

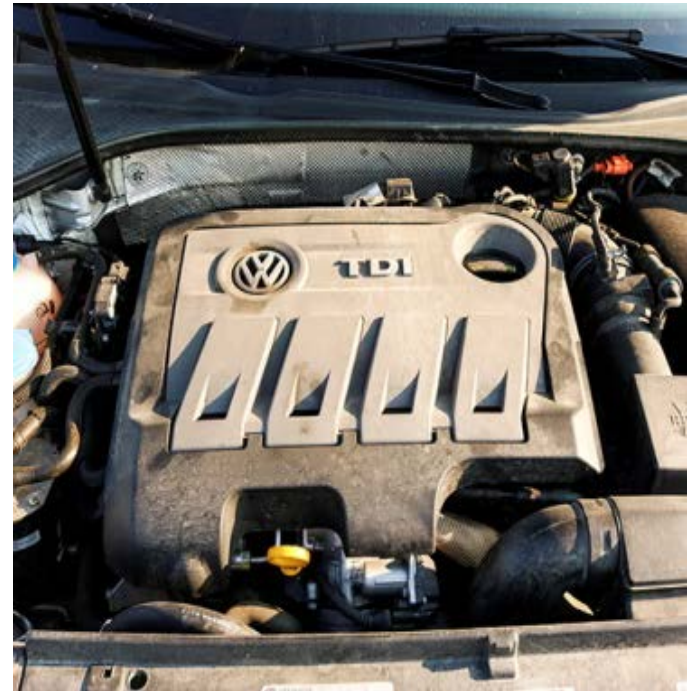


Volkswagen Trust

Be Part of the Solution

Volkswagen Trust Advisory Committee

Jefferson City
Aug. 30, 2018



Presentation Overview

- Background Review
- Final Documents
- Comments and Changes
- Current Activities
- Next Steps



MISSOURI
DEPARTMENT OF
NATURAL RESOURCES

Background Review

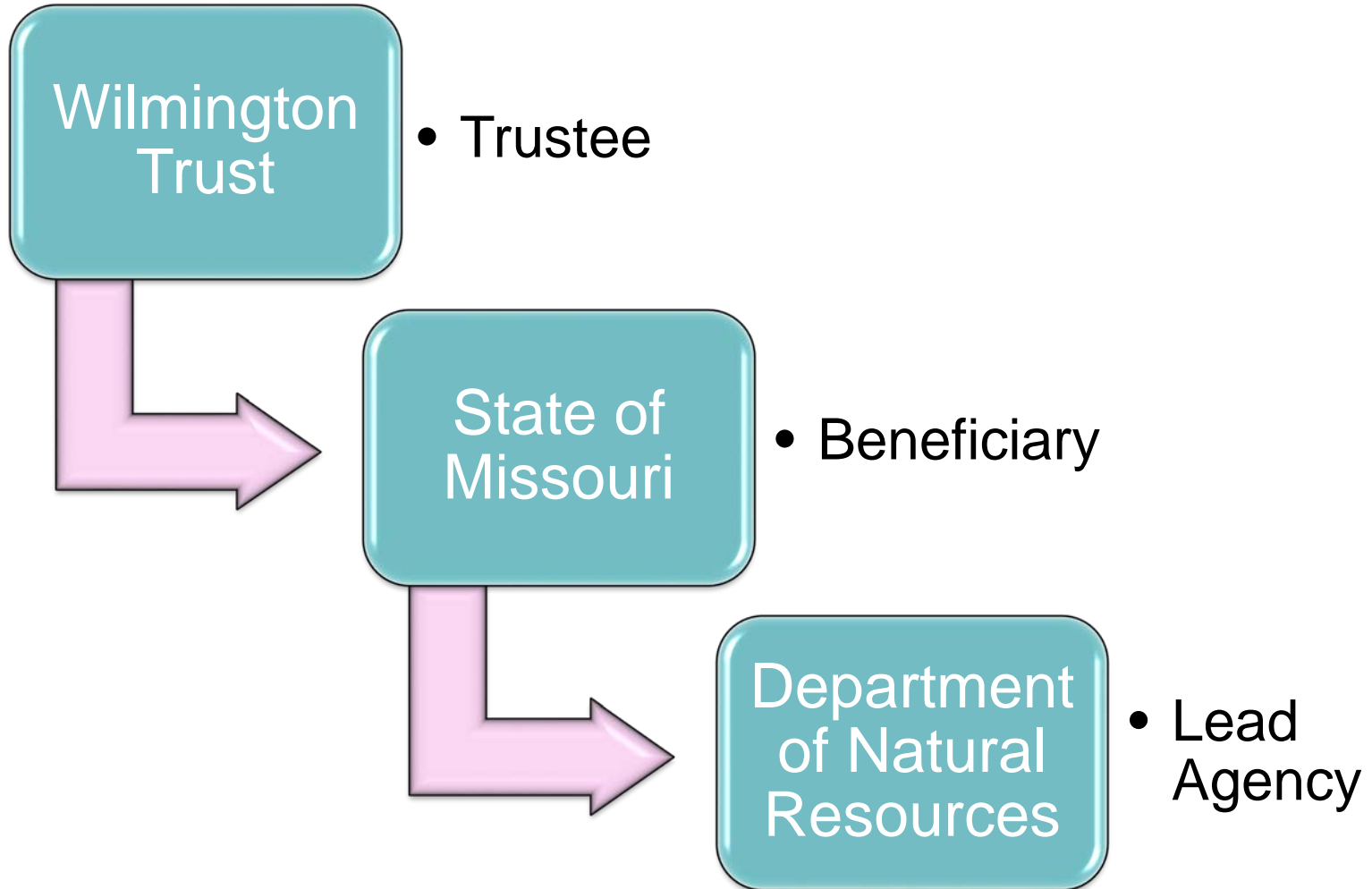
In 2015, VW admitted using software that caused diesel vehicles to perform differently during emissions tests so they would pass.

- American consumers bought 590,000 affected VW and Audi vehicles
 - Missourians bought 7,500 affected vehicles
- During normal operation, these vehicles emitted nitrogen oxides (NO_x) at levels higher than EPA standards

Environmental Mitigation Trust

- Volkswagen to pay \$2.9 billion to an environmental mitigation trust fund
- **Missouri's share of trust: \$41 million**
- State to use funds to counteract excess NO_x emissions from faulty VW vehicles





Missouri's VW Documents

Beneficiary Mitigation Plan (BMP)

- Four elements required by trust
 1. Overall goal and vision
 2. Project category funding
 3. Air quality benefits
 4. Estimate of emissions reduction
- Submitted to Wilmington Trust on Aug. 6, 2018
- Amendments subject to public review/comment
- Available online at: dnr.mo.gov/env/apcp/vw

Implementation Guidelines

- Discusses eligibility, selection process, cost effectiveness, target areas, timing (rounds), cost share, etc.
- Overview, DERA, and School Bus Guidelines are currently available online with the remaining award categories coming soon
- Commit to public review/comment process for future changes

Overall Goals

Reduce NO_x emissions from mobile sources

Additional goals:

- Replace aging school bus fleets
- Reduce diesel and gasoline fuel consumption
- Upgrade government fleets
- Upgrade private fleets
- Target areas that currently or historically have not met air quality goals
- Target areas with affected Volkswagen vehicles
- Promote electric vehicles

Award Categories and Funding Levels

Award Category	Funding Level
School Buses	\$12 million
Government Trucks	\$6 million
Transit and Shuttle Buses	\$4 million
Nongovernment Trucks	\$6 million
Locomotive and Marine	\$2 million
Airport and Cargo Equipment	\$2 million
DERA Option	\$3 million
Electric Vehicle Charging Stations	\$6 million

Comments and Changes

Over 450 comments received

Most Common

- Appreciation for allocating the full 15% to EV charge infrastructure
- Put more money in a specific category
- Dedicate funds in vehicle replacement categories for new electric vehicle projects
- Request for clarification on timing of applications and funding

BMP Changes

- Updated/clarified timing based on legislative appropriations
- No other changes to plan as a direct result of comments

Guideline Changes

- General organization and new summary tables
- Appropriations and Department of Corrections
- Application rounds and timing
- Multiple application rounds for all categories
- Emission reductions for electric vehicles
- Clarify emission reduction calculation
- Adjust equations for scoring cost effectiveness

Guideline Changes continued

- Added a definition of “port”
- Allow locomotive, marine, airport, and cargo equipment projects to apply under DERA
- School bus category
 - Additional 25 percent funding round after the DERA round for 2009 and older buses
 - Up to ten buses for all-electric or alternative fuel
 - List of financially disadvantaged school districts



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Current Activities

Fiscal Year 2019 Available Funding

- School Buses (\$1.474 million)
 - \$1 million for unfunded DERA applications
 - \$474,000 for financially disadvantaged schools
- Government Trucks (\$2.75 million)
- Transit and Shuttle Buses (\$1.75 million)
- VW DERA Option (\$276,000)
- Federal DERA funds (\$414,000)
- Department of Corrections (\$1 million)
- Total \$7.664 million

August – September 2018

Taking applications for DERA school bus replacements and School Bus award category

Round 1: Aug. 7 through **Sept. 14, 2018**

– **One application for both** available online

dnr.mo.gov/env/apcp/cleandieselpprogram.htm

– Request for Application (RFA)

- Instructions for filling out and submitting applications

Eligible Buses for Replacement

The old bus must be:

- A 1995 – 2006 engine model year
- At least a 14,000 pound GVWR
- In current operation transporting students
- Not planned for replacement through normal attrition before 2022
- Scrapped – hole in engine and chassis cut

Replacement Buses

All new replacement buses must be:

- Powered by a current or one year prior model year engine that is EPA certified
- Of similar size and purpose as the old bus

Bus Replacement Timeframe

- Application period:
 - Aug. 7, 2018 to **Sept. 14, 2018**
- Project period:
 - Oct. 1, 2018 to June 30, 2019
 - Buses must be ordered by March 31, 2019
 - Project completion means the new bus is purchased and the old bus is disabled

Next Steps

Next Steps

- Select school bus replacement projects
 - Hold drawing for DERA and school bus round 1 projects
- Open application period for Round 1 of Government Trucks, Transit/Shuttle Bus, and Financially Disadvantaged Schools
- Establish Electric Vehicle Charging Network team

Begin Financially Disadvantaged School District Bus Replacements

- 29 eligible school districts
- Five bus replacements planned for FY 2019
- Nearly 100% funding for new bus
- Lottery selection process
- Plan to offer additional rounds in future years

Webpage Tour

Main VW Webpage:

<https://dnr.mo.gov/env/apcp/vw/index.html>

Plan and Guidelines Webpage:

<https://dnr.mo.gov/env/apcp/vw/readvwplan.htm>

Apply for Funding Webpage:

<https://dnr.mo.gov/env/apcp/vw/apply-for-funding.htm>

DERA Webpage

<https://dnr.mo.gov/env/apcp/cleandieselprogram.htm>

Contact

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Air Pollution Control Program

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dnr.mo.gov/env/apcp/vw