

AGENDA

MPCA Volkswagen Settlement Technical Stakeholder Meeting – Phase 2

August 14, 2019

1:00 p.m. – 3:00 p.m. Central

MPCA Lower Level Conference Room
520 Lafayette Road North, St. Paul, MN

This meeting will build on the presentation and group discussion in our prior stakeholder meeting (July 16). How should we time our grant offerings? Are there additional vehicle or equipment categories you'd like to see? This is your chance to take a deeper dive into the specific program and funding topics that interest you.

To access online webinar and teleconference:

For those participating remotely PLEASE be sure to mute your phone line as soon as the webinar begins to help keep things running as smoothly as possible! We'll have time for questions and input throughout the meeting.

[Join WebEx meeting](#)

Meeting number: 593 479 521

Meeting password: Xd5vBy3t

Join by phone

Call-in toll-free number: 1-844-302-0362 (US)

Or Call-in number: 206-596-0378 (US)

Important note: Webex will only be available during the first half of this meeting. We won't be able to stream during the breakout groups. We recommend you attend in person if you are interested in the break-out topics. If you wish to provide comments on the topics, you can do so by sending an email to vwsettlement.pca@state.mn.us

- | | |
|----------------|---|
| 1:00 pm | Welcome and introduction, MPCA
<i>Purpose, role, and scope of the meeting</i> |
| 1:10 | Recap of July Meeting |
| 1:20 | General Issues <ul style="list-style-type: none">• Contractors• Leased Vehicles |
| 1:30 | Goals and Criteria <ul style="list-style-type: none">• Emission Reduction Priorities<ul style="list-style-type: none">• NOx or GHG or PM• Cost Effectiveness<ul style="list-style-type: none">• Lb per pollutant – should we also consider % of match dollars• 60/40 – Metro / Greater MN<ul style="list-style-type: none">• Per RFP or collective total?• Fast chargers toward Greater MN portion?• EJ 20%• Methodology of Health benefits and emissions |
| 2:00 | Breakout Sessions – small group discussions

Electric Vehicle Charging Infrastructure
<i>Those interested in this topic, can remain in the Lower Level Central Conference Room</i> |

Diesel/Alternative/Electric Heavy Duty Replacements (including school, transit, off-road, and other heavy duty vehicles)

Those interested in this topic, can meet next door in the Lower Level East Conference Room

2:50 **Next steps**

3:00 **Adjourn**

For more information: www.pca.state.mn.us/air/vw-phase-2



Volkswagen settlement in Minnesota: Planning the next phase

Agenda

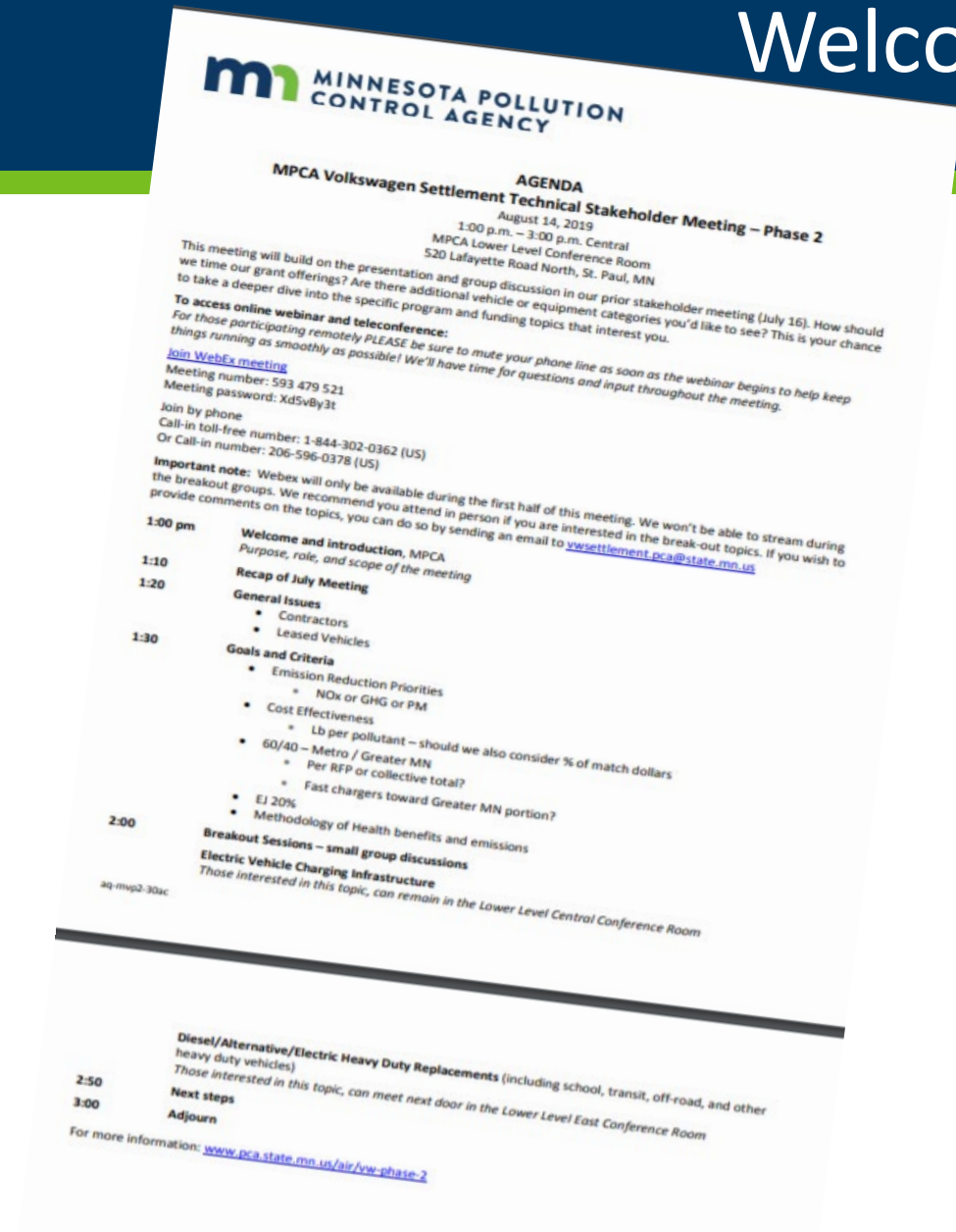
- Welcome – 10 min
- Recap of July Meeting – 10 min
- General Issues – 10 min
- Goals and Criteria – 30 min
- Breakout Sessions – 50 min
- Next Steps – 10 min
- Adjourn





Welcome

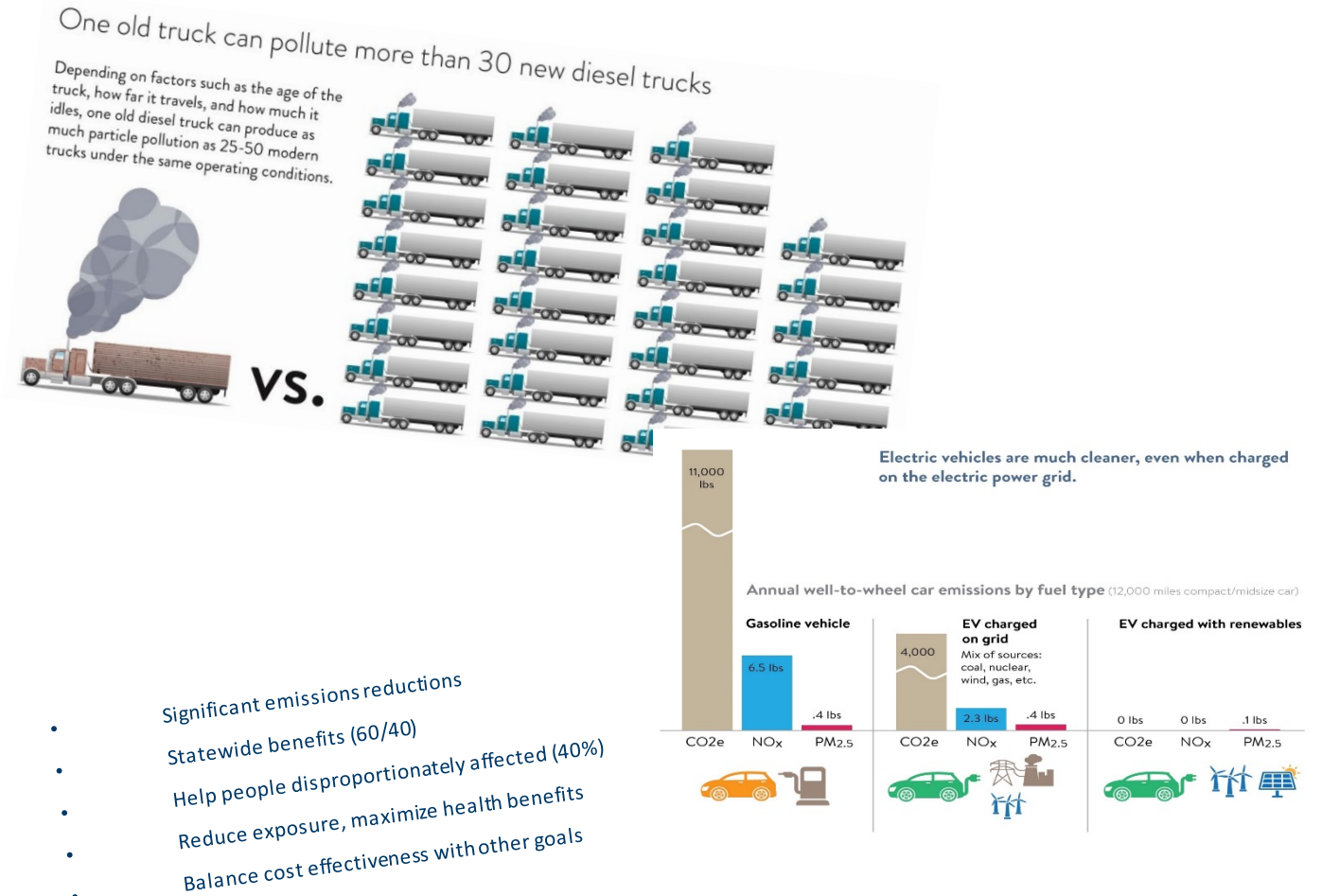
- Busy Agenda
- Q/A throughout meeting
- Online and Webinar available for 1st half of meeting, not for breakout sessions
- Breakout into 2 groups, discuss specific topics that we heard a lot about during our statewide discussions





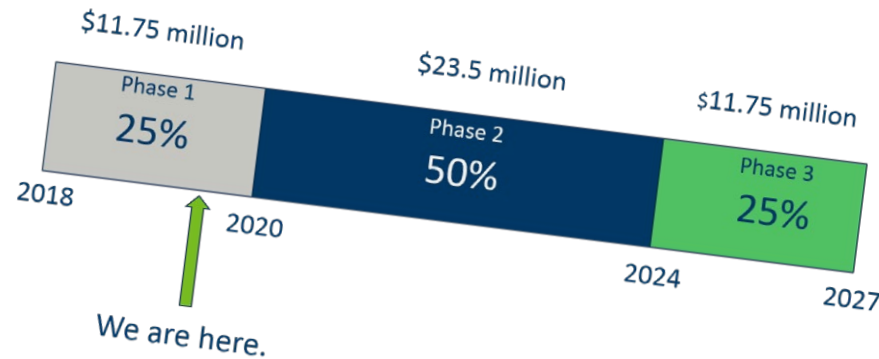
Recap of July Meeting

- VW Violation
- MN Plan
 - Diesel Replacement
 - EV Charging Stations
- Phase 1 Development
 - Key Themes
 - 10 Year Goals

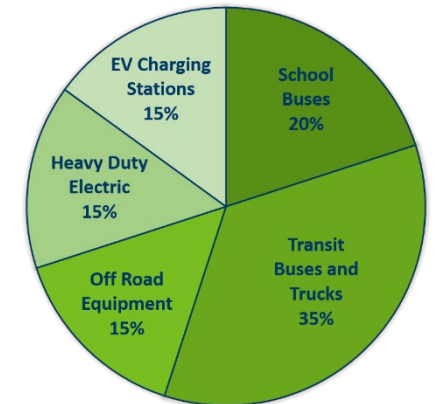


July Recap

- Where We Are
- Grant Programs
- Implementation Timeline



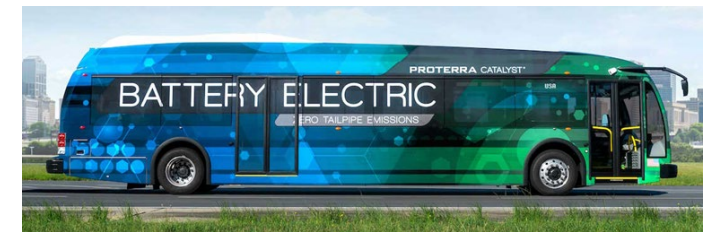
Grant category	RFP issued
School Bus Replacements	July 2018
Electric Vehicle (EV) – Fast Chargers	July 2018
EV Level 2 Chargers	July 2018
Non-Road Diesel Emission Reduction Act (DERA) grants	September 2018
Diesel On-road Truck and Transit Bus Replacements	May 2019
Greater Minnesota School Bus Replacement	June 2019
Heavy-duty Electric Vehicle grants	(Summer 2019)
Off-Road DERA grants – Year 2	(Summer 2019)



July Recap

- Grant Program Summaries

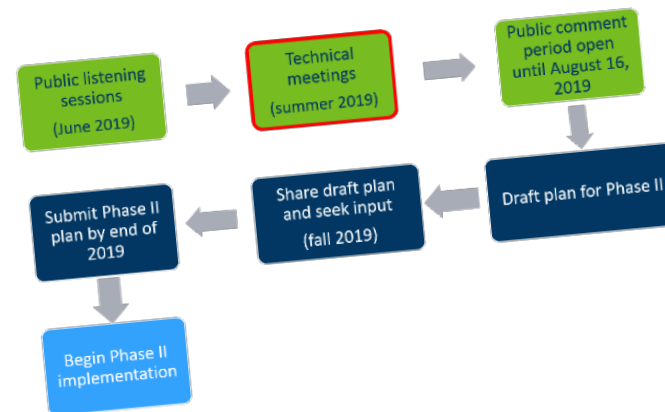
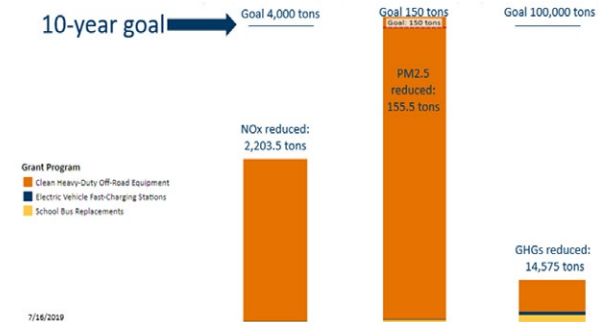
- School Bus
- EV Charging Stations
- Heavy Duty Off Road
- Heavy Duty Truck and Transit
- Upcoming Grants
- Level of Interest



Grant Program	Dollars available	Dollars requested	% more than available
School buses	\$2.115 M	\$8.5 M	400%
EV fast chargers	\$1.4 M	\$3.2 M	225%
EV Level 2 chargers	\$158 K	\$538 K	350%
DERA off-road (year 1)	\$1.1 M (DERA + VW)	\$1.4 M	125%
Heavy Duty On-Road	\$3.7 M	\$7.3 M*	200%

- Emissions Reductions
- Progress toward our Goals
- Phase 2

Goal 1: Achieve significant emissions reductions

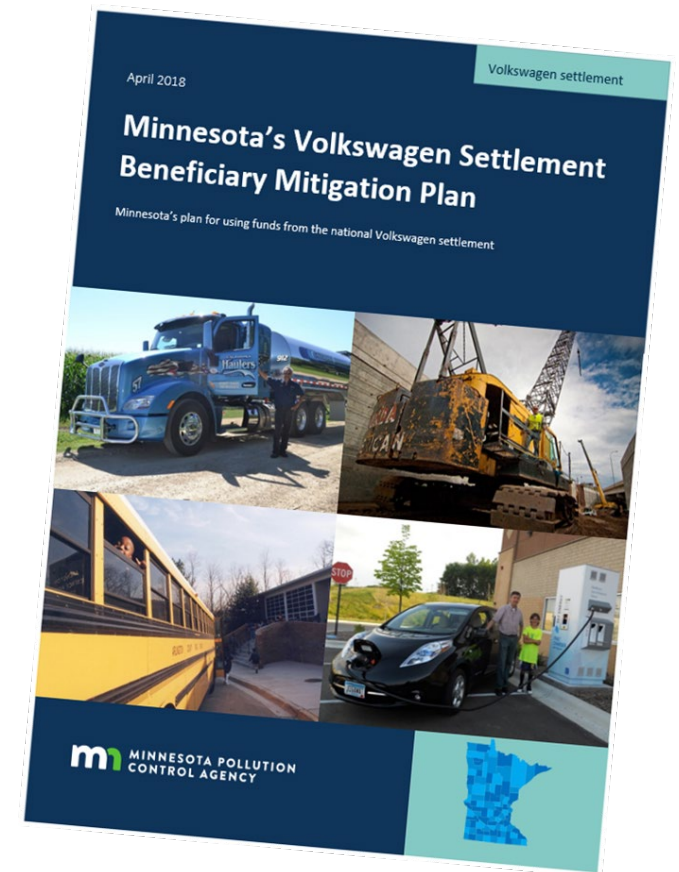




General Issues

Two important issues have come up in Phase 1 that we would like to discuss

- Contractors
- Leased Vehicles



Contractors:

We allowed contractors for every RFP in Phase 1

- Be inclusive
- Allow maximum participation
- Perceived need

and approved. Photographs of the disabled chassis and engine must be submitted prior to disbursements of any funds under this contract.

2. Eligible and ineligible applicants

Eligible applicants

For profit, nonprofit, and public entities, including state, local, and tribal governments that own or operate 1992 through 2009 model year diesel school buses in Minnesota, are eligible applicants. While multi-organizational collaboration is allowed, no single entity may submit individually and also be a part of multiple applications. Only one organization may apply as a contractor on behalf of collaborators. Eligible contractors may request up to 10% for administrative costs above the overall bus replacement grant amount requested. This amount will be included in the total cost to determine cost effectiveness.

To qualify as a contractor:

- All bus replacement projects must be on the same application (one application per contractor)
- Contractor must represent at least three different bus owners
- Contractor is responsible for all contract oversight responsibilities as stated in grant agreement

Ineligible applicants

Entities or individuals that are currently suspended or debarred by the State of Minnesota and/or the federal government are ineligible applicants.

Contractors:

We received contractor applications for very few projects:

- DERA
- L2 EV Chargers
- HD On Road



Contractors:

Options to modify the contractor language in Phase 2 to allow more VW funds for projects

- **Available only in specific RFP's**
- Contractor cost limits



General Issues

Leased Vehicles:

- Phase 1, no specific language regarding leased vehicles.
- Other states do not allow lease vehicles into VW programs.



Leased Vehicles Concerns:

Reimbursement grants not conducive to dealing with leased vehicles.

- Lessee not vehicle owner
- Potential for fraud
- Where will vehicle operate



Leased Vehicles

Options to modify the leased vehicle language in Phase 2 to eliminate potential problems:

- **Don't allow leased vehicles**
- Vehicle owner must be co-applicant on grant agreement
- Require vehicle to stay in state





Goals and Criteria

Goals and Criteria

Objective of the following slides:

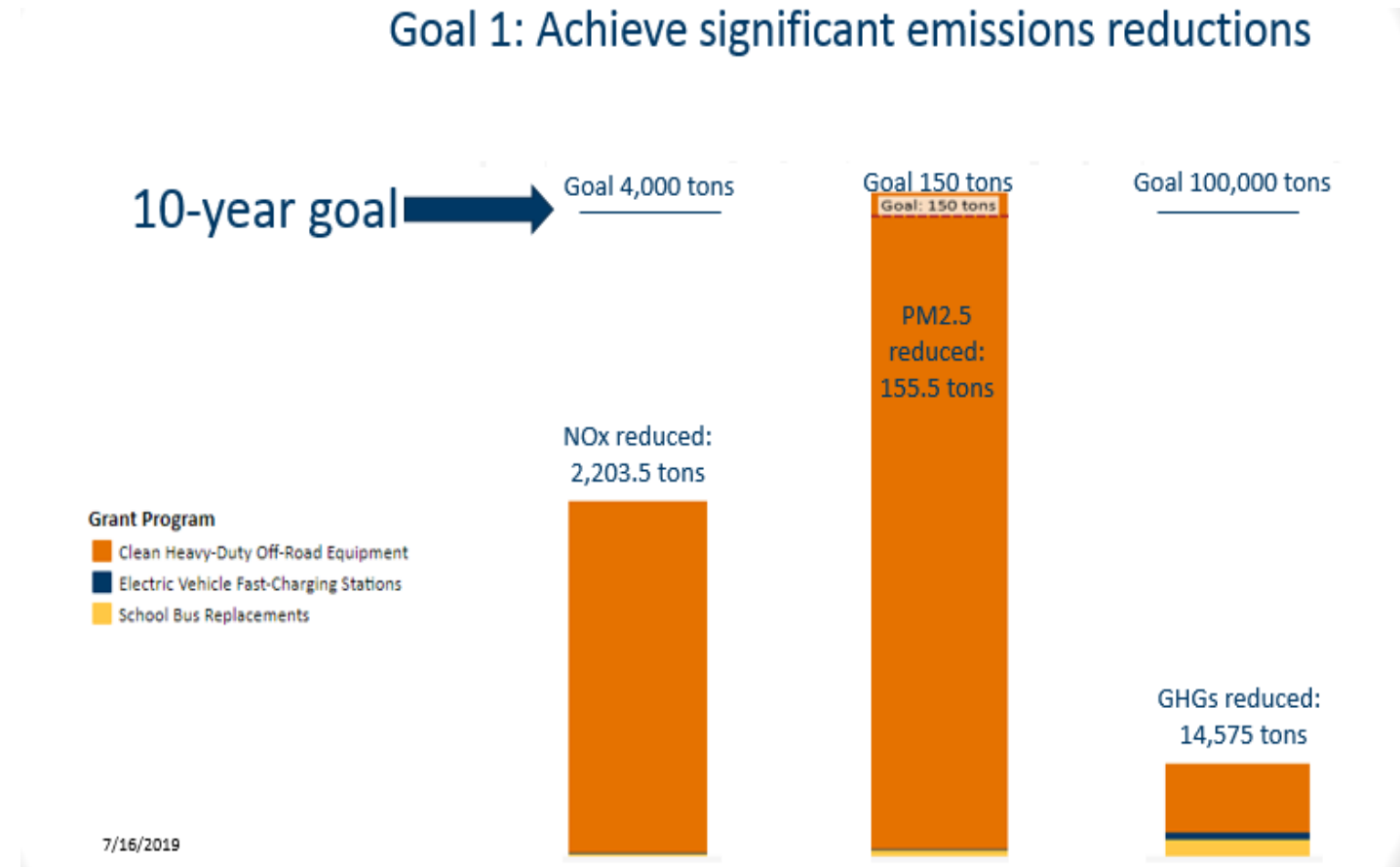
- Examine the 5 overarching VW goals
- Examine criteria used to determine goals
- Plan for Phase 2

<https://www.pca.state.mn.us/air/progress-minnesotas-goals-vw-funds>



Emissions Reduction Priorities

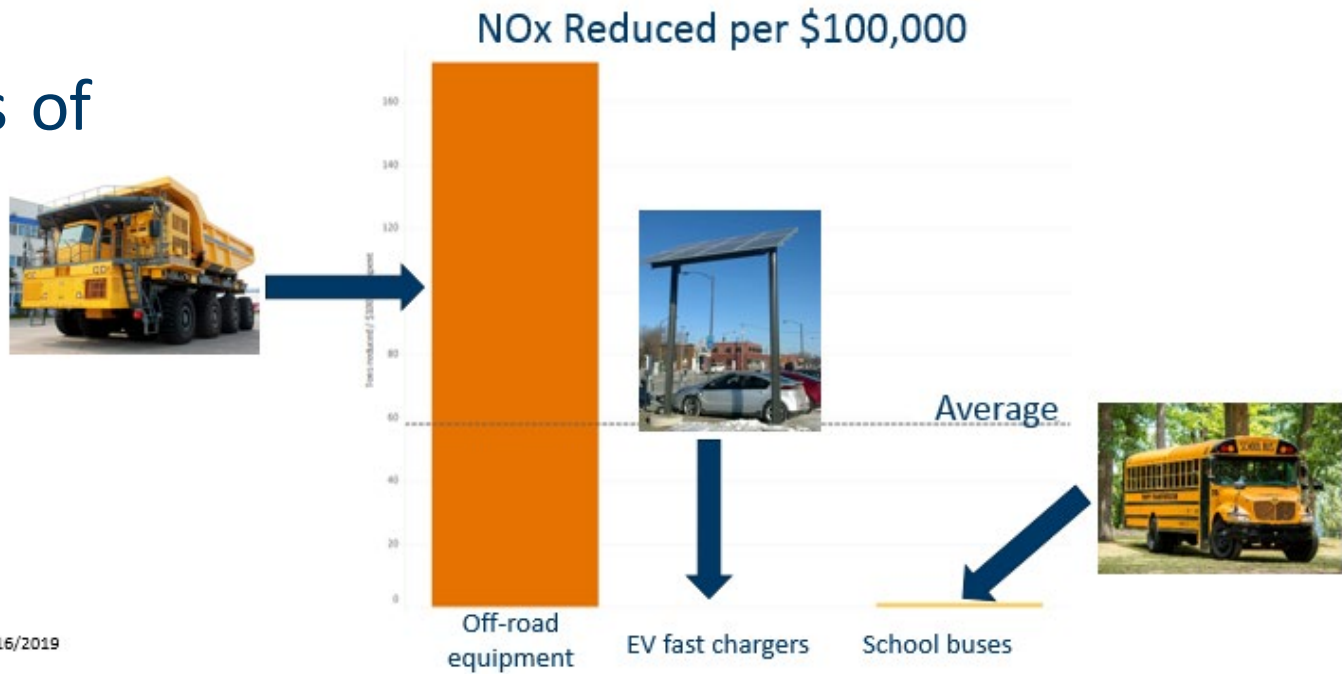
- Goal: Achieve significant emissions reductions
 - Currently focus on NOx
 - Should we focus more on
 - GHG's
 - PM



Cost Effectiveness

- Goal: Balance Cost Effectiveness

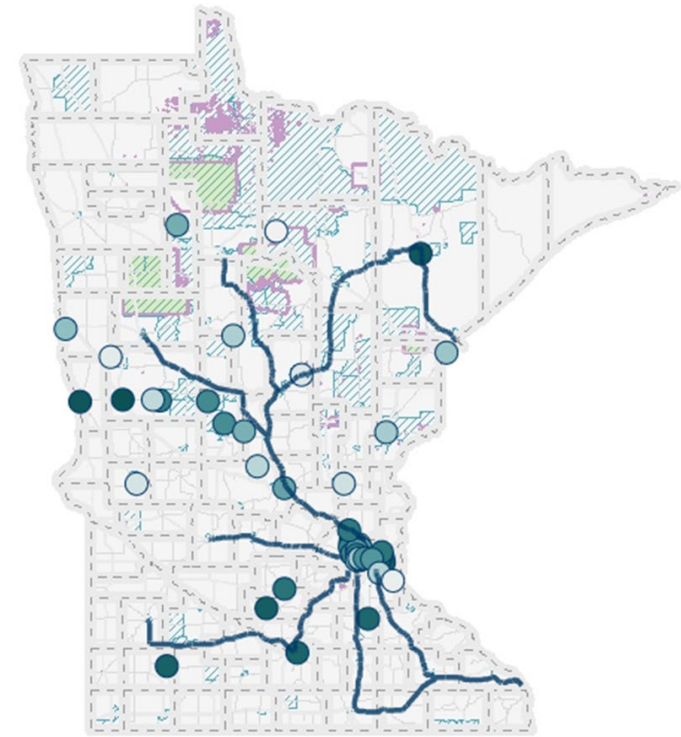
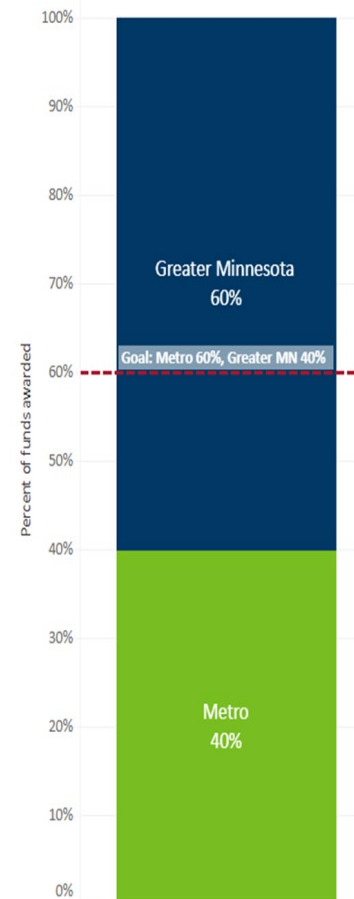
- Currently focus on pounds of pollution per VW \$
- Should we also look at
 - Matching \$



Metro and Greater MN

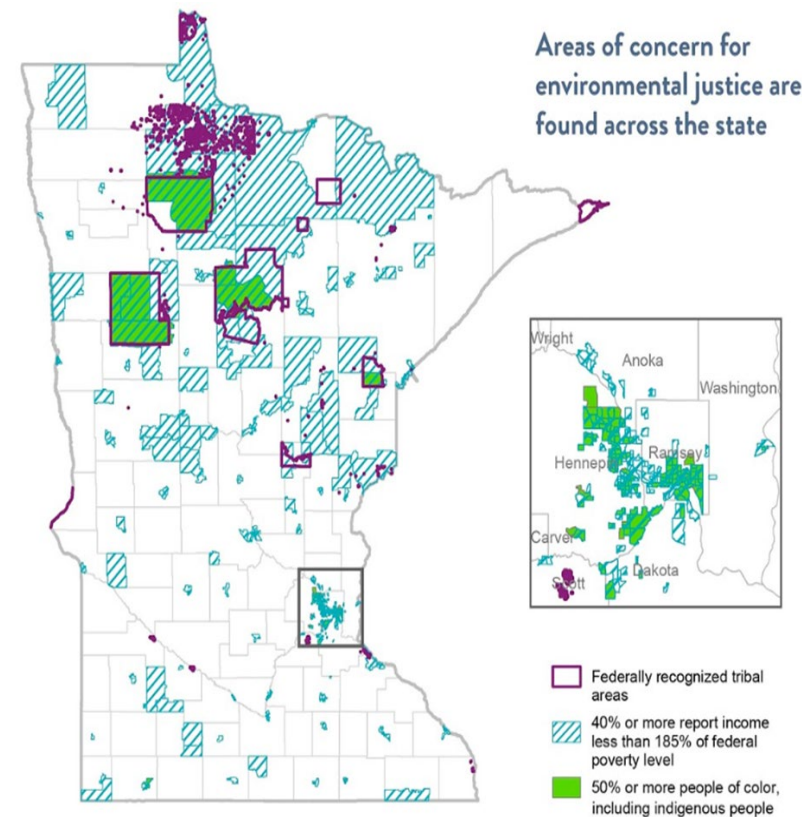
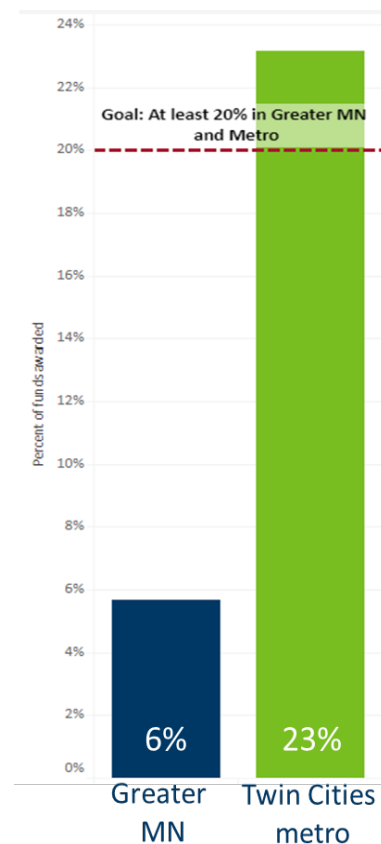
- Goal: 60/40 Metro/Greater MN split
- Options:
 - Per RFP
 - Overall Projects
- Should we count fast chargers in Greater MN portion?

% funds awarded
by location



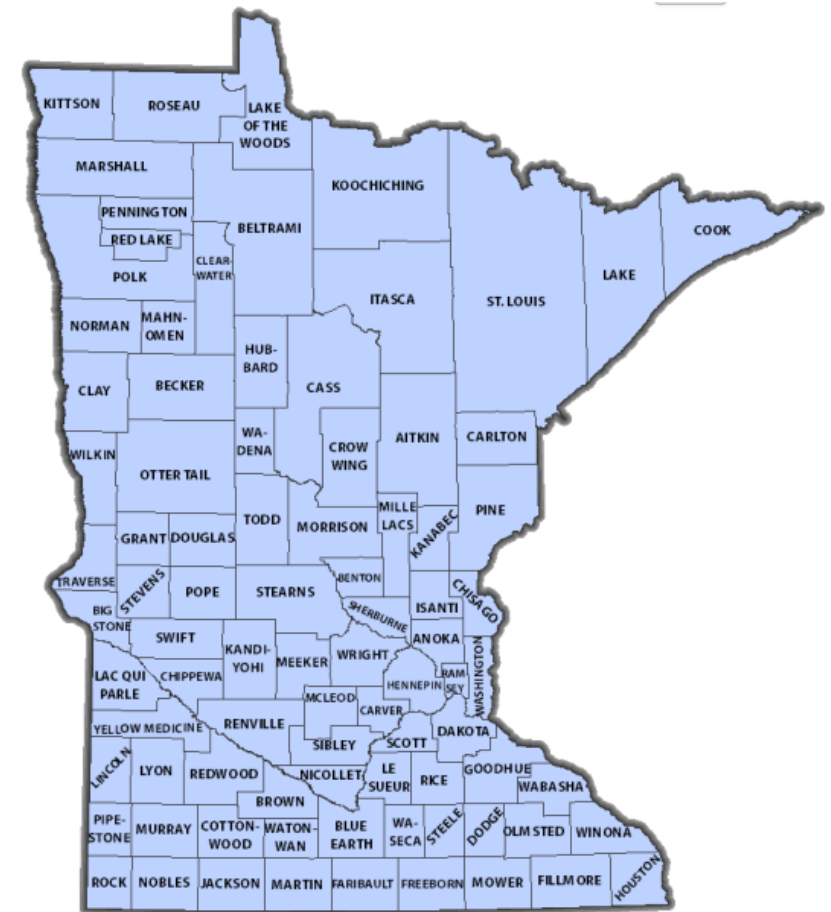
Environmental Justice

- Goal: Help people and places disproportionately affected by air pollution
 - 20% Metro EJ
 - 20% Greater MN EJ



Health Benefits

- Goal: Reduce exposures to harmful air pollutants and maximize health benefits
 - Health (from MDH)
 - Four health indicators
 - Representative health conditions
 - Utilized available data by county and zip code
 - Score based on indicators
 - Air Quality
 - Air pollution concentrations for PM_{2.5} and NO_x
 - Mapped the entire state
 - Scores for projects were based on both pollutants in a zip code



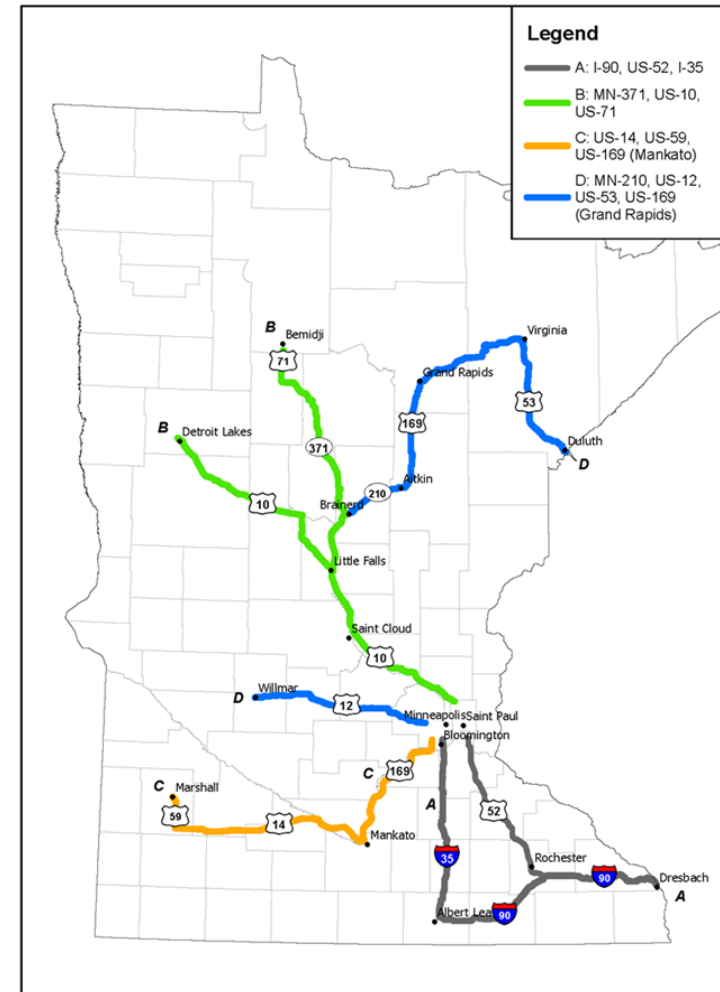


Breakout Sessions

- Small Group Discussions
 - Electric Vehicle Charging Infrastructure (stay in this room)
 - Diesel/Alternative/Electric Heavy Duty Replacements (next door)

Breakout Sessions

- Small Group Discussions Questions:
 - Electric Vehicle Charging Infrastructure
 - Corridor Selection Process
 - Individual stations or full corridors
 - 90/10 - fast charge/ level 2 distribution
 - Level 2: public, multifamily, workplace
 - Define DC fast (25kW, 50kW, more)
 - Fund existing corridors or new corridors
 - Fund large projects

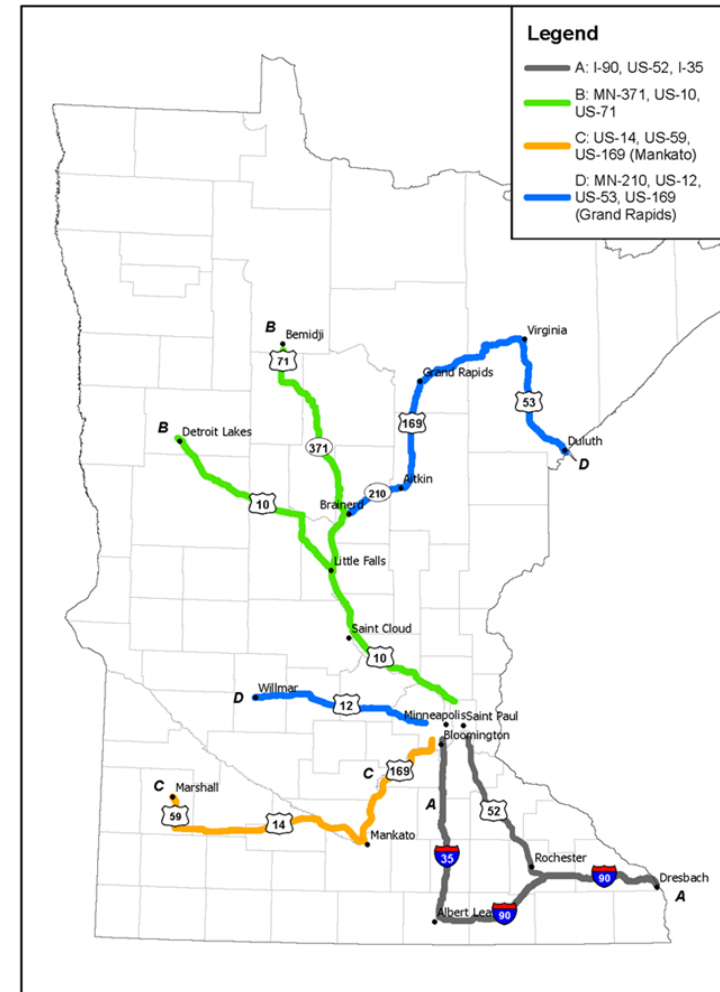


- Small Group Discussions
 - Diesel/Alternative/Electric Heavy Duty Replacements
 - Target certain types of vehicles
 - Alternative fuels or electric
 - Funding levels per vehicle/equipment
 - Resale value/funding levels



Breakout Sessions

- Small Group Discussions Questions:
 - Electric Vehicle Charging Infrastructure
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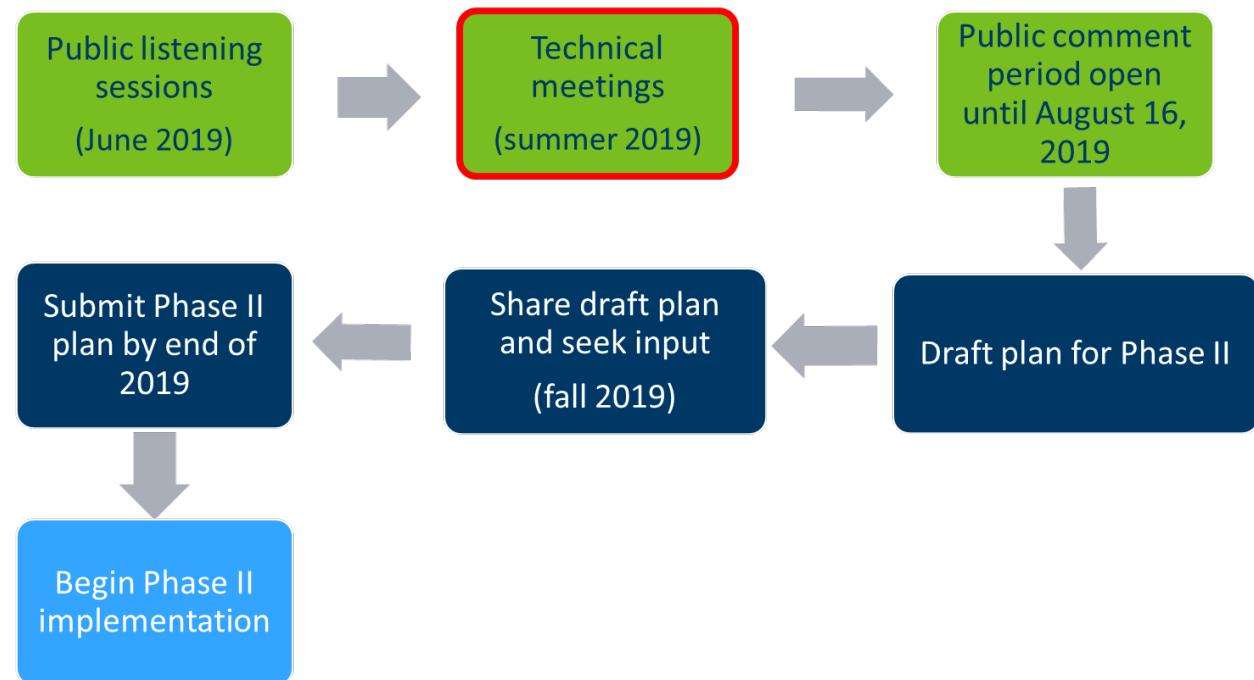




Summary

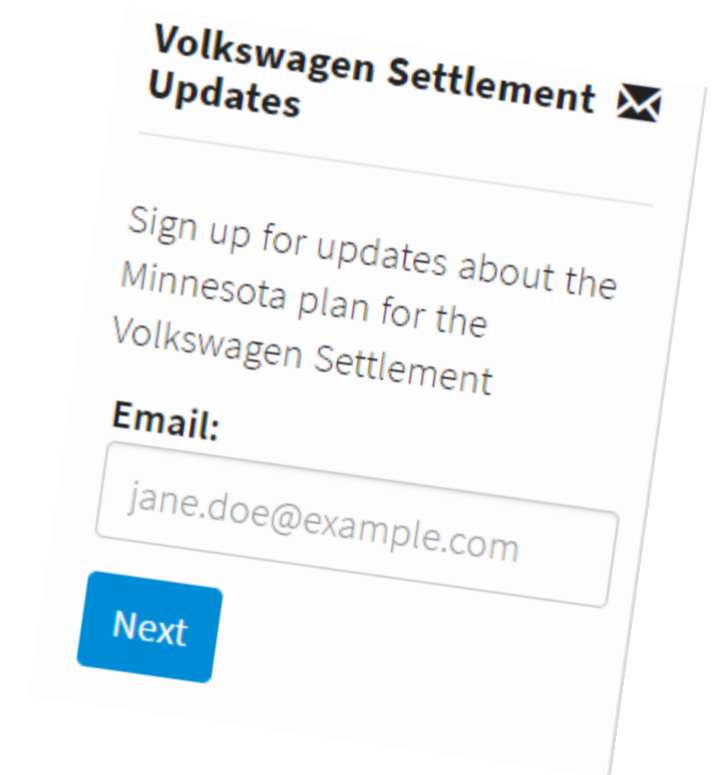
Next Steps

- DRAFT Phase 2 Plan
- Share Plan
 - Series of Meetings around state
- Finalize Plan
 - Staff will finalize plan and prepare to submit to trustee
- Submit Plan
 - After internal review, staff will submit plan to trustee
- Begin Phase 2
 - Anticipate first Phase 2 RFP's in 2020



Next steps

- Send additional comments to:
vwsettlement.pca@state.mn.us
- Sign-up for future email updates and comment opportunities at:
www.pca.state.mn.us/air/vw-phase-2



Thank you!

Contact information

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www.pca.state.mn.us/vw

National VW settlement clearinghouse: <http://vwclearinghouse.org/>