Maine’s VW Settlement

Governor’s Energy Office

mainedot.gov/vw
The U.S. District Court in Northern California approved a partial consent decree to settle allegations that Volkswagen (VW) had installed defeat devices on 2.0 and 3.0-liter diesel vehicles sold or leased in the United States.

Under normal driving conditions, these defeat devices switched off emission control equipment, allowing emissions of nitrous oxide (NOx), which adversely affects heart and lung health, to exceed up to 40 times established vehicle emission standards.

The 2016 and 2017 court settlements order VW to fund actions that reduce NOx emissions to improve air quality and provide health benefits. These actions will be carried out by “beneficiaries”, consisting of each state, Puerto Rico, Washington DC, and Native American tribes.
## VW Class Action Settlement

<table>
<thead>
<tr>
<th>Component</th>
<th>Total Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>VW’s Vehicle buy-back/repair</td>
<td>$10 billion</td>
</tr>
<tr>
<td>VW’s National ZEV investment plan &amp; education</td>
<td>$2 billion</td>
</tr>
<tr>
<td>Beneficiaries’ Environmental mitigation trust</td>
<td>$2.7 billion</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$14.7 billion</strong></td>
</tr>
</tbody>
</table>
NOx Emissions in New England, 2011

- Onroad gasoline: 28%
- Onroad diesel: 19%
- Nonroad diesel: 10%
- Nonroad, other fuels: 5%
- Commercial marine: 6%
- Electric utilities: 4%
- Residential oil & gas combustion: 7%
- Comm/institutional oil comb.: 5%
- Waste disposal: 3%
- Other sources: 13%

Total = 362,209 tons.
Distribution based on annual

Distribution of NOx emissions across the transportation sectors in Maine based on the 2014 U.S. EPA National Emissions Inventory.

2014 Mobile NOx Emissions

- On-Road non-Diesel Light Duty Vehicles, 37%
- On-Road non-Diesel Heavy Duty Vehicles, 2%
- On-Road Diesel Light Duty Vehicles, 1%
- On-Road Diesel Heavy Duty Vehicles, 30%
- Aircraft, 1%
- Commercial Marine Vessels, 8%
- Locomotives, 4%
- Non-Road Equipment - Diesel, 10%
- Non-Road Equipment - Gasoline, 6%
- Non-Road Equipment - Other, 1%

Annual Tons

<table>
<thead>
<tr>
<th>Sector</th>
<th>Aircraft</th>
<th>Commercial Marine Vessels</th>
<th>Locomotives</th>
<th>Non-Road Equipment - Diesel</th>
<th>Non-Road Equipment - Gasoline</th>
<th>Non-Road Equipment - Other</th>
<th>On-Road Diesel Heavy Duty Vehicles</th>
<th>On-Road Diesel Light Duty Vehicles</th>
<th>On-Road non-Diesel Heavy Duty Vehicles</th>
<th>On-Road non-Diesel Light Duty Vehicles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tons</td>
<td>307</td>
<td>2,706</td>
<td>1,283</td>
<td>3,624</td>
<td>2,074</td>
<td>287</td>
<td>10,500</td>
<td>426</td>
<td>643</td>
<td>12,579</td>
</tr>
</tbody>
</table>

NOx contribution from the transportation sector for only diesel engines, vehicles and equipment.

Timeline for Environmental Mitigation Trust

- Trust Effective Date: October 2, 2017; Deadline for filing for Beneficiary Status: December 1, 2017
- Maine files with Trustee for Beneficiary Status: November 8, 2017
- Trustee issues list of Certifying Entities: January 30, 2018
- Submit D-3 Beneficiary Incumbency Cert to Trustee: < March 19, 2018
- Submit Beneficiary Mitigation Plan to Trustee: < 30 days prior to request to fund
Maine’s Process

Public Meetings:
November 8, Bangor
November 14, Portland

BMP public comment period:
June 2017 – January 2018

Governor’s Office approval to proceed

Designate lead agency

Draft and post Beneficiary Mitigation Plan for public comment

Develop grant process, selection criteria, reporting requirements

Requests for Proposals

Award projects

Year 1: ≤ $7M
Year 2: ≤ $14M
### Maine’s Proposed Distribution
#### VW Environmental Mitigation Settlement

<table>
<thead>
<tr>
<th>Program</th>
<th>% of Total</th>
<th>Total Dollars</th>
<th>Responsible Entity</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Multimodal Priorities</td>
<td>40%</td>
<td>$8.4 million</td>
<td>MaineDOT</td>
</tr>
<tr>
<td>Municipal &amp; Private Appendix D</td>
<td>25%</td>
<td>$5.3 million</td>
<td>MaineDOT</td>
</tr>
<tr>
<td>Diesel Emission Reduction Act (DERA) Option</td>
<td>20%</td>
<td>$4.2 million</td>
<td>DEP Mobile Sources</td>
</tr>
<tr>
<td>Light Duty Electric Vehicle Supply Equipment</td>
<td>15%</td>
<td>$3.1 million</td>
<td>Efficiency Maine Trust</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
<td><strong>$21 million</strong></td>
<td></td>
</tr>
</tbody>
</table>
Integrity - Competence - Service

Beneficiary designation

State Multimodal Priorities

GEO/EMT-EVSE
- Request funds
- RFP
- Corridor development

DEP-DERA
- Request funds
- DERA project solicitation
- DERA grants

Appendix D Options

Priority-based allocation

Request funds

RFP #1
- Request funds
- Award #1

RFP #2
- Request funds
- Award #2

RFP #3
- Request funds
- Award #3
State Multimodal Priorities

Replacement of:

- Transit busses
- Port cargo handling equipment
- Ferry re-powers
What actions are eligible under Appendix D-2?

Replacement of:

- Class 8 local freight or port drayage equipment;
- Class 4-8 school, shuttle, or transit buses;
- Pre-tier 4 freight switchers;
- Tier 1 or 2 unregulated ferry or tug engines;
- Class 4-7 local freight trucks;
- Airport ground support equipment;
- Forklifts and port cargo handling equipment;

Funding for:

- Shore power for ocean going vessels;
- Light duty electric vehicle supply equipment; or
- Non-federal voluntary match for the Diesel Emission Reduction Act (DERA) program.
### FHWA Vehicle Classifications 101

<table>
<thead>
<tr>
<th>Light-Duty</th>
<th>Medium Heavy-Duty</th>
<th>Heavy-Duty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class 1</td>
<td>Class 2</td>
<td>Class 3</td>
</tr>
<tr>
<td>Less than 6,000 lb</td>
<td>6,000 to 10,000 lb</td>
<td>10,000 to 14,000 lb</td>
</tr>
<tr>
<td>Class 4</td>
<td>Class 5</td>
<td>Class 6</td>
</tr>
<tr>
<td>14,000 to 16,000 lb</td>
<td>16,000 to 19,500 lb</td>
<td>19,500 to 26,000 lb</td>
</tr>
<tr>
<td>Class 7</td>
<td>Class 8</td>
<td></td>
</tr>
<tr>
<td>26,000 to 33,000 lb</td>
<td>Greater than 33,000 lb</td>
<td></td>
</tr>
</tbody>
</table>

![Vehicle Illustrations](Image)
What actions are eligible under DERA?

Replacement of:

• Marine engines
• On-highway trucks & buses
• Off-road equipment (e.g. construction, forestry, agricultural)
• Locomotives
• No-idling technologies
MaineDOT Responsibilities

- Incumbent Certification
- Authorized Individuals
- Bi-annual reporting
- Applicability of confidential business information laws
- Public accessibility to information
- Tracking the money
Project Considerations

✓ Relationship to Maine’s Beneficiary Mitigation Plan
✓ NOx reduction (tons NOx per VW dollar spent)
✓ Geographic location
✓ Maximize public health benefits
✓ Areas receiving localized air pollution
✓ Available match/leverage funding
✓ Demonstrated relevant project delivery experience
✓ Capacity
Northeast EVSE Network

- Political commitments
- FHWA corridor designations
- Vehicle range
- Existing infrastructure
- Safety/facilities

http://www.afdc.energy.gov
NEG-ECP
DCFC
Locations
As of 1/29/2018
FHWA Criteria for Electric Vehicle Signage-Ready Corridors

- < 50 miles between charging stations
- National highway system *
- Station within 5 miles of highway
- DC Fast Charging only
- Universal charging (no Tesla)

*Exceptions granted
MaineDOT Proposed Electric Vehicle Infrastructure Corridors

Estimated distances between universal, public charging infrastructure:
VIA I-95 Kittery to Portland (73 mi): Kittery Welcome Center -->
Kennebunk Travel Center (25 mi) --> Biddeford (8 mi) -->
Portland (15 mi) --> Freeport (25 mi)

VIA I-295: Freeport --> Augusta/West Gardiner (30 mi)

VIA I-95: Gray --> Auburn/Lewiston (19 mi)

VIA I-95/201 Augusta to Jackman (124 mi): Augusta --> Waterville (20 mi) -->
Skowhegan (17 mi) --> The Forks (46 mi) --> Jackman (26 mi) --> Quebec (15 mi)

VIA Rt 26/US-2 Gray to Gorham, NH (72 mi): Gray --> Norway (27 mi) -->
Bethel (23 mi) --> Gorham, NH (22 mi)

VIA US-2 Bangor to Gorham, NH (122 mi): Bangor --> Newport (28 mi) -->
Skowhegan (24 mi) --> Farmington (28 mi) --> Bethel (53 mi) -->
Gorham, NH (22 mi)

VIA US-1A/Rt 3 (43 mi): Ellsworth (28 mi) --> Acadia National Park (15 mi)
(128 mi): Ellsworth --> Cherryfield (29 mi) --> Machias (28 mi) -->
Eastport (44 mi) --> Calais (27 mi)

Coastal Route
Maine-New Hampshire Route
Maine-Quebec Route
New Hampshire-Acadia
Resources

- DERA-Environmental Mitigation Trust Comparison
- Issue Summary
- Maine Beneficiary Mitigation Plan
- Links to Court documents
- This presentation
- ....

mainedot.gov/vw
Questions?

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