



October 5, 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  
VWsettle@tceq.texas.gov

RE: Volkswagen Environmental Mitigation Trust  
Draft Beneficiary Mitigation Plan for Texas

Dear Commissioner Niermann,

CPS Energy would like to thank the Texas Commission on Environmental Quality (TCEQ) for recognizing that the Volkswagen State Environmental Mitigation Trust funds can make a tremendous impact on helping Bexar County get back into attainment. CPS Energy is the nation's largest public power, natural gas and electric company, providing safe, reliable, and competitively-priced service to 804,000 electric and 343,000 natural gas customers in San Antonio and portions of seven adjoining counties.

For over a decade, CPS Energy has been on a path of energy diversification that includes less emissions intensive power generating units and the addition of solar and wind generation. Additionally, since 2008, we have reduced 620 MWs of demand on our system through our community's participation in our Save for Tomorrow Energy Plan (STEP). Our **Flexible Path** continues our effort of diversification by leveraging our current fossil generation units to bridge us to incorporate and embrace new technology solutions while providing reliable power to our community and reducing emissions.

In assessing the elements of the Draft Beneficiary Mitigation Plan and eligible uses for the funds, CPS Energy would directly use funds in the following areas:

- Electrification of our operational equipment and vehicles
- Expansion of our community's electric vehicle charging network

Additionally, CPS Energy is exploring opportunities with our community partners to gain alignment and maximize the benefits of the funds. Examples of these initiatives would include:

- Partnerships with transportation specialists in support of their vehicle fleet conversions and energy use, including VIA and over a dozen school districts in our community
- Partnerships with businesses for electrification of fork lifts, airport ground support equipment, and local delivery trucks (e.g., parcel delivery)

As such, we would appreciate the TCEQ increasing the percentage cost limits to the highest allowed for each category of grants. Bexar County is so close to being in attainment, and CPS Energy looks forward to being a strong partner in helping Bexar County achieve this goal.

Again, thank you. CPS Energy stands ready to answer any questions and welcomes the opportunity to continue working with TCEQ on this vital effort.

Respectfully,

A handwritten signature in black ink, appearing to read 'ARodriguez', with a long, sweeping flourish extending to the right.

Angela Rodriguez  
Interim Director Climate & Sustainability