



VW Environmental Mitigation Trust
Attn: Deirdra Ritzer
The Vermont Agency of Natural Resources
Department of Environmental Conservation
Air Quality and Climate Division
1 National Life Drive, Davis 2
Montpelier, VT 05620

January 12, 2018

Dear Ms. Ritzer and Vermont Agency of Natural Resources Leadership Team,

Thank you for the opportunity to offer comments on the Draft Beneficiary Mitigation Plan and how, we hope, the state will strategically use the \$18.7 million from the Volkswagen settlement funds.

As a statewide environmental advocacy organization, the Vermont Natural Resources Council has worked for nearly 55 years to advance solutions that balance multiple important goals – protecting our environment, strengthening our economy and fostering public and community health. We believe that the VW Settlement funds present a unique and potentially powerful opportunity to also strike this balance by helping to accelerate a transformation of our state’s transportation system to one that is more efficient, clean and renewably powered.

Specifically, to that end, we believe that the VW Settlement funding should be used to advance innovation in our transportation system through electrification and that none of the funds should be used to continue to prop up fossil fuels through investments in new “clean” diesel technology. Vermont should use these one-time funds to help build the transportation system of the future – not the past – kick-starting the market transformation we need.

We also believe this approach is essential to aligning with – not contradicting – our state’s climate and clean energy goals. As you know, Vermont has established some necessarily ambitious carbon pollution reduction and comprehensive energy goals, including reducing emissions of greenhouse gases by 50 percent by 2028 and 75 percent by January 2050 and meeting 90 percent of Vermont’s energy needs in the year 2050 from renewable resources. Despite these strong goals – and strong public and political support – our greenhouse gas emissions are on the rise and our ability to make meaningful progress in the transportation sector in particular is falling short.

The State of Vermont has at its fingertips an opportunity to begin to bend this curve in our state’s most

greenhouse gas intensive sector and help catalyze a 21st century transportation system.

Specifically, VNRC recommends that the Proposed Vermont Beneficiary Mitigation Plan be updated to:

Allocate the majority of these one-time funds to spur the deployment of electric buses

The opportunity to use the VW Settlement funds to transform our public transportation system – including school and transit buses – is an exciting and timely one, considering that the technology exists for electric buses that work in cold climates. The concept of bus electrification has been supported by a variety of groups, including the Governor’s Climate Action Commission, the Transportation for Vermonters Coalition, and the Vermont Climate Economy Action Team, which succinctly identifies electrification as an opportunity to “model transformative change.” We agree.

The transformation opportunities offered by electric buses are broad. In addition to NOx reduction benefits – estimated to be 628 lbs. annually for an electric transit bus, according to one estimate – focusing on public transportation has multiple other benefits as well. Converting to electric buses from diesel means healthier rides for drivers and riders – especially for children on school buses, who are more vulnerable to diesel pollution. Another potential benefit we see is for school buses to help with grid stabilization. The times school buses would be most likely to charge (midday) are also the times when renewable energy production is often at its highest. Buses could serve as battery storage, reducing the burden on transmission systems in constrained areas. And lastly, but not insignificantly, electric buses, especially electric school buses, set a powerful and potentially inspiring example of what our energy future can look like for the children who get to ride them.

Use the full 15% of allowable funds for electric vehicle charging infrastructure

We agree with the proposal in the Proposed Vermont Beneficiary Mitigation Plan to use the maximum allowed under the Trust Agreement to fund electric vehicle charging stations. We would further suggest prioritizing the deployment of these funds to Vermont’s state designated downtowns and villages, as a way to improve the infrastructure in these economically important areas and to attract travelers to businesses in these areas.

Prohibit the use of funds to purchase vehicles that burn fossil fuels

Using this money to facilitate earlier replacement of diesel engines with new, cleaner diesel engines does not effectively bend the curve for advancing new, pollution-reducing technologies. Furthermore, since existing diesel engines are already on track to be replaced with newer, cleaner diesel, using the limited VW Settlement funds to hasten the purchase of an existing technology would mean putting the money toward a shift that would have happened on its own – it doesn’t spur transformation.

Utilize existing state infrastructure to solicit and evaluate proposals and to distribute funds

To supplement ANR’s experience with DERA and other grant programs, we suggest that ANR collaborate with other state agencies whose expertise may support not only efficient deployment of the funds, but also support to applicants to ensure that funds are deployed across a range of communities. The Agency of Commerce and Community Development has successfully administered funds for electric vehicle charging in state designated downtowns and villages. The Clean Energy Development Fund is another resource, particularly for electrification projects that may impact the grid.

The complexity of the transportation system we have means that reducing pollution and energy use from transportation is a challenging task, but it is an essential one. We acknowledge that electrification of the transportation system cannot be the *only* answer – we will need solutions ranging from new technologies and new ways of working, to rethinking how and where we develop our land if we are truly going to reduce pollution from the transportation sector. The opportunity before us, however, is to harness the potential of the VW Settlement funds in a way that cleans the air, maximizes the benefits of this investment, and demonstrates leadership in what a rural transportation system can look like and do. We believe this can be accomplished with a focused investment in electric buses, and respectfully request the Agency of Natural Resources to revise the plan to support such a strategic and much-needed focus.

Thank you again for the opportunity to comment on this plan. We are happy to answer any questions, and we look forward to continued work with the Agency on this important issue.

Respectfully submitted,

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