



Freedom CNG®
New power for the road ahead

Date: October 8, 2018
To: Texas Commission on Environmental Quality
From: Freedom CNG

Re: **VW Settlement Comments from Freedom CNG**

We commend TCEQ on keeping the administrative costs to 4%, but would like to see HGAC and NCTCOG have the opportunity to be third party administrators to expedite the program quickly. We ask to reallocate funding for Houston and DFW due the proportion of vehicles across multiple counties.

The Houston-Galveston and DFW areas have 19 counties together equaling to 27% of the funding while El Paso and San Antonio areas have 5 counties equaling to 48% of the funding. A statewide use of program funds, on first come first serve basis we may clean up more emissions since these areas are never eligible for funding and VW funding may actually spur interest. Many fleets travel in and out of non attainment areas - objective to clean up air fast.

If Texas was a country it would be the #3 natural gas producing country in the world. The oil and natural gas industry drives \$13.6B dollars to the Texas economy. The natural gas industry has been focused on environmental stewardship and methane leakage. **Methane emissions per unit of natural gas produced have declined continuously since 1990, down -46% and in the pipeline distribution segment during the same period down -75%. The EPA *Inventory* reveals that the natural gas distribution systems have a small emissions footprint shaped by a declining trend.**

(American Gas Association Report May 2017)

Natural gas provides reliable proven technology **TODAY** to reduce NOx and improve air quality now. We have major Texas cities in non-attainment status currently with accelerated population growth trends more traffic in the future, the sense of urgency to utilize funds for air quality improvement is **NOW**. Texas can be a leader in alternative fuel adoption by simplifying process, funding vehicles fairly and front loading the VW funds for vehicles available today. Electric vehicles are favored in this trust up 70% of costs and when operating on our roads they will not have to pay a fuel road tax. We are requesting that all alternative fuels be treated equally.

There are over 9,000 state based natural gas vehicles running in our cities and on Texas roads. This does not include the neighboring states of OK, AR, NM, LA, CO running fleet vehicles through our state running on natural gas. Texas is home to over 150 natural gas stations today from Amarillo to Beaumont. Natural gas has been tested through hurricanes and floods, which proved out well. Underground gas delivery was unaffected during these local emergencies; back-up power generators had gas pumping at CNG stations throughout the events, while gasoline, diesel and electric all had their supply interrupted. Houston Metro and TXDOT both said CNG gave them a sense of added fuel security during the emergency events.

We ask consideration to prioritize available funds to Class 8 trucks, Transit Buses, Refuse trucks, Class 4-7 Trucks and School buses. In Houston for example, this segment produces 66% of the mobile emissions and only 20% of the vehicle miles driven. (HGAC annual report 2017) Cleaning up this segment of the on road vehicles returns the best return for the dollars spent reducing NOx; 1 old truck = 130 cars (NGVAmerica) – need focus to achieve the air quality goal. We ask that the commission utilize newest Airgone AFLEET tool for the NOx reduction measurement. We would like to see greater amount of money go to alternative fuels versus "Clean Diesel." "Clean Diesel" is why we are in this mess. Since fuel parity is not eligible, we would like to see a cost per ton cap on electric vehicles to even the playing field.

We ask consideration be made for City and State vehicles, the leaders need to lead. The consideration would be to cover 80%, instead of the current 60% of the cost of alternative fueled vehicles for state and city Class 8 trucks, Transit Buses, Refuse trucks, Class 4-7 Trucks and School buses.

We ask for consideration for funds to be allotted for the used alternative truck market. The opportunity is, we have used trucks available for resale in Texas that have much lower emissions than what an owner may be running currently. If they were to replace an old drayage truck for example, with a newer clean burning alternative fueled truck, let's put resale program in place. We need to incentivize our low NOx alternative fuel resale market for trucks to keep these in Texas.

Lastly, would like for TCEQ to streamline the application process to a reasonable number of pages of TERP. It is cumbersome for small operators who we need to target. The large operators already have new equipment. We can make this funding really count or we can just keep doing the same stuff.

Thank you for your consideration.

Sincerely,

Eddie Murray

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