



## **Background:**

### **Volkswagen Settlement**

Between 2009 – 2016, Volkswagen knowingly incorporated cheating computer systems that run emissions controls during testing, but do not run during normal vehicle operation. In 2014, an independent research study revealed that the emissions from Volkswagen cars were 15 – 40 times above the U.S. EPA compliance level. In September 2015, the U.S. EPA filed a complaint against Volkswagen.

Volkswagen agreed to settle by spending up to \$14.7 billion to remediate the excess NOx emissions, of which a majority of this money is going to vehicle buyback and modification programs (\$10.03 billion) for affected consumers -- but \$2.7 billion of this settlement money is going towards NOx reduction programs via the Environmental Mitigation Trust.

### **State of Idaho**

From the Environmental Mitigation Trust, the State of Idaho is currently allocated \$17,349,037.39 that can be spent on clean transportation projects that fit within 10 categories outlined in the Consent Decree. Governor Butch Otter designated the Department of Environmental Quality (DEQ) as the Beneficiary. They are required to produce a Beneficiary Mitigation Plan describing the plan to use the trust funds and make it publically available.

Find the Beneficiary Mitigation Plan: <http://www.deq.idaho.gov/air-quality/vw-diesel-settlement/>

### **Public Input**

The DEQ published their Beneficiary Mitigation Plan online on December 6th, 2017 and are asking for public input. They have planned for a public meeting on Thursday, December 14th from 9:00 am to 12:30 pm that will originate from DEQ's state office in Boise with several locations across the state offering telephone and web conference participation. The public can weigh in on the plan by attending the meeting or by submitting comments directly to the DEQ.

*Submit Comments by mail, fax or email to:*

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**More information can be found at [www.sierraclub.org/idaho](http://www.sierraclub.org/idaho). Additional questions and comments or info on how to get involved with the Sierra Club effort for Clean Transportation for all, please contact us at 208-384-1023 or [casey.mattoon@sierraclub.org](mailto:casey.mattoon@sierraclub.org).**

## **Sierra Club Comment/Analysis of Idaho's Beneficiary Mitigation Plan by Section**

### **2. Air Quality**

- Because “NOx plays an important role for both ozone and PM<sub>2.5</sub> in the Treasure Valley and PM<sub>2.5</sub> in the Logan UT/ID area” but not 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. Other areas that are highly impacted by air pollution from diesel vehicles should receive funding on a tiered basis.

### **3. Goals and Priorities**

- 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. Sierra Club wants more clarification around this criteria and an explanation of how this would affect implementation and distribution of funding.
- 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 innovation in the transportation sector and achieve the greatest long-term NOx reductions possible with emerging technologies.

### **4. Implementation Plan**

- 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.
- **4.1 Light Duty Zero-Emission Vehicle Supply Equipment**
  - 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**
  - 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**

- Sierra Club advocates for using the 20% 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.
- 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.
- **4.4 DERA Option**
  - 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.

## **5. Public Input**

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 beneficiaries 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
4. We recommend the State Beneficiary Plan focus funding on the electrification of public school buses, shuttles and public transit.
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.
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.
7. The maximum allotted amount of 15% of total funds.
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.

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.
10. In all of the manners described.
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.