



# Department of Environmental Protection

100 Cambridge Street Suite 900 Boston, MA 02114 • 617-292-5500

Maura T. Healey  
Governor

Kimberley Driscoll  
Lieutenant Governor

Rebecca L. Pepper  
Secretary

Bonnie Heiple  
Commissioner

## **June 2025 Amendment to *Final Massachusetts Volkswagen Settlement Beneficiary Mitigation Plan***

MassDEP is finalizing an update to its spending plan under the Volkswagen Settlement to direct more than \$20 million in investments to convert old, diesel Massachusetts Bay Transportation Authority (MBTA) buses to new, electric buses, as detailed below.

### **Background**

Massachusetts receives funding from court settlements of diesel emissions fraud complaints against Volkswagen Group of America (VW). MassDEP is the designated Lead Agency for Massachusetts under the VW Settlement and is responsible for developing the beneficiary mitigation plan (BMP) for Massachusetts, which describes how the Commonwealth will spend its funding allocation. Massachusetts' initial allocation under the VW Settlement is \$75,064,424.40. Investment earnings on the balance of funds held in the environmental mitigation trust created under the VW Settlement will result in Massachusetts final allocation being higher than the initial value. Through May 2025, earnings were \$8,533,573.64. Massachusetts issued its initial spending plan in December 2018,<sup>1</sup> committed the full amount of the initial allocation plus earnings in subsequent amendments,<sup>2 3</sup> and is now finalizing its third amendment. All plans and amendments have been subject to public comment.

As indicated in the December 2018 BMP,

*The Commonwealth, as allowed by the VW Settlement, may adjust its objectives and spending plan when necessary to achieve the BMP's goals. To reflect such changes, MassDEP will update the BMP as needed and publish an amended BMP on*

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<sup>1</sup> Available at <https://www.mass.gov/media/1882436>

<sup>2</sup> Available at <https://www.mass.gov/doc/amendment-to-massachusetts-volkswagen-settlement-beneficiary-mitigation-plan-december-2019/download>

<sup>3</sup> Available at <https://www.mass.gov/doc/amendment-to-massachusetts-volkswagen-settlement-beneficiary-mitigation-plan-april-2023/download>

MassDEP's public webpage at <https://www.mass.gov/guides/volkswagen-diesel-settlements-environmental-mitigation>.

and

*The Trust agreement requires a Beneficiary to submit and make publicly available its BMP not later than 30 days before submitting its first funding request. Beneficiaries may adjust their goals and specific spending plans at their discretion and, if they do so, they are to provide the Trustee with updates to their BMP.<sup>4</sup>*

### **Spending Plan**

With this June 2025 BMP Amendment, Massachusetts plans for spending its \$75,064,424.40 VW Settlement allocation and any investment earnings are as follows:

- \$48,804,760.74 (plus investment earnings on the funds not devoted to Eligible Mitigation Activity (EMA) 9 and unspent VW Open Solicitation, Regional Transit Authority (RTA) or administrative funds) to support the purchase of electric transit buses and chargers under EMA 2 by RTAs (Pioneer Valley Transit Authority (PVRTA), Martha's Vineyard Transit Authority (VTA), Greater Attleboro Taunton Regional Transit Authority (GATRA), Cape Cod Regional Transit Authority (CCRTA), Montachusett Regional Transit Authority (MRTA), and Southeastern Regional Transit Authority (SRTA)) and the MBTA;
- \$11,259,663.66 (which is the maximum 15% allowed under the Settlement) (plus investment earnings) on the purchase and installation of light duty electric vehicle supply equipment (EVSE) under EMA 9 to supplement the network of existing EVSE;
- \$7.5 million (less any grantees that withdraw or have lower-than-expected costs) through the January 2019 VW Open Solicitation for proposals to implement projects eligible under any of the EMAs (except the EVSE EMA 9) allowed under the VW Settlement;
- \$7.5 million (less any grantees that withdraw or have lower-than-expected costs) through the July 2023 VW Open Solicitation for proposals to implement electrification projects eligible under any of the EMAs (except the EVSE EMA 9) allowed under the VW Settlement; and

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<sup>4</sup> MassDEP will make any changes so submitted available on its VW website: <https://www.mass.gov/guides/volkswagen-diesel-settlements-environmental-mitigation>.

- \$50,000 in administrative funds to disburse checks to grantees. The net of any additional needed or excess unspent disbursement check costs will come from or be directed to MBTA electric transit buses.

One organization commented on the draft amendment and opposed devoting all the remaining funding to electrification projects, stating that the Commonwealth could retire more old, polluting diesel transit buses if funding was used to procure propane-powered transit buses, which cost one-third the price of electric models. The commenter also stated that the amount of time required to refuel a propane vehicle is similar to the time to refuel gas and diesel vehicles, minimizing downtime. MassDEP notes that focusing on electrification is consistent with the December 2018 VW BMP goal to “promote electrification of the State’s transportation network.” In addition, funding electrification projects will assist industry in complying with MassDEP’s December 2021 adoption of the Advanced Clean Truck regulations that require increasing sales of electric medium- and heavy-duty vehicles over time. Massachusetts has also committed to electrifying vehicles in the 2025/2030 Clean Energy and Climate Plan (CECP)<sup>5</sup> and the 2050 CECP.<sup>6</sup> Therefore, MassDEP is finalizing the June 2025 BMP Amendment without making propane-fueled vehicles eligible.

MassDEP has submitted this June 2025 BMP Amendment to the Trustee overseeing the VW Settlement funds and published this June 2025 BMP Amendment on MassDEP’s public webpage at: <https://www.mass.gov/guides/volkswagen-diesel-settlements-environmental-mitigation>.

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<sup>5</sup> <https://www.mass.gov/info-details/massachusetts-clean-energy-and-climate-plan-for-2025-and-2030>

<sup>6</sup> <https://www.mass.gov/info-details/massachusetts-clean-energy-and-climate-plan-for-2050>