

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:	Port Cargo Handling Equipment Electrification
Beneficiary's Project ID:	VW-VA-05
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 Port Authority
Funding Request & Direction (Attachment A)	☐ Attached to this Certification ■ To be Provided Separately

SUMMARY

Eligible Mitigation Action Action Type	■ Appendix D-2 item (specify): Fork Lifts and Port Cargo Handling Equipment ☐ 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: 09/03/26

Thomas R. 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 (Updated September 2026)

Summary
Eligible Mitigation Action Type ☒Appendix D-2 item (specify): (8) Forklifts and Port Cargo Handling Equipment
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). The Port Cargo Handling Equipment Electrification Project with the Virginia Port Authority (VPA) includes the scrappage and replacement of two diesel cranes with two all-electric ship to shore cranes, scrappage and replacement of five diesel straddle carriers with four electric rail mounted gantry (RMG) cranes, the first phase of replacing more than 160 diesel yard tractors with all-electric yard tractors and associated charging infrastructure starting at the Norfolk International Terminals (NIT), and replacing six diesel utility tractor rigs and three forklifts with battery-electric alternatives at the Virginia Inland Port (VIP) located in Front Royal Virginia. In 2012, the EPA classified the Hampton Roads 1997 Ozone NAAQS Maintenance Area in attainment of the 2008 Ozone NAAQS. Subsequently, the Virginia Department of Environmental Quality created and submitted an ozone action plan to EPA (4/24/13) which was accepted. A significant component of the region's Ozone Advance Action Plan are VPA initiatives to address emissions from cargo handling operations. This project supports the region's planning efforts to improve air quality. Furthermore, VPA facilities are surrounded by 7 locations on the EPA FY2020 Priority Area List (Hopewell, Newport News, Norfolk, Portsmouth City, Suffolk, Virginia Beach and York). These areas were identified as priority locations by EPA because they are designated as nonattainment areas or maintenance areas for certain ozone and PM2.5 National Ambient Air Quality Standards. These areas were also identified as National Air Toxics Assessment (NATA) counties with census tracts predicted to have diesel PM concentrations higher than the 80th percentile. Front Royal, located in Warren County, Virginia (22630), has not been designated as a nonattainment or maintenance area for any National Ambient Air Quality Standards (NAAQS) criteria pollutants and generally experiences air quality conditions that are rated as good to moderate. According to the 2020 Air Tox Screening Tool, the VIP census tract (511870202001027) had an estimated cumulative lifetime cancer risk of 30 per million people based on existing emissions conditions. Significant and permanent emission reduction benefits will result from these port cargo handling electrification projects. These reductions will improve local air quality and reduce the potential for negative health effects for areas disproportionately impacted by air pollution and help mitigate climate change.
Estimate of Anticipated NOx Reductions (5.2.3). Replacing diesel port cargo handling equipment with battery electric will eliminate all equipment emissions of NO_x, PM $_{2.5}$, CO_2 and other harmful air pollutants. 100% Reduction of Lifetime Emissions (short tons) of: ▪ NO_x: 2,440 ▪ $PM_{2.5}$: 255 ▪ CO_2: 73,179 ▪ HC: 142 ▪ CO: 555 ▪ Lifetime gallons of diesel reduced: 7,583,620

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: (i) 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 from the Virginia Department of Environmental Quality (DEQ) public Volkswagen mitigation webpage located at https://www.deq.virginia.gov/news-info/shortcuts/topics-of-interest/volkswagen-settlement-agreement, as well as 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/news-info/shortcuts/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 to vwmitigation@deq.virginia.gov.

Public input on Virginia's mitigation plan is guided by DEQ's community involvement processes for engaging the public in effective environmental discussion making, such as creating early and ongoing opportunities for public input in agency decisions beyond the minimum requirements, ensuring that decision-making activities are open and accessible to all interested individuals and organizations, ensuring that the public understands the most effective ways to provide comment to DEQ, and considering and integrating public input into environmental decisions. DEQ's community involvement processes supplement existing Virginia regulations that detail public participation requirements applicable to only DEQ's regulatory activities under the Virginia Administrative Process Act Va. Code § 2.2-4007.02 (https://law.lis.virginia.gov/vacode/2.2-4007.02/), These requirements specify the minimum level of participation in regulatory decisions.

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 (i) 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 be 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). VPA is a governmental body eligible for 100% funding under the State Trust Agreement, however, VPA is providing $666,691,000 of VPA's optimization projects of $696,650,000 to ensure that VPA has the capability to support the global supply chain and provide consumers across the country with the goods needed now and, in the future, and achieve their net zero greenhouse gas reduction goals by 2040.
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). VPA will be replacing diesel port cargo handling equipment with all electric equipment near communities that have borne a disproportionate share of adverse impacts of NO_x, $PM_{2.5}$, and other harmful emissions from air pollutants.

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

Port Cargo Handling Equipment Deployment Project Schedule
(Updated November 2024)

DATE	All-Electric STS Crane Project Milestones
September 2020	Order two electric STS cranes
February 2021	Receive STS cranes and begin scrappage of old diesel cranes NLT
April 2021	Operationalize electric STS cranes
August 2021	Project completed
DATE	**All-Electric Yard Tractor Project Milestones**
March 2021	Commission design and electrical study using existing on-call contractors
May /2022	Develop equipment specifications based on use study
September 2022	Design complete
September 2022	Order yard tractors
November 2022	Permanent chargers ordered
December 2022	Yard tractors received
October 2023	Scrap diesel yard tractors
December 2023	Permanent chargers received
October 2024	Begin infrastructure installation to support equipment
November 2025	Complete construction, and fully deploy all-electric yard tractors
March 2026	Complete feasibility study and provide findings to DEQ including a preliminary replacement schedule of remaining diesel yard tractors with all-electric
July 2026 - ongoing	Initiate deployment of all-electric yard tractors and charging infrastructure at other VPA terminals (where feasible) using VPA funding
January 2027	Project completion
DATE	**All-Electric Rail Mounted Gantry (RMG) Crane Project Milestones**
October 2024	Procure RMGs
February 2025	Receive first delivery of RMGs
April 2025	Receive second delivery of RMGs and begin scrappage of diesel cranes
August 2026	Complete scrappage of old cranes
December 2026	Project completion

UPDATED PROJECT BUDGET TABLE

Budget Category	Total Approved Budget	Share of Total Budget to be Funded by the Trust	Share of Total Budget to be Funded by VPA
Port Cargo Handling Equipment	$691,650,000	$25,000,000	$666,650,000
Administrative (DEQ only)	$250,000[1]	$250,000[2]	N/A
Project Total	$691,900,000	$25,250,000	$666,650,000

UPDATED PROJECTED TRUST ALLOCATIONS:

	Thru November 2024	December 2024 - 2025	2026
1. Anticipated Annual Project Funding Request to be paid through the Trust	$10,043,756.85[3]	$7,603,121.58[7]	$7,603,121.58[9]
2. Anticipated Annual Cost Share	$10,000,000	$328,325,000	$328,325,000
3. Anticipated Total Project Funding by Year (line 1 plus line 2)	$20,043,756.85	$335,928,121.58	$335,928,121.58
4. Cumulative Trustee Payments Made to Date Against Cumulative Approved Beneficiary Allocation	$55,658,016.79[4]	$63,261,138.37	$70,864,259.95
5. Current Beneficiary Project Funding to be paid through the Trust (line 1)	$10,043,756.85[5]	$7,603,121.58	$7,603,121.58
6. Total Funding Obligated, inclusive of Current Action by Year (line 4 and line 5)	$81,118,675.75[6]	$91,668,675.75[8]	$91,668,675.75[10]
7. Total Beneficiary Share of Trust	$93,633,980.48	$93,633,980.48	$93,633,980.48
8. Net Beneficiary Funds Remaining in Trust to be Obligated, net of cumulative Beneficiary Funding Obligated (line 7 minus line 6)	$12,515,304.73	$1,965,304.73	$1,965,304.73

[1] DEQ's administrative budget was revised from $700,000 to $250,000.
[2] DEQ's administrative budget was revised from $700,000 to $250,000.
[3] Total amount disbursed to VPA and DEQ as of November 2024.
[4] Total funds paid by the Trust of $55,215,772.79 as of 11/20/2024, includes the amount of $10,043,756.85 for VPA port cargo handling equipment and DEQ associated administrative cost.
[5] Total amount disbursed to VPA and DEQ as of November 2024.
[6] Total "approved" funding obligated includes the original $14,000,000 for port handling equipment EMA and DEQ administrative cost of $700,000 but does not include the additional $11,000,000 for the new VPA port cargo handling equipment project.
[7] Amount reflect the revised DEQ administrative budget of $250,000.
[8] Total funding obligated includes the additional $11,000,000 for the new VPA port cargo handling equipment project and revised DEQ administrative budget of $250,000.
[9] Amount reflect the revised DEQ administrative budget of $250,000.
[10] Total funding obligated includes the additional $11,000,000 for the new VPA port cargo handling equipment project and revised DEQ administrative budget of $250,000.

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

Port Cargo Handling Equipment Deployment Project Schedule
(Updated September 2026)

DATE	All-Electric STS Crane Project Milestones
September 2020	Order two electric STS cranes
February 2021	Receive STS cranes and begin scrappage of old diesel cranes NLT
April 2021	Operationalize electric STS cranes
August 2021	Project completed
DATE	**All-Electric Yard Tractor Project Milestones**
March 2021	Commission design and electrical study using existing on-call contractors
May /2022	Develop equipment specifications based on use study
September 2022	Design complete
September 2022	Order yard tractors
November 2022	Permanent chargers ordered
December 2022	Yard tractors received
October 2023	Scrap diesel yard tractors
December 2023	Permanent chargers received
October 2024	Begin infrastructure installation to support equipment
November 2025	Complete construction, and fully deploy all-electric yard tractors
March 2026	Complete feasibility study and provide findings to DEQ including a preliminary replacement schedule of remaining diesel yard tractors with all-electric
July 2026 - ongoing	Initiate deployment of all-electric yard tractors and charging infrastructure at other VPA terminals (where feasible) using VPA funding
January 2027	Project completion
DATE	**All-Electric Rail Mounted Gantry (RMG) Crane Project Milestones**
October 2024	Procure RMGs
February 2025	Receive first delivery of RMGs
April 2025	Receive second delivery of RMGs and begin scrappage of diesel cranes
June 2025	Complete scrappage of old cranes
July -August 2025	Project completion
DATE	**Virginia Inland Port Electrification Project Milestones**
October 2026 – March 2027	Engineering & design of chargers and charging infrastructure
May 2027	Pre-installation start/Order equipment

September 2027	Receive equipment
November 2027	Installation of chargers and supporting infrastructure
December 2027	Operationalize equipment and chargers
December 2027	Scrappage of diesel equipment

Project Budget Table
(Updated September 2026)

Budget Category	Total Approved Budget	Share of Total Budget to be Funded by the Trust	Share of Total Budget to be Funded by VPA
Port Cargo Handling Equipment	$696,650,000	$30,000,000	$666,650,000
Administrative (DEQ only)	$350,000	$350,000	N/A
Project Total	$697,000,000	$30,350,000	$666,650,000

Attachment C: Detailed Plan for Reporting on Eligible Mitigation Action Implementation (5.2.11) (Updated September 2026)

The Virginia Department of Environmental Quality (DEQ) will provide detailed reporting on this funding request for Eligible Mitigation Action 8 (Forklifts and Port Cargo Handling Equipment) 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/news-info/shortcuts/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 Port Authority (VPA) for the sole purpose of reimbursement of port handling equipment, 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 sale receipt(s) 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).
- Copies of original invoices from vendor that show: Itemization of costs to identify the amount paid by VPA, the amount paid by "Other" funding sources, the amount to be paid by State Trust funds, and the total amount VPA requesting for reimbursement.
- Obtaining a signed Statement of Certification from VPA that all port handling equipment presented for reimbursement were procured in a manner compliant with VPA's procurement and contracting law (5.2.5).