

Driving Illinois Forward: VW Settlement Opportunities

Under the recent **Volkswagen Clean Air Act Civil Settlement**, Midwest states stand to receive more than \$420 million for local air quality efforts, including electric vehicle infrastructure and air quality mitigation efforts (targeting vehicle and equipment upgrades).

The settlement provides an opportunity to offset more than 40,400 tons of NOx pollution resulting from illegal defeat devices in VW vehicles. This creates a unique opportunity and obligation for Midwest states to modernize public vehicle fleets and infrastructure, reduce harmful diesel pollution, and stimulate economic development across the region.

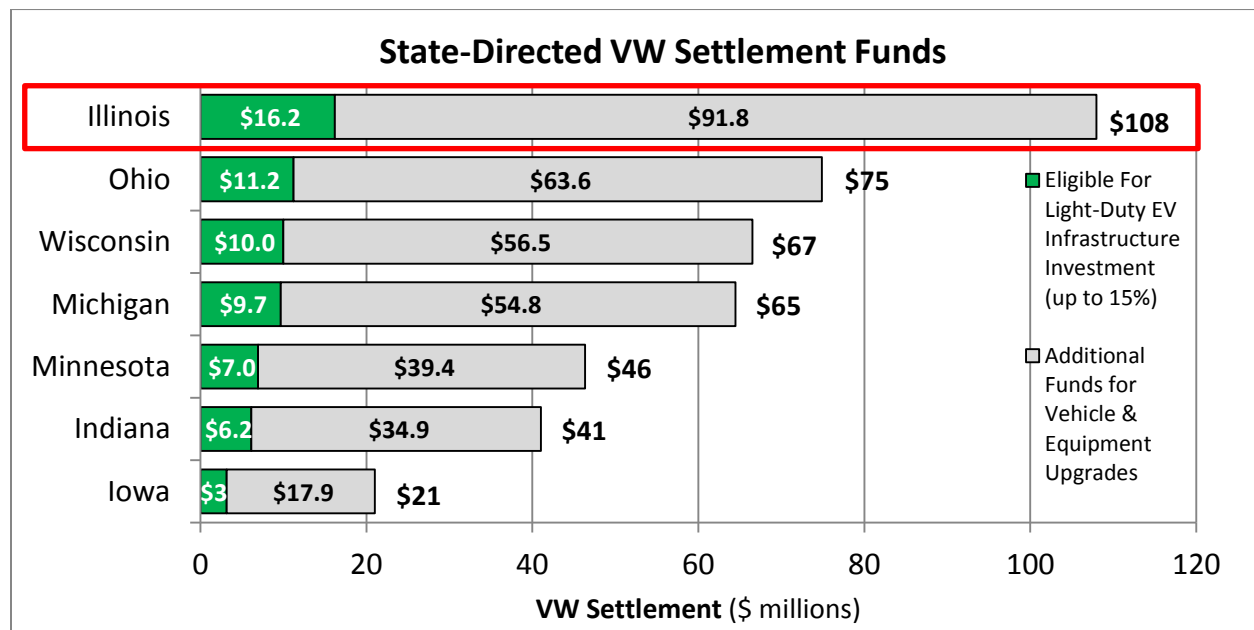
Illinois's VW Settlement Actions To-Date:

- Illinois has not yet appointed a lead agency, but questions and comments can be directed to Brad Frost at brad.frost@illinois.gov.



Seizing the VW Opportunity

Illinois has been allocated \$108 million through the VW Settlement Mitigation Trust. These funds must be used towards 10 eligible vehicle and equipment upgrades, with a maximum of 15% (\$16.2 million) for light-duty electric vehicle infrastructure.



Evaluating Eligible Uses of Funds:

In evaluating potential investments in eligible vehicles, equipment, and technologies, Illinois should focus on specific opportunities to minimize NOx emissions and human exposure while maximizing cost effectiveness and market impact. Mitigation investments should also seek to protect and improve quality of life for Illinois's most vulnerable and disproportionately affected residents, including children.

| Key Mitigation Considerations | Eligible Technologies | Eligible Vehicles & Equipment |
|--|---|---|
| <p>1. NOx Reduction: Number of vehicles and emissions per vehicle</p> | <p>All-Electric / Zero Emission Vehicles (ZEV)</p> | <p>1. Class 8 Trucks</p> |
| <p>2. Human Risk / Exposure: Location, routes, hours, in relation to population</p> | <p>Alternative Fuel (ex: CNG, propane)</p> | <p>2. School, Transit, & Shuttle Buses</p> |
| <p>3. Cost-Effectiveness: Total costs and benefits of ownership</p> | <p>New Diesel / Hybrid Vehicles</p> | <p>3. Freight Switchers</p> |
| <p>4. Anticipated Market Impact: Potential to develop new markets</p> | <p>High-Impact Midwest Opportunities</p> | <p>4. Ferries / Tugs</p> |
| <p>5. Public Benefit: Opportunity to upgrade public assets</p> | | <p>5. Ocean-Going Vessels</p> |
| | | <p>6. Class 4-7 Trucks</p> |
| | | <p>7. Airport Ground Support Equipment</p> |
| | | <p>8. Forklifts & Port Cargo Equipment</p> |
| | | <p>9. Light-Duty EV Infrastructure</p> |
| | | <p>10. DERA Project Non-Federal Fund Match</p> |

High-Impact Opportunities to Drive the Electric Vehicle Market Forward:

- Maximizing the allowable 15% of funds for light-duty electric vehicle infrastructure and prioritizing investment in electric vehicle fast-chargers along Illinois's National Charging Corridor highways (I-80, I-90, I-94, I-39, I-55 & I-74)
- Investing the remaining 85% of funds in electric vehicle upgrades for large, public fleets that operate in densely-populated areas, such as school and transit buses
- Electric school buses can uniquely support renewable integration with the electric grid which can help Illinois achieve its renewable portfolio standard of 25% by 2025

What is ELPC doing?

ELPC is supporting state efforts to maximize this opportunity to modernize public vehicle fleets, reduce harmful air pollution, and grow the Midwest's clean transportation economy.

ELPC's Webinar: Electric School Buses - A VW Settlement Opportunity

This [webinar](#) provides an overview of electric school bus benefits and funding opportunities, with updates and case studies from electric school bus pilot programs across the US.