

December 22, 2017

Ms. Lisa Williams
California Air Resources Board, Mailstop 5B
P.O. Box 2815
Sacramento, CA 95812

Re: Comments on October 9, 2017 “Public Workshop on Developing a Beneficiary Mitigation Plan - Volkswagen Environmental Mitigation Trust for California”

Dear Ms. Williams,

The Greenlining Institute (“Greenlining”) greatly appreciates the opportunity to provide input on the Volkswagen (“VW”) Environmental Mitigation Trust for California pursuant to Appendix D of the Consent Decree, and provides the following comments on the “Public Workshop on Developing a Beneficiary Mitigation Plan” held on October 9, 2017 by the California Air Resources Board (“CARB”).

Greenlining advocates for an “Equity In – Equity Out” approach. Here, “Equity In” refers to equity built into the program itself, including development, implementation, and program operation. “Equity Out” means the selected mitigation action categories will directly benefit low-income and disadvantaged communities. Our comments will reflect this approach.

We provide a summary of the following recommendations to enhance the development of the Beneficiary Mitigation Plan:

- At least 35% of funds should benefit disadvantaged and low-income communities disproportionately affected by air pollution
- Include transparency and accountability measures to ensure the eligible mitigation actions create real, tangible, and meaningful benefits to low-income and disadvantaged communities
- Maximize social equity by prioritizing and promoting economic opportunity for those most in need through workforce development and training; targeted hiring; and diverse-owned business contracting
- Ensure the Beneficiary Mitigation Plan is coordinated with and complements other efforts and investments
- Prioritize zero emission buses and trucks over fossil fuel dependent technologies

I. Introduction

Volkswagen's 482,000 noncompliant diesel vehicles spewed almost 12,000 additional tons of nitrogen oxides (NOx) into our air in one year. That illegal pollution is equivalent to 19 million cars.¹ This pollution affects us all, but VW's dirty diesels poison the air even more so in the neighborhoods already hit first and worst by pollution. In California, those who breathe the dirtiest air are disproportionately low-income communities of color. That is why these trust funds must prioritize those communities to fulfill the purposes of Appendix D, that is, to address past and future excess emissions of NOx. In addressing NOx emissions, CARB has a unique opportunity to help disproportionately impacted communities get access to clean transportation, cleaner air, and economic opportunity.

Medium- and heavy-duty vehicles are one of the largest sources of harmful air pollution in California. In fact, they are the largest source of NOx pollution and produce more particulate matter pollution than all of California's power plants combined.² The exhaust from medium- and heavy-duty vehicles is nothing short of a public health crisis. The resulting air pollution shortens lives, increases diseases that compromise quality of life, and can have "adverse effects on almost every organ system in the body."³ These public health concerns are even more pressing because the goods movement—to, from, and within California—is "projected to increase by 60 percent over the next 30 years" with most of the additional volume moved by trucks.⁴ By then, "population of heavy-duty trucks in California is estimated to increase by 90 percent."⁵

Medium- and heavy-duty electric vehicles (EVs) will play a major role in meeting climate goals and clean air standards. Emissions reductions "from new diesel and natural gas vehicles will not be enough to achieve clean air standards" by themselves.⁶ At the same time, medium- and heavy-duty electric vehicle investments support local job growth and can advance workforce equity as California is home to 14 manufacturers producing trucks, buses, and components.⁷

II. At least 35% of Funds Should Benefit Disadvantaged and Low-income Communities Disproportionately Affected by Air Pollution

SB 92 instructs CARB, as the lead agency, to "strive to ensure, to the maximum extent allowable under the 2.0L partial consent decree, that 35 percent of the moneys received pursuant to Appendix D of the 2.0L partial consent decree benefit low-income or disadvantaged communities disproportionately affected by air pollution." SB 92 also instructs CARB to "strive to ensure that the expenditures made pursuant to Appendix D of the 2.0L partial consent decree are aligned with the state's priorities and provide for public transparency before approval."

We commend CARB staff for highlighting this legislative direction during the October 9, 2017 Public Workshop and provide the following comments to frame and uplift California's

¹ See Bloomberg News at <https://www.bloomberg.com/news/articles/2015-09-23/vw-cheating-added-pollution-of-as-many-as-19-million-u-s-cars>

² "Delivering Opportunity: How Electric Buses and Trucks Can Create Jobs and Improve Public Health" (2016), p. 7 at <http://www.ucsusa.org/sites/default/files/attach/2016/10/UCS-Electric-Buses-Report.pdf>.

³ Ibid, p. 8.

⁴ Ibid, p. 8.

⁵ Ibid, p. 8.

⁶ Ibid, p. 11.

⁷ Ibid, p. 22.

priorities related to climate policy, transportation electrification, and targeted investments for disadvantaged communities (“DACs”). In short, we strongly urge CARB, *to the maximum extent possible, ensure that at least 35% of trust funds for investments that benefit disadvantaged and low-income communities*. This aligns with California’s social equity values in the following key policies:

- [AB 32](#): California has modeled an unprecedented statewide effort to reduce greenhouse gas (GHG) emissions. The Global Warming Solutions Act of 2006 commits California towards reducing greenhouse gas emissions to 1990 levels by 2020.
- [SB 535](#): Directed a portion of the revenue generated by AB 32 into disadvantaged communities to invest in the communities most impacted by the cumulative impacts of poverty and pollution.
- [SB 1275](#): Known as the Charge Ahead California Initiative, this bill states that California must “increase access for disadvantaged, low-income, and moderate-income communities and consumers to zero-emission and near-zero-emission vehicles, and to increase the placement of those vehicles in those communities and with those consumers to enhance the air quality, lower greenhouse gases, and promote overall benefits for those communities and consumers.”
- [SB 350](#): “Widespread transportation electrification requires increased access for disadvantaged communities, low- and moderate-income communities, and other consumers of zero-emission and near-zero-emission vehicles, and increased use of those vehicles in those communities and by other consumers to enhance air quality, lower greenhouse gases emissions, and promote overall benefits to those communities and other consumers.” The bill directs electrical utilities to make investments to “accelerate widespread transportation electrification to . . . achieve the goals set forth in the Charge Ahead California Initiative...”
 - SB 350 also declared that there is insufficient understanding of the barriers for low-income customers to clean transportation. The bill therefore requires CARB to complete and [publish a study](#) on those barriers.
- [SB 32](#): Updated the state’s GHG goal and requires emissions be reduced to 40 percent below 1990 levels by 2030.
- [AB 197](#): Requires CARB to protect the state's most impacted and disadvantaged communities and to consider the social costs of the emissions of greenhouse gases when developing climate change programs.
- [AB 1550](#): Updated SB 535 and requires at least 25% of cap-and-trade investments to be spent in disadvantaged communities with an additional 10% benefiting low-income communities and households, for a total of **35% going to disadvantaged and low-income communities**.
- [AB 523](#), which requires the CEC to spend at least 25% of the Electric Program Investment Charge fund for technology demonstration and deployment at sites located in, and benefiting, disadvantaged communities, and additional 10% to fund projects located in and benefiting low-income communities, for a total of **35% going to disadvantaged and low-income communities**.
- [Recently announced CPUC equity program](#) that **directs 25% of funds for distributed energy storage to low-income households and environmentally burdened communities** throughout the state.

Low-income communities and communities of color were hit hardest by VW's unlawful diesel exhausts.⁸ The state should remedy this harm by prioritizing significant investments towards those communities that were hurt the most. VW's funds should also be accountable to California's industry standards and values related to equity in climate policy and transportation electrification. The above list captures those state priorities related to climate policy, transportation electrification, and targeted investments for disadvantaged and low-income communities. In alignment with these priorities, the Beneficiary Mitigation Plan should therefore seek to address poverty and pollution in the State's most impacted communities.

Use CalEnviroScreen to Identify Disadvantaged Communities

In addition to mandating targeted investments, SB 535 also requires that the California Environmental Protection Agency (Cal EPA) identify disadvantaged communities for the purposes of spending California Climate Investments. The bill states that: "communities shall be identified based on geographic, socioeconomic, public health, and environmental hazard criteria, and may include, but are not limited to, either of the following:

- (a) Areas disproportionately affected by environmental pollution and other hazards that can lead to negative public health effects, exposure, or environmental degradation.
- (b) Areas with concentrations of people that are of low income, high unemployment, low levels of homeownership, high rent burden, sensitive populations, or low levels of educational attainment."

Per SB 535, Cal EPA uses the [CalEnviroScreen tool](#) to identify disadvantaged communities. The tool, now in its third version, has become the industry standard for identifying communities overburdened by pollution and socioeconomic factors. The complementary programs listed above are working collectively to accelerate the reduction of pollution and poverty in the most impacted communities, while using the CalEnviroScreen tool.

Recommendations:

- Greenlining recommends CARB **adopt use of CalEnviroScreen** for the VW Environmental Mitigation Trust for California and use the definition of DAC as defined by Cal EPA. Greenlining urges CARB not to move forward with an undefined mechanism when there is already an industry standard and accepted tool in place.
- In keeping with state priorities and AB 1550, **the Beneficiary Mitigation Plan should prioritize investments that will exceed** a minimum investment of 25% within disadvantaged communities (as defined by CalEnviroScreen) and at least an additional 10% benefitting low-income households (as defined by Cal EPA and CARB) for a **minimum total of 35% in disadvantaged communities and low-income households.**
- Because of the disproportionate harm caused by VW, Greenlining recommends that CARB should strive to exceed these minimums to recompense for those harms. To address the inequity, a **35% investment should be the bare minimum target.**

⁸ CalCEF at <https://calcef.org/story/2015/11/new-interactive-mapping-tool-shows-effects-of-vw-diesel-scandal-and-suggests-how-vws-response-could-make-amends-to-those-hardest-hit>. (Kevala Analytics developed a mapping tool for the California Clean Energy Fund to identify exactly where non-compliant VW diesels have affected communities in California. They found low-income communities of color were hit first and worst by VW's egregious act.)

Additional Stakeholder Support for Prioritizing Equity

As of December 18, 2017, the viewable public record for the Volkswagen Environmental Mitigation Trust includes the following comments in support of prioritizing equity in the Beneficiary Mitigation Plan:

- Orange EV’s October 4, 2017 Comments
 - “California’s Volkswagen Beneficiary Mitigation Fund Plan should...2) **Focus investment in locations to benefit disadvantaged communities.**”
 - See also Page 5 of their comments. Orange EV calls for “at least 25% across each category, as appropriate.”
- PG&E’s October 24, 2017 Comments
 - “PG&E supports the concepts presented by staff that align with the state’s transportation goals and SB92’s direction to **utilize a portion of the funds in disadvantaged communities (DACs)...**”
- California Transit Association’s October 25, 2017 Comments
 - “SB 92...requires ARB, as the lead agency of the Mitigation Trust, to ensure at least 35% of its allocations benefit low-income or disadvantaged communities (DAC). Investment in zero-emission buses furthers this goal, because transit – particularly, buses – disproportionately serve low-income individuals and other “transit-dependent” Californians.”
- Center for Sustainable Energy’s November 2, 2017 Comments
 - “CSE supports legislative direction in SB 92 to direct 35% of California’s allocation to benefit low-income or disadvantaged communities. This threshold is consistent with California’s other efforts to impactfully target emissions reductions. [Footnote: As referenced in policies, including AB 197, SB 1204, SB 1275, AB 525 and AB 1550.] In addition, **CSE urges CARB to consider ways to exceed this 35% threshold**, while maintaining suitable flexibility for demand-based programs.”
- LA n Sync et. al’s November 9, 2017 Comments
 - “In the past, cases have been made to distribute funding based on population or other allocation methods, throughout the state. Since these funds are mitigation funds to “right the wrong” caused by VW’s emissions cheating, **it is imperative that CARB focus these funds on the areas hardest hit by diesel pollution.** We would encourage a distribution structure that focus on prioritizing these communities.”
- John Wayne Airport’s December 4, 2017 Comments
 - “**Allocate a pollution-burden impact share of funds** versus a population share.”
 - “**Direct funding to areas that benefit disadvantaged communities.**”
- Sierra Club’s December 11, 2017 Comments
 - “**We urge the board to focus attention on funding those projects that will simultaneously...Enhance environmental justice and equity...**”

III. Include Transparency and Accountability Measures to Ensure Eligible Mitigation Actions Create Real, Tangible, and Meaningful Benefits to Low-Income and Disadvantaged Communities

Education, Outreach, and Community Engagement

For low-income and disadvantaged communities to benefit from the Beneficiary Mitigation Trust funds, they have to know the funds exist. Marketing, education, and outreach about these investments must ensure that the most impacted, and hardest to reach communities, are aware of the opportunities created through these funds. Lack of effective education and outreach prevents communities from seeking the necessary resources they need.

Recommendations:

Greenlining urges CARB to ensure meaningful community engagement from most impacted communities and to consider the following Guiding Principles:

- Community engagement should ensure that eligible mitigation actions are meeting community-identified needs and addressing unintended consequences of infrastructure investments, including issues of displacement and gentrification.
- Outreach and community engagement should be guided by a social equity lens to ensure:
 - Benefits reach individuals and communities that need them the most and
 - Burdens and negative externalities do not disproportionately harm vulnerable individual and communities
- Targeted outreach, education, and public awareness efforts should effectively reach low- and moderate-income consumers and diverse audiences, in relevant languages, through targeted efforts that use trusted messengers, such as community-based organizations and ethnic media.
- The Beneficiary Mitigation Plan should allow for community decision-making at any and every point possible.
- Eligible mitigation action categories should be prioritized based on their ability to address existing systemic inequities, as identified by the community

Considering Unintended Consequences

Greenlining recognizes and commends California for striving for significant infrastructure investments in communities that need them the most. But we also recognize that these investments could result in increased property values and thereby enable increased displacement. These investments have potential to add pressure to existing residents, pressures to move due to increased rent/mortgage values from these new economic investments in charging infrastructure.

Recommendations:

In addition to ensuring that economic benefits are prioritized for impacted communities (see [Section V](#) below), Greenlining encourages thoughtful planning through meaningful community engagement to thoroughly consider and avoid unintended consequences.

- For a starting reference, Greenlining encourages CARB to review [Transformative Climate Communities \(“TCC”\) Program Final Guidelines](#).
 - Pages 11-13 and Appendix A are good starting points
- TCC requires applicants to consider anti-displacement in their proposals. The enacting legislation, [AB 2722](#), included the following provision: “In adopting the guidelines, the council shall consider whether eligible plans and projects avoid economic displacement of low-income disadvantaged community residents and businesses.”
- **Greenlining strongly urges CARB should consider whether eligible mitigation action categories avoid economic displacement of low-income disadvantaged community residents and businesses.**

Metrics

Metrics are important to stakeholders for various reasons, and should be based on program goals. Baseline metrics will allow CARB to track whether the intended goals of the program are met, to share process and implementation information, and to provide a more robust picture of the program’s successes and shortcomings.

Recommendations:

- Co-develop equity metrics with community leaders, environmental justice and equity advocates.
- Collect, track, and report equity specific data and conduct surveys, where feasible.
- Commit to adaptive management if equity goals of Beneficiary Mitigation Plan are not being met.
- Increase the transparency, collection, and reporting of workforce data, especially with respect to the hiring of low-income workers and other individuals with barriers to employment. There should be reporting on individual level data on the progress of efforts to train and employ low-income and disadvantaged workers.
- Some possible jobs metrics:
 - Job quantity: Number of workers employed/trained; hours per week; employment status (part-time/full-time, or percentage of full-time equivalency)
 - Job quality: Hourly wages, employer-provided benefits for hires, partners and dependents (medical and dental coverage, paid vacation and sick leave, retirement savings, transportation reimbursement, childcare assistance, paid training opportunities)
 - Job access: Worker demographics, including gender, race/ethnicity, workers with barriers to employment; geographic location (census tract of residency); project subject to project-labor agreement, targeted hiring policies, or community workforce agreement
 - Job retention: Length of time employed, retention rate

- Job classification: Occupation, employee classification (employee, independent contractor, trainee, etc.), contractor classification (diverse-owned business, community based organization, etc.)
- Job trajectory: Number and type of certifications or credentials awarded, number of job placements for trainees/interns, number of trainees enrolled in pre-apprenticeship or state-certified apprenticeship programs; existing workforce and training partnerships with training providers, workforce agencies or community-based organizations

Technical Assistance

The Volkswagen Environmental Mitigation Trust provides millions of dollars for projects in our most vulnerable communities, but this alone does not guarantee that our most impacted communities have access to resources. Many communities often lack the infrastructure, partnerships, resources and implementation experience necessary to compete for state funding. Even when communities build the internal capacity necessary to pursue resources, many still lack the technical expertise (i.e. grant-writing, technical knowledge) necessary to pursue state funding opportunities.

Recommendations:

- Greenlining recommends that CARB consider what technical assistance processes are required to ensure that low-income and disadvantaged communities can benefit from these funds
- To the extent possible, the Beneficiary Mitigation Plan should set aside a portion of the funds for technical assistance
- To address the barriers facing communities, we believe technical assistance should be provided in the following areas:
 - Project development: developing eligible activities, project management
 - Direct application assistance
 - Project management: Project implementation assistance

Additional Stakeholder Support for Community Engagement, Transparency, Evaluation and Technical Assistance

As of December 18, 2017, the viewable public record for the Volkswagen Environmental Mitigation Trust includes the following comments in support of community engagement, transparency, evaluation and technical assistance on the Beneficiary Mitigation Plan:

- PG&E’s October 24, 2017 Comments
 - “PG&E supports the concepts presented by staff that align with the state’s transportation goals and SB92’s direction to utilize a portion of the funds in disadvantaged communities (DACs) **and provide public transparency...**”
- Center for Sustainable Energy’s November 2, 2017 Comments
 - “Transparency and Evaluation: As described above, **publicly and readily accessible program data, including comprehensive reporting and user-friendly dashboards, are now considered to be best practices for ensuring**

program transparency. These types of offerings give the general public, stakeholders, and policymakers confidence that programs are meeting the intended goals and if not, can be adjusted accordingly. This confidence further builds stakeholder support for said programs. Further, data collection and data management support internal evaluation efforts aimed at program improvement and planning, which should also be considered program priorities.”

- “Equity: Existing programs to promote clean transportation technologies have been critiqued for their uneven impacts on diverse demographics, communities and stakeholders. **A strong focus on outreach to historically underserved communities and a diversity of fleets builds broader support for clean transportation incentive programs.** In addition to outreach, program design has, in many cases, evolved to increase access for DACs, individuals, and agencies.”
- “Expertise has shown that third-party **technical assistance is a key element of successful clean transportation incentive programs.** Fleet managers, planners, and other decision makers are generally overwhelmed by advance vehicle technology options and the infrastructure or facilities modifications they require. Third party **technical assistance offerings provide fleets with a necessary understanding of the advance vehicle eco-system** (i.e. vehicle options, infrastructure, incentives) frequently otherwise unavailable
- LA n Sync et. al’s November 9, 2017 Comments
 - “California should **support more meaningful community engagement in the deployment of VW funding.** We hope that CARB will go beyond simply involving a community organization in an application; but, **engaging community organizations throughout the process to ensure the best project that most benefits the community can move forward.**”
 - “California should ensure that smaller cities and smaller companies have an equal opportunity to receive funding for vehicle replacements and charging infrastructure. We would like to **ensure that smaller cities and companies, which don’t typically compete for grant funds due to the complexity of the process, are able to receive funding...**”

IV. Maximize Social Equity by Prioritizing and Promoting Economic Opportunity for Those Most in Need Through Workforce Development and Training; Targeted Hiring; and Diverse-Owned Business Contracting

The transition to a clean energy economy from one based on fossil fuels inevitably means that some jobs will disappear, and others will be created. A fair and just transition means making sure our poorest and most polluted communities have access to cleaner, healthier, more vibrant neighborhoods and access to good, family-sustaining jobs. The workforce from our most polluted and impacted communities must have access to, and training for, new and emerging occupations, with career pathways out of poverty.

Recommendations:

- Create economic equity co-benefits by requiring robust, targeted efforts to train, certify, and place disadvantaged community workers in quality jobs in transportation electrification related to VW’s Environmental Mitigation Trust for California.
- Create opportunities for diverse businesses to benefit from these funds because all communities should have equal access to business opportunities.
 - Greenlining recommends reporting on procurement of services and products from contractors and subcontractors certified as a diverse-owned business—i.e. minority-, women-, veteran-owned businesses.
- Prioritize action categories that encourage broader economic and health benefits for low-income communities of color, particularly disadvantaged communities impacted most significantly by poor air quality and poverty.
- Support the development of, and place a high priority on, action categories that:
 - Have robust recruiting and hiring policies targeting disadvantaged and low-income communities;
 - Provide high-quality jobs;
 - Have robust minority-owned business procurement goals (i.e., supplier diversity), and;
 - Partner with or provide support to workforce development programs aimed at impacted communities.
- For contracts and solicitations under the Beneficiary Mitigation Plan, require bidders/contractors to demonstrate, where applicable:
 - Hiring of low-income workers and other individuals with barriers to employment (through targeted or local hiring policies, or others);
 - Diverse workforce demographics;
 - Partnerships with skills development programs (or its own training programs) targeted at low-income workers and people with barriers to employment, such as job training and pre-apprenticeship programs; especially those that provide support services to participants (e.g. child care, transportation assistance, financial stability, etc.); and/or
 - Paying of prevailing wages; providing benefits for hires, partners, and dependents (medical and dental coverage, paid vacation and sick leave, retirement savings, transportation reimbursement, childcare assistance, paid training opportunities); predictable scheduling; and opportunities for advancement for entry-level workers.
- CARB should use the above information in scoring contracts and solicitations.
 - A contractor that demonstrates these attributes should receive additional points.
- Incorporate “High Road” workforce development values that focuses on a commitment to quality, quantity, and access. Greenlining encourages using these questions in guiding this effort:
 - How can you ensure clean transportation jobs from the Mitigation Trust pay good wages, provide benefits, and provide well-articulated career ladders (quality)?
 - Where are the opportunities that will go to a large enough scale to be meaningful (quantity)?
 - And how can you ensure that those jobs are attainable for people with barriers to employment (access)?

V. Ensure the Beneficiary Mitigation Plan is Coordinated with and Complements Other Efforts and Investments

Currently, there are many state-level efforts working to deploy electric vehicles and infrastructure. Here are some examples:

- The California Energy Commission provides funding for electric vehicle charging infrastructure through its Alternative and Renewable Fuel and Vehicle Technology Program (“ARFVTP”); \$20 million proposed for the 2018-2019 Investment Plan.⁹
 - For example, CEC awarded a \$15 million grant to develop and implement an initiative to install more EV infrastructure by creating financial incentive projects. CEC also approved up to \$200 million for installations in conjunction with matching funds from regional and local governments.¹⁰
- SDG&E, SCE, and PG&E have been approved for pilots to install EV infrastructure at multi-unit dwellings, workplaces, and public interest destinations. The combined budget for all pilots is \$197 million totaling 12,500 charging stations.¹¹
- SDG&E, SCE, and PG&E have also filed their proposals for SB 350 Transportation Electrification projects. The combined proposals are seeking to invest \$1 billion in transportation electrification, with the Medium/Heavy Duty Infrastructure proposals totaling over \$775 million.¹²
 - Greenlining encourages CARB to connect with CPU Commissioner Carla J. Peterman to gain insight from the SB 350 Transportation Electrification public workshops and listening sessions.
- The California Pollution Control Financing Authority provides incentives to small business owners and landlords to install EV charging stations for employees, clients, and tenants through its “California Capital Access Program (CalCAP) Electric Vehicle Charging Station (EVCS) Financing Program.”¹³
- Many cities throughout California have, or are considering, plug-in electric vehicle readiness ordinances for new development.

Recommendations: The Beneficiary Mitigation Plan should complement, coordinate with, and be additive to existing EV charging infrastructure deployment and transportation electrification efforts. Funds from this plan should not displace funding from other sources. CARB should seek to leverage matching investments from existing funds to foster a more robust and reliable EV network.

⁹ California Energy Commission, ARFVTP Investment Plan at http://docketpublic.energy.ca.gov/PublicDocuments/17-ALT-01/TN221664_20171102T105305_20182019_Investment_Plan_Update_for_the_Alternative_and_Renewab.pdf

¹⁰ California Energy Commission, Block Grant for Electric Vehicle Charger Incentive Projects at <http://www.energy.ca.gov/altfuels/zev/2017-EVI-01/>

¹¹ California Public Utilities Commission, Charging Infrastructure Pilot Programs at http://www.cpuc.ca.gov/zev/#Pilot_Programs

¹² California Public Utilities Commission, Transportation Electrification Activities Pursuant to Senate Bill 350 at <http://www.cpuc.ca.gov/sb350te/>

¹³ California Pollution Control Financing Authority, CalCAP EVCS Program at <http://www.treasurer.ca.gov/cpcfca/calcap/evcs/>

Additional Stakeholder Support for Leveraging the Funds

As of December 18, 2017, the viewable public record for the Volkswagen Environmental Mitigation Trust includes the following comments in support of leveraging the funds:

- Orange EV's October 4, 2017 Comments
 - “California’s Volkswagen Beneficiary Mitigation Fund Plan should...2) **Augment existing private and public incentives** and grants at a project level.”
- PG&E's October 24, 2017 Comments
 - “**Investment Priorities:** PG&E recommends that the Plan **prioritize investments in technologies and sectors where multiple sources of funds and incentives can be leveraged**, including those allocated from the GGRF and those available from utilities. This will maximize the benefit of the funds available for NOx mitigation, advance the state’s greenhouse gas emission reduction goals, and accelerate California’s transition to alternative fuels.”
- Center for Sustainable Energy's November 2, 2017 Comments
 - “**CSE encourages coordination efforts with sister agencies by designating collaborative agency partnerships in the Beneficiary Mitigation Plan.** Effective coordination with key agencies will promote resource and knowledge sharing and will reduce duplicative processes, increasing the likelihood of program success. CSE encourages effective coordination with the following agencies:
 - California Energy Commission...
 - California Public Utility Commission...
 - Strategic Growth Council’s TCC Program...”
- LA n Sync et. al's November 9, 2017 Comments
 - “California should make it easy to stack other funding sources to leverage these VW funds and ensure they go further. To ensure maximum project deployment, we would **encourage that the state simplify the leverage of funding sources.** For example, if electric school buses are funded, we should encourage the use of HVIP funds as well. This way we can maximize the number of clean school buses on our roads.”

VI. Prioritize Zero Emission Buses and Trucks Over Fossil Fuel Dependent Technologies

Recommendations:

- CARB has an opportunity to advance the electrification of school buses along with the CEC.¹⁴ CARB should focus on populations with disadvantaged communities and communities where the majority of students receive free or subsidized lunches.
- Greenlining encourages CARB to prioritize the replacement of buses and trucks in low-income and disadvantaged communities.
- Greenlining encourages CARB to allocate as much as possible (as allowed under the settlement terms) to zero emission buses and trucks, before considering near-zero emission technologies.
- Greenlining strongly urges CARB *not* to choose or allow any mitigation actions that utilize or promote natural gas.

Additional Stakeholder Support for Prioritizing Buses and Trucks

As of December 18, 2017, the viewable public record for the Volkswagen Environmental Mitigation Trust includes the following comments on eligible mitigation action categories. Greenlining agrees with the following positions:

- Keith Loewen's October 9, 2017 Comments
 - "School Buses account for 5 times more pollution affecting our children than trucks."
 - "Smaller school districts, especially rural school districts, have a difficult time raising [money for electric buses] without help from the state..."
- California Transit Association's October 25, 2017 Comments
 - "On behalf of the California Transit Association, I write to you today to respectfully request that you **invest ... in zero-emission buses and trucks.**"
 - "Zero-Emission Buses Mitigate NOx Emissions: On-road heavy duty vehicles, like buses, are the largest contributor to statewide NOx emissions, accounting for 33% of NOx emissions in California. **Investment in zero-emission buses can reduce tailpipe NOx emissions** by 100% from (0.20 g/bhp-hr to 0.00 g/bhp-hr)."
- Sierra Club's December 11, 2017 Comments
 - "We believe that the \$423 million should be distributed to projects that fall into the following...
School buses. A number of school districts still rely on older, diesel- or gasoline-fueled vehicles that expose children unnecessarily to harmful tailpipe emissions. Other school districts that have abandoned the dirtiest fuels are relying on methane gas vehicles that, while less polluting than old diesel buses, still produce tailpipe emissions and emissions from the fueling infrastructure. Additionally, production and transport of methane gases have negative consequences for

¹⁴ The California Energy Commission has committed to using a portion of [Prop. 39](#) funds to replace or retrofit school buses. The program applies to disadvantaged communities and communities where the majority of students receive free or subsidized lunches.

climate change and public health. CARB should spend a portion of the VW funds to allow schools that use older diesel- or gasoline-fueled buses to retire those vehicles and replace them with electric vehicles, and to allow other schools to transition away from methane gas dependence.

Transit buses. Several key transit agencies around the state have set assertive goals to transition their bus fleets to zero-emission buses. Additionally, CARB is embarking on a rulemaking to encourage such transition at transit agencies. There are at least four companies in the state that manufacture zero-emission buses. Through broad and consistent adoption of zero-emission buses, transit agencies can prove and help accelerate commercial development of this and other heavy-duty applications of zero-emission technology. **For these reasons, along with the obvious air pollution and greenhouse gas reduction benefits, the transit bus sector should be a major recipient of the VW funds. Given that low-income Californians, the very young and the elderly—all groups that are particularly sensitive to air pollutions’ impacts—are among the most regular transit riders, providing funding to motivate transit agencies to rapidly transition to zero-emission technologies will enhance environmental justice and equity.”**

- “Finally, we urge the board to refrain from providing any of these funds to **projects that will introduce or extend or dependence on methane gas**, whether renewable or conventional. Methane gas in any form—renewable or conventional—forces climate change. It is susceptible to destructive leakage at every step of its journey, from extraction to transportation to fueling to end use.”
- Penny Elia’s October 23, 2017 Comments
 - “I’m writing to urge you to spend the approximately \$400 million in funds covered by Appendix D in the Volkswagen settlement **on projects that will increase the use of zero-emission vehicles and technologies in the heavy-duty sector.”**

VII. Conclusion

Greenlining commends CARB’s public participation process in developing the Beneficiary Mitigation Plan. We greatly appreciate the opportunity to provide comment and we look forward to engaging further on Volkswagen Environmental Mitigation Trust for California.

Sincerely,

/s/ Jordyn Bishop

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