



State of New Jersey

Department of Environmental Protection

PHILIP D. MURPHY
Governor

CATHERINE R. McCABE
Commissioner

SHEILA Y. OLIVER
Lt. Governor

PROJECT SOLICITATION

OVERALL GOAL

The State of New Jersey, as a beneficiary of the Trust established pursuant to the national Volkswagen settlement, intends to use its allocation from the mitigation trust to efficiently implement projects that reduce oxides of nitrogen (NOx) emissions in a cost effective and technically feasible manner. The implemented projects must meet the criteria of the Consent Decree. New Jersey is issuing this solicitation for project ideas to ensure a broad range of project ideas are considered.

Submissions must contain all the information outlined in the “Project Proposals” section of this document.

ELIGIBLE PROJECTS

A general summary is below. [Click here for comprehensive list and associated definitions.](#)

Source Category	Emission Reduction Strategy	Allowed Expenditure Amount
1. Class 8 local freight trucks & port drayage trucks	Repower and replacement	Up to 40% for repower with diesel or alternative fuel or up to 75% (up to 100% if government owned) for repower with electric. Electric charging infrastructure costs are eligible expense. Up to 25% for replacement with diesel or alternative fuel or up to 75% (up to 100% if government owned) for electric replacement. Electric charging infrastructure costs are eligible expense.
2. Class 4-8 school bus, shuttle bus or transit bus	Repower and replacement	Same as row 1
3. Freight switching locomotives	Repower and replacement	Same as row 1
4. Ferries/Tugs	Repower	Same as row 1
5. Oceangoing vessels	Shorepower	Up to 25% for shore side infrastructure if non-government owned (up to 100% if government owned)

6. Class 4-7 local freight trucks	Repower and replacement	Same as row 1.
7. Airport ground support equipment	Repower and replacement	Up to 75% to repower or replace with electric (up to 100% if government owned). Electric charging infrastructure costs are eligible expense.
8. Forklifts and Port Cargo Handling Equipment	Repower and replacement	Up to 75% to repower or replace with electric (up to 100% if government owned). Electric charging infrastructure costs are eligible expense.
9. Electric vehicle charging stations or hydrogen fueling stations for light duty vehicles only		<p>Up to 100% to purchase, install and maintain infrastructure if available to public at <i>government owned</i> property.</p> <p>Up to 80% to purchase, install and maintain infrastructure if available to public at <i>non-government owned</i> property.</p> <p>Up to 60% to purchase, install and maintain infrastructure at a workplace or multi-unit dwelling that is not available to the general public.</p> <p>Up to 33% to purchase, install and maintain infrastructure for publicly available hydrogen dispensing that is high volume or up to 25% for lower volume.</p>

PROJECT PROPOSALS (Open with Adobe Reader)

Electronic submittals are preferred and should be sent to VWComments@dep.nj.gov however paper submittals will also be accepted and should be sent to:

NJDEP
 Division of Air Quality
 Mail code 401-02E
 Trenton, NJ 08625-0420
Attn: VW Settlement

All proposals must contain the following information; incomplete applications will not be considered. If your project is selected, you may be contacted for additional detailed information. Send questions to VWComments@dep.nj.gov

To enter information electronically use Adobe Reader

CONTACT INFORMATION

Organization Name	Avalon Transportation, LLC
Organization Address	89 Ridge Road
City, State Zip Code	North Arlington, New Jersey 07031
Contact Person	Jeffrey Brush
Title/Position	President
Phone	201-997-7368
E-mail	jeff@avalontrans.com

PROJECT NAME Avalon Transportation - Reducing 132 Tons of NOx and 311,000 Tons of CO2 Through a 5-Year Capital Acquisition Strategy

PROJECT CATEGORY OR CATEGORIES (choose from 1-9 in "Eligible Projects" section above)

1 2 3 4 5 6 7 8 9

PROJECT PRIORITY Priority # 1 of 1 proposals

If submitting more than one proposal, what is the sponsor's priority of this proposal?

NOTE FOR CATEGORY 9 PROPOSALS:

If your proposal is for Category 9, and you are proposing Level 1 and/or Level 2 electric vehicle charging stations, complete only the following sections of this form: Contact Information, Project Name, Project Category or Categories, and Project Priority. Submit the form without completing the remaining questions.

Then, go to [It Pay\\$ to Plug In – NJ's Electric Vehicle Charging Grants Program](#), and apply for a Charging Grant. Volkswagen funds for Level 1 and Level 2 charging stations will be administered through It Pay\$ to Plug In.

If your proposal is for Category 9, and you are proposing DC Fast Chargers and/or hydrogen fueling stations for light duty vehicles, you must complete all of the questions on this form.

PROJECT BUDGET \$ 14,700,000.00

Provide total estimated project budget, include source and amount of cost share if applicable.

We are seeking VW settlement funding of \$3,675,000 which is 25% of our project budget. Balance of Project To Be Secured By Avalon Transportation and through the Diesel Emissions Reduction (DERA) Program in the State of New Jersey.

PROJECT DESCRIPTION (Briefly describe the project by completing the following questions)

Geographic area where emissions reductions will occur? Trenton, Newark, Paterson, Elizabeth

Estimated size of population benefitting from the emission reductions? 1,332,000.00

Estimated useful life of the project? 280 Years (10 years for 28 vehicles)

Number of engines/vehicles/vessels/equipment included in the project? 28

Estimated emission benefits should be expressed in tons per year (TPY) of emission reduced for NOx and for PM 2.5 over the lifetime of the project. Identify methodology used.

Estimated NOx benefits? 11.02 TPY

Methodology Used? EPA Diesel Emissions Quantifier

Particulate matter (PM 2.5) benefits? 0.22 TPY

Methodology Used? EPA Diesel Emissions Quantifier

Will the project benefit one or more communities that are disproportionately impacted by air pollution? If so, please describe.

Avalon Transportation's project is designed to aid in the reduction of pollutants within northern New Jersey and southern New Jersey of which each have been designated within the severe pollutant classifications based on the state's ozone non-attainment areas.

Project partners, if any?

Avalon, after completing due diligence factoring an independent review regarding cost-benefit analysis and United States Department of Transportation safety considerations, is working with MCI.

Explain how the project will provide cost effective and technically feasible emission reductions. Cost effectiveness should be expressed in dollars per ton per year of emissions reduced for NOx and for PM 2.5.

Avalon Transportations' project evaluated NOx cost effectiveness of the entire project and is \$111,120 per unit. Also, this projects' PM 2.5 cost effectiveness for each unit over the cost of a year is \$5.699 million.

Estimated timeframe for implementation? Include a project timeline that identifies start and end dates, as well as the timeframe for key milestones.

Under our proposed project, Avalon Transportation has identified a project timeline where it will replace 28 units between calendar year 2019 and 2022. Our project will replace 7 units in 2019, 7 units in 2020, 7 units in 2021 and 7 units in 2022.

Demonstrated success in implementing similar projects?

Avalon Transportation, in the last 5 years, has been implementing clean diesel technology projects for on-road passenger-carrier transportation and transit service where the company has delivered 158 new clean diesel units into service and more than 14.086 million total miles traveled including 5.638 million miles traveled in calendar year 2017. In CY2017, Avalon Transportation traveled 5.638 million miles using clean diesel technology in New Jersey equating to 373 NOx short tons reduced.

If your proposed project involves alternative fuels, provide a demonstration of current or future plans to provide adequate refueling infrastructure.

Not Applicable

Has your organization been approved to receive and expend any other grant funds related to this project? If so, please provide details.

Not yet. Our plans include to request an additional 25% through the state of New Jersey DERA program in order to attain 50% matching funds.

Please provide any additional information that supports this project.

Avalon Transportation is committed to safe, effective and affordable passenger-carrier transportation and transit service in the state of New Jersey. Through our North Arlington, New Jersey terminal and garaging point, Avalon Transportation travels more than 5 million miles annually within the state of New Jersey and through each non-attainment ozone designated area within our service areas.

As a part of our due diligence, we evaluated MCI and their J ULSR series to meet both cost-benefit analysis goals as well as ensuring that bus manufacturers met USDOT safety laws and regulations, including FMVSS 136 (electronic stability control).

Based on our due diligence, only MCI clean diesel CMV units are designed to meet electronic stability control requirements and all USDOT safety laws designed to safeguard passengers since Proterra, BYD and New Flyer are not nor have they provided any 3rd party, independant documentation showing that they are going to meet the FMVSS 136 mandate in light of their marketing strategy to sell units designed to travel outside of the 100-air mile radius, including to NHTSA.

Additionally, on a cost-benefit analysis basis, MCI is achieving diesel emission reduction at a cost less than Proterra, BYD and New Flyer by more than 30% while achieving only a 2% reduction in both NOx and PM 2.5 emissions reduced. Based on both safety requirements to have a bus safely operate on a public road, since Proterra, BYD, and New Flyer are now marketing their products to travel outside of an air-mile radius, which precludes any USDOT exemption language to not follow FMVSS laws like FMVSS 136, as well as the cost-benefit analysis through the EPA DEQ.

Two additional pages have been provided as supplemental space to answer any of the questions above.

Supplemental Page 1

Based on an exhaustive due diligence process, MCI and its J series was selected, in accordance to state and federal procurement regulations, because the company and its J series engine, transmission and exhaust system technology needed to complete our proposed project to reduce diesel emissions in accordance to the state of New Jersey's EPA goals and to the VW Settlement Mitigation Funds' goals.

