



January 22, 2018

Chairman Bryan W. Shaw
Texas Commission on Environmental Quality
12100 Park 35 Circle
Austin, TX 73753

RE: Volkswagen Settlement Emissions Mitigation Plan

Dear Chairman Shaw:

We the undersigned represent an array of alternative fuel vehicle and renewable fuel stakeholders united by a common desire for the development of an effective and equitable emissions mitigation plan under the Volkswagen Settlement (Settlement) in the State of Texas. We submit the following two recommendations for your consideration.

- 1. All vehicles that are certified to one of CARB’s low NOx emissions standards, CARB’s near-zero emission standard or have zero tailpipe emissions should be eligible for an equal percentage of funding per vehicle.**

The main directive of the mitigation plan is to reduce NOx emissions. Vehicles certified to CARB’s standards produce 50 to 100 percent fewer NOx tailpipe emissions than the current federal standard and thus 50-100 percent less than new diesel vehicles. One of the newest engines in this class of certifications is the low-NOx 6.8 liter propane engine from Roush announced in June of this year. Given the significant improvement that all vehicles with these certifications present and the varying needs of both public and private fleets, which require different sizes and engine capabilities, we encourage equal treatment in terms of funding.

Under the Settlement all private sector vehicle grants are capped at 25 percent of the total vehicle cost, except those for electric vehicles (EVs), which can receive up to 75 percent. There is no basis for skewing the funding in favor of EVs. While EVs have zero tailpipe

emissions, emissions are created in generating the electricity which powers them. Let us be clear; we are not against electric vehicles. Rather, the array of technologies and fuels deserve equal treatment given the clear goal of the mitigation plan to reduce NOx emissions.

The South Coast Air Quality Management District of California views the new heavy duty near-zero natural gas engines from Cummins-Westport to be zero-emission equivalent based on the district's mix of electric generation supplying their grid. It is important to note that they have one of the cleanest grids in the country. Therefore, the new near-zero natural gas engine is likely even cleaner than an EV in Texas since the state produces about 30 percent of its electricity from coal and about 83 percent from fossil fuels overall.

We encourage Texas to create a level playing field for all sources of alternative fuel by funding all private sector low-NOx, near-zero and zero tailpipe emission vehicles at 25 percent of the total vehicle cost under the Settlement.

2. A majority of Texas's mitigation funds should be used for low NOx, near-zero and zero-emission vehicle grants.

Out of all the eligibility categories under the Settlement, Class 4-8 vehicles are the largest contributors of NOx emissions. Furthermore, unlike rail and marine applications, medium and heavy-duty vehicles operate throughout Texas. Therefore, reduction of emissions in vehicles will provide a benefit for all areas: urban, suburban and rural alike. Concentrating funding in this category will accelerate the transition by a wide variety of fleets to these cleaner lower NOx engines, thereby multiplying the positive effect well beyond the grant program.

Thank you for considering our recommendations and we look forward to continuing the conversation.

Phil Squair, Senior Vice-President
Public and Government Affairs
National Propane Association
[REDACTED]

Marcus Gillette
Director of Public and Government Affairs
Coalition for Renewable Natural Gas
[REDACTED]

Jeffrey L. Clarke
Legal Counsel
NGV America
[REDACTED]

Kathryn Clay
Vice-President, Policy Strategy
American Gas Association
[REDACTED]

Dan Jameson, Vice President
Government and Regulatory Affairs
Republic Services
[REDACTED]

Susan Robinson
Federal Public Affairs Director
Waste Management
[REDACTED]

William A. Zobel, Vice President
Market Development and Strategy
Trillium CNG



Chelsea Jenkins
Executive Director, Government Affairs
Roush



Brett Barry
Senior Policy Advisor
Clean Energy



Mike Goscinski
Director, Government Relations
American Bakers Association



Bill Bliem
Senior Vice President Fleet Services
NFI Trucking, Inc.



Charles Musgrove
Vice-President
Dillon Transport, Inc.



Gary Maresca
Senior Director-Transportation Services
Bimbo Bakeries USA

