VW Environmental Mitigation Trust
Electric School Bus Replacement Program
Informational Session

June 21, 2019

Electric School Bus Replacement Program

Today's Session

- VW settlement - Background
- Why School Buses?
- Electric School Bus Replacement Program: Program Eligibility/Project Costs/Program Requirements/Additional Vehicle and Cost Considerations/Evaluation of Proposals and Evaluation Criteria/Timeline
- Questions

VW Environmental Mitigation Trust

- VW settlement - emissions violations
- Agreement finalized October 2, 2017
- NH became a Beneficiary of the Trust – January 29, 2018
- NH Trust Allocation – approx. $30,900,000
- Lead Agency for NH – Office of Strategic Initiatives
- Began pursuing Trust funded Environmental Mitigation Activities in late 2018

VW Environmental Mitigation Trust

- Environmental Mitigation Trust includes 10 Eligible Mitigation Activities
- Eligible Mitigation Activity #2 – Class 4-8 School Bus, Shuttle Bus or Transit Bus (Type A, B, C, D) - replace older diesel vehicle with new diesel or Alternative Fueled vehicles
- Basis for Electric School Bus Replacement Program

NH VW Mitigation Plan

- Program advances **NH VW Mitigation Plan**

- **Goals of Mitigation Plan**
  - alleviate excess nitrogen oxide emissions caused by the VW violations
  - maximize air quality benefits beyond just nitrogen oxide reductions
  - replace publically-owned vehicles
  - support the use of zero emission and near-zero emission vehicles

NH VW Mitigation Plan

NH VW Mitigation Plan – Funding Allocation

- Public/Government Vehicles and Equipment – 50% of NH allocation (approx. $15.5M)
- Electric Vehicle Supply Equipment – 15% of NH allocation (approx. $4.6M)
- Competitive Project Solicitation – 20% of NH allocation (approx. $6.2M)
- Administration Costs – maximum of 15% of NH allocation (approx. $4.6M)

Available Funds

- Portion of funding from the “Public/Government Vehicles and Equipment” category allocated to:
  - Eligible vehicles owned by municipal governments, including school districts and transit agencies ($9.3M or 60% of the total “Public/Government Vehicles and Equipment” allocation)
- Electric School Bus Replacement Program will utilize approximately $1,250,000 of this total

Why School Buses?

- Of approx. 850 Class 4 or larger school buses in NH, about 90 percent are diesel.
- Exposure to diesel exhaust - can exacerbate respiratory conditions (i.e. asthma and bronchitis) and can cause lung damage and even premature death.
- Children especially susceptible – their respiratory systems are not fully developed and they breathe faster than adults.
- Replacing older diesel school buses with zero emission electric school buses will significantly reduce emissions of nitrogen oxide, diesel particulate matter and greenhouse gas emissions including carbon dioxide and completely eliminate students direct exposure to tailpipe emissions.

Eligible Projects and Applicants

- Eligible projects - replacement of existing Class 4 - 8 (Type A, B, C or D) diesel school bus model year 2009 or older with an electric school bus of the same class whose primary usage is for the transport of K-12 students.

- Eligible Applicants - NH municipalities, public and nonpublic schools and school districts, and contractors operating school buses under agreement with such entities.

- Bus being replaced must currently be in use and bus being replaced must be permanently disabled (engine and chassis destroyed) upon deployment of the new bus.

Eligible Vehicles

Vehicle Eligibility Considerations

- Only new electric school buses purchased from OEM or OEM authorized dealer
- Fully equipped to operate on electricity only
- Certified by EPA
- Rebuilt, repowered or remanufactured school buses not eligible

Competitive Grant Program Details

- Solicitation Release – June 13, 2019
- Question Period Closes – June 24, 2019 @ 4PM
- Responses to Questions Posted – June 28, 2019 @ 4PM
- Proposals are due July 26, 2019 @ 4PM
- Project Start upon G & C Approval
- Project Completion – December 31, 2020

- Competitive Grant Program – applicants must apply and selected project will enter into a contract with OSI - no project costs incurred prior to approval of Governor & Council.
- Reimbursement Project – recipients must fund the project and then request reimbursement.

Eligible Project Expenses

- The cost of the replacement bus including all accessories that are legally necessary for the operation of that vehicle as a school bus.
- Costs related to acquisition and installation of charging equipment necessary for operation of the buses.

Project Match Requirements

- Match Requirement - Grantees must provide a minimum forty (40) percent match for the project. Eligible match includes:

  - Grantee contribution toward the cost of the replacement bus.
  - Grantee contribution for onsite charging infrastructure.

Ineligible Project Expenses

- Ineligible reimbursable expenses:
  - Cost of Proposal Preparation.
  - Project management, engineering and personnel costs.
  - The cost of ancillary equipment not included on the vehicle being replaced or not necessary for the lawful operation of the school bus.
  - Special signage or logos on the bus.
  - Vehicle registration fees.
  - Scrappage fees.

Things to Consider

- Type of charger (i.e. Level 2, DCFC)
- Bus charging strategies required to achieve cost-effectiveness (managed charging, demand charges, infrastructure and supply)
- Coordination with utilities

Project and Program Requirements

- **Program Requirements**
  - The replacement school bus must be of the same vehicle class as the original school bus and must operate in the same manner over similar routes as the replaced school bus.
  - The project proposal must include details of charging infrastructure.
  - The replaced school bus shall be taken out of service no later than 15 days following the placement into service of the replacement school bus.
  - Maintenance requirements – inspection of documentation may be required
  - The replaced school bus will be scrapped within ninety 90 days from the date the replacement school buses are put in to service.
  - Recipients shall use the replacement school bus in normal service for a period of no less than five (5) years.
  - Recipients must submit Project Status Reports quarterly for the first year and then annually for five 5 years.

Electric School Bus Replacement Program

Proposal Evaluation and Award

- Applications will be evaluated and scored based on:
  - Emissions reductions (NO_x, PM and CO_2) calculated by NHDES based on total fuel use and annual mileage of the current bus.
  - The cost effectiveness of the project in dollars per ton of pollutant reduced.
  - The applicant's proposed plan to showcase the electric school bus to demonstrate its ability to meet the needs of the school and reduce emissions.
  - The extent to which the project specifically reduces the exposure of students to emissions.
  - The extent to which the award will benefit a community or communities that are economically disadvantaged.
  - The extent to which this award will benefit a community or communities that are disproportionally impacted by air pollution.
  - How the school district(s) is complying with RSA 200:48 relative to the development and implementation of a plan to reduce exposure of students to harmful air pollution.

How to Apply?

Request for Proposal is available on the OSI website

https://www.nh.gov/osi/energy/programs/vw-settlement.htm

Questions?

Type questions in the question box

If you have a question that was not addressed during this session or wish to ask a follow-up question please email:

Timothy.White@des.nh.gov

All questions and answers will be posted to the OSI website by June 28, 2019 @ 4PM