



January 11, 2018

California Air Resources Board  
1001 I Street  
Sacramento, CA 95815

RE: Volkswagen Settlement – Environmental Mitigation Trust for California

Dear California Air Resources Board Staff,

Thank you for the opportunity to provide comments on ARB's development of a Beneficiary Mitigation Plan as part of the Volkswagen Settlement Appendix D: Environmental Mitigation Trust (EMT). Proterra strongly supports efforts to mitigate hazardous NOx and other criteria pollutants.

Proterra designs and manufactures the world's most fuel-efficient battery electric bus and features on-route, fast-charge technology that offers functionally unlimited range, as well as an extended range version that enables transit agencies to travel up to 350 miles on a single charge. Proterra's CATALYST™ bus achieves 22+ MPGe performance, 500%+ better than diesel and CNG buses, eliminating toxic diesel particulate matter and NOx emissions. Proterra recently moved our Corporate Headquarters to Burlingame, California from the East Coast and expanded manufacturing to the City of Industry, California —allowing future zero-emission buses deployed in California to be designed and manufactured by Californians and supported by California supply chains.

Proterra appreciates ARB's effort to accelerate deployment of zero emission vehicles by increasing the individual voucher amounts within the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Program (HVIP), as well as significantly increasing the total funding for HVIP. These actions will help support the deployment of zero-emission buses in California. Proterra believes that Volkswagen Settlement funds from the Environmental Mitigation Trust can be utilized to further accelerate the deployment of zero-emission buses and help close funding gaps for public fleet owners and operators.

Proterra strongly supports allocating funding for zero-emission airport shuttle buses. Specifically, we recommend providing up to 80% of the total cost of vehicles, which mimics the 80/20 ratio provided by the Federal Transit Administration for rolling stock. Federal support for airport and other shuttle fleets is limited and uncertain, and there is a need for additional funding to spur transition to zero emission vehicles to reduce emissions at airports and other locations with shuttle service. Funding from the Environmental Mitigation Trust is needed to help transition shuttle fleets to eliminate NOx emissions and other harmful pollutants, as well as provide the opportunity for all commuters to realize the benefits of riding in a zero-emission vehicle.

Proterra also supports allocating funding for zero-emission public transit in order to provide a reliable source of incentive funding to help accelerate the deployment of zero-emission public transit buses throughout California and mitigate NOx emissions. There is a particular need for additional funding for the smaller, more rural transit agencies to help cover the total incremental cost of zero-emission vehicles. Additional incentives

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can help bridge the funding gap and accelerate the deployment of zero-emission public transit buses, which will help achieve the purchase requirements sooner for the Innovative Clean Transit Regulation (ICTR) and provide earlier air quality and health benefits for many of the impacted communities. Consistent with the ICTR Discussion Document dated December 15, 2017, we propose an \$85k per bus “plus up” on HVIP to cover the full incremental cost of a public transit agency transitioning from a fossil fuel transit bus to a zero-emission transit bus, which will help leverage other state dollars to help meet the mitigation requirements for the EMT.

Additionally, Proterra supports providing funding for zero-emission school buses. School buses are among the oldest and dirtiest fleets on the road, and school children are sensitive receptors and face elevated health risks from daily exposure to the toxic air contaminants from diesel emissions. In addition, many school districts are cash-strapped and are unable to purchase zero-emission school buses without the necessary incentive funding.

Further efforts to accelerate the deployment of zero-emission shuttle, transit, and school buses will deliver multiple environmental and economic benefits to California, including mitigating NOx emissions and improving air quality in California’s disadvantaged communities. Proterra’s zero-emission public transportation increases ZEV access and exposure, as well as manufacturing and design jobs throughout the state. Our mobility solutions also provide an effective opportunity for all commuters to ride an electric vehicle and realize the health and other associated benefits of electrification, including eliminating toxic diesel emissions.

Thank you for the opportunity to provide comments on the Environmental Mitigation Trust and Beneficiary Mitigation Plan development. We look forward to continuing to work together to help carry out the goals of the Volkswagen Settlement Consent Decree and EMT.

Sincerely,

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