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 Port Cargo Equipment Replacement Program
Beneficiary's Project ID:	MDPCE-2020
Funding Request No.	*(sequential)* 13
Request Type: **(select one or more)**	■ Reimbursement ☐ Advance ☐ Other (specify):
Payment to be made to: **(select one or more)**	☐ Beneficiary ■ Other (specify): Ports America Chesapeake LLC
Funding Request & Direction (Attachment A)	☐ Attached to this Certification ■ To be Provided Separately

SUMMARY

Eligible Mitigation Action Action Type	■ Appendix D-2 item (specify): 8 - Forklifts and Port Cargo Handling Equipment ☐ 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: 7/30/20

George S. (Tad) Aburn, Jr.
Director, Air and Radiation Administration

Maryland Department of the Environment
[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. 13
MD Port Cargo Equipment Replacement Program

Appendix D4 – Summary

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

This project falls under the Private Sector and Federal Government section detailed on page 13 of Maryland's Beneficiary Mitigation Plan (BMP). This section was reserved for private companies to submit proposals for vehicle replacements, and proposals were selected through a competitive process.

Ports America Chesapeake LLC submitted a proposal to utilize $12,000,000 from the Volkswagen Settlement funds to replace six diesel powered Rubber Tire Gantry (RTG) cranes at the Seagirt Marine Terminal with electric Rubber Tire Gantry cranes. Ports America requested

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

Ports America will utilize Volkswagen Trust funds to cover 75% of the cost to replace six old diesel powered RTG cranes. These RTG cranes use diesel engines from 2002 and will be replaced with electric powered cranes. These RTG cranes can work faster and more efficiently than diesel powered cranes. This allows them to provide better service to the trucking community. Diesel powered RTG cranes represent the highest polluters of NOx, SOx, and particulate matter at the rail operation at the Port.

Replacing these diesel powered RTG cranes with electric RTG will provide significant emissions reductions at both the Port and the surrounding neighborhoods. In addition to providing emission reductions, the electric RTG cranes will operate more efficiently, thus increasing productivity and reducing emissions.

The estimated total cost of the project will be approximately $16,000,000. Ports America will provide at least 25% of the funding with the remaining $12,000,000 coming from the Volkswagen Trust. The total cost of the project includes the equipment cost and installation cost of the charging infrastructure necessary to power these electric RTG cranes.

Ports America operates at the Seagirt Marine Terminal in the Port of Baltimore. Diesel emissions from activities associated with the Port of Baltimore impact over 2.7 million residents living in the Baltimore Metropolitan region. Removing these harmful diesel emissions by replacing them with electric RTG cranes will provide direct benefits to those living in communities near the marine terminal but also benefit those living within the entire Baltimore Non-Attainment Area.

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

Pollutant	NOx	PM 2.5	GHG
Pollution Reduction (Lifetime Tons)	445.4	25.8	15,525

Estimate of Anticipated NOx Reductions (5.2.3):

Annual NOx reductions are estimated to be 17.816 Tons. Lifetime NOx reductions are estimated to be 445.4 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 publicly 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):

The vehicles being replaced under this funding request are all owned and operated by Ports America Chesapeake LLC, a private company. As required by the Volkswagen Settlement, Ports America has agreed to provide at least 25% of the required match for this eligible mitigation action.

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):

Ports America operates at the Seagirt Marine Terminal in the Port of Baltimore. Diesel emissions from activities associated with the Port of Baltimore impact over 2.7 million residents living in the Baltimore Metropolitan region. Removing these harmful diesel emissions by replacing them with electric RTG cranes will provide direct benefits to those living in communities near the marine terminal but also benefit those living within the entire Baltimore Non-Attainment Area.

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 Transit Bus Replacement Program	Feb 2020
MDE Submits Funding Request to Trustee –Appendix D-4	July 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, Q3
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, Q1
MDE completes review and certifies payment direction to Trustee (Reimbursement)	CY 2021, Q1
Trustee Acknowledges Receipt of Direction for Payment(s) (Reimbursement)	CY 2021, Q1
Project Sponsor Certifies Project Completion	CY 2021, Q1
MDE Reports Project Completion	CY 2021, Q1

PROJECT BUDGET

Budget Category	Total Approved Budget	Share of Total Budget to be Funded by the Trust	Cost-Share, paid by Awardee	Cost-Share, if applicable (Entity #2)
1. Equipment Expenditure	$16,000,000	$12,000,000	$4,000,000	NA
2. Contractor Support	$0	$0	$0	NA
3. Subrecipient Support	$0	$0	$0	NA
4. Administrative	$120,000	$120,000	$0	NA
Project Totals	$16,120,000	$12,120,000	$4,000,000	NA
Percentage	100%	75.2%	24.8%	%

PROJECTED TRUST ALLOCATIONS:

	2021
1. Anticipated Annual Project Funding Request to be paid through the Trust	$12,120,000
2. Anticipated Annual Cost Share	$4,000,000
3. Anticipated Total Project Funding by Year (line 1 plus line 2)	$16,120,000
4.Cumulative Trustee Payments Made to Date Against Cumulative Approved Beneficiary Allocation	$0
5.Cumulative Approved Beneficiary Allocation	$24,481,378.97
6.Current Beneficiary Project Funding to be paid through the Trust (line 1)	$12,120,000
7. Total Funding Allocated to Beneficiary, inclusive of Current Action by Year (line 4 plus line 6)	$12,120,000
8. Total Fund Approved for Beneficiary, inclusive of Current Action by Year (line 5 plus line 6	$36,601,378.97
9. Beneficiary Share of Estimated Funds Remaining in Trust	$78,033,000
10. Net Beneficiary Funds Remaining in Trust, net of cumulative Beneficiary Funding Actions (line 9 minus line 7)	$65,913,000
11. Net Beneficiary Funds Remaining in Trust, net of cumulative Beneficiary Funding Actions Approved by Trustee inclusive of Current Action (line 9 minus line 8)	$41,431,621.03

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

Applicants were asked to submit the total cost for each replacement project. Ports America Chesapeake provided estimates for the purchase of electric rubber tire gantry (ERTG) cranes as well as estimates for the cost of the equipment and installation of electrical components to operate the ERTG cranes. Ports America Chesapeake will provide a 25% match toward the replacement costs.

Marine Engine	Number of ERTG cranes	Fuel Type	Total Cost	VW Share
Electrification Components	N/A	N/A	$4,000,000	$3,000,000
ERTGs	6	Electric	$12,000,000	$9,000,000