Volkswagen Settlement
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• Volkswagen installed emission testing defeat devices

• Approximately 590,000 subject vehicles sold in the U.S. between 2009 and 2016

• Devices increased the amount of NOx emissions during normal driving conditions
• VW will pay a total of nearly $20 Billion
• $4.3 Billion to resolve criminal charges
• $2.7 Billion for environmental mitigation, divided among states
• $2.0 Billion on ZEV projects (electric vehicles and associated infrastructure)
• Up to $10 Billion to buy back subject vehicles and cash compensation to owners
• Alabama will receive approximately $25 Million out of the $2.7 Billion for environmental mitigation projects
• ADEM will be the State body responsible for dispensing these funds.

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VW Eligible Projects

- Class 8 Freight Trucks and Port Drayage Trucks (Eligible Large Trucks)
- Class 4 – 8 School, Shuttle, or Transit Buses
- Locomotive Freight Switchers
- Ferries and Tugboats
- Ocean-Going Vessels Shorepower
- Class 4 – 7 Local Freight Trucks (Medium Trucks)

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VW Eligible Projects (cont.)

- Airport Ground Support Equipment
- Forklifts and Port Cargo Handling Equipment
- Light-Duty Zero Emission Vehicle Supply Equipment
- Diesel Emissions Reduction Act (DERA) Option

- Replaced vehicles and engines must be scrapped.

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VW Timeline

• Negotiation among EPA, VW, and Court must be completed before funds will be available to ADEM

• ADEM believes the funds will be made available no earlier than mid-Fall, 2017

• ADEM is currently developing a plan for dispensing funds to worthy projects.

• Information on submitting comments or suggestions can be found in the announcements on ADEM’s website.

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Diesel Emission Reduction Act (DERA)

- Created as part of the Energy Policy Act of 2005
- Program provides funding to states to install diesel emissions reduction devices, rebuild, or repower old highway and nonroad diesel engines
- Funding provided to states on an annual basis.
- Funding available to public and private fleets.

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ADEM DERA Projects

• Began funding projects in 2008

• Approximately $2,750,000 awarded

• 39 Switcher Engines retrofitted with idle reduction systems

• 415 vehicles and equipment retrofitted with emission control devices

• 44 Long-haul trucks retrofitted with idle reduction devices

• 12 Diesel-only Transport Refrigeration Units replaced with hybrid-electric units to utilize 52 electrified dock spaces

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DERA Eligible Projects

- Class 5 – Class 8 Medium and Heavy-duty Highway Vehicles (Long-haul and local freight trucks, Drayage, Garbage, Cement, etc.)
- School, Shuttle, and Transit Buses
- Line-Haul and Switcher Locomotives
- Marine Engines (Ferries, Tugboats)
- Marine and Locomotive Shore Connection Systems
- Electrified Parking Spaces

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DERA Eligible Projects

- Nonroad Engines (Eligible areas include construction, port operations, airport operations, agricultural, mining, stationary generators and pumps)

- Cleaner fuels

- Replaced vehicles and engines must be scrapped.

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Questions

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