



Connecticut Department of Energy and Environmental Protection



Volkswagen Trust Grant Program Round 3

SIPRAC 8/12/21
Paul Kritzler



Connecticut Department of Energy and Environmental Protection

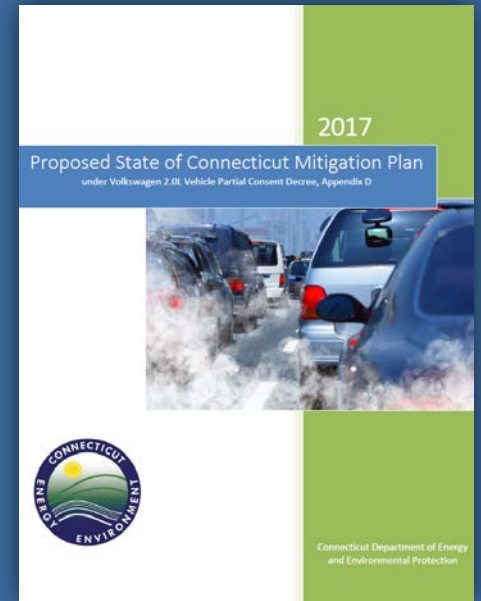
Environmental Mitigation Trust – Appendix D

- Settlement put **\$2.925 billion** into environmental mitigation trust
 - Support environmental programs to offset excess NOx from VW’s 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 became a “trust beneficiary” on January 29, 2018



CT Mitigation Plan

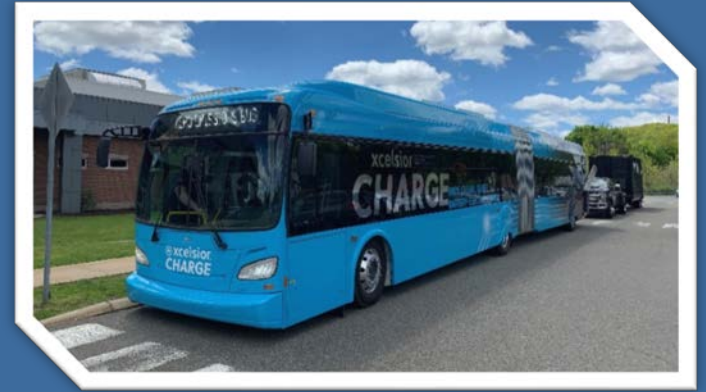
- As a beneficiary, CT was required to prepare Beneficiary Mitigation Plan which provided the public with a high level vision on how CT will use its funds
- Initial draft released in Feb 2017
 - Held informal public comment period and also held public informational session
- Proposed Final draft released in Feb 2018
 - After 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



Round 1 Projects

A wide array of new equipment was funded with the 10 projects selected:

- 12 electric transit buses
- 2 electric shuttle buses
- 16 new CNG refuse trucks
- 46 new diesel school buses
- 1 commercial ferry repower (6 new engines)
- 51 new commercial diesel trucks



Lifetime NOx Reduction: 151.4 tons



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Round 2 Projects

15 Projects Selected for funding

- 3 School Bus Projects: total 31 school buses (1 EV)
- 2 Electric Bus Projects: total 2 buses
- 7 Commercial Truck Projects: total 44 trucks (4 propane)
- 1 Municipal Refuse Truck Project: 2 CNG & 2 diesel trucks
- 1 Commercial Ferry Repower: replacing 4 engines on 1 vessel
- 1 CNG Refuse Truck Project: total 8 diesel trucks replaced by CNG trucks



Cumulative Round 1 & 2 Emission Benefits

Reductions from the 25 selected projects

- Annual NOx Reduction: **108.0 tons**
- Lifetime NOx Reduction: **218.3 tons**
- Lifetime CO2 Reductions: **13,027.5 tons**
- Lifetime VOC Reductions: **13.8 tons**
- Lifetime PM2.5 Reductions: **10.2 tons**
- Cost Effectiveness, VW share:
\$83,757/ton of NOx reduced
\$1,403/ton of CO2 reduced



Cumulative Emissions Benefits by Fuel Type

Reductions from the 25 selected projects by fuel type:

Fuel Type	Annual NOx Reductions: tons/year	Lifetime NOx Reductions: tons	Lifetime PM2.5 Reductions: tons	Lifetime HC Reductions: tons	Lifetime CO2 Reductions: tons	Total Lifetime Cost Effectiveness
Diesel	85.227	142.223	7.267	8.759	5252.200	\$1,455.92
CNG	13.486	43.010	1.399	1.515	1622.500	\$1,412.79
Propane	2.541	4.522	0.512	0.797	198.7	\$1,154.20
EV	6.558	27.042	0.974	2.675	5625.700	\$1,323.03
Other (hybrid)	0.242	1.453	0.006	0.05	328.4	\$988.40
Total	108.054	218.250	10.158	13.796	13027.500	



VW Incentives Round 3



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Round 3 Overview

- Funding of up to **\$10 Million** available for this round
 - 75% set aside for EV projects; balance for open competition
 - 35% set aside for projects in or benefitting EJ Communities
- Application Solicitation: **Very Soon**
- Proposal Deadline: **Anticipated End of September**
- Open to **government** and **non-government** entities
- Matching funds required for all projects
 - Match \$\$ can be from any source (except EPA DERA grants)
 - DEEP reserves the right to reduce match requirement to levels specified in App. D-2, for innovative/transformational proposals



Round 3 Overview, cont.

- This is a **reimbursement** program
- Projects initiated prior to filing an application are not eligible for funding
- Funding will be awarded through an open competitive and transparent process
- Awards announced in time to allow unsuccessful applicants the opportunity to apply for DERA funds
- Projects and final paperwork must be completed by **18 months after the award date.**
- Funding available at a later date:
 - ZEV Supply Infrastructure projects



Funding Allocation Goals

- DEEP will select projects to be funded based on the funding priorities outlined in the [State of Connecticut Mitigation Plan](#) in addition to a set of preferential criteria outlined in the application form and instructions.
- Government and non-government applications will be evaluated independently of each other
- Maintains flexibility for funding innovative/transformative projects



VW Program Focus

- Incentivize fleet transformation
- Prioritize emission reductions in Environmental Justice (EJ) communities
- Maximize NOx reduction



Evaluation Criteria

Connecticut Criteria:

- Annual NOx Reductions in tons
- Lifetime NOx Reduced in tons
- Lifetime Cost Effectiveness \$/ton NOx reduced
- EJ Community
- Potentially Transformative/Innovative
- GHG reductions
- Cost Share above required minimum
- Nonattainment, **NY/NJ/CT** (Fairfield, Middlesex, New Haven Counties)
- Anti-Idling Program
- **NEW:** EPA SmartWay Participant

NEW: ZEV Projects using clean energy to power EVs



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Proposal Ranking

- For reference purposes, the ranking methodology used for the second round of funding is available at <https://portal.ct.gov/DEEP/Air/Mobile-Sources/VW/VW-Settlement---Home>
- Ranking methodology for this round of funding has not been finalized and may differ from Round 2.



Eligible Projects & Funding Amounts

Round 3



On-Road Heavy & Medium Duty Vehicles

Eligible Equipment

Class 4 - 8 Local
Freight Trucks



Port Drayage
Trucks



Class 4-8
School, Shuttle and
Transit Buses



Eligibility Criteria

Trucks: Engine Model Years between 1992– 2009

Buses: Engine Model Years 2009 and older



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On Road Heavy & Medium 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

25%

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

60%

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

60%

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



Non-Road Equipment

Eligible Equipment

Airport Ground Support Equipment (GSE)



Forklifts



Port Cargo Handling Equipment



Eligibility Criteria

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

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



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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)



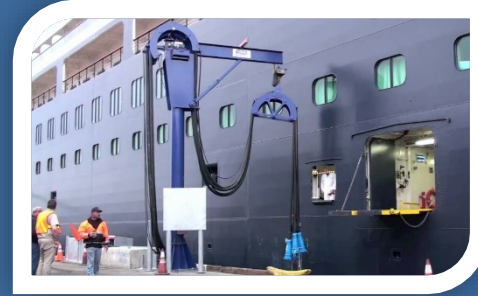
Commercial Marine Vessels

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



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Commercial Marine Vessels

Government Projects

Up to...

65%

- 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...

40%

60%

25%

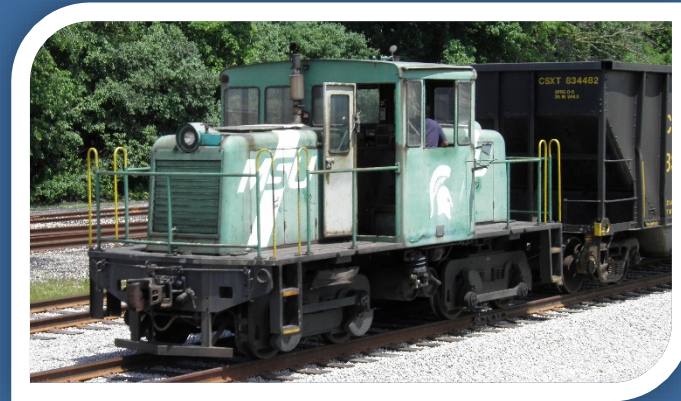
- Repower with a new diesel or alternate fueled engine
- Repower with a new all-electric engine (incl. infrastructure)
- Cover costs associated with a shore-side system



Locomotives

Eligible Equipment

Freight Switchers



Eligibility Criteria

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



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Locomotives

Government Projects

Up to...

65%

- 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)

Non-Government Projects

Up to...

40%

25%

60%

60%

- 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)



Application Form

- Application form and instructions are available at

<https://portal.ct.gov/DEEP/Air/Mobile-Sources/VW/VW-Settlement---Home>

- 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

- Improvements were made to the application forms based on comments received and DEEP staff

- .zip file contains entire application package



The screenshot shows the website for the Connecticut Department of Energy & Environmental Protection (DEEP). The page is titled "VW Settlement Information" and features a navigation menu with categories like ENERGY, ENVIRONMENTAL QUALITY, NATURAL RESOURCES, OUTDOOR RECREATION, and PURA. The main content area includes a "Grant Information" section with a leaf icon, a "Join our E-mail List" section with an envelope icon, and a "FAQ" section with a question mark icon. The text on the page discusses the VW settlement, mentioning that Volkswagen admitted to installing a defeat device in late 2015. It also states that the EPA resolved their civil enforcement case against VW through a series of three partial settlements, and that Connecticut is expected to receive over \$55 million for use towards offsetting excess NOx emissions.



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Process

- Proposals due September 30, 2021
- Internal review/management review: 30-60 days
- Award Letters to be issued in November
- Project Completion 18 months after award date
- Payment directly from Wilmington Trust upon completion



VW Round 3 Program Information

- Informational Webinar August 19, 2021 at 2:00 pm
 - Slides available at <https://portal.ct.gov/DEEP/Air/Mobile-Sources/VW/VW-Settlement---Home>
 - Forms and information available at <https://portal.ct.gov/DEEP/Air/Mobile-Sources/VW/VW-Settlement---Home>
 - E-mail questions to deep.mobilesources@ct.gov
- ZEV Supply Infrastructure solicitation will launch at a later date



Diesel Emissions Reduction Act (DERA)

- Timing of Round 3 allows for participation in 2021 CT State DERA Program
- Solicitation opens **October 11, 2021**
 - Funding: You may apply for both VW & DERA but can only be funded under one
 - No penalty for proposal withdrawal if selected for VW
- Available: at least **\$766,900**
- Application Deadline: **November 22, 2021**
- Project completion by: **August 31, 2022**



Diesel Emission Reduction Act (DERA)

- Similar reimbursement levels for non-government projects
- Allows for a wider range of eligible projects
 - Comparison chart detailing differences between Options 1-9 and DERA Option available at <https://portal.ct.gov/DEEP/Air/Mobile-Sources/VW/VW-Settlement---Home>
- VW Trust funds can potentially allow CT to qualify for additional state DERA funds
- Trust Funds can not be used for mandatory match for DERA-funded projects

Eligibility Criteria

Proposed projects must meet the requirements of the state DERA program



Contact Information



Connecticut Department of Energy and Environmental Protection

Contact Us

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

Website:

<https://portal.ct.gov/DEEP/Air/Mobile-Sources/VW/VW-Settlement---Home>

E-Mail: deep.mobilesources@ct.gov



Follow Us

- Visit <https://portal.ct.gov/DEEP/Air/Mobile-Sources/VW/VW-Settlement---Home>
- Sign up for our VW Email Distribution List (online form)
- Notification of new VW grant programs, including ZEV Supply Infrastructure programs, will be sent to all those on the VW distribution list
- VW Website will be updated when future grant opportunities become available



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Questions?

