



Understanding the Basics of the VW Settlement and Environmental Mitigation Trust Funds



DNREC Division of Air Quality
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Blue Skies Delaware; Clean Air for Life

What is the Volkswagen Settlement?



- Three parts to Settlement
 - \$10 Billion on Vehicle Buy-back Program
 - \$2.9 Billion on Environmental Mitigation Trust
 - VW diesel 2.0 & 3.0 liter vehicles
 - DE receives \$9.6 million
 - \$2 Billion on Zero Emission Vehicles (ZEVs)
 - Infrastructure, access and education
 - Electrify America



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How much is the Delaware receiving in funding and what is the timeline?

- Delaware funds held in Trust ~ \$9.6 million
- Request funding in equal increments (\$3.2 million).
 - Phase 1 – 2018-2019
 - Phase 2 – 2019-2020
 - Phase 3 – 2020-2021




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How much is available in each phase?

- Allocation 2.0 Settlement \$9,051,682.97
- Allocation 3.0 Settlement + \$625,000.00
- Total Allocation for NOx Reduction **\$9,676,682.97**

- Phase 1 Request – NOx reduction \$3,225,560.99
- Phase 2 Request – NOx reduction \$3,225,560.99
- Phase 3 Request – NOx reduction \$1,774,058.54*
- Phase 3 Request – 15% for EVSE \$1,451,502.45

* Note : Unspent funds from Phase 1 and Phase 2 and will rollover to Phase 3.



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What are the Basic Requirements of the VW Environmental Program?


- Court appointed trustee - Wilmington Trust
- Money requested in three equal increments.
- Project duration not to exceed 3 years.
- DAQ will generate work-plan that details the project selection process.
- Projects must reduce NOx emissions.
- 2027– deadline for supplemental funding requests.




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How must the funds be spent?


- Reduce NOx emission in areas of poor air quality
- Eligible Mitigation Actions defined in settlement (D-2)
 - 8 Eligible Actions
 - Class 8 Local Freight and Port Drayage Trucks
 - Class 4 School Bus, Shuttle bus, or Transit Bus
 - Freight Switchers
 - Ferries/Tugs
 - Ocean Going Vessels
 - Class 4-7 Local Freight Trucks
 - Airport Ground Support Equipment
 - Forklifts and Port Cargo Handling Equipment
 - Electric Vehicle Supply Equipment (EVSE - 15% set aside)
 - Diesel Emission Reduction Act (DERA) grant match



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Project Proposal – Phase 1


- Funding available not to exceed \$3,225,560.99
- School Bus Replacement program
 - School District and Charter School Buses are eligible
 - Owned and operated in Delaware
 - Eligible Buses between model year 1992 and 2009
 - Priority is to replace oldest/dirtiest buses first
 - Reduce NOx emissions
 - School bus route must be located in poor air quality areas and/or serve a disparate population of students (>40%)
 - Replacements will provide health and environmental benefits
 - Benefit the most vulnerable population - children



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Phase 2 - Competitive Request for Proposal (RFP)


- Funding available not to exceed \$3,225,560.99
- DAQ will seek projects through a competitive RFP
 - Proposals will be accepted within the 8 eligible categories (slide 6)
 - Cost share will align with the Diesel Emission Reduction Act (DERA) grant.
- Review /Selection Committee select projects based on:
 - NOx Reduced (Diesel Emission Quantifier) – 30 pts.
 - Project Budget (cost share) – 15 pts.
 - Project Location (disparate community) – 15 pts.
 - Project Timeline – 15 pts.
 - Replication throughout the state – 10 pts.
 - Collaboration with other entities – 10 pts.
 - Economic Development – 5 pts.



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Phase 3 – Hybrid program

- Funding available not to exceed \$3,225,560.99
- 15% set aside for EVSE - \$1,451,502.45
- Third funding request (2020) - \$1,774,058.54
 - Evaluate the two prior years and determine which option will best fit Delaware’s needs
 - The DAQ may continue to replace school buses
 - The DAQ may seek projects via a competitive RFP



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Moving forward with the VW Settlement

- Comments/feedback from workshop.
- Finalize work plan.
- Submit work plan & 1st funding request to Wilmington Trust – August 1, 2018.




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Comments/Questions?

DAQ is seeking comments on the proposed work plan.

- <http://www.dnrec.delaware.gov/air/Pages/VWMitigationPlan.aspx>
- Comments are welcome tonight.
- Written comments may also be submitted to the DAQ by April 27, 2018



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