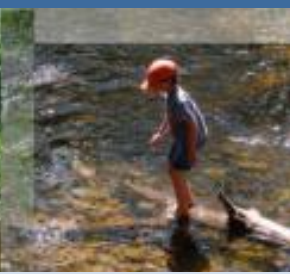




# Connecticut Department of Energy and Environmental Protection



Connecticut Department of  
**ENERGY &  
ENVIRONMENTAL  
PROTECTION**

# Volkswagen (VW) Round 3 and EVSE Round 1 Notice and 2020 State DERA Awards

February 11, 2021  
SIPRAC



Connecticut Department of Energy and Environmental Protection

# VW Round 3 / VW EVSE Round 1

## VW Grant Information

### Current Grant Opportunities

Connecticut is eligible to administer a total of \$55,721,170 from the Volkswagen Settlement's Environmental Mitigation Trust (Trust) as specified in Appendix D-2 to the [Environmental Mitigation Trust Agreement for State Beneficiaries](#) (Mitigation Trust Agreement). DEEP's plans for the allocation of funds are outlined in the [State of Connecticut Mitigation Plan](#).

#### Diesel Emissions Mitigation Program for Eligible Mitigation Action Options 1-9

##### Request for Comment

**Comment Period Closes on Tuesday, February 16, 2021 at 5:00 PM**

DEEP is inviting public comment on certain aspects of the *third round* of funding under the Volkswagen (VW) Diesel Emission Mitigation Program (Vehicle Program) and on the *first round* of funding under the VW Electric Vehicle Supply Equipment (EVSE) Program (EVSE Program) as further described in the [Notice of Request for Public Comments](#). Please refer to the documents below for additional information.

[VW Funding Opportunities - Notice of Request for Public Comments](#)

[VW Diesel Emission Mitigation Program - Round 3 Application Form and Instructions](#)

[VW Diesel Emission Mitigation Program - Round 3 Proposed Ranking-Summary](#)

[VW EVSE Program - Round 1 RFP](#)

[VW EVSE Program - Round 1 Application Form](#)

Please provide comments to [DEEP.mobilesources@ct.gov](mailto:DEEP.mobilesources@ct.gov) with the subject "*Response to VW Request for Comments*".

Note: This is a request for comments and not for applications. Project solicitation will be announced at a later date.

#### Diesel Emissions Mitigation Program for Eligible Mitigation Action Option 10 (DERA Program)

DEEP intends to utilize VW trust funds to match its State DERA allocation to allow for a greater variety of projects beyond those listed in the Trust. To be eligible for this match, proposed projects must be submitted for funding through the State DERA program, which will launch sometime in October. For more information please visit our [State DERA program webpage](#).

Note: Projects initiated prior to filing an application for the program are not eligible for funding and submittal of an application is not a guarantee that a proposed project will be funded.

- On January 22, DEEP published notice requesting public comment on five questions central to the structure of the next VW grant solicitation:
  - Vehicle Eligibility -> should DEEP favor or set aside a certain quantity of funds for electric projects?
  - Round 3 Funding Levels -> Is DEEP's anticipated Round 3 funding level of \$10 million adequate?
  - EVSE Funding Levels -> Is DEEP's anticipated funding of up to \$4 million adequate?
    - \$1.2 million over 3 years for government EVSE (if leveraged with CMAQ)
    - \$2.3 million for DCFC and Level 2 charging
    - \$500,000 for 1 hydrogen station (to be combined with other funding previously directed at FCEV infrastructure development)



# VW Round 3 / VW EVSE Round 1



## NOTICE OF REQUEST FOR WRITTEN COMMENTS

January 22, 2021

The Department of Energy and Environmental Protection (DEEP) is inviting public comment on certain aspects the third round of funding under the Volkswagen (VW) Diesel Emission Mitigation Program (Vehicle Program) and on the first round of funding under the VW Electric Vehicle Supply Equipment (EVSE) Program (EVSE Program) as further described below.

In late 2015, VW publicly admitted it had secretly and deliberately installed a defeat device - software designed to cheat emissions tests and deceive federal and state regulators - in nearly 590,000 VW, Audi and Porsche model year 2009 to 2016 diesel vehicles sold to American consumers. As a result of a federal civil enforcement case against VW for violating the Clean Air Act, Connecticut was allocated over \$55 million, to be distributed over a ten-year period, for use towards offsetting the excess oxide of nitrogen (NOx) pollution emitted in Connecticut by these vehicles.

To date, DEEP has offered two rounds of funding under the Vehicle Program, totaling \$18.3 million in awards, which has financed projects that replaced an array of aging diesel vehicles with cleaner alternatives. DEEP is currently preparing to offer a third round of funding under this program and its initial round of funding under the EVSE Program. More information on the program can be found on DEEP's [VW Settlement Information page](#).

### **Items for Public Comment**

In preparation for the upcoming solicitations on the Vehicle Program and the EVSE Program, DEEP is releasing draft Requests for Proposals (RFPs) and Application Forms and is seeking comments on several questions as well as any other issues related to the draft RFPs and Application Forms before issuing final RFPs:

#### ***1. Vehicle Eligibility Under Round 3 of VW***

Following the finalization of the VW settlement and the establishment of the [Environmental Mitigation Trust Agreement for State Beneficiaries](#) (Trust), Connecticut was required to develop a plan outlining what projects would be eligible under the States VW funding program and at what funding levels. The [State of Connecticut Beneficiary Mitigation Plan](#) (the Plan), finalized in 2018 and developed with public stakeholder input, mirrored the eligibility options allowed under the Trust. With the growing need to accelerate transition of the state's transportation sector to cleaner options, the electrification of medium and heavy-duty vehicles has been identified as a critical measure for the state to achieve its greenhouse gas (GHG) reduction and air quality goals. DEEP is seeking to maximize the number of electrification proposals the program receives under the final grant solicitations, and is considering making funding available for all project

1

- Five questions, cont'd:
  - Structure of the EVSE program -> DEEP requests general feedback on a program design approach that would favor public-private partnerships to leverage limited public dollars for maximum EVSE investments.
  - DEEP invites any other suggestions or comments on the posted materials (forms, applications, etc.,)
- Comments due to DEEP by Tuesday, February 16, 2021 at 5 PM
- All materials posted at:
- <https://portal.ct.gov/DEEP/Air/Mobile-Sources/VW/VW-Settlement---Grants>



Connecticut Department of Energy and Environmental Protection

# DERA Background & History

- Diesel Emissions Reduction Act was included in the Energy Policy Act of 2005
  - *PUBLIC LAW 109–58—AUG. 8, 2005*
- Annual Budget Allocation by Congress
- Establishes several types of clean diesel funding
  - State DERA: Non-competitive state allocations; state administered
  - National DERA: Regional projects, EPA-administered, focused on public entities (competitive)
    - Clean School Bus is a subset of National DERA (Nationwide lottery)
- 2008 First Year of Funding



# CT DERA Highlights

- 2008-2009 funded 353 school bus retrofits.
- 2009 American Resources & Recovery Act (ARRA)/DERA funded a ferry engine upgrade and 173 DOT construction equipment retrofits.
- CT's most cost effective project – FY '14 locomotive idle reduction: \$9,570 reduced 2,036 tons of NOx (\$4.7/ton) from 2 switch engines in New Haven.
- 6 very cost effective small vessel marine repowers.
- DERA has become a valuable resource for municipal fleet replacement.



# 2020 State DERA Awards

- Kudos to DEEP's Mobile Source Team!
  - Lakiesha Christopher, Patrice Kelly and Jennifer Arienti
- Designed as a rebate program to achieve significant reductions in diesel emissions
- EPA Restrictions
  - No fleet expansion
  - Scrappage Required
  - Model Year Ranges more limited than in VW program
  - Requires documentation of minimum hours of operation for nonroad engines

## Diesel Emissions Reduction Act (DERA) Funding



# Results of 2020 DERA Solicitation

- Initial amount offered \$814,572
- Total Requested \$3,959,164
- Total Awarded \$1,591,742 (augmented with VW)
- 27 proposals received representing a wide variety of municipal and private projects:
  - Marine (1 private fishing vessel, 1 tug serving Sub Base)
  - Electric projects include:
    - School bus, refuse trucks, moving truck, TRUs, compost collection truck, yard tractor, and lawn mower





# 2020 Applicants

ACES

Blue Earth Compost

Cariati Developers, Inc.

Coastal Carriers of CT, LLC

CWPM, LLC

D. Brake Marine

DATTCO (6)

E.A. Quinn Landscape Contracting  
(2)

Elate Moving

Joel Lizza (M/V)

Murphy Road Recycling

Ryder Systems, Inc.

City of Stamford

Town of Burlington

Town of Enfield

Town of North Stonington

Town of West Hartford

Town of Windsor

USA Hauling & Recycling

Waterfront Enterprises (*a.k.a.*  
*Gateway Terminal*)



# Funding Awards

Applicants	Project Location	Eligible Grant Amount	Awards
			NOx reduction: 82.2 tons GHG reduction: 3,908 tons
Coastal Carriers of CT, LLC (Fuel delivery 2 shifts daily)	Ansonia & Statewide	\$34,200.75	\$34,200.75
Murphy Road Recycling (EV yard tractor) (USA Hauling)	New Haven	\$126,966.30	\$126,966.30
D. Brake Marine (tugboat repower, 2 propulsion)	Groton (Sub Base)	\$91,748.00	\$91,748.00
Carioti Developers, Inc. (5 Class 8 dump trucks)	Meriden & Statewide	\$256,187.50	\$256,187.50
Elate Moving (EV replacement no EVSE)	Greenwich & Statewide	\$95,818.00	\$95,818.00
Ryder Systems, Inc. (EV & solar TRU)	Statewide	\$427,050.00	\$427,050.00
West Hartford (EV Mower)	West Hartford	\$11,924.10	\$11,924.10
Joel Lizza (marine repower)	Guilford	\$27,239.46	\$27,239.46
North Stonington (EV Refuse Truck)	North Stonington	\$167,942.38	\$167,942.38
ACES (1 EV School Bus operating in New Haven)	Greater New Haven	\$213,750.00	\$213,750.00
Blue Earth Compost (1 Class 5 EV box truck)	Statewide	\$69,862.00	\$69,862.00
Windsor (Commercial Mower)	Windsor	\$27,500.00	\$27,500.00
E.A. Quinn Landscape Contracting, Inc. (Class 5 Truck)	Greenwich & Statewide	\$16,462.00	\$16,462.00
CWPM, LLC (1 Class 6 Truck)	Greenwich & Statewide	\$24,664.35	\$24,664.35
<b>Totals</b>			<b>\$1,591,314.84</b>

<b>Color Code</b>
EV Replacements



# Next Steps

- For VW Round 3 and EVSE Round 1, after reviewing public comments:
  - Finalize program parameters for Round 3
  - Finalize program parameters for EVSE Round 1
  - Issue solicitations, public outreach, assess applications
- For DERA Awards:
  - Award letters issued
  - Revised budget to EPA
  - Develop project implementation plans with awardees
- Questions?

