

Volkswagen Round 3 New All-Electric School Bus Funding Summary

Volkswagen (VW) Round 3 Notice of Funding Opportunity Announcement Date: May 10, 2021

Information and Application Materials for VW Round 3 Funding

- Illinois EPA's Driving a Cleaner Illinois site, which includes information on Volkswagen funding, is at <https://www2.illinois.gov/epa/topics/air-quality/driving-a-cleaner-illinois/Pages/default.aspx>

Total Program Funding for VW Round 3

\$9,000,000 total funding

- \$6,500,000 for Priority Area 1
- \$2,500,000 for Priority Area 2

Application Due Date

- A completed application must be submitted via email to the program account at epa.vwgrants@illinois.gov by 5:00 p.m. CT, August 9, 2021.

Eligible Areas of the State for VW Round 3 Funding

- VW Priority Area 1, the Chicago nonattainment area which includes the counties of Cook, DuPage, Kane, Lake, McHenry, and Will, and Oswego Township in Kendall and Aux Sable and Goose Lake Townships in Grundy.
- VW Priority Area 2, the Metro-East nonattainment area which includes the counties of Madison and St. Clair.

Eligible Vehicles

- An eligible "school bus" is defined in the VW Trust Agreement as a Class 4 – 8 bus sold or introduced into interstate commerce for purposes that include carrying students to and from school or related events and may be Type A – D.
- The proposed new all-electric school bus must be from the engine model year in which the project occurs (or later) or one engine model year prior and be powered exclusively by electricity provided by a battery, fuel cell, or the grid.
- Each proposed new all-electric school bus must replace an existing operational and in-service diesel-powered school bus that is engine model year 2009 and older with at least 80% of its operational hours in the priority area each year in 2017, 2018, and 2019, and the old diesel bus must be scrapped per the VW Trust requirements.

Eligible Applicants

- Public schools and school districts located in an eligible area, and commercial school bus companies that service those schools in the eligible area, that own the existing diesel school buses to be replaced and will own the proposed new all-electric school buses to provide student transportation services are eligible to apply; leased buses are ineligible.
- Only the owner of the existing diesel and proposed new school buses may apply.
- Applicants may apply for more than one new all-electric school bus. However, successful applicants will only receive funding for more than one all-electric school bus if there is funding left over after all other successful applicants have been awarded funding for one all-electric school bus. Partial funding may be offered if not enough funding remains to fund an all-electric school bus up to the VW Trust Funding Limits.

Funding Amounts and Cost Shares

- Government applicants and non-government applicants under contract with a public school district to provide student transportation services may receive up to a 75% grant amount for eligible costs, with a 25% required cost share.
- All other non-government applicants may receive up to a 50% grant amount for eligible costs, with a 50% required cost share.
- In-kind contributions are not acceptable for meeting the required cost share.

Eligible Costs for a New All-Electric School Bus

- Eligible costs for a new all-electric school bus include only the base price of the bus.
- Options, add-ons, upgrades, taxes, title, license, unrelated items, the cost to scrap the existing diesel school buses, and the applicant's administrative costs are not costs that are eligible for reimbursement.

Charging Infrastructure

- All-electric projects are eligible to receive funding for charging infrastructure where charging infrastructure is necessary to support the proposed project.
- Applicants must be the owner of the funded charging infrastructure.
- If existing charging infrastructure is available and adequate to support the project, charging infrastructure is not eligible for funding.
- If infrastructure comes with the purchase of the new all-electric school bus, and it is adequate to support the proposed project, the applicant will not receive funding for infrastructure.
- Eligible charging infrastructure costs include only the cost of necessary electric charging equipment (or fuel cell system), and only the charging equipment (or fuel cell equipment) itself.
- Eligible infrastructure costs do not include options, other equipment, labor, taxes, fees, or make-ready improvements.
- Applicants may access funding for eligible charging infrastructure costs in accordance with the VW Trust Funding Limits identified above for the type of applicant. For example, if the cost of the charging equipment is \$20,000 and the VW Trust Funding Limit is 75%, the maximum funding for the charging equipment would be \$15,000 ($\$20,000 \times 75\% = \$15,000$).

Questions

- Any questions regarding the VW Round 3 New All-Electric School Bus Notice of Funding Opportunity should be directed to epa.vwgrants@illinois.gov