DPI Transportation Services

VW SETTLEMENT
VW RFI and DEQ Draft Plan

- SBE + DPI Submitted information to the DEQ RFI December 2017
- DEQ initial draft plan allocates in three phases

- Phase One Initial Draft Plan
  - 35% to School Bus Repower/Replacement Projects
  - No Cost Share
Table 2: Summary of Phase 1 Funding Programs for 2018 – 2020

<table>
<thead>
<tr>
<th>NC Grant Programs (2018-2020)</th>
<th>Eligible Action Category</th>
<th>Eligible Fuels</th>
<th>2018-2020 Funding (Phase 1)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Targeted Percent*</td>
</tr>
<tr>
<td>School bus replacement program</td>
<td>School buses</td>
<td>Diesel – 25%</td>
<td>40%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Propane &amp; Natural Gas – 10%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>All-electric – 5%</td>
<td></td>
</tr>
<tr>
<td>Transit bus replacement program</td>
<td>Transit buses</td>
<td>All (diesel, propane, natural gas, electric)</td>
<td>20%</td>
</tr>
<tr>
<td>Clean heavy-duty on-road equipment program</td>
<td>Class Local Freight 4-8 trucks</td>
<td>All (diesel, propane, natural gas, electric)</td>
<td>10%</td>
</tr>
<tr>
<td>Clean heavy-duty off-road equipment program</td>
<td>Switcher locomotives, ferries, tugs, forklifts, port cargo handling equipment, ocean-going vessel shore power, airport ground support equipment, Diesel Emission Reduction Act (DERA)</td>
<td>All (diesel, propane, natural gas, electric)</td>
<td>10%</td>
</tr>
<tr>
<td>ZEV infrastructure program</td>
<td>Not Applicable</td>
<td></td>
<td>15%</td>
</tr>
<tr>
<td>DEQ administrative costs</td>
<td>Not Applicable</td>
<td></td>
<td>5%</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td></td>
<td></td>
<td><strong>30,681,886</strong></td>
</tr>
</tbody>
</table>
What does that look like?

- Non-Binding Percentage Distributions
- School Buses
  - 40% of Phase 1 Funding ($12,272,754)
  - Targeted percentages (Non-Binding)
    - Use 5% for Electric (Relative Percentage: 12.5%) ~$1.5M (~4 Buses)
    - Use 10% for Propane (Relative Percentage: 25%) ~$3.1M (~32 Buses)
    - Use 25% for Diesel (Relative Percentage: 62.5%) ~$7.7M (~88 Buses)
Phase One DPI VW Project Proposal

- Early Replacement of VT365 Engine School Buses
- New Diesel Buses
- New Propane Buses

- Limited Pilot of approximately 4 electric school buses
  - LEAs will need to request/apply to be part of it (unknown exactly what that will look like)
  - There will be additional requirements on testing, monitoring, routing, and reporting from all levels of LEA staff
DPI Actions in the Coming Months

- Finalize New “Fuel Burning” School Bus Specifications
- Complete Bid Process on existing 060C State Term Contract for School Buses
- Submit a Statewide School Bus Replacement Project Proposal in response to DEQ’s RFP
- Modify Existing School Bus Specs to create an “Electric Powertrain” School Bus Specification
  - School Bus Spec Committee Members
  - Vendor Input
Other Considerations

- Define Requirements for LEA proposals to take on one of the limited Electric School Bus Pilots

- LEAs are not precluded from presenting their own projects in answer to the RFP from DEQ

- Future Project Phases and Potential for MaxxForce 7 Early Replacement based on Engine Model Year
Questions?

Kevin Harrison
North Carolina Department of Public Instruction
Kevin.Harrison@dpi.nc.gov
919-807-3579