



October 8, 2018

Texas Commission on Environmental Quality

VWsettle@tceq.texas.gov

Re: Proterra's Response to Texas' VW Draft Beneficiary Mitigation Plan ("BMP")

Dear TCEQ:

Proterra, the leading U.S. manufacturer of electric, zero-emission transit buses, appreciates the opportunity to provide comments on the draft spending plan, which describes Texas' overall intentions and plan for spending ~ \$209M of Texas' VW allocation funding.

The proposed BMP appropriately prioritizes projects that reduce NOx emissions efficiently and cost-effectively in priority areas. Further, the BMP is focused on reducing NOx emissions from heavy-duty on-road vehicles, which includes Class 8 public transit buses. Proterra strongly supports the suggested 81% allocation of funds for projects in priority areas. But it urges the state to make the following changes to its proposed spending plan:

- The current plan does not allocate funding to the five counties in the Austin-Round Rock Metropolitan Statistical Area. Since 2009, the Austin-Round Rock MSA has experienced nearly 100 days with O₃ levels above the level of the 2015 O₃ NAAQS (70 ppb). And of the 40,444 affected vehicles in Texas, 5,052 (12.49%) were located within the Austin-Round Rock MSA. In fact, the Austin-Round Rock MSA has the highest number of affected vehicles per capita (2.39 vehicles per 1,000 residents) of any metro area in the state. For these reasons, we request that the Austin-Round Rock MSA be designated as a Priority Area and that a minimum of 7% of Texas' allocation be allocated to this area. Such an allocation would go a long way toward helping Austin's Capital Metropolitan Transportation Authority meet its recently announced goal of converting to an all-electric fleet.¹
- The current plan does not allocate a specific funding percentage for a transit bus replacement program. Proterra strongly supports funding for the replacement of Transit and Shuttle Buses. But it urges the state only to fund the purchase of *zero-emission, battery-electric* transit buses. And it requests that the state allocate 25% of its VW funding for a public transit bus replacement program, which will advance the electrification of public transit buses in those geographical areas and emission sectors that have the greatest impact on Texas' overall mobile NOx emissions.
- Lastly, the current plan leaves open the possibility of replacing diesel buses with new diesel buses. But diesel buses, no matter how new, are not "clean." They still emit harmful PM emissions. They still emit harmful Greenhouse Gases. And they still emit harmful Nitrogen Oxide and Carbon Monoxide. Electric buses do not. Rather than merely replacing current buses with new buses with *lower* emissions, we urge the state to replace current buses with new buses with *zero* emissions so that they can serve disadvantaged neighborhoods and reduce vehicle pollution in these areas. Electrification provides a means to use domestic and diverse fuel sources in transportation, which will improve the country's economic, energy and national security.

¹ <https://communityimpact.com/austin/editors-pick/2018/10/01/capital-metro-announces-vision-for-an-electrified-high-capacity-transit-network-to-move-more-people-in-central-texas/>



Proterra certainly agrees with the statewide focus on achieving significant reductions in diesel emission exposures in priority air quality areas and areas that receive a disproportionate amount of air pollution from diesel vehicles. The state can accomplish both by investing heavily in battery electric buses, just as it has proposed to do across multiple priority areas. Replacing diesel buses with electric buses is simply one of the best investments the state can make to help electrify transportation and improve ambient air quality throughout Texas. We believe that the best way to accomplish the state's VW goals is to use the funds from the trust to fund 110% of the incremental cost of a new electric transit bus and associated charging infrastructure. This approach will help spur the adoption of a greater number of electric buses among transit agencies, airports and universities.

Thank you for the opportunity to provide comments on the draft spending plan. Please feel free to contact me directly about these comments or Proterra's initial project proposal titled *The Public Transit Electrification Project: Sustainable Mobility for Texas*. I can be reached at 864-214-2668 or emccarthy@proterra.com.

Sincerely,

Eric J. McCarthy
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Proterra Inc.