

**From:** [Gustafson, Brian](#)  
**To:** [Regynski, Barb](#)  
**Cc:** [Schultz, Brad](#)  
**Subject:** FW: VW emissions environmental mitigation fund  
**Date:** Monday, December 19, 2016 10:38:22 AM

---

---

**From:** Pirner, Steve  
**Sent:** Monday, December 19, 2016 10:34 AM  
**To:** Gustafson, Brian; DENR SECRETARY'S OFFICE  
**Subject:** FW: VW emissions environmental mitigation fund

---

**From:** Sanderson, Nathan  
**Sent:** Monday, December 19, 2016 10:32 AM  
**To:** sdac.coop, bforman  
**Subject:** RE: VW emissions environmental mitigation fund

Yes, we're likely to be a part of the settlement, but we have not received any funds yet and likely will not receive them for several months at the earliest.

As a result of the referenced settlement, each state in which those VW vehicles were sold is eligible for an allocation of the settlement for mitigating the excess NOx emissions. For South Dakota, the mitigation funds can be used to help governmental agencies and non-governmental entities replace older equipment that emits higher NOx emissions with newer equipment that emits less or zero emissions, similar to the existing Diesel Emission Reduction Act (DERA) program. If we get funds through this settlement, we would likely recommend that they be used in a fashion similar to that program.

Under the settlement, after a federal trustee is appointed (which is called the Trust Effective Date), the Governor has 60 days to file with the Court a single certification form. Thus far, the trustee has not been appointed, so we cannot act until that happens (likely to see who is appointed as trustee within the next few weeks).

After the trustee has been appointed and South Dakota submits its certification form, not later than 120 days after the Trust Effective Date the trustee needs to file a court notice stating if South Dakota's Certification Form is accepted as a beneficiary.

If South Dakota is accepted as a beneficiary, within 90 days we must submit a Beneficiary Mitigation Plan to the trustee. This plan will require public input, so we'll be soliciting that input prior to submitting the plan. DENR will be responsible for gathering public input and drafting the Beneficiary Mitigation Plan.

After that, we're potentially eligible to receive some funding. So, many steps in the process and we're in a holding pattern for now.

-N

---

**From:** Brenda Forman [<mailto:bforman@sdac.coop>]  
**Sent:** Monday, December 19, 2016 10:16 AM  
**To:** Sanderson, Nathan  
**Subject:** VW emissions environmental mitigation fund

Nathan,

Is SD a part of the Environmental Mitigation Trust fund that was the result of the VW emissions case (see below)? If yes, who could I contact to visit about the settlement. There are a few businesses interested in promoting propane buses to schools as well as increasing the number of propane dispensing sites. As they are not sure where to begin the conversation, I thought I should find out if SD received any of the money, where (what agency) it went and if it has already been earmarked.

***Funding Coming from VW Emissions Case***

*We first heard about the [Volkswagen emissions](#) lawsuit more than a year ago. The Federal Government validated that the company's "clean diesel" vehicles were releasing a difference in NOx emissions between testing and normal performance somewhere around 40 times more than the legal limit.*

*The settlement was approved on October 25th and to address the excess NOx emissions occurred, \$2.7 billion has been allocated to fund the Environmental Mitigation Trust (EMT).*

*The dollars set aside in this trust are to be used to fund actions that reduce NOx emissions and thereby reduce public exposure to NOx pollution. Translation: It's money that can go toward lower-NOx alternative-fuel buses, like the Blue Bird Vision Propane and CNG and transit vehicles.*

Thanks for your help,

***Brenda***

Brenda Forman, Executive Director  
SD Association of Cooperatives  
116 N Euclid  
Pierre SD 57501  
605.945.2548 (w)

***"Cooperative Value - Unified Voice"***