



DieselWise Indiana and the Volkswagen Mitigation Trust Funding

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Presentation Overview

- DieselWise Indiana Program
 - Eligible project types.
 - Application process.
 - Evaluation and selection process.

- U.S. Environmental Protection Agency (EPA) Volkswagen Mitigation Trust
 - Trust Effective Date (TED) development.
 - Beneficiary and mitigation plan deadlines.



What Types of Projects Will DieselWise Indiana Fund?

- U.S. EPA and/or California Air Resources Board (CARB) Verified Retrofit Technologies
 - Examples include diesel oxidation catalysts, diesel particulate filters, and closed crank case ventilation systems.

- U.S. EPA and/or CARB Verified Idle Reduction Technologies
 - Examples include auxiliary power units, fuel operated heaters, battery air conditioning systems, and thermal storage systems.



What Types of Projects DieselWise Indiana Will Fund?

- U.S. EPA and/or CARB Verified Aerodynamic/Low Rolling Tires
 - Examples include trailer side skirts, trailer gap reducers, trailer boat tails, and single wide wheels and tires.

- U.S. EPA Certified Engine Repowers
 - Examples include pulling existing diesel engine from operating equipment, and replacing engine and emission control equipment.

- U.S. EPA Certified Vehicle and Equipment Replacements
 - Examples include pulling entire vehicle/equipment out of service, and replacing with cleaner diesel alternative serving the same purpose.



What Vehicles, Engines, and Equipment Are Eligible?

- Projects may include, but are not limited to:
 - Buses
 - Medium-duty or heavy-duty trucks
 - Marine engines
 - Locomotives
 - Nonroad engines, equipment or vehicles used in:
 - Construction, cargo handling (including at a port or airport), agriculture, mining, or energy production (including stationary generators and pumps).



What Is the Review, Selection, and Implementation Process?

1. Submit proposals to DieselWise Indiana via email or hard copy.
2. Reviewed by technical staff and given numerical score, and then rank-ordered.
3. Funding recommendations finalized based on score, rank, and other factors.
4. Grant agreement developed and executed by all parties.
5. Upon full execution of the grant agreement, the project can move forward.



What Are the Evaluation Criteria?

Criteria	Points
Project's total emission reduction potential (based on type of project and/or the use of vehicle).	25
Level of commitment from the equipment owner/operator. This includes the willingness of the owner/operator to provide a financial match to leverage grant funds and/or provide an in-kind match, as well as a documented commitment to ensure project goals are met.	25
Proximity to sensitive populations such as day care facilities, schools, nursing homes, and residential areas.	15
Term remaining of useful vehicle life.	15
Reduction in fuel and oil consumption and other fluid or solid wastes from idling diesel engines.	15
Willingness to establish and enforce an Idle Restriction and Use Policy to maximize the use of onroad or nonroad idle reduction technologies and exhaust retrofit technologies.	5
BONUS: Bonus points will be provided to Indiana owned and operated business enterprises (include Indiana Economic Impact documentation).	5
BONUS: Active participant in the State of Indiana Minority and Women Business Enterprise Participation Plan (include MBE/WBE documentation).	5



Volkswagen Consent Decree and Mitigation Trust Background

- Partial consent decree requiring Volkswagen to establish and fund a \$2.7 billion mitigation trust to offset excess emissions from manufacturer's 2.0-liter diesel engines equipped with defeat devices.
- Indiana's portion of this total will be nearly \$39 million.
- Trustee recommendation recently filed with the court.





How Is the Trust Effective Date Established?

Trustee Recommendations

- Reviewed by potential beneficiaries.
- U.S. confers with potential beneficiaries to finalize recommendation.
- U.S. files motion to select Trustee.

Trustee and Trust

- Court selects Trustee.
- Trustee and Court revise Trust Agreement if necessary.
- Defendant and Trustee sign Mitigation Trust Agreement.

Trust Effective Date (TED)

- U.S. files the Mitigation Trust Agreement with the Court.
- Trust Effective Date is the date that the Mitigation Trust Agreement itself is filed.



Beneficiary Selection and Deadlines

Beneficiary Selection

- Beneficiary is determined by Governor or similar authority in tribes.

Within 60 Days of TED

- States and tribes submit Certification for Beneficiary Status documents to Trustee.

Within 120 Days of TED

- Trustee notifies states and tribes of Beneficiary approval status.

Within 210 Days after TED

- States file mitigation plan describing broadly how funds will be used.

Within 270 Days of TED

- Trustee accepts, rejects, or requests more information on state mitigation plans.



What Must Be Included in the Beneficiary Mitigation Plan?

According to the Consent Decree and Mitigation Trust, the plan must:

- Explain the Beneficiary's overall goal for the use of the Trust funds.
- Describe the NOx reductions the Beneficiary expects its plan to achieve.
- List the categories of projects the Beneficiary intends to implement.
- Explain how the Beneficiary will consider benefits to air quality in communities with a disproportionate air pollution burden and explain how it will seek and consider public input and
- Make other statements to allow the public and the Trustee to better understand the goals of the plan.





What Are Eligible Mitigation Projects?

According to the Consent Decree and Mitigation Trust, eligible projects are:

- Class 8 local freight trucks and port drayage trucks.
- Class 4-8 school/shuttle/transit buses.
- Freight switcher locomotives.
- Ferris/tugboats.
- Ocean and lake going vessels shorepower.
- Class 4-7 local trucks.
- Airport ground support equipment.
- Forklifts and cargo handling equipment at ports.
- Light duty zero electric vehicle supply equipment (up to 15% of allocation).
- Diesel Emission Reduction Act (DERA) Option.
 - Option to use Trust Funds for actions not specifically listed but otherwise eligible under DERA.
 - Projects funded under the DERA option will be required to meet the DERA cost share requirements.





Where You Can Get More Information



- IDEM Website
www.idem.IN.gov/
- DieselWise Indiana Website
www.idem.IN.gov/airquality/2561.htm
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