



**MISSOURI**  
DEPARTMENT OF  
NATURAL RESOURCES

# Volkswagen Trust

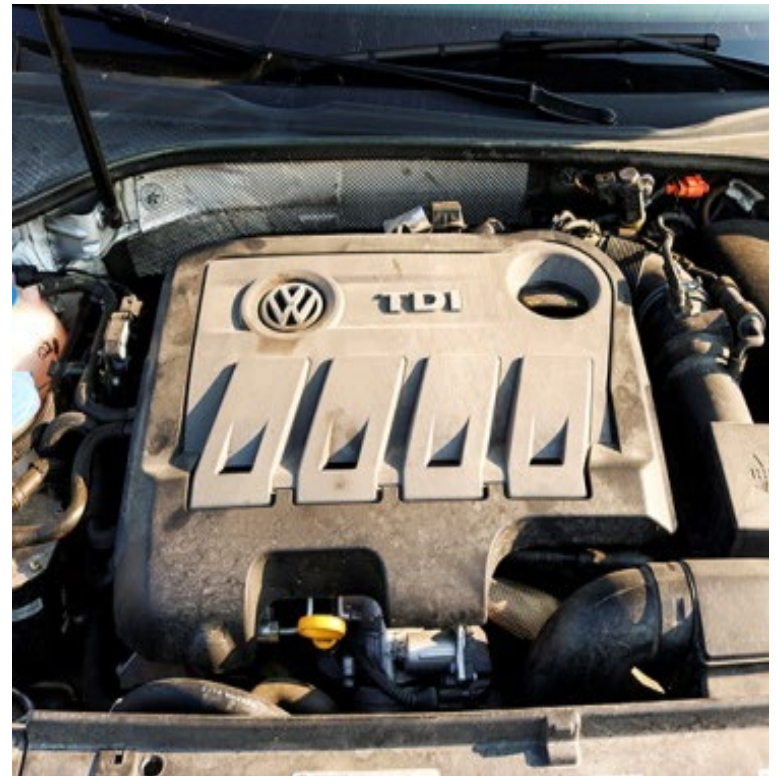
Be Part of the Solution

## Missouri's Volkswagen Trust Funds

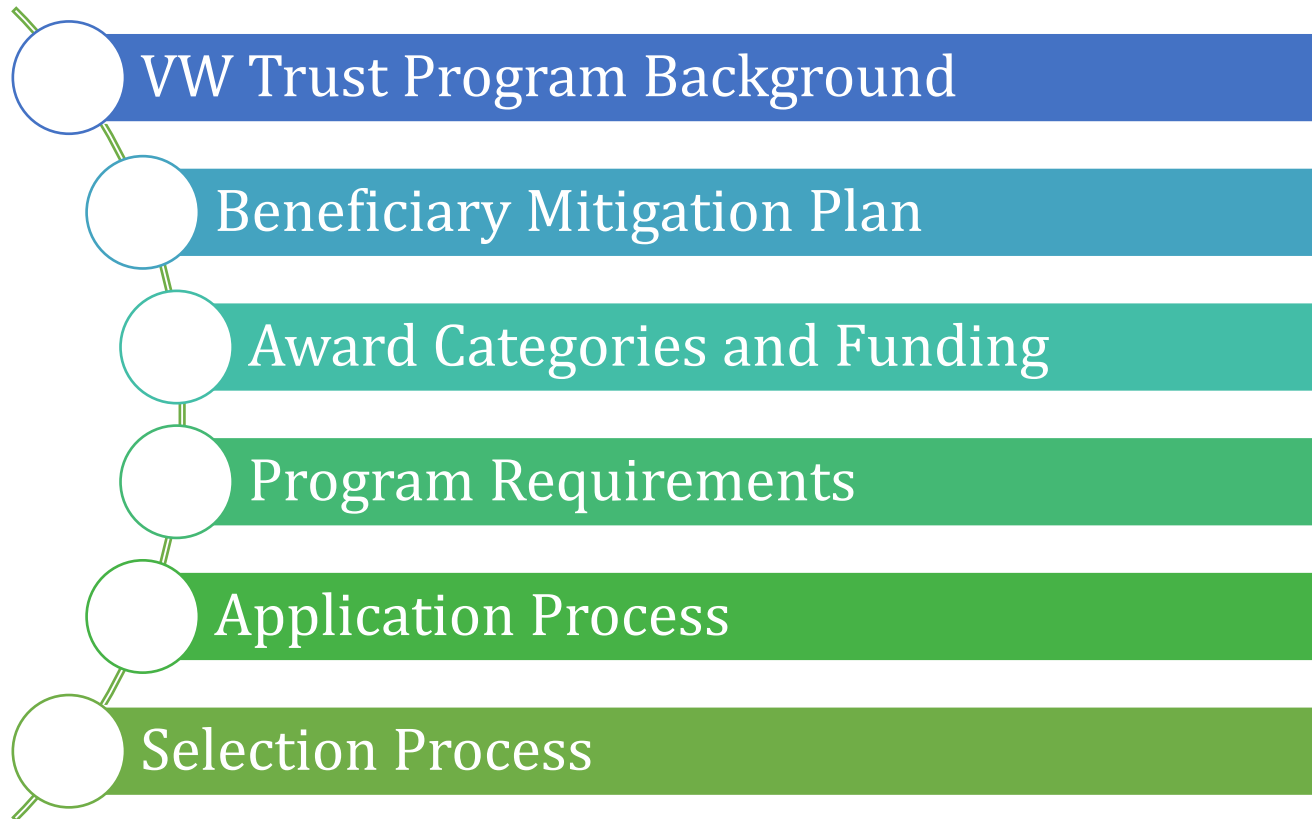
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October 13, 2021



# Overview



# Volkswagen Trust Program Background

- In 2015, VW admitted using software that caused certain diesel vehicles to perform differently during emissions tests so they would pass.
- American consumers bought 590,000 affected VW and Audi vehicles.
- Missourians bought 7,500 affected vehicles
- During normal operation, these vehicles emitted nitrogen oxides (NO<sub>x</sub>) at levels higher than EPA standards.

# Volkswagen Trust Program Background



- Volkswagen paid \$2.9 billion to an environmental mitigation trust fund
- **Missouri's share of trust: \$41 Million**
- State to use funds to counteract excess NO<sub>x</sub> emissions from faulty VW vehicles

# Beneficiary Mitigation Plan

States must submit a plan to the Trustee outlining:

- The overall goal for the funds;
- Selected eligible mitigation actions to achieve the goals and the percentage of funds to be used for each action;
- Description of how the potential beneficial impact of the selected actions on air quality is considered in areas that bear a disproportionate share of air pollution burden; and
- Expected air quality benefits of the project funding categories on areas that are disproportionately affected by air pollution.

This plan is called the Beneficiary Mitigation Plan or BMP. Missouri's plan, developed with stakeholder input, is available on our website:

[dnr.mo.gov/air/what-were-doing/volkswagen-trust-funding/more-information](http://dnr.mo.gov/air/what-were-doing/volkswagen-trust-funding/more-information)

# BMP Overall Goals

## ❖ Reduce NO<sub>x</sub> emissions from mobile sources

## ❖ Additional Goals

- Replace aging school bus fleets
- Reduce diesel fuel consumption
- Upgrade government and private fleets
- Target areas that currently or historically have not met air quality goals
- Target areas with affected Volkswagen vehicles
- Promote electric vehicles

# Missouri's VW Trust Funds Program Progress

FY2017

- Conducted Survey 1 in October and Survey 2 in December for BMP Development
- Held four in-person meetings throughout MO to share information and begin the development of BMP

FY2018

- Opened DERA application period
- **Awarded 12 projects**

FY2019

- Opened application period for FDD, government trucks, and transit/shuttle buses
- **Awarded 199 projects**

FY2020

- Opened application period for ALL categories
- **Awarded 361 projects**

FY2021

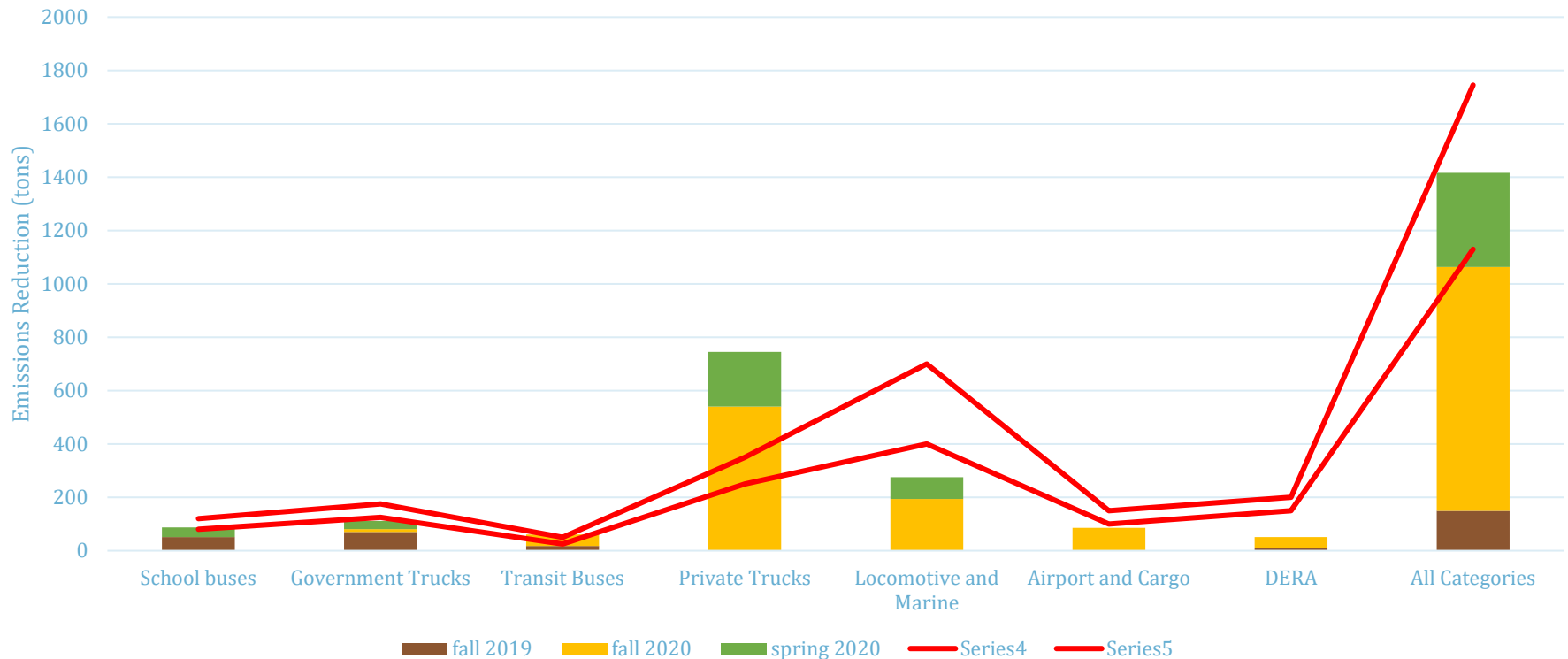
- Opened government trucks, EV, and DERA application period
- **Awarded 45 projects**
- Revisited and examined the status of the BMP as the program has evolved

**Over 600  
Projects  
Awarded**



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# Emissions Reductions Achieved



The program has met its overall emissions reductions goals primarily from the emissions reduction gained from Private Truck replacements.



# Award Categories and Funding

Local Missouri government and private entity may apply for an award.



**School Buses**



**Volkswagen - DERA Option**



**Electric Vehicle Charging Stations**

**\$4.11 million**

**\$2.40 million**

**\$4.70 million**

Remaining Funds as of FY 2022

# Award Categories and Funding



Trucks

## **Trucks Category** includes:

- Government-owned
- Nongovernment-owned
- First Responders Vehicles

Remaining funds as of FY 2022: **\$5 million**



Other Eligible Projects

## **Other Eligible Projects Category** includes:

Any project eligible under the Consent Decree but which does not have another category to apply under, will be considered eligible under this category.

Remaining funds as of FY 2022: **\$1 million**

# Cost Share



Volkswagen - DERA Option

Eligible Diesel Emission Reduction Solution	Maximum Rebate
<b>Vehicle / Equipment Replacement</b>	
Vehicle/Equipment Replacement – Diesel or Alternative Fuel (locomotive, marine, nonroad, and highway diesels)	25%*
Vehicle/Equipment Replacement – Low NOx (highway only)	35%
Vehicle/Equipment Replacement – Zero Emission (locomotive, marine, nonroad, and highway diesels)	45%
Vehicle Replacement – Drayage	50%
<b>Engine Replacements</b>	
Engine Replacement - Diesel or Alternative Fuel (locomotive, marine, nonroad, and highway diesels)	40%
Engine Replacement - Low NOx (highway only)	50%
Engine Replacement - Zero Emission (locomotive, marine, nonroad, and highway diesels)	60%

\*Maximum funding for diesel or gasoline fueled school bus replacement projects is 25% up to \$22,500, whereas there is no limit for alternative fueled or electric school bus replacements.

# Cost Share



Trucks

Maximum amount of funding request per applicant is **\$1 million**

The project must have cost-effectiveness at or below:

- ✓ **Government:** \$30 per lifetime pound of NOX reduced
- ✓ **Nongovernment:** \$20 per lifetime pound of NOX reduced

Project Type	Repower	Replacement
Government-Owned	75%	50%
Nongovernment-Owned	40%	25%
	50% if new vehicle is powered by all-electric motor	
Government-Owned Emergency Vehicles	75% up to \$120,000	
Nongovernment-Owned Emergency Vehicles	40% up to \$40,000	25% up to \$40,000
	50% up to \$75,000 if new vehicle is powered by all-electric motor	



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# Cost Share



School Buses

Government-Owned Funding Maximum		
If the average age of the school bus fleet falls between	Maximum Funding	
	Percent Cost-Share	Up to
20 – older	80%	\$72,000
15 – 19	60%	\$54,000
10 – 14	40%	\$36,000
9 – newer	25%	\$22,500
Nongovernment-Owned Funding Maximum		
If the average age of the school bus fleet falls between	Maximum Funding	
	Percent Cost-Share	Up to
15 – older	25%	\$22,500
10 – 14	20%	\$18,000
9 – newer	15%	\$13,500

# Cost Share



Other Eligible Projects

Maximum amount of fund request per applicant is **\$1 million.**



Electric Vehicle Charging Stations

Project Type	Repower	Replacement
Transit Bus – Government Owned	75%	50%
Transit Bus – Nongovernment Owned	40%	25%
	50% if new vehicle is all-electric	
Locomotive - Government Owned	75%	50%
Locomotive - Nongovernment Owned	40%	25%
	50% if new equipment is all-electric	
Marine - Government Owned	75%	NA
Marine - Nongovernment Owned	40% (50% if new equipment is all-electric)	NA
Airport and Cargo - Government Owned	75%	
Airport and Cargo - Nongovernment Owned	40%	

- ✓ The maximum award an applicant may receive is **80%** of the project cost per site location.



# Requirements for Old Vehicle/Engine



Volkswagen - DERA Option

Vehicles/engines must :

- ✓ Be diesel-powered 2009 engine year or older
- ✓ Be class 5-8 with a GVWR greater than 16,000 pounds
- ✓ Have accumulated 7,000 miles per year during the two years immediately prior to the beginning of the project period, or 7,000 miles during calendar year (Jan-Dec) 2019
- ✓ Have at least 3 years of remaining life from the beginning of the project period
- ✓ Have been owned and operated for the entirety of the two years prior to beginning of project period
- ✓ Be in current use

# Requirements for Old Vehicle/Engine



Trucks

- ✓ Engine is diesel-powered
- ✓ Engine model year between 1992 and 2009
- ✓ Eligible vehicles are Class 4-8 with a GVWR greater than 14,000 pounds
- ✓ Spend a minimum 50% of their current and expected future operating time in Missouri



School Buses

- ✓ Diesel-powered, traditional yellow-style, type A-D
- ✓ 1992-2009 engine model year
- ✓ Class 4-8 school buses with a GVWR greater than 14,000 pounds
- ✓ In current use (licensed) in the State of Missouri at the time of award notification transporting students to and from school or school-related activities



Other Eligible Projects

The requirements vary for the following projects:

- ✓ Transit and Shuttle Bus
- ✓ Locomotive
- ✓ Marine
- ✓ Airport Ground Support, Cargo Handling and Forklift Equipment



# Requirements for New Vehicle/Engine



Volkswagen - DERA Option

- ✓ Replacement must be similar type and GVWR
- ✓ For Diesel or alternatively fueled vehicle/engine, must be model year 2019 or newer certified to EPA standards
- ✓ *Other Nonroad Equipment:* Drayage Trucks may be 2015 or newer
- ✓ *Transit and Shuttle Bus:* Diesel replacements using a Low-NOX engine must be certified to have a CARB certification of  $< 0.1$  g/bhp-hr NOX



School Buses

- ✓ Fueled by diesel, biodiesel, alternative fuel, or all-electric
- ✓ Be of the same or lower class size as the school bus it is replacing
- ✓ Have an engine year the same as the year in which the application period occurs or one(1) year prior(2020)

# Requirements for New Vehicle/Engine



Trucks

- ✓ The new repower or replacement engine must be the engine model year in which the award occurs or one year prior (2020 or newer)
- ✓ The new vehicle must have a gross vehicle weight rating greater than 14,000 pounds
- ✓ The new vehicle must be the same GVWR class as the old vehicle, or a lower Class 4-8 truck as the vehicle it is replacing and must have similar use and vehicle type



Other Eligible Projects

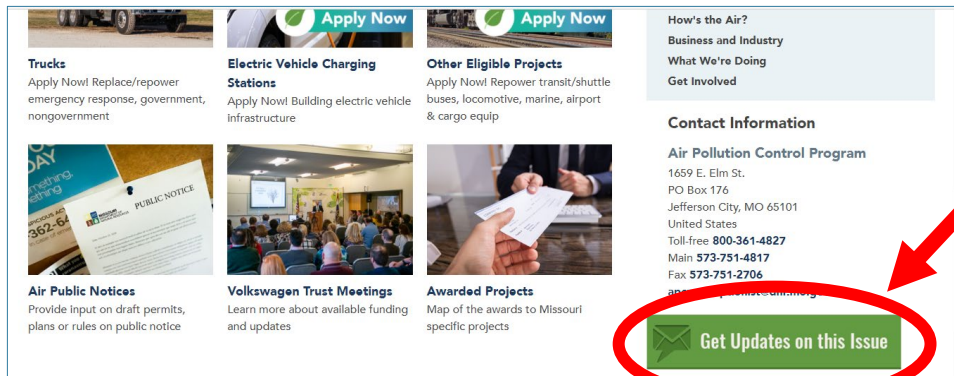
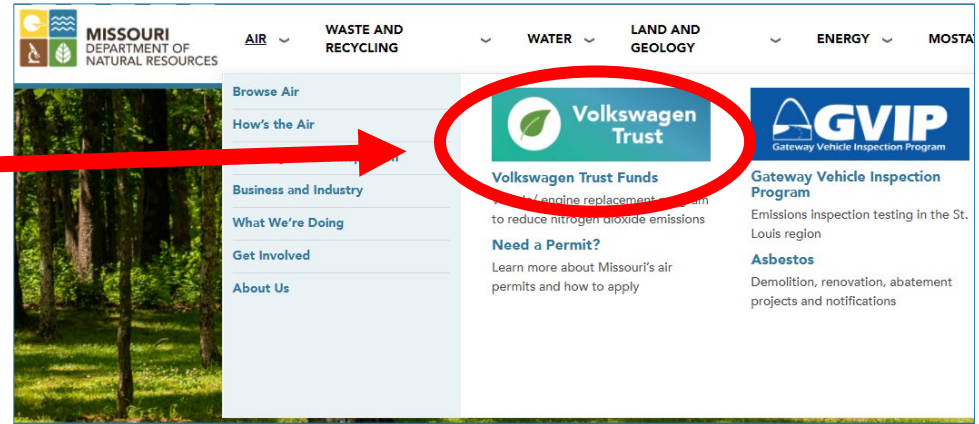
- ✓ **New transit/shuttle bus or nonroad equipment** must be a similar size or smaller, and used for a similar purpose as the old unit
- ✓ **New locomotive engine** must be certified for the applicable EPA emissions standards as published in the Code of Federal Regulations for the year in which the project occurs
- ✓ **New marine engines** must be Tier 3, Tier 4, or all-electric; or may be upgraded with an EPA certified remanufacture



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# Application Process

- Visit the Volkswagen Trust's page on the main page of the department's website.



- Scroll down and click on the green envelope to sign up for program updates, including information on the next application period for each category.

# Application Process

- Download and read the program requirements and implementation guidelines for the category that you intend to apply.

## School Bus Application Period is OPEN!

**State Fiscal Year 2022 (July 1, 2021 - June 30, 2022)**

The Missouri Department of Natural Resources will accept applications through Oct. 12, 2021 at 5 p.m. CDT. All school bus fleet owners could apply for the replacement of up to three buses per application, plus as many as two more buses if applying for new alternative fuel or all-electric buses.

[Implementation Guidelines](#)

[Program Requirements](#)

[Application](#)



- Fill out the application completely, sign and date it, and email the completed application to [MOVWTeam@dnr.mo.gov](mailto:MOVWTeam@dnr.mo.gov).

# Application Process



- Once the application period closes, staff will evaluate each application received for eligibility.
- Depending on the number of applications received, it could take several weeks for staff to process the applications.
- The Program will send notifications to all applicants letting them know if their project did or did not receive an award.



# Selection Process



School Buses



Volkswagen - DERA Option



Trucks



Electric Vehicle Charging Stations



Other Eligible Projects

## Lottery

## Lottery

## Competitive

## Hybrid Approach

## Hybrid Approach

The department will select applications for an award.

The department will award up to 10 all-electric bus projects, contingent upon applicant interest. These all-electric projects will be in a separate lottery.

The department will select from the pool of applications and offer funding for eligible projects associated with each application up to \$100,000 for new diesel vehicles, engines, or equipment.

Individual projects will be ranked by their price per pound from lowest to highest.

Emergency Vehicles:  
Noncompetitive Lottery based on the Highway Patrol Region in which they operate most often

Uses a team-driven selection process with competitively scored applications or requests for project proposals as needed.

For as long as funding is available in this category, projects will ranked noncompetitively.

In the event that funding requested by all projects exceeds total available funding, the air program will select awardees by a lottery process.



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# Contact Information

Missouri Department of Natural Resources  
Air Pollution Control Program  
Volkswagen Team  
[MOVWTeam@dnr.mo.gov](mailto:MOVWTeam@dnr.mo.gov)  
573-751-4817

[dnr.mo.gov/air/what-were-doing/volkswagen-trust-funds](http://dnr.mo.gov/air/what-were-doing/volkswagen-trust-funds)

