



Freedom CNG®
New power for the road ahead

Date: January 18, 2018
To: Texas Commission on Environmental Quality
From: Freedom CNG

Re: **VW Settlement Comments and Suggestions from Freedom CNG**

If Texas were a country, it would be the third largest natural gas producing country in the world. The oil and natural gas industry produces \$13.6B dollars for the Texas economy. At the same time, the natural gas industry has been focused on improving environmental stewardship and reducing methane leakage. **Methane emissions per unit of natural gas produced have declined continuously since 1990, down -46%, and in the pipeline distribution segment during the same period down -75%. The EPA Emission Inventory reveals that natural gas distribution systems have a small emissions footprint shaped by a declining trend.**

(American Gas Association Report May 2017)

Natural gas enjoys proven and reliable transportation technologies **TODAY** to reduce NOx and improve air quality across the State. We have major Texas cities in Ozone non-attainment status, experiencing accelerated population growth trends and more traffic is projected for the future. The sense of urgency to utilize funds for air quality improvement is paramount. Texas can be a leader in alternative fuel adoption by simplifying the incentives process, funding vehicles fairly and prioritizing the use of VW funds for vehicles that can substantially improve air quality **TODAY** (i.e. replacing heavy duty diesel trucks). Electric vehicles are favored in this trust by funding up to 70% of cost and when operating on Texas roads, will not be required to pay a fuel road tax like CNG, LNG and propane powered vehicles. We are strongly requesting that all alternative fuels be treated equally.

There are over 9,000 Texas domiciled natural gas vehicles operating daily in our cities and on Texas roads, not including natural gas fleet vehicles operating in the surrounding states of OK, AR, NM, LA, CO that may pass through Texas. Texas is home to over 150 natural gas stations today from Amarillo to Beaumont. Natural gas infrastructure in Texas has recently been tested by natural disasters and has earned high marks for uptime and reliability. Underground gas delivery was unaffected during these local emergencies; back-up power generators had gas pumping at many CNG stations throughout these events, while gasoline, diesel and electric supplies were interrupted. Houston Metro and TXDOT both said CNG gave them added fuel security during these emergency events.

6002 Debbielou Gardens Drive ◇ Houston, Texas 77034
(281) 484-3875 ◇ [REDACTED] ◇ Fax: (281) 922-1474

We respectfully request that the Commission consider prioritizing the available VW funds for heavy duty class 8 trucks, transit buses, refuse trucks, medium duty class 4-7 trucks and school buses. In the Houston area for example, this fleet segment produces 66% of the mobile emissions and only 20% of the vehicle miles driven. (HGAC annual report 2017)Utilizing the available funds in this manner provides the greatest air quality improvement for the dollars spent reducing NOx. We ask that the Commission utilize the newest Argonne AFLEET tool for measuring NOx reduction.

We ask that city and state vehicles receive special consideration for funding that will cover 100% of the incremental cost of the alternative fueled vehicle versus the traditional fueled vehicle (diesel or gasoline) for city and state heavy duty class 8 trucks, transit buses, refuse trucks, medium duty class 4-7 trucks and school buses. It is our belief that city and state agencies should lead the effort for alternative fuel vehicle adoption.

Finally, we ask that funding be made available for the growing used alternative fuel truck market. The population of vehicles utilizing natural gas is growing in Texas and keeping lower emission vehicles operating in Texas is important. The drayage industry represents an excellent opportunity to provide owner operators currently using older high-emission diesel trucks with lower emission used natural gas vehicles. Funding should be prioritized for the replacement of old, high-emission drayage trucks with newer (used) clean burning alternative fueled vehicles. The most effective use of funds from an air quality perspective would be to incentivize the use of used, low emission, alternative fuel vehicles particularly in non-attainment areas.

We appreciate the opportunity to make comments and to provide you with our candid thoughts and suggestions.

Sincerely,

Bill Winters
President Freedom CNG