TXOGA
TEXAS OIL & GAS ASSOCIATION | SINCE 1919

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October 8, 2018

Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

RE: Comments on TCEQ Draft Volkswagen Environmental Mitigation Trust Beneficiary Mitigation Plan for Texas

TXOGA is a non-profit corporation representing the interests of the oil and natural gas industry in the state of Texas. The membership of TXOGA produces in excess of 90 percent of Texas' crude oil and natural gas, operates nearly 100 percent of the state's refining capacity, and is responsible for the vast majority of the state's pipelines. In fiscal year 2017, the oil and natural gas industry supported 308,000 direct jobs, and paid just over $11 billion in state taxes and state royalties, funding our state's schools, roads and first responders.

TXOGA appreciates the opportunity to submit comments on the Draft Beneficiary Mitigation Plan for Texas ("Draft BMP"). The preamble to the draft mitigation plan states, "The primary purpose of this program is to help mitigate the excess NOx emissions from the affected VW vehicles, particularly in areas impacted by ground-level ozone as a result of these emissions." With this purpose in mind, our members support that the majority of the funds be used towards the replacement of older diesel engines with newer, high-efficiency, cleaning burning diesel engines. These engines will reduce NOx emissions in the most timely and cost competitive manner and provide the greatest benefits to air quality and Texas citizens.

To further increase the program's effectiveness, funding for government owned vehicles diesel repower or replacement, TCEQ should utilize the maximum allowed under the Trust Agreement which would be 100%, instead of the 60% limit in the Draft BMP. Many government organizations have already set their 2019 budgets; by providing 100% funding for replacement and repower of older diesel engines with new diesel engines these organizations are able maintain their planned spending while also improving the NOx emissions of their fleets.

Based on EPA emissions standards for heavy duty vehicles, if you compare a 2000 model year diesel engine to new diesel engine, NOx emissions are reduced by a factor of 20 and particulate matter emissions are reduced by a factor of 10. By replacing older engines with new, cleaner engines, TCEQ can immediately reduce NOx emissions by a factor of 20 per vehicle replacement. A one pound reduction in NOx using a new diesel commercial truck can be done for a $86, for compressed natural gas, this costs $107, and for a battery electric

truck, this costs $165.[1] Replacing old engines with new efficient ones is the most cost effective method for reducing emissions.

According to a recent EPA assessment[2], a 500 ton (or 1,000,000 lb) NOx reduction can be achieved by replacing old 1998-2003 model year trucks with 1,190 new and improved diesel trucks made after model year 2010. Or it could also be achieved by replacing 1998-2003 model year vehicles with 540,540 new, high cost, battery electric vehicles.

TXOGA urges you to consider these factors when finalizing the Draft BMP and when reviewing grant applications. If you have questions or comments, please do not hesitate to contact me.

Sincerely yours,

Todd Staples

[1] https://www.dieselforum.org/policyinsider/looking-ahead-to-2018
[2] EPA, 2016. *National Port Strategy Assessment: Reducing Air Pollution and GHG at U.S. Ports*