

Driving Minnesota Forward: VW Settlement Opportunities

Under the recent **Volkswagen Clean Air Act Civil Settlement**, Midwest states stand to receive more than \$420 million for local air quality efforts, including electric vehicle infrastructure and air quality mitigation efforts (targeting vehicle and equipment upgrades).

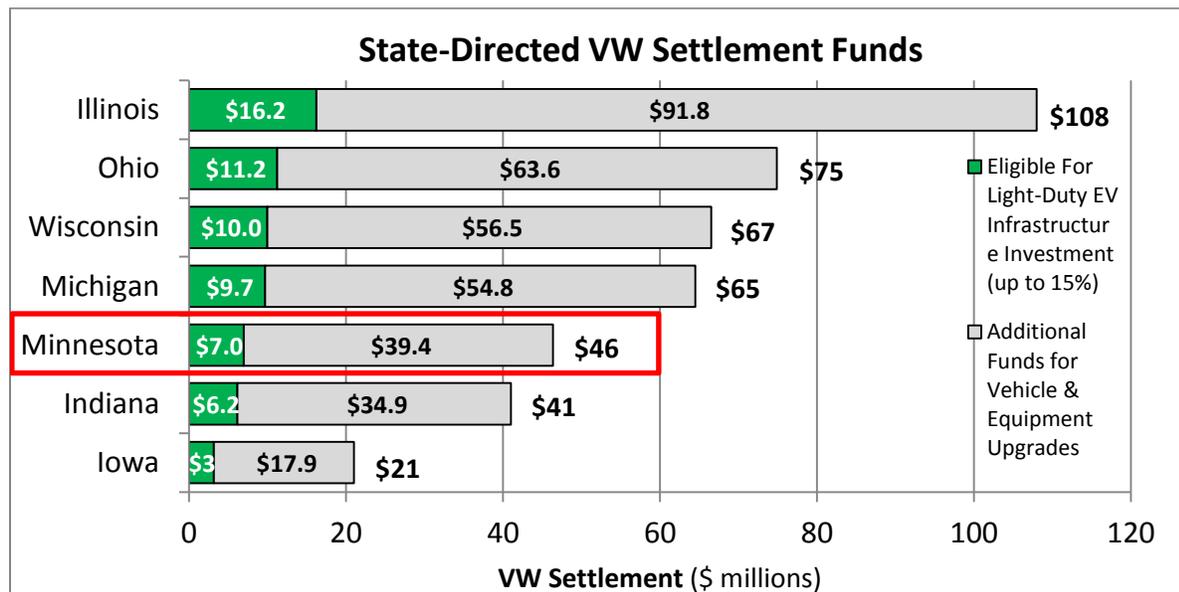
The settlement provides an opportunity to offset more than 40,400 tons of NOx pollution resulting from illegal defeat devices in VW vehicles. This creates a unique opportunity and obligation for Midwest states to modernize public vehicle fleets and infrastructure, reduce harmful air pollution, and stimulate economic development across the region.

Seizing the VW Opportunity

Minnesota has been allocated more than \$46 million through the VW Settlement Mitigation Trust. These funds must be used towards 10 eligible vehicle and equipment upgrades, with a maximum of up to 15% (\$7 million) for light-duty electrical vehicle infrastructure. Governor Dayton has appointed the Minnesota Pollution Control Agency (MPCA) as the lead agency to administer the VW Settlement.

Minnesota's VW Settlement Actions To-Date:

1. Appointed Minnesota Pollution Control Agency as Lead Agency (<https://www.pca.state.mn.us/air/volkswagen-settlement>)
2. Hosted 3 public input sessions
3. Accepting public comments until June 30th (vwsettlement.pca@state.mn.us)
4. Legislature considering [S.F. No. 914](#) - Appropriation Required to Spend Volkswagen Settlement Funds



Evaluating Eligible Uses of Funds:

In evaluating potential investments in eligible vehicles, equipment, and technologies, MPCA should focus on specific opportunities to minimize NOx emissions and human exposure while maximizing cost effectiveness and market impact.

Initial research and stakeholder engagement suggests high-impact opportunities in electric vehicle fast-chargers along Minnesota's National Charging Corridor highways (I-90 & I-94) and investment in electric vehicle upgrades for large, public fleets that operate in densely-populated areas. NOx mitigation and vehicle deployment should focus on protecting Minnesota's most vulnerable residents.

A.) Eligible Vehicles & Equipment

1. Class 8 Trucks
2. School / Transit / Shuttle Buses
3. Freight Switchers
4. Ferries / Tugs
5. Ocean-Going Vessels
6. Class 4-7 Trucks
7. Airport Ground Support Equipment
8. Forklifts & Port Cargo Equipment
9. Light-Duty EV Infrastructure
10. DERA Project Non-Federal Fund Match

B.) Eligible Technologies

All-Electric / Zero Emission Vehicle (ZEV)
Alternative Fuel
New Diesel

C.) Proposed Prioritization Criteria

1. **NOx Reduction:** Number of vehicles and NOx emissions per vehicle.
2. **Human Risk / Exposure:** Location, hours of operation and daily routes in relation to population density in nonattainment areas.
3. **Cost-Effectiveness:** Total cost of ownership for vehicle life cycle.
4. **Anticipated Market Impact:** Opportunity to transform & scale new market considering existing inventory mix and remaining useful life of equipment.

What is ELPC doing?

As one of the Midwest's leading public interest and environmental advocacy organizations, the Environmental Law & Policy Center (www.ELPC.org) is supporting state efforts to maximize this opportunity to modernize public vehicle fleets, reduce harmful air pollution, and grow the Midwest's clean transportation economy.

ELPC's March 14th Webinar: Electric School Buses - A VW Opportunity

The webinar provides an overview of electric school bus benefits and funding opportunities, with updates and case studies from electric school bus pilot programs across the US.

→ The webinar presentation and materials can be viewed at:

<http://elpc.org/issues/clean-air/elpc-webinar-electric-school-buses-a-vw-settlement-opportunity/>