

Solicitation for Vehicle/Fuel Project Proposals – Act now!

Greener by Design (GbD) is pleased to provide the following summary of the draft Mitigation Plan recently issued by the New Jersey Department of Environmental Protection (NJDEP), as required by the National Trustee for the Federal Consent Decree Settlement with Volkswagen. The NJDEP is currently accepting project proposals and GbD is available to assist in developing your projects and in preparing your project proposals.

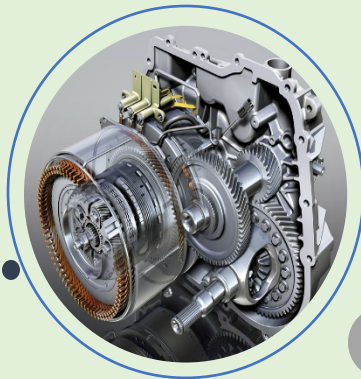
The NJDEP is responsible for implementing NJ's \$72.2 million share of the settlement over a ten-year period. The NJDEP's draft mitigation plan, which is available for public comment, describes:

- The primary goals of the plan, which is to improve ambient air quality by using the Trust allocation to implement projects that reduce NOx, benefit disproportionately affected communities, and expedite deployment and widespread adoption of zero emission vehicles;
- The categories of eligible mitigation projects anticipated to be appropriate to achieve the stated goals and the assessment of the allocation of funds anticipated to be used for each type of eligible mitigation project.

ELIGIBILITY

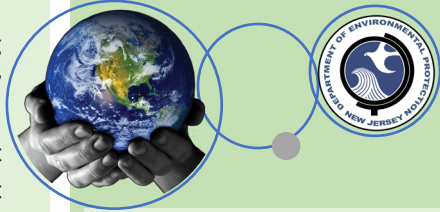
There are ten categories of potentially eligible projects with differing funding levels for private vs public vehicles (not all categories are required to be funded, and not all projects within a category are required to be funded to the full amount). In summary, the vehicles, vessels and equipment that are eligible for funding are:

- Local freight trucks, port drayage trucks, school buses, shuttle buses and transit buses;
- Airport ground support equipment;
- Freight switching locomotives that move rail cars around a rail yard;
- Ferries and tugboats;
- Forklifts and port cargo handling equipment; and
- Oceangoing vessels (shore-power only).



With the exception of "oceangoing vessels," the mitigation strategies prescribed by the Consent Decree are to:

- Replace an older engine with a newer engine that's diesel, electric, or alternative fueled; or
- Repower an older engine with a newer engine that's diesel, electric, or alternative fueled.



IT PAYS TO PLUG-IN

The State intends to use 15% of its allocation for installation of light duty zero emission vehicle (plug-in electric and/or hydrogen) charging or refueling stations. This will be implemented through an expansion of the current "It Pay\$ to Plug-In" rebate program.



DERA OPTION

Under the federal Diesel Emission Reduction Act (DERA), the U.S. Environmental Protection Agency (USEPA) provides money to the states for diesel emissions reduction projects. NJDEP may use some part of its Mitigation Trust funds to provide or exceed the required non-federal cost share requirement for the DERA Clean Diesel State Grant. The benefit of using the DERA option is that some emissions reduction strategies not eligible under the Consent Decree are eligible under DERA, including retrofits and idle reduction technology. At this time, it is unclear how NJ intends to use this option.



Continued ...

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PROJECT SELECTION CRITERIA

While the selection criteria in the draft Mitigation Plan seem to be fuel and technology neutral on the surface, they must be taken in the context of the overall plan. The plan prioritizes projects related to electrifying public transportation and those in disproportionately impacted communities (i.e. Ports). The Plan also supports pilot projects that will lead to scalable zero emission vehicle ventures, such as electric buses.

In selecting projects, the NJDEP will consider the following four criteria:

NOx Reduction	The extent to which the project reduces oxides of nitrogen (NOx) in a cost effective and technically feasible manner.
Environmental Justice	The extent to which the project benefits a disproportionately impacted community.
Learning Value	The extent to which the project is an opportunity to learn or model best practices, is scalable, and contributes to the expansion of zero emission vehicles/equipment in the state.
Additional Benefits	The extent to which the project reduces greenhouse gas emissions (GHG) apart from NOx and provides energy and economic benefits.

NJDEP anticipates spending its Trust allocation in three, \$24.1 million phases. After each phase, NJDEP may modify its approach based on experience implementing the previous phase of pilot projects. This phased approach will also allow NJDEP to adjust priorities and investments based on advancements in engine and vehicle technology.

“... the State’s spending strategy will focus on projects related to electrifying public transportation and those in disproportionately impacted communities.”

NJDEP CURRENTLY ACCEPTING PROJECT PROPOSALS

While the NJDEP website submission form initially indicated a closing date of January 31, 2018, **it is important to note that the Project submission process is ongoing and NJDEP is currently accepting project proposals!**

Over 100 project proposals totaling nearly \$400 million have been submitted to date. They span all eligible project categories and include a variety of fuel and power types, including propane, hydrogen, natural gas, diesel, and electric. In submitting project proposals (or updating proposals that may have already been submitted), a few critical tips are to:

- Be specific in identifying project partners, vendors and other key project participants
- Projects that are “shovel ready” will score higher, the NJDEP will want to have projects that show early impact
- Project proposals that include a higher than required level of cost-share will score higher than those that don’t.

The State is accepting comments on the Draft Plan until November 7. Project proposal should be submitted prior to the end of the year, although no formal closing date has been established.

For further insight on how the State intends to apply the criteria and for other assistance in developing your project and preparing your project proposals, please contact:

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