



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. Tepper
Secretary

Bonnie Heiple
Commissioner

Draft Third Amendment to Final Massachusetts Volkswagen Settlement Beneficiary Mitigation Plan

MassDEP is proposing to update its spending plan under the Volkswagen Settlement to direct more than \$20 million in investments to convert old, diesel 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 February 2025, earnings were \$8,137,366.95. Massachusetts issued its initial spending plan in December 2018,¹ and has since amended it twice.^{2 3} All such 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 MassDEP's public webpage at <https://www.mass.gov/guides/volkswagen-diesel-settlements-environmental-mitigation>.

and

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

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

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

This information is available in alternate format. Please contact MassDEP at 617-292-5500.

TTY# MassRelay Service 1-800-439-2370

MassDEP Website: www.mass.gov/dep

Printed on Recycled Paper

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.⁴

Massachusetts VW Settlement Spending Plan Status

To date, the BMP has committed the full amount of the Commonwealth's \$75,064,424.40 initial allocation plus earnings under the VW Settlement to the following projects:

- \$48,804,760.74 plus earnings on the funds not devoted to Eligible Mitigation Activity (EMA) 9 to support the purchase of electric transit buses and chargers by the Pioneer Valley Transit Authority (PVTA), 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) Regional Transit Authorities (RTAs) under EMA 2;
- \$11,259,663.66⁵ (which is the maximum 15% allowed under the Settlement) for the purchase and installation of light duty electric vehicle supply equipment (EVSE) to supplement the network of existing EVSE under EMA 9;
- \$7.5 million through a January 2019 VW Open Solicitation for proposals to implement any projects eligible under the VW Settlement, except light-duty EVSE under EMA 9. If any grantees withdraw, or equipment invoices come in at lower cost than expected, any unspent funds are directed to RTA electric transit buses and chargers;
- \$7.5 million through a July 2023 VW Open Solicitation for proposals to implement electrification projects eligible under any of the VW Settlement EMAs, except light-duty EVSE under EMA 9. If any grantees withdraw, or equipment invoices come in at lower cost than expected, any unspent funds are directed to RTA electric transit buses and chargers; and
- \$50,000 in administrative costs to issue disbursement checks. The net of any additional needed or excess unspent disbursement check costs come from or are directed to RTA electric transit buses and chargers.

Massachusetts VW Settlement Spending Plan Proposed Updates

This third Draft BMP Amendment proposes to reallocate a portion of EMA 2 RTA VW Settlement funds to Massachusetts Bay Transportation Authority (MBTA) electric transit buses, because the RTAs either have no more buses of the size and age eligible for replacement under the VW Settlement or do not have physical space for electric buses. This will particularly help

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

⁵ The final amount spent will be higher due to investment earnings on the balance of funds in the Trust, but not more than the 15% allowed for light duty EVSE.

environmental justice areas because MBTA bus depots and service routes are located in and travel through such areas. In addition, this BMP amendment proposes that:

- any unspent funds from the Open Solicitations and RTA projects will be directed to MBTA electric transit buses;
- the net of any additional needed or excess unspent disbursement check costs will come from or be directed to MBTA electric transit buses; and
- any investment earnings on the 85% of funds in the Trust not allocated to EMA 9 light duty EVSE will be allocated to MBTA electric transit buses.

The current estimate of funds to be allocated to the MBTA (including earnings and unspent funds from the Open Solicitations and RTA projects) is \$21,810,362.97.

Spending Plan After Proposed Changes

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

- \$48,804,760.74 (plus investment earnings and unspent VW Open Solicitation, RTA or administrative funds) to support the purchase of electric transit buses and chargers by RTAs and the MBTA;
- \$11,259,663.66 (plus investment earnings) on the purchase and installation of light duty EVSE 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
- \$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 and chargers.

MassDEP is posting this Draft BMP Amendment for a 30-day public comment period, after which MassDEP will provide the Final BMP Amendment to the Trustee not later than 30 days before submitting its first funding request for the updated amounts, and publish the final BMP Amendment on MassDEP's public webpage at: <https://www.mass.gov/guides/volkswagen-diesel-settlements-environmental-mitigation>