

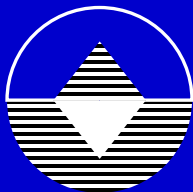
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Volkswagen Settlement June 2017

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Alabama Department of Environmental Management



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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 NO_x emissions during normal driving conditions

ADEM Volkswagen Fines



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- 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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ADEM VW Eligible Projects



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- 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)



- 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.



- 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.

- 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.



- 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



- 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



- 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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