

**Volkswagen Preliminary Draft Beneficial Mitigation Plan
State of Idaho
DEQ's Response to Comments
March 1, 2018**

Commenter (CMNTR) Key

CMNTR 1 - Idaho Conservation League	CMNTR 6 - Laurie Kuntz	CMNTR 11 - Natural Gas Vehicles for America
CMNTR 2 - Sierra Club Idaho Chapter	CMNTR 7 - Michael Heckler	CMNTR 12 - ADOMANI
CMNTR 3 - Yellowstone-Teton Clean Cities	CMNTR 8 - Jerry Hugo	CMNTR 13 - General Motors
CMNTR 4 - Eliza Schmidt	CMNTR 9 - Cummins Sales and Service	CMNTR 14 - Northwest Gas Association
CMNTR 5 - Teresa Bock	CMNTR 10 - Proterra	CMNTR 15 - Global Automakers

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0	<p>Summary response to overall comments & resulting BMP changes:</p> <p>Several comments received indicated a general agreement with the direction provided in the Preliminary Draft BMP, and some comments requested an additional level of detail with regard to certain aspects of how projects will be evaluated, for example how long term maintenance costs will be included and how the cost effectiveness of a project will be determined.</p> <p>Section 4.1 of the VW Environmental Mitigation Trust indicates, in part, <i>The Beneficiary Mitigation Plan need only provide the level of detail reasonably ascertainable at the time of submission. This Plan is intended to provide the public with insight into a Beneficiary's high-level vision for use of the mitigation funds and information about the specific uses for which funding is expected to be requested. Nothing in this provision is intended to make the Beneficiary Mitigation Plan binding on any Beneficiary, nor does it create any rights in any person to claim an entitlement of any kind.</i></p> <p>While many of the details requested are of legitimate concerns, and are items that DEQ intends to be transparent in their consideration of, they are details the DEQ has determined will be better included in the application package to be developed in advance of a formal application period. Many of the additional details requested to be included within the BMP are not currently known, and will be included in the formal project solicitation application package.</p> <p>For each of the Commenters' (CMNTR 1-15, detailed in key above) comments below, DEQ has copy and pasted comments verbatim from the respondents' comment letters without making changes or typographical corrections. DEQ has grouped CMNTR's comments below in a manner similar to subject grouping in CMNTRs' letters.</p>	
1	<p>Project Evaluation – Cost Effectiveness Criteria</p> <p>Cost effectiveness is one of the three heaviest weighted categories in the project evaluation matrix (Table 1), worth up to 25 points. We encourage IDEQ to provide more detail to the methods and inputs used to determine the cost effectiveness of a project. Some issues to consider are:</p> <p style="padding-left: 40px;">Included costs – Because a vehicle requires both fuel and maintenance, IDEQ must include both the fuel costs as well as any differences in operations and maintenance costs between the original and</p>	<p>Additional detail with regard to the methods and inputs used to evaluate project cost effectiveness, as well as applicants instructions for submitting project proposals will be provided in a Project Application Package to be released prior to the</p>

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	<p>proposed project.</p> <p>Timeline – To capture all relevant costs IDEQ must consider the full-expected lifespan of the project.</p> <p>Benchmark – Cost effectiveness implies that projects will be measured against some objective criteria. ICL suggests that because this is a competitive grant application process, the benchmark should be total pounds of NOx reductions per the net cost of the project. The “net cost” accounts for changes in fuel as well as operations and maintenance.</p> <p>Quantifying Emissions Reductions – Accurately quantifying the emissions reductions is essential to achieving the goal of the Idaho’s BMP. The Consent Decree specifically allows for conversion from diesel to electric power. ICL is concerned the proposed tool, the “EPA Diesel Emissions Quantifier”, is not able to accurately account for the difference between a diesel, or natural gas, powered vehicle and an electric powered vehicle. ICL suggests IDEQ either confirms the proposed tool can make accurate conversions that account for the emissions of our local electric grid, or IDEQ should consult with the electric utilities and others to identify the appropriate tool.</p>	solicitation of project applications.
1	<p>Project Evaluation – New Criteria for Environmental Justice</p> <p>We encourage the IDEQ to include environmental justice concerns as standalone criteria within the project evaluation matrix. Sensitive and/or underrepresented populations often face a disproportionate burden on their public health with regards to environmental pollution. Proposed efforts that would offset burdens faced by these communities should be weighted more favorably through the allotment of additional points in the project evaluation matrix. We believe that environmental justice concerns are on par with criteria such as cost effectiveness and air quality priority areas; as such, these criteria should receive 25 points to be allocated based on the efficacy with which a proposed project addresses environmental justice issues.</p> <p>In terms of evaluating the impacts to sensitive and/or underrepresented communities, we recommend the IDEQ advise applicants to use the EPA’s environmental justice online tool, known as ejscreen1. Ejscreen is a free, map-based database that facilitates the analysis of a number of demographic and environmental indicators. Demographic indicators include: minority population, low income population, linguistically isolated, less than high school education, under age 5, and over age 64. Germane environmental indicators include, but are not limited to: PM2.5, ozone, diesel PM, and traffic proximity. Further, ejscreen presents this information using census block data, providing information useful in assessing a projects localized beneficial impact.</p>	<p>Changes have been made to Table 1, Project Evaluation Matrix under the population impacted criteria to include sensitive and/or underrepresented populations; minority and low income populations; and populated areas within traffic proximity. DEQ determined that this is the most appropriate method for inclusion into the Project Evaluation Matrix.</p> <p>Additional detail with regard to the methods and inputs used to evaluate project cost effectiveness, as well as applicants instructions for submitting project proposals will be provided in a Project Application Package to be released prior to the solicitation of project applications.</p>
1	<p>Project Evaluation – Population Impacted</p> <p>In addition to specifically considering environmental justice communities, ICL recommends IDEQ expand the impacted population criteria in the project evaluation matrix. Air quality has a disparate</p>	Changes have been made to Table 1, Project Evaluation Matrix under the population impacted criteria to include sensitive and/or underrepresented

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	impact on children, elderly, and those with respiratory ailments. ICL suggests IDEQ subdivide the population-impacted category to include both total numbers and provide additional points for addressing emissions for especially vulnerable populations.	populations; minority and low income populations; and populated areas within traffic proximity.
1	<p>Project Evaluation – Voluntary Funding Match</p> <p>ICL supports providing additional points to projects that bring matching funds. The Consent Decree encourages cost sharing and ICL believes this can expand the pool of available funding for this important program. We encourage IDEQ to allow the matching funds to be contributed over a series of years instead of only in a lump sum. Allowing applicants to contribute over time aligns better with budgeting practices. However, we believe the jump in points from 5 to 15 is too large. Instead, we suggest 0, 5, and 10 points.</p>	<p>DEQ thanks you for the support; the DEQ is not opposed to matching funds to be contributed over a period of time.</p> <p>Changes have been made to Table 1, Project Evaluation Matrix under the subject criteria.</p>
1	<p>Project Evaluation – Applicant Experience</p> <p>We understand the reasoning behind the IDEQ’s consideration of applicant experience when evaluating project proposals. However, we hope that the IDEQ will distinguish between inexperienced applicants proposing new projects and experienced applicants who are proposing technologically innovative projects. Our concern is that a well established applicant experienced in similar projects – yet proposing to utilize or implement some new or innovative technology – might be penalized for their forward thinking approach. During the public meeting on 14 December 2017, the IDEQ suggested that the most practical approach to achieving this is to have the applicant stress their relevant experience as part of their proposal. We don’t disagree with this approach, however we hope that the IDEQ somehow communicates this obligation with potential applicants prior to their submittal of project proposals.</p>	<p>Changes have been made to Table 1, Project Evaluation Matrix under the Applicant Experience criteria.</p> <p>Additional detail with regard to the methods and inputs used to evaluate project cost effectiveness, as well as applicants instructions for submitting project proposals will be provided in a Project Application Package to be released prior to the solicitation of project applications.</p>
1	<p>Project Evaluation – Other</p> <p>ICL does not support including an undefined “other” category in the project evaluation matrix. Instead of using an arbitrary and undefined term, ICL suggests allowing for additional points for projects designed to specifically achieve the BMP goals. The current criteria measuring emissions reductions and cost effectiveness achieve these goals. ICL suggests IDEQ include additional points for projects specifically designed to “promote widespread acceptance of electric and hybrid vehicles.” Points could be awarded for projects with features like public advertising or educational campaigns.</p>	<p>Changes have been made to Table 1, Project Evaluation Matrix under the subject criteria.</p> <p>DEQ will award projects through an evaluation of project submissions received against the Project Evaluation Matrix; overall points received for each project will then be compared to other projects received during a formal application period. DEQ has decided to take a technology/vehicle neutral approach to project funding, rather than prioritize any single technology or any one type of vehicle.</p>
1	<p>Electrification Advertisement</p> <p>We support the electrification of transportation to the greatest extent possible. To truly maximize the</p>	<p>Aside from requirements specified in the VW Settlement Environmental Mitigation Trust, DEQ</p>

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	benefit of electrification though it's important to advertise this change to highlight the capability of EVs. For projects seeking to electrify vehicles, we suggest that the IDEQ require that the vehicle include signage denoting that it is an EV. This type of advertisement normalizes EVs on our roadways and will expedite their widespread adoption by the general public. Widespread adoption of EVs will not only further reduce NOx emissions but will also serve to improve overall air quality through reduction of other transportation related air pollution.	does not intend to impose project requirements. To the extent that a project proposal's activities reduce NOx emissions and the proposal quantifies those reductions, points will be assigned based on evaluation of criteria detailed in Table 1, Project Evaluation Matrix.
1	<p>Support of 15% Towards Charging Infrastructure</p> <p>We wish to stress our support of utilizing 15% of the mitigation funds to develop light-duty electric vehicle (EV) charging infrastructure throughout Idaho. We hope to see these funds used to develop DC fast charging stations along major traffic arteries throughout the state. As stated during the public meeting, widespread development of EV infrastructure will reduce the "range fear" that many potential EV owners cite as a primary reason against EV ownership. Alleviating potential EV owners from this fear and promoting the adoption of EVs will lead to an even greater reduction in NOx emissions.</p>	Thank you for your comment; we appreciate the feedback we received. The vast majority of responses regarding the ZEV portion of the plan encouraged Idaho to use all 15% of Idaho's VW Trust allocation for building electric vehicle charging infrastructure along the state's major highway corridors. Based on these responses, we will move forward with the proposed plan, and will not make any substantive changes at this time to the ZEV portion of the Beneficiary Mitigation Plan.
1	<p>Public Notification of Selected Projects</p> <p>We request that the IDEQ devise a plan for notifying the public when projects are selected to receive funding. The IDEQ's listserv currently notifies the public when certain municipalities receive grants or loans for drinking water infrastructure improvements. We believe this framework could be replicated for this program as a means to notify interested parties when final selections have been made.</p>	<p>Additional detail regarding award notification will be provided in a Project Application Package to be released prior to the solicitation of project applications.</p> <p>The DEQ will provide a summary of projects funded under the VW trust on DEQ's website.</p>
1	<p>Other Public Input Questions</p> <p>IDEQ included a list of eleven questions for public input on the draft BMP. To the extent we have not addressed the issues raised by these questions above, ICL provides this additional information:</p> <ol style="list-style-type: none"> Idaho should prioritize using trust funds on government owned vehicles and facilities. The trust is most accurately described as public money intended to correct the public harm VW caused. ICL suggests IDEQ can best adhere to the trust principles by focusing funding on government owned vehicles. Idaho can maximize the air quality benefits by focusing funding on retrofitting the dirtiest and most used vehicles. Additionally, encouraging electrification will deliver the most benefits because it 	<p>Please Note: Section 5 of the Preliminary Draft BMP included eleven questions in an effort to solicit stakeholder input; these are responses to those questions. Please see Appendix A to this document for a list of those questions.</p> <p>DEQ will consider government and non-government owned vehicles.</p> <p>DEQ will award projects through an evaluation of project submissions received against the Project</p>

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	<p>eliminates, not just reduces, mobile source emissions from the project location.</p> <p>3. Idaho should seek to extend the benefits of the trust to the maximum extent. ICL supports encouraging projects to include matching funds; however, to address tight budgets at local agencies, we support this criteria being optional, not required.</p> <p>4. Idaho should not allocate specific amounts to specific categories of projects. Allowing for competition among project types will ensure the most cost effective reductions.</p> <p>5. Idaho should prioritize electrification. Our state imports 100% of our fossil fuel based transportation fuels. To maximize the air quality, economic, and security benefits of the program, IDEQ should prioritize locally generated electricity as a fuel source.</p> <p>6. ICL suggests that IDEQ work directly with the Idaho National Lab and the Idaho universities to compile an accurate list of the engine retrofit options. ICL also suggests that any consideration of costs must include the costs of the retrofit as well as all differences in the fuel and maintenances costs over the lifespan of the vehicle.</p> <p>7. ICL supports dedicating 15% of Idaho’s allocation to light-duty zero emissions vehicle charging infrastructure.</p> <p>8. Idaho should allow for the DERA option but require any projects using this option to compete on a level playing field with non-DEQA projects.</p> <p>9. The best method to determine the air quality impacts is to begin by identifying specific locations and communities with disproportionate impacts. The BMP includes county level data which is a good start. ICL suggests IDEQ also work with the Idaho Department of Health and Welfare to overlay the</p>	<p>Evaluation Matrix; overall points received for each project will then be compared to other projects received during a formal application period. DEQ has decided to take a technology/vehicle neutral approach to project funding, rather than prioritize any single technology or any one type of vehicle.</p> <p>Additional detail regarding the percentage of funding awarded to projects as a percentage of the maximum funding eligible under the trust will be provided in a Project Application Package. While points may be awarded to projects with matching funds, the act of proposing matching funds remains voluntary, and is not requisite.</p> <p>While identifying categorical percentages is a BMP requirement, they are non-binding.</p> <p>DEQ will award projects based on points assigned from an evaluation of the Project Evaluation Matrix rather than prioritize any specific technology.</p> <p>Additional detail with regard to the methods and inputs used to evaluate project cost effectiveness, as well as applicants instructions for submitting project proposals will be provided in a Project Application Package to be released prior to the solicitation of project applications.</p> <p>DERA and non-DEQA projects will be evaluated equally using the Project Evaluation Matrix.</p> <p><u>Response #9, & #11:</u> Additional detail with regard to the methods and inputs used to evaluate project cost effectiveness,</p>

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	<p>emissions data with data of vulnerable communities to identify site-specific locations. Another helpful tool is the EPA's EJSCREEN online environmental justice database. Information from both of these sources can be used to evaluate the vulnerable communities criterion in the project evaluation matrix.</p> <p>10. ICL recommends Idaho conduct public outreach by partnering with community leaders, advertising in local media, and convening public meetings.</p> <p>11. ICL recommends the Idaho DEQ include more information about how and when applicants can propose projects.</p>	<p>as well as applicants instructions for submitting project proposals will be provided in a Project Application Package to be released prior to the solicitation of project applications.</p> <p>DEQ will work with local partners to ensure all entities eligible to apply for the VW are aware of the process.</p>
2	<p>The Sierra Club position continues to mirror our original comments to the DEQ recommending the allocation of 15 percent of the total to build out statewide DC fast charging and the remaining 85 percent on electric vehicle procurement.</p>	<p>Thank you for your support of the BMP's EVSE Program.</p> <p>DEQ will award projects through an evaluation of project submissions received against the Project Evaluation Matrix; overall points received for each project will then be compared to other projects received during a formal application period. DEQ has decided to take a technology/vehicle neutral approach to project funding, rather than prioritize any single technology or any one type of vehicle.</p>
2	<p>15 percent of the total to build out statewide DC fast charging</p> <p>Based on our position, we are incredibly pleased to see that the DEQ has partnered with the Office of Energy and Mineral Resources to spend the maximum allotted amount for charging infrastructure on a buildout of a fast charging system along Idaho's major transportation corridors. We are truly encouraged to see the direction of this spending and want to urge that DEQ makes this a priority in the first round of funding, spending as much of the money allotted for infrastructure as feasible in the first year.</p> <p>The reason funding should be prioritized on implementing infrastructure projects is that it's backed by a tremendous amount of work, has widespread public support, and provides the most emission reductions of any project area. First, the plan is supported by work that has been done by the Idaho Department of Transportation on alternative fuel corridors, Idaho Power Company in developing the tiered fast charging map for infrastructure development, and the memorandum of understanding signed by seven western governors in the spring on 2017. This idea has support from both state agencies, private interests and public advocacy groups. It also claims the highest predicted emission reduction potential. The technology is also ready to deploy in a way that will not meaningfully change in terms of</p>	<p>Thank you for your comment; we appreciate the feedback we received. The vast majority of responses regarding the ZEV portion of the plan encouraged Idaho to use all 15% of Idaho's VW Trust allocation for building electric vehicle charging infrastructure along the state's major highway corridors. Based on these responses, we will move forward with the proposed plan, and will not make any substantive changes at this time to the ZEV portion of the Beneficiary Mitigation Plan.</p>

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	price or makeup over the next few years, meaning there is no benefit from a slow implementation process.	
2	<p>85 percent on electric vehicle procurement</p> <p>We continue to advocate that all remaining funds be used exclusively on the electrification of the transportation sector, which we do not see reflected in the current draft plan. We recognize that there is room to move in the draft and no priority has been given to a specific fuel, thus we are encouraged that the DEQ is requesting input on this component in particular. Electricity is by far the most advantageous fuel source for Idahoans based on lower lifetime fuel/maintenance costs, in-state procurement, zero emission technology, and many additional health and environmental benefits.</p> <p>We are hopeful that through the public comment process and future iterations of the mitigation plan, we will see electric vehicles prioritized based on these unparalleled benefits.</p>	<p>DEQ will award projects through an evaluation of project submissions received against the Project Evaluation Matrix; overall points received for each project will then be compared to other projects received during a formal application period. DEQ has decided to take a technology/vehicle neutral approach to project funding, rather than prioritize any single technology or any one type of vehicle.</p>
2	<p>2. Air Quality</p> <ul style="list-style-type: none"> Because “NOx plays an important role for both ozone and PM2.5 in the Treasure Valley and PM2.5 in the Logan UT/ID area” but not for other nonattainment area or areas of concern identified in the BMP, the DEQ should prioritize project areas and funding for Ada, Canyon, and Franklin counties first to address the severe air quality issues that are directly linked to nox. Other areas that are highly impacted by air pollution from diesel vehicles should receive funding on a tiered basis. 	
2	<p>3. Goals and Priorities</p> <ul style="list-style-type: none"> We support the goal to “promote widespread acceptance of electric and hybrid vehicles”, but want to see the language amended to include adoption as a key component of this goal. The rapid adoption of electric vehicles by entities and individuals around the state is critical to achieve concrete NOx reductions and attain the associated benefits of increase environmental and public health. The requirement of “experience of applicant” with diesel reduction programs might needlessly restrict access to entities that both want to and would be able to achieve significant NOx reductions through innovative programs that might be outside the bounds of their traditional experience. Sierra Club wants more clarification around this criteria and an explanation of how this would affect implementation and distribution of funding for new and innovative projects. We don’t support the “implementation timeline” criteria because it creates pressure for immediacy in a process that will be carried out over several years. The Trust encourages the opposite with time-based spending caps that encourage a slower, more deliberate approach of leveraging funds to encourage 	<p>Additional detail with regard to project selection will be provided in a Project Application Package to be released prior to the solicitation of project applications.</p> <p>Changes have been made to Table 1 in the following evaluation criteria:</p> <ul style="list-style-type: none"> - applicant experience - points earned for efficiently executed projects, commensurate with the project level of effort. - population impacted criteria to include sensitive and/or underrepresented populations; minority and low income populations; and populated areas within traffic proximity.

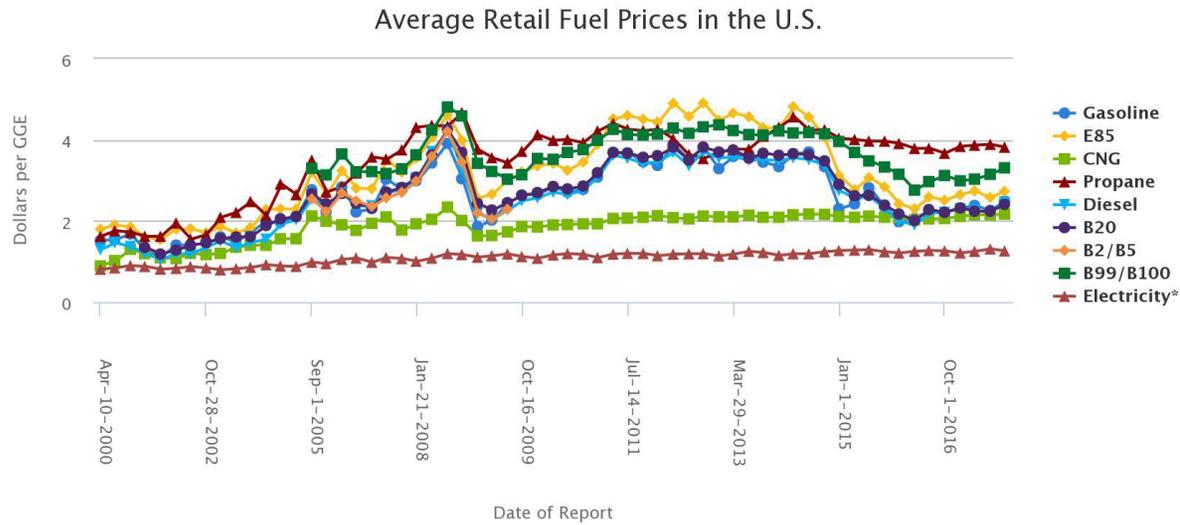
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	<p>innovation in the transportation sector and achieve the greatest long-term NOx reductions possible with emerging technologies.</p> <ul style="list-style-type: none"> ● For the “population” measure we want to make sure that this is looking at not just numeric representations, but also include a specific populations that are most at risk to the health effects of emissions. In particular, we would like to see how the DEQ can incorporate specific ways to measure the young, elderly and low-income populations that will be directly affected by each of the proposed projects. For example, looking at buses you have a number of young riders who are negatively impacted by the diesel emissions and also at higher risk for the development of negative health impacts. 	
2	<p>4. Implementation Plan</p> <ul style="list-style-type: none"> ● No clarity is provided around the process for “applicants”, we would like to see more information about how DEQ plans to request project proposals and what will be required from the applicants. <ul style="list-style-type: none"> ● 4.1 Light Duty Zero-Emission Vehicle Supply Equipment <ul style="list-style-type: none"> ○ We fully support the outlined use of the 15% of the state’s allocation for the use of building our ZEV supply equipment and designation to OEMR. Sierra Club asks that stakeholders both in coordination and at the selection committee represent a diverse array of interests. ○ We support the funding priority areas identified with the ITD alternative fuel corridor. ○ Host site criteria amenable. ● 4.2 Trucks and Buses <ul style="list-style-type: none"> ○ Sierra Club advocates for using the 35% of funding in these project categories exclusively on electric replacements or retrofits to maximize the immediate and long term NOx reductions and provide additional benefits of reduced fuel, maintenance and operation costs. ● 4.3 Locomotives, Airport Equipment, and Forklifts <ul style="list-style-type: none"> ○ Sierra Club advocates for using the any funding nn these project categories exclusively on electric replacements or retrofits to maximize the immediate and long term NOx reductions and provide additional benefits of reduced fuel, maintenance and operation costs. ○ We would like more clarity around the way these projects overlay with priority air quality areas and pollution by emission source information identified the air quality section of the mitigation plan. 	<p>Additional detail with regard to the methods and inputs used to evaluate project cost effectiveness, as well as applicants instructions for submitting project proposals will be provided in a Project Application Package to be released prior to the solicitation of project applications.</p> <p>Thank you for your support of the BMP’s EVSE Program. The OEMR has identified a diverse group to participate in a VW Advisory Group.</p> <p>DEQ will award projects through an evaluation of project submissions received against the Project Evaluation Matrix; overall points received for each project will then be compared to other projects received during a formal application period. DEQ has decided to take a technology/vehicle neutral approach to project funding, rather than prioritize any single technology or any one type of vehicle.</p> <p>How projects overlay specific areas cannot be identified until after project submissions are received. As indicated above, additional details with regard to project evaluation will be provided in a Project Application Package.</p>

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	<ul style="list-style-type: none"> ● 4.4 DERA Option <ul style="list-style-type: none"> ○ The Sierra Club advocates that these funds be shifted to prioritize projects that lead to the adoption of electric vehicles to maximize the immediate and long term NOx reductions and provide additional benefits of reduced fuel, maintenance and operation costs. ○ Want more information about the lifetime NOx reductions associated with the retrofitting programs as compared to the option of electrification. 	<p>Additional detail with regard to the methods and inputs used to evaluate project cost effectiveness, as well as applicants instructions for submitting project proposals will be provided in a Project Application Package to be released prior to the solicitation of project applications.</p>
2	<p>5. Public Input</p> <ol style="list-style-type: none"> 1. We would support any funding that increases the number of zero emission vehicles. 2. We would like to see a flexible process that awards projects depending on the need of the applicant and scope of expected beneficiary of said project. This is why we would like to see more information about how the DEQ plans to build in transparency, diverse stakeholder involvement and public input into the funding decision process. 3. We recommend the State Beneficiary Plan focus funding on the electrification of public school buses, shuttles and public transit. Diesel school buses are a leading source of NOx emissions. They tend to operate in areas with the worst air quality generally, and locally increase emission exposure to children. Market proven zero emission buses produce the largest NOx emission reductions compared to any other technology in addition to locking in annual savings on fuel, maintenance and operation to bring measurable economic and environmental benefits to the communities they service, while providing a funding pathway through savings for continued investment and purchase of zero emissions buses. Buses are also prominent vehicles, so they serve an educational role as a billboard to promote the market for EVs generally 	<p>Please Note: Section 5 of the Preliminary Draft BMP included eleven questions in an effort to solicit stakeholder input; these are responses to those questions. Please see Appendix A to this document for a list of those questions.</p> <p>Additional detail with regard to the methods and inputs used to evaluate project cost effectiveness, as well as applicants instructions for submitting project proposals will be provided in a Project Application Package to be released prior to the solicitation of project applications. The DEQ, while including a diverse audience and transparency in the BMP development and project selection decision making criteria, is not planning for stakeholder and/or public input into the funding decision process beyond the BMP. Consideration of applicant needs and project benefits will be taken into account during project evaluation.</p> <p>DEQ will award projects through an evaluation of project submissions received against the Project Evaluation Matrix; overall points received for each project will then be compared to other projects received during a formal application period. DEQ has decided to take a technology/vehicle neutral approach to project funding, rather than prioritize any single technology or any one type of vehicle.</p>

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	<p>4. We recommend the State Beneficiary Plan focus funding on the electrification of public school buses, shuttles and public transit.</p> <p>5. Preference should be given to zero emission vehicles to maximize the immediate and long term NOx reductions and provide additional benefits of reduced fuel, maintenance and operation costs.</p> <p>6. Replacing vehicles with all-electric engine technologies provides all of the emissions and cost savings benefits that newly purchased zero emission vehicles provide with the added benefit of reduced frontend capital costs.</p> <p>7. The maximum allotted amount of 15% of total funds.</p> <p>8. No. Although these options are available for funding, electric vehicle upgrades provide more benefits: a) keep energy dollars in state; b) grid benefits that result in rate payer savings; c) create in-state jobs; d) reduce fuel and maintenance costs; drastically reduce NOx, smog and greenhouse gas levels.</p> <p>9. Prioritizing the nonattainment areas and areas of concern first. Within those communities, additionally priorities can be set based on projects that will reduce pollution exposure for our most vulnerable citizens (youth and the elderly). When looking at project funding, priority funding should be given projects that benefit historically marginalized or highly impacted communities, specifically low-income and people of color communities. Overlaying expected project beneficiaries with census data can be a helpful tool in identifying priorities along these lines.</p> <p>10. In all of the manners described.</p> <p>11. In addition, the Sierra Club advocates that some administrative expense to conduct public outreach should include funding that increases language accessibility by providing information and outreach in multiple languages spoken in our communities.²</p>	<p>The DERA option, including electric as well as other alternate fuel options, also provides for benefits a, c, and d mentioned in the comment. DERA and non-DERA projects will be evaluated equally using the Project Evaluation Matrix.</p> <p>Changes have been made to Table 1, Project Evaluation Matrix under the population impacted criteria to include sensitive and/or underrepresented populations; minority and low income populations; and populated areas within traffic proximity.</p> <p>Consideration will be given to providing public outreach material in multiple languages.</p>
3	<p>1.) Should Idaho consider using trust funds on government as well as nongovernment owned vehicles and/or facilities? Yes</p> <p>2.) How can Idaho best maximize the air quality benefits resulting from the trust? Maximizing air quality benefits can be accomplished by prioritizing alternative fuels and by prioritizing projects</p>	<p>Please Note: Section 5 of the Preliminary Draft BMP included eleven questions in an effort to solicit stakeholder input; these are responses to those questions. Please see Appendix A to this document for a list of those questions.</p> <p>DEQ will consider equally projects associated with government and non-government owned vehicles and/or facilities.</p> <p>Additional detail with regard to the methods of project evaluation and award notification, including</p>

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	<p>that have the largest NOx and greenhouse gas emissions. This can be accomplished through the project evaluation matrix, with the inclusion of criteria areas for alternative fuels and NOx and greenhouse gas emissions. YTCC recommends these categories be in the highest point category.</p> <p>3.) Should Idaho fund projects at the maximum amount eligible under the trust or should Idaho fund some or all projects at a lesser amount in order to best maximize the use of funds? YTCC recommends a mixture of both. Requiring a match could potentially exclude some effective projects from entities that simply don't have the funds but have the need and capacity to take on a project.</p> <p>4.) Should Idaho set aside funds for particular categories of projects or applicants. YTCC recommends Idaho set aside a portion of the funds for emerging technologies. In year 3, there could potentially be new vehicles or EVSE station options that are currently not on the market today. Things are changing rapidly in this industry and these funds provide an unprecedented opportunity to help catalyze the shift to alternative fuel and new efficient technologies.</p> <p>5.) Should preference be given to certain fuels, such as diesel, compressed natural gas, propane, hydrogen fuel cell, or battery electric? As mentioned earlier, priority should be placed on alternative fuels. Purchasing diesel vehicles is just business as usual. These funds should be utilized on vehicles and fuels that otherwise may not be purchased.</p> <p>6.) What are the costs and benefits of replacing or repowering vehicles with "alternate fueled" or "all-electric" engine technologies, as defined by Appendix D-- 02 of the Consent Decree? The cost is simply the cost of the vehicle. An "alternate fueled" or "all-electric" vehicle is typically about \$10-\$40,000 more expensive at time of purchase than a traditional gasoline or diesel vehicle. However, the cost of alternative fuels is generally less and more consistent than gasoline or diesel. The benefits of "alternate fueled" or "all electric" vehicles are the fuel cost savings as well as the greenhouse gas emission savings.</p>	<p>percentage of funding allowed as a percentage of the maximum funding eligible under the trust, will be provided in a Project Application Package to be released prior to the solicitation of project applications.</p> <p>Additional detail regarding the percentage of funding awarded to projects as a percentage of the maximum funding eligible under the trust will be provided in a Project Application Package. While points may be awarded to projects with matching funds, the act of proposing matching funds remains voluntary, and is not requisite.</p> <p>DEQ will award projects through an evaluation of project submissions received against the Project Evaluation Matrix; overall points received for each project will then be compared to other projects received during a formal application period. DEQ has decided to take a technology/vehicle neutral approach to project funding, rather than prioritize any single technology or any one type of vehicle.</p>

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*Last updated: December 2017
Printed on: December 8*

Figure 1. Average Retail Fuel Prices in the US. Electricity and CNG prices are low and consistent compared to other fuels.

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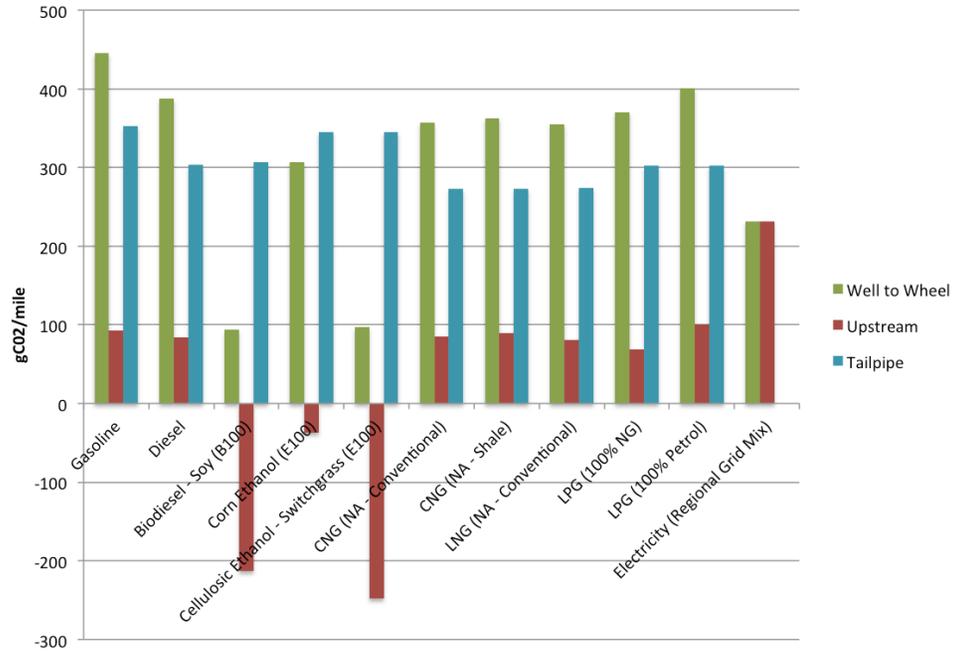
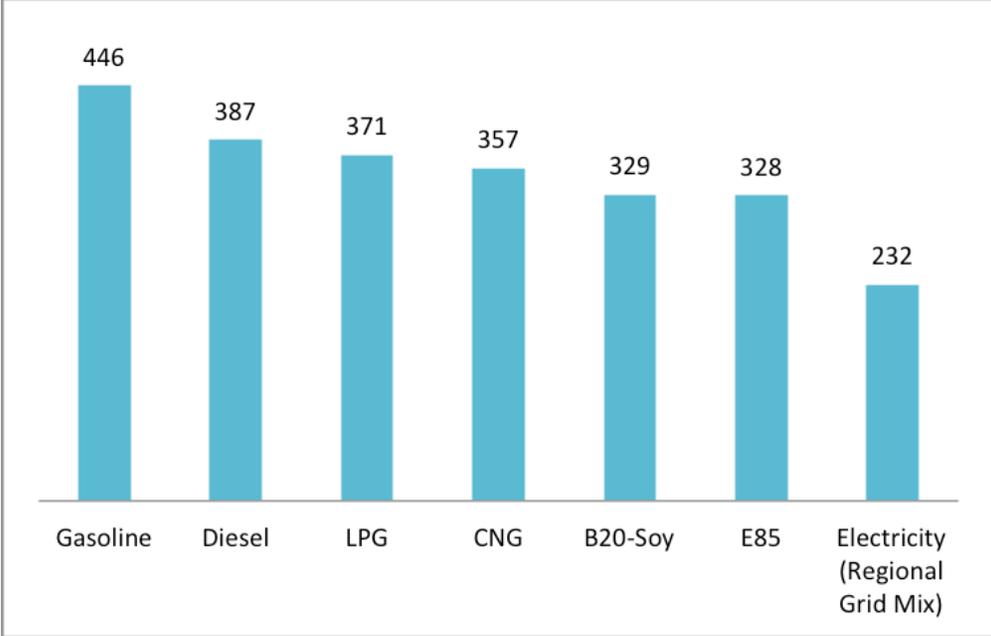


Figure 2. Well to Wheel grams of CO2 emitted per mile driven using transportation fuels

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	 <p>Figure 3. Well to Wheel grams of CO2 emitted per mile driven while using transportation fuels.</p> <p>7. What percentage of trust funds, if any, should Idaho devote to light-duty ZEV supply equipment? YTCC recommends the full 15% allowable. The mobile emission sources by category and eligibility listed on page 5 of the draft plan show 34% of emissions are due to non-eligible vehicles, which I believe are on-road light-duty vehicles. Most electric vehicles are light duty vehicles, so by providing 15% of funds towards EVSE, the state of Idaho could still addressing the source of 34% of its emissions.</p> <p>8. Should Idaho expend trust funds on the DERA option? Yes, but only a small percentage.</p> <p>9. What is the best method or approach to determine whether a proposed project will benefit areas that have been disproportionately impacted by emissions of NOx or other pollutants? During the project application process, a percentage of time associated with where the vehicle operates should be supplied. A vehicle operating 100% of the time in an impacted area can have a greater benefit than a vehicle that simply drives through.</p>	<p>Thank you for your comment; we appreciate the feedback we received. The vast majority of responses regarding the ZEV portion of the plan encouraged Idaho to use all 15% of Idaho’s VW Trust allocation for building electric vehicle charging infrastructure along the state’s major highway corridors. Based on these responses, we will move forward with the proposed plan, and will not make any substantive changes at this time to the ZEV portion of the Beneficiary Mitigation Plan.</p> <p>DERA and non-DERA projects will be evaluated equally using the Project Evaluation Matrix.</p>
3	<p>YTCC would like to see EVSE installation locations considered outside of the alternative fuel corridor as well. There is a need for stations connecting Idaho Falls to the Wyoming border, to allow for a fully electric journey from Idaho Falls to Grand Teton and Yellowstone National Parks at their southern</p>	<p>OEMR, DEQ and ITD have identified that there are important routes outside of the alternative fuel corridors, like the highways leading from Idaho</p>

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	entrance. We would also recommend establishing consistency of the EVSE and technology deployed throughout the state to allow for ease of use and reduction in confusion by users of the equipment.	Falls to the Wyoming border, that should receive some funding from the ZEV portion of the VW Trust. OEMR is also working with our neighboring states – Montana, Wyoming, Utah, Nevada, Colorado, New Mexico and Arizona – under a memorandum of understanding (MOU) to ensure that there is a connected infrastructure of electric vehicle charging stations across these eight intermountain states.,
	A voluntary funding match should have low possible points as it may exclude some great projects form entities with smaller budgets.	Voluntary match is ascribed with the potential to earn 10 points, the lowest of the point levels.
	YTCC also suggests ID DEQ utilize the Department of Energy AFLEET tool. This tool includes alternative fuels in the emission calculations whereas the Diesel Emission Quantifier does not. The AFLEET tool was updated in August of 2017 to include updated NOx emissions estimates. A key thing to note is that research has found diesel vehicles to have much higher emissions in real world settings than in lab settings/certification. Therefore, diesel in---use emissions multiplier sensitivity case was also added to the August release of AFLEET. As the purpose of these funds is to reduce NOx emissions, we recommend using a tool that can evaluate all projects on a level playing field. A webinar and presentation about this tool can be found here: https://cleancities.energy.gov/webinars . Please do not hesitate to reach out to me with any questions about this tool.	Additional detail with regard to the methods and inputs used to evaluate project cost effectiveness, as well as applicants instructions for submitting project proposals will be provided in a Project Application Package to be released prior to the solicitation of project applications.
4	<p>If Pocatello gets some of the VW settlement, it would greatly enhance our bus system. Evenings are tough to find a ride, and so many people would benefit from having a ride not driving when , well they've been out. We'd all be a bit safer.</p> <p>Also our bus stops could use some protection from the elements. Rain, snow, wind, even sun. I work in the Public Library, and so many of our patrons use the bus system to get to us.</p>	This comments' subject(s) or project idea are not within the BMP's purview, and/or are not considered an eligible mitigation action(s).
5	<ol style="list-style-type: none"> 1. It is unclear to me why only 15% of the allocation is being expended for the highest carbon reducer-EV infrastructure. 2. The funds for the infrastructure should be expended on a Combined Charging System (CCS) platform -They supersede Level 1 and Level 2 chargers, and are designed to charge electric vehicles quickly (30 minutes) with an electric output ranging between 50 kW – 120 kW. 3. The charging stations should be located near shopping and or dining centers and not at gas stations. A place you would want to stay for an half hour or so. 4. The charging stations should be spaced at 100 mile intervals to allow for longer destination trips (level 1 or 2 chargers are used for day to day travel and installed in most EV owners homes). The Chevy Bolt EV has set the bar with a range of 238 miles. All of the remaining car makers are 	The Trust dictates that a maximum of 15% of the total allocation to a state can be set aside for light-duty vehicle charging infrastructure, and the remaining 85% of the allocation must be used for other projects that reduce nitrous oxide (NO _x) emissions in the atmosphere. Idaho is bound by the terms of the Trust, and is proposing to use the maximum amount allowable for light-duty electric vehicle charging infrastructure.

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	<p>scrambling to catch up and provide cars with an equivalent range or better.</p> <p>5. Some level 2 chargers (takes about 3 to 4 hours) should be allowed at destination hotel sites where the vehicles can be charged during an overnight stay.</p> <p>6. I would like to see highway 95 added to the list to connect tourism to the McCall and Riggins area, provide travel to University of Idaho and Washington State University and potentially connect to Washington's I-90</p> <p>7. (123 miles from Lewiston).</p>	
5	<p>We turned in two VW TDI's and chose vehicles that would keep our environment clean, a Chevy Volt plugin Hybrid, and a Chevy Bolt EV. We therefore have a strong conviction, and a vested interest in how the VW settlement allocation is expended. Washington and Oregon have entered into a similar MOU as Idaho and the intermountain west agreement. Oregon is planning on 9 CCS DC fast/Quick charges from The Dallas to Ontario. Washington is adding stations on I-82 connecting eastern Oregon and Eastern Washington. They also intend to expand on the west coast electric highway I-5.</p>	<p>Thank you for your comment; we appreciate the feedback we received. The vast majority of responses regarding the ZEV portion of the plan encouraged Idaho to use all 15% of Idaho's VW Trust allocation for building electric vehicle charging infrastructure along the state's major highway corridors. Based on these responses, we will move forward with the proposed plan, and will not make any substantive changes at this time to the ZEV portion of the Beneficiary Mitigation Plan.</p>
6	<p>As the owner of an electric vehicle, I would like to see most of these funds spent to increase the ease and availability of charging for electric vehicle owners. Zero emission vehicle adoption and promotion should be a key component of the plans for these funds since charging stations are difficult to find and are often in use when I've needed to charge my car.</p> <p>I support the outlined use of the 15% of the state's allocation for the use of building our ZEV supply equipment and designation to OEMR and support the funding priority areas identified with the ITD alternative fuel corridor.</p>	
6	<p>I would also advocate for using the 35% of funding in the Trucks and Buses category exclusively on electric replacements or retrofits to maximize the immediate and long term NOx reductions and provide additional benefits of reduced fuel, maintenance and operation costs. Additionally, I advocate for using the 20% of funding in the Locomotives, Airport Equipment, and Forklifts categories exclusively on electric replacements or retrofits to maximize the immediate and long term NOx reductions and provide additional benefits of reduced fuel, maintenance and operation costs.</p> <p>As for the DERA Option, I would want these funds to be shifted to prioritize projects that lead to the adoption of more electric vehicles.</p>	<p>DEQ will award projects through an evaluation of project submissions received against the Project Evaluation Matrix; overall points received for each project will then be compared to other projects received during a formal application period. DEQ has decided to take a technology/vehicle neutral approach to project funding, rather than prioritize any single technology or any one type of vehicle.</p>
6	<p>I would like to encourage the DEQ to build in transparency, diverse stakeholder involvement and public input into the funding decision process. Furthermore, I oppose the "implementation timeline" criteria because it creates pressure for immediacy in a process that will be carried out over several years.</p>	<p>The DEQ, while including a diverse audience and transparency in the BMP development and project selection decision making criteria, there are no current plans for stakeholder and/or public input into the funding decision process beyond the BMP.</p>

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		Changes have been made to Table 1 with regard to points earned for implementation timeline to clarify that the timeline refers to efficiently executed projects, commensurate with the project level of effort.
7	<p>Consistent with the Idaho Preliminary Draft BMP’s goal to “promote widespread acceptance of electric and hybrid vehicles” I ask that DEQ consider the following matters related to the 15% of funding associated with electric vehicle supply equipment</p> <ul style="list-style-type: none"> • The design John Chatburn presented on December 14th, one which would facilitate long range travel within the state boundaries by electric vehicles, represents the type of enabling infrastructure essential for more widespread acceptance of electric vehicles. In light of the recent revelation that VW’s \$2 billion of Zero Emission Vehicle Infrastructure funds will be directed to workplaces and multi-family residences in large cities, the concern Mr. Chatburn raised in the meeting regarding potential duplication of efforts between OEMR and VW appears to have been resolved. Please consider allocating the full 15% funding for the OEMR projects during the first year in which Idaho receives beneficiary funds. Much of the baseline work associated with identifying charger locations and grid interconnections is based on mature technologies that are known now and likely won’t experience substantial changes in cost-effectiveness in the next few years. By contrast, electric vehicle powertrains are rapidly improving and moving more of the remaining funding decisions later in the funds disbursement array will potentially allow harnessing more of those technological benefits. • With the goal of providing a method for “re-fueling” electric vehicles while in use for longer range travel, please also recognize that Level 2 chargers do (perhaps 20 miles of range added per hour on the charger for a light duty vehicle) and emphasize a buildout of DC fast charging facilities. 	Thank you for your comment; we appreciate the feedback we received. The vast majority of responses regarding the ZEV portion of the plan encouraged Idaho to use all 15% of Idaho’s VW Trust allocation for building electric vehicle charging infrastructure along the state’s major highway corridors. Based on these responses, we will move forward with the proposed plan, and will not make any substantive changes at this time to the ZEV portion of the Beneficiary Mitigation Plan.
7	<p>With respect to goals associated with significant and sustained diesel emission reductions -</p> <ul style="list-style-type: none"> • In the draft project selection criteria DEQ proposes granting up to 25 points based on projects alignment with Air Quality priority areas. Please ensure that allocation of these points considers the efficacy of diesel emission reductions in addressing the condition which causes each area to have its air quality problem when allocating this substantial number of points. 	Additional detail with regard to the methods and inputs used to evaluate project cost effectiveness, as well as applicants instructions for submitting project proposals will be provided in a Project Application Package to be released prior to the solicitation of project applications. The DEQ will evaluate the pollution source in evaluating emission reductions.

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7	<ul style="list-style-type: none"> In the draft project selection criteria Cost effectiveness is scaled (least, middle, most) but the measurement criterion is not listed. Please consider combining the cost effectiveness and population impact criteria into a single category that uses a ratio with tons of emissions reduced times number of persons impacted in the numerator and dollars spent to produce those reduction in the denominator. Reducing diesel pollution anywhere is a worthy he reduction will result in the greatest health and enjoyment benefits to the largest number of Idaho citizens is even better. 	<p>Additional detail with regard to the methods and inputs used to evaluate project cost effectiveness, as well as applicants instructions for submitting project proposals will be provided in a Project Application Package to be released prior to the solicitation of project applications.</p>
7	<p>With respect to measuring emission reductions –</p> <ul style="list-style-type: none"> My understanding from the December 14th meeting was that DEQ would use an EPA methodology/tool for estimating the emission reduction potential for various proposals. Please ensure that the relatively low level of emissions in the Idaho and Pacific Northwest electric power supply resulting from our higher than national average use of non-fossil fueled generation sources is not overlooked when comparing electric powertrain alternatives to non-diesel re-power proposals. 	
8	<p>1. I wish we could get long haul trucking freight off of our highways and back onto the more fuel efficient and cleaner exhausting modern freight trains, but local freight and produce distribution by diesel trucks is probably a service that will always be needed. The new electric engine freight trucks are a great alternative for short hauling, but probably too expensive for the greater good to spend this money on for now. I believe our greatest impact at cleaning up our air and reducing carbon emissions is to rid the fleet of older Diesel engines or convert many of them to the DEF exhaust system technology. My understanding is that the resulting exhaust of these DEF system diesel trucks is a low amount of nitrous oxide and water vapor. Cutting the more heat trapping carbon emissions in exchange for the low level exhaust of nitrous oxide. But I’m not sure how the State could force these Diesel engine alterations or new purchases to private business vehicles? I do however believe that DEQ and our state legislators might have more directive power over our state and county school buses. Our children are subjected to the toxic fumes of the older Diesel engine school buses twice a day. School buses idle these bus engines to warm them up while our children stand in line along these buses, waiting to be told to board. All over Idaho and our nation, every day. This is terrible for their lungs, their entire body and the environment. I own a modern DEF system diesel pickup and I know the nitrogen exhaust doesn’t smell great either, but it has to be better for the human body than the toxin laden exhaust of the older Diesel engines. Correct me if I am wrong.</p> <p>Therefore, my suggestion would be to use that money evenly, to purchase one or more DEF system Diesel engine school buses OR convert several buses per school district, all over the state as a “pilot project” bus or buses for each school district. I think the school’s would see very quickly that these new modern Diesel engines are far more fuel efficient, have plenty of horsepower and torque and if they do show exhaust smoke at all....something is wrong with the motor or DEF</p>	<p>Additional detail with regard to the methods of project evaluation and award notification, including percentage of funding allowed as a percentage of the maximum funding eligible under the trust, will be provided in a Project Application Package to be released prior to the solicitation of project applications.</p> <p>DEQ will award projects through an evaluation of project submissions received against the Project Evaluation Matrix; overall points received for each project will then be compared to other projects received during a formal application period. DEQ has decided to take a technology/vehicle neutral approach to project funding, rather than prioritize any single technology or any one type of vehicle.</p>

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	system. I own a 6.7 liter Cummins Diesel Dodge pickup with the DEF system in my truck and I'm extremely pleased with its performance. I wonder if you could deal with Dave Smith Motors up here in Kellogg, Idaho for the purchase of any new buses? They have the best deals on vehicles of literally anywhere in the nation. Also, I still don't understand why we know seat belts save lives and still don't have them in buses? Have each bus rigged with seat belts for our kids in every seat.	
8	2. Increase the number of electric car charging stations in every major city in Idaho.	Thank you for your comment; we appreciate the feedback we received. The vast majority of responses regarding the ZEV portion of the plan encouraged Idaho to use all 15% of Idaho's VW Trust allocation for building electric vehicle charging infrastructure along the state's major highway corridors. Based on these responses, we will move forward with the proposed plan, and will not make any substantive changes at this time to the ZEV portion of the Beneficiary Mitigation Plan.
8	3. Quit penalizing electric car owners in Idaho by charging them more for registration and any other extra expenditures for local, county or state permits or records. This is directly counterproductive to encouraging clean air in Idaho!	This comments' subject(s) or project idea are not within the BMP's purview, and/or are not considered an eligible mitigation action(s).
09	<p>The purpose of this letter is to provide Cummins' comments on Idaho's proposed Environmental Mitigation Trust program. We appreciate the opportunity to provide the Idaho Department of Environmental Quality with our suggestions on the most cost-effective methods to reduce NOx emissions in the state through the funding provided by the Volkswagen Environmental Mitigation Trust.</p> <p>Cummins Inc. is a global power leader that designs, manufacturers, sells and services diesel and natural gas engines, power generation systems and related products and technologies. We serve our customers through our network of 600 company-owned and independent distributor facilities and more than 7,200 dealer locations in over 190 countries and territories. Cummins Boise Idaho is a full service provider for all Cummins Inc products. Cummins is a partner with local clean air agencies, nonprofits, and customers to improve the communities where we live and work. We believe the quickest and most effective manner for the state of Idaho to administer funds related to the VW settlement is to utilize the existing infrastructure related to the Diesel Emissions Reduction Act (DERA). DERA has a proven track record for helping communities remove older diesel engines and vehicles from local communities and replacing them with clean diesel and natural gas products with substantially lower emissions. Between 2008 and 2013,</p>	DERA and non-DERA projects will be evaluated equally using the Project Evaluation Matrix.

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	<p>more than 73,000 older diesel vehicles and pieces of equipment were upgraded to the latest emissions standards under DERA. This resulted in the elimination of 335,000 tons of NOx. This program has been utilized around the country by public and private fleets to modernize their equipment and improve the air quality in the areas where they operate. DERA has enhanced the quality of life for millions of people, including hundreds of thousands of children who are travelling to and from schools on buses with the latest emissions reduction technology.</p> <p>The VW settlement provides substantially more funding than the existing DERA program, which presents a significant opportunity for Idaho to get the most NOx reduction per dollar possible. This will allow the state to reduce the maximum number of existing older diesel engines resulting in the greatest impact on air quality. The latest generation of clean diesel and natural gas engines with state of the art exhaust treatment will provide the most cost-effective solution to achieving the NOx reduction goals of the settlement. These technologies are available now and can repower existing vehicles or be incorporated into new vehicles. Clean diesel and natural gas vehicles are also available in a wide range of on-highway and off-highway applications that meet or exceed the most stringent emissions requirements established by the U.S. EPA. More importantly, using the DERA grant program to leverage the VW settlement reduces the time necessary to educate partners and train. Providing the most impact. Cummins would like to lobby the Idaho Department of Environmental Quality decision makers to keep the settlement money open to all technologies; and not to favor one technology over another. This allows the state greater flexibility to meet the air quality needs of the diverse communities and diesel equipment operators. Taking the stance as "technology neutral" will also allow Idaho to analyze each application based on both merit and cost-effective use of the funds to reduce NOx emissions.</p> <p>Thank you for the opportunity to comment, regarding Idaho's administration of the Environmental Mitigation Trust funds. We look forward to working with your team and hope that you'll use our experts as a resource for your continuing efforts to assess various technologies and options. Please feel free to contact me for additional data about our products, or seek information about our experience working with partners on the DERA program.</p>	<p>DEQ will award projects through an evaluation of project submissions received against the Project Evaluation Matrix; overall points received for each project will then be compared to other projects received during a formal application period. DEQ has decided to take a technology/vehicle neutral approach to project funding, rather than prioritize any single technology or any one type of vehicle.</p>
10	<p>Proterra, the leading U.S. manufacturer of electric, zero-emission transit buses, appreciates the opportunity to provide comments on the proposed BMP, which describes Idaho's overall intentions and plan for spending N \$17.3 million of Idaho's VW allocation funding.</p> <p>The proposed BMP makes clear the public importance of using the trust funds to promote "widespread acceptance of electric" vehicles. Further, the proposed plan appropriately prioritizes projects that (i) achieve "significant and sustained reductions in diesel emissions" and (ii) "[m]aximiz[e] the amount of diesel emissions reduced each year per dollar spent."</p> <p>Consistent with these sentiments, Proterra strongly supports the higher funding percentage proposed</p>	<p>DEQ will award projects through an evaluation of project submissions received against the Project</p>

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	<p>for trucks and buses. But it urges the DEQ to limit funding to battery electric, zero emission transit and school buses and to increase the funding percentage from 35% to 50%. We certainly agree 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. Replacing diesel buses with electric buses is simply one of the best investments the state can make to help electrify public transit and improve air quality. We believe that the best way to accomplish these and other statewide goals is to use the funds from the VW trust to fund 110% of the incremental cost of a new electric bus and associated charging infrastructure.</p> <p>The electrification of heavy duty vehicles offers a pathway towards achieving the numerous benefits associated with zero emission transit. Indeed, Park City, Utah's recent deployment of Proterra electric transit buses is the poster child for why states should emphasize the electrification of transit buses with their VW mitigation funding. In June 2017, Park City Transit deployed six battery electric buses. Since that time, the electric fleet has traveled more than 160,000 miles using 269,400 of kWh electricity, resulting in an average fuel efficiency of 1.7 kWh/mile, or just over 22 MPGe (compared to 4 MPG for Park City's diesel buses). The electric buses have displaced the use of N 32,000 gallons of diesel fuel in their first four months alone, while eliminating more than 801,000 lbs. of GHG emissions. Additionally, the electric buses have saved Park City Transit money through the savings in fuel and maintenance. In fact, the cost per mile of operation has dropped from a high of \$0.63 a mile using diesel to a low of \$0.30 using electricity. Not surprisingly, Park City has seen an increase in ridership on those routes utilizing zero emission buses, causing other municipalities to determine how they too can add and/or increase the number of zero emission buses on the road.</p> <p>Your Office has indicated the importance of using the VW funding on projects that will "improve and protect ambient air quality." To achieve that primary goal, Proterra encourages the DEQ to promote the adoption of zero-emission technology, and not "near-zero" technology. Nationally, 7,461,458 tons of NOx, or 55% of the 13,489,110 tons of NOx emitted derive from mobile sources;35% attributable to on-road sources.1 In the state of Idaho, 64,410 tons of NOX, or 63% of the 103,037 tons of NOx emitted are from mobile sources.2 On this basis alone, we urge DEQ to use up to 50% of its funds to advance the electrification of transit and school buses in those areas disproportionately impacted by the VW diesel vehicle emissions. By doing so, Idaho will help achieve its program goals, including the reduction of NOx, greenhouse gases and other pollutants.</p>	<p>Evaluation Matrix; overall points received for each project will then be compared to other projects received during a formal application period. DEQ has decided to take a technology/vehicle neutral approach to project funding, rather than prioritize any single technology or any one type of vehicle.</p>
11	<p>Natural Gas Vehicles for America (NGV America), the national trade association for the natural gas vehicle industry, respectfully submits the following comments on the State of Idaho (ID) Department of Environmental Quality's Volkswagen (VW) Beneficiary Mitigation Plan (Plan). These comments are in addition to the NGV America comments submitted to you on May 9, 2017 (attached) regarding NGV America's recommendations on how states can best use the Environmental Mitigation Trust</p>	

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	<p>(EMT or Trust) funds provided by the Volkswagen diesel emission settlement.</p> <p>Idaho has a significant opportunity to use the VW Trust funds (\$17.35 million) to positively impact the future of its emissions from on-road and non-road vehicles. The proposed ID VW Plan aligns well with the goals outlined by the U.S. Department of Justice for the EMT. As Stated in the ID VW Beneficiary Mitigation Plan, “Idaho’s strategy for implementing the trust is to select projects that improve and protect ambient air quality by achieving the following high level goals:</p> <ul style="list-style-type: none"> • Achieve significant and sustained reductions in diesel emission exposures in <ul style="list-style-type: none"> – Priority air quality areas – Areas that receive a disproportional amount of air pollution from diesel vehicles. • Maximize the amount of diesel emissions reduced each year per dollar spent. • Promote widespread acceptance of electric and hybrid vehicles (e.g. zero emission and near-zero emission vehicles and engines).” <p>In support of the State’s high level goals stated above, NGVAmerica strongly encourages the Department of Environmental Quality to prioritize investments in natural gas zero emission equivalent (near-zero) vehicles since these vehicles are now commercially available in all the desired vehicle categories stated in the Plan, and can begin improving Idaho’s air quality immediately at a much lower cost than other clean technologies (please refer to NGVAmerica’s May 9, 2017 Comment Letter for additional information). NGVAmerica suggests that the third goal above be modified to include the natural gas near-zero engine.</p>	<p>DEQ will award projects through an evaluation of project submissions received against the Project Evaluation Matrix; overall points received for each project will then be compared to other projects received during a formal application period. DEQ has decided to take a technology/vehicle neutral approach to project funding, rather than prioritize any single technology or any one type of vehicle.</p>
11	<p>Current State Beneficiary Mitigation Plans</p> <p>Sixteen states have released draft VW Mitigation Plans and NGVAmerica has reviewed these plans and offered comments to the states. NGVAmerica believes the Colorado Plan provides an excellent model for other states that wish to segment their funding, maximize the use of alternative fuels, and provide parity among alternative fuels (https://www.colorado.gov/pacific/sites/default/files/AP_VW_Beneficiary_Mitigation_Plan.pdf).</p> <p>In allocating its funds, Colorado did not pick a preferred fuel and kept the categories simple and broad. The \$18M set aside by Colorado for Alt Fuel Trucks/School and Shuttle Buses funds all alternative fuels at 40% of the vehicle cost for government and public entities, while private vehicles are funded at 25% of the vehicle cost (not the 75% allowed for EVs because that would use the funds for a smaller number of vehicles (reducing less NOx) and there are other sources for EV funding). NGVAmerica recommends that Idaho consider adopting a similar “parity” approach to alternative fuel vehicles.</p> <p>Colorado has other funding they can apply to Transit, so it created a structure to augment the funding provided by the \$18M segment. Colorado also set aside \$12.2M in Flex Funds to support projects in</p>	<p>Additional detail with regard to the methods of project evaluation and award notification, including percentage of funding allowed as a percentage of the maximum funding eligible under the trust, will be provided in a Project Application Package to be released prior to the solicitation of project applications.</p>

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	the segments that turn out to be successful and oversubscribed. For the DERA option, liquefied natural gas (LNG) drilling rig and hydraulic fracturing engines, mining trucks and locomotives are potential projects.	
11	<p>Additional Options for Vehicle Scrappage NGVAmerica also recommends that the Idaho Department of Environmental Quality consider the following vehicle scrappage options in the Plan:</p> <ul style="list-style-type: none"> ▪ Increase the options for scrappage beyond a strict replacement of a current fleet vehicle (e.g., allow a fleet to acquire an older vehicle from another fleet or allow a fleet to exchange one of its newer vehicles for another fleets older vehicle that is then scrapped) ▪ Since the Trust does not specify the fuel of the scrappage vehicle, allow older natural gas vehicles that meet the year criteria to be scrapped and replaced with new NGVs 	<p>DEQ will award projects through an evaluation of project submissions received against the Project Evaluation Matrix; overall points received for each project will then be compared to other projects received during a formal application period. DEQ has decided to take a technology/vehicle neutral approach to project funding, rather than prioritize any single technology or any one type of vehicle.</p> <p>DEQ’s understanding of the Trust is that only diesel vehicles are eligible for replacement, retrofitting, or repowering.</p>
11	<p>Use the Most Current Emissions and Cost Benefit Calculation Tools Idaho’s draft plan indicates that the state intends to use the Diesel Emission Quantifier to assess the cost-effectiveness of different mitigation actions. We urge Idaho to also consider and allow the use of other available emission tools include Argonne National Laboratory’s AFLEET tool. The AFLEET tool provides more specific emission factors for alternative fuel vehicle and therefore is better suited to estimating the cost and benefits provided by projects that include alternative fuel vehicles. The AFLEET tool data on all vehicles and fuels including in-use emissions data. The AFLEET Tool 2017 updates include:</p> <ul style="list-style-type: none"> ▪ Added low-NOx engine option for CNG and LNG heavy-duty vehicles ▪ Added diesel in-use emissions multiplier sensitivity case ▪ Added Idle Reduction Calculator to estimate the idling petroleum use, emissions, and costs for light-duty and heavy-duty vehicles ▪ Added well-to-pump air pollutants and vehicle cycle petroleum use, GHGs, and air pollutants ▪ Added more renewable fuel options ▪ AFLEET Tool Version History.pdfAFLEET Tool spreadsheet and user manual at: http://greet.es.anl.gov/afleet_tool and tool link is: http://www.afdc.energy.gov/tools <p>Summary of NGVAmerica’s Recommendations for EMT Funding</p> <ul style="list-style-type: none"> ✓ Given that the EMT was created because of NOx pollution associated with non-compliant diesel vehicles, we believe that the funding should be set aside for clean, <i>alternative fuel</i> vehicle projects that focus on maximizing NOx reduction for the funds spent ✓ Provide a larger incentive and greater overall funding for medium- and heavy-duty engines that 	<p>DEQ will take AFLEET into consideration while determining which the most appropriate tool to evaluate project cost-effectiveness is. Additional detail with regard to the methods and inputs used to evaluate project cost effectiveness, as well as applicants instructions for submitting project proposals will be provided in a Project Application Package to be released prior to the solicitation of project applications.</p> <p>DEQ will award projects through an evaluation of project submissions received against the Project Evaluation Matrix; overall points received for each project will then be compared to other projects received during a formal application period. DEQ has decided to take a technology/vehicle neutral approach to project funding, rather than prioritize any single technology or any one type of vehicle.</p>

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	<p>deliver greater NOx reductions than currently required for new vehicles and engines</p> <ul style="list-style-type: none"> ✓ Target funding for technologies that have demonstrated the ability to deliver actual lower in-use emissions when operated in real-world conditions ✓ Provide the highest level of funding to applications that produce the largest share of NOx emissions (in most regions this means prioritizing for short-haul, regional-haul and refuse trucks) ✓ Prioritize funding for commercially available products that are ready for use ✓ Prioritize funding for clean vehicles rather than fueling infrastructure ✓ Scale funding to incentivize the cleanest engines available – at a minimum, provide parity among alternative fuels by following a version of the Colorado VW Plan that funds non-diesel alternative vehicles in the private sector at 25% of the cost of the vehicle and public sector vehicles at 40% ✓ Ensure that funding incentivizes adoption by both public and private fleets ✓ Prioritize projects that include partnerships that provide a match such as a CNG or LNG station being built in locations that will receive the VW funding ✓ Accelerate the funding in the early years to maximize the NOx reduction benefits ✓ Use vehicles emissions measurement tools that reflect current technologies and performance under real world operation duty cycles – Argonne National Laboratory’s AFLEET tool is the most current <p>NGV America and its members are eager to serve as a resource to assist the Idaho Department of Environmental Quality in its further evaluation and development of the state’s proposed Beneficiary Mitigation Plan. We strongly encourage the state to recognize the unmatched role that natural gas vehicles can play in delivering NOx emissions reductions required by the settlement and Trust.</p>	<p>Additional detail with regard percentage of funding allowed as a percentage of the maximum funding eligible under the trust, will be provided in a Project Application Package to be released prior to the solicitation of project applications.</p> <p>DEQ will consider equally projects associated with government and non-government owned vehicles and/or facilities.</p>
12	<p><i>(Please note: documents referenced by superscript numerals, Figure and infographic references may be found in the original ADOMANI letter to the DEQ, found here)</i></p> <p>The Environmental Mitigation Trust (EMT) and the \$17.3 million it will yield for Idaho represents an unprecedented opportunity to support long-term investments toward a zero-emission transportation sector while simultaneously prioritizing children and clean air. As the President and CEO of ADOMANI, Inc. (ADOMANI), I have outlined recommendations that addresses how Idaho can support innovative and transformative all-electric vehicle projects, which will reduce nitrogen oxide (NOx) and greenhouse gas (GHG) emissions, deliver air quality benefits to disadvantaged communities and areas disproportionately affected by diesel pollution, and reduce our dependence on petroleum fuels.</p> <p>Specifically, we commend the Volkswagen Environmental Mitigation Plan Advisory Committee on its</p>	<p>DEQ will award projects through an evaluation of</p>

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	<p>proposed allocation of 35 percent of state funds for medium- and heavy-duty trucks and school, shuttle, and transit bus projects. However, for the reasons outlined below, we recommend that the state increase this amount in order to better address localized air quality and environmental justice issues in priority counties.</p> <p>ADOMANI manufactures the zero-emission All American RE electric bus chassis for the Blue Bird Corporation, which is part of our premier product line of medium- and heavy-duty all-electric vehicles. Our All American RE school bus offers battery capacities between 100 kWh and 150 kWh, with an expected 80- to 100-mile range on a single charge. ADOMANI has demonstrated experience in the new and conversion markets, the latter of which helps our customers cost-effectively repower to all-electric or hybrid drivetrains. As a testament to our team’s long-standing industry leadership, ADOMANI takes pride in our relationships with trusted service partners to address customers’ specific needs.</p> <p>While the EMT gives Idaho the flexibility to fund a variety of conventional and alternative fuel on- and off- road vehicle projects, we believe that all-electric school bus projects will provide the most comprehensive suite of benefits. This includes zero emission vehicle operations in direct proximity to sensitive receptors and disadvantaged communities, reduced operating costs for budget-constrained school districts, no need for diesel fuel storage or procurement, and improvements to public health, particularly among children.</p> <p>The market for advanced transportation technologies has grown steadily in recent years and we hope to support Idaho continue this trend with the deployment of all-electric vehicles. Our recommendations below outline how your state can do just that and we look forward to working with your team to ensure a successful roll-out of funds.</p>	<p>project submissions received against the Project Evaluation Matrix; overall points received for each project will then be compared to other projects received during a formal application period. DEQ has decided to take a technology/vehicle neutral approach to project funding, rather than prioritize any single technology or any one type of vehicle.</p>
12	<p>The EMT Provides Idaho with the Opportunity to Fund Innovative and Transformative Transportation Projects:</p> <p>The medium- and heavy-duty diesel transportation sector is the leading source of mobile source NOx emissions from vehicles in Idaho, accounting for 55 percent of the total.¹ By directing funds towards projects that reduce these emissions sources, Idaho can most effectively mitigate these emissions’ harmful air quality and health impacts.</p> <p>While aging diesel-fueled vehicles generate the most mobile source NOx emissions, some medium- and heavy-duty fleets have turned to gaseous fuels, such as compressed natural gas (CNG) and propane autogas, to help mitigate NOx emissions. These, however, are temporarily solutions – President Barack Obama, in his 2014 State of the Union address, referred to natural gas as a “bridge fuel.”² Fortunately, there are now commercially available all-electric and hybrid-electric medium- and heavy-duty vehicles on the other side of the bridge. Recent technology advancements in the electric vehicle technology market have allowed technology providers heretofore unprecedented access to these markets and fleets</p>	<p>DEQ will award projects through an evaluation of</p>

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	<p>can now select from an increasing array of zero-emission and hybrid options.</p> <p>States across the U.S. have taken strides to fund the advancement of clean transportation solutions. Incentive programs, such as California’s Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) and the New York Truck – Voucher Incentive Program (NYT-VIP), catalyze the growth of the electric vehicle market, while providing significant air quality and climate benefits. ADOMANI encourages Idaho to recognize the merits of these programs and recommends that you support their proliferation by creating a similar program with your state’s allocation of Volkswagen funds.</p>	<p>project submissions received against the Project Evaluation Matrix; overall points received for each project will then be compared to other projects received during a formal application period. DEQ has decided to take a technology/vehicle neutral approach to project funding, rather than prioritize any single technology or any one type of vehicle.</p>
12	<p>All-Electric School Buses Improve Air Quality and Public Health for Children and Adults via Unparalleled NOx Reductions:</p> <p>By supporting the conversion of school bus fleets to all-electric operations, ADOMANI will support your state’s efforts to dramatically reduce NOx emissions. ADOMANI’s school buses deliver immediate NOx and GHG emissions reductions, thus improving air quality for child passengers and adult vehicle operators, which are otherwise exposed to respiratory irritants on a regular basis.</p> <p>Most relevant to the Volkswagen funds, we find it important to first focus on the settlement’s main objective: reduce NOx emissions. Figure 1 below compares the performance of various fuel types in heavy-duty school buses, which makes clear that electric vehicle technologies should be a top priority.</p> <p>These emissions reductions correlate directly with air quality and public health benefits. According to the EPA’s Diesel Emissions Quantifier, the replacement of just one diesel school bus with an all-electric model will generate \$20,000 in public health benefits each year.⁴ These benefits represent the dollar value of health benefits generated from reducing the population’s exposure to PM2.5 emissions and include the reduction of premature mortality, chronic bronchitis, asthma attacks, non-fatal heart attacks, and other health problems. In school bus applications, these emissions reductions are particularly important, given that children’s exposure to harmful air pollutants may be 5-15 times higher inside the bus.⁵</p> <p>A recent study by the University of Delaware evaluated the costs and benefits associated with a V2G-capable electric school bus compared to a traditional diesel school bus.⁶ The study looked at a variety of data points and metrics to compare the fuel types in a school bus application and found that diesel school buses created public health costs of \$0.08 per mile. This is 800% more expensive than the public health costs of an all-electric bus, which is just \$0.0149 per mile.</p>	<p>Projects awards will be similar in nature to the California HVIP and the NYT-VIP, with the slight variance that older diesel vehicles require replacement as part of determining eligibility.</p> <p>Additional detail with regard to the methods and inputs used to evaluate project cost effectiveness, as well as applicants instructions for submitting project proposals will be provided in a Project Application Package to be released prior to the solicitation of project applications.</p>
12	<p>Idaho Should Prioritize Projects that Deliver Total Cost of Ownership Benefits to State School Districts:</p> <p>All-electric school buses deliver total cost of ownership benefits that far exceed any of its conventional and alternative fuel competitors. We have provided the infographic below to demonstrate these</p>	<p>Additional detail with regard to the methods and inputs used to evaluate project cost effectiveness,</p>

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	<p>benefits.</p> <p>As shown above, Idaho has the opportunity to provide incentive funding capable of generating tremendous annual cost savings for school districts throughout the state. In other words, for every dollar invested in all-electric school buses, Idaho can mitigate public health concerns for the most susceptible of disadvantaged communities, generate cost savings for budget-constrained school districts, and support the advancement of innovative clean transportation technologies.</p>	<p>as well as applicants instructions for submitting project proposals will be provided in a Project Application Package to be released prior to the solicitation of project applications.</p>
12	<p>Idaho Should Account for the “Beyond Transportation” Benefits of All-Electric and Hybrid-Electric Vehicles</p> <p>All-electric vehicles provide benefits beyond emissions reductions and safe transportation. These vehicles’ battery systems serve as a valuable and reliable energy resource that can be exported from the vehicles. In other words, ADOMANI’s all-electric vehicles can provide utilities and homeowners with access to power during emergencies or peak demand. Indeed, recent research has shown that vehicle-to-grid (V2G) systems can decarbonize transportation, support load balancing, and increase revenues for electricity companies and create new revenue streams.⁷ V2G and other strategies, including vehicle-to-load and off- grid storage, will play a key role in your state’s energy infrastructure future. We hope to support that future with ADOMANI’s all-electric and hybrid vehicle technologies.</p>	<p>DEQ will consider all projects that allowable under the Trust, and will consider all project benefits during project evaluation.</p>
12	<p>Conclusion – Prioritize our Children and Clean Air</p> <p>The market for all-electric and hybrid vehicles has grown steadily in recent years due to technology advancements and greater private sector involvement. Furthermore, production costs continue to decrease and battery capabilities have improved.⁸ We anticipate that the demand for these vehicles will continue to grow as further advancements continue to drive down prices.</p> <p>ADOMANI works closely with industry leaders to develop technologies that meet consumer needs and exceed their expectations. The team behind the design, development, and deployment of our vehicles has decades of experience in the school and transit bus and commercial vehicle industries.</p> <p>Importantly, we have relationships with key school and electric utility officials in Idaho, which will allow the ADOMANI team to work hand-in-glove with local school transportation officials to ensure their drivers and maintenance personnel are fully trained on the successful operation and ownership of these technologically advanced vehicles. We are also able to work with the local electric utility to advise on any needed vehicle charging infrastructure. Our goal is nothing less than 100% satisfaction for our customers and a seamless integration of these vehicles into local fleets.</p> <p>Recognizing the need for Idaho to reduce NOx emissions, generate economic benefits, and deliver environmental justice benefits while also providing fleets with total cost of ownership benefits, ADOMANI recommends that you create competitive funding opportunities for all-electric and hybrid-electric vehicles.</p>	<p>DEQ has decided to take a technology/vehicle neutral approach to project funding, rather than prioritize any single technology or any one type of vehicle.</p>

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12	<p>1. <i>Should Idaho consider using trust funds on government as well as non-government owned vehicles and/or facilities?</i> Yes, Idaho should allocate trust funds for municipal and government fleet projects provided that these projects align with the state’s goals of providing significant emissions reductions for high vulnerability communities such as those served by school districts and transit fleets. Further, we encourage Idaho to make the funds competitive in that applicants should be motivated to propose the highest cost-share feasible in order to stretch the state’s dollars.</p> <p>2. <i>How can Idaho best maximize the air quality benefits resulting from the trust?</i> All-electric vehicles fully reduce tailpipe emissions and electric propulsion is especially important for school buses, as emissions levels may be ten to fifteen percent higher inside the vehicles. In addition, Idaho can help stimulate further adoption of zero-emission technologies by incentivizing first movers in the medium- and heavy-duty vehicle market, thereby creating long-lasting benefits beyond the Volkswagen settlement funds. When considering the air quality benefits of a project, we commend Idaho on its plan to prioritize projects that take place in higher population areas or regions which do not meet national air quality standards.</p> <p>3. <i>Should Idaho fund projects at the maximum amount eligible under the trust or should Idaho fund some or all projects at a lesser amount in order to best maximize the use of funds?</i> Idaho should fund projects at the level which will realistically encourage technology adoption and remove significant barriers to adoption. For example, public fleets that service a large percent of the population may have limited capital funds; thus, lowering the capital barrier to entry will be a huge boon to these fleets and provide the most benefits directly to the most people. With that in mind, we recommend that Idaho allow the applicants to propose their own cost-share levels in funding applications. We feel that this will create the most competitive funding programs and increase the cost-effectiveness of the state’s funds.</p> <p>4. <i>Should Idaho set aside funds for particular categories of projects or applicants?</i> Yes, Idaho should prioritize projects that benefit the most vulnerable populations. Further, school bus fleets service a particularly vulnerable portion of the population – children. Idaho should take steps to ensure that they receive the direct benefits from this funding.</p> <p>5. <i>Should preference be given to certain fuels, such as diesel, compressed natural gas, propane, hydrogen fuel cell, or battery electric?</i> Yes, Idaho should prioritize zero-emission projects, such as battery electric vehicles. New diesel engines only provide marginal improvements in emissions for the amount of money invested, and even then,</p>	<p>DEQ will consider equally projects associated with government and non-government owned vehicles and/or facilities in comparison to the Evaluation Matrix</p> <p>DEQ has decided to take a technology/vehicle neutral approach to project funding, rather than prioritize any single technology or any one type of vehicle.</p> <p>Additional detail with regard to the methods of project evaluation and award notification, including percentage of funding allowed as a percentage of the maximum funding eligible under the trust, will be provided in a Project Application Package to be released prior to the solicitation of project applications.</p> <p>Cost sharing levels are entirely voluntary and at the discretion of the applicant.</p> <p>Changes have been made to Table 1, Project Evaluation Matrix under the population impacted criteria to include sensitive and/or underrepresented populations; minority, and low income populations; and populated areas within traffic proximity.</p> <p>DEQ has decided to take a technology/vehicle neutral approach to project funding, rather than prioritize any single technology or any one type of vehicle.</p>

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	<p>produce the largest amount of dangerous PM2.5 emissions of any of the eligible fuel types. While we appreciate that gaseous fuel projects provide emissions improvement over diesel, they still release NOx and PM and do not significantly innovate Idaho’s transportation sector. Thus, the most viable solution is the prioritization of zero-emission vehicle technologies.</p> <p>6. <i>What are the costs and benefits of replacing or repowering vehicles with “alternate fueled” or “all-electric” engine technologies, as defined by Appendix D-2 of the Consent Decree?</i> The most significant barrier to entry for all-electric vehicles is capital cost, though each year has in succession seen dramatic decreases in this hurdle due to innovations in battery size and drivetrain design. Further, these high initial costs are mitigated by dramatically reduced operating and maintenance costs, compared to both conventional and alternative fuel vehicles. There are multiple benefits of all-electric vehicles: lower fuel costs, which helps put money back in the pockets of fleets; non-transportation benefits, such as vehicle-to-grid and load balancing capabilities; and complete elimination of tailpipe emissions and their associated human health costs.</p> <p>7. <i>What percentage of trust funds, if any, should Idaho devote to light-duty ZEV supply equipment?</i> While the Volkswagen settlement is largely focused on medium- and heavy-duty vehicles, we do appreciate the role that light-duty vehicles play in the state’s overall emissions profile. We thus encourage the state to allocate the maximum fifteen percent of its funds towards light-duty ZEV supply equipment. Successfully doing so will not only help reduce range anxiety and spur the adoption of future electric vehicle sales, but it will also parallel with the deployment of larger electric vehicles in the medium- and heavy-duty markets.</p> <p>8. <i>Should Idaho expend trust funds on the DERA option?</i> The VW mitigation fund is a once-in-a-generation opportunity for Idaho to remove barriers and gain momentum towards a clean transportation sector. Idaho should focus funding on projects that not only provide emission reductions, but also help Idaho revolutionize and set itself up for future success in technology adoption and cleaner air. Historically, the DERA option has primarily funded diesel replacement and retrofit projects, such as low rolling resistance tires, idle reduction technology, auxiliary power units, etc. We therefore recommend against the use of the DERA option and instead urge the state to implement funding programs that best advance the goal of a clean energy future.</p> <p>In our experience, rebate programs, such as California’s Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) and the New York Truck – Voucher Incentive Program (NYT-VIP), have proven the most effective in quickly and efficiently allocating money to viable projects. We recommend that Idaho replicate the successes of these programs and implement a similar structure.</p> <p>9. <i>What is the best method or approach to determine whether a proposed project will benefit areas that have been disproportionately impacted by emissions of NOx or other pollutants (and information about such impacts in particular areas of Idaho)?</i></p>	<p>Thank you for this feedback; DEQ will consider this in the development of the Project Application Package.</p> <p>Thank you for your comment; we appreciate the feedback we received. The vast majority of responses regarding the ZEV portion of the plan encouraged Idaho to use all 15% of Idaho’s VW Trust allocation for building electric vehicle charging infrastructure along the state’s major highway corridors. Based on these responses, we will move forward with the proposed plan, and will not make any substantive changes at this time to the ZEV portion of the Beneficiary Mitigation Plan.</p> <p>The DERA option is not limited to diesel replacement and retrofit projects as indicated. DERA and non-DERA projects will be evaluated equally using the Project Evaluation Matrix.</p> <p>While some changes have been made to Table 1,</p>

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	<p>As noted earlier, we commend Idaho on its efforts to prioritize projects by geography and population impacts. In particular, we find the state’s proposed project evaluation matrix to be transparent and effective in its design. We raise the following two questions about the matrix:</p> <ul style="list-style-type: none"> – What threshold will be given to determine the level of cost-effectiveness? In other words, how will Idaho objectively determine what is “least,” “middle,” and “most” cost-effective? – Similar to the previous question, how will Idaho objectively determine the population impacted? <p>10. <i>How should the State of Idaho conduct public outreach (e.g., in-person public meetings, presentations to stakeholder groups, Facebook posts, tweets, written comments, and traditional media)?</i></p> <p>We commend Idaho on its transparency and its public outreach efforts. We urge the state to continue along this path and, for all future public comments, recommend that Idaho allow stakeholders to join virtually via webinar or conference call.</p> <p>11. <i>. What additional factors, if any, should the State of Idaho consider in its public outreach?</i></p> <p>When conducting outreach, Idaho should strongly consider the full range of benefits that funding different technologies and vehicle types will provide. The VW funding is more than an opportunity to provide emission reductions; Idaho has the opportunity to commit itself to healthy air for its citizens, adapt to the quickly changing transportation landscape, and make wise energy investment decisions that will put provide total cost-of-ownership benefits to fleets. Idaho should also ensure that the most vulnerable populations are reached through its public outreach.</p>	<p>the Project evaluation matrix, additional detail with regard to the methods and inputs used to evaluate project cost effectiveness, as well as applicants instructions for submitting project proposals will be provided in a Project Application Package to be released prior to the solicitation of project applications.</p>
13	<p>General Motors LLC (GM) appreciates the opportunity to provide input on the use of funding in the state’s Environmental/Beneficiary Mitigation Plan and would like to encourage Idaho to use the maximum allowed 15% of the fund (equating to over \$2.6 million) to increase the availability of critically-needed electric vehicle (EV) charging stations. There are currently over 900 EVs registered in Idaho, and in order to grow the EV market and attract even more advanced transportation technologies to the state, such as self-driving EVs, Idaho needs to invest in a charging infrastructure network that addresses consumer and industry concerns.</p> <p>Automakers have made enormous investments in the electrification of transportation – GM alone has invested billions of dollars to develop electrification technologies, including the state-of-the-art Chevrolet Volt and Chevrolet Bolt EV, which has swept the industry’s most prestigious car awards, including North America Car of the Year, Motor Trend’s® 2017 Car of the Year, MotorWeek’s 2017 Drivers’ Choice “Best of the Year” Award, and Green Car Journal’s Green Car of the Year. The Bolt EV is the industry’s first affordable, long-range EV with an EPA estimated range of 238 miles-per-charge, and is now available at Chevrolet dealers across all 50 states, including Idaho. This advanced technology will require more widespread charging infrastructure to convince consumers that EVs can be driven anywhere they need to go. Thus the urgency to rapidly expand EV charging infrastructure</p>	<p>Thank you for your comment; we appreciate the feedback we received. The vast majority of responses regarding the ZEV portion of the plan encouraged Idaho to use all 15% of Idaho’s VW Trust allocation for building electric vehicle charging infrastructure along the state’s major highway corridors. Based on these responses, we will move forward with the proposed plan, and will not make any substantive changes at this time to the ZEV portion of the Beneficiary Mitigation Plan.</p>

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	<p>across Idaho.</p> <p>While the majority of all EV charging today is done at the home, there are still critical infrastructure needs not met by single-family home charging. And to maximize the impact of limited state funds, it is important to invest strategically. GM would prioritize today’s key infrastructure needs as follows:</p> <ol style="list-style-type: none"> 1. Highway corridor DC fast-charging most visibly inspires consumer confidence in the driving range, and practicality, of EVs. A 2016 survey of 2,500 consumers by Altman Vilandrie & Company found the top reason customers gave for not wanting to purchase a plug-in electric vehicle was a perceived lack of charging stations (85%). Highly visible corridor EV charging (SAE industry standard) on key, high-volume routes can help address this consumer perception issue. 2. Workplace EV charging creates an EV “showroom” that very effectively grows EV awareness among corporations, and employees of these corporations. According to US DOE data, workplace charging results in employees 6X more likely to purchase an EV than employees at companies not offering workplace charging. 3. Multi-unit dwelling EV charging provides an important opportunity to expand EV adoption to consumers residing in townhomes, condominiums, and apartments, who may not have access to a “home” charger every evening. This is currently an untapped segment of potential EV buyers. This need can be met by Level 1 or Level 2 charging directly at the multi-unit dwellings, or by neighborhood DC fast-charge hubs that can serve these residents. 4. Public EV charging at key destinations is also important to increase the practicality of EVs and the number of places an EV can go, with a special focus on destinations typically outside a consumer’s normal daily driving patterns (e.g. airports, hotels, resorts, etc.). <p>GM appreciates the work that has gone into the development of the draft plan. We support the proposed allocation of 15% of funds to light duty zero emission vehicle supply equipment, as well as the overarching goal of promoting “widespread acceptance of electric and hybrid vehicles.” By enabling growth in the EV market, EV charging infrastructure investments can help achieve long-lasting emissions reductions and related benefits that increase over time as the market expands. Additionally, Idaho’s low electricity prices mean that electric vehicles can be an important economic driver for the state.</p> <p>Idaho can further increase the impact of these investments by engaging industry. We were encouraged by language in the plan referencing utility companies and we encourage the state to directly engage electric utilities in the strategic planning of EV infrastructure to ensure the most cost- effective and grid-responsible EV charging solutions. Utilities can also play an important role in outreach and</p>	

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	<p>education to support implementation of the plan.</p> <p>The Environmental Mitigation Trust is an opportunity to invest in forward-looking infrastructure that lays a much-needed foundation for EV market growth and will help attract even more advanced transportation technologies to Idaho. GM greatly appreciates Idaho's commitment to support the strategic transition to transportation electrification and all efforts to help drive this emerging market.</p>	
14	<p>In December, The Idaho Department of Environmental Quality released its draft mitigation plan detailing the criteria they expect to rely on to distribute the \$17.3 million available for reducing harmful NOx emissions. These dollars represent an uncommon opportunity to make significant and sustained progress in air quality. Getting this right is critical to the health and well-being of all Idahoans.</p> <p>The NWGA is confident that a level playing field will demonstrate natural gas vehicles potential to be a superior technology for reducing NOx emissions, and improving air quality. The goals set forth in the IDEQ draft plan represent a reasoned and pragmatic step towards creating that level playing field.</p> <p>Several surrounding states plan to use these funds to benefit individual technologies, which do not represent the most efficient methods of reducing NOx emissions. The current IDEQ mitigation plan appears to avoid these pitfalls, but several of the questions put forth for public input seem to consider the possibility of reserving portions of the fund for specific technologies or applicants. Any dollars that are reserved for specific technologies, that would not otherwise win in the proposed point-based system, represent a lost opportunity to remove as much harmful NOx as possible.</p> <p>Specifically: reserving portions of this fund for light-duty ZEV technology leaves more harmful NOx emitting technology on the road, and duplicates the efforts of a separate VW mitigation fund that focuses on light-duty electric vehicles. This fund is designed to mitigate as much NOx as possible, which is critical for air quality and improving the health of Idahoans.</p> <p>The current IDEQ mitigation plan is on the right path towards creating the merit based system necessary to take advantage of this fund, and the NWGA urges you to maintain this course of action.</p>	<p>Thank you for your comment; we appreciate your feedback.</p> <p>DEQ will award projects through an evaluation of project submissions received against the Project Evaluation Matrix; overall points received for each project will then be compared to other projects received during a formal application period. DEQ has decided to take a technology/vehicle neutral approach to project funding, rather than prioritize any single technology or any one type of vehicle.</p> <p>Additional detail with regard to the methods of project evaluation and award notification, including percentage of funding allowed as a percentage of the maximum funding eligible under the trust, will be provided in a Project Application Package to be released prior to the solicitation of project applications.</p>
15	<p>The Association of Global Automakers (Global Automakers) represents the U.S. operations of international motor vehicle manufacturers, original equipment suppliers, and other automotive-related trade associations. In 2016, member companies manufactured 44% of all new motor vehicles and 70% of green technology vehicles sold in Idaho.</p> <p>Global Automakers and our members have a longstanding commitment to improving air quality, reducing greenhouse gas emissions, and increasing fuel efficiency. Our members are investing heavily in alternative fuel and green technologies, including being the first to successfully launch hybrid electric vehicles 20 years ago and since then plug-in and fuel cell electric vehicles. We are proud that</p>	<p>Thank you for your comment; we appreciate the feedback we received. The vast majority of responses regarding the ZEV portion of the plan</p>

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	<p>the number of electric-drive vehicles, in a variety of options and price points, are increasing every year.</p> <p>Under Appendix D of the Volkswagen settlement, Idaho is due to receive \$17.3 million, which can be used for a variety of environmental-based projects. A maximum of 15% of this money, or \$2.6 million, can be used for the acquisition, installation, operation, and maintenance of electric vehicle infrastructure.</p> <p>Global Automakers urges the State of Idaho to allocate the full 15% towards this effort and to support all electric vehicle infrastructure – charging stations and hydrogen refueling stations. The state needs to establish a strong foundation for electric vehicles by expanding its network of charging and building out a network of hydrogen refueling stations to support sales of electric vehicles. Increasing available infrastructure is critical to the state’s ability to advance electrification. Range anxiety is a significant impediment to sale of electric vehicles. Investment in electric vehicle infrastructure responds to this problem while furthering air quality and supporting customers in your state that choose to buy an electric vehicle.</p>	<p>encouraged Idaho to use all 15% of Idaho’s VW Trust allocation for building electric vehicle charging infrastructure along the state’s major highway corridors. Based on these responses, we will move forward with the proposed plan, and will not make any substantive changes at this time to the ZEV portion of the Beneficiary Mitigation Plan.</p>

Public Input to the Idaho Beneficiary Mitigation Plan

The questions below were included as Section 5 in the Preliminary Draft BMP for the purpose of soliciting stakeholder input.

1. Should Idaho consider using trust funds on government- as well as nongovernment-owned vehicles and/or facilities?
2. How can Idaho best maximize the air quality benefits resulting from the trust?
3. Should Idaho fund projects at the maximum amount eligible under the trust or should Idaho fund some or all projects at a lesser amount in order to best maximize the use of funds.
4. Should Idaho set aside funds for particular categories of projects or applicants?
5. Should preference be given to certain fuels, such as diesel, compressed natural gas, propane, hydrogen fuel cell, or battery electric?
6. What are the costs and benefits of replacing or repowering vehicles with “alternate fueled” or “all-electric” engine technologies, as defined by Appendix D-2 of the Consent Decree?
7. What percentage of trust funds, if any, should Idaho devote to light-duty ZEV supply equipment?
8. Should Idaho expend trust funds on the DERA option?
9. What is the best method or approach to determine whether a proposed project will benefit areas that have been disproportionately impacted by emissions of NO_x or other pollutants (and information about such impacts in particular areas of Idaho)?
10. How should the State of Idaho conduct public outreach (e.g., in-person public meetings, presentations to stakeholder groups, Facebook posts, tweets, written comments, and traditional media)?
11. What additional factors, if any, should the State of Idaho consider in its public outreach?

Changes to the *State of Idaho Volkswagen Beneficiary Mitigation Plan* resulting from submitted comments will be incorporated into the Final BMP.