Indiana Volkswagen Environmental Mitigation Trust Fund
Committee Meeting

Wednesday, January 13, 2021
1:00 p.m.

I. Welcome - Chair, Beverly Gard

II. Call to Order - Chair, Beverly Gard
   A. Overview of virtual meeting format (IDEM Media Staff)

III. Rounds 1 & 2 Onroad-Nonroad Project Implementation/DERA Option
   A. Status Report - IDEM

IV. Round 2 DERA Option Project Proposals
   A. Overview of Applications and Scoring – IDEM
   B. Award Recommendations – IDEM
   C. Committee Discussion
   D. Committee Action

V. Round 3 Onroad-Nonroad Request for Proposals
   A. Considerations – IDEM
   B. Committee Discussion and Recommendations

VI. 2020 and 2021 in Perspective
   A. Schedule of Milestones - IDEM
   B. Preliminary Meeting Schedule – IDEM

VII. Public comment – Open question and comment period for stakeholders

VIII. Closing remarks – Chair, Beverly Gard

IX. Adjournment
Indiana Volkswagen Environmental Mitigation Trust Program

Previous Rounds Update, Round 2 DERA Option, Potential Round 3 RFP Refinements, and Program Next Steps

Jan. 13, 2021
Rounds 1 & 2
Onroad-Nonroad/DERA Option Projects Update
Rounds 1 & 2 Onroad and Nonroad/DERA Option Project Implementation

- 56 projects awarded
  - Six electric school bus projects underway and on schedule
  - 23 nonelectric school bus projects underway and on schedule (five diesel, 17 propane)
  - 10 nonroad equipment and vehicle projects underway and on schedule (three diesel, one CNG, six electric)
  - Five transit bus projects underway (two CNG, three electric)
    - CNG project on schedule
    - Electric projects potentially delayed
  - Eight short haul/drayage projects underway and on schedule (four diesel, three CNG, one electric)
  - Four refuse hauler projects underway and on schedule (All CNG)
- Total vehicles funded: 296
- Total project costs: $63,338,730
- Total Indiana VW award support: $17,098,748
Round 2
DERA Option Applications
Round 2 Application Considerations

• More than $2,240,000 available for Round 2 of the DERA Option Program

• $5,084,284 was requested from Round 2 of the DERA Option Program

• Demand in Round 2 was greater than Round 1 and requests exceeded the funds available for award

• IDEM received 13 quality applications from several parts of the state using a variety of cleaner alternatives
  • Port, marine, construction, and mining activities have some of the largest potential for emission reductions and all Round 2 applications impact these sectors
  • Several innovative projects were proposed using diesel, electric, and hybrid technologies
Overview of Applications

- 13 applications received
  - One switcher locomotive to all-electric railcar mover
  - One diesel terminal trucks to all-electric
  - Six diesel front-end loaders to Tier 4 diesel
  - Four diesel excavators to Tier 4 diesel
  - Nine diesel mobile cranes to Tier 4 diesel
  - Three diesel mobile cranes to all-electric
  - One diesel material handler to Tier 4 diesel-hybrid
  - Six nonroad material hauling trucks to Tier 4 diesel
  - One diesel lift truck to Tier 4 diesel
  - Four diesel drill engine replacements to Tier 3 engines
Overview of Scoring

• Each application reviewed for eligibility
  ▪ One application found ineligible due to Tier 4 requirement
  ▪ Each application scored according to VW Committee-approved evaluation scoring criteria

• Each application’s cost effectiveness and total NOx emission reductions were calculated using U.S. EPA’s Diesel Emission Quantifier

• Each application scored by IDEM technical staff
DERA Option Project Examples
DERA Option Project Examples (cont.)
### Round 2 DERA Option Award Recommendations

<table>
<thead>
<tr>
<th>Applicant</th>
<th>Project County</th>
<th>Project Type</th>
<th>Funding Request</th>
<th>Applicant Match</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulk Equipment</td>
<td>Porter</td>
<td>Nonroad Trucks</td>
<td>$115,000</td>
<td>75%</td>
</tr>
<tr>
<td>GE Marshall</td>
<td>Porter</td>
<td>Excavators</td>
<td>$338,468</td>
<td>75%</td>
</tr>
<tr>
<td>RH Marlin</td>
<td>Marion</td>
<td>Mobile Cranes</td>
<td>$704,642</td>
<td>59%</td>
</tr>
<tr>
<td>Indiana Pickling</td>
<td>Porter</td>
<td>Railcar Mover</td>
<td>$113,255</td>
<td>75%</td>
</tr>
<tr>
<td>Metro Ports</td>
<td>Porter</td>
<td>Material Handler/Loaders</td>
<td>$642,452</td>
<td>75%</td>
</tr>
<tr>
<td>US Aggregates</td>
<td>Randolph</td>
<td>Nonroad Trucks/Loader</td>
<td>$339,720</td>
<td>75%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td><strong>$2,253,537</strong></td>
<td></td>
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Note: IDEM recommends borrowing from future Rounds of VW funding the approximate amount of $13,500 if necessary.
Round 3
Onroad and Nonroad RFP
Previously Approved Refinements

Indiana has now completed Rounds 1 and 2 of funding for both the Volkswagen Onroad and Nonroad as well as the DERA Option programs. IDEM is always looking for ways to improve programs and received VW Committee approval of the following revisions for Round 2 funding in January 2020:

• Clarify that applications will not be considered if not fully funded and shovel-ready (several current projects are delayed due to contingent funding from third parties)

• Require 1,000 operating hour requirement for only switcher locomotives and not nonroad and marine equipment (this is consistent with Appendix D-2 and was a limiting factor in both RFPs)

• When EPA’s Diesel Emission Quantifier does not have default values, general business practices or industry averages will be used in emission reduction calculations

• Only allow diesel-to-diesel projects for certain types of onroad vehicles (diesel-to-diesel projects should focus on most locally impactful vehicles such as school buses and refuse haulers)
Overview of Round 3 Considerations and Recommended Refinements

Topic to consider:

• Should we consider removing diesel-to-diesel school bus and refuse hauler projects in Round 3?

IDEM recommended refinements:

• In past rounds, IDEM has occasionally recommended an award for a lesser number of vehicles than were included in the original application. IDEM recommends a re-run of the diesel emission quantifier (DEQ) using the recommended smaller number of vehicles in place of the larger number of vehicles included in the application. This re-run will be used for evaluation and scoring purposes.

• In place of the current “comparative” approach used for scoring of Cost Effectiveness and Total NOx Emission Reductions a “ranked” approach will be used. This ranked approach within each vehicle use type will provide a greater opportunity for projects to score in this category in cases where one project is dramatically higher-scoring than others.
Round 3
Considerations and Recommended Refinements
Discussion and Committee Action
2021 in Perspective
# 2021 Schedule of Milestones

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Estimated Completion</th>
<th>Volkswagen Committee Involvement</th>
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</thead>
<tbody>
<tr>
<td>Round 2 DERA Option awards announced and Round 3 RFP change discussion</td>
<td>Jan. 13, 2021</td>
<td>Review and/or Approve</td>
</tr>
<tr>
<td>Round 3 Onroad and Nonroad RFP posted (90 days)</td>
<td>March 2021</td>
<td>NA</td>
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<tr>
<td>DC Fast short-listed applicant responses due to IDEM</td>
<td>March 10, 2021</td>
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<tr>
<td>DC Fast awards announced</td>
<td>May 2021</td>
<td>Review and/or Approve</td>
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<tr>
<td>Round 3 Onroad and Nonroad RFP deadline</td>
<td>June 2021</td>
<td>NA</td>
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<tr>
<td>Round 3 Onroad and Nonroad awards announced</td>
<td>July 2021</td>
<td>Review and/or Approve</td>
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<tr>
<td>Round 3 DERA Option RFP posted (60 days)</td>
<td>September 2021</td>
<td>NA</td>
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<tr>
<td>Round 3 DERA Option RFP deadline</td>
<td>November 2021</td>
<td>NA</td>
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<tr>
<td>Round 3 DERA Option awards announced</td>
<td>December 2021</td>
<td>Review and/or Approve</td>
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## 2021 Preliminary Meeting Schedule

<table>
<thead>
<tr>
<th>Related Program</th>
<th>Potential Meeting Date</th>
<th>Volkswagen Committee Involvement</th>
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</table>
Opportunity for Committee to Seek Input or Public Comments from Attendees
For More Information

Indiana Volkswagen Mitigation Trust Program website:
www.idem.IN.gov/vwtrust

For program assistance:
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