

APPENDIX D-4
Beneficiary Eligible Mitigation Action Certification

BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION

Beneficiary Maryland

Lead Agency Authorized to Act on Behalf of the Beneficiary Maryland Department of the Environment
(Any authorized person with delegation of such authority to direct the Trustee delivered to the Trustee pursuant to a Delegation of Authority and Certificate of Incumbency)

Action Title:	MD School Bus Replacement Program
Beneficiary's Project ID:	Alt Fuel School Bus 2020-01
Funding Request No.	<i>(sequential)</i> Alt Fuel School Bus 2020-01
Request Type: (select one or more)	<input checked="" type="checkbox"/> Reimbursement <input type="checkbox"/> Advance <input type="checkbox"/> Other (specify): _____
Payment to be made to: (select one or more)	<input type="checkbox"/> Beneficiary <input checked="" type="checkbox"/> Other (specify): <u>Awarded School Districts</u>
Funding Request & Direction (Attachment A)	<input type="checkbox"/> Attached to this Certification <input checked="" type="checkbox"/> To be Provided Separately

SUMMARY

Eligible Mitigation Action	<input checked="" type="checkbox"/> Appendix D-2 item (specify): <u>2- Class 4-8 School Bus, Shuttle Bus, or Transit Bus</u>
Action Type	<input type="checkbox"/> Item 10 - DERA Option (5.2.12) (specify and attach DERA Proposal):
Explanation of how funding request fits into Beneficiary's Mitigation Plan (5.2.1): See Attached	
Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2): See Attached	
Estimate of Anticipated NOx Reductions (5.2.3): See Attached	
Identification of Governmental Entity Responsible for Reviewing and Auditing Expenditures of Eligible Mitigation Action Funds to Ensure Compliance with Applicable Law (5.2.7.1): See Attached	
Describe how the Beneficiary will make documentation publicly available (5.2.7.2). See Attached	
Describe any cost share requirement to be placed on each NOx source proposed to be mitigated (5.2.8). See Attached	
Describe how the Beneficiary complied with subparagraph 4.2.8, related to notice to U.S. Government Agencies (5.2.9). See Attached	

**If applicable, describe how the mitigation action will mitigate the impacts of NOx emissions on communities that have historically borne a disproportionate share of the adverse impacts of such emissions (5.2.10).
See Attached**

ATTACHMENTS
(CHECK BOX IF ATTACHED)

- Attachment A** **Funding Request and Direction.**
- Attachment B** **Eligible Mitigation Action Management Plan Including Detailed Budget and Implementation and Expenditures Timeline (5.2.4).**
- Attachment C** **Detailed Plan for Reporting on Eligible Mitigation Action Implementation (5.2.11).**
- Attachment D** **Detailed cost estimates from selected or potential vendors for each proposed expenditure exceeding \$25,000 (5.2.6). [Attach only if project involves vendor expenditures exceeding \$25,000.]**
- Attachment E** **DERA Option (5.2.12). [Attach only if using DERA option.]**
- Attachment F** **Attachment specifying amount of requested funding to be debited against each beneficiary's allocation (5.2.13). [Attach only if this is a joint application involving multiple beneficiaries.]**

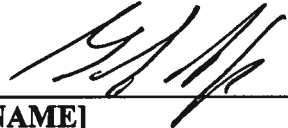
CERTIFICATIONS

By submitting this application, the Lead Agency makes the following certifications:

- 1. This application is submitted on behalf of Beneficiary Maryland, and the person executing this certification has authority to make this certification on behalf of the Lead Agency and Beneficiary, pursuant to the Certification for Beneficiary Status filed with the Court.**
- 2. Beneficiary requests and directs that the Trustee make the payments described in this application and Attachment A to this Form.**
- 3. This application contains all information and certifications required by Paragraph 5.2 of the Trust Agreement, and the Trustee may rely on this application, Attachment A, and related certifications in making disbursements of trust funds for the aforementioned Project ID.**
- 4. Any vendors were or will be selected in accordance with a jurisdiction's public contracting law as applicable. (5.2.5)**
- 5. Beneficiary will maintain and make publicly available all documentation submitted in**

support of this funding request and all records supporting all expenditures of eligible mitigation action funds subject to applicable laws governing the publication of confidential business information and personally identifiable information. (5.2.7.2)

DATED: March 5, 2020

 Director

[NAME]

[TITLE]

MDE

[LEAD AGENCY]

for

Maryland

[BENEFICIARY]

**Appendix D-4 – Supplemental Information
Beneficiary Eligible Mitigation Action Certification**

Beneficiary: Maryland

Lead Agency: Maryland Department of the Environment

**In support of funding request no. 2020-2
MD School Bus Replacement Program**

Appendix D4 – Summary

Explanation of how funding request fits into Beneficiary’s Mitigation Plan (5.2.1):

This project falls under the School Bus Replacement project detailed on page 15 of Maryland’s Beneficiary Mitigation Plan (BMP). This funding request will go to replace twenty-eight (28) total buses. Twenty-two (22) diesel buses will be replaced with propane buses, and six (6) diesel buses will be replaced with electric buses.

Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2):

Montgomery County Public Schools will replace one 2006 school bus with a new electric school bus. The school bus replacement projects outlined in Maryland’s BMP will provide funding from the Volkswagen Settlement to cover the incremental cost of an alternative fuel school bus over a diesel school bus. Montgomery County Public Schools requested \$349,393 to cover the incremental cost of an electric school bus over the \$146,000 cost of a diesel bus and the cost of purchasing and installing a 60 kW DC charger. School buses owned by Montgomery County are eligible for 100% funding, but Maryland will provide only 70.5% of the funding for the new electric school buses. Montgomery County will provide the remaining funding for this project.

The electric school bus will be assigned to a route along the I-270 corridor in schools with the highest number of at-risk students identified by English as a Second Language, Free and Reduced Lunch qualifiers, and students with special needs.

Prince George’s County Public Schools will replace one 2006 school bus with a new electric school bus. The school bus replacement projects outlined in Maryland’s BMP will provide funding from the Volkswagen Settlement to cover the incremental cost of an alternative fuel school bus over a diesel school bus. Prince George’s County Public Schools requested \$340,336 to cover the incremental cost of an electric school bus over the \$115,000 cost of a diesel bus and the cost of purchasing and installing a 60 kW DC charger. School buses owned by Prince George’s County are eligible for 100% funding, but Maryland will provide only 68.7% of the funding for the new electric school bus. Prince George’s County will provide the remaining funding for this project.

Frederick County Public Schools will replace two 2006 school buses with new electric school buses. The school bus replacement projects outlined in Maryland's BMP will provide funding from the Volkswagen Settlement to cover the incremental cost of an alternative fuel school bus over a diesel school bus. Frederick County Public Schools requested \$755,315 to cover the incremental cost of an electric school bus over the \$98,000 cost of a diesel bus and the cost of purchasing and installing two 60 kW DC chargers. School buses owned by Frederick County are eligible for 100% funding, but Maryland will provide only 79.4% of the funding for the new electric school buses. Frederick County will provide the remaining funding for this project.

The electric school buses will be assigned to a route in Frederick County that service schools with the highest number of at-risk students identified by English as a Second Language, Free and Reduced Lunch qualifiers, and students with special needs.

Frederick County Public Schools will replace twenty-two 2006 school buses with new propane school buses. The school bus replacement projects outlined in Maryland's BMP will provide funding from the Volkswagen Settlement to cover the incremental cost of an alternative fuel school bus over a diesel school bus. Frederick County Public Schools requested \$555,000 to cover the incremental cost of a propane school bus over the \$98,000 cost of a diesel bus. School buses owned by Frederick County are eligible for 100% funding, but Maryland will provide only 21.0% of the funding for the new propane school buses. Frederick County will provide the remaining funding for this project.

The propane school buses will be assigned to a route in Frederick County that service schools with the highest number of at-risk students identified by English as a Second Language, Free and Reduced Lunch qualifiers, and students with special needs.

Howard County Public Schools (HCPSS) will replace two 2006 school buses with new electric school buses. The school bus replacement projects outlined in Maryland's BMP will provide funding from the Volkswagen Settlement to cover the incremental cost of an alternative fuel school bus over a diesel school bus. Howard County Public Schools requested \$ 494,377,000 to cover the incremental cost of two electric school bus and the cost of purchasing and installing two 60 kW DC chargers. These school buses are owned by MBG Enterprises, a bus contractor for HCPSS. They are eligible for 100% funding, but Maryland will provide only 60.9% of the funding for the new electric school buses. HCPSS, MBG Enterprises, and Baltimore Gas and Electric will provide the remaining funding for this project.

Maryland's school bus replacement projects are designed to reduce harmful diesel exhaust exposure to children who are particularly vulnerable to the health effects of diesel exhaust. Children are uniquely at a higher risk of developing adverse health effects from diesel exhaust emissions due to their increased respiratory rates, and the fact that their lungs are still developing.

MDE expects these projects to result in the following reductions in air pollutants:

Pollutant	NOx	PM 2.5	GHG
Pollution Reduction (Lifetime Tons)	41.902	0.256	143.10

Estimate of Anticipated NOx Reductions (5.2.3):

Annual NOx reductions are estimated to be 2.993 Tons. Lifetime NOx reductions are estimated to be 41.902 Tons.

Identification of Governmental Entity Responsible for Reviewing and Auditing Expenditures of Eligible Mitigation Action Funds to Ensure Compliance with Applicable Law (5.2.7.1):

The Maryland Department of the Environment is responsible for all Volkswagen Mitigation Plan projects in Maryland.

Describe how the Beneficiary will make documentation publically available (5.2.7.2):

All documentation will be made publicly available on the Maryland Department of the Environment's Maryland Volkswagen Mitigation Plan website. This site can be found at:

<https://mde.maryland.gov/programs/Air/MobileSources/Pages/MarylandVolkswagenMitigationPlan.aspx>

Describe any cost share requirements to be placed on each NOx Source proposed to be mitigated (5.2.8):

Maryland's School Bus replacement program provides the incremental cost associated with purchasing an electric school bus over an equivalent diesel school bus. The applicant is responsible for providing the funding for the rest of the vehicle, which is equal to the cost of a diesel school bus. For this Project, the VW portion of the funding amounts to 46.2% of the project cost. School buses owned by counties, or owned by companies under contract with a county are eligible under the VW Settlement for 100% funding, but Maryland included the cost share requirement and will only fund the incremental cost of switching to alternative fueled buses, including infrastructure for electric school buses.

Describe how the Beneficiary complied with subparagraph 4.2.8, related to U.S. Government Agencies (5.2.9):

The Maryland Department of the Environment sent the required notifications to the specified U.S. Government Agencies on February 27th, 2018.

If applicable, describe how the mitigation action will mitigate the impacts of NOx emissions on communities that have historically borne a disproportionate share of the adverse impacts of such emissions (5.2.10):

Montgomery County's electric school bus will be assigned to a route along the I-270 corridor in schools with the highest number of at-risk students identified by English as a Second Language, Free and Reduced Lunch qualifiers, and students with special needs.

Frederick County's buses will be assigned to service schools with the highest number of at-risk students identified by English as a Second Language, Free and Reduced Lunch qualifiers, and students with special needs.

Howard County is located in the Northeast, a region with one of the highest rates of asthma in the nation. Asthma is one of the leading causes of school absenteeism and electric school buses eliminate harmful ground-level emissions that can exasperate this condition.

Prince George's County is proposing to pilot an electric school bus on one of their higher population density routes based out of the Mullikin Bus Lot.

All replacement buses are designed to reduce harmful diesel exhaust exposure to children who are particularly vulnerable to the health effects of diesel exhaust. Children are uniquely at a higher risk of developing adverse health effects from diesel exhaust emissions due to their increased respiratory rates, and the fact that their lungs are still developing.

ATTACHMENT B

PROJECT MANAGEMENT PLAN
PROJECT SCHEDULE AND MILESTONES

Milestone	Date
Request for Proposals announced	2/13/19
Request for Proposals Application Deadline	5/6/19
MDE Reviews applications for alternative fuel school bus proposals and announces grant recipients	9/26/19
MDE Submits Funding Request to Trustee –Appendix D-4	Mar 2020
Trustee Acknowledges Receipt of Project Certification and Funding Direction	Receipt from Trustee
Trustee Allocates Share of State Funds for Approved Project	Transfer Date
Grant Agreements signed with selected award recipients	CY 2020, Q2
Project Sponsor provides detailed invoices for all claimed project costs, proof of destruction, required certification documents to MDE to support direction to Trustee for Payment (Reimbursement).	CY 2021, Q2
MDE completes review and certifies payment direction to Trustee (Reimbursement)	CY 2021, Q2
Trustee Acknowledges Receipt of Direction for Payment(s) (Reimbursement)	CY 2021, Q2
Project Sponsor Certifies Project Completion	CY 2021, Q2
MDE Reports Project Completion	CY 2021, Q2

PROJECT BUDGET

Period of Performance: _____				
Budget Category	Total Approved Budget	Share of Total Budget to be Funded by the Trust	Cost-Share, paid by bus owners	Cost-Share, if applicable (Entity #2)
1. Equipment Expenditure	\$5,394,364.83	\$2,494,421	\$2,899,943.83	NA
2. Contractor Support	\$0	\$0	\$0	NA
3. Subrecipient Support	\$0	\$0	\$0	NA
4. Administrative	\$50,000	\$50,000	\$	NA
Project Totals	\$5,444,364.83	\$2,544,421	\$	NA
Percentage	100%	46.7%	53.3%	%

PROJECTED TRUST ALLOCATIONS:

	2020
1. Anticipated Annual Project Funding Request to be paid through the Trust	\$2,544,421
2. Anticipated Annual Cost Share	\$2,899,943.83
3. Anticipated Total Project Funding by Year (line 1 plus line 2)	\$5,444,364.83
4. Cumulative Trustee Payments Made to Date Against Cumulative Approved Beneficiary Allocation	\$0
5. Current Beneficiary Project Funding to be paid through the Trust (line 1)	\$2,544,421
6. Total Funding Allocated to for Beneficiary, inclusive of Current Action by Year (line 4 plus line 5)	\$2,544,421
7. Beneficiary Share of Estimated Funds Remaining in Trust	\$78,033,000
8. Net Beneficiary Funds Remaining in Trust, net of cumulative Beneficiary Funding Actions (line 7 minus line 6)	\$75,488,579

ATTACHMENT C
DETAILED PLAN FOR REPORTING ON ELIGIBLE MITIGATION ACTION IMPLEMENTATION

The Maryland Department of the Environment (MDE) will provide detailed reporting on this Environmental Mitigation Trust projects in two ways:

1. Updates to MDE's Volkswagen Mitigation Trust webpage (<https://mde.maryland.gov/programs/Air/MobileSources/Pages/MarylandVolkswagenMitigationPlan.aspx>)
2. Maryland's semiannual reporting obligation to Wilmington Trust.

MDE maintains a VW Mitigation Trust webpage to provide information and updates to the public in a timely manner. MDE will utilize the webpage to inform the public of project awards and make all documents received publicly available by posting them on that page.

Subparagraph 5.3 of the Environmental Mitigation Trust Agreement for State Beneficiaries details Maryland's Reporting Obligations: "For each Eligible Mitigation Action, no later than six months after receiving its first disbursement of Trust Assets, and thereafter no later than January 30 (for the preceding six-month period of July 1 to December 31) and July 30 (for the preceding six-month period of January 1 to June 30) of each year, each Beneficiary shall submit to the Trustee a semiannual report describing the progress implementing each Eligible Mitigation Action during the six-month period leading up to the reporting date (including a summary of all costs expended on the Eligible Mitigation Action through the reporting date). Such reports shall include a complete description of the status (including actual or projected termination date), development, implementation, and any modification of each approved Eligible Mitigation Action. Beneficiaries may group multiple Eligible Mitigation Actions and multiple sub-beneficiaries into a single report. These reports shall be signed by an official with the authority to submit the report for the Beneficiary and must contain an attestation that the information is true and correct and that the submission is made under penalty of perjury. To the extent a Beneficiary avails itself of the DERA Option described in Appendix D-2, that Beneficiary may submit its DERA Quarterly Programmatic Reports in satisfaction of its obligations under this Paragraph as to those Eligible Mitigation Actions funded through the DERA Option. The Trustee shall post each semiannual report on the State Trust's public-facing website upon receipt."

In MDE's semiannual report following the Trustee's approval of this project, MDE will describe the progress of implementing this Eligible Mitigation Action and include a summary of all costs expended on the Eligible Mitigation Action through the reporting date. The report will also include a complete description of the status, development, implementation (including project schedule and milestone updates), and any modification to this Eligible Mitigation Action.

**ATTACHMENT D
DETAILED COST ESTIMATES FROM SELECTED OR POTENTIAL VENDORS FOR EACH PROPOSED
EXPENDITURE EXCEEDING \$25,000**

School Bus applicants were asked to submit the total cost for each replacement vehicle, along with charging infrastructure where eligible, in their grant application. Replacement vehicles are reimbursable based on the final invoice Trust Funds covering the incremental cost of the alternative fueled vehicle as compared to a diesel vehicle.

Alternative Fuel Bus	Number of Buses	Average Incremental Cost Requested	Total Incremental Cost Requested
Electric	6	\$25,227.27	\$555,000
Propane	22	\$323,236.83	\$1,939,421

