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# **VW Environmental Mitigation Trust Propane/CNG School Bus Replacement Program Informational Session**

June 7, 2019



# Propane/CNG School Bus Replacement Program



## Today's Session

- VW settlement - Background
- Why School Buses?
- Propane/CNG School Bus Replacement Program: Program Eligibility/Project Costs/Program Requirements/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 Propane/CNG School Bus Replacement Program
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# NH VW Mitigation Plan

- Program advances **NH VW Mitigation Plan**
- **Goals of Mitigation Plan**
  - alleviate excess nitrogen oxide emissions (overall)
  - maximize air quality benefits beyond just nitrogen oxide reductions
  - replace publically-owned vehicles
  - support the use of zero emission and near-zero emission vehicles
- **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)

# Propane/CNG School Bus Replacement Program

- NH Mitigation Plan allocation for **Public/Government Vehicles and Equipment** – 50% of total NH allocation (\$15.5M)
- 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)
  - Propane/CNG School Bus Replacement Program will utilize approximately \$750,000 of this total

# Propane/CNG School Bus Replacement Program

## Why School buses?

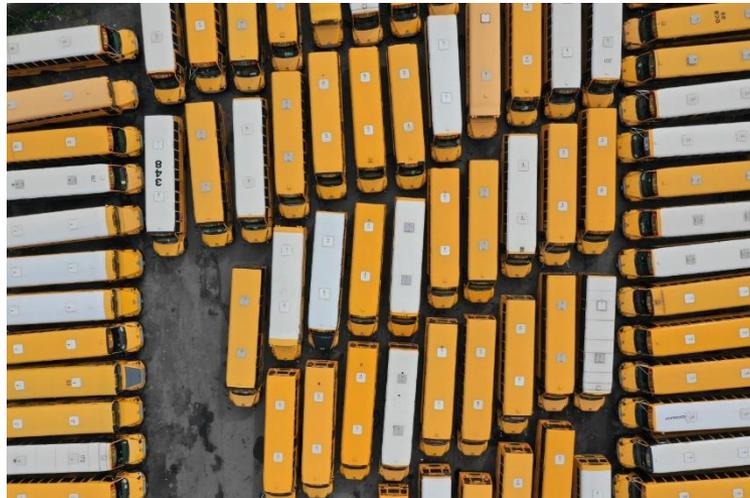
- Of approx. 850 Class 4 or larger school buses in NH, about 90 percent are diesel
- Exposure to diesel exhaust - can exacerbate respiratory conditions (i.e. asthma and bronchitis) and can cause lung damage and even premature death.
- Children especially susceptible – their respiratory systems are not fully developed and they breathe faster than adults
- Replacing older diesel school buses with school buses using cleaner alternative fuels such as propane or CNG will reduce emissions of nitrogen oxide and diesel particulate matter and greenhouse gas emissions including carbon dioxide

# Propane/CNG School Bus Replacement Program

- Eligible projects - replacement of existing Class 4 - 8 (Type A, B, C or D) diesel school bus model year 2009 or older with a propane or CNG school bus of the same class
- Eligible Applicants - NH municipalities, public and nonpublic schools and school districts and contractors operating school buses under agreement with such entities for the purpose of transporting K-12 students
- Bus being replaced must currently be in use and bus being replaced must be permanently disabled (engine and chassis destroyed)

# Propane/CNG School Bus Replacement Program

- 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



# Propane/CNG School Bus Replacement Program

- Match Requirements - Grantees must provide a minimum twenty-five (25) percent match for these projects. Eligible match includes:
  - Grantee contribution toward the cost of the replacement bus.
  - Grantee contribution for onsite fueling infrastructure.

# Propane/CNG School Bus Replacement Program

- Eligible reimbursable expenses - The cost of the replacement bus including all accessories that are legally necessary for the operation of that vehicle as a school bus.
  
- Not Eligible 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.
  - Salary and benefits, including for project management and engineering that are a part of the project.
  - Special signage or logos on the bus.
  - Investment in fueling infrastructure.
  - Vehicle registration fees.
  - Scrappage fees.

# Propane/CNG School Bus Replacement Program

## ➤ Program Requirements

- The replacement school bus must be of the same vehicle class as the original school bus, operate in the same manner over similar routes as the replaced school bus.
- The project proposal must clearly demonstrate the availability of fueling infrastructure (propane or CNG).
- 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
- The replaced school bus will be scrapped within 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 as specified in the contract agreement
- Program Schedule – Section 1.4 of the RFP

# Propane/CNG School Bus Replacement Program

## Proposal Evaluation and Award

- Applications will be evaluated based on:
  - Emissions reductions (NO<sub>x</sub>, PM and CO<sub>2</sub>) calculated by NHDES based on total fuel use and mileage.
  - The cost effectiveness of the project in dollars per ton of pollutant reduced.
  - The applicant's proposed plan to showcase the alternative fuel 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 disproportionately 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>

Question Period Closes – June 14, 2019 @ 4PM

Responses to Questions Posted – June 21, 2019 @ 4PM

Proposals are due July 12, 2019 @ 4PM

Project Start upon G & C Approval

Project Completion – December 31, 2020

# 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](mailto:Timothy.White@des.nh.gov)

All questions and answers will be posted to the OSI website by June 21, 2019 @ 4PM