

Volkswagen Settlement Phase 2: Clean Heavy-Duty Diesel Program

June 7, 2022

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Department of Environmental Quality



What to Expect Today

- Overview of heavy-duty diesel program
- When/how to submit your application
- Scoring criteria
- Where to find information after this workshop
- Questions and answers

This is not a public forum for comments on implementation of the VW Settlement



2022 Heavy-Duty Diesel Program

Phase 2 Heavy-Duty Diesel RFP was released on May 16, 2022

Applications opened in DAQ Grant Management System (GMS) on May 16, 2022

Applications due: August 15, 2022, 11:59 PM EST



2022 Heavy-Duty Diesel Program

This is a reimbursement program.



Heavy-Duty Diesel Program Timeline

• Release of RFP May 16, 2022

Application opens in NCDAQ GMS May 16, 2022

• GMS Access Deadline August 1, 2022

Application due date
 August 15, 2022

Application evaluations August-September 2022

Phase 2 project selections
 October 2022

Grant awards announced
 October 2022



Heavy-Duty Diesel Funding Levels

There is \$12.9 million Available for Phase 2

Organization	Eligible Engine Model Years	Diesel	Alternative Fuel	All-Electric*
Government	2009 or older	100%	100%	100%
Non-Government		25%	25%	75%

*Electrification projects will be prioritized for funding. Electric projects can include up to \$75,000 for associated infrastructure.



Subscribe to our VW Email List!

If you are not currently on our mailing list and would like to receive email updates about the Volkswagen Settlement Program, please send an email with the word "Subscribe" in the subject line to daq.NC_VWGrants@ncdenr.gov.

Heavy Duty Diesel Eligible Applicants

Projects must be submitted by:

Local, state, and tribal government organizations.

Public or private nonprofit organizations.

 Public-private partnerships where the lead applicant represents a public sector or public/private nonprofit entity.

Heavy Duty Diesel Eligible Projects

Diesel equipment EMY 2009 and older:

- Class 4-8 Local freight trucks
- Switcher locomotives
- Ferries
- Port cargo handling equipment
- Ocean-going vessel shorepower
- Airport ground support equipment



Eligible Mitigation Projects Class 8 local freight trucks and port drayage trucks

Class Eight: 33,001 lbs. & over

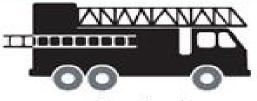












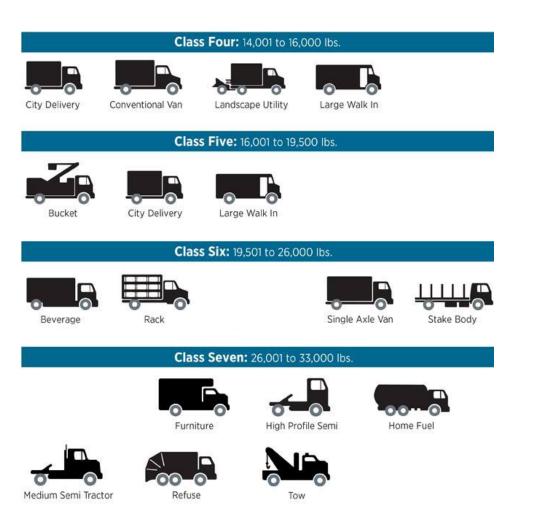








Eligible Mitigation Projects Class 4-7 local freight trucks (medium trucks)





Eligible Mitigation Projects













Clean heavy-Duty Eligible Projects

- Eligible equipment includes 2009 engine model year and older.
- Vehicles must operate at least 7,000 miles per year in NC
- May be replaced with a new diesel or alternative fueled or allelectric equipment (Must be with the engine model year in which the award occurs or one engine model year prior).
- All replaced equipment must be scrapped.



Scrappage Requirements

 "Scrapped" shall mean to render inoperable and available for recycle, and, at a minimum, to specifically cut a 3-inch hole in the engine block for all engines.

 If any eligible vehicle will be replaced as part of an eligible project, scrapped shall also include the disabling of the chassis by cutting the vehicle's frame rails completely in half.



Heavy-Duty Diesel Funding Levels

For Government-Owned Eligible Equipment: Replacement

- Up to 100% of the cost of a new diesel or alternative fueled (e.g., CNG, propane, hybrid) equipment.
- Up to 100% of the cost of a new all-electric equipment, including costs of installation and up to \$75,000 for charging infrastructure associated with the new all-electric equipment.



Heavy-Duty Diesel Funding Levels

• For Non-Government-Owned Eligible Equipment: Replacement

- Up to 25% of the cost of a new diesel or alternative fueled (e.g., CNG, propane, hybrid) equipment.
- Up to 75% of the cost of a new all-electric equipment, including costs of installation of charging infrastructure associated with the new all-electric equipment.



DAQ Grant Management System (GMS)

You must read and follow all the directions on the next slides to request access to the DAQ Grants

Management System and then be approved before you can log into the system!

Deadline to request access the DAQ GMS to guarantee access before deadline is August 1, 2022

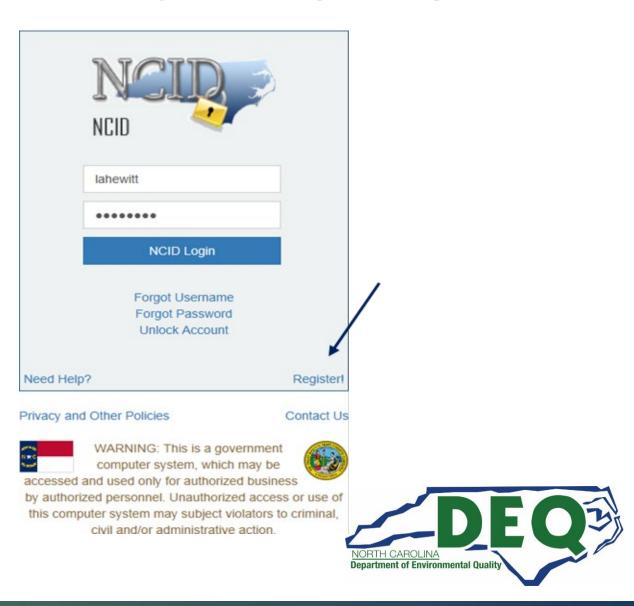
Approved means you received a "Welcome to the DAQ Enterprise Business System Portal" email.

DAQ Grant Management System (GMS)

Setting up an NCID:

https://ncid.nc.gov.

- Instructions are found here: How-to-Create-a-NC-ID.pdf
- Your NCID username and password are your credentials for the GMS System.



Acceptable NCID formats

- NCIDs must use the following format or your request for access will be denied.
 - First name or initial
 - Middle initial (optional)
 - Last name
 - Number (if name is already in use)
 - Example for Wile E. Coyote options for his NCID are:
 - Wileecoyote
 - Wilecoyote
 - Wilecoyote2
 - wcoyote

NCIDs must not be a company or organization name.



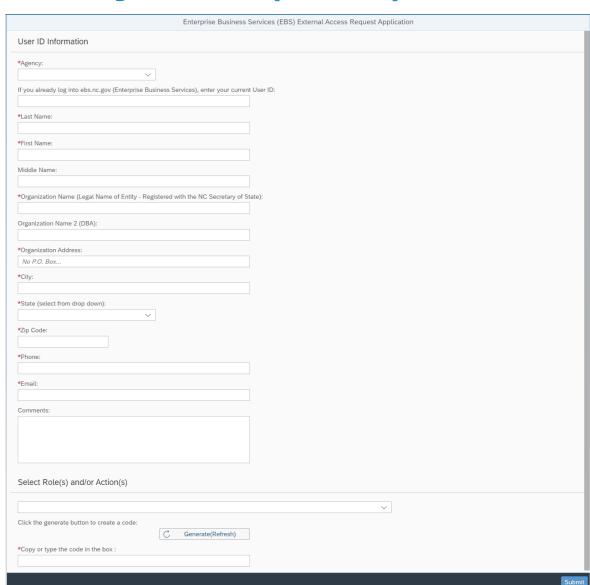
DAQ Grant Management System (GMS)

- After getting your NCID
- Submit the Enterprise Business Services External Request Application
- Complete the North Carolina Substitute
 <u>W-9</u> Form for your agency and email it
 to <u>svc.NCVWApplication@ncdenr.gov</u>.

Each organization is allowed up to 3 authorized users.

Once the authorization is processed, you will receive a" Welcome" email from NCDOT IT SAP Support Services.

Deadline to request access is August 1, 2022



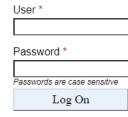
DAQ Grant Management System (GMS)

 Once you have received the "Welcome to the DAQ Enterprise Business System Portal" email, the DAQ Grant Management System (GMS) can be accessed at:

https://www.ebs.nc.gov/irj/portal

- GMS Instructions can be found at: <u>https://deq.nc.gov/about/divisions/air-quality/motor-vehicles-and-air-quality/volkswagen-settlement/grants-management</u>
- <u>Downloadable GMS External User</u>
 <u>Manual</u>

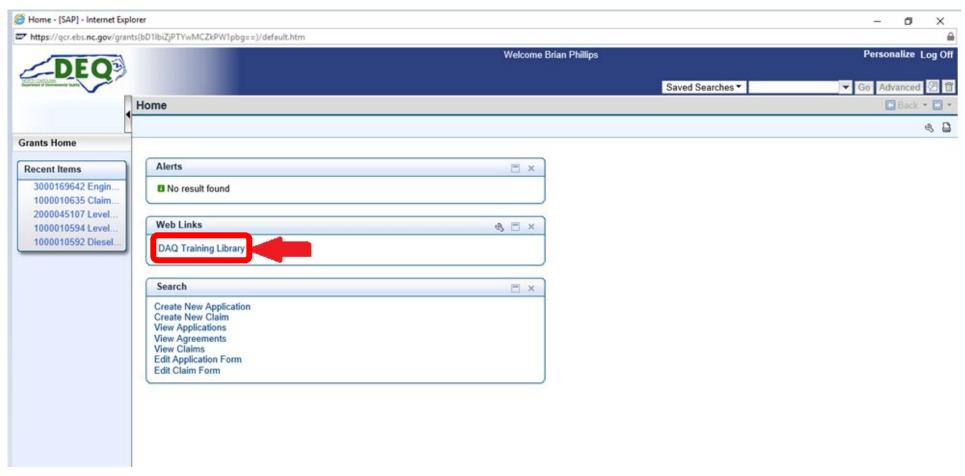




Login Help * Browser Support



DAQ Training Library





- A completed application must include:
 - Submitted Heavy-Duty Form in DAQ GMS (GMS program ID NCDEQDAQ0013)
 - Diesel Bus & Vehicle Excel® Spreadsheet
 - Pictures of the equipment being replaced
 - Quote for the vehicle being purchased
 - All-electric replacement vehicles requesting funding for charging infrastructure must also include an itemized charger budget (One charger allowed for each vehicle replacement requested)
 - Nonprofits only: Copy of Charitable Solicitation License from the North Carolina Department of the Secretary of State
 - Optional: Supporting Documentation
- Due date for completed heavy-duty application and all supporting materials:

August 15, 2022, by 11:59 PM EST

Please submit questions to:

daq.NC_VWGrants@ncdenr.gov

Subject line should be "Heavy-duty Diesel Program Question"



2022 Heavy-Duty Program

- Before beginning the application, please make sure you have the following information available.
- The application checklist can be found here:
 <u>Checklist</u>

General Application Requirements:

- NCID/W9/Access the DAQ GMS
- Applicant/All Project Affiliates/Organization Contact Information
- Project Information
- Organization Federal Tax ID

Vehicle Information:

Replaced vehicle/engine information

- Model, year, make, mileage, etc.
- Pictures of all equipment

Replacement vehicle/engine information

Model, year, make, quote if applicable, replacement cost

Infrastructure information and cost estimates (if applicable)

Any other additional documentation to support application



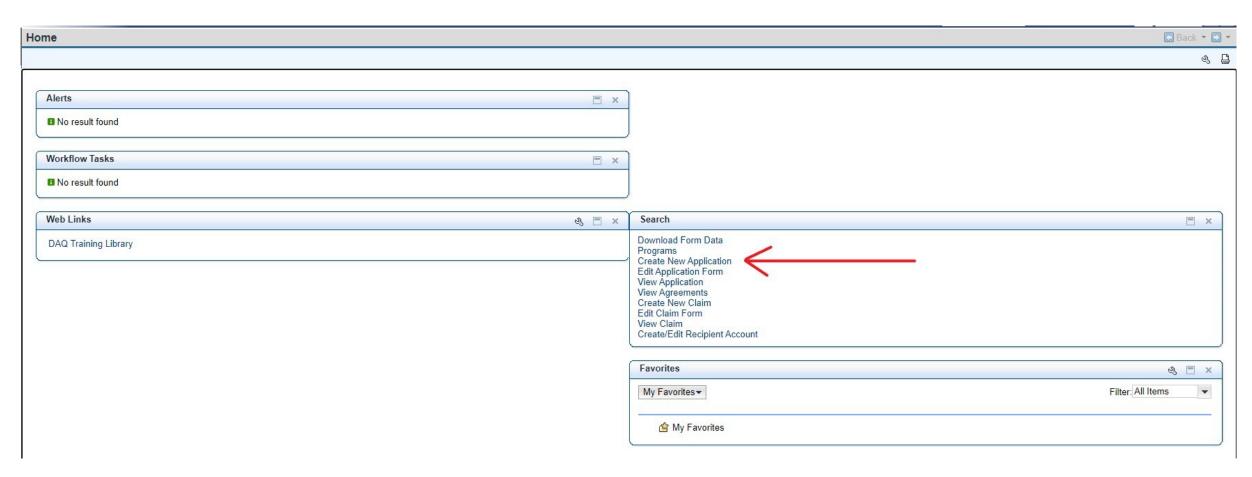
Inputs: Old vehicle to be REPLACED

Fleet Information	Unit 1
What is the vehicle's intended use?	
If selected other please describe	
County of Primary use	
Vehicle License Plate Number	
Vehicle Make	
Vehicle Model	
Vehicle Model Year	
Vehicle Identification Number (VIN)	
Engine Make	
Engine Model	
Engine Model Year	
Engine Horsepower	
Engine Serial Number	
Class of Equipment by GVWR	
Fuel Type	Diesel
Annual Fuel Used	
Idling Hours	
Annual Vehicle Mileage	
Vehicle Odometer Reading	
Total Engine Mileage	
Remaining Vehicle Life	
Normal Attrition Year	

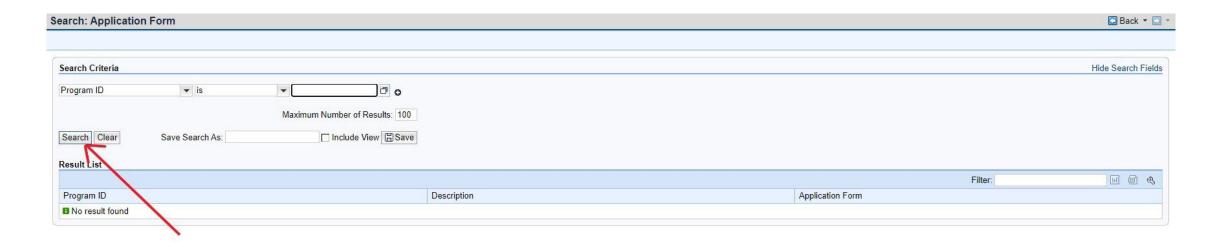
NCDEQ Vehicle Equipment Spreadsheet

Inputs: New replacement vehicle

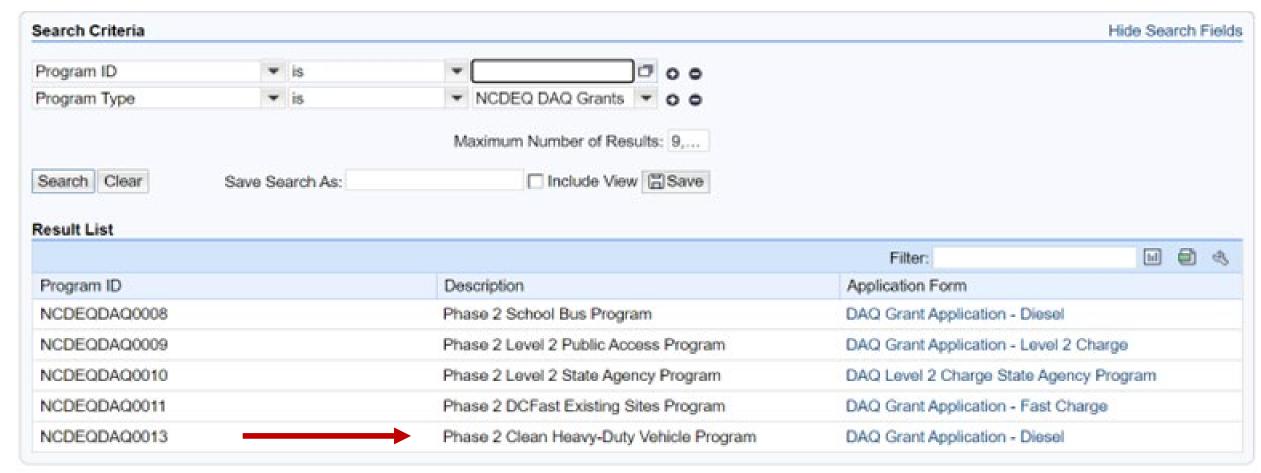
Fleet Information	Unit 1	
New Vehicle Make		
New Vehicle Model		
New Vehicle Model Year		
Engine Make		
Engine Model		
Engine Model Year		
Engine Horsepower/Capacity		
Class of Equipment by GVWR		
Fuel Type		
Unit Replacement/Repower Cost		
Funds Requested		
EV Infrastructure Costs Requested		
Annual Diesel Reduced		
New Fuel Usage Amount	NORTH CAROLINA	-4
Cost Share Amount Per Unit	Department of Environmental Quality	



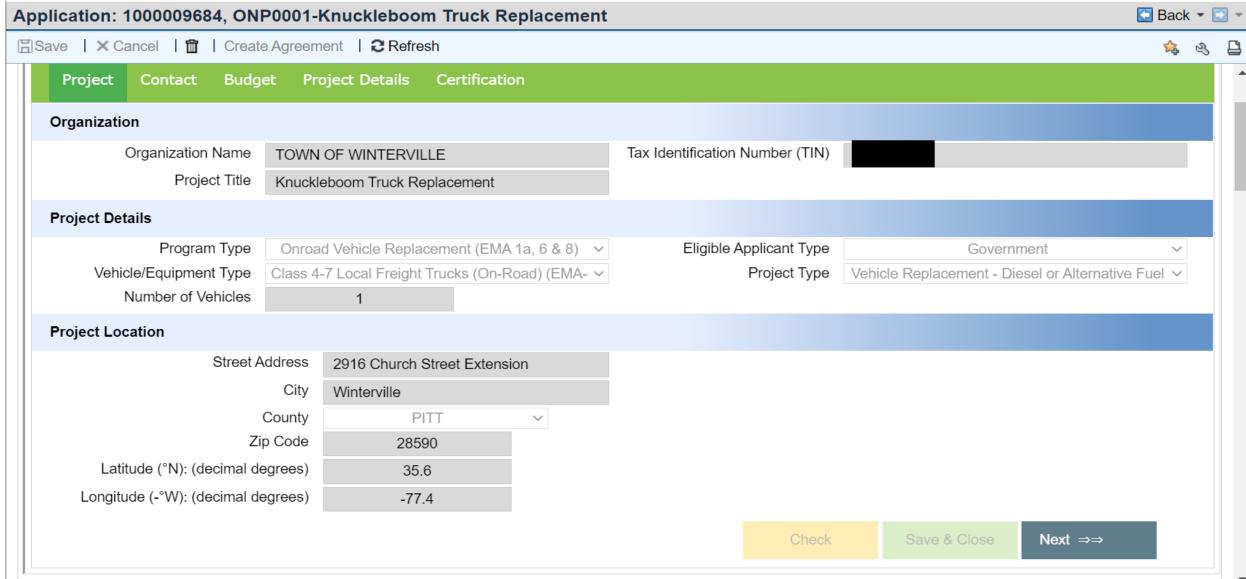


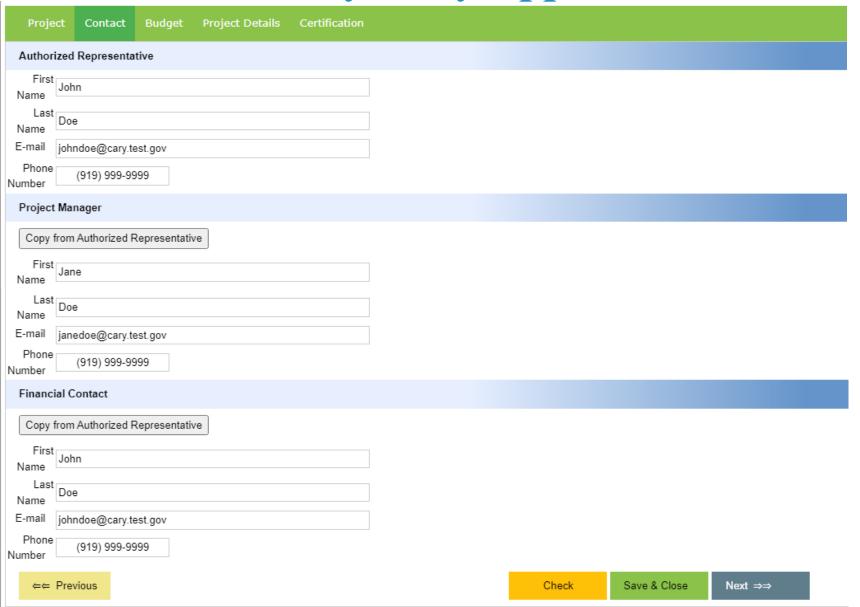












Project Contact Budget I	dget Project Details Certification							
Budget Item	Project Total	Requested Funds	Matching Funds (Your Org)	Other Funding	Other Funding (Specify)			
D001 New equipment/vehicle/engine	\$750,000	\$650,000	\$1 00,000					
D002 Infrastructure costs	\$75,000	\$50,000		\$25,000	federal infrastructure grant			
D003 Other	\$75,000	\$25,000	\$50,000					
Total Project Budget	\$900,000	\$725,000	\$150,000	\$25,000				
(Link to Vehicle Spreadsheet)								
⇐⇐ Previous			Che	ck Save & Close	Next ⇒⇒			



Project	Contact	Budget	Project Details	Certification		
1. Please pr	Please provide a detailed description of the proposed project.					
test test tes	st					
2. Explain h	ow this requ	est fits into N	lorth Carolina's Bene	ficiary Mitigation Plan.	14 out of 1562	
test test tes	st					
				ture indirect NOx and other emission reductions? That is, will this be the beginning or electricity? If so, please provide details.	14 out of 1562	
test test tes	st					

4. Are there any societal co-benefits of the project? Are there any "sensitive" populations including, but n the elderly that are likely to be directly benefited by the project?	not limited to asthmatio	es, children, or	14 out of 791
test test test			
Project Feasibility: Provide a description of how you as the applicant have the necessary technical,macapability and experience to execute on your proposed project.	anagerial, procuremen	t, and financial	14 out of 791
test test test			
6. Use this space for any additional information that you believe will be helpful in evaluating the project.	(Optional)		14 out of 791
test test test			
⇒⇒ Previous	Check	Save & Close	Next ⇒⇒

Project	Contact	Budget	Project Details	Certification	n					
-	-	-			rried out; that all money receiv					at
	records documenting the planning process and implementation will be maintained and submitted when requested, and DEQ is hereby granted access to inspect project sites and/or records. It is understood that if this project is selected a contract with DEQ will be executed.									
Authoriz	ed Representa	tive								
Name:	John Doe			Title:	Director		Date:			
← ← P	revious						Check	Save & Close	Submit	
							1	1		



Confirmation

Your Application has been **Saved** successfully. - **Application ID** - 1000010853

Your application is not complete until all required documents have been submitted.

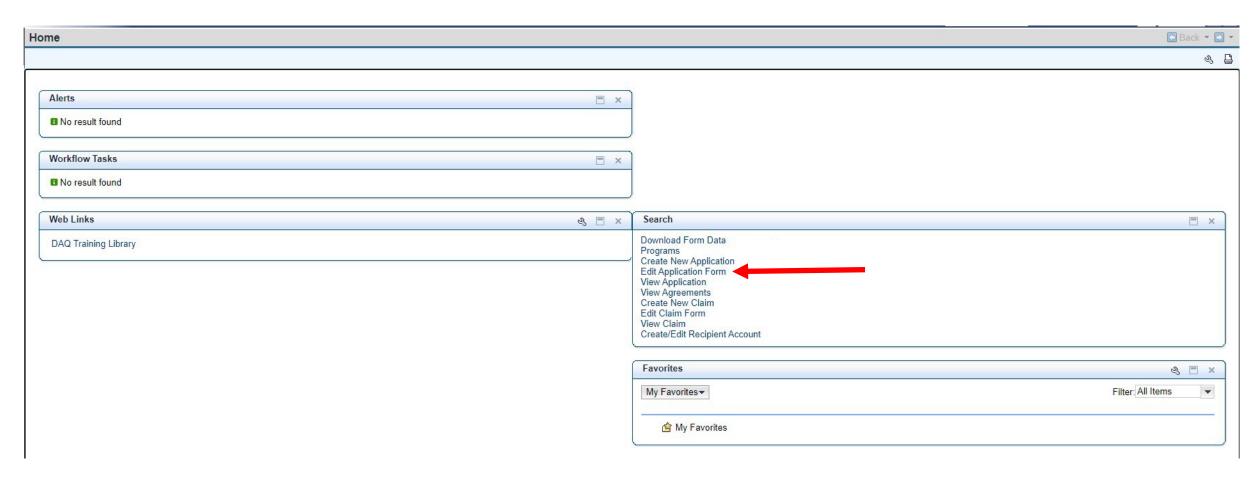
To download the Required Attachments Checklist, please click link: (Link to Checklist)

Click browse to select file (100 MB maximum) Choose File No file chosen

Attach

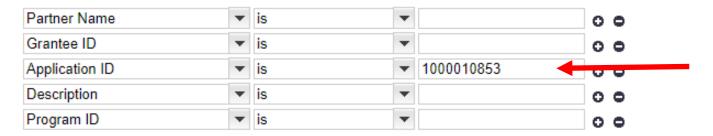


Editing an Existing Application





Editing an Existing Application



Maximum Number of Results: 100





Submitting an Application

Project	t Contact Budget	t Project Details	Certificatio	n					
By checking this box, I certify that all proposed activities will be carried out; that all money received will be utilized solely for the purposes for which it is intended; that records documenting the planning process and implementation will be maintained and submitted when requested, and DEQ is hereby granted access to inspect project sites and/or records. It is understood that if this project is selected a contract with DEQ will be executed. Authorized Representative									
Name:	John Doe		Title:	Director	Date				
⊭⊭ P	revious .				Check	Save & Close	Submit		



Submitted Application and Attachments

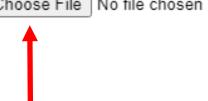
Confirmation

Your Application has been **Submitted** successfully. - **Application ID** - 1000010853

Your application is not complete until all required documents have been submitted.

To download the Required Attachments Checklist, please click link: (Link to Checklist)

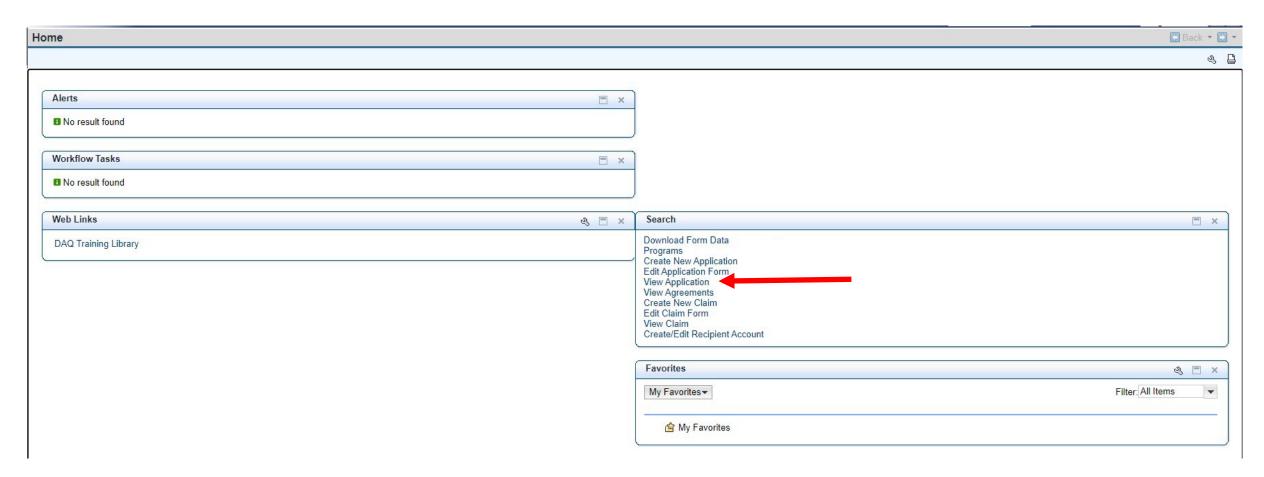
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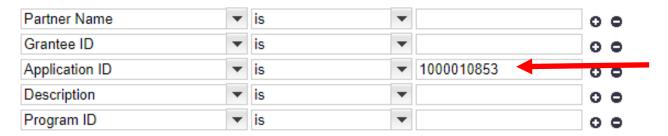


How to View an Application





Finding an Application in GMS

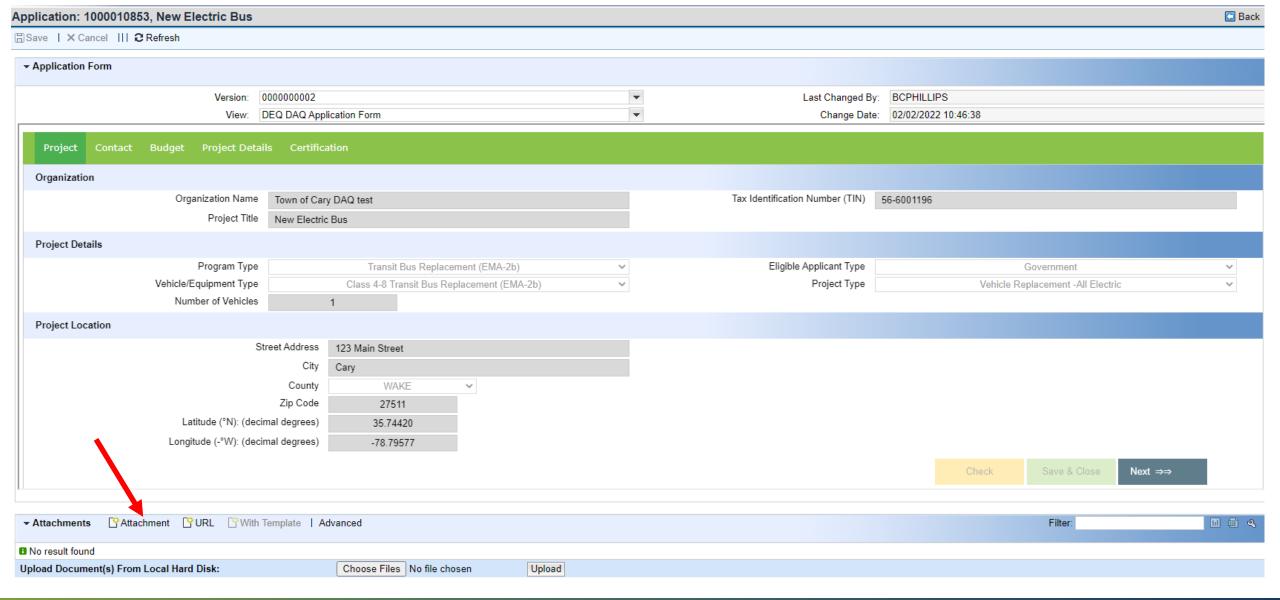


Maximum Number of Results: 100

Search				
			Filte	r. g
Pre-Agreement Request ID	Description	Created By	Status	Created On
1000010853	New Electric Bus	BCPHILLIPS .	Submitted -	02/02/2022 10:38:42



Adding Attachments to a Submitted Application



Tips and Things to Know

- Engine model year of the old diesel equipment must be 2009 or earlier
- Increases in fleet size are not allowed
- Replacement vehicle must be "like for like" with the original equipment
- Budget information should be as accurate as possible
- Partial funding will be used as appropriate in awarding projects
- Essays will be used to assist in evaluating projects that score similarly to determine awardees
- Applications must be submitted via the NCDAQ Grants Management System.
 Applications will not be accepted after 11:59PM EDT on August 15, 2022.
- Do not sign any agreements with vendors or start work until your contract is fully executed

APPLICATION AWARD IS NOT A FULLY EXECUTED CONTRACT



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Heavy-Duty Application Scoring







Project Selection Criteria

The NCDEQ will consider factors such as, but not limited to:

- Lifetime Cost Effectiveness (VW\$ funded per Lifetime NOx tons reduced)
- Lifetime NOx Emissions Reductions
- Location of project
- Environmental Justice areas
- Vehicle Electrification
- Historically Under-Resourced County Bonus

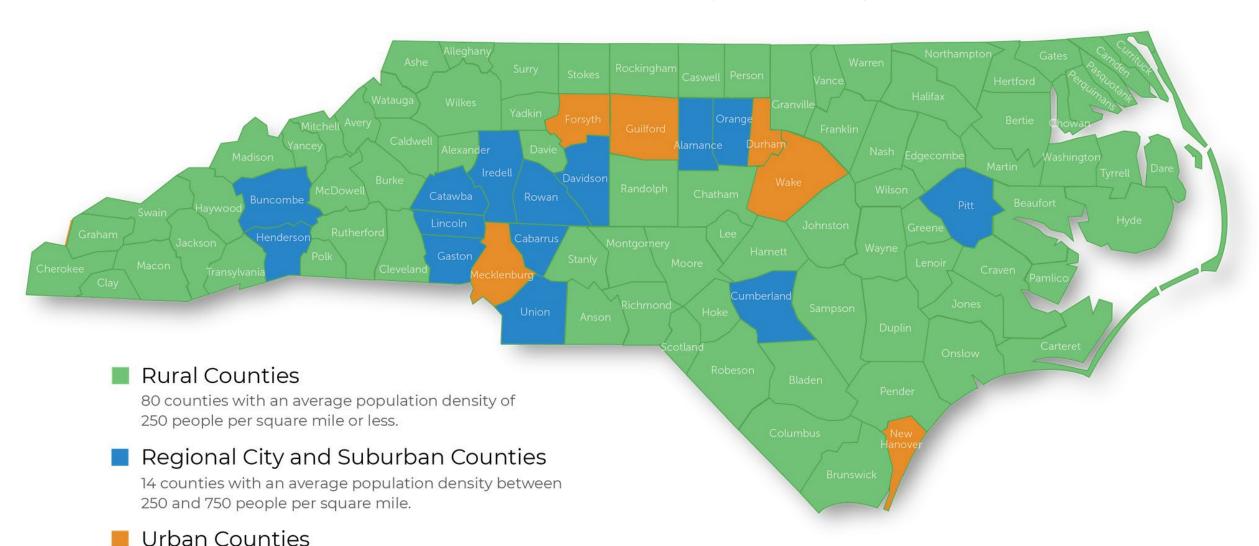


Project Scoring Criteria

Lifetime Cost Effectiveness	30
Lifetime NOx Emissions Reductions	30
Location of Project	15
Environmental Justice	15
Vehicle Electrification Project	10
Bonus: Historically Under-Resourced County	10
Total Points Possible	110



NC Rural Center County Classifications



6 counties with an average population density that

exceeds 750 people per square mile.

Lifetime Cost Effectiveness: VW\$ funded per Lifetime NOx tons reduced (30 points)

Lifetime Vehicle Cost effectiveness is based on applicant provided information using the USEPA Diesel Emission Quantifier and if applicable, matching funds. Under this criterion, projects are ranked, and points calculated from a maximum of 30 points for most cost effective to least cost effective (i.e. \$/amount of Lifetime NOx reduced). Urban/Suburban projects and Rural Projects will be ranked separately.



Lifetime NOx Emissions Reductions (30 points)

Ranked highest to lowest: Lifetime NOx emission reduction calculation based on applicant-provided information using the USEPA Diesel Emission Quantifier tool. Under this criterion, projects are ranked, and points calculated from a maximum of 30 points for highest emissions reductions to lowest emissions reductions. Urban/Suburban projects and rural projects will be ranked separately.



Location of Project (15 points)

Location scores have been determined for each county using NOx scores and VW concentration scores.

- To determine the NOx scores, 2017 Mobile NOx estimates from the National Emissions Inventory (NEI) were imported and then ranked from highest to lowest. Using natural breaks, 5 bins were created for NOx concentration levels and points were assigned accordingly.
- To determine VW concentration scores, registered VWs from each county at the time of the consent decree were assessed for each county and ranked. Using natural breaks, 10 bins were created for VW concentration and points were assigned accordingly.
- The points for "NOx" and "VW concentration" were then added to get a composite score for each county for a total of 15 possible points. See Table B-1 of the RFP.

Environmental Justice (15 points)

The Environmental Protection Agency defines environmental justice (EJ) as "the fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income, with respect to the development, implementation, and enforcement of environmental laws, regulations, and policies." (US EPA). Historically, people of color and people of low-income, along with other vulnerable populations, have been disproportionately exposed to harmful pollutants.

To determine environmental justice (EJ) scores for the purpose of ranking and rating vehicles and projects, the following analysis was done at the block group level using the 2019 American Community Survey (ACS) five-year estimates. The ACS is a demographic survey conducted each year by the U.S Census Bureau to collect detailed demographic information. For this analysis, aggregated five-year data from the 2017 and 2019 surveys was used to increase reliability.

See Table B-1 of the RFP.



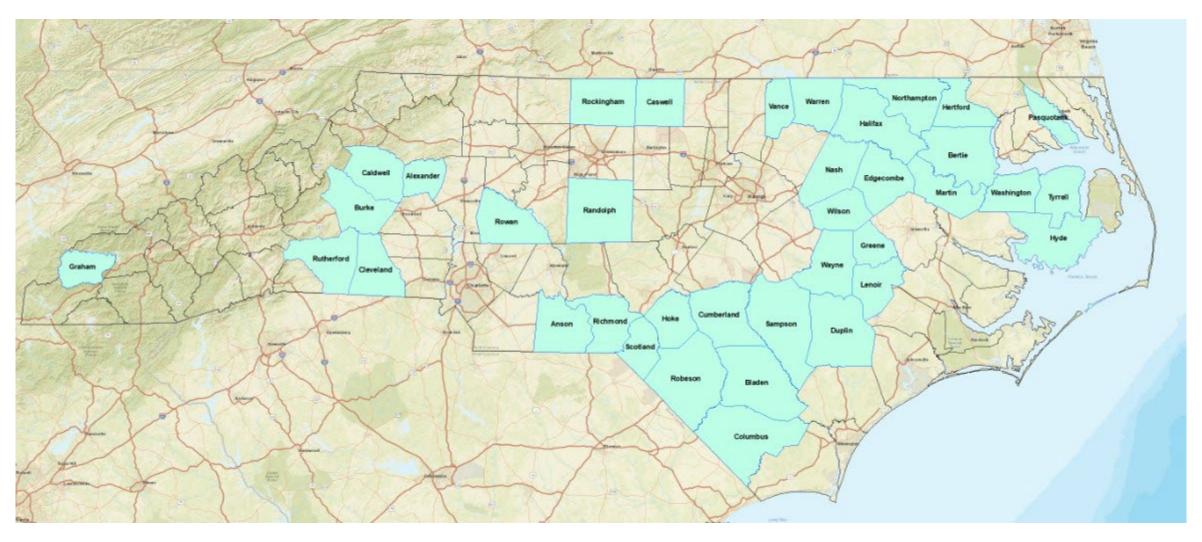
Bonus Points: Historically Under-Resourced County Outreach Program (10 points)

The Historically Under-Resourced Counties Outreach Program includes counties that have an underserved population greater than 15% and are designated as Tier 1 by the NC Department of Commerce.

For projects located in one of these counties, a bonus of 10 points will be awarded.



Historically Under-Resourced County Outreach Program Map



DAQ Project Eligibility Tool

We've developed a tool to help determine if your project is eligible for funding.

DAQ Eligibility Tool



2022 Heavy-Duty Applications

Due date for application and all supporting materials:

August 15, 2022, by 11:59 PM EST

 Please submit all applications and supporting documentation in the DAQ Grant Management System:

https://www.ebs.nc.gov/irj/portal

 We will not accept paper, scanned, emailed, or faxed applications. We will not accept applications after the due date.

Where to get more information after today?

Clean Heavy-Duty Program

NC Clean Heavy-Duty Program

E-mail questions to: daq.NC_VWGrants@ncdenr.gov



Additional Resources

- Additional resource contact information is available on our webpage for:
 - Centralina Clean Cities Coalition
 - Forsyth County Office of Environmental Assistance & Protection
 - Land of Sky Regional Council
 - Mecklenburg County Air Quality Agency
 - NCSU Clean Energy Technology Center
 - Piedmont Triad Regional Council
 - Plug-in NC
 - Sustainable Sandhills
 - Triangle J Council of Governments (TJ COG)
 - Western NC Regional Air Quality Agency



VW Heavy-Duty Program Contacts

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Robin Barrows, Allied Programs Supervisor – VW Outreach

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Email: robin.barrows@ncdenr.gov







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