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CHRISTOPHER T. SUNUNU  
GOVERNOR

STATE OF NEW HAMPSHIRE  
OFFICE OF STRATEGIC INITIATIVES  
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DIVISION OF PLANNING  
DIVISION OF ENERGY  
www.nh.gov/osi

October 17, 2018

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His Excellency, Governor Christopher T. Sununu,  
And the Honorable Council  
State House  
Concord, New Hampshire 03301

**REQUESTED ACTION**

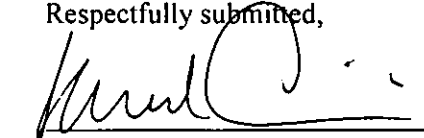
Authorize the Office of Strategic Initiatives (OSI) to enter into a Memorandum of Agreement (MOA) with the NH Department of Environmental Services (NHDES), (Vendor Code – 177894 B001), Concord, NH, in the amount of \$540,000 for administrative support in the planning and implementation of diesel emission reduction projects utilizing Volkswagen Environmental Mitigation Trust (Trust) funds, effective upon Governor & Executive Council approval, through June 30, 2021. 100% Volkswagen Funds.

**EXPLANATION**

OSI requests approval of this MOA, in an amount not to exceed \$540,000, to support NHDES' undertaking of administrative activities related to the solicitation, selection and implementation of projects utilizing funds from the Trust. The Office of Strategic Initiatives will not be holding any of the Volkswagen Environmental Mitigation Trust funds in its accounts. All funds will be transferred from Wilmington Trust to NHDES directly. Under the terms of the MOA, NHDES will provide input to OSI on content and format of information for OSI's Trust webpage, make recommendations to OSI regarding the type and timing of project solicitations under the terms of the Trust, evaluate and verify to OSI whether projects submitted for funding meet the requirements as set forth in the Trust, and assist OSI in project selection and development of contracts. NHDES may utilize up to \$5,000 for education and outreach materials and other initiatives, with prior approval from OSI.

These projects will be administered by NHDES. In the event Volkswagen Funds are no longer available, General Funds will not be requested to support this program.

Respectfully submitted,

  
Jared Chicoine  
Director  
Officer of Strategic Initiatives

G&C 10/31/18

**MEMORANDUM OF AGREEMENT  
BETWEEN  
OFFICE OF STRATEGIC INITIATIVES  
AND  
DEPARTMENT OF ENVIRONMENTAL SERVICES**

This Memorandum of Agreement (MOA) describes activities that have been agreed to between the New Hampshire Office of Strategic Initiatives (OSI) and the Department of Environmental Services (NHDES) to utilize funding provided through the Volkswagen Environmental Mitigation Trust Agreement for State Beneficiaries (Trust) to reduce emissions of nitrogen oxides. The project completion date is June 30, 2021.


For the purposes of this MOA, OSI and NHDES agree as follows:

1. OSI and NHDES shall assign appropriate staff to oversee the implementation of this MOA.
2. The OSI website shall serve as the portal for all information required to be made public under the terms of the Trust. NHDES shall provide input to OSI related to the content and format of information included on the OSI Trust webpage and NHDES will provide a link to that information from their homepage and other appropriate pages.
3. NHDES shall make recommendations to OSI as the type and timing of requests for proposals (RFP) under the terms of the Trust.
4. NHDES shall, in consultation with OSI, draft RFPs for approval by OSI including information on project selection criteria and evaluation methods, which OSI shall release via their website.
5. OSI and NHDES shall individually and collaboratively seek and utilize opportunities to disseminate information about availability of funding under the Trust.
6. NHDES shall be responsible for receiving project applications in response to the release of RFPs, verifying to OSI whether projects submitted for funding meet the requirements as set forth in the Trust, conducting analyses of the estimated emissions benefits of project proposals, and assisting OSI in the project selection process.
7. OSI and NHDES shall seek opportunities for collaboration with outside funding to leverage available Trust funds.
8. NHDES shall submit a detailed **Project Implementation Agreement (Agreement)** for approval by OSI within thirty (30) days of Governor and Council approval of this MOA. The Agreement shall include:
  - a. The type of and timing for release of Request for Proposals for Trust funds, including a description of education and outreach plans regarding availability of funding;
  - b. A description of the project selection process for each RFP, including project eligibility determination, project application form, evaluation criteria, project scoring criteria, and methodology for estimating air quality benefits of a proposed project;

- c. The level(s) of matching funds that must be provided for each type of project, including those for government and non-government Eligible Mitigation Actions;
  - d. A description of reporting requirements to which grant recipients shall be subject; and
  - e. A description of how funding will be dispersed to grant recipients.
9. NHDES shall resubmit the **Project Implementation Agreement (Agreement)** annually to OSI at the beginning of each fiscal year for reevaluation.
10. OSI shall respond to the proposed Project Implementation Agreement within thirty (30) days of receipt and shall either approve the Agreement or recommend changes. Subsequent submittals and approvals shall be subject to a fifteen (15) day time period.
11. OSI shall serve as the lead agency and be responsible for all financial disbursements from New Hampshire's Trust account, including payment of administrative costs to NHDES and payment to project recipients, except as noted in Item 12 below.
12. OSI and NHDES shall collaboratively determine annually, or more often as needed, how much Trust funding will be provided as voluntary non-federal match for the New Hampshire State Clean Diesel program under the EPA Diesel Emission Reduction Act (DERA). Such agreement shall be prior to the deadline for submittal of the state's draft DERA program plan.
13. NHDES shall be the lead agency for the New Hampshire State Clean Diesel program. The voluntary non-federal match for the DERA program agreed to in Item 11 above shall be transferred to NHDES to be administered as part of the State Clean Diesel Program under a separate Memorandum of Agreement. NHDES shall provide OSI all necessary data pursuant to use of Trust funds under the DERA Option for reporting to the Trustee.
14. **PROJECT COST:** Administrative costs, not to exceed one hundred seventy-five thousand dollars (\$175,000) annually, may be used for salary and benefits for NHDES work under this MOA. NHDES may claim and will be reimbursed for expenses incurred on the development of the State's Beneficiary Environmental Mitigation Plan in FY 2019 since February 2018, if it is in accordance with the Trust rules. NHDES may utilize up to \$5,000 dollars of additional Trust administrative funds for costs associated with education and outreach materials as approved by OSI.
15. **REPORTING:** NHDES shall submit quarterly reports to OSI within thirty (30) days of the close of each quarter that include:
- a. The number and type of projects applied for in the previous quarter;
  - b. The number and type of projects approved in the previous quarter;
  - c. Details of projects that have been funded including project proponent, vehicles/engines/equipment repowered and/or replaced and funding amount;
  - d. Steps NHDES has taken to inform eligible entities of funding availability;
  - e. A description of any outreach and education conducted by NHDES in the previous quarter to promote funding availability;
  - f. The calculated emission savings from the projects that have been funded to date; and
  - g. An accounting of the staff and number of hours of each that conducted administrative functions for this project as describe above in the previous quarter.

- 16. INVOICING: NHDES will submit detailed invoices and related backup documentation within thirty (30) days following the close of each fiscal quarter.
- 17. TERMINATION: Either party may terminate this MOA upon providing written notice to the other, thirty (30) days prior to termination. Upon termination, NHDES will be paid for all work completed prior to termination.
- 18. DURATION: The project duration extends from the date of approval by Governor and Council through June 30, 2021 for program activities, invoicing and program year closeout, unless terminated by either party, or extended in writing by subsequent agreement of the parties and acceptance by Governor and Council.

IN WITNESS WHEREOF, the respective parties have hereunto set their hands on the dates indicated.

  
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Jared Chicoine, Director  
NH Office of Strategic Initiatives

9/14/18

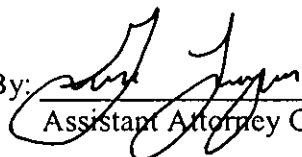
Date

  
\_\_\_\_\_  
Robert R. Scott, Commissioner  
NH Department of Environmental Services

9-19-18

Date

OFFICE OF THE ATTORNEY GENERAL

By:   
\_\_\_\_\_  
Assistant Attorney General

Date: October 16, 2018

I hereby certify that the foregoing agreement was approved by the Governor and Council of the State of New Hampshire at their meeting on \_\_\_\_\_, \_\_\_\_\_.

OFFICE OF THE SECRETARY OF STATE

By: \_\_\_\_\_

Title: \_\_\_\_\_