Stakeholder Engagement
Volkswagen Settlement
Beneficiary Mitigation Plans

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Michigan Department of Environmental Quality
Lead Agency

- Waste Management and Radiological Protection Division state agency coordination and communication
  - MDEQ Air Quality Division
  - The Attorney General’s Office
  - The Michigan Agency for Energy
  - The Michigan Department of Transportation
Michigan’s Environmental Mitigation Trust Allocation

Michigan’s total allocation is $64.8M
## Example Allocation of Funds & Match

### 2.0 liter settlement only

#### Volkswagen Mitigation Trust Fund Project Budget

**Settlement Total:** $60,300,000

<table>
<thead>
<tr>
<th>Appendix D - DERA Type Projects</th>
<th>Per Unit Cost</th>
<th>Unit Count</th>
<th>Grantee Match</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Class 8: Local freight and port drayage (eligible large trucks)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Drayage truck replacement (diesel or alternative)</td>
<td>$150,000.00</td>
<td>20</td>
<td>50%</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>Local freight truck replacements (diesel or alternative)</td>
<td>$150,000.00</td>
<td>50</td>
<td>75%</td>
<td>$1,875,000</td>
</tr>
<tr>
<td><strong>Class 4-8: School bus, shuttle bus or transit bus (eligible buses)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>School buses (government owned)</td>
<td>$100,000.00</td>
<td>323</td>
<td>0%</td>
<td>$32,300,000</td>
</tr>
<tr>
<td><strong>Freight switchers</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Freight switchers</td>
<td>$2,000,000.00</td>
<td>5</td>
<td>75%</td>
<td>$2,500,000</td>
</tr>
<tr>
<td><strong>Ferries/tugs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repower (diesel or alternative)</td>
<td>$75,000.00</td>
<td>6</td>
<td>60%</td>
<td>$180,000</td>
</tr>
<tr>
<td><strong>Class 4-7: Local freight truck (eligible medium trucks)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vehicle (truck) replacements</td>
<td>$150,000.00</td>
<td>50</td>
<td>75%</td>
<td>$1,875,000</td>
</tr>
<tr>
<td>Recycling and garbage trucks</td>
<td>$150,000.00</td>
<td>50</td>
<td>75%</td>
<td>$1,875,000</td>
</tr>
<tr>
<td><strong>Forklifts</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Material handling lift (electric)</td>
<td>$600,000.00</td>
<td>3</td>
<td>25%</td>
<td>$1,350,000</td>
</tr>
</tbody>
</table>

**Appendix D - DERA Type Projects Subtotal:** $43,455,000

<table>
<thead>
<tr>
<th>DERA Match</th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$2,373,000</td>
</tr>
</tbody>
</table>

| Light Duty ZEV Supply Equipment: Level 1/level 2 fast charging | | | | |
| | | | | $8,472,000 |

| Staffing - 3 FTE | | | | |
| | | | | $6,000,000 |

**Grand Total:** $60,300,000
Request for Information (RFI)

- A RFI was open November 29, 2016, to March 3, 2017.

- The purpose of the RFI was to solicit public input on Michigan’s Beneficiary Mitigation Plan including project types, allocations, grantee match requirements, etc.

- A press release announced the RFI and it was posted on the DEQ Clean diesel website.

- A webinar was held to describe the RFI and answer questions.
RFI Results

• Stakeholder comments supported:
  – Use of funds in all 10 Eligible Mitigation Action categories.
  – Using full 15% for light duty ZEV supply equipment.
  – Requiring a percentage of match for all projects.
  – Cost effectiveness - projects that have the greatest NOx emission reductions per dollar.
  – Prioritizing air quality priority areas for funding.
Attainment Status for the National Ambient Air Quality Standards

The National Ambient Air Quality Standards (NAAQS) are health-based pollution standards set by EPA.

Areas of the state that are below the NAAQS concentration level are called attainment areas. The entire state of Michigan is in attainment for the following pollutants:

- Carbon Monoxide
- Lead
- Nitrogen Dioxide
- Particulate Matter

Non-attainment areas are those that have concentrations over the NAAQS level. Portions of the state are in non-attainment for sulfur dioxide and ozone (see map). Nonattainment status for ozone will be effective in late summer 2018.

LEGEND
- Sulfur Dioxide Nonattainment Area
- Ozone Nonattainment Area

See Page 2 for close-up maps of partial county nonattainment areas

Updated May 2, 2018
Prepared by MDEQ, Air Quality Division, State Implementation Plan Unit
Total Mobile NOx Emissions by Priority County

- Allegan: 3%
- Berrien: 4%
- Genesee: 6%
- Kent: 8%
- Livingston: 4%
- Macomb: 11%
- Monroe: 4%
- Muskegon: 3%
- Oakland: 19%
- St. Clair: 5%
- Wayne: 27%

DEQ
Mobile NOx Emissions Based on 2014 National Emissions Inventory Data

- Mobile - On-Road non-Diesel Heavy Duty Vehicles: 18%
- Mobile - On-Road Diesel Heavy Duty Vehicles: 14%
- Mobile - On-Road non-Diesel Light Duty Vehicles: 1%
- Mobile - Aircraft: 1%
- Mobile - Locomotives: 3%
- Mobile - Non-Road Equipment - Diesel: 14%
- Mobile - Non-Road Equipment - Gasoline: 6%
- Mobile - On-Road Diesel Light Duty Vehicles: 2%
- Mobile - Non-Road Equipment - Other: 1%

Mobile - Commercial Marine Vessels: 13%
Engaging with Stakeholders

• MDEQ has been meeting one on one with industry stakeholders upon request.
  – Trucking companies
  – Rail companies
  – Port authority
  – School associations
  – Energy companies
  – Alternative fuel vehicle technology companies
  – Non profit organizations: Clean Fuels Michigan, Ecology Center, Clean Cities Coalition, MI Energy Innovation Business Council, CALSTART, etc.

• MDEQ participates in industry events and meetings.
  – Annual conferences: MAPT, MPGA
  – Ride and drive events
  – Board meetings
Regional & National Perspectives

• Participate in monthly VW calls with Region 5 States: MN, WI, OH, IN, IL

• Participate in Region 5 Midwest Clean Diesel Initiative Steering Committee meetings – Federal, State and Industry Representatives

• Participate in NASEO monthly VW conference calls
Stakeholder Engagement Takeaways

• Get to know and keep in touch with the Lead Agency contacts in your state.

• Understand the goals of your state’s Beneficiary Mitigation Plan.

• Invite Lead Agency contacts to industry meetings and events.

• Help to educate Lead Agency contacts on your industry, product, or service.

• Be organized.
Michigan Department of Environmental Quality

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