

# Oklahoma Volkswagen Settlement

## Alternative Fuel School Bus Program

November 5, 2018

Presented by:

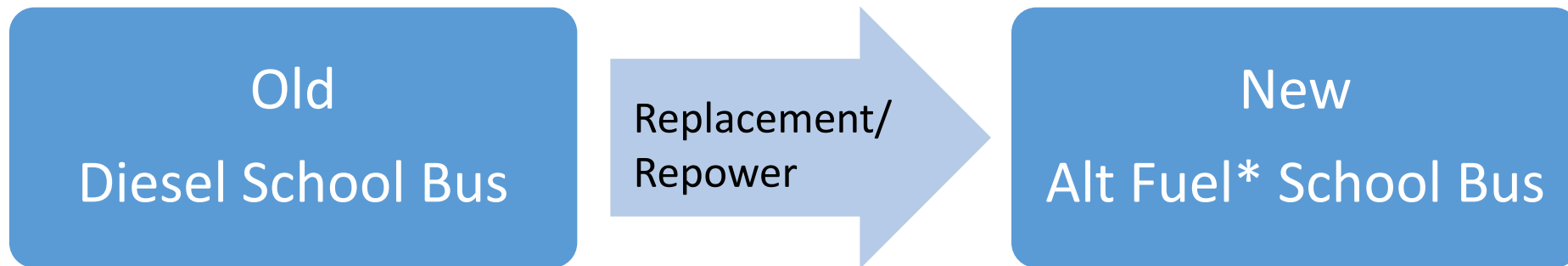
Heather Lerch

Oklahoma Department of Environmental Quality



# Alternative Fuel School Bus Program

- Goal: **reduce NOx emissions from diesel school buses** and protect the health of school children and the environment



- Funded by Volkswagen Settlement: **\$4,184,000**

\*If a school wants to replace an old diesel bus with a new diesel or gasoline bus they are eligible under the Clean Diesel (**DERA**) program

# Eligible Projects

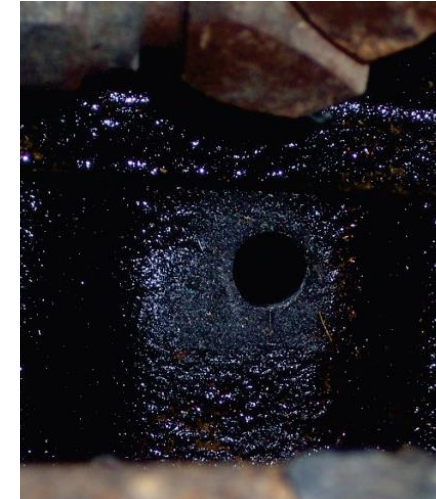
- Alternative fuel school bus **replacements** and/or **repowers**
  - All-electric
  - hybrid-electric
  - compressed natural gas (CNG)
  - liquefied natural gas (LNG)
  - liquefied petroleum gas (LPG)/propane

# Projects: Eligibility

- All school districts within Oklahoma
- Requirements for original project buses (“eligible buses”):
  - Diesel
  - transport pre-Kindergarten through grade 12 students
  - Active service primarily in Oklahoma & at least 3,000 miles driven last year
  - Engine model year (EMY) 2009 or older
  - Gross vehicle weight rating (GVWR)  $\geq 14,001$  lbs; Class 4-8
  - *If funds are awarded, must be properly scrapped with documentation*

# Projects: Scrappage

- 3-inch hole drilled in engine block  
(ALL projects)
- Vehicle frame rails cut in half  
(Replacements only)
- Required documentation includes  
photos and signed destruction forms



# Reimbursement:

Projects are subject to:

- A match share requirement (%)
- A per-item cap (\$)
- And an overall project cap (\$300,000)

# Reimbursement: Match Requirements

- Maximum reimbursement levels:
  - For government owned school buses:
    - Up to 50% of the cost of replacement, repower, and/or charging infrastructure for any eligible fuel type
  - For non-government owned school buses:
    - Up to 40% of the cost of repower to CNG, LNG, LPG/propane, or hybrid-electric
    - Up to 25% of the cost of replacement with CNG, LNG, LPG/propane, or hybrid-electric
    - Up to 50% of the cost of replacement or repower to all-electric, including charging infrastructure

# Reimbursement: Cost Caps

- Project cap: \$300,000 per award
- Per-item caps
  - Listed in Table 1 of the RFP
    - Electric bus charger caps
    - Replacement CNG, LPG, and electric bus caps
  - Items NOT listed in Table 1 (such as repowers, hybrid-electric):
    - Must provide itemized quote
    - Quote will be verified
    - Funding limit will be based on match requirements



## Example Project

- Private school (non-government owned)
- Type D electric bus replacement with charger, no labor
- Electric bus sticker price: \$339,999
- Electric charger sticker price: \$750
- Electric charger labor: \$0  
(not included as project cost)



# Example Project

Table 1: Maximum Reimbursement Caps\*

Electric bus sticker price:  
\$339,999

- Non-Government-owned match for electric bus: 50%

$\$339,999 \times 0.5 = \$169,999.50$

- Per-item cap: 175,000

*Does not exceed cap!*

- Eligible for \$169,999

Per-Vehicle Replacement Reimbursement Caps						
School Bus Type	Government-Owned			Non-Government Owned		
	LPG	CNG	Electric	LPG	CNG	Electric
Type A, up to 20 passengers	\$33,783	\$43,783	\$150,000	\$16,891	\$21,891	\$150,000
Type A, 21-28 passengers	\$33,882	\$43,882	\$150,000	\$16,941	\$21,941	\$150,000
Type A, 29-36 passengers	\$34,794	\$44,794	\$150,000	\$17,397	\$22,397	\$150,000
Type C, up to 39 passengers	\$43,751	\$53,751	\$175,000	\$21,875	\$26,875	\$175,000
Type C, 40-42 passengers	\$43,902	\$53,902	\$175,000	\$21,951	\$26,951	\$175,000
Type C, 43-48 passengers	\$44,054	\$54,054	\$175,000	\$22,027	\$27,027	\$175,000
Type C, 49-54 passengers	\$44,205	\$54,205	\$175,000	\$22,103	\$27,103	\$175,000
Type C, 55-59 passengers	\$44,764	\$54,764	\$175,000	\$22,382	\$27,382	\$175,000
Type C, 60-65 passengers	\$45,322	\$55,322	\$175,000	\$22,661	\$27,661	\$175,000
Type C, 66-71 passengers	\$45,418	\$55,418	\$175,000	\$22,709	\$27,709	\$175,000
Type C, 72-77 passengers	\$45,917	\$55,917	\$175,000	\$22,959	\$27,959	\$175,000
Type D, 70-90 passengers	\$60,000	\$70,000	\$175,000	\$30,000	\$35,000	\$175,000
Electric Bus Charger Reimbursement Caps						
Charger Only			Charger with installation			
\$350			\$1,100			
TOTAL Project Reimbursement Cap						
\$300,000						

# Example Project

Table 1: Maximum Reimbursement Caps\*

Electric charger sticker price:  
**\$750**

- Non-Government-owned match for electric charger: 50%

$\$750 \times 0.5 = \$375$

- Per-item cap: \$350

*Exceeds cap!*

- Eligible for \$350

Per-Vehicle Replacement Reimbursement Caps						
School Bus Type	Government-Owned			Non-Government Owned		
	LPG	CNG	Electric	LPG	CNG	Electric
Type A, up to 20 passengers	\$33,783	\$43,783	\$150,000	\$16,891	\$21,891	\$150,000
Type A, 21-28 passengers	\$33,882	\$43,882	\$150,000	\$16,941	\$21,941	\$150,000
Type A, 29-36 passengers	\$34,794	\$44,794	\$150,000	\$17,397	\$22,397	\$150,000
Type C, up to 39 passengers	\$43,751	\$53,751	\$175,000	\$21,875	\$26,875	\$175,000
Type C, 40-42 passengers	\$43,902	\$53,902	\$175,000	\$21,951	\$26,951	\$175,000
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Electric Bus Charger Reimbursement Caps						
Charger Only			Charger with installation			
\$350			\$1,100			
TOTAL Project Reimbursement Cap						
\$300,000						

# Example Project

- Maximum eligible reimbursement for:

- Bus = \$169,999
- Charger = \$350

*Total = \$169,999 + \$350 = \$170,349*

- Does not exceed \$300,000 project cap!

- Final Costs:

*Total project cost: \$340,749*

*Funding eligibility: \$170,349*



# Projects: Options

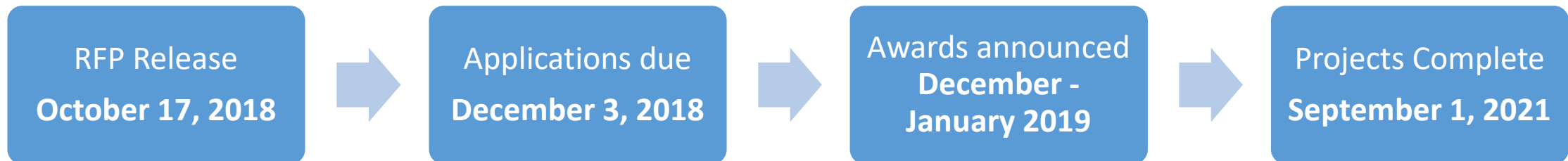
- Right-sizing is acceptable
  - Greater emissions reductions
  - Positive effect on application ranking
- Project cost may include chargers for all-electric replacements/repowers
  - Must provide itemized quote with application
  - May reduce cost-effectiveness score

# Application Information

- Scoring criteria are in RFP Section V and Appendix A.
- Top scoring priorities: [Cost effectiveness](#) and [BMP Target Areas \(counties and other areas at risk from higher air pollution\)](#)
- Applications may be submitted via email or postal mail

# Timeline

- Deadline: December 3, 2018
- Recipients will be contacted in December – January 2019



# Receiving the Award

- Memorandum of Agreement will be required before work begins
- Reporting will be required through project completion
- Recipients must notify DEQ of any project changes ASAP
- Reimbursement will not occur until project is complete and all required documentation submitted



# Oklahoma Volkswagen Settlement

Email: [VWSettlement@deq.ok.gov](mailto:VWSettlement@deq.ok.gov)

More information available at:  
<http://www.deq.state.ok.us/aqdnew/vwsettlement/altfuelbus/index.htm>

Thank You!

