

North Central Texas Council Of Governments

December 21, 2018

Mr. Joe Walton
Texas Commission on Environmental Quality
Air Quality Division
Implementation Grants Section, MC-204
12100 Park 35 Circle
Austin, TX 78753
ATTN: VW Settlement

Dear Mr. Walton:

In response to your letter dated November 16, 2018, the North Central Texas Council of Governments (NCTCOG) appreciates the opportunity to recommend priorities for use of the funds allocated to the Dallas-Fort Worth (DFW) Priority Area to the Texas Commission on Environmental Quality (TCEQ) under the final Beneficiary Mitigation Plan for Texas (the Plan). NCTCOG recommends that funding for projects in the DFW area be administered consistent with the following points, as approved by the Regional Transportation Council on December 13, 2018.

Eligible Mitigation Actions

1. NCTCOG recommends that funding for the local government sector be set aside separately from funding for the private sector. In the event of a competitive evaluation, projects proposed by government versus private applicants would not be able to be weighed against each other fairly due to the differences in the maximum reimbursement percentages (set at 80 and 25 percent, respectively). Furthermore, the emissions quantification methodology factors in annual miles of operation, which may be lower for the government sector compared to the private sector, so local government projects could be disadvantaged in terms of cost effectiveness. Local governments are also disadvantaged in the event of a first-come, first-served process due to internal processes and procedures that often require council and/or board approval to purchase new vehicles. This gives an unfair advantage to private fleets that are often able to react more quickly. The TCEQ could release all funding at once, but simply reserve a certain amount of funding for local government projects, similar to the manner in which a set amount of funding is reserved for small businesses in the Texas Emissions Reduction Plan (TERP) Rebate Grants program.

If governments are not interested, funds could be reassigned later.

2. Provided that the government and private sector projects are evaluated separately, NCTCOG recommends that applications be considered through a competitive process rather than on a first-come, first-served basis. The competitive process ensures that the projects selected would maximize the amount emissions reduction achieved with the limited amount of funding, which supports the first goal that the TCEQ lists within the Plan.

3. As this funding is limited and will be in high demand, NCTCOG strongly recommends that the TCEQ require applicants to demonstrate a broader commitment to nitrogen oxides (NO_x) reduction beyond the vehicle replacement proposed. Requirements could include documentation that a fleet has adopted the Clean Fleet Policy recommended by the NCTCOG Regional Transportation Council, is engaged with the local Clean Cities Coalition, has implemented an idle reduction policy, has a sustainability plan, or other similar measures. Such a requirement could help give greater momentum to the process of fleet turnover and air quality-friendly operational practices. NCTCOG staff is available to assist with documenting or verifying such participation in the DFW area.
4. NCTCOG recommends establishing a "reasonable" cost per ton threshold to assist with determining project eligibility. The practice of setting a cost per ton limit would further assist in maximizing emissions reductions gained using funds. The TCEQ may wish to evaluate the cost effectiveness of all TERP-funded projects, adjusted for the funding levels allowed by the Plan, to get a sense of what cost per ton level may be reasonable.
5. NCTCOG recommends applications for all eligible mitigation actions be open at the same time to avoid delay in implementing emissions reductions. Analysis of the Texas Department of Motor Vehicles registration database suggests that there are likely few transit and school buses eligible for replacement in the DFW area, and most projects will probably involve "local freight trucks." However, the bus projects are likely very worthy of consideration and may be highly cost-effective. Rather than establishing a "priority" based on project type, NCTCOG recommends allowing all sectors to compete at once, and letting NO_x emissions reductions determine the priority.
6. NCTCOG recommends prioritizing funding for projects that lead to the use of vehicles powered by engines certified to the California Air Resources Board Low-NO_x emissions reduction standards, or zero emission vehicles, to achieve the highest level of emissions reduction during the project's activity life.
7. NCTCOG requests that the TCEQ provide as much flexibility as possible with regard to geographic requirements for private fleets, which may travel through or between priority areas.

Statewide Light-Duty Zero Emission Vehicle Supply Equipment

8. NCTCOG supports the focus on funding infrastructure at multifamily and workplace sites and recommends the TCEQ also consider sites in cities that currently do not have any charging infrastructure, and along the Federal Highway Administration's (FHWA) alternative fuel corridors designated for electric vehicle charging. Both recommendations support strategic areas that need infrastructure the most and would boost the reliability of the electric charging network for the entire state.
9. NCTCOG requests that the Request for Grant Applications for statewide light-duty zero emission vehicle supply equipment (EVSE) be delayed until summer 2019, for two reasons. In April 2019, NCTCOG will host an alternative fuel corridor "Convening" with FHWA. This event is a workshop with FHWA and other stakeholders to strategize on how to expand alternative fuel corridors and fill in infrastructure gaps. Discussion during this Convening will be helpful in identifying key locations where additional EVSE is needed. In addition, all new EVSE locations deployed by Electrify America as part of their Cycle 1 Zero Emission Vehicle

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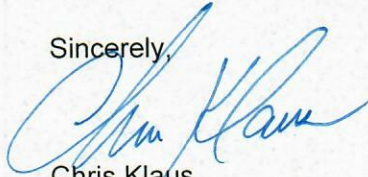
Investment Plan should be known by late spring 2019, which will enable applicants to develop sites that complement, rather than duplicate, the Electrify America network. Delaying funds for this category will allow time for potential applicants to use information from these two developments to plan the best new strategic EVSE locations prior to releasing a solicitation.

Communication

10. Finally, NCTCOG requests that the TCEQ officially announce any grant or application assistance workshop scheduled within the DFW region with at least four weeks' notice to ensure ample time to outreach to prospective applicants. As a Council of Governments, NCTCOG is able to connect directly with staff who would make decisions about the types of vehicles that are eligible for funding under the Plan, including solid waste managers, public works directors, fleet managers, and school district staff. However, adequate time for notification must be allowed for these individuals to be able to make plans to attend. Robust attendance by a large number of applicants is crucial for ensuring that the most worthy projects are submitted for funding consideration.

We appreciate the TCEQ's consideration of these recommendations. We had hoped for an application process that we could administer. As a result, we respectfully request these considerations. If you have any questions or concerns, please contact me at (817) 695-9286 or cklaus@nctcog.org.

Sincerely,



Chris Klaus
Senior Program Manager

NL:ch

cc: Steve Dayton, Technical Specialist, Implementation Grants Section
Mike Eastland, Executive Director, NCTCOG
Michael Morris, P.E., Director of Transportation, NCTCOG