

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

TDEC expects to release a first round solicitation for *Light Duty ZEV Supply Equipment* by the third calendar quarter of 2020. 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 tons/year.⁴ TDEC will provide updated information on expected NOx emissions reductions for selected

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%205.22.19.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%205.22.19.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.

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

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):

Cost share requirements for this Eligible Mitigation Action category have not yet been determined. 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

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):

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

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/ARRAPEVnInfrastructureFinalReportHqQtySept2015.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.

⁷ Ibid.

ATTACHMENT B

PROJECT MANAGEMENT PLAN – PROJECT SCHEDULE AND MILESTONES

Light Duty Electric Vehicle Supply Equipment Program Milestone	Date
Lead Agency Secures Delegated Grant Authority	November 2020
Solicitation Release	By September 30, 2020
Application Deadline	By December 15, 2020
Selected Grantees Announced	April 2021
Updated Beneficiary Mitigation Plan Published	April 2021
Draft Grant Contracts Sent to Grantees for Signature	May 2021
Grant Contracts Finalized	June 2019
Grant Contract Begin Date	Estimated July 2021
Trustee Acknowledges Receipt of Project Certification and Funding Direction	Estimated February 2020 (first D-4 expected to be submitted in December 2019, and on a quarterly basis after that)
Grantees complete quarterly, annual, and final reports, as required by the Grant Contract	October 2021-July 2028
Lead Agency conducts on-site and desktop monitoring of all Grantees	July 2022-October 2023
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	July 2022-October 2023
Lead Agency completes review and certifies payment direction to Trustee	September 2022-December 2023
Trustee Acknowledges Receipt of Direction for Payment(s)	February 2020-January 2024
Trustee Allocates Share of State Funds for Approved Project (to coincide with vehicle purchase/delivery/deployment and corresponding scrappage)	March 2020-February 2024
Grant Contract End Date	July 2023, assuming that no contract extensions are granted
Grant Closeout / Lead Agency Reports Project Completion	October 2023-February 2024

PROJECT BUDGET

Period of Performance: November 2018-February 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 List of Approved Grantees and Corresponding Funding Ceilings)	TBD (\$8,236,784.60- \$24,710,353.80)	\$6,177,588.45	TBD (\$2,059,196.15- \$18,532,765.35)
Administrative	\$686,398.71	\$686,398.71	N/A
Project Totals	TBD (\$8,923,183.31- \$25,396,752.51)	\$6,863,987.16	TBD (\$2,059,196.15- \$18,532,765.35)
Percentage	100%	TBD (27%-77%)	TBD (23%-73%)

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.