



April 3, 2017

VIA EMAIL

Deanna Cuccinello
Division of Air Quality
State Street Commons
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RE: Comments of the Sierra Club Regarding Delaware Proposed Volkswagen Environmental Mitigation Plan

Dear Ms. Cuccinello:

Thank you for the opportunity to comment on the Department of Natural Resources and Environmental Control's February 2017 Proposed Volkswagen Environmental Mitigation Plan ("Proposed Mitigation Plan"). On behalf of the Sierra Club and its more than 2,000 members in Delaware, we appreciate Delaware's proactive planning efforts for use of its share of the settlement trust funds and offer the following comments.

First, we encourage Delaware to commit to spending the full 15% allowable of its share of the trust funds on electric vehicle supply equipment. Presently, the Proposed Mitigation Plan proposes to use "up to 15%" of the trust funds supply equipment to offset emissions from light duty diesel and non-diesel vehicles.¹ Light-duty vehicles are the single greatest contributor of nitrogen oxide ("NOx") emissions in Delaware.² Electrification of the vehicle fleet is the most effective way to mitigate emissions from this source category. And access to electric vehicle charging is a key barrier that must be overcome in order for EV adoption in Delaware to rapidly expand. We recommend that the charging infrastructure investments target access to fast chargers on major highways and charging infrastructure to multi-unit dwellings and workplaces.

Second, we urge Delaware not to adopt the narrow NOx-per-dollar cost-effectiveness funding priority suggested in the Proposed Mitigation Plan.³ As an initial matter, such a criterion would be inconsistent with the structure of the Volkswagen settlement. NOx cost efficacy has already been factored into developing the list of eligible categories in Appendix D, and thus it is not an appropriate metric for further distinguishing between the eligible mitigation actions.⁴ Moreover, adopting an overly restrictive NOx-per-dollar cost-eficacy test could be

¹ On-road light duty vehicles comprise 41.5% of Delaware's mobile NOx emissions. Proposed Mitigation Plan at 7.

² Proposed Mitigation Plan at 6.

³ Proposed Mitigation Plan at 5.

⁴ See DOJ Response to Comments on the Proposed Settlement at 17 (Sept. 30, 2016).

counterproductive to Delaware's broader environmental, public health, and climate goals, as it ignores the other air quality and climate benefits of the investments. For example, replacement of older diesel vehicles with newer models may provide robust short-term NOx reductions per dollar, but may be incompatible with the deeper NOx and greenhouse gas reductions that will be necessary for Delaware to achieve.

To the extent that costs and benefits are considered, we recommend it should be done holistically, considering the full range of lifecycle benefits and costs of alternative uses of the mitigation trust funds. For example, while electric transit buses have a higher purchase price than diesel buses, recent analysis has shown that their lifecycle costs are about \$165,000 less due to lower fuel, operation, and maintenance costs⁵—these savings only grow as environmental, climate, and public health benefits are considered. These savings are passed on to taxpayers, who in turn reinvest in the local economy.

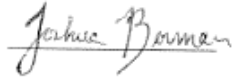
Third, and relatedly, we urge Delaware to prioritize electric conversions over replacements with cleaner diesel or compressed natural gas, and in doing so, to focus on conversions in locations that will have the greatest benefits to disadvantaged communities. For example, electrification of heavy duty vehicles that routinely travel in and out of the Port of Wilmington would have significant health benefits in an environmental justice community hard hit by air pollution. Moreover, electrification of Delaware's transportation sector keeps money in state, saves money through lower electricity rates, significantly reduces NOx and smog levels to protect health and environmental justice communities, and likewise reduces GHG emissions throughout the state. Electrification also makes good economic sense. As noted above, although the cheaper upfront costs for new-diesel and alternate-fueled engines may be initially attractive, the more important costs for the State to consider are the lifetime costs of these vehicles. This is particularly true because the Mitigation Trust funds will contribute to covering the upfront program costs to replace and repower engines, while subsequent fuel and maintenance costs will fall on the State, its residents, and its companies. Electrifying vehicles and equipment is a good investment since the lifetime costs are significantly cheaper than those of alternate-fueled vehicles and new diesel engines

In addition to cost savings, investment in zero emission vehicles and non-road equipment instead of diesel or alternative fuel upgrades provides the added benefit of helping to achieve the state's climate targets. Pursuant to its Climate Framework, Delaware has a recommended mitigation target of 30% GHG reduction from a 2008 baseline by 2030. As electrification is the only option across the eligible mitigation projects that results in both zero NOx and GHG tailpipe emissions, we support Delaware giving funding priority to zero emission vehicle projects based on consistency with state energy and environmental goals.

Thank you for your consideration.

⁵ See From Deceit to Transformation: How Connecticut Can Leverage Volkswagen Settlement Funds to Accelerate Progress to Clean Transportation System, ConnPIRG, at 14, available at <http://connpirg.org/sites/pirg/files/reports/ConnPIRG%20Final%20Paper.pdf>.

Respectfully submitted,

A handwritten signature in cursive script that reads "Joshua Berman".

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