

Phase 2 (2020-2023)

Minnesota’s plan for Volkswagen settlement funds

The Minnesota Pollution Control Agency (MPCA) is using Volkswagen (VW) settlement funds to reduce harmful air pollution, address climate change, and invest in a cleaner transportation future.

Minnesota will receive \$47 million total from the national settlement, and will distribute these funds in three phases over 10 years. In Phase 2 (2020-2023), MPCA will spend about \$23.5 million, or half of Minnesota’s total.

MPCA can use VW funds in two primary ways: fund vehicle replacements that take older, more polluting diesel vehicles off the road and replace them with new, cleaner models, and invest in electric vehicle (EV) infrastructure. To distribute funds, MPCA offers grant opportunities with a competitive application process.

Phase 2 by the numbers

- \$23.5 million in funding
- 4 years (2020-2023)
- 6 grant programs
- 300+ new, cleaner vehicles

New and notable in Phase 2

- Increasing our focus on reducing greenhouse gas (GHG) emissions
- Adding a grant program for all-electric school buses
- 2,500+ miles added to the statewide EV charging network

Reducing greenhouse gas emissions

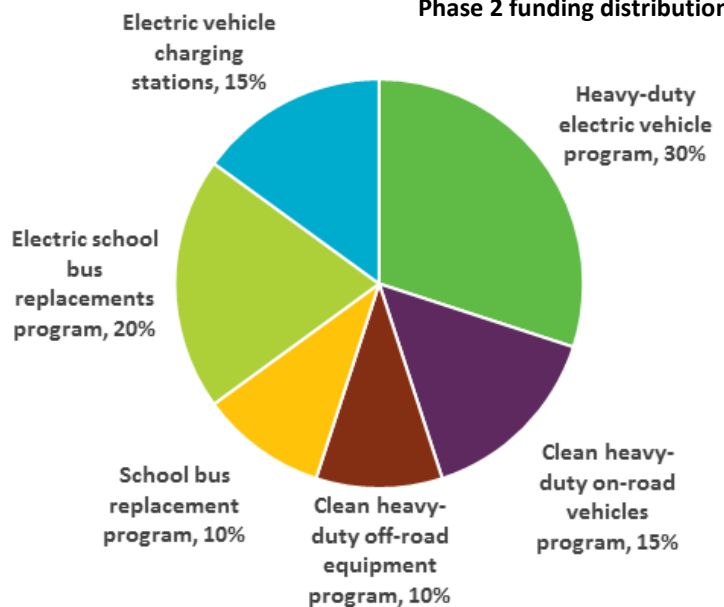
Greenhouse gases are a leading cause of global climate change. Making the switch to zero-emission EVs is one action we can take to reduce GHG emissions in our state.

In Phase 2, MPCA is substantially increasing our investment in eligible EVs and will continue to spend the maximum amount the settlement allows on EV charging infrastructure.

MPCA has earmarked 65% of Phase 2 funds to support electrification, including:

- \$7+ million for eligible heavy-duty EVs
- \$4.7 million for electric school buses
- \$3.5 million for EV charging stations

Phase 2 funding distribution



The remaining 35% of Phase 2 funds will help businesses and organizations purchase cleaner heavy-duty on-road vehicles, heavy-duty off-road equipment, and school buses with a variety of fuel types.

Our plan for Phase 2 ensures we will continue to achieve significant reductions of nitrogen oxides and fine particle pollution to meet our goals, while increasing GHG emissions reductions.

With these investments, MPCA expects to reduce:

- Nitrogen oxides by 4,110 - 6,975 tons
- Fine particle pollution by 145 - 444 tons
- GHGs by 64,074 - 94,848 tons

Estimated projects funded in Phase 2

Grant program	Project examples	Apx. number purchased*
Heavy-duty on-road vehicles	Transit buses, class 4-8 trucks	80
Heavy-duty off-road equipment	Ferries, tugs, port cargo handling equipment	39
School bus replacement program	Diesel, propane, or natural gas school buses	106
Electric school bus program	All-electric school buses	14
Heavy-duty electric vehicles	Transit buses, trucks, airport equipment, forklifts	64
	Fast-charging stations	43
	Level 2 charging ports	104

*Includes a mix of eligible vehicles for each program to provide an estimate of how many vehicles could be funded in Phase 2.

Electric school buses

When MPCA asked for public input for our Phase 2 plan, we received many comments encouraging dedicated funding for electric school buses. In Phase 2, MPCA will introduce a new grant program to help communities and school districts purchase all-electric school buses to replace older diesel buses. MPCA recognizes the positive long-term, transformational results from funding an emerging clean technology, and will invest 20% of available funds in this program.

Statewide EV charging network

Minnesota needs a statewide network of charging stations, not just in the Twin Cities metro area.

In Phase 2, MPCA plans to invest 15% of available funds (the maximum amount the settlement allows) on EV charging stations, or \$3,525,000 total.

- 10% for Level 2 charging stations in public locations, mobility hubs, workplaces, and multi-unit housing
- 90% for fast-charging stations along highway corridors

This investment in EV fast-charging stations in Greater Minnesota will expand the statewide EV charging network by approximately 2,544 miles, enabling more Minnesotans to use zero-emission vehicles.

Learn more

Find the full Phase 2 plan on our website:

<http://www.pca.state.mn.us/vw>

Questions? Email

vwsettlement.pca@state.mn.us

Proposed EV corridors

