October 22, 2024

Updated Beneficiary Mitigation Plan for the State of Georgia

Pursuant to the Environmental Mitigation Trust Agreement for State Beneficiaries

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Beneficiary Mitigation Plan for the State of Georgia

I. Executive Summary

As a result of consent decrees among Volkswagen AG, Audi AG, Volkswagen Group of America, Inc., and Volkswagen Group of America Chattanooga Operations, LLC (**VW**), and the United States, the U.S. Environmental Protection Agency (**EPA**), and the State of California, an environmental mitigation trust fund was established for the 50 States, Puerto Rico, and the District of Columbia (**State Trust**). This State Trust is to be used in accordance with the Environmental Mitigation Trust Agreement for State Beneficiaries (**State Trust Agreement**) for Eligible Mitigation Actions in order to mitigate excess oxides of nitrogen (**NO_x**) emissions that occurred as a result of VW utilizing defeat devices in diesel passenger vehicles manufactured between 2009 and 2016. The defeat devices used software that detected when the vehicle was being tested for compliance with federal emissions standards. The defeat device turned on the full emissions control system only during that testing process. During normal driving conditions, the software disabled parts of the emissions control systems, significantly increasing NO_x emissions from the vehicle.

State Trust funds in the amount of $63,624,725.56 have been allocated to the State of Georgia to be used to implement Eligible Mitigation Actions in Georgia. The funding for implementation of selected Eligible Mitigation Actions is intended to mitigate the excess NO_x emissions that occurred in Georgia as a result of the defeat devices.

Eligible Mitigation Actions are defined in the Environmental Mitigation Trust Agreement and focus on reducing mobile source NO_x emissions. NO_x, when combined with volatile organic compounds (**VOCs**) and sunlight, reacts to form ground level ozone. Ground level ozone adversely impacts the respiratory system and cardiovascular health. Georgia has one area of the state that is not meeting the federal air quality standards for ozone (**nonattainment**) – the Atlanta Metropolitan Area.

This document describes the overall goals of the Beneficiary Mitigation Plan for the State of Georgia. Georgia intends to use the State Trust funds to replace older, higher-polluting diesel transit and school buses with a combination of new diesel, new all-electric, and new fuel cell buses that emit significantly less pollution. This will reduce NO_x emissions across the state, and the replacement of transit buses in the Atlanta Metropolitan Area will reduce NO_x emissions in the area of the state that bears a disproportionate share of the air pollution burden.

The Governor's Office of Planning and Budget (**OPB**) is Georgia's lead agency in administering Georgia's allocation of funds under the State Trust. The public comment period on the draft mitigation plan ended on January 5, 2018, and the original revised, final mitigation plan incorporated the appropriate changes after careful review and consideration of the public comments. The final plan included an updated Table 6 to include all comments received prior to December 5, 2017, as well as a summary of the comments received from December 5, 2017 through January 5, 2018 for the draft mitigation plan. This update to the mitigation plan continues to utilize the funding for the most commonly selected mitigation option by public commenters, while expanding Georgia's projects to include more types of publicly owned buses.

II. Environmental Mitigation Trust Agreement

On October 25, 2016, the United States District Court for the District Court of Northern California (the **Court**) approved the first partial consent decree addressing the installation and use of emissions testing defeat devices in 2009-2015 model year VW passenger vehicles with 2.0-liter diesel engines. The use of these defeat devices increased NO_x emissions, adversely impacted air quality, and violated the federal Clean Air Act. The State Trust was established as part of the 2.0-liter diesel engine partial settlement to fund eligible environmental mitigation projects that reduce NO_x emissions where VW diesel vehicles equipped with the defeat devices were operated. Under the first partial consent decree, VW is required to pay a total of $2.7 billion into the State Trust to be dispersed to the states. The initial share allocated to Georgia under the first partial consent decree is $58,105,433.35.

On May 17, 2017, the Court approved a second partial decree pertaining to VW passenger vehicles with 3.0-liter diesel engines for model years 2009 through 2016 that were equipped with defeat devices. The 3.0-liter diesel engine partial decree requires VW to pay an additional $225 million into the State Trust to fund Eligible Mitigation Actions. Georgia's allocation of the second partial settlement is $5,519,292.21, making the total initial allocation of State Trust funds to Georgia **$63,624,725.56.**

On March 15, 2017, Wilmington Trust, N.A. was appointed by the Court to serve as **Trustee** to administer the State Trust in accordance with the State Trust Agreement. On October 2, 2017, the Trust Effective Date (**TED**) was determined by the filing of the finalized State Trust Agreement[1] with the Court. On October 13, 2017, Georgia filed the "Certification for Beneficiary Status Under Environmental Mitigation Trust Agreement[2]" with the Trustee, as required by the State Trust Agreement. Governor Nathan Deal designated OPB as Georgia's lead agency in administering the Georgia's allocation of funds under the State Trust. After Georgia is deemed a Beneficiary by the Trustee, and at least 30 days prior to submitting its first funding request for State Trust funds for Eligible Mitigation Actions[3], Georgia is required to submit to the Trustee and make publicly available the Beneficiary Mitigation Plan for the State of Georgia. The Beneficiary Mitigation Plan for the State of Georgia summarizes how Georgia will use the mitigation funds allocated under the State Trust Agreement. See **Table 1** for a summary of important State Trust Agreement Implementation Milestone dates.

Under the State Trust Agreement, upon being deemed a Beneficiary, Georgia shall have the right to request State Trust funds up to the total dollar amount allocated to it, provided that no more than one-third of its allocation may be paid out during the first year following the Initial Deposit, or two-thirds of its allocation during the first two years after the Initial Deposit. Upon the tenth anniversary of the TED, any unused State Trust funds held by any Beneficiary shall be returned

[1] A copy of the State Trust Agreement is available here: https://www.epa.gov/sites/production/files/2017-10/documents/statebeneficiaries.pdf.
[2] Certification for Beneficiary Status Under Environmental Mitigation Trust Agreement, State Trust Agreement, Form D-3.
[3] Beneficiary Eligible Mitigation Action Certification, State Trust Agreement, Form D-4.

to the State Trust. States that have allocated at least 80% of their initial allocation of State Trust funds may be eligible for supplemental funding from any Remainder Balance.[4]

Table 1. State Trust Agreement Implementation Milestone Dates

Effective Date	Action
October 25, 2016	Partial consent decree approved (2.0-liter diesel vehicles)
November 22, 2016	VW makes initial deposit of $900 million for the Trust Fund (**Initial Deposit**)
March 15, 2017	Wilmington Trust, N. A. appointed to serve as trustee
May 17, 2017	Partial consent decree approved (3.0-liter diesel vehicles)
October 2, 2017	Trust effective date (TED); finalized State Trust Agreement filed with the Court
October 13, 2017	Georgia files Certification for Beneficiary Status Under Environmental Mitigation Trust Agreement designating OPB as Georgia's Lead Agency
January 29, 2018	Trustee published a list of approved State Beneficiaries
January 30, 2018	Georgia submits the Beneficiary Mitigation Plan for the State of Georgia to the Trustee.
October 22, 2024	Georgia submits an updated Beneficiary Mitigation plan for the State of Georgia to the Trustee.

III. Required Elements for the Beneficiary Mitigation Plan for the State of Georgia

Section 4.1 of the State Trust Agreement lists the information that must be contained in the state Beneficiary Mitigation Plans. The Beneficiary Mitigation Plan for the State of Georgia must summarize how Georgia plans to use its allocation of the State Trust funds, addressing:

- Georgia's overall goals for the use of the State Trust funds;

[4] Remainder Balance is the difference between the amount of Trust Assets that have not been expended on or obligated to Eligible Mitigation Actions or prior Trust Administration Costs and the estimated remaining Trust Administration costs.

- The categories of Eligible Mitigation Actions that Georgia anticipates will be appropriate to achieve the stated goals, and the preliminary assessment of the percentages of State Trust funds anticipated to be used for each type of Eligible Mitigation Action;

- A description of how Georgia considers the potential beneficial impact of the selected Eligible Mitigation Actions on air quality in areas that bear a disproportionate share of the air pollution burden in Georgia; and

- A general description of the expected ranges of emission benefits that Georgia estimates would be realized by implementation of the Eligible Mitigation Actions identified in the Georgia Beneficiary Mitigation Plan.

The State Trust Agreement provides that state Beneficiary Mitigation Plans need only provide the level of detail reasonably ascertainable at the time of submission. The Beneficiary Mitigation Plan for the State of Georgia is intended to provide Georgia citizens with insight into the State's high-level vision for its use of the State Trust funds. The Beneficiary Mitigation Plan for the State of Georgia is not binding, nor does it create any rights in any person to claim an entitlement of any kind. OPB may adjust the goals and specific spending plans at its discretion after submission of the Beneficiary Mitigation Plan. If adjustments to the Beneficiary Mitigation Plan are needed, OPB shall provide the Trustee with updates to the Beneficiary Mitigation Plan, and shall make the updates available to the public at https://opb.georgia.gov/vw-settlement-agreement.

A. Georgia's overall goal for the use of the State Trust funds

The overall goals of the Beneficiary Mitigation Plan for the State of Georgia are:

- To reduce overall NO_x emissions in the State;

- To implement Eligible Mitigation Actions in areas not meeting the national ambient air quality standard (**NAAQS**) for ozone or in an ozone maintenance area;

- To implement Eligible Mitigation Actions that further Georgia's energy, environmental, and economic development goals, including those that support improved mobility;

- To implement Eligible Mitigation Actions with SMART (Specific, Measurable, Attainable, Realistic, and Timely) emissions reductions;

- To implement Eligible Mitigation Actions by working with entities that have administrative and programmatic structures in place for implementing diesel emissions reduction projects;

- To implement Eligible Mitigation Actions that can be completed within three years of request date; and

- To implement Eligible Mitigation Actions requiring no administrative costs from the State Trust funds to implement.

B. The categories of Eligible Mitigation Actions Georgia anticipates will be appropriate to achieve the stated goals, and the preliminary assessment of the percentages of State Trust funds anticipated to be used for each type of Eligible Mitigation Action

The State Trust Agreement provides a full list of Eligible Mitigation Actions in Appendix D-2 of the State Trust Agreement. **Table 2**, below, provides the State of Georgia's initial assessment of the percentages of State Trust funds to be used for each type of Eligible Mitigation Action. Based on Georgia's goals for the use of State Trust funds and public input, Georgia intends to allocate the State Trust funds to replace older, higher-polluting transit buses serving Georgia citizens in the Atlanta Metropolitan Area which bears a disproportionate share of the air pollution burden in Georgia. This area of Georgia is also a nonattainment area for the ozone NAAQS standard.

Table 2. Planned Allocation of State Trust Funds

Categories of Eligible Mitigation Actions	Funding Distribution	Allocation of Funds (%)
1. Eligible Large Trucks	$0	0%
2. **Eligible Buses**	**$63,624,725.56**	**100%**
3. Freight Switchers	$0	0%
4. Ferries/Tugs	$0	0%
5. Ocean Going Vessels Shorepower	$0	0%
6. Eligible Medium Trucks	$0	0%
7. Airport Ground Support Equipment	$0	0%
8. Forklifts and Port Cargo Handling Equipment	$0	0%
9. Light Duty Zero Emission Vehicle Supply Equipment	$0	0%
10. Diesel Emission Reduction Act (DERA) Option	$0	0%
Total	**$63,624,725.56**	**100%**

Three projects have been tentatively selected to receive funding from the State Trust:

- New diesel, all-electric, and hydrogen fuel cell transit buses for the Xpress regional commuter transit system;
- New all-electric terminal-to-terminal transit buses serving Hartsfield-Jackson Atlanta International Airport (**HJA**); and

- New diesel, alternate fueled, and all-electric school buses for Georgia schools via the Georgia Department of Education's Pupil Transportation program.

Georgia does not intend to use any of its allocation from the State Trust for administrative expenditures associated with implementing the selected Eligible Mitigation Actions. This will maximize the emissions benefits of the selected projects.

Project #1. Xpress transit bus replacements

Project #1 is for the replacement of Xpress transit buses. Xpress transit buses operate in 12 Atlanta Metropolitan Area counties and draw ridership from 40 counties. The Xpress buses provide Atlanta Metropolitan Area commuters with a transportation option that also reduces NO_x emissions. The Xpress project was selected due to the system's service area, operating within counties that comprise the Atlanta Metropolitan Area. As stated previously, the Atlanta Metropolitan Area is the only area of the state that is not meeting the current ozone NAAQS. Additionally, the Atlanta Metropolitan Area is disproportionately impacted by NO_x emissions from mobile sources. The Xpress project will benefit the Atlanta Metropolitan Area by reducing NO_x emissions from the public transit buses by replacing older diesel engines with new, efficient diesel engines and/or replacing diesel transit buses with electric transit buses.

Xpress operates 27 routes with a fleet of 165 buses and 27 Park & Ride lots to link Atlanta Metropolitan Area commuters with major employment centers including Downtown, Midtown, Buckhead, and Perimeter Center. Xpress passengers have access to approximately 350,000 jobs within a 15 minute walk of an Xpress bus stop. Other benefits of the Xpress transit system include:

- Removing approximately 2,085,800 vehicles from Atlanta's freeways annually;
- Removing an estimated 175,000 cars from the I-285 and I-20 interchange annually. This location is identified as one of the worst bottlenecks in the U.S; and
- Saving nearly 56 million vehicle miles annually.

The majority of Xpress riders are regular commuters that rely on the service to get to and from work four or more days per week. In FY15, Xpress carried 2 million passengers over 50 million miles, saving all commuters over $120 million in congestion costs. Xpress commuter buses make up less than 2% of the vehicles in the I-85 Express Lanes during the peak commuting hours, but carry nearly 26% of the people using the lanes.

The proposed new Xpress transit buses are a combination of clean diesel and all-electric. Funding for the all-electric transit buses will include charging infrastructure. The purchase of new electric buses is one example of exploring alternative avenues in reducing all types of emissions throughout Georgia. **Figure 1** illustrates that the counties where the areas where Xpress transit buses are operated closely align with the 2008 ozone maintenance area[5] counties. **2024 Plan Update:** To date, 82 eligible Xpress buses have been replaced by new clean-diesel buses utilizing settlement funds. Additionally, Xpress is currently in the process of receiving ten new electric buses that will be deployed to replace eligible diesel buses. This project will be expanded to include the purchase of fuel cell buses alongside the original diesel and electric buses. Funding for the hydrogen refueling infrastructure would be sourced elsewhere, and no settlement funds would be used for refueling infrastructure in line with the Eligible Mitigation Actions. Originally, Georgia's State Road and Tollway Authority (SRTA) received settlement funds and managed the Xpress system project; however, management of the Xpress system has

[5] See Section C. below for discussion of ozone maintenance area counties.

since been taken over by the Atlanta-Region Transit Link Authority (ATL). Beyond the electric bus purchases that are already in progress through SRTA, the ATL will manage any further deployment of Xpress buses purchased with settlement funds.

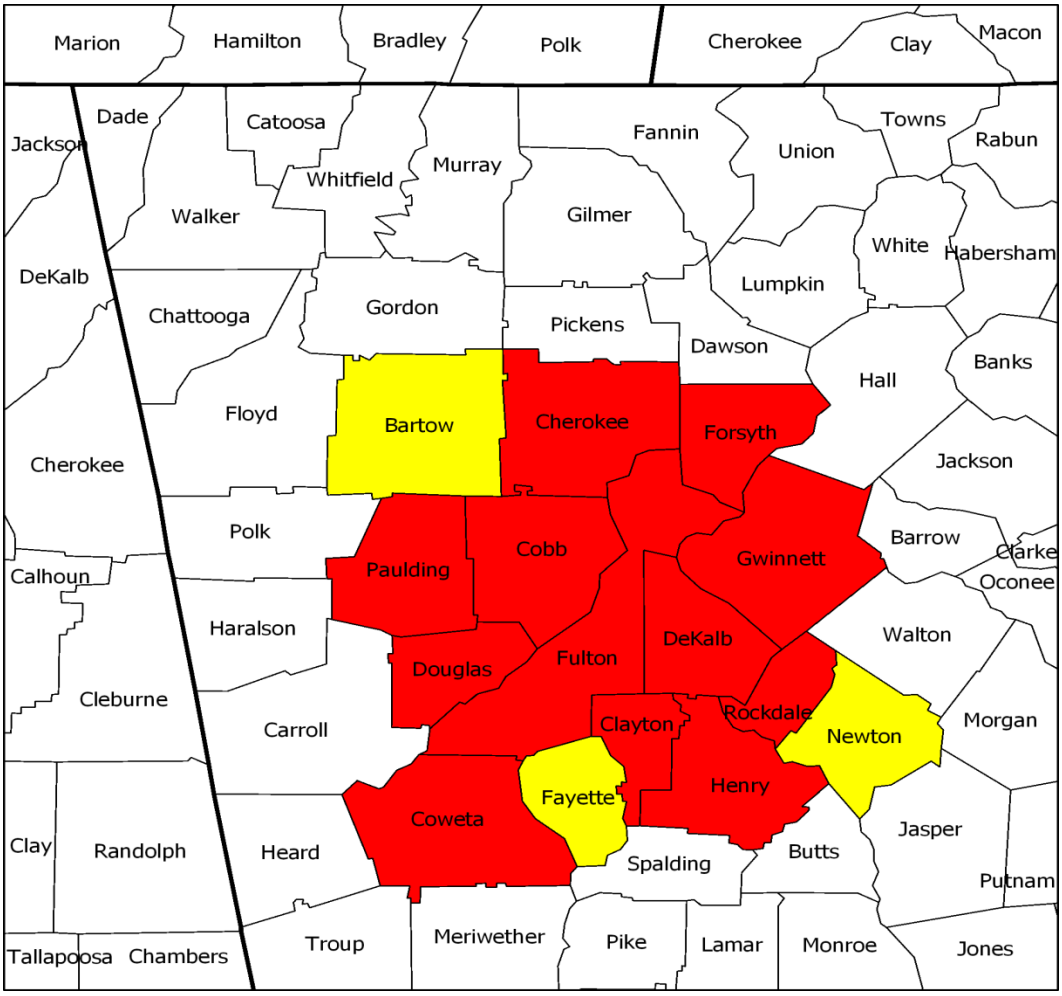

Figure 1. Counties where current Xpress transit buses operate are highlighted in red. The red and yellow counties identify the maintenance area for the 2008 8-hour ozone standard.

Project # 2. All-electric terminal-to-terminal transit bus replacements at Hartsfield-Jackson Atlanta International Airport (HJA)

Project #2 is for the proposed replacement of terminal-to-terminal diesel transit buses at HJA with all-electric buses, including charging infrastructure. The terminal-to-terminal buses transport passengers from the international terminal to the domestic terminal and back. This project is part of an overall strategy at HJA to reduce diesel emissions at the airport. The new electric buses will also reduce NO_x emissions. HJA terminal-to-terminal transit buses operate in Clayton and Fulton counties, which are also part of the 2008 ozone maintenance area.

2024 Plan Update: This project has not materialized, and funds are no longer anticipated to be utilized for this purpose. Due to its inclusion in the State of Georgia's initial Beneficiary Mitigation Plan, it will continue to be included in our semi-annual reporting for transparency.

Project #3. Georgia school bus replacements

Project #3 is for the replacement of diesel school buses or diesel school bus engines with new diesel, alternate fueled, or all-electric alternatives. As of 2024, Georgia schools had over 6,000 diesel buses from 2009 or prior. Of these buses, 2,403 are in active use transporting students to and from school. The replacement of these buses in the Atlanta Metropolitan Area and throughout the state would reduce diesel and NO_x emissions and meet Georgia's overall goals described in **Table 4.** While Georgia school bus fleets are controlled locally, the Georgia Department of Education's (DOE) Office of Pupil Transportation provides significant funding and guidance to Georgia's school systems for the replacement of aging school buses. The funds for Project #3 would be administered in partnership with DOE's Office of Pupil Transportation.

As shown in **Table 3,** Georgia has 2,804 buses that are qualified for replacement in the ten counties that had the most affected VW diesel passenger vehicles. The seven bolded counties are in the Atlanta Metropolitan Area, which is Georgia's nonattainment area and the region that bears a disproportionate share of the state's air pollution. While Project 3 will not be limited to the Atlanta Metropolitan Area, investment in school bus replacement will further Georgia's goal in the original mitigation plan of improving air quality in nonattainment areas.

Table 3. Buses Qualified for Replacement in Impacted Region

GA County	Number of Qualified Buses
Fulton	45
Cobb	381
Gwinnett	1,246
DeKalb	506
Chatham	1
Forsyth	185
Cherokee	184
Columbia	42
Hall	174
Coweta	40
Total	**2,804**

Project #1, #2, and #3 all meet the overall goals established for Georgia's Beneficiary Mitigation Plan, as defined in **Table 4**. Because all projects are for government-owned buses, they are eligible for allocations up to 100% of the cost of the new buses and charging infrastructure.

Table 4. Identified Projects Meet the Overall Goals of the Beneficiary Mitigation Plan for the State of Georgia

Plan Goals	Project #1	Project #2	Project #3
To reduce overall NO_x emissions in the State	Yes	Yes	Yes
To implement Eligible Mitigation Actions in areas not meeting the national ambient air quality standard for ozone, or in ozone maintenance areas	Yes	Yes	Yes
To implement Eligible Mitigation Actions that further Georgia's energy, environmental, and economic development goals, including those that support improved mobility	Yes	Yes	Yes
To implement Eligible Mitigation Actions with SMART emissions reductions	Yes	Yes	Yes
To implement Eligible Mitigation Actions by working with entities that have administrative and programmatic structures in place for implementing diesel emissions reduction projects	Yes	Yes	Yes
To implement Eligible Mitigation Actions that can be fully implemented within three years of award date	Yes	Yes	Yes
To implement Eligible Mitigation Actions requiring no administrative costs from the Trust to implement	Yes	Yes	Yes

Additional Projects:

If there are remaining State Trust funds not used for the implementation of Projects #1 #2, and #3, Georgia will ensure that additional Eligible Mitigation Actions selected support the Georgia Beneficiary Mitigation Plan's overall goals as listed in III.A. In addition, funding priority may also be given to:

- Eligible Mitigation Actions designed to achieve the greatest NO_x emission reduction or offset for the dollar (i.e., capital cost effectiveness in dollars/ton);
- Eligible Mitigation Actions that require cost-share (Eligible Mitigation Actions with verified funding);
- Eligible Mitigation Actions in areas that receive a disproportionate quantity of air pollution from diesel fleets; and
- Eligible Mitigation Actions located in areas with toxic air pollution concerns.

OPB reserves the right to adjust the overall goals of the Beneficiary Mitigation Plan, and the specific Eligible Mitigation Actions selected. If OPB determines that adjustments to the Georgia

Beneficiary Mitigation Plan are needed after submittal to the Trustee, OPB shall provide the Trustee with an update to the Beneficiary Mitigation Plan in accordance with the State Trust Agreement. Any updates will be posted and made available to the public at https://opb.georgia.gov/webform/vw-settlement-agreement.

C. A description of how Georgia considers the potential beneficial impact of the selected Eligible Mitigation Actions on air quality in areas that bear a disproportionate share of the air pollution burden within its jurisdiction

The Atlanta Metropolitan Area bears a disproportionate share of the air pollution burden, including impacts resulting from the VW defeat devices, for the following reasons:

1. NO_x emissions contribute to ground level ozone formation. The Atlanta Metropolitan Area is the only area of the state that is not meeting the current ozone standard (NAAQS).

EPA sets NAAQS[6] for the certain air pollutants, including ozone. Higher levels of ground level ozone can make it more difficult to breathe. Lung diseases such as asthma, emphysema, and chronic bronchitis are aggravated in the presence of high levels of ozone. NAAQS are set at a level that is protective of human health with an adequate margin of safety. The NAAQS are periodically reviewed by EPA, and revised if needed. All of the state of Georgia is currently designated by EPA as attainment or unclassifiable/attainment for the 2008 ozone NAAQS,[7] although the 15-county Atlanta Metropolitan Area is a maintenance area for the 2008 ozone NAAQS. Also, in 2015, EPA lowered the ozone standard to 70 ppb.[8] Some air quality monitors in the Atlanta Metropolitan Area are measuring ozone concentrations that are above the 70 ppb standard.[9] See **Figure 2** for ozone concentrations in the parts of Georgia with ozone monitors.

[6] The United States Environmental Protection Agency (EPA) sets national ambient air quality standards (NAAQS) for the following air pollutants: carbon monoxide, lead, particulate matter, nitrogen dioxide, ozone, and sulfur dioxide.

[7] On June 2, 2017, the EPA finalized the re-designation of the 15-county Atlanta Metropolitan Area to attainment for the 2008 ozone NAAQS. The 2008 ozone NAAQS is a 75 ppb standard (8-hour average).

[8] On November 16, 2017, EPA designated counties in Georgia as attainment/unclassifiable for the 2015 ozone NAAQS, with the exception of counties that are in the Atlanta MSA (39 counties) and the Jacksonville, Florida MSA (Camden County).

[9] Georgia recommended that Bartow, Cobb, Clayton, DeKalb, Fulton, Gwinnett, Henry and Rockdale counties be designated as nonattainment areas for the 2015 ozone standard. On December 20, 2017, EPA announced its intention to follow Georgia's recommendation. The nonattainment designation will be finalized in 2018. Xpress operates in all of these counties, and the terminal-to-terminal transit buses operate in Clayton and Fulton counties.

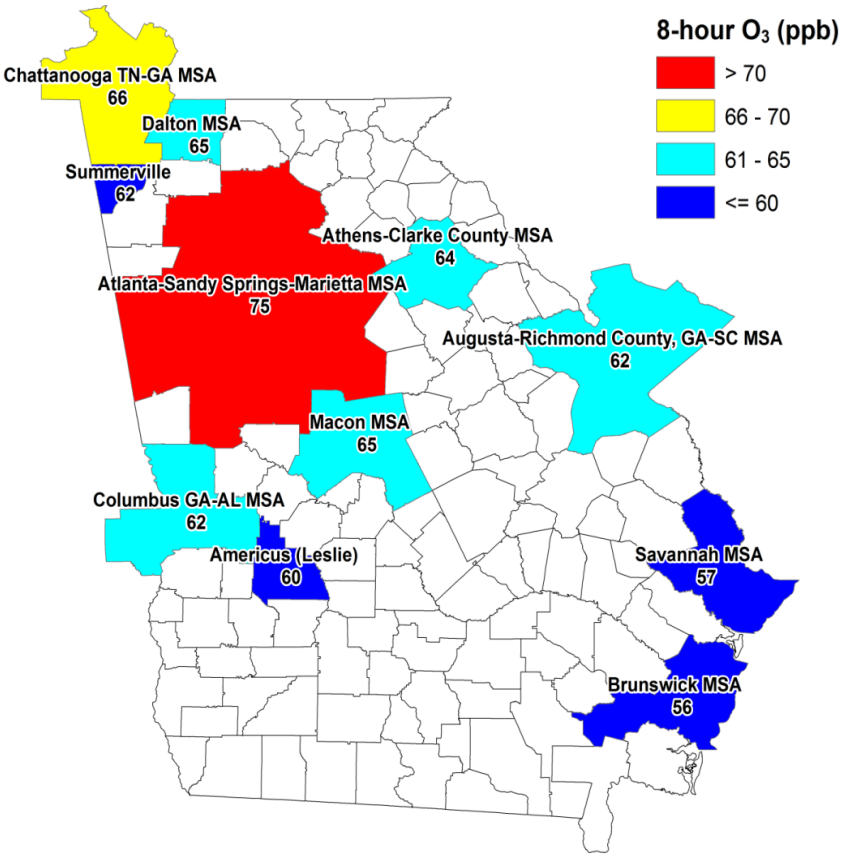

Figure 2. Ozone in Metropolitan Statistical Areas (MSA) in Georgia[10]

The defeat devices utilized by VW in diesel passenger vehicles used software that detected when the diesel passenger vehicles were being tested for compliance with federal manufacturing standards. The defeat device turned on the full emissions control system only during that testing process. During normal driving conditions, the software disabled parts of the emissions control systems, increasing NO_x emissions from the diesel passenger vehicles to up to 40 times[11] EPA standards. The excess NO_x emissions that occurred as a result of the VW diesel defeat devices likely contributed to the high ground level ozone concentrations in the Atlanta Metropolitan Area. Projects #1 and #2 will reduce NO_x emissions in the Atlanta Metropolitan Area. The NO_x reductions are expected to have a positive impact on ground level ozone concentrations.

2. The Atlanta Metropolitan Area is disproportionately impacted by mobile source NO_x emissions.

As shown in **Figure 3**, below, the Atlanta Metropolitan Area is disproportionately impacted by mobile source NO_x emissions, compared to the rest of Georgia. Mobile sources are responsible

[10] Ozone design values for 2014-2016.
[11] https://www.epa.gov/enforcement/reference-news-release-volkswagen-spend-147-billion-settle-allegations-cheating

for 81.6% of the NO_x emissions in the Atlanta Metropolitan Area. Georgia-wide, this percentage is much lower at 66.7%.

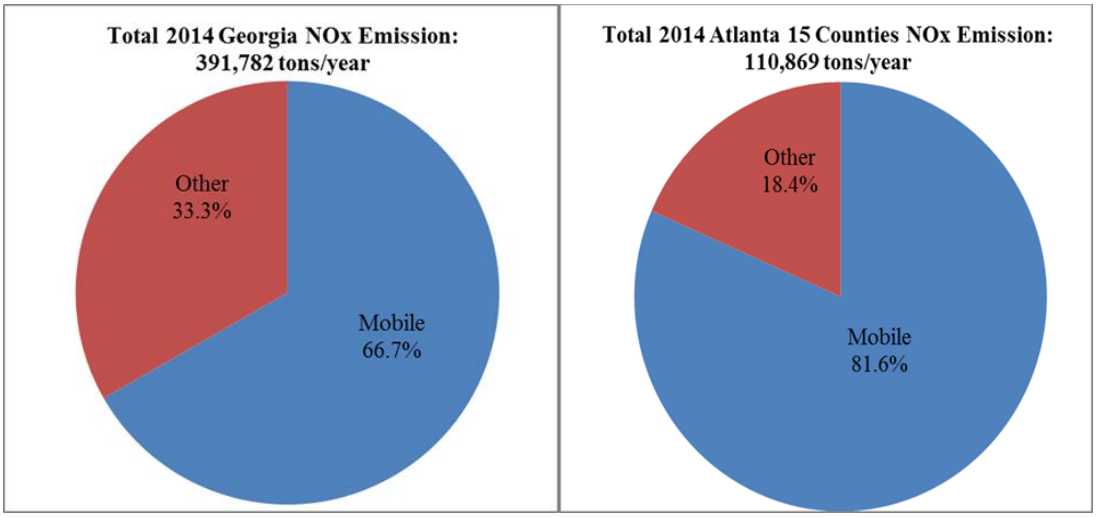

Figure 3. Percent of 2014[12] Mobile NO_x emissions in Georgia versus Atlanta Metropolitan Area

Reducing mobile source NO_x emissions in the Atlanta Metropolitan Area is a highly effective strategy for reducing ground level ozone because ground level ozone formation in Atlanta is NO_x limited.[13] Hence, selecting mitigation projects that reduce mobile source NO_x emissions in the Atlanta Metropolitan Area is a priority of the Beneficiary Mitigation Plan for the State of Georgia. Projects #1 and #2 will reduce mobile source NO_x emissions in the Atlanta Metropolitan Area by replacing higher-emitting diesel transit buses with new diesel and all-electric transit buses.

3. **Seven of the top ten counties in Georgia with the highest number of affected VW diesel vehicles are located in the Atlanta Metropolitan Area**

As shown in bold in **Table 5**, seven of the top ten counties in Georgia with the highest number of affected VW diesel vehicles are located in the Atlanta Metropolitan Area.[14] This demonstrates that the Atlanta Metropolitan Area bore a disproportionate share of the increased air pollution burden as a result of the defeat devices. This is one of the reasons why the Beneficiary Mitigation Plan for the State of Georgia focuses on reducing emissions from diesel engines in the Atlanta Metropolitan Area.

[12] 2014 is the most recent year available for the National Emissions Inventory (NEI).
[13] NO_x limited means that reducing NO_x vs. VOCs is the most reasonable and effective strategy to reducing ozone concentrations. Ozone is formed by a photochemical reaction involving NO_x and VOCs in the atmosphere. In the Atlanta Metropolitan Area, naturally occurring (biogenic) VOCs are much higher than anthropogenic VOCs. Hence, reducing anthropogenic VOCs has little effect on ozone concentrations compared to strategies that reduce anthropogenic NO_x emissions for the Atlanta area.
[14] Based on GA Department of Revenue registration data for Model Years 2009-2014 VW diesel passenger vehicles.

Table 5. Georgia Counties with Affected VW Diesel Passenger Vehicles

GA County	Number of Affected VWs
Fulton	**1,148**
Cobb	**908**
Gwinnett	**898**
DeKalb	**821**
Chatham	365
Forsyth	**357**
Cherokee	**340**
Columbia	232
Hall	232
Coweta	**229**

D. A general description of the expected ranges of emission benefits Georgia estimates would be realized by implementation of the Eligible Mitigation Actions identified in the Beneficiary Mitigation Plan

The range of NO_x emissions reductions expected as a result of the Eligible Mitigation Action projects described in Section III. B. is between 100 tons and 200 tons of NO_x over the life of the new buses.[15] The emissions reductions were calculated using EPA's Diesel Emission Quantifier (DEQ).[16] The NO_x emissions reduction range accounts for potential project variability within the Eligible Bus category for both the Xpress and school bus projects. The Xpress transit buses will be replaced with a combination of new diesel buses, all-electric buses, and hydrogen fuel cell buses. School buses will be replaced with new diesel buses. The intent of the State Trust Agreement is to mitigate the excess emissions that occurred as a result of the use of the VW diesel passenger vehicle defeat devices. Both projects will contribute towards mitigation of the excess emissions that occurred as a result of the VW diesel passenger vehicle defeat devices.

IV. Providing the Public Access to Information

Section 4.2.7 of the State Trust Agreement describes Georgia's obligations with regard to consideration of public input on the Beneficiary Mitigation Plan for the State of Georgia, and for providing the public access to all documentation and records submitted to the Trustee, including those submitted in support of each funding request made by OPB for State Trust funds. The public input plan and public access plan is contained in Certification Form D-3, which was submitted by Georgia to the Trustee on October 13, 2017, and is described below.

[15] DEQ uses 20 years.
[16] https://www.epa.gov/cleandiesel/diesel-emissions-quantifier-deq

A. OPB VW Mitigation Webpage

OPB has created the OPB VW Mitigation Webpage, which can be found at https://opb.georgia.gov/vw-settlement-agreement. The OPB VW Mitigation Webpage provides information regarding the State Trust Agreement and the State Trust. Documents submitted by Georgia to the Trustee will be available to the public on the OPB VW Mitigation Webpage including those submitted in support of each funding request. Information will also be available to the public on the Trustee's website at http://www.vwenvironmentalmitigationtrust.com. The OPB VW Mitigation Webpage will be updated as needed.

B. Public Input Process for Georgia's Draft Beneficiary Mitigation Plan

The OPB VW Mitigation Webpage provided a centralized site for receiving comments and suggestions from Georgia citizens prior to the development of Georgia's Draft Beneficiary Mitigation Plan. Interested parties were provided the opportunity to submit proposed mitigation plans or projects via the OPB VW Mitigation Webpage, and offer input on plan development through an online survey. **Table 6**, below, summarizes the survey results[17] on the types of Eligible Mitigation Actions that commenters felt should be included in the Georgia Beneficiary Mitigation Plan. Note that eligible buses was the eligible mitigation option selected most often by commenters and is the primary mitigation option chosen for the Georgia VW mitigation plan.

[17] The survey allowed the public the option of selecting more than one mitigation action.

Table 6. Survey Results Received on Preferred Mitigation Options Prior to Mitigation Plan Development[18]

Eligible Mitigation Options	Selected by Commenters (Prior to 12/5/2017)	Selected by Commenters (After 12/5/2017)	Selected by Commenters (Total)
1. Eligible Large Trucks	32	2	34
2. Eligible Buses	**39**	**9**	**48**
3. Freight Switchers	11	2	13
4. Ferries/Tugs	7	1	8
5. Ocean Going Vessels Shorepower	8	0	8
6. Eligible Medium Trucks	27	4	31
7. Air Ground Support Equipment	14	3	17
8. Large Forklifts and Port Cargo Handling Equipment	11	2	13
9. Light Duty Zero Emission Vehicle Supply Equipment	17	7	24
10. Diesel Emission Reduction Act (DERA) Option	29	4	33

Georgia's draft Beneficiary Mitigation Plan was made available to the public on the OPB VW Mitigation Website on December 5, 2017 for a 30-day public comment period. The comments received on the draft plan are summarized below and in **Table 7**.

Table 7. Summary of Comments Received about the Draft Mitigation Plan During the 30-Day Comment Period

Eligible Mitigation Options	Selected by Commenters
Support of Draft Mitigation Plan	11
Would Like Other Options Considered	17

Of the 17 comments received supporting alternate options, recommendations included:

- Utilization of other clean fuels for the buses (e.g., CNG or propane);
- Funding for electric vehicle infrastructure and other all-electric eligible mitigation options;

[18] Comments and input received prior to the end of the public comment period and release of Final Beneficiary Mitigation Plan.

- Funding for other eligible mitigation projects, including those outside of the Atlanta Metropolitan Area;
- Requiring matching funds for the mitigation options selected and leveraging other funding options; and
- Ensuring the maximum NO_x reductions for the lowest cost.

After careful review of the comments received on the draft Beneficiary Mitigation Plan, the State of Georgia has determined that Xpress transit bus and HJA terminal-to-terminal bus projects meet the overall goals of the Georgia Beneficiary Mitigation Plan. No changes were made in the selected projects as a result of the comments received from Georgia stakeholders. The State of Georgia will use the information submitted in response to the draft Beneficiary Mitigation Plan to develop additional projects, in the event that supplemental funding from the State Trust is made available to Georgia.[19]

V. Process for Updating Georgia's Beneficiary Mitigation Plan

The Beneficiary Mitigation Plan for the State of Georgia is intended to provide Georgia citizens with insight into the State's high-level vision for use of the State Trust funds. The Beneficiary Mitigation Plan for the State of Georgia is not binding. The State of Georgia may adjust the goals and specific spending plans as warranted. As the Beneficiary Mitigation Plan is being modified, OPB is complying with its responsibility to provide the Trustee with updates to the Beneficiary Mitigation Plan for the State of Georgia, and will make this update available to the public at https://opb.georgia.gov/vw-settlement-agreement.

VI. Conclusion

This Beneficiary Mitigation Plan for the State of Georgia was developed in accordance with the requirements of the State Trust Agreement.

This plan summarizes:

- Georgia's overall goals for the use of the State Trust funds;
- The categories of Eligible Mitigation Actions that Georgia anticipates will be appropriate to achieve the stated goals, and the preliminary assessment of the percentages of State Trust funds anticipated to be used for each type of Eligible Mitigation Action;
- A description of how Georgia considers the potential beneficial impact of the selected Eligible Mitigation Actions on air quality in areas that bear a disproportionate share of the air pollution burden; and

[19] Section 5.4 of the Trust Agreement

- A general description of the expected ranges of emissions benefits that Georgia estimates would be realized by implementation of the Eligible Mitigation Actions identified in the Beneficiary Mitigation Plan.

After evaluation of Eligible Mitigation Action options and consideration of the public comments provided, Georgia intends to use all of the State Trust funds currently allocated to Georgia to replace older, higher-polluting buses serving Georgia citizens with new buses with lower emissions. Two specific projects have been identified in Georgia's Beneficiary Mitigation Plan Update: replacing diesel transit Xpress buses with new diesel, all-electric, and fuel cell buses and replacing diesel school buses with new buses with lower emissions. The selected projects meet the overall goals of Georgia's Beneficiary Mitigation Plan and will reduce mobile source NO_x emissions in the Atlanta Metropolitan Area and around the state. The Atlanta Metropolitan Area is the only area of the state that is not meeting the 2015 ozone NAAQS, and the majority of the VW passenger diesel vehicles sold or leased in Georgia with the defeat devices were located in the Atlanta Metropolitan Area.