

APPENDIX D-4
Beneficiary Eligible Mitigation Action Certification

BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION

Beneficiary Tennessee

Lead Agency Authorized to Act on Behalf of the Beneficiary Tennessee Department of Environment and Conservation
(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:	STATE OF TENNESSEE LIGHT DUTY ZEV SUPPLY EQUIPMENT GRANT
Beneficiary's Project ID:	ENVWZEVINFRA
Funding Request No.	(sequential) 15
Request Type: (select one or more)	☒ Reimbursement ☐ Advance ☐ Other (specify): _____
Payment to be made to: (select one or more)	☒ Beneficiary ☐ Other (specify): _____
Funding Request & Direction (Attachment A)	☒ Attached to this Certification ☐ To be Provided Separately

SUMMARY

Eligible Mitigation Action	☒ Appendix D-2 item (specify): <u>Eligible Mitigation Action Category #9, Light Duty Zero Emission Vehicle Supply Equipment</u>
Action Type	☐ 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): Tennessee Department of Environment and Conservation	
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 Tennessee, 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: ⁵
8/2/2021

Molly R. Cripps, Director, TDEC OEP - TDEC Compliance Coord.

[NAME]

[TITLE]

Tennessee Department of Environment and Conservation

[LEAD AGENCY]

for

Tennessee

[BENEFICIARY]



ATTACHMENT A

FUNDING REQUEST AND DIRECTION

(Attachment to Appendix D-4, Beneficiary Eligible Mitigation Action Certification, pursuant to Paragraph 5.2 of the Environmental Mitigation Trust Agreement)

Pursuant to the authority granted to the Tennessee Department of Environment and Conservation [insert Lead Agency] to act on behalf of Beneficiary Tennessee under the Mitigation Trust, [Lead Agency] directs the Trustee to make the following payments from its subaccount no. 122969-031 to the following payees, for the amounts specified on the dates specified below.

LEAD AGENCY INFORMATION

Beneficiary Name:	<u>Tennessee</u>	Lead Agency Contact Person:	<u>Molly R. Cripps</u>
Lead Agency Name:	<u>Tennessee Department of Environment and Conservation</u>	Lead Agency Email Address:	<u>molly.cripps@tn.gov</u>
Lead Agency Address:	<u>312 Rosa L. Parks Ave., 2nd Floor, Nashville, TN 37243</u>	Lead Agency Fax:	<u>615-741-5070</u>
Lead Agency Phone:	<u>615-741-2994</u>	Lead Agency TIN:	<u>626001445</u>

Contact information entered above may correspond to Lead Agency or 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

MITIGATION ACTION INFORMATION

Action Title:	<u>STATE OF TENNESSEE LIGHT DUTY ZEV SUPPLY E</u>	Funding Request No:	<u>15</u>
Beneficiary's Project ID:	<u>ENVWZEVINFRA</u>		

PAYMENTS REQUESTED

(attach additional pages if needed)

Amount	Requested Date	Payee	Request Type
\$7,639.91	8/2/2021	STATE OF TENNESSEE TREASURY	Reimbursement

BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION SUMMARY ATTACHMENT

(All terms that are both bolded and italicized in this document are defined in Appendix D-2 of the State Trust Agreement.)

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

Section V.B.i. of the State of Tennessee's Beneficiary Mitigation Plan states:¹

The State will allocate \$6,177,588.45 to eligible ***Light Duty Zero Emission Vehicle (ZEV) Supply Equipment*** projects.

Within the ***Light Duty ZEV Supply Equipment*** Eligible Mitigation Action category, the State will fund a portion of the cost to purchase and install publicly accessible light duty electric vehicle supply equipment (EVSE) at both ***Government*** Owned properties and Non-Government Owned properties. The State will also fund a portion of the cost to purchase and install eligible light duty EVSE at both workplaces and multi-unit dwellings. Based on anticipated use cases, the State will fund only Level 2 or Direct Current Fast Charging equipment for publicly accessible EVSE. For workplace and multi-unit dwelling infrastructure, the State will only fund Level 1 or Level 2 charging equipment.

Additionally, Section V.D. of the State of Tennessee's Beneficiary Mitigation Plan speaks to the intended use of allowable administrative expenditures for each Eligible Mitigation Action category.²

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

The State expects to be able to fund between 88 and 1,372 pieces of ***Light Duty ZEV Supply Equipment***.³

Approximately \$5,000,000 is expected to be allocated to direct current fast charging (DCFC) infrastructure along corridors. The remaining \$1,177,588.45 will be allocated to additional, Eligible Mitigation Action (EMA) subcategories to be announced in future solicitations. A revised Beneficiary Mitigation Plan detailing this information is expected to be submitted to the Trustee and posted to the TDEC website in August 2021. TDEC expects to release a first round solicitation for ***Light Duty ZEV Supply Equipment*** by the third calendar quarter of 2021. TDEC will conduct a comprehensive review of all grant applications and will provide and submit to the Trustee detailed information on specific projects to be funded, to include community and air quality benefits, upon completion of that review. This information will be provided to the Trustee along with each corresponding Attachment A – Funding Request and Direction for this Eligible Mitigation Action category.

Estimate of Anticipated NOx Reductions (5.2.3):

The above-mentioned range of potential ***Light Duty ZEV Supply Equipment*** projects to be funded is expected to yield NOx emissions reductions (dependent on station utilization) of 16.7-1,162.8 NOx

¹ State of Tennessee's Beneficiary Mitigation Plan. https://www.tn.gov/content/dam/tn/environment/energy/documents/vw-resources/TDEC%20VW%20EMT%20BMP_Updated%204.26.21.pdf.

² State of Tennessee's Beneficiary Mitigation Plan. https://www.tn.gov/content/dam/tn/environment/energy/documents/vw-resources/TDEC%20VW%20EMT%20BMP_Updated%204.26.21.pdf.

³ This range was calculated using cost information submitted in response to a TDEC Request for Information and/or obtained by TDEC personnel through subsequent outreach. It reflects the highest and lowest number of ***Light Duty ZEV Supply Equipment*** projects that the State may fund under its Initial Eligible Project Funds budget of \$6,177,588.45 at the maximum funding cap percentages detailed in Appendix D-2 to the State Trust Agreement.

tons/year.⁴ TDEC will provide updated information on expected NOx emissions reductions for selected projects along with each corresponding Attachment A – Funding Request and Direction for this Eligible Mitigation Action category.

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

Please see the Attachment to the State of Tennessee’s Certification for Beneficiary Status under the Environmental Mitigation Trust,⁵ which details how the State of Tennessee will make documentation publicly available.

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

Corridor DCFC infrastructure (Fast Charge TN network): For selected, eligible projects, the program will provide up to 80% of the cost to purchase, install, operate, and maintain eligible DCFC infrastructure that will be located within a prioritized corridor gap and available to the public. This program will not support the purchase or rental of real estate, other capital costs (e.g., construction of buildings, parking facilities, etc.), or general maintenance (i.e., maintenance other than of the EV charging infrastructure). Program participants will be required to provide at least 20% of the total project cost through direct or in-kind cost share. This program will require selected projects to include at least two DC fast chargers at each location, with the option to request to install a maximum of four DC fast chargers per location. Additionally, requests for funding may not exceed \$150,000 per fast charger to be installed. Program participants will be responsible for finding a suitable host site and purchasing, installing, owning, operating, and maintaining program-funded fast charging equipment for a period of no less than five years.

Additional, Eligible EMA subcategories (e.g., workplace charging, multi-unit dwelling charging, public L2 charging): Funding caps for specific project types will be announced during the project solicitation phase. These funding caps shall not exceed those set forth in the State Trust Agreement for this EMA category. TDEC will provide updated information on cost share requirements along with each corresponding Attachment A – Funding Request and Direction for this Eligible Mitigation Action category.

Describe how the Beneficiary complied with subparagraph 4.2.8, related to notice to U.S.

Government Agencies (5.2.9):

Please see Appendix 3 (Notice of Availability of Mitigation Action Funds to Certain Federal Agencies) of the State of Tennessee’s Beneficiary Mitigation Plan, which details how the Beneficiary complied with subparagraph 4.2.8 of the State Trust Agreement.⁶

⁴ The total number of projects that could be funded under this Eligible Mitigation Action category (e.g., replace with a new **All-Electric** vehicle, replace with an **Alternate Fueled** vehicle, etc.) was multiplied by the corresponding expected emissions reduction estimates to arrive at the range of expected emissions reductions. The total number of **Light Duty ZEV Supply Equipment** projects or pieces of equipment that could be funded for each sub-category of this Eligible Mitigation Action category (e.g., **Light Duty ZEV Supply Equipment** at a multi-unit dwelling, **Light Duty ZEV Supply Equipment** at a workplace, etc.) was multiplied by the corresponding expected emissions reduction estimates to arrive at the range of expected emissions reductions. For this Eligible Mitigation Action category, emissions for a Tier 2 light duty passenger vehicle were utilized, as this type of vehicle was assumed to be the vehicle that would be purchased, had a ZEV not been purchased. EPA emission rates for a Tier 2 vehicle were then multiplied across an assumed utilization of the charging infrastructure, which was estimated based on data contained in a 2015 report by Idaho National Laboratory (<https://avt.inl.gov/sites/default/files/pdf/arra/ARRAPEVnInfrastructureFinalReportHqItySept2015.pdf>).

⁵ Certification for Beneficiary Status Under Environmental Mitigation Trust Agreement.

[https://www.tn.gov/content/dam/tn/environment/energy/documents/vw-resources/Tennessee%20Appendix%20D-3%20form%20\(executed%20and%20filed\).pdf](https://www.tn.gov/content/dam/tn/environment/energy/documents/vw-resources/Tennessee%20Appendix%20D-3%20form%20(executed%20and%20filed).pdf).

⁶ State of Tennessee’s Beneficiary Mitigation Plan. https://www.tn.gov/content/dam/tn/environment/energy/documents/vw-resources/TDEC%20VW%20EMT%20BMP_Updated%205.22.19.pdf.

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

Please see Section VI. of the State of Tennessee's Beneficiary Mitigation Plan. This section sets forth the method by which the Tennessee Department of Environment and Conservation will consider the potential beneficial impact of selected Eligible Mitigation Actions on air quality in areas that bear a disproportionate share of the air pollution burden.⁷

⁷ Ibid.

ATTACHMENT B**PROJECT MANAGEMENT PLAN – PROJECT SCHEDULE AND MILESTONES**

Light Duty Electric Vehicle Supply Equipment Program Milestone	Date
Lead Agency Requests / Secures Delegated Grant Authority	Requested: September 2021 Secured: January 2022
Solicitation Release	By August 31, 2021 (notice of intent to apply) and December 31, 2021 (full application)
Application Deadline	February 28, 2022
Selected Grantees Announced	March 2022
Updated Beneficiary Mitigation Plan Published	April 2022
Draft Grant Contracts Sent to Grantees for Signature	April 2022
Grant Contracts Finalized	May 2022
Grant Contract Begin Date	Estimated June 2022
Trustee Acknowledges Receipt of Project Certification and Funding Direction	January 14, 2020 (Trustee acknowledged receipt of December 16, 2019 submission of D-4)
Grantees complete quarterly, annual, and final reports, as required by the Grant Contract	July 2022-February 2029 (Note: Funds will be obligated prior to the 10 th anniversary of the Trust Effective Date; reporting requirements will continue and extend past that date)
Lead Agency conducts on-site and desktop monitoring of all Grantees	June 2022-May 2024
Grantees certify project completion and provide detailed invoices for all claimed project costs, documentation for emissions reduction estimates, required certification documents to Lead Agency to support direction to Trustee for Payment	September 2022-May 2024
Lead Agency completes review of project reimbursement supporting documentation and certifies payment direction to Trustee	December 2022-August 2024
Trustee Acknowledges Receipt of Direction for Payment(s)	January 2023-August 2024
Trustee Allocates Share of State Funds for Approved Project (to coincide with vehicle purchase/delivery/deployment and corresponding scrappage)	February 2020 (First payment from Trustee)-September 2024
Grant Contract End Date	May 2024, assuming that no contract extensions are granted
Grant Closeout / Lead Agency Reports Project Completion	June-November 2024

PROJECT BUDGET

Period of Performance: November 2018-November 2024

Budget Category	Total Approved Budget	Share of Total Budget to be Funded by the Trust	Cost-Share, if applicable
Subrecipient Awards (See Attachment D for more details)	\$6,250,000	\$5,000,000	\$1,250,000
Administrative	\$500,000	\$500,000	N/A
Project Totals	\$6,750,000	\$5,500,000	\$1,250,000
Percentage	100%	81%	19%

PROJECTED TRUST ALLOCATIONS

TDEC will conduct a comprehensive review of all grant applications and will provide and submit to the Trustee a projected trust allocation table upon completion of that review. This information will be provided to the Trustee along with each corresponding Attachment A – Funding Request and Direction for this Eligible Mitigation Action category.

ATTACHMENT C

DETAILED PLAN FOR REPORTING ON ELIGIBLE MITIGATION ACTION IMPLEMENTATION

The Tennessee Department of Environment and Conservation (TDEC) will provide detailed reporting on this Environmental Mitigation Trust project in two ways:

1. Timely updates to TDEC's *Tennessee and the Volkswagen Diesel Settlement* public-facing webpage (also referred to as the "TDEC Webpage," which can be accessed at www.tn.gov/environment/VWSettlement);
2. Tennessee's semiannual Beneficiary Reporting Obligations to Wilmington Trust (the "Trustee").

After being identified by the Governor as Lead Agency, TDEC launched the TDEC Webpage to provide information regarding the Environmental Mitigation Trust and eligible mitigation actions. The State of Tennessee's Beneficiary Mitigation Plan and all documentation and records submitted by the Beneficiary in support of each funding request to the Trustee will be available to the public on the TDEC Webpage. Timely updates to the TDEC Webpage will inform the general public on the projects' status as well as when these projects have been completed.

Tennessee will comply with Subparagraph 5.3 of the Environmental Mitigation Trust Agreement for State Beneficiaries, which details the following Beneficiary 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.

To assist Tennessee in fulfilling its Beneficiary Reporting Obligations, Grantees under TDEC's ***Light Duty ZEV Supply Equipment*** Grant Program will be required to submit quarterly, annual, and final reports on their projects. Details on each Grantee's required reporting will be outlined in a ***Light Duty ZEV Supply Equipment*** Grant Program Manual, which is currently under development. TDEC will provide and submit to the Trustee detailed information on specific Grantee reporting requirements upon completion of the Grant Program Manual. This information will be provided to the Trustee along with each corresponding Attachment A – Funding Request and Direction for this Eligible Mitigation Action category.

ATTACHMENT D

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

Cost estimates for selected projects will be provided once TDEC has conducted a comprehensive review of all grant applications.

At the time of reimbursement request, Grantees under the ***Light Duty ZEV Supply Equipment*** Grant Program must submit to TDEC cost invoices along with all required supporting documentation. Detailed cost invoices for eligible ***Light Duty ZEV Supply Equipment*** projects will be provided to the Trustee along with each corresponding Attachment A – Funding Request and Direction for this Eligible Mitigation Action category.

**VOLKSWAGEN DIESEL SETTLEMENT
ENVIRONMENTAL MITIGATION TRUST
STATE OF TENNESSEE ADMINISTRATIVE EXPENDITURES**

**VW Light Duty Zero Emission Vehicle (ZEV) Supply Equipment – Project Code
ENVWZEVINFRA**

Dates: July 1, 2020 through June 30, 2021

Employee ID 00359905 – \$358.54

Employee ID 00448314 – \$2,284.29

Employee ID 00499617 – \$565.54

Employee ID 00511157 – \$2,009.28

Employee ID 00539908 – \$660.24

Employee ID 00122671 - \$77.05

Total Salaries & Benefits - \$5,954.94

Total Indirect – \$1,351.18

Total OEP Rent & TIBS (Telephone Billing) Reallocation - \$333.79

Grand Total - \$7,639.91

A total of six employees (five OEP employees and one APC employee) charged time to Light Duty Zero Emission Vehicle (ZEV) Supply Equipment.

EMA Time Charged - FY2021														
EMA Project ID	Employee Charges to EMA		Employee Charges to EMA								Total	Percentage of Total	Rent	TIBS
Employee ID	00359905	00412100	00448314	00499617	00539908	00440860	00524751	00511157						
ENWWCLAS47TRUCK	\$506.84	\$266.57	\$266.57	\$626.69	\$4,599.86	\$1,988.74		\$123.11		\$34.17	\$8,145.98	19%	\$ 268.44	\$ 201.71
ENWWCLAS8TRUCK	\$625.75	\$266.57	\$266.57	\$626.70	\$4,579.24	\$1,952.94		\$123.14		\$32.48	\$8,206.82	19%	\$ 270.45	\$ 203.22
ENWWSCHOOLBUS	\$788.27	\$445.97	\$2,307.17	\$3,780.60	\$10,190.41		\$460.09			\$822.39	\$18,794.90	43%	\$ 619.37	\$ 465.41
ENWWZEVINRA	\$358.54		\$2,284.29	\$560.06		\$660.24				\$1,920.07	\$5,783.20	13%	\$ 190.58	\$ 143.21
ENWWTRANSIBUS	\$256.07	\$175.30	\$372.72	\$734.35		\$1,421.52				\$2,959.96		7%	\$ 97.54	\$ 73.30
Total Salary & Benefit Charges to EMA	\$2,535.47	\$1,154.41	\$6,217.57	\$14,254.11	\$16,213.85	\$246.25	\$460.09			\$2,809.11	\$43,890.86		\$1,446.38	\$1,086.85
Total Employee Salary and Benefits Earned for the Year	\$ 172,726.47	\$ 103,009.41	\$ 94,463.52	\$ 69,001.57	\$ 67,183.86	\$ 70,293.44	\$ 46,617.32	\$ 119,413.61						
Percentage of employee time on EMA	1%	1%	7%	21%	24%	0%	1%	2%						
Total Employee Related Admin Exp - Rent	\$ 36.83	\$ 28.12	\$ 165.13	\$ 518.27	\$ 605.47	\$ 8.79	\$ 24.76	\$ 59.02	\$ 1,446.38					
Total Employee Related Admin Exp - TIBS	\$ 27.67	\$ 21.13	\$ 124.08	\$ 389.44	\$ 454.97	\$ 6.60	\$ 18.61	\$ 44.35	\$ 1,086.85					
Total Admin Expenditures to EMA	\$64.50	\$49.24	\$289.21	\$907.70	\$1,060.44	\$15.39	\$43.37	\$103.37	\$2,533.22					
Total Employee Expenditures to EMA	\$2,599.97	\$1,203.65	\$6,506.78	\$15,161.81	\$17,274.29	\$261.64	\$503.46	\$2,912.48	\$46,424.08					

Total rent & TIBS that should be reallocated to each category:

EMA Project ID	Rent	TIBS
Employee ID		
ENWWCLAS47TRUCK	268.44	201.71
ENWWCLAS8TRUCK	270.45	203.22
ENWWSCHOOLBUS	619.37	465.41
ENWWZEVINRA	190.58	143.21
ENWWTRANSIBUS	97.54	73.30
	\$1,446.38	\$1,086.85



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

WASHINGTON, D.C. 20460

COGNIZANT AGENCY
NEGOTIATION AGREEMENT

Page 1 of 2

The State of Tennessee
Department of Environment
and Conservation
Nashville, Tennessee

Date: March 12, 2020

Filing Ref: March 19, 2019

The indirect cost rates contained herein are for use on grants and contracts with the Federal Government to which Office of Management and Budget Circular 2 CFR 200 applies, subject to the limitations contained in the Circular and in Section II, A below.

SECTION I: RATES

<u>Type</u>	<u>Effective Period</u>		<u>Rate</u>	<u>Base</u>
	<u>From</u>	<u>To</u>		
<u>Fixed:</u>				
Environment Bureau	7/1/2020	6/30/2021	22.69%	(a)
Conservation Bureau	7/1/2020	6/30/2021	16.77%	(a)

Basis for Application

a) Direct salaries and wages including applicable fringe benefits.

Treatment of Fringe Benefits: Fringe benefits applicable to direct salaries and wages are treated as direct costs.

SECTION II: GENERAL

A. LIMITATIONS: The rates in this Agreement are subject to any statutory and administrative limitations and apply to a given grant, contract or other agreement only to the extent that funds are available. Acceptance of the rates is subject to the following conditions: (1) Only costs incurred by the department/agency or allocated to the department/agency by an approved cost allocation plan were included in the indirect cost pool as finally accepted; such costs are legal obligations of the department/agency and are allowable under governing cost principles; (2) The same costs that have been treated as indirect costs have not been claimed as direct costs; (3) Similar types of costs have been accorded consistent accounting treatment; and (4) The information provided by the department/agency which was used to establish the rates is not later found to be materially incomplete or inaccurate by the Federal Government. In such situations the rate(s) would be subject to renegotiation at the discretion of the Federal Government.

B. CHANGES. The provisional rate contained in this agreement is based on the organizational structure and the accounting system in effect at the time the proposal was submitted. Changes in the organizational structure or changes in the method of accounting for costs which affect the amount of reimbursement resulting from use of the rate in this agreement, require the prior approval of the authorized representative of the responsible negotiation agency. Failure to obtain such approval may result in subsequent audit disallowances.

C. THE FIXED RATE contained in this agreement is based on an estimate of the cost which will be incurred during the period for which the rate applies. When the actual costs for such a period have been determined, an adjustment will be made in the negotiation following such determination to compensate for the difference between the cost used to establish the fixed rate and that which would have been used were the actual costs known at the time.

D NOTIFICATION TO FEDERAL AGENCIES: Copies of this document may be provided to other Federal agencies as a means of notifying them of the agreement contained herein.

E. SPECIAL REMARKS: Please confirm your acceptance of the terms of the indirect cost rate agreement by signing and returning this letter to me, and retain a copy for your records.

ACCEPTANCE

The undersigned official warrants
that he/she has the proper authority
to execute this agreement on the
behalf of the State Agency:

By the Federal Agency:

Benny Romera
(Signature)

Benny Romera
(Name)

Department Controller
(Title)

TN Dept of Environment & Conservation
(Agency)

3-13-20
(Date)

JACQUELINE
SMITH

Digitally signed by JACQUELINE
SMITH
Date: 2020.03.12 16:45:05 -04'00'

(Signature)

Jacqueline Smith, Rate Negotiator
National Policy, Training and
Compliance Division
U.S. Environmental Protection
Agency

Negotiated by: Jacqueline Smith
Telephone: (202) 564-5055