Request for Applications
School Bus Replacement/Repower Program
Spring 2019 Program Guidelines
Application Deadline: June 14, 2019

Introduction

Volkswagen (VW) was sued by the Environmental Protection Agency (EPA) for its installation of software in diesel vehicles that masked the actual in-use emissions of nitrogen oxides (NOx). The parties reached a settlement which required VW to establish an Environmental Mitigation Trust (Trust) to fund diesel replacement projects to fully mitigate for the excess NOx emissions that would be produced over the lifetime of the affected vehicles. Under the Settlement, the State of Alaska, as a Beneficiary, was allocated $8.125 million of the Trust. The Alaska Energy Authority (Authority) has been designated the lead agency to administer the State’s allocation.

Consistent with Alaska’s Beneficiary Mitigation Plan describing how the funds will be disbursed, the Authority is soliciting applications to repower or replace diesel school buses (Types A, B, C or D of model year (MY) 2009 or older) with new, cleaner diesel, alternative-fueled, or all electric engines or buses. The Authority anticipates awarding approximately $1.7 million for school bus repower or replacement projects in the form of reimbursement beginning spring 2019. Purchases and reimbursement for the intended purpose must be completed within two years of the award.

Application Period

The Authority will accept applications for eligible school buses during an open application period starting March 28, 2019 and ending at 5:00 pm on June 14, 2019. The Authority will hold two webinars explaining the application process and the EPA Diesel Emission Calculator tool on April 2, 2019 1:30 pm – 3:00 pm and April 11, 2019 1:30 pm - 3:00 pm. Additional questions must be submitted to the Authority in writing to vwsettlement@akenergyauthority.org with VW School Bus Q&A in the subject line by May 30, 2019. Q&A will be posted periodically on the Authority’s website up until June 6, 2019.

Eligible Applicants

Eligible applicants include Alaska public school districts. Buses may be government owned or privately-owned under contract with a public school district. School districts may apply for funding to replace one or more vehicles; however, each bus will be evaluated independently, using the information on the Bus Data Form and the criteria described in the Bus Evaluation Form. An applicant may submit a single Application Cover Form; however, separate Bus Data Forms and Bus Evaluation Forms must be submitted for each vehicle to be repowered or replaced. The school district or contract agency must be able to provide a title and current registration for each bus prior to reimbursement. No single school district will be awarded more than 50 percent of the total funds allocated for school bus repower and/or replacement.
Eligible School Buses

Eligible school buses include 2009 engine model year or older Type A, B, C, or D diesel school buses that are operable and currently in use to transport students to or from public school. The buses must be in good working condition and have at least three years of serviceable life remaining. Funds may cover up to 100 percent of the cost to repower an eligible bus with any new diesel, alternate-fueled (e.g., CNG, propane, hybrid), or all-electric engine, or replace the bus with any new diesel, alternate-fueled, or all-electric vehicle, with the engine model year in which the replacement occurs or one engine model year prior.

Reimbursement

All projects must be completed within two years of the award date; AEA reserves the right to withhold funds if the project has not been completed in the defined timeframe. The applicant would have the option to reapply the following funding cycle.

For reimbursement, the school district or contract agency must be able to provide a title and current registration for each bus; copies of paid invoices for bus purchase and shipping; documentation of labor expended; and documentation verifying scrappage of the old bus. As a requirement of the settlement, all replaced buses must be verifiably destroyed or scrapped (i.e., hole drilled into engine block and chassis cut) in order to receive reimbursement funds.

Applicants must own and operate the school bus for a minimum of five years following reimbursement, subject to verification by AEA. If the bus is sold before the 5-year period, or not operated as a school bus, the applicant may be required to return up to the full amount of the reimbursement. AEA reserves the right to conduct audits which may include site visits to ensure compliance.

How to Apply

This is a competitive application on a per bus basis for VW Settlement funding to repower or replace school buses. An applicant may submit a single Application Cover Form; however, separate Bus Data Forms and Bus Evaluation Forms must be submitted for each vehicle to be repowered or replaced. Applications will be evaluated based on completeness and the criterion provided in the application. Applications must include a copy of the Environmental Protection Agency’s Diesel Emissions Quantifier (DEQ) for each vehicle using the data provided in the Bus Data Form as well as report a picture of the bus odometer. AEA staff will be available to assist applicants in using the DEQ tool. Applications must be submitted online or postmarked by June 14, 2019, to be considered. Incomplete applications will not be considered. Late applications will not be considered for this funding cycle but may be considered for the next funding cycle. The Authority may contact applicants or an applicant organization for clarification and/or supplemental information; please ensure the contact information provided is accurate. Applicants must respond to any request for additional information within 10 calendar days.
Applications may be completed electronically using the [school bus application forms](#) by downloading and emailing or by printing and completing the attached form. Each application must be signed by the individual responsible for authorizing and overseeing completion of the project. An electronic signature is acceptable so long as it is an image or reproduction of the signatory's actual signature. Submit applications to [vwsettlement@akenergyauthority.org](mailto:vwsettlement@akenergyauthority.org) or mail to the following address:

Alaska Energy Authority  
Attn: VW Settlement Fund Application; Betsy McGregor  
813 West Northern Lights Boulevard  
Anchorage, Alaska 99503

If you have questions about your application or need assistance with the required information, please contact Betsy McGregor at (907) 771-3957 or [vwsettlement@akenergyauthority.org](mailto:vwsettlement@akenergyauthority.org). All questions must be submitted by May 30, 2019. Q&A will be posted on the Authority’s [VW Settlement Program website](#) under the School Bus Replacement section by June 6, 2019.

### Important Dates

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<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Deliverable</th>
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<tbody>
<tr>
<td>April 2, 2019</td>
<td>1:30-3:00 pm</td>
<td>Webinar explaining application process and EPA Diesel Emission Calculator tool. <a href="https://attendee.gotowebinar.com/register/2413461405893487618">Register Here</a></td>
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<td>May 30, 2019</td>
<td>5:00 pm</td>
<td>All questions must be submitted</td>
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<tr>
<td>June 6, 2019</td>
<td>5:00 pm</td>
<td>Q&amp;A will be posted on Authority's website</td>
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<tr>
<td>June 14, 2019</td>
<td>5:00 pm</td>
<td>Applications must be submitted or post marked</td>
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