Who We Are

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Agenda

• Background on VW Settlement

• Connecticut Diesel Emissions Mitigation Program
  – Program Parameters
  – Eligible Mitigation Actions and Funding Levels

• Application Process
  – Forms
  – DEEP Processing Summary
  – Post-Award Activities

• Contacting Us

• Review of Common Questions

• Q & A Period
VW Settlement Background
Timeline

2008  EPA Introduces Stronger Diesel Standards

2009  VW Begins Installing Defeat Devices on Diesel Vehicles
      • Recognizes federal and California test procedures and alters performance to meet standards

2014  Independent Researchers Publish Results
      • “significantly higher in-use emissions” than certified levels for 2012 Jetta TDI

2015  VW Publicly Admits to Altering Vehicles to Meet Federal and California Standards
      • 11 Million vehicles globally, 590k in US, over 12k in CT
Volkswagen Settlement

- Multiple consent decrees issued to address VW’s illegal use of emission control “defeat devices” on nearly **590,000** VW, Audi, and Porsche 2.0L and 3.0L diesel vehicles for model years 2009-2016

- Intent of settlement funds is to achieve **NOx reductions** to offset the excess NOx created by the subject VW vehicles

The NOx Impacts from VW Diesel Vehicles

- 2.0L Vehicles: 40x greater than federal standard
- 3.0L Vehicles: 9x greater than federal standard
- 46,000 TONS of excess emissions from 2.0L Vehicles
Environmental Mitigation Trust – Appendix D

- Settlement put **$2.925 billion** into environmental mitigation trust
  - Support environmental programs over 10 years to offset excess NOx emitted by VWs cars
- Allocation for CT is about **$55.7 Million**
  - This allocation could increase if beneficiaries do not spend the money in time specified
- Disbursement over **10 year** schedule
- Trust account is administered by Wilmington Trust ("the Trustee")
  - Trustee will approve project funding based on applications for eligible projects meeting specific criteria
- To access funds, CT had to become a "trust beneficiary"
Connecticut’s Path to Funding

October 2, 2017 – Trust Effective Date

October 3, 2017 – Connecticut Submitted its beneficiary form to Trustee naming DEEP as lead agency for CT’s settlement funds

January 29, 2018 – Trustee officially certifies CT as a Designated Beneficiary under the VW trust.

April 26, 2018 – CT submitted its final mitigation plan to the Trustee

May 30, 2018 – CT launches its first funding program under the VW settlement
CT Mitigation Plan

- CT required to prepare Mitigation Plan which provided the public with a high level vision on how CT will use its funds

- Initial draft released in Feb 2017
  - Held informal public comment period and also held public informational session

- Proposed Final draft released in Feb 2018
  - Held formal comment period

- Submitted Final Mitigation Plan to Trustee on April 26, 2018

- CT’s Mitigation Plan is available at [www.ct.gov/deep/vw](http://www.ct.gov/deep/vw)
CT Mitigation Plan

- Flexible plan to cover all eligible project areas
- Immediate NOx reductions to offset illegal VW pollution
- Ability to grow with advancements of transformative mobile source technologies (i.e. electric HD trucks)
- Spread the wealth – Economically responsible projects that result in significant emissions reductions
Mitigation Plan Funding Allocations

At least... 70%
- On-Road Heavy Duty Vehicles
- Non-Road Equipment
- Commercial Marine Vessels
- Locomotives
- Diesel Emission Reduction Act (DERA) Option

15%
- Zero Emission Vehicle Supply Equipment

Up to... 15%
- Administrative Expenditures
Connecticut Diesel Emissions Mitigation Program
Program Information

- **Funding of $7.5 Million** available for this round
- **Proposal Deadline:** July 31, 2018 @ 5:00 PM EST
- Open to **government** and **non-government** entities
  - Gov’t includes private bus companies under contract to provide public school transportation
- **Eligible Categories:**
  - On-Road HD trucks and buses, airport ground support equipment, forklifts, port cargo handling equipment, commercial marine vessels, shorepower for ocean going vessels, freight switchers
- **Not Eligible at this time:**
  - Electric Vehicle Supply Equipment (EVSE) infrastructure Projects
Program Information, cont.

• This is a reimbursement program
• Projects initiated prior to filing an application are not eligible for funding
• Projects and final paperwork must be completed by March 31, 2020
• Funding will be awarded through an open competitive and transparent process
• All documentation will be made publicly available
Eligible Projects & Funding Amounts
On-Road Heavy Duty Vehicles

Eligible Equipment

- Class 4 - 8 Local Freight Trucks
- Port Drayage Trucks
- Class 4-8 School, Shuttle and Transit Buses

Eligibility Criteria

- Buses: Engine Model Years 2009 and older
On Road Heavy Duty Vehicles

**Government Projects**
(includes some privately owned school buses)

- Up to 65%
  - Repower with a new diesel or alternate fueled engine
  - Replace with a new diesel or alternate fueled vehicle
  - Repower with a new all-electric engine (incl. infrastructure)
  - Replace with a new all-electric vehicle (incl. infrastructure)

**Non-Government Projects**

- Up to 40%
  - Repower with a new diesel or alternate fueled engine

- Up to 25%
  - Replace with a new diesel or alternate fueled vehicle (Drayage – 50%)

- Up to 60%
  - Repower with a new all-electric engine (incl. infrastructure)

- Up to 60%
  - Replace with a new all-electric vehicle (incl. infrastructure)
Non-Road Equipment

Eligible Equipment

Airport Ground Support Equipment (GSE)

- Forklifts

Forklifts:
- Reach stackers, side loaders, and top loaders with 8,000 lbs lift capacity or greater

Port Cargo Handling Equipment

Port Equip:
- Rubber-tired gantry cranes, straddle carriers, shuttle carriers, and terminal tractors, including yard hostlers and yard tractors that operate within ports

Eligibility Criteria

**GSE:** Tier 0 – 2; and uncertified, or 3 gr/bhp-hr or higher certified SI-engine

**Forklifts:** reach stackers, side loaders, and top loaders with 8,000 lbs lift capacity or greater

**Port Equip:** rubber-tired gantry cranes, straddle carriers, shuttle carriers, and terminal tractors, including yard hostlers and yard tractors that operate within ports
Non-Road Equipment

Government Projects

Up to...

65%

• Repower with a new all-electric engine (incl. infrastructure)
• Replace with a new all-electric vehicle (incl. infrastructure)

Non-Government Projects

Up to...

60%

• Repower with a new all-electric engine (incl. infrastructure)
• Replace with a new all-electric vehicle (incl. infrastructure)
Commercial Marine Vessels

Eligible Equipment

Ferries and Tugs

Shorepower for ocean-going vessels

Eligibility Criteria

**Ferries and Tugs:** Unregulated, Tier 1 or Tier 2 marine engines operating 1,000 or more hours per year.

**Shorepower:** components of a shore-side system that allows a compatible vessel’s main and auxiliary engines to remain off while the vessel is at berth.
Commercial Marine Vessels

**Government Projects**

Up to...

- Repower with a new diesel or alternate fueled engine
- Repower with a new all-electric engine (incl. infrastructure)
- Cover costs associated with a shore-side system

**Non-Government Projects**

Up to...

- Repower with a new diesel or alternate fueled engine
- Repower with a new all-electric engine (incl. infrastructure)
- Cover costs associated with a shore-side system
Eligible Equipment

Freight Switchers

Eligibility Criteria

Pre-Tier 4 switcher locomotives that operate 1,000 or more hours per year
Locomotives

Government Projects

- Repower with a new diesel or alternate fueled engine
- Replace with a new diesel or alternate fueled switcher
- Repower with a new all-electric engine (incl. infrastructure)
- Replace with a new all-electric switcher (incl. infrastructure)

65%

Non-Government Projects

Up to...

- Repower with a new diesel or alternate fueled engine
- Replace with a new diesel or alternate fueled switcher
- Repower with a new all-electric engine (incl. infrastructure)
- Replace with a new all-electric switcher (incl. infrastructure)

40%  25%  60%  60%
Application Process
Application Form

- Application form and instructions available at www.ct.gov/deep/vw

- If applying for funds for more than one source category (i.e. on-road vehicles and non-road equipment), a separate application should be used for each eligible source category project.

- All applications must be submitted to our Central Permit Processing Unit

- Applicants will receive an initial notice of receipt by email.
Part I – Applicant Information

- Basic contact information
  - Important to have an accurate and working e-mail address.
- Government or Privately Owned Projects
  - Government-Owned shall mean a State of Connecticut or local government agency (including a school district, municipality, city, county, special district, transit district, joint powers authority, or port authority, owning fleets purchased with government funds), and a tribal government or native village.

Note: Private bus companies under contract to provide public school transportation are eligible to apply as a Government owned project.
Part II.A – Project Summary

• Indicate the project category being applied for.
  • If more than one category, then a separate application form should be used for each project category.

• Be aware of required attachments and documentation for each source category.

• Provide a detailed but concise description of the proposed project, including air quality benefits.

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A. Project Summary

<table>
<thead>
<tr>
<th>Proposed Project Title:</th>
<th></th>
</tr>
</thead>
</table>

Select project category. Only one category should be selected per proposal. For the category selected, please provide the documentation required and check the associated box.

1. Replacement or Repower of On-Road Heavy Duty Vehicles:
   Class 8 Local Freight Trucks and Port Drayage Trucks; Class 4-8 School Bus, Shuttle Bus, or Transit Bus; and Class 4-7 Local Freight Trucks
   Replacement/repower may be with new diesel or alternate fueled engine (e.g., compressed natural gas (CNG), propane, hybrid); costs of installation of the engine may be included.
   • Completed “Part VI. Fleet Information” of this form for the vehicles to be replaced.
   • Provided Certificate of Origin or other documentation certifying that each vehicle to be replaced has been operating in Connecticut for at least five years.
   • For projects including the installation of EV charging infrastructure: Applicant has site control of the proposed infrastructure site.
   • For School Bus Projects: If project is for a privately-owned bus under contract with a public school district; provided the duration and expiration date of the existing contract.

<table>
<thead>
<tr>
<th>Contract Duration:</th>
<th>Expiration Date:</th>
</tr>
</thead>
</table>

2. Replacement or Repower of Non-Road Equipment:
   Airport Ground Support Equipment, Forklifts and Port Cargo Handling Equipment
   • Replacement/repower limited to all-electric; charging infrastructure may be included in project.
   • Completed “Part VI. Fleet Information” of this form for the pieces of equipment to be replaced.
   • Provided documentation that the nonroad equipment has been used more than 500 hours in the twelve months preceding this application.

   | Hours in the twelve months preceding this application: |  |

   | Completed “Part VI. Fleet Information” of this form for the locomotive(s) or engine(s) to be replaced: |  |

Project Summary:
Please provide a detailed description of the proposed project, including community and air quality benefits.
Part II.B – Proposed Budget

• Provide number of new vehicles/engines being purchased with make, model and year of each.
  
  Total each vehicle grouping.
  • For example, if replacing six Type C school buses and three Type B, use first line for the Type C buses and second line for Type B. Also applies to HD and MD trucks.

• If project includes EV charging infrastructure, provide all details of equipment being purchased and installed along with associated costs.

• Ensure all estimates and spec sheets are attached to application form.
Part II.C – Proposed Budget Shorepower

- Provide the number of units along with brand and model.
- Include estimates of all costs including site prep, installation, and other associated costs.
- It is not unusual for site prep and installation costs to exceed cost of the actual shorepower equipment.
- Applicants must have site control of location.
- Ensure all estimates and spec sheets are attached to application form.

C. Proposed Budget for Shorepower Projects

Please provide a list of the expenses for the proposed project.

<table>
<thead>
<tr>
<th>Line Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Shorepower Units, Brand &amp; Model</td>
<td></td>
</tr>
<tr>
<td>Site Preparation Costs for Shorepower Unit(s) (labor &amp; materials)</td>
<td></td>
</tr>
<tr>
<td>Installation Costs of Shorepower Unit(s) (labor &amp; materials)</td>
<td></td>
</tr>
<tr>
<td>Cables, Cable Management Systems, Shorepower Coupler Systems, Distribution Control Systems, and Power Distribution</td>
<td></td>
</tr>
<tr>
<td>Other Costs (please specify)</td>
<td></td>
</tr>
</tbody>
</table>

| Total Project Cost:                                                      |      |

Address of Proposed Installation:

Provide name of facility, street address, street intersection and/or latitude/longitude and city.

Attached all estimates and specification sheets for equipment and labor for the project.

Connecticut Department of Energy and Environmental Protection
Part II.D – Balance of Funds

- Maximum funding is not guaranteed under this program.
- Applicant must attest that funds can be secured for project.
- Sources of funds and timeline to obtain funds must be provided.
  - For gov’t projects, budget approval process date is important

<table>
<thead>
<tr>
<th>D. Balance of Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum funding is not guaranteed. Note that this is a reimbursement program; applicant is responsible for all project costs prior to reimbursement.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Applicant attests they can secure the funds for replacement of vehicles, equipment or engines and for operation and maintenance.</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is the source of these funds?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>What is the timeline for securing these funds? (For government projects: Budget approval process date)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Part II.E – Schedule and Payments

• When completing this section, assume project will receive maximum funding requested.

• All projects must be completed and final documentation submitted by March 31, 2020.

• Be aware of required deliverables for each task.

• Enter expected VW funding in the completion task and subtract from grantee cost share column.

• Be conservative in estimating delivery dates. Nationwide demand for VW funded vehicles may be high.
Part III – Preferential Criteria

- Projects will be ranked based on a set of criteria reflecting funding priorities for the program.

- This is a list of preferential funding criteria and not eligibility criteria.

- Check all that apply.

- Opportunity to promote the energy, environmental and economic benefits of the proposed project. Include any relevant information below each item.
Part III - Preferential Criteria

• Projects scaled to achieve the greatest NOx emission reduction per dollar invested
  • If a projected NOX benefit has been calculated for the project, please indicate the quantifier used and be prepared to submit an electronic file showing inputs and results if requested
  • DEEP will use EPA Diesel Emissions Quantifier (DEQ) to cross check

• Projects located in environmental justice areas or other communities that have borne a disproportionate share of the adverse impacts of air pollution
  • For any criteria referencing location, please use the geographical area in which the vehicle/equipment operates; this may be different from the business address
Part III - Preferential Criteria

• Transformative projects that promote other statewide energy, environmental and economic goals
  • A “transformative” project is one that has sufficient size, scope or importance to initiate momentum for sustainability and expansion beyond the scope of this program. Replacing a box truck is not transformative; converting a bus fleet to electric or alternative fuel could be regarded as “transformative.”

• Projects located in nonattainment areas or with historical compliance issues with federal air quality standards
  • Describe how the project will contribute to attainment or maintenance of federal air quality standards in Connecticut.
Part III - Preferential Criteria

• Applicants with demonstrated experience for implementing diesel emissions reduction projects
  • Explain in detail how past experience or existing program structure can facilitate successful implementation of proposed project

• Projects with verified or leveraged cost-share exceeding the minimum requirements
  • Include any information that would be helpful, including source of funds.

• Projects that can be implemented in less than eighteen months of the award date (prior to March 31, 2020)
  • Explain how project can be completed in less than eighteen months
  • Required paperwork must also be submitted to DEEP in less than 18 months

• Projects that include or applicants that have an anti-idling education and outreach program
  • Provide details on such program and how it will be, or is being, implemented.
Applicant attests that information is true and correct.

If determined that funds were awarded based on false statements, funds would have to be reimbursed.

Reiterates understanding of the key points of the reimbursement program.

Submit application to address specified. Do not send directly to Air Bureau.

SIGN FORM!

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**Part VI & V – Terms & Conditions, Submission**

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**Part IV: Terms & Conditions**


Applicants must provide a statement attesting that they can secure the balance of funds.

Vehicle/Equipment Owners are required to conduct an open and competitive procurement process for contractual services and/or technologies used on the project and must comply with any other state and federal procurement requirements.

Vehicle/Equipment Owners must agree to keep the replaced or repowered vehicle or equipment operating in Connecticut, with emission controls in place, for a minimum of three years or to replace with equipment with equal or better emissions reductions.

Applicants installing publicly-accessible EV charging stations in conjunction with new EVs will comply with Public Act 16-135, as required.

Applicants for EV charging station and shorepower projects must have site control over the location of the proposed installation site. Documentation of ownership may be requested.

**This is a reimbursement program;** award recipients will be required to demonstrate payment for the project before receiving awarded funds. Before being reimbursed, recipient must complete and submit to DEEP a written request for payment, including invoices, proofs of payment and delivery, and confirmation that the project is completed and that the vehicle(s)/equipment are operating satisfactorily for the intended use. A reimbursement request template, with submission information, will be made available to grantees.

If the proposal includes the early replacement of a vehicle or engine, Vehicle/Equipment Owners must provide documentation that the old vehicle or engine has been rendered permanently disabled before funds are released for final payment.

Project must be completed and paperwork submitted no later than March 31, 2020. DEEP cannot guarantee reimbursement payments for submissions after that date.

I hereby affirm, under penalty of law, that the information provided here is true and correct to the best of my knowledge. I further affirm that I have read, understand, and agree to all of the terms and conditions stated above. I understand that if it is determined that any funds were awarded to me as a result of false statements, I will be required to reimburse said funds to DEEP. I further understand that any false statement made in the submitted information may be punishable as a criminal offense under section 22a-175 of the Connecticut General Statutes, under section 53a-157b of the Connecticut General Statutes, and in accordance with any applicable statute.

| **Signature** |
| **Typed Name** | **Date** |

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Connecticut Department of Energy and Environmental Protection
Part VI – Fleet Information

- This section is for repowering or replacement projects only.
- Only list vehicle or equipment being replaced or repowered. DO NOT list the new vehicle/equipment.
- Information for each vehicle should be complete.
- Duplicate sheets as necessary.
- Estimates of annual mileage in CT and annual idling hours are allowed if not readily available.
DEEP Processing Summary

1. **Receive Application**
2. **Review for Admin Sufficiency**
3. **Conduct Technical Review/Ranking**
4. **Notify Applicants of Award Decision**

- **More Info Needed?**
  - Email Request for Info (14 days)
  - Formal Letter Request for Info (14 days)
  - Deny Application

Indicates where a notification from DEEP will be sent to applicant when step complete.

- **14 days**
- **End of Solicitation Period + 45-60 days**
Your Project has been Selected...Now What?

- Award amounts may be less than originally requested based on number of applications received and funds available.
- Applicant can accept or deny the award if awarded amount does not satisfy proposed project.
- Projects and final documentation must be completed by **March 31, 2020** to be eligible for reimbursement.
- A reimbursement request template will be made available listing all required documentation.
- Once all documentation received and all requirements met, DEEP will request money from Trustee who will transfer money directly to awardee.
Awardee Responsibilities

- Awardee required to demonstrate payment for the project before receiving awarded funds
- Render any replaced vehicle or engine inoperable
  - For Engine Replacement: cut a 3-inch hole in the engine block
  - For Vehicle Replacement: disable the chassis by cutting the vehicle’s frame rails completely in half
- Keep new equipment in operation for a minimum of 3 years or replace with equal or better
- If EV infrastructure installed with electric replacement or repower, and it’s publicly accessible, then must comply with CGS.
Future Grant Programs

- Go to [www.ct.gov/deep/vw](http://www.ct.gov/deep/vw)
- Sign up for our VW Email Distro List (online form)
- All new grant programs will be announced on the website and also through this email distribution list.
- Grant programs for EVSE infrastructure will be coming in the future as we work on CT’s EV Roadmap and try to avoid duplicating efforts by Electrify America.
- DERA opportunities are ongoing as funds are made available by EPA. VW funds could be used for matching.
Contact Information and Questions
Contact Us

• If you have an active grant application, a contact person will be indicated on the notice of administrative sufficiency email. Contact this person with specific questions regarding your application.

• General questions about grant programs, Connecticut’s mitigation plan, or the VW trust settlement can be submitted though the Contact Us link on the website or sent directly to email below.

Website: www.ct.gov/deep/vw

E-Mail: deep.mobilesources@ct.gov
Common Questions Received

• **How soon after the July 31, 2018 application deadline do you anticipate award decisions to be made?**
  – Our goal is to announce award decisions within 60 days after the July 31, 2018 deadline.

• **Is this a competitive grant program and will proposals that reduce more emissions be favored over others?**
  – Yes, this is a competitive grant program. NOx emission reductions are a part of the criteria that applications will be ranked against. Please see list of preferential criteria.

• **Is there a $/ton of NOx reduction target that DEEP is looking at in order to prioritize funding awards?**
  – Projects scaled to achieve the greatest NOx reduction per dollar invested are one criteria that will be used to prioritize funding awards. Targets for this criteria will not be specified.
Common Questions Received

• **Will all award decisions be for the maximum requested or will partial awards be made?**
  
  – Partial awards may be issued. The maximum reimbursement amounts are not guaranteed and not all qualified applications are guaranteed to be awarded funding. Once selected for an award you will have the option to accept or deny the award if the funding does not meet your project requirements.

• **Will CT accept applications from tribes that already have direct beneficiary status with the Trustee and may or may not be receiving funding under the VW settlement?**
  
  – Connecticut will be accepting applications from tribes and treating tribal requests like any other request for funding.
Common Questions Received

• **If a municipality budgeted for a vehicle replacement in its approved 2018-2019 budget, is it eligible?**
  
  – No, projects initiated prior to filing an application for the program are not eligible for funding. This includes projects in an already approved budget.

• **How can a municipality take advantage of this program if they already have budgeted for 2018-2019?**
  
  – This program has been designed with an 18-month window for completing the funded project. A muni could apply for a project not yet in the budget. If awarded, the municipality would be able to approve their next budget in mid-2019, with the awarded project included, and have until approximately March 2020 to complete the project.
Common Questions Received

• If a municipality successfully applies for a grant and is not able to budget for the project would they be breaching a contract?
  – Municipal resources and budgetary priorities can fluctuate and DEEP will consider a request to withdraw from the program. If an awardee decides to cancel a project, notification must be sent to DEEP as soon as possible so the funds can be made available to other applicants within a timeframe sufficient to allow completion of the substitute project(s).

• Will there be a limit on the amount of funding granted for any eligible project or any one individual entity?
  – There are no limits the amount of funding any one project or individual entity can receive.
Questions?

• We will now answer general questions about the grant program.

• We may not get to every question or have an answer to every question during the webinar.

• If you have questions relating to a specific project or piece of equipment, please email the question to: deep.mobilesources@ct.gov

• The online FAQ may already address some of your questions. Additional questions may be added from time to time.