



VW Environmental Mitigation Trust
Attn: Deirdra Ritzer
Vermont Agency of Natural Resources
Department of Environmental Conservation
Air Quality and Climate Division

January 12, 2018

Dear Ms. Ritzer:

Thank you for the opportunity to comment on the Draft Beneficiary Mitigation Plan. The Vermont Clean Cities Coalition (VTCCC) believes that these funds, if invested carefully, can yield environmental, health, and economic benefits for Vermonters across the state, while providing a model for thinking about our transportation future.

The Vermont Clean Cities Coalition (VTCCC) was established in 2001 to advance Vermont's economic, environmental, and energy security by promoting the use of alternative fuels, advanced vehicle technologies and policies that reduce petroleum consumption in transportation. Our Coalition is made up of over 200 stakeholders working towards a petroleum-free transportation system in Vermont. VTCCC is part of the U.S. Department of Energy's Clean Cities program which is a network of nearly 100 Clean Cities Coalitions across the country.

After reviewing the Vermont's draft Beneficiary Mitigation Plan for the Volkswagen (VW) Environmental Mitigation Trust, we ask the following recommendations be considered:

Remove new or "clean" diesel from consideration for this funding. These funds should help move the market in a way that would not happen otherwise. Diesel vehicles will be replaced by diesel vehicles, so this funding should focus on replacing diesel with alternatively-fueled and electric vehicles. The particular non-petroleum fuel should not be limited because different fuels serve different markets, and no single alternative fuel (including electricity) covers all applications.

Use life-cycle assessments in calculations. When calculating NOX reductions, VTCCC recommends the state use life-cycle emissions, not just tailpipe emissions, as an indicator in calculating the cost effectiveness and emissions benefits of a project. Utilizing life-cycle emissions represent a much clearer picture of the NOX impact of the particular vehicle or piece of equipment.

Use the full 15% for electric vehicle supply equipment. VTCCC supports maximizing allowable investment in electric vehicle charging infrastructure.

Allocate only a small portion of the funding to DERA to provide a funding stream to idle reduction projects. DERA provides many barriers for fleets to access the funding because of the off-cycle replacement requirement. However, the advantage of the DERA



funding is that it provides a funding source for idle reduction projects, an important piece of the NOX reduction picture. Additionally, if concessions must be made for diesel projects, the requirement to replace vehicles off-cycle would ensure diesel investment would be used to catalyze a project that wouldn't happen otherwise, thereby making diesel projects eligible solely through DERA would result in maximizing NOX reductions.

Use administrative portion of funds to establish a program for electric/alternative fuel vehicles and fueling infrastructure. VTCCC recommends the state uses an appropriate percentage of the funds to administer the VW trust effectively. The entire process will be complex, from soliciting and reviewing applications to disbursing the money, and it will take dedicated resources to ensure that potential applicants are aware of the opportunity. In addition, providing support to applicants, who may have a range of capacity and experience with funding applications, will be essential to ensure equitable access to the funds. Furthermore, VTCCC recommends these administrative funds go towards starting a program that has the potential to continue after the VW funding has been distributed. The state of Colorado has had success running an Alternative Fuels Replacement Program which Vermont could potentially emulate.

Align the VW BMP with state goals. The VW Settlement offers a unique and timely opportunity to advance vehicle technology to help meet Vermont's Comprehensive Energy Plan goal of increasing the share of renewable energy in all transportation to 10% by 2025 and 80% by 2050. This opportunity can also be leveraged to help support Vermont's Zero Emission Vehicle (ZEV) action plan as well as its statutory GHG emissions targets. Therefore, projects that align with state energy, environmental, and economic development goals should be prioritized.

We welcome any questions, and look forward to supporting the successful deployment of these funds across the state.

Sincerely,

The Vermont Clean Cities Coalition