



BAY AREA  
AIR QUALITY  
MANAGEMENT  
DISTRICT



METROPOLITAN  
TRANSPORTATION  
COMMISSION

April 10, 2017

Mary D. Nichols, Chairperson  
California Air Resources Board  
1001 "I" Street  
Sacramento, CA 95814

Re: MTC-BAAQMD Comments on Volkswagen Draft Cycle 1 ZEV Investment Plan

Dear Chairperson Nichols:

The Metropolitan Transportation Commission (MTC) and the Bay Area Air Quality Management District (BAAQMD) jointly offer the following comments on the Volkswagen (VW) Draft Cycle 1 Zero Emission Vehicle (ZEV) Investment Plan (Plan) required under Appendix C of the 2.0 liter diesel consent decree.

We are very excited about the opportunity that the VW funds present for accelerating the state's investments in zero emission technologies, and believe that these investments will play a pivotal role in helping California achieve its clean air and climate change goals. Overall, we strongly support VW's approach to targeting its investments in ZEV charging infrastructure based on analysis of the gap between currently installed infrastructure and projected demand, however we request that the Plan be revised to provide additional clarity in several areas, as discussed below.

First, it appears VW has selected the San Francisco and San Jose metro areas as two of the five cities in California that will be prioritized for the first round of EV charger infrastructure investment. While we support VW's targeting these two Bay Area metro areas, which have the highest ZEV market shares in the state, we respectfully request clarification on how the 350+ community charging stations will be distributed among the selected metro areas (i.e., how many of the stations will be located in San Francisco and San Jose) and recommend that the California Air Resources Board (CARB) require VW to complete the gap analysis and provide a more specific implementation plan, so that VW's investments can be better coordinated with local and regional efforts to develop charging networks and avoid duplication of effort.

Along those lines, the Plan provides little information on how the investments will be implemented or on the role of partner agencies. While the Plan appears to include many of the elements of the proposal for a charging network submitted jointly by the San Joaquin Unified Air Pollution Control District, the BAAQMD, and the South Coast Air Quality Management District, it gives no indication of whether VW plans to work with the agencies that submitted proposals. We strongly encourage VW to partner with local and regional agencies that have both extensive experience and active ongoing efforts in implementing regional infrastructure plans and mobility

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solutions to avoid duplication. Agencies such as the MTC and BAAQMD, along with other air districts and cities and counties, stand ready to work collaboratively with VW and CARB on this program.

The Plan is also unclear on whether charging infrastructure would be sited only within the identified cities, or in the broader metro areas surrounding the cities. We suggest that metro area be defined broadly for a number of reasons:

- Siting chargers at only one end of the commute in central cities would do less to incentivize ZEV adoption than a broader network since Bay Area employees commute an average of 32 miles daily, travelling long distances between cities and crossing county lines;
- Siting chargers throughout metro areas of the five selected areas (rather than only within city boundaries) would greatly help to enable a larger number of drivers, including long-distance commuters, to switch to ZEVs, which would achieve more greenhouse gas (GHG) reductions;
- With less readily available real estate, installing chargers only in central cities would be costlier than a broader network, reducing the number of chargers that could be installed under the plan.

In addition to our comments above on the infrastructure aspect of the Plan, we also offer the following additional comments:

- The Plan should provide more information on Sacramento's successful Green City Initiative proposal, and on how that proposal addressed the criteria specified in the selection methodology. This would benefit other cities that submitted proposals and are considering how to advance their local initiatives.
- CARB's guidance to VW called for at least 35 percent of the funds to be invested in disadvantaged, low-income, underserved and disproportionately impacted communities identified in consultation with state agencies. The Plan identifies investments in Disadvantaged Communities (DACs) based only on narrow CalEnviroScreen criteria. While we support guidelines to ensure that low-income residents and communities gain benefits from VW's ZEV investments, almost half of the state's low-income communities (defined as census tracts with a median income below 80 percent of the statewide median income) are excluded from the state's current definition of DACs, based on the top 25 percent score of CalEnviroScreen. We encourage VW to identify investments in DACs using the broader definitions cited in the CARB guidance.
- The draft plan appears to include no investments in medium- or heavy-duty vehicles. Given the substantial share of GHGs and criteria pollutants emitted by heavy-duty trucks, and the potential for large-scale conversion of truck fleets to zero emission, future investment cycles should make investments in medium- and heavy-duty vehicles a higher priority.

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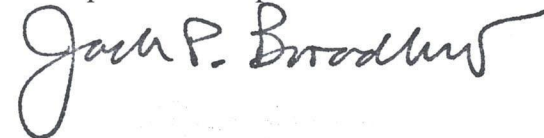
- Similarly, the Plan includes no investments in electrifying public transit vehicles. Given CARB's keen interest in converting the state's bus fleet to zero emission, such investments should also be a priority for future cycles.
- We encourage VW to coordinate its investments with efforts already underway in California, including the California Public Utilities Commission's programs authorizing utility investment in ZEV infrastructure, and the California Plug-In Electric Vehicle Collaborative's Veloz campaign.
- Finally, we note that \$16 million (8%) of the proposed funding in the Plan goes to VW overhead, significantly reducing the funding available for external investments. We recommend that CARB require VW to demonstrate how it calculated overhead costs and how overhead costs can be minimized, so as to maximize the benefits of VW's investments.

MTC and BAAQMD look forward to continuing to work with CARB and VW to implement this critical and unique investment opportunity. If you have questions about our comments please contact Glen Tepke at MTC ([gtepke@mtc.ca.gov](mailto:gtepke@mtc.ca.gov) or (415) 778-6781) or Karen Schkolnick at BAAQMD ([kschkolnick@baaqmd.gov](mailto:kschkolnick@baaqmd.gov) or (415) 749-5070).

Sincerely,



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Metropolitan Transportation Commission



Jack Broadbent  
Chief Executive Officer/Air Pollution Control Officer  
Bay Area Air Quality Management District

CC: Richard Corey, Executive Officer, California Air Resources Board