

The Volkswagen Settlement and Development of the Massachusetts Beneficiary Mitigation Plan

Massachusetts Department of
Environmental Protection

Sejal Shah

October 2018



Agenda

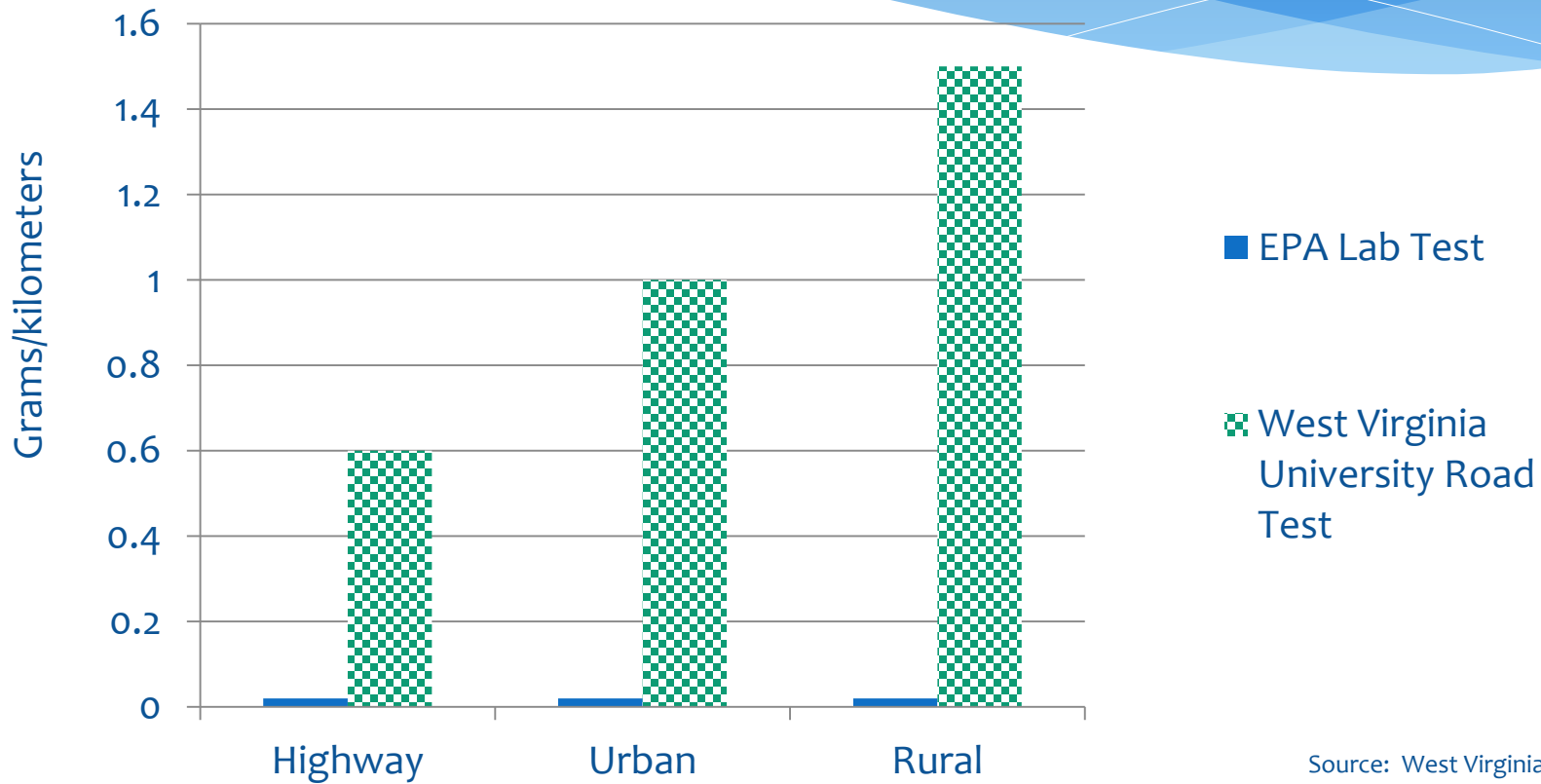
- Background
- Beneficiary Mitigation Plan (BMP)
- Eligible Mitigation Actions (EMAs)
- Next Steps



VW's Violations

- 2004** Phase in of stronger emission standards for nitrogen oxides (NOx) begins
- 2009** VW begins installing defeat devices on diesel vehicles for next seven model years
- 2014** Researchers find “**significantly higher** in-use emissions” than certified levels for 2012 Jetta TDI
- 2015** VW admits altering vehicles

2014 VW Jetta Test Results (NO_x Emissions)



Source: West Virginia University

Affected Vehicles

- **11 million vehicles worldwide**
- **590,000 2.0 & 3.0 liter engines in US**
- **MY 2009 – 2016**
- **Owned and leased**
- **14,000+ in MA**



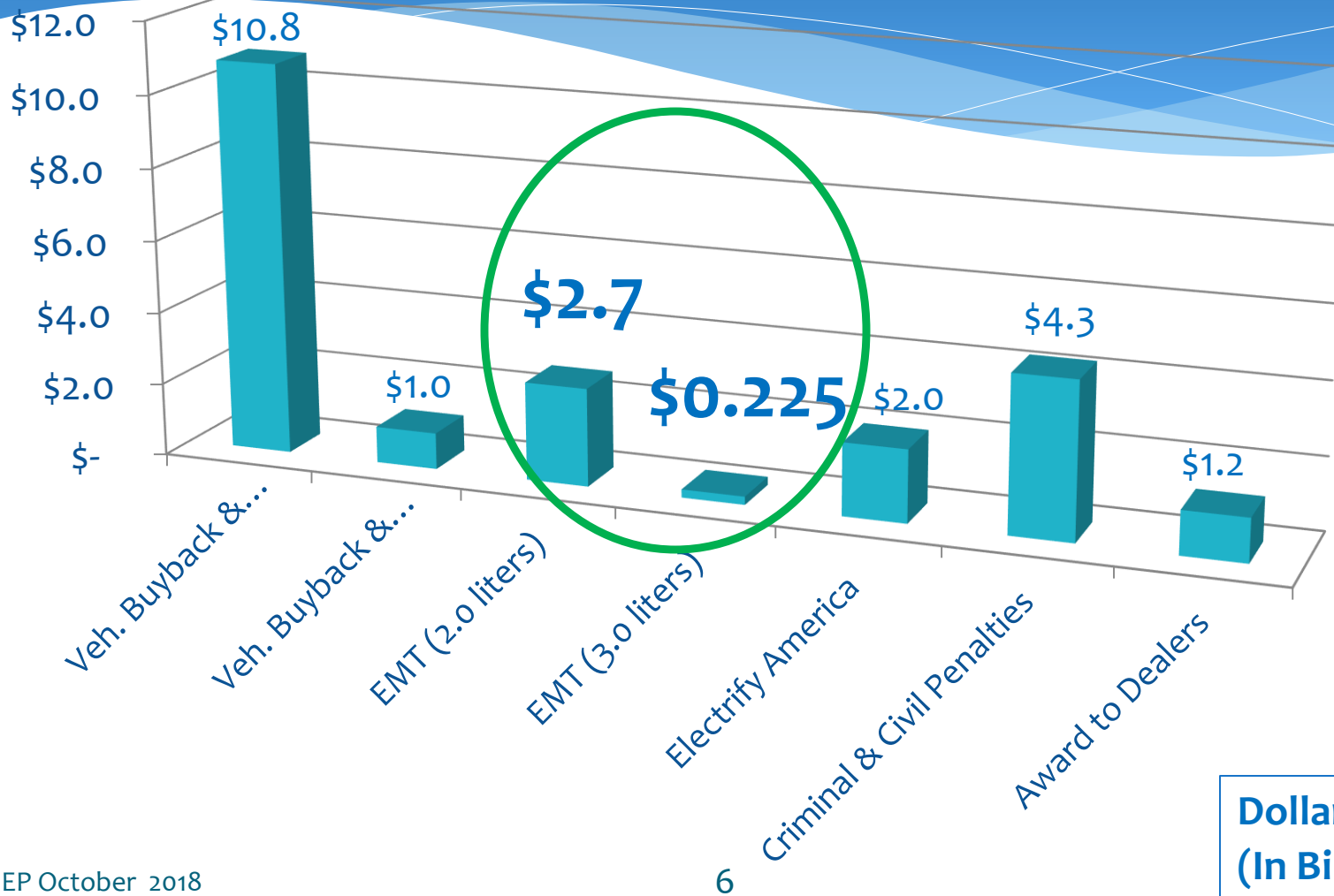
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VW Settlement Terms



MA's Share & Obligations

- ✓ \$75 million from VW Settlement held in Trust
- ✓ Spend \$ on variety of projects that reduce NOx
- ✓ Develop Beneficiary Mitigation Plan (BMP)

A logo consisting of the letters "BMP" in a bold, green, sans-serif font. The letters are centered within a white rounded rectangle that has a thick blue border and a subtle drop shadow.

BMP

Funding Timeline Possibilities

- ✓ 10 years to spend 80% of funding (\$60 m) + another five years to spend remaining 20% (\$15 m)
- ✓ Option to spend 1/3 of funding (\$25 million) in 1st year & up to 2/3 in first two years (\$50 million)

VW Timeline

Trust
Effective
Date:
Oct. 2, 2017

MA Filed
Beneficiary
Certification:
Nov. 22, 2017

MA is
deemed
Beneficiary:
Jan. 30, 2018

BMP due
30 days
before MA
requests \$

OUTREACH PROCESS

* Held 10 stakeholder meetings

- * MassDEP Southeastern Office, Jan. 29, 1-3 pm
- * Brockton Public Library, Brockton, Jan. 29, 5:30-7:30 pm
- * DEP Northeast Office, Wilmington: Feb. 12, 2-4 pm
- * UMass Lowell Recreation Center, Lowell: Feb. 12, 6-8 pm
- * MassDEP Headquarters, Boston: Feb. 15, 1-3 pm & 6-8 pm
- * MassDEP Central Office, Worcester: Feb. 27, 1-3 pm & 6-8 pm
- * Holyoke Community College, Holyoke: Mar. 19, 2-4 pm & 5:30-7:30 pm

* Request for Information (RFI)

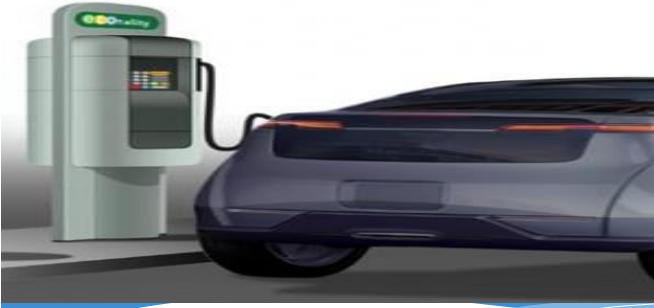
Closed on 5/18/2018

Massachusetts's Interests

- Consider all EMAs
- Use up to 15% of \$ to develop EV-charging infrastructure to promote electric vehicles
- Use up to 15% for administrative costs if paired w/EMA
- Fund projects that “electrify” transportation system
- Focus on areas serving Environmental Justice (EJ) populations
- Geographic distribution

Draft BMP

- Issued on July 19, 2018
 - Public comments accepted through August 20th
- Proposed \$23.5 million for spend
 - Purchase of electric transit buses in two regions
 - Expansion of the electric vehicle charging infrastructure across Massachusetts
 - An open solicitation for other mitigation actions eligible under the settlement



Eligible Mitigation Actions (EMAs)

1. Large Freight & Port Drayage Trucks
2. School/Shuttle/Transit Buses
3. Freight Switchers
4. Ferries/Tugboats
5. Shore Power for Ocean Going Vessels (OGV)
6. Medium Local Freight Trucks
7. Airport Ground Support Equipment (GSE)
8. Forklifts & Port Cargo Handling Equipment (CHE)
9. Light Duty Zero Emission Vehicle Supply Equipment (EVSE)
10. Diesel Emissions Reduction Act (DERA) Option

Appendix D-2: <https://www.vwcourtsettlement.com/wp-content/uploads/documents/DOJ/Approved%20Appendix%20D-2.pdf>

MassDEP Next Steps

- Submit Final BMP to Wilmington Trust
Fall 2018
- Develop project solicitation forms

FOR MORE INFORMATION



[MassDEP VW Settlement Email List](#)

<https://www.mass.gov/forms/subscribe-to-the-volkswagen-settlements-email-list>

#1. Large Local Freight & Port Drayage Trucks

Eligible Engines/Vehicles:

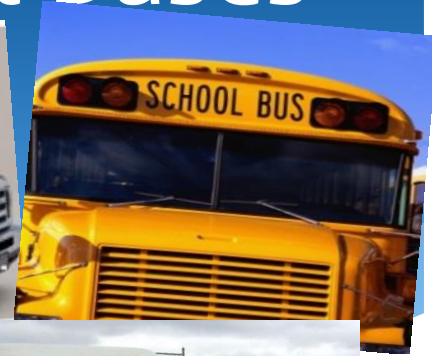
- ✓ MY 1992-2009 engines
- ✓ 33,001 lbs. or more GVWR (Class 8)
- ✓ Operate in MA



Technology Options	Maximum Funding %	
	Gov't	Non-Gov't
Repower w/new diesel or AF engine	100%	40%
Replace w/new diesel or AF vehicle	100%	25% (50% for drayage)
Repower w/new all-electric engine *	100%	75%
Replace w/new all-electric vehicle *	100%	75%

* Includes purchase & installation of electric charging & fuel cell infrastructure

#2. School, Shuttle and Transit Buses



Eligible Engines/Vehicles:

- ✓ MY 2009 or older engines
- ✓ 14,001 lbs.+ (Class 4-8)
- ✓ Gov't. includes school buses contracting w/public school district

Technology Options	Maximum Funding %	
	Gov't	Non-Gov't
Repower w/new diesel or AF engine	100%	40%
Replace w/new diesel or AF vehicle	100%	25%
Repower w/new all-electric engine *	100%	75%
Replace w/new all-electric vehicle *	100%	75%

* Includes purchase & installation of electric charging & fuel cell infrastructure

#3. Freight Switchers

Eligible Switchers:

- ✓ Pre-Tier 4 engines (MY 2014 & older)
- ✓ Operate $\geq 1,000$ hrs./year



Technology Options	Maximum Funding %	
	Gov't	Non-Gov't
Repower w/new diesel or AF engine or Gen Set	100%	40%
Replace w/new diesel or AF switcher or Gen Set	100%	25%
Repower w/new all-electric engine or Gen Set *	100%	75%
Replace w/new all-electric switcher, incl. Gen Set *	100%	75%

* Includes purchase & installation of electric charging & fuel cell infrastructure

#4. Ferries and Tugs

Eligible Engines:

- ✓ Unregulated, Tier 1 and Tier 2 marine engines



Technology Options	Maximum Funding %	
	Gov't	Non-Gov't
Repower w/new Tier 3 or 4 diesel or AF engine	100%	40%
Repower w/new all-electric engine *	100%	75%

* Includes purchase & installation of electric charging & fuel cell infrastructure

#5. Shore Power for Ocean Going Vessels

Eligible Systems Must:

- ✓ Comply w/international shore power design standards
- ✓ Source power from local grid



Technology Option	Maximum Funding %	
	<i>Gov't</i>	<i>Non-Gov't</i>
Shore-side power system	100%	25%

#6. Medium Local Freight Trucks

Eligible Engines/Vehicles:

- ✓ MY 1992-2009 engines
- ✓ 14,001 – 33,000 lbs. (Classes 4-7)
- ✓ Operate in MA



Technology Options	Maximum Funding %	
	Gov't	Non-Gov't
Repower w/new diesel or AF engine	100%	40%
Replace w/new diesel or AF vehicle	100%	25%
Repower w/new all-electric engine *	100%	75%
Replace w/new all-electric vehicle *	100%	75%

* Includes purchase & installation of electric charging & fuel cell infrastructure

#7. Airport Ground Support Equipment (GSE)

Eligible Engines/Equipment:

- ✓ Tier 0, Tier, 1 or Tier 2 diesel engines
- ✓ Uncertified, or certified to ≥ 3 g/bhp-hr, spark ignition engines



Technology Options	Maximum Funding %	
	Gov't	Non-Gov't
Repower w/new all-electric engine *	100%	75%
Replace w/new all-electric equipment *	100%	75%

* Includes purchase & installation of electric charging & fuel cell infrastructure

#8. Forklifts and Port Cargo Handling Equipment (CHE)

Eligible Engines/Equipment:

- ✓ >8,000 lb. lift capacity forklifts and CHE
- ✓ CHE operate at ports

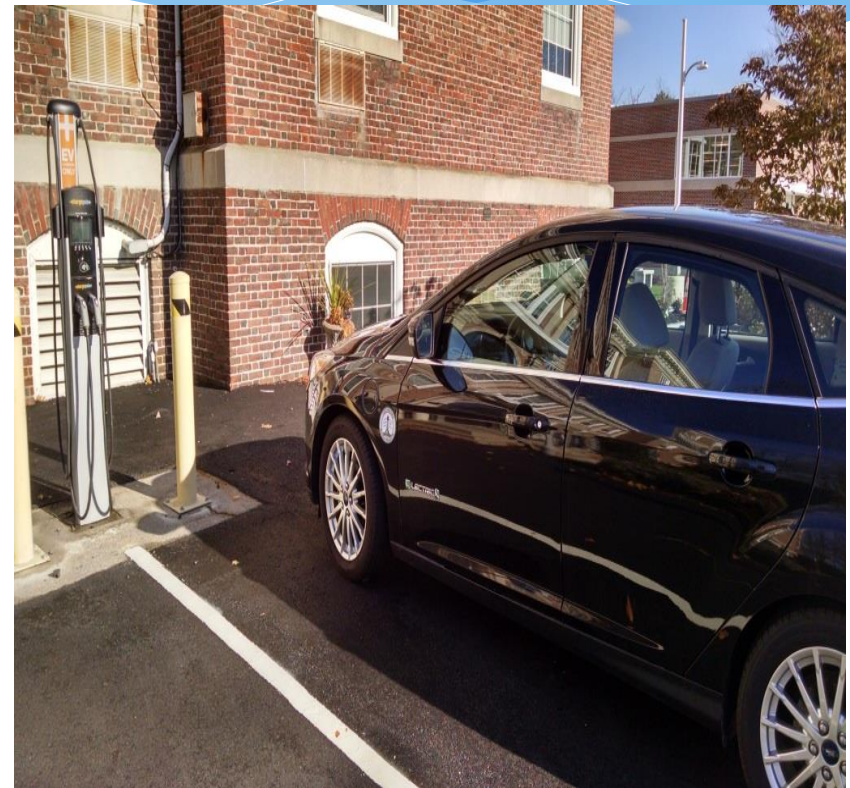


Technology Options	Maximum Funding %	
	Gov't	Non-Gov't
Repower w/new all-electric engine *	100%	75%
Replace w/new all-electric equipment *	100%	75%

* Includes purchase & installation of electric charging & fuel cell infrastructure

#9. Light-Duty Zero Emission Vehicle Supply Equipment (EVSE)

- ✓ Level 1, Level 2 or Fast Charging EVSE in public place, workplace or multi-unit dwelling (MUD)
- ✓ Light-duty hydrogen fuel cell EVSE



Source: MassDEP

Zero Emission EVSE

Technology Options	Maximum Funding %
EVSE	
- Public use at gov't owned property	100%
- Public use at non-gov't property	80%
- At workplace but not for public use	60%
- At multi-unit dwelling but not for public use	60%
Hydrogen Fuel Cell EVSE	
- Public use & dispenses 250 kg/day	33%
- Public use & dispenses 100 kg/day	25%

#10. Diesel Emissions Reduction Act (DERA) Option

- Use \$ for projects not allowed by VW but eligible under DERA

Examples: Repowers, replacements, retrofits, verified idle reduction, low resistance tires, engine upgrades & other technologies

- See Environmental Protection Agency (EPA) webpage:
<https://www.epa.gov/sites/production/files/2017-01/documents/vw-dera-option-eligible-mitig-compar-2017-01.pdf>