

March 9, 2018

Commissioner John Niermann, Mail Code 100
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, TX 78711-3087

Dear Commissioner Niermann,

Thank you for the opportunity to comment on the development of Texas's Beneficiary Mitigation Plan under the Volkswagen (VW) settlement. Schneider Electric encourages Texas to request the maximum Mitigation Trust funding available for light-duty zero emission vehicle supply equipment (EVSE), which is set at 15% of a state's total funds. We recommend TCEQ to prioritize projects that help the state electrify its transportation sector, and provide opportunities for all types of technology providers to competitively bid on funds.

Why transportation electrification matters?

Major thoroughfares across the U.S. can no longer support growing city populations and continued development, leading to increased traffic congestion accompanied by GHG emissions. Reducing emissions requires a shift from traditional internal combustion vehicles to plug-in hybrid and electric vehicles (EVs). This shift also lowers the country's dependence on foreign oil and progresses us towards energy independence.

The importance of EV infrastructure.

EV technology and aesthetics continue to improve but drive ranges are still limited by battery size. In order to improve the acceptance of EVs as a viable alternative to gas-powered vehicles, an extensive EV charging network must be available to meet fuel demands and reduce driver anxiety. Incorporating other technologies such as storage and microgrids can assure adequate, resilient power is available for chargers.

The roadmap.

Schneider Electric has been deeply invested in providing energy infrastructure for the booming EV market globally and in the U.S. since 2010. Our technology provides the electrical backbone to the entire infrastructure network, plus includes software to smartly manage energy use. We understand the challenges that our customers face and want to recommend policies to alleviate these challenges so that EVs become an option for everyone in Texas. We encourage you to prioritize policies that have a quick and large impact on reducing emissions.

- **Get more EVs on the road.** To efficiently create a large-scale shift from petroleum-fueled vehicles to alternative-fuel vehicles, target large fleet operators who can quickly deploy hundreds of vehicles. Fleet types include both public and commercial. Fleet operators need support upgrading the infrastructure at their facilities and need assurance that drivers will

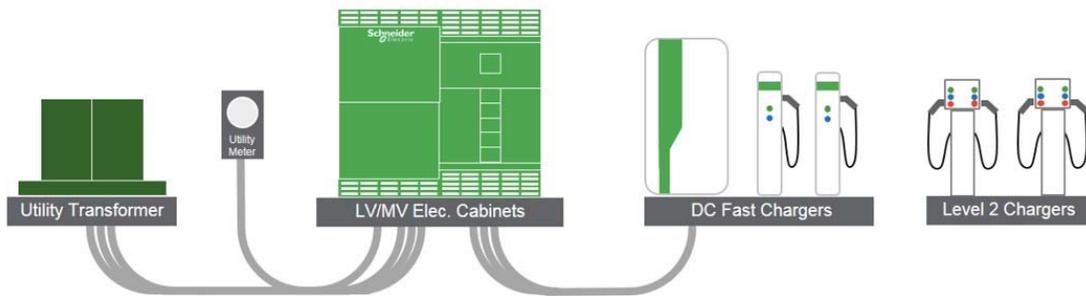
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have access to charging when on the road. Consider promoting Infrastructure-as-a-Service finance models to reduce risk and capital expenditure for fleet owners.

- **Ensure incentives send a clear signal.** Rebates, grants, and tax credits should be available long-term and send a clear and reliable market signal to potential EV purchasers. Especially for fleet operators, shifting to EVs is typically a lengthy decision process and incentives should be available throughout so as not to disrupt the decision.
- **Become “EV-ready.”** Pro-actively prepare for the future by requiring builders to install electrical infrastructure that will support EV chargers. Building codes for new construction and major renovations should cover both residential and commercial structures, including parking structures in which a certain percentage of spaces should have access to charge.
- **Don’t forget about the grid implications.** ERCOT and utilities must prepare for the added load growth (and potential added storage value) that EVs will bring to the grid. Any infrastructure planning map should incorporate the necessary grid updates like transformers and medium-voltage equipment (pictured below). Monetary incentives and utility EV programs should include budget for grid upgrades. Consider a special utility rate design to minimize charging impact to the grid.



Beyond highway vehicles.

There are also creative means to encouraging electrification at stationary transportation hubs like airports and ports. Technologies like crane electrification and ship-to-shore power are practical and productive, as well as guidelines restricting the type of vehicles that have access to, and operate in the area. The Ports of Long Beach and L.A. are examples of holistic electrification for both stationary and non-stationary sources. Schneider Electric helped electrify both and stands ready to discuss with any interested entities.

We look forward to other opportunities to further share our expertise and encourage you to reach out to us with any questions.

Sincerely,

Stephanie Byrd
Director of State Affairs
Schneider Electric U.S.A.