



Department of  
**Environment &  
Conservation**

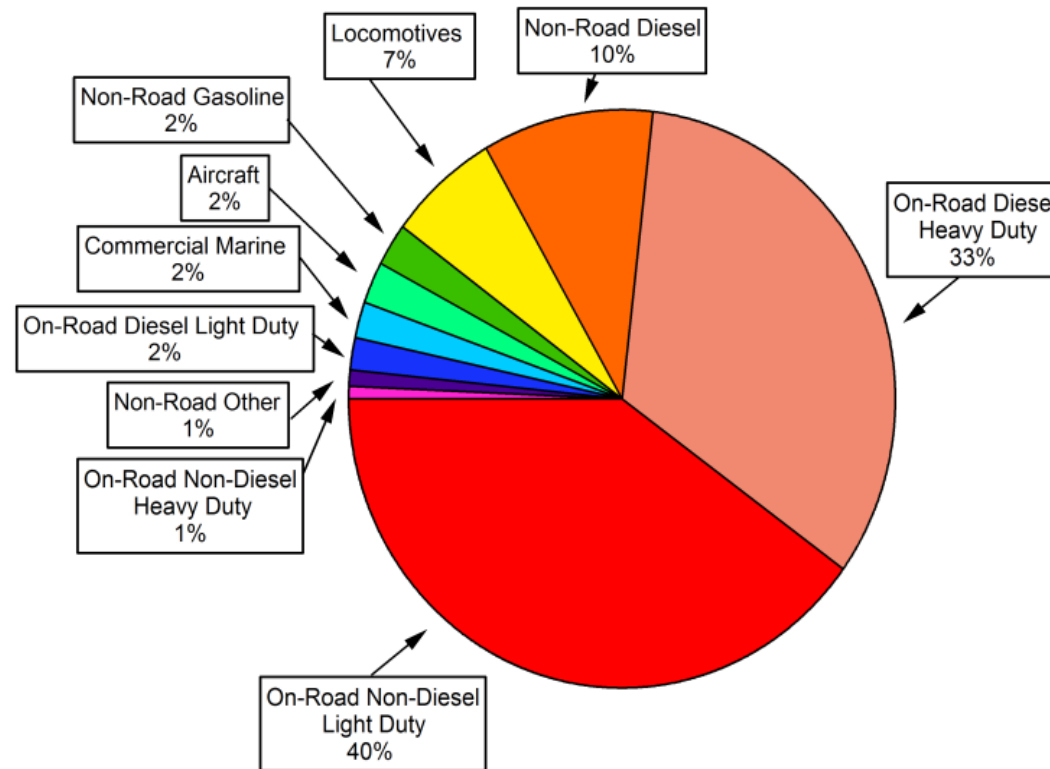
## **Volkswagen Settlement: *The State of Tennessee's Proposed Beneficiary Mitigation Plan***



- In the winter of 2017, TDEC organized a series of five VW Settlement public information sessions, which were held in Nashville, Knoxville, Memphis, Chattanooga, and online via webinar. A recording and copy of the webinar presentation slides were subsequently added to the TDEC webpage for public reference.
- TDEC developed a web-based form to allow interested stakeholders to submit comments regarding the State's utilization of its EMT allocation. TDEC accepted public comments from October 2016 through January 2018. By January 16, 2018, TDEC had received comments from 145 total respondents, representing 121 unique entities. These entities provided advocacy, business, government, higher education, individual, and other perspectives on how the State should administer its EMT allocation.
- On December 12, 2017, TDEC also released a Request for Information (RFI) to seek cost information on EMAs, in order to inform TDEC's BMP planning process. Responses were due to TDEC by January 23, 2018. In total, TDEC received cost information from 34 distinct entities.

# Overall Goal for Use of the State's Allocation

- The purpose of the EMT is to execute environmental mitigation projects that reduce emissions of NO<sub>x</sub>.
- In accordance with the EMT goal, the State's overall goal in administering its EMT allocation is to reduce NO<sub>x</sub> emissions by targeting the largest contributors of mobile NO<sub>x</sub> emissions in Tennessee: the on-road, diesel heavy duty sector and the on-road, non-diesel light duty sector:



Source: 2014 NEI v2

# Proposed EMA Categories and Corresponding Allocation Amounts

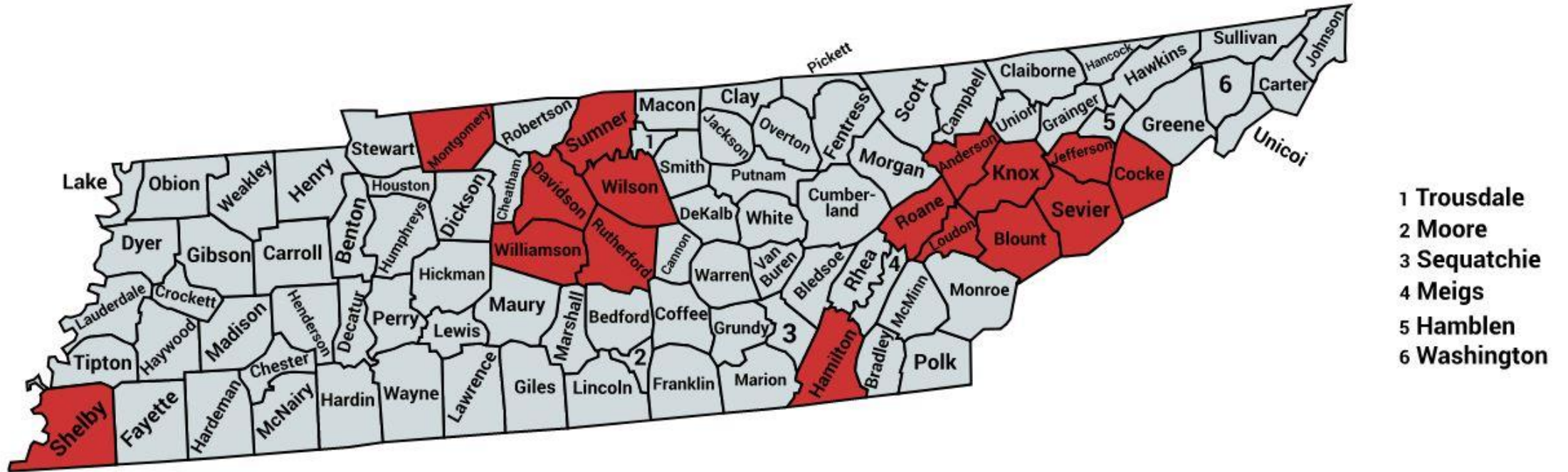
The State's proposed EMA categories and allocation amounts are as follows:

- ***Class 8 Local Freight Trucks and Port Drayage Trucks: 10%***
- ***Class 4-7 Local Freight Trucks: 15%***
- ***Class 4-8 School Bus, Shuttle Bus, or Transit Bus: 60%***
- ***Light Duty Zero Emission Vehicle Supply Equipment: 15%***

These categories allow the State to target the two sectors that make up approximately 75% of Tennessee's mobile NOx emissions: the on-road, diesel heavy duty sector (33% of mobile NOx emissions and 62% of mobile diesel NOx emissions) and the on-road, non-diesel light duty sector (40% of mobile NOx emissions).

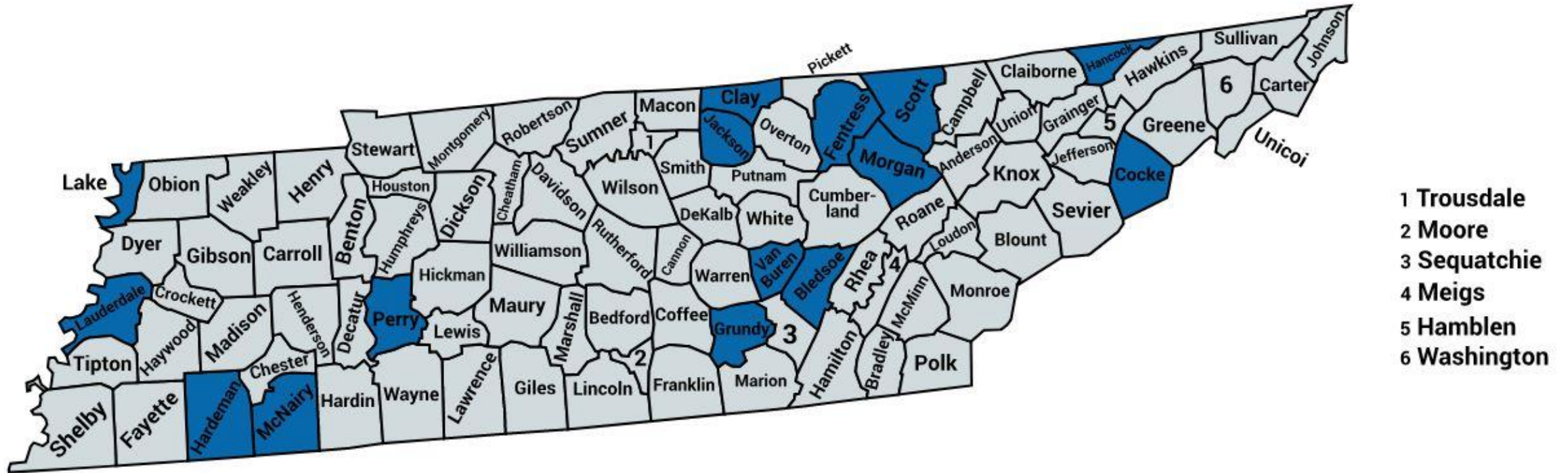


## Current or Former Nonattainment Areas for Ozone and/or PM<sub>2.5</sub> NAAQS



Map created at <https://mapchart.net>, with county information sourced from U.S. EPA's Tennessee Nonattainment/Maintenance Status for Each County by Year for All Criteria Pollutants, [https://www3.epa.gov/airquality/greenbook/anayo\\_tn.html](https://www3.epa.gov/airquality/greenbook/anayo_tn.html).

# Distressed Counties in Tennessee (Fiscal Year 2019)



Map created at <https://mapchart.net>, with county information sourced from <https://www.tn.gov/transparenttn/jobs-economic-development/openecd/tnecd-performance-metrics/openecd-long-term-objectives-quick-stats/distressed-counties.html>.

# Consideration of Disproportionate Burden

- The State Trust Agreement requires Beneficiaries to include within the BMP a “description of how the Beneficiary will consider the potential beneficial impact of the selected Eligible Mitigation Actions on air quality in areas that bear a disproportionate share of the air pollution burden within its jurisdiction.”
- To address these requirements, the State has developed a “Disproportionate Burden Index” (DBI), which combines environmental, economic, and demographic datasets in a geospatial format to determine geographic units in Tennessee that have the highest air quality burden.
- Given that disproportionate burden is relative to the location of a project, TDEC will utilize the DBI and its geospatial display during the proposal review phase to assist with project prioritization and selection, focusing on the location and/or service area of the proposed project. In order to afford potential applicants the ability to determine the DBI for a prospective project proposal, TDEC will upload a DBI map of Tennessee to the TDEC Webpage and include specific instructions as to its use.

# Request for Public Comment

- The *State of Tennessee's Proposed Beneficiary Mitigation Plan* was developed in accordance with the terms of the State Trust Agreement. This proposed BMP is not a solicitation for projects. As such, this proposed BMP includes limited detail on the application or project selection processes. Such information will be provided on the TDEC Webpage after the BMP has been finalized.
- Following the release of the proposed BMP, the State requested public comment for a period of 30 days. This public comment period closed on August 17, 2018. All comments and input received will be reviewed and considered by TDEC personnel prior to the finalization of the BMP. The BMP will then be finalized, submitted to the Trustee, and released to the public.



# Projected Timeline for Implementation

- Following the finalization of the BMP, TDEC will release funding opportunity announcements and/or project solicitations for corresponding programs. TDEC will also host workshops throughout the State and/or via webinar in order to provide the public with information regarding the proposal process, program and project eligibility, timelines for implementation, and reporting requirements. All program-related documents and announcements will be posted to the TDEC Webpage and shared with the TDEC Email List. Additionally, announcements regarding workshops or other public events will be shared via media and/or press releases.
- TDEC plans to release separate project solicitations for each of the EMA categories. TDEC anticipates that it will employ the following order, with the first project solicitation to be released in the third quarter of calendar year 2018:
  - (1) *Class 4-8 School Buses;*
  - (2) *Class 4-8 Shuttle and Transit Buses;*
  - (3) *Class 4-7 Local Freight Trucks, Class 8 Local Freight and Port Drayage Trucks,* and
  - (4) *Light Duty ZEV Supply Equipment.*
- Additional project solicitations for these EMA categories will be released until eligible project funds are exhausted. TDEC will strive to obligate Initial Eligible Project Funds by the end of calendar year 2023.

# Contact Us!

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