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Clean Energy

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Commissioner Jon Niermann, MC 100
TCEQ
P.O. Box 13087
Austin, TX 78711-3087

RE: Draft Volkswagen Settlement Mitigation Plan

Dear Commissioner Niermann,

Clean Energy greatly appreciates the opportunity to provide comments on TCEQ's draft mitigation plan under the Volkswagen Settlement. We respectfully request that funding levels for private sector vehicle grants be equal in regard to fuel type to avoid skewing the market in favor of one alternative fuel over others. Additionally, we request that private fleets be allowed to purchase a Texas vehicle to scrap rather than be required to scrap a vehicle which they own at the time of application.

We applaud TCEQ for setting a maximum funding level for public sector vehicle grants at 60 percent of the total vehicle cost. This puts in place two important policies. First, it requires grantees to have skin in the game which encourages good decision making. Second, it does not interfere in the market place by favoring one fuel over the other. In the Settlement, all private sector vehicle grants are capped at 25 percent of the total vehicle cost except for electric vehicles (EVs) which are capped at 75 percent of the total vehicle cost. This is federal favoritism devised under the now defunct Obama EPA. There is no basis for this favoritism. The South Coast Air Quality Management District of California considers the near-zero natural gas engine to be zero-emission equivalent. This is because EVs combustion emissions occur at the power plant. In states which rely heavily on coal for their electric generation, natural gas vehicles may be even cleaner than an EV. Therefore, we request that TCEQ amend their plan and cap all private sector vehicle grants at 25 percent of the total vehicle cost. Other states such as Colorado and Tennessee have taken this approach.

Under the Settlement, grantees are required to scrap a pre-2010 vehicle in their fleet. This greatly dilutes the value of the grant. Additionally, many fleets might only have newer vehicles and therefore do not have any vehicles which qualify for scrapping. Fleets which do have numerous older trucks typically cannot afford to purchase new ones. Therefore, the scrappage requirement can greatly restrict participation in the grant program. However, it is possible to ease this burden by allowing grantees to buy vehicles to scrap. Texas should allow grant applicants the option to be pre-approved on the condition that they will buy a vehicle to scrap that is registered in Texas and has at least two-years of useful life remaining. This provision will provide greater flexibility in the program and increase the pool of potential applicants and has already been incorporated into TERP.

Clean Energy appreciates TCEQ’s time and effort dedicated to this project and looks forward to the finalized plan.

Regards,

Brett Barry