

Jon Niermann, *Chairman*
Emily Lindley, *Commissioner*
Bobby Janecka, *Commissioner*
Toby Baker, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

January 29, 2021

Volkswagen Diesel Emissions Environmental Mitigation Trust
for State Beneficiaries, Puerto Rico, and the District of Columbia
c/o Wilmington Trust, N.A. as Trustee
1100 North Market Street
Wilmington, DE 19890

Attn: Capital Markets & Agency Services

Re: State Beneficiary Semi-Annual Report

Dear Wilmington Trust, N.A.:

The Texas Commission on Environmental Quality (TCEQ) provides this semi-annual report to Wilmington Trust, N.A. (Trustee) in accordance with Section 5.3 of the Environmental Mitigation Trust Agreement for State Beneficiaries.

TCEQ's second semi-annual report includes steps taken to implement all approved Texas Volkswagen Environmental Mitigation Program (TxVEMP) Eligible Mitigation Actions for the period beginning July 1, 2020 and ending December 31, 2020.

I. Status of Approved Eligible Mitigation Actions

The status of each approved Eligible Mitigation Action is provided below. A summary of projects awarded under the approved Eligible Mitigation Actions is provided as **Attachment A**.

Class 4 - 8 School Buses, Shuttle Buses, and Transit Buses

TCEQ accepted applications under this grant round from May 8, 2019 through May 8, 2020. TCEQ awarded over \$56 million for 83 projects including the repower or replacement of 722 buses and over 428 tons of mitigated nitrogen oxides (NO_x) emissions.

During this reporting period, TCEQ verified the proper destruction of 57 buses and processed 11 reimbursement requests totaling \$3,972,604.14 for the replacement or repower of buses. Reimbursements were disbursed by Wilmington Trust, N.A. via check, as directed by TCEQ.

Class 7 - 8 Refuse Vehicles

TCEQ implemented a grant round for Class 7-8 refuse vehicles under the Eligible Mitigation Actions for Class 4-7 Local Freight Trucks and Class 8 Local Freight and Port Drayage Trucks categories.

TCEQ initially accepted applications under this grant round from October 8, 2019 through October 8, 2020. On October 5, 2020, TCEQ issued an amendment to the Request for Grant Applications (RFGA) to extend the application deadline to January 27, 2021.

During this reporting period, TCEQ awarded over \$3 million for 22 projects including the repower or replacement of 34 refuse vehicles and over 50 tons of mitigated NO_x emissions. TCEQ also verified the proper destruction of one refuse vehicle and processed one reimbursement request totaling \$104,400 for the repower or replacement of refuse vehicles. Reimbursement was disbursed by Wilmington Trust, N.A. via check, as directed by TCEQ.

January 29, 2021

Class 4 - 7 Local Freight Trucks & Class 8 Local Freight Trucks and Port Drayage Trucks

TCEQ accepted applications under this grant round beginning February 6, 2020. TCEQ is continuing to accept applications through January 27, 2021.

During this reporting period, TCEQ awarded over \$5 million for 28 projects including the repower or replacement of 99 freight trucks and port drayage trucks and over 196 tons of mitigated NO_x emissions.

Light-Duty Zero Emission Vehicle (ZEV) Supply Equipment

On September 10, 2020, TCEQ issued a [RFGA](#) with \$10,400,000 in funding available statewide for the purchase and installation of Level 2 charging equipment for light-duty ZEVs in public areas, workplaces, and multi-unit residences. Applicants are eligible for reimbursement of up to \$2,500 for each purchase and installation of charging equipment. TCEQ plans to accept applications under this round of funding until October 8, 2021. To date, TCEQ has awarded \$172,500 for 22 projects including the purchase and installation of 69 Level 2 charging stations in public areas, workplaces, and multi-unit residences.

TCEQ intends to offer a second grant round in the Spring of 2021 with approximately \$20.9 million in funding available statewide for the purchase and installation of direct current fast charging and hydrogen fuel cell infrastructure in public areas, workplaces, and multi-unit residences.

II. Summary of Expenditures for Approved Eligible Mitigation Actions

A summary of project and administrative expenditures for each approved Eligible Mitigation Action is provided as **Attachment B**.

III. Future Implementation of Eligible Mitigation Actions

A tentative schedule for the implementation of the remaining Eligible Mitigation Actions is provided below. Progress on the implementation of these Mitigation Action Categories will be provided in future reports.

Eligible Mitigation Action	Total Funding Amount	Tentative Opening Date
Electric Airport Ground Support Equipment	\$16.8M	<i>Summer 2021</i>
Electric Forklifts & Port Cargo-Handling Equipment	\$16.8M	<i>Summer 2021</i>
Ocean-Going Vessel Shore Power	\$1.9M	<i>TBD</i>

IV. Additional Information

TCEQ invites you to visit www.txvwfund.org for additional information on the implementation of the Eligible Mitigation Actions under the TxVEMP.

V. Attestation

I, Jon Niermann, being the duly authorized, qualified and current Chairman of the TCEQ for the State Beneficiary of Texas, do hereby certify that the information provided in this letter is true and correct and acknowledge that this submission is made under penalty of perjury.



Jon Niermann, Chairman
Texas Commission on Environmental Quality