transportation for the sole purpose of reimbursement of project costs specific to EMA 4 Ferries/Tugs, including but not limited to:

- Copies of bid(s) or detailed cost estimate(s) from the vendor(s).
- Copies of the original purchase order(s) and vendor-issued invoices that shall include (a) total price, (b) price for each product and/or service, (c) a detailed description of each product and/or service, and (d) the vendor delivery date(s); and proof of the payment to the vendor(s).
- Obtaining a signed Statement of Certification that costs presented for reimbursement were procured in accordance state procurement laws and VDOT procurement procedures (5.2.5).