



**Electric Interstate Highway
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6 October 2018

Texas Commission on Environmental Quality
Air Quality Division
Implementation Grants Section, MC-204
12100 Park 35 Circle
Austin, TX 78753

**Re: Comments on Proposed VW Settlement
Eliminate Diesel Funding to Support Electric Heavy Truck Deployment**

Dear Commissioners:

We are pleased that the State of Texas will obtain \$209 million toward mitigating the illegal pollution caused by VW's diesel vehicles. This provides our state the opportunity to make a lasting change toward new, non-polluting transportation technologies – including electric trucks. However, the current proposal for grantmaking weakens the potential benefit by diluting the funding for new technology by continued funding of diesel engines.

Diesel engines are inherently high pollution, emitting both air toxics and climate gases, even with modern pollution reduction systems such as SCR. For example, SCR is not effective during idling, and many diesel engines idle for protracted periods, despite regulatory efforts to eliminate that practice. And, as those engines age, their emissions increase.

TCEQ should instead bypass that old and polluting technology, and seek to encourage deployment of newly emerging technology – electric trucks - that does not create the same problem.

Studies regarding electric vehicle adoption cite high capital cost, lack of charging infrastructure, and lack of knowledge about electric vehicle operation, as the key barriers to successful deployment of this technology. For trucking (class 5 – class 8 trucks), these are particularly important issues, and major seed investment is required to start the process.

With seed investments and time, as unit electric truck production increases and battery costs decline, the capital cost issue will be eliminated, allowing the new technology to compete against diesel freely in the marketplace. Similarly, charging infrastructure requires a seed investment to begin creating the network. Once that has achieved a critical mass, additional investments will arise to complete the deployment. And, lastly, as electric vehicles are operated by pioneering trucking companies, other companies and individual owner-operators will learn about how those vehicles can best be optimized – and how those vehicles can offer a substantial economic benefit vs the older diesel technology.

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We would strongly suggest the TCEQ amend the grantmaking criteria as follows:

- 1) Delete any funding for any diesel engine
- 2) Increase the percentage funding for electric heavy vehicles to 80% from 60%
- 3) Add heavy truck electric charging stations as a category that can be funded by the settlement

Thank you for your consideration, and we look forward to successful deployment and administration of the VW Settlement funds.

Kind regards,



Norman M Whitton
Managing Director and Co-Founder

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