



Nevada Division of Environmental Protection
Bureau of Air Quality Planning

Volkswagen Clean Air Act Partial Settlement



Volkswagen Clean Air Act Partial Settlement

The Issue in Summary

- Stems from the sale of approximately 590,000 model year 2009 to 2016 motor vehicles containing 2.0 and 3.0 liter diesel engines equipped with “defeat devices”
- The settlement stipulates what Volkswagen must do to address the 2.0 and 3.0 liter diesel cars on the road and the excess pollution from these vehicles; oxides of nitrogen (NO_x)



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3 Major Elements of the Settlement

- **Buyback or Repair Requirement** - Volkswagen is required to remove from commerce in the United States or perform an emissions modification on at least 85 percent of the affected 2.0 and 3.0 liter vehicles
- **Zero Emission Vehicles (“ZEVs”) Technology** - Volkswagen must invest \$2 billion to promote the use of ZEVs. Example: Level 2 charging at multi-unit dwellings, workplaces, and public sites, direct current fast charging facilities accessible to all vehicles utilizing non-proprietary connectors, and brand-neutral education or public outreach on ZEVs.

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3 Major Elements of the Settlement

- **Volkswagen Environmental Mitigation Trust Agreement**
Volkswagen must fund a \$2.925 billion mitigation trust fund that will pay for defined eligible projects that reduce NO_x to be implemented over a 10-year period
- All 50 States may elect to become beneficiaries and receive a specific allocation of funds from the total \$2.7 billion (about \$25 million for Nevada)
- Money can be used for any of the listed eligible mitigation projects that reduce NO_x from heavy duty diesel sources near population centers

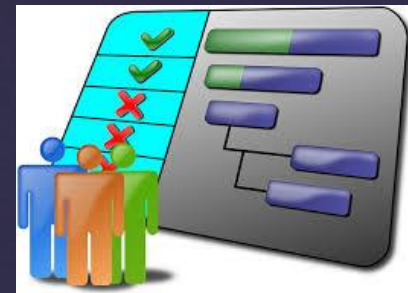
Volkswagen Clean Air Act Partial Settlement Eligible Mitigation Projects



1. Class 8 Local Freight Trucks and Port Drayage Trucks
2. Class 4-8 School Bus, Shuttle Bus, or Transit Bus
3. Freight Switchers (Locomotives)
4. Ferries/Tugs
5. Ocean Going Vessels (OGV) Shorepower
6. Class 4-7 Local Freight Trucks (Medium Trucks)
7. Airport Ground Support Equipment
8. Forklifts and Port Cargo Handling Equipment
9. Light Duty Zero Emission Vehicle Supply Equipment
10. Diesel Emission Reduction Act (DERA) Option

Trust will pay a portion (25 to 100%) of the replacement/repower costs; recipient organization is responsible for providing applicable cost share

Volkswagen Clean Air Act Partial Settlement Mitigation Trust Timeline



Fall 2016
Court
approves
settlement

Winter 2016
Court
appoints
trustee

Spring 2017
Court
approves trust

Spring 2017
Nevada files
for beneficiary
certification

Spring/Summer
2017 Court
certifies
Nevada as a
beneficiary

Summer/Fall
2017 Nevada
submits
mitigation plan

Fall/Winter 2017
Nevada project
solicitation
begins

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How Will Nevada Participate



- NDEP will administer the program on behalf of Nevada; this includes preparing funding requests, project management plans & budgeting, disbursement of funds, and progress reporting
- The NV Committee on the Control of Emissions from Motor Vehicles will serve as the advisory committee in establishing program goals & objectives, and will help select appropriate projects in a public forum for purposes of accountability and transparency
- NDEP will also develop a website, application procedure, list of eligible projects, and provide oversight of projects funded

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Next Steps...

- Wait for Court to declare Trust Fund is approved and in place (called the Effective Date); then Nevada can file for Beneficiary Status
- Work with NV Committee on the Control of Emissions from Motor Vehicles to develop program goals & objectives that meet air quality needs, consider public input, and are acceptable to the Court-appointed trustee
- NDEP to continue work on program administrative components and financial logistics

Volkswagen Clean Air Act Partial Settlement Beneficiary Mitigation Plan Requirements

- (i) The Beneficiary's overall goal for the use of the funds;
- (ii) The categories of Eligible Mitigation Actions the Beneficiary anticipates will be appropriate to achieve the stated goals and the preliminary assessment of the percentages of funds anticipated to be used for each type of Eligible Mitigation Action;
- (iii) 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; and
- (iv) A general description of the expected ranges of emission benefits the Beneficiary estimates would be realized by implementation of the Eligible Mitigation Actions identified in the Beneficiary Mitigation Plan

Useful Links

- <https://www.vwdieselinfo.com/> Official Volkswagen TDI Emissions Settlement webpage
- <https://www.vwcourtsettlement.com/en/> Official webpage on the Volkswagen/Audi Diesel Emissions Settlement Program (information for owners of subject vehicles)
- <https://www.epa.gov/vw> Official USEPA webpage on Volkswagen Light Duty Diesel Vehicle Violations for Model Years 2009-2016
- https://www.arb.ca.gov/msprog/vw_info/vw-diesel-info/vw-diesel-info.htm Official California Air Resources Board webpage on VW diesel emissions issue