

Volkswagen Settlement: Impact on Minnesota

Minnesota Pollution Control Agency

Public Information Meeting
February 23, 2017



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Minnesota Pollution Control Agency

VW Consent Decree Settlement Discussion –

- How does this affect you and me?
- What pollution are we talking about?
- What is an eligible project?
- How and where should MN focus our funding requests?



Volkswagen: What happened

- Volkswagen intentionally tampered with engines
- **VW's exceeded tailpipe emissions standards by more than 30 times** for nitrogen oxides (NOx) over the past seven years.
- Each bad VW is equal to an old garbage truck



What pollutant?

Nitrogen Oxides (NO_x)

- Helps form ground-level ozone
- Harmful to human health
 - Cardiovascular
 - Respiratory
 - Irritation



Volkswagen: Court cases



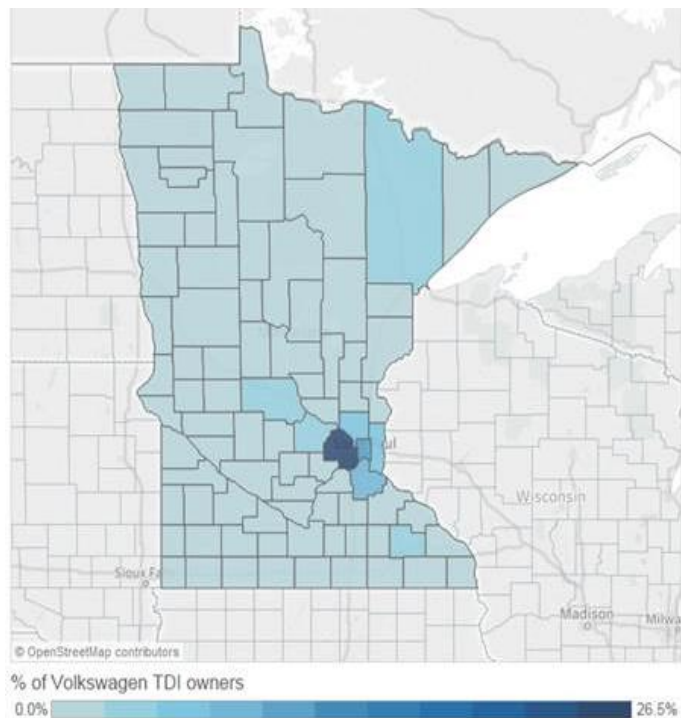
- Multiple lawsuits against VW
 - Consumer Fraud
 - Tampering
 - Environmental Mitigation Settlement

Environmental Settlement
is what we'll be talking about today



Volkswagen: What happened

- Nationwide- 580,000 VW vehicles affected – 46,000 tons excess NOx
- MN- 9,300 VW vehicles affected- 600 tons excess NOx



Environmentally, 9,300 of these VW's = nearly 300,000 extra diesel cars on the road in MN!!



VW environmental settlement

Settlement = Nationwide, VW pays \$14.9 billion

- Paid over next 10 years
- \$10 billion is for repurchase/repair defective cars
- \$2 billion is for Zero Emissions Vehicle infrastructure
- \$2.9 billion is for states, Puerto Rico and tribes:
 - To make up for air pollution from faulty engines
 - \$\$ according to number of affected vehicles registered in each jurisdiction/state



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VW environmental settlement

Federal Court set up a “Mitigation Trust” for the \$2.9 Billion going to states/tribes

- Estimated for Minnesota = \$47 Million
- Court will appoint a Trustee to **hold** and disburse state and tribe funds
- Dollars flow from Trustee to State/Tribe to grantee
- Court: Strictly limits expenditures
- Goal: Make up for pollution from VW engines



VW environmental settlement

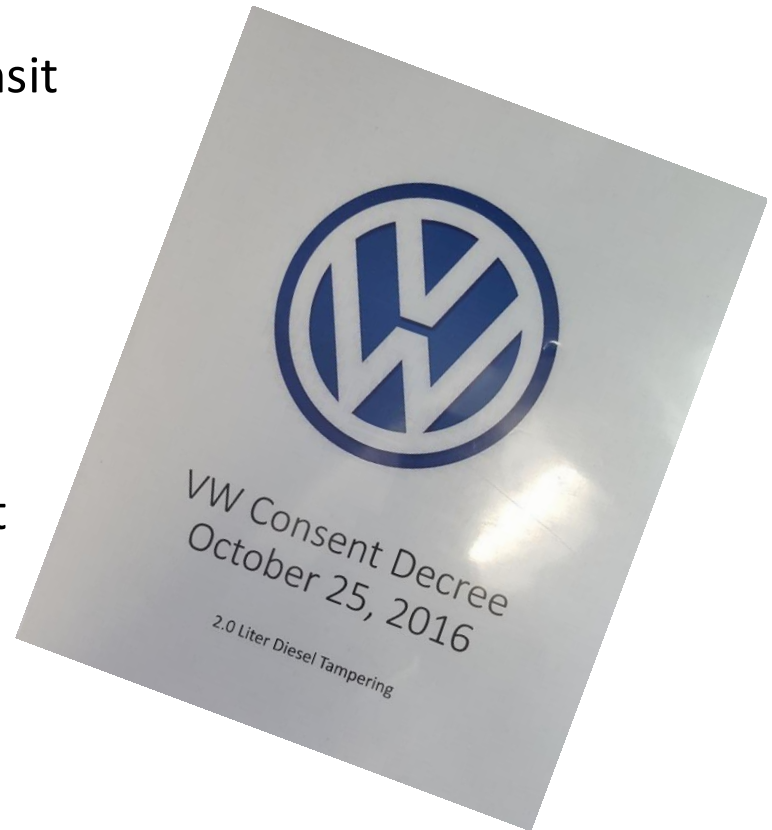
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Settlement limits spending to specific categories:

- Class 8 local freight trucks and port drayage trucks
- Class 4-8 school buses, shuttle buses or transit buses
- Pre-Tier 4 diesel switcher locomotives
- Ferries and tugs
- Ocean going vessel shore power
- Class 4-7 local freight trucks
- Airport Ground Support Equipment
- Forklifts and port cargo handling equipment
- Light Duty Zero Emission Vehicle Supply Equipment
- Matching funds for projects eligible under the Diesel Emission Reduction Act (DERA)



Settlement limits spending to specific categories:

- 1992-2009 Class 4-8 diesel trucks and buses

Class 4 - 14,001 to 16,000 lbs			
			
Large Walk-in	Box Truck	City Delivery	
Class 5 - 16,001 to 19,500 lbs			
			
Bucket Truck	Large Walk-in	City Delivery	
Class 6 - 19,501 to 26,000 lbs			
			
Beverage Truck	Single-Axle	School Bus	Rack Truck
Class 7 - 26,001 to 33,000 lbs			
			
Refuse	Furniture	City Transit Bus	Truck Tractor
Class 8 - 33,001 lbs & Over			
			
Cement Truck	Truck Tractor	Dump Truck	Sleeper



Settlement limits spending to specific categories:

- Pre-Tier 4 diesel switcher locomotives
- Ferries and tugs
- Ocean Going Vessels Shore Power
- Airport Ground Support Equipment
- Forklifts and port cargo handling equipment



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- Light Duty Zero Emission Vehicle Charging Stations
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VW settlement terms

- Trustee must approve each emission reduction project
- Grantees can be local government, private company, nonprofit, state or tribal government



VW settlement milestones

Public Meetings



Technical Stakeholder Meetings



Beneficiary Mitigation Plan
Development and Submittal



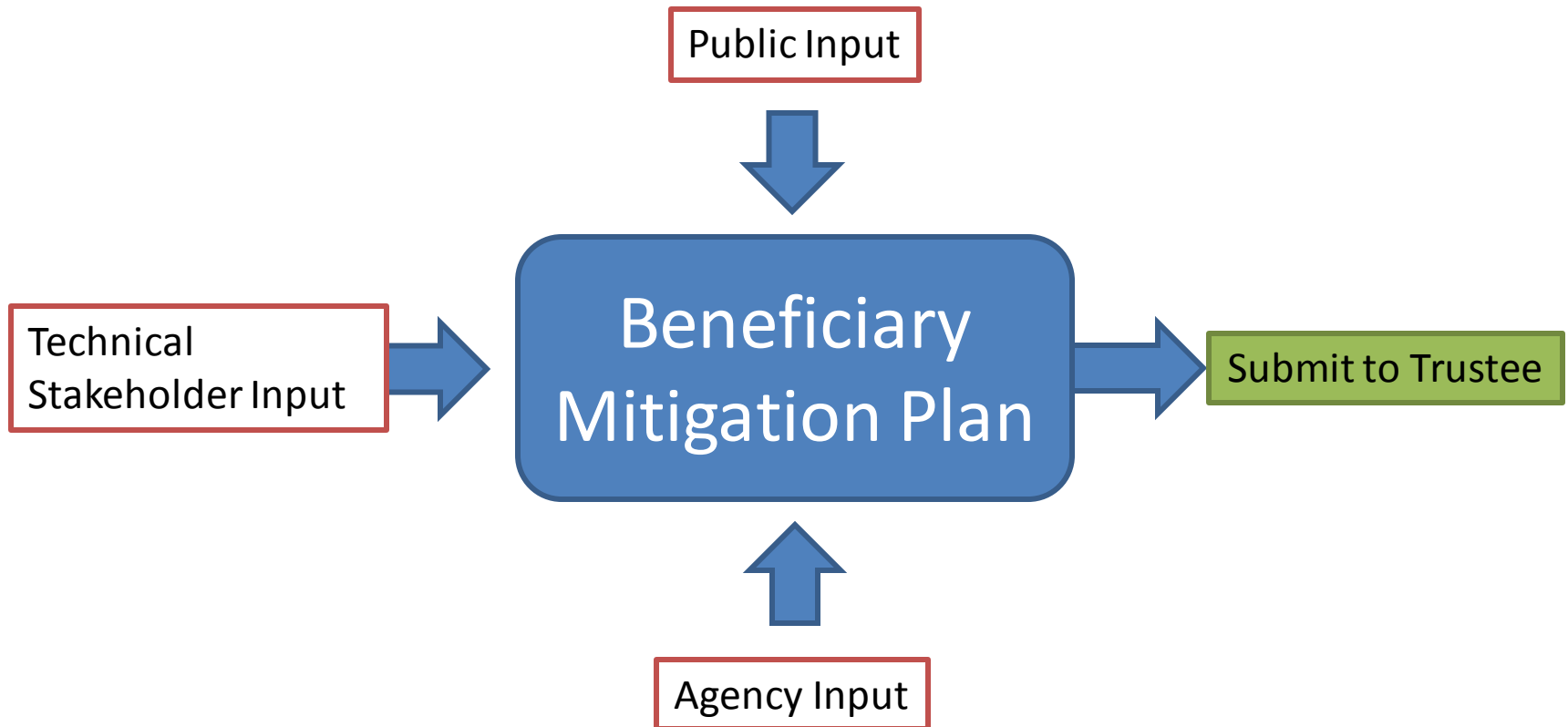
Fall 2017 Request for Proposals open ?



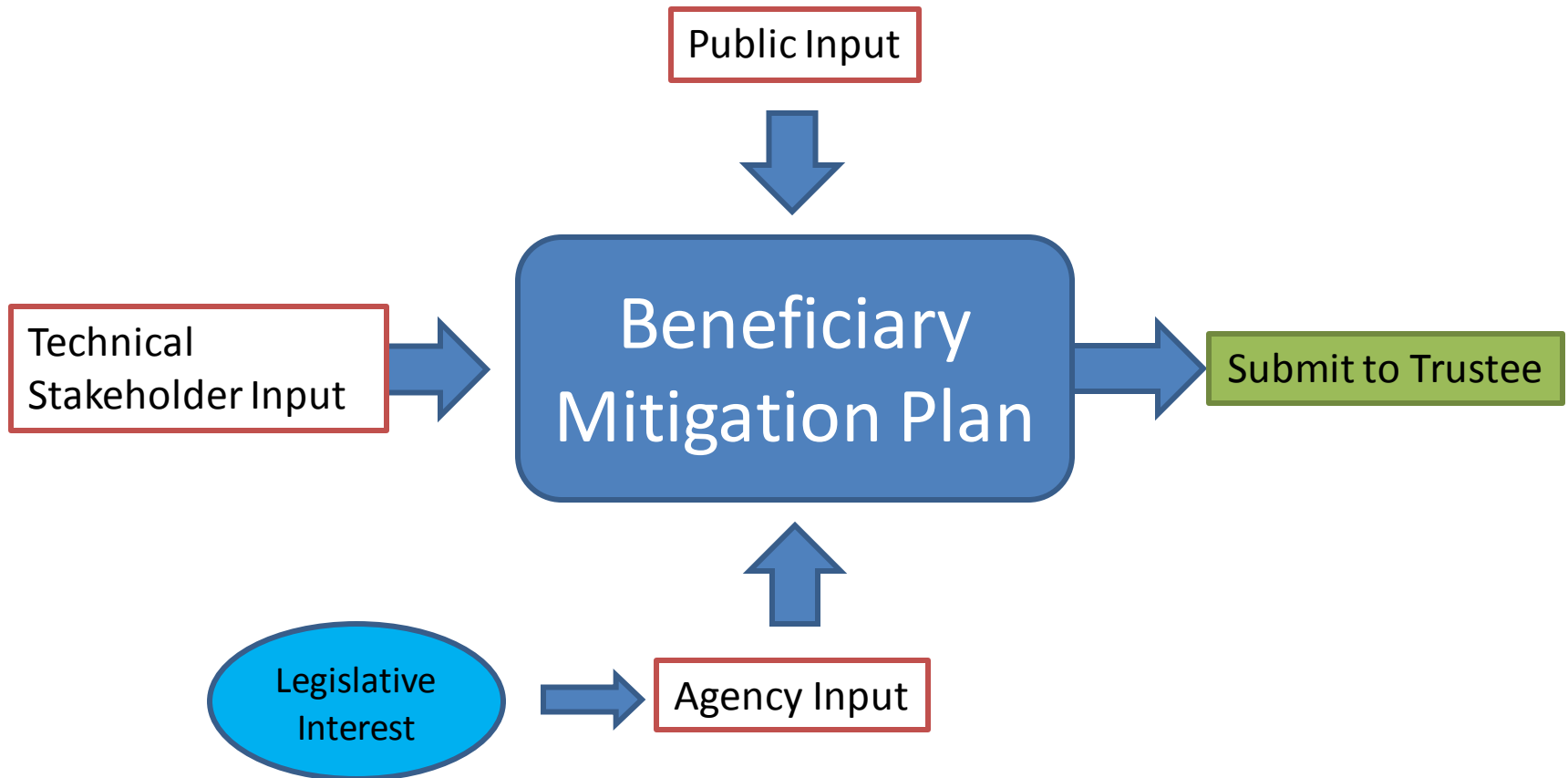
Fall / Winter 2017 - First round of
grants awarded ?



Beneficiary Mitigation Plan



Beneficiary Mitigation Plan



Beneficiary Mitigation Plan

- Must summarize:
 - Overall goal for this effort
 - Percentages designated for each eligible mitigation action
 - Environmental Justice considerations
 - Emissions benefits



Public input

- What are your thoughts?
 - Where should MN focus these projects?
 - What eligible strategies are important to you?
 - What type of projects are important to you?
 - What are your concerns?



Public input

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Additional Info



- For more information:
 - www.epa.gov/vw
 - www.pca.state.mn.us/vw
- VW owners:
 - www.vwcourtsettlement.com



Rocky Sisk

Program Coordinator

Minnesota Pollution Control Agency

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Public input

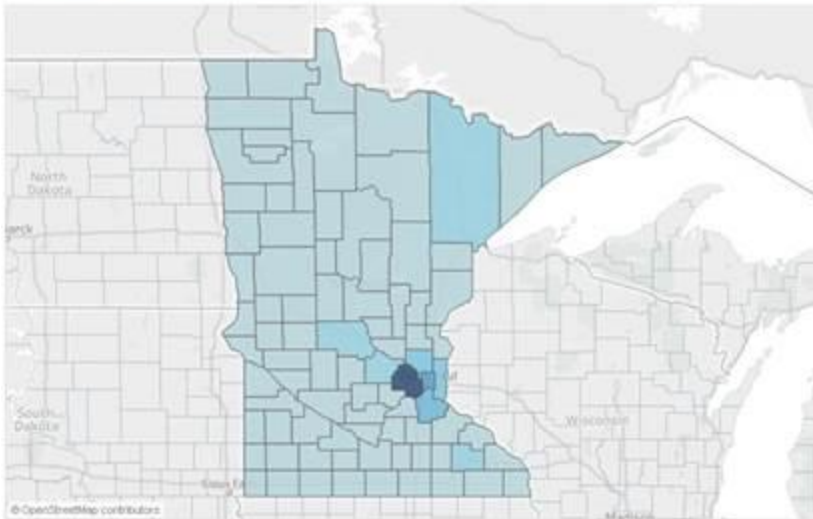
- Public Meetings-
 - St. Paul 2-23-2017,
 - Minneapolis 3-6-2017,
 - Brainerd 3-15-2017;
 - more meetings as necessary



VW Ownership and NOx Emissions

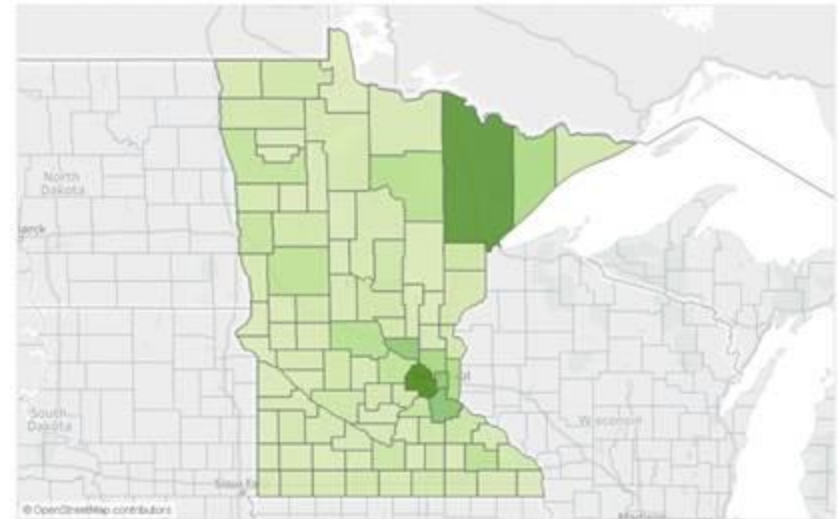
Volkswagen TDI ownership (2014)

% of Volkswagen TDI registrations
0.0%  26.5%



Total NOx emissions (2011)

Tons of NOx
676  39,024



MPCA Diesel Grant Examples

MPCA has given 25% grants to replace old diesel trucks with new trucks that reduce NOx by over 90%.



Rock Crusher – Engine Replacement

1.8 Tons of NOx cut/YR - 40% grant



Bulldozer –Engine Replacement

3.1 Tons NOx
cut / YR



Garbage Truck Replacement

25% grant

1.4 Tons of NOx cut/YR



5-crane Repowers, NOx cut 19 Tons Tier-0 Engines Replaced with Tier-3





Padelford Packet Co.
4- engine Repowers
On the Anson Northrup
Tier-2 Marine from Tier 0
2.9 Tons of NOx cut/YR

Some cost examples that effect \$/Ton of NOx cut

Replacements

- Basic class-6 Delivery Truck to Class 8-semi: \$100,000
- Garbage Truck \$250,000

Repowers (new engine)

- Crane \$68,000
- Barge Tow Boat \$132,000 (2 engs.)
- Bulldozer \$60,000
- Train - \$?

MPCA Diesel Grant Examples



Volkswagen's alleged pollution-hiding cars

US Environmental Protection Agency says VW admitted it had equipped cars with software to cheat emissions tests



Which models?

482,000 diesel-fueled cars in the United States

Jetta (2009 - 2015)
Beetle (2009 - 2015)
Audi A3 (2009 - 2015)
Golf (2009 - 2015)
Passat (2014 - 2015)



Why diesel?

Diesel can be more polluting than gasoline

Pollutants include nitrogen oxides (NOx)



What does the software do?

Detects when a car is undergoing official US emissions testing

Turns full emissions controls for NOx on only during the test



What happens at other times?

Emissions controls are turned off, vehicle emits NOx at up to 40 times standard



What does NOx do?

Linked to increased asthma attacks, other respiratory illnesses and cardiovascular related effects

Source: USEPA/Autonews.com

AFP

