

Department of Environmental Quality Divisions' Comments

March 10, 2022

Mike Abraczinskas, Director of Division of Air Quality

The Division of Air Quality has submitted the [Volkswagen Mitigation Plan for Phase 2](#) of the state's share of a national settlement with the automaker. The plan details how North Carolina will invest the remaining \$68 million on projects to significantly reduce NOx emissions and improve air quality.

Based on the success of Phase 1 and public feedback on the Phase 2 draft plan, the Phase 2 plan includes:

- 40% (approx. \$27.2 million) for school bus replacements,
- 20% (approx. \$13.6 million) for transit bus replacements, and
- 20% (approx. \$13.6 million) for heavy-duty equipment replacement.
- 15% (approx. \$10.2 million) for Zero Emission Vehicle Infrastructure that will increase the state's charging capacity.
- The remainder will cover DAQ's administrative costs of implementing the program.

In Phase 2, DEQ will prioritize electric vehicle replacement projects to maximize emission reductions and public health benefits.

Since the Phase 2 plan was submitted to the trustee of the Volkswagen Mitigation Fund, the Division of Air Quality has released request for proposals for several program categories, including:

- The Transit and Shuttle Bus Program Request for Proposal (RFP) was released on February 1, 2022. Under that opportunity, there's \$13.6 million available to replace older, diesel transit or shuttle buses with cleaner low emission vehicles. That RFP closes May 2, 2022.
- The DC Fast Charging Infrastructure RFP was released on February 14, 2022. Under that opportunity, there's ~\$4.99 million available for funding new DC Fast charging sites along identified priority corridors to support zero emission vehicle (ZEV) travel. Projects under this RFP can be submitted by eligible businesses, incorporated nonprofits, and state, local, tribal or municipal government agencies. That RFP closes May 16, 2022.
- The Level 2 Charging Station at State Government sites RFP was released on February 28, 2022. Under that opportunity, ~\$1.0 million is available for installing new light-duty ZEV level 2 charging stations at state agencies and state-managed attractions. That RFP closes April 1, 2022.
- Upcoming RFPs will be released for the:
 - School Bus Program - March
 - Level 2 Charging Program (publicly accessible) - March
 - Clean Heavy-Duty Equipment & Vehicle Replacement Program - April

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- DC Fast Charging Program (existing site capacity increases) - April
- Level 2 Charging Program (multi-unit dwellings) - May
- Level 2 Charging Program (non-state government workplace) - May

DAQ will prioritize electric vehicle replacement projects to maximize emission reductions and public health benefits. Projects within the 37 counties identified as Historically Under-Resourced (Appendix D of the RFP) are eligible for bonus project scoring points as well as additional technical support during the application process. Outreach to those counties is underway via in-person outreach meetings conducted by DAQ staff.

Specific information on the timelines and applications will be available online [here](#). If you would like to receive email updates about this topic, please send an email with the word Subscribe in the subject line to daq.NC_VWGrants@ncdenr.gov

NC Grant Programs (2022-2024)	Subprogram	Eligible Action Category		Eligible Fuels	2022 – 2024 Funding (Phase 2)	
					Targeted Percent*	Targeted Funding Amount
Diesel Bus & Vehicle Replacement Program**	School Bus Replacement Program	Class 4-8 school buses ***		All (electric, diesel, propane, natural gas)	40%	\$27,196,866
	Transit Bus Replacement Program	Class 4-8 transit and shuttle buses			20%	\$13,598,433
	Clean Heavy-Duty Equipment & Vehicle Replacement Program	Class 4-8 equipment and vehicles such as local freight trucks, ferries, forklifts, and switcher locomotives		Priority will be given to electric replacements	20%	\$12,918,511
		Diesel Emission Reduction Act (DERA) Program				\$679,922
ZEV Infrastructure Program		DC Fast Program	Public Access – Priority Corridors	Not Applicable	15%	\$4,997,424
			Public Access – Existing Site Upgrades			\$2,141,753
		Level 2 Program	Public Access			\$1,070,877
			Workplace			\$489,544
			Multi-Unit Dwelling			\$489,544
		State Government	Level 2 Fleet, Workplace & State Attractions Charging			\$1,009,684
		DEQ Administrative Costs				
					Total:	\$67,992,166

*Percentage of available settlement funds targeted in these eligible categories for 2022 – 2024.

** DEQ is developing an outreach program to help counties that historically do not have the resources to effectively identify eligible vehicles and ZEV infrastructure opportunities for grant programs and submit quality applications (see Appendix E). Applications from these counties may also receive scoring bonuses.

***DEQ is prioritizing electrification with the goal of awarding at least 50% to electric school bus replacements.

Michael E. Scott, Director of Division of Waste Management

NC General Assembly:

- [S.L. 2021-165](#) (H951, eff. 10/13/21) Section 3 requires the Department to develop a plan by March 1, 2022, to ensure adequate financial resources for the decommissioning of utility-scale solar projects to be submitted to the General Assembly for legislative action. Several DEQ programs contributed to the plan that was submitted to the General Assembly last week. An informational item was presented to the GWWMC on March 9, 2022 regarding the plan.

Rulemaking Updates:

- Proposed Amendments of 15A NCAC 13A to add solar panels as a universal waste and to clarify hazardous waste requirements (DWM) is proposed for the GWWMC in May or July of 2022.

Additional Items:

- On November 2, 2021, DEQ filed a Complaint and Motion for Injunctive Relief in Mecklenburg County Superior Court to require Colonial Pipeline to meet their obligations as the responsible party in the state's largest gasoline spill. The complaint addresses key issues at the Huntersville, NC spill site to include the product release volume, PFAS detections and vertical extent of contamination. DEQ has continued discussion with Colonial Pipeline regarding the areas identified in the complaint and the path forward.
- Multiple DWM programs have been assisting with the response to the Weaver Fertilizer plant fire in Winston-Salem that occurred in late January. Specific assistance has been provided regarding materials management and offsite disposal.
- Additional work related to the Chemours site is now underway in the lower Cape Fear region of NC. Chemours will be conducting private well sampling in this region along with plans for a broader environmental assessment in this area. DEQ recently sent comments to Chemours regarding this additional scope of work.

Brian Wrenn, Interim Director of Division of Energy, Mineral & Land Resources

- The Department has accepted the first onshore wind energy project to go through the Permitting of Wind Energy Facilities process laid out in N.C.G.S. §143-215.115-126. Apex Clean Energy proposes to construct and operate the Timbermill Wind, LLC project, a 45-wind turbine system with associated facilities on approximately 6,300 acres in Chowan County with a nameplate wind energy capacity of 189 megawatts (MW). A request for a preapplication site evaluation meeting and preapplication package were received from Apex in June 2021. A draft application was received in November 2021 and the scoping process will be completed on March 22, 2022. We expect to receive the final application in late April 2022. A public hearing is required as part of the application review process.
- The Division continues to work with NC Emergency Management to establish the Dam Watch system. This is an early warning system that alerts emergency response personnel to potentially dangerous conditions at 130 dams across the state. The system will monitor water levels in the impoundments and rainfall data across the state. This system will allow state and local agencies to plan and prioritize response services for severe rain events. Training on use of the system will begin at the end of March and continue into April.

S. Daniel Smith, Director of Division of Water Resources

North Carolina Manufacturing Alliance Workshop (NCMA)

On February 15, 2022, DWR participated in the NCMA workshop. This included staff from the DWR's Planning Section, Water Quality Permitting Section, Public Water Supply, and Water Quality Regional Operations Section. DEQ staff presented on more than 13 different topics that ranged from emerging compounds, inspections, as well as questions and roundtable discussions with RO supervisors.

DRAFT Yadkin-Pee Dee River Basin Water Resources Management Plan

The [2022 DRAFT Yadkin-Pee Dee River Basin Water Resources Management Plan](#) (basin plan) is available for public review and comment. The 2022 basin plan is the fourth document to be developed for the basin by the Division of Water Resources' (DWR) Basin Planning Branch (BPB). Information presented in the basin plan is a cumulative effort involving many agencies and stakeholders across the basin and BPB. DWR thanks all those involved with developing and reviewing the document.

The deadline to submit comments is Friday, March 11, 2022. Comments can be emailed to Ginny Baker (virginia.baker@ncdenr.gov) or sent via USPS to: DWR – Basin Planning Branch, ATTN: Ginny Baker, 1611 Mail Service Center, Raleigh, NC 27699-161.

319 Grant Program

The Division of Water Resources (DWR) is accepting proposals for approximately \$1.3 million in federal grant money to address the State's water bodies most impacted by nonpoint pollution.

Through Section 319(h) of the Clean Water Act ([319 Grant Program](#)), the U.S. Environmental Protection Agency provides states with funding to reduce nonpoint source pollution. North Carolina awards the grant money to qualifying applicants with an approved restoration plan for a water body listed by the State as [impaired](#).

State and local governments, interstate and intrastate agencies, public and private nonprofit organizations, and educational institutions are eligible to apply for 319 funding. Interested community organizations may partner with an eligible entity to participate.

Applications will be accepted through May 4, 2022. An interagency workgroup will review the proposals and schedule interviews for eligible candidates in June, and awards will be announced this summer.

Animal Waste Management Digester System General Permits.

The North Carolina Department of Environmental Quality (DEQ)'s Division of Water Resources will hold four public meetings in April on draft Animal Waste Management Digester System General Permits. Three meetings will be in-person and a fourth will be online via Webex. Members of the public are invited to attend and submit comments on the draft permits.

The three draft General Permits cover the installation and operation of digester systems at existing swine, cattle and wet poultry operations. The Digester System General Permit drafts are available online.

DEQ is conducting these meetings as part of its commitment to a transparent public engagement process during the development of the general permits. During this process, the Department held two technical stakeholder workgroup meetings and a virtual public input session in late 2021. A summary of the stakeholder workgroup and recording of the input session is available online.

The upcoming public meetings on the Draft General Permits will be held from 6-9 p.m. Members of the public who wish to speak at the meetings will be able to sign up upon arrival.

- April 5, 2022: James Sprunt Community College, Monk Auditorium, 133 James Sprunt Drive, Kenansville 28349 (Duplin County)
- April 7, 2022: Sampson County Exposition Center, 414 Warsaw Road, Clinton 28328 (Sampson County)
- April 19, 2022: Statesville Civic Center, 300 S. Center Street, Statesville 28677 (Iredell County)
- A virtual meeting will also be held through Webex from 6-9 p.m. on April 21, 2022. [2022 Digester System General Permits | NC DEQ](#)