



CHRISTOPHER T. SUNUNU
GOVERNOR

STATE OF NEW HAMPSHIRE

OFFICE OF STRATEGIC INITIATIVES

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DIVISION OF PLANNING
DIVISION OF ENERGY
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November 16, 2020

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 \$316,427 to utilize funding from the Volkswagen Environmental Mitigation Trust (Trust) as non-federal match for New Hampshire’s Diesel Emission Reduction Act (DERA) grant, effective upon Governor & Executive Council approval, through September 30, 2021. 100% Volkswagen Funds.

EXPLANATION

OSI requests approval to enter into a MOA with NHDES, in an amount not to exceed \$316,427. The MOA specifies that the funds will be used to provide a 100 percent match to federal DERA funding provided by the Environmental Protection Agency, thus qualifying the state to receive a 50 percent bonus of federal DERA dollars. The MOA also clarifies the tasks to be completed by each agency to ensure funds are used in compliance with the terms of 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 directly from Wilmington Trust to NHDES. DERA grants are awarded to NHDES annually by EPA to fund New Hampshire’s State Clean Diesel Program. This program provides partial funding for diesel vehicle and equipment emission reduction projects, such as vehicle replacements, engine repowers and idling reduction technology, to reduce nitrogen oxide, particulate matter and other diesel engine emissions. 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

**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 from the Volkswagen Environmental Mitigation Trust Agreement for State Beneficiaries (Trust) as non-federal match for New Hampshire's State Clean Diesel Program as funded by the Environmental Protection Agency (EPA) under the Diesel Emission Reduction Act (DERA) and administered by NHDES. States providing 100 percent non-federal match to federal DERA dollars receive a 50 percent federal bonus. The purpose of this agreement is to commit Trust funds as non-federal match to the State's DERA allocation to secure the bonus funding and fund additional projects to reduce nitrogen oxide and other diesel engine pollutant emissions. This MOA will become effective upon approval by Governor and Council. The project completion date is September 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. NHDES is the lead agency for New Hampshire's DERA funding.
3. Upon approval of this MOA OSI shall authorize payment of \$316,427 dollars from the Trust to NHDES to be counted as non-federal match for the federal fiscal year (FFY) 2019 New Hampshire DERA allocation. The Trust funds will be used in accordance with the requirements of the DERA program as allowed under the terms of the Trust.
4. The FFY '19 DERA funds and any non-federal funds added to the program must be expended by September 30, 2021.
5. In order to qualify for the federal bonus funds all base allocation and non-federal match dollars must be expended.
6. OSI and NHDES shall collaboratively determine the types of projects to be funded under the FFY '19 NH DERA program.
7. OSI and NHDES shall individually and collaboratively disseminate information about availability of funding for emissions reductions projects under NH's DERA program.
8. NHDES shall be responsible for the following tasks relative to the DERA program, inclusive of Trust funds:

- a. Preparing, in consultation with OSI, requests for proposals (RFP) for projects to be funded under the State's DERA program, including development of the evaluation and selection criteria to be used;
 - b. Receiving project applications in response to an RFP;
 - c. Verifying that projects submitted for funding meet the DERA program requirements;
 - d. Conducting analyses of the estimated emissions benefits of project proposals, and in consultation with OSI, selecting projects for funding based on the described evaluation and selection criteria;
 - e. Preparing grant agreements to implement the selected project proposals;
 - f. Presenting all grant agreements to the Governor and Executive Council for approval that exceed the G&C established threshold;
 - g. Preparing and submitting all required EPA reports;
 - h. Submitting to OSI documentation necessary for development of OSI reports to the Trustee;
9. OSI and NHDES shall collaboratively determine if, during the course of this agreement, additional Trust funds should be added to the DERA program to enable additional projects, and shall seek Governor and Council approval for any addition of funds.
10. NHDES shall not utilize any of the Trust funds for administrative purposes, but shall retrieve administrative costs from the federal portion of the DERA allocation.
11. 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, the project type, and funding amount;
 - d. The calculated emission savings from the projects that have been funded to date; and
 - e. Documentation of the expenditures of the Trust funds under the DERA program.
12. 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.
13. DURATION: The project duration extends from the date of approval by Governor and Council through September 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.



Jared Chicoine, Director
NH Office of Strategic Initiatives

10/15/20

Date




Robert R. Scott, Commissioner
NH Department of Environmental Services

10/15/20

Date

OFFICE OF THE ATTORNEY GENERAL

By: 
Assistant Attorney General

Date: November 20, 2020

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: _____