



October 1, 2018

Texas Commission on Environmental Quality
Air Quality Division
Implementation Grants Section, MC-204
P.O. Box 13087
Austin, TX 78711-3087
ATTN: VW Settlement

Re: Draft VW Beneficiary Mitigation Plan for Texas Comments

Dear Chairman Niermann,

On behalf of TransPower, I would like to submit comments on the Draft Beneficiary Mitigation Plan for Texas (VW Plan). TransPower commends the tremendous efforts by the Texas Commission on Environmental Quality (TCEQ) staff in developing the VW Plan and furthering work to improve air quality and community health.

TransPower is a California-based electric powertrain supplier for heavy-duty vehicles including trucks, school buses, and port cargo handling equipment. We partner with Peterbilt Motors in Denton, TX to manufacture electric and fuel cell Class 8 and refuse trucks. Our collaboration has paired cutting edge technology with an experienced manufacturer. TransPower and Peterbilt are committed to scaling production of clean heavy-duty trucks.

We applaud several facets of the TCEQ VW Plan:

- Opportunities for government and non-government owned fleets
- Higher percentage of funding for electric vehicles
- Funding for Class 4-7 trucks
- Funding for Class 8 local freight and port drayage trucks
- Funding for school buses
- Funding for electric port cargo handling equipment
- Inclusion of electric infrastructure funding

Heavy-duty vehicles comprise a significant burden of NOx pollutants and represent one of the most efficient and rapid methods to offset excess emissions due to VW vehicles. We recognize that the most affected communities live near transport corridors, which subjects these populations to increased emissions and poor health outcomes. Our team advocates for zero-emissions vehicles to ensure that the VW Mitigation Trust funds maximize positive impacts. We believe that TCEQ could ensure stronger support for zero-emissions solutions and increase public health benefits by revising the current VW Plan.

TransPower suggests the following revisions:

- Increase funding from 60% to 80% for electric replacements of government and non-government owned Class 4-7 local freight trucks, Class 8 local freight and port drayage

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trucks, Class 7-8 refuse haulers, school buses, and transit/shuttle buses due to significant NOx reduction and significantly higher costs for electric versus other fueled vehicles

- Increase funding of electric equipment infrastructure from 60% to 80% to encourage electric vehicle adoption and less reliance on fuels that contribute NOx
- Remove all funding for diesel replacements or repower for both government and non-government entities
- Reduce funding percentages of non-zero emission alternative fuel engines for both government and non-government replacements or repowers
- Use of a standardized emissions quantifier like Argonne National Laboratory AFLEET Tool and EPA Diesel Emissions Quantifier to aide in the future application process

Continuing to replace diesel vehicles with newer diesel vehicles would achieve modest NOx and pollutant reductions that are not justifiable with government funds. Alternatively-fueled non-zero emission vehicles would provide significant NOx reduction benefits, but their lower purchase cost requires fewer public incentives as compared to zero emissions technologies. Additionally, non-zero alternative fuels release trace emissions that still pollute affected communities. We recommend increasing funding percentages for electric heavy-duty vehicles and zero-emissions fuels (i.e. hydrogen) due to their ability to rapidly mitigate vast amounts of NOx from communities. The VW Plan investments should proportionately match the most clean technologies and assist entities in subsidizing the significantly higher purchase price and cost of scrapping an existing vehicle.

Thank you for this opportunity to submit public comments. TransPower supports the initiatives undertaken at TCEQ to improve environmental and public health outcomes. Please do not hesitate to reach me at _____ if I can further detail our support and comments.

Sincerely,

A handwritten signature in black ink, appearing to read 'Joshua Goldman', written over a light grey rectangular background.

Joshua Goldman
VP Business Development