



We heard you!

The North Carolina Division of Air Quality held a series of public meetings to discuss our draft mitigation plan and to answer questions about the plan. The meetings were well attended and heralded across the state by stakeholders and citizens alike. We received hundreds of written comments during the open comment period in addition to those heard in the meetings. We reviewed all comments and made changes to the final plan based on comments received.

Talking Points

The DAQ released a draft mitigation plan for public comment March 19, 2018, for 45 days. Comments were received until May 3, 2018. The draft plan reflected input we received from our Request for Information in 2017. On the draft plan we received 563 comments; 50 were individual comments and 513 were form letters. We had one comment related to an ineligible project, which we responded to directly.

Key Themes

Overall, the comments DAQ received were positive. We heard from North Carolinians on a variety of topics. We summarized key themes from the entirety of the comments received. We received overwhelming support for ZEV infrastructure and school bus replacement allocation. Many commenters suggested we consider including private sector projects. Changes to the final plan are also included in this summary.

Zero Emission Vehicle (ZEV) Light Duty Infrastructure

DAQ received numerous comments supporting our plan for electric vehicle charging stations. Many of the comments received requested that the VW settlement funds be used to *“accelerate towards a clean vehicle future by prioritizing investment in electric vehicle charging infrastructure.”* Commenters also requested ZEV funds be made available to public and private entities during all phases. The addition of the private sector would increase the number of ZEV sites that could be installed state-wide due to the larger matching funds requirements. Finally, commenters suggested prioritization of DC fast charging sites near transportation corridors, Level 2 charging sites at Points of Interest, and requested that all sites be equipped with standardized ports.

- ❖ DAQ incorporated the following suggestions derived from the ZEV comments into the final mitigation plan.

We are going to devote the maximum (15%) of the settlement funds for ZEV light duty infrastructure (electric or hydrogen) projects in N.C. We will allow Public and Private sector

participation in all phases for the ZEV projects. We are committed to working with stakeholders to ensure the ZEV sites are:

1. Placed on main transportation corridors (DC Fast Chargers),
2. Placed at points of interest (Level 2 Chargers), and
3. Use standard port technology, are accessible (safe, signage), and ensure longevity (smart-connected, maintenance agreements).

Transit Bus Replacement

The DAQ received a variety of comments regarding transit buses. The comments primarily focused on suggestions that transit buses be replaced with electric vehicles, and on not limiting the plan to public-sector only projects.

- ❖ DAQ decided not to make changes that would change the overall direction or balance of the Phase 1 plan for this category.
We continue to support all eligible fuel types for Transit Bus replacement in Phase 1. We will consider subsequent changes to the program for Phase 2 and 3 based on our experience, number of eligible projects received and additional input from North Carolinians between the phases.

Local Government

The DAQ received a few comments from local government organizations. Collectively the commenters suggested that the plan not be limited to public-sector or government projects only, rather the plan should include Regional Councils of Government and private nonprofit organizations. Additionally, the commenters supported allocating 32% of funding for rural counties.

- ❖ DAQ made changes to the final plan regarding input from Local Government entities.
We revised the plan for eligible public projects to include (a) projects submitted by local, state, and tribal government organizations, (b) projects submitted by public or private nonprofit organizations and (c) projects submitted by public-private partnerships where the lead applicant represents a public sector, public or private nonprofit entity.

School Bus Replacement Program

Comments received for school bus replacement funding primarily came from the private sector and one private citizen. The comments supported replacing existing school buses with propane vehicles with one additional comment wanting investment in electric school buses only.

- ❖ DAQ decided not to make changes that would change the overall direction or balance of the Phase 1 plan for this category, rather we adjusted funding to respond to comments received.
We continue to support all eligible fuel types for School Bus replacement in Phase 1. Given the overwhelming need in the state for low-emission, new, reliable school buses, the DAQ increased the funding for this category from 35% to 40%. While we will consider all fuel types, based on comments received, we specified in the final plan we will target funding for

eligible projects accordingly: Diesel – 25%; Propane & Natural Gas – 10%; All-electric – 5%. We will consider larger changes to the program for Phase 2 and 3 based on our experience, number of eligible projects received and additional input from North Carolinians between the phases.

Heavy-duty Equipment

Most of the comments we received asked to include the private sector in the category. Commenters supported DAQ's plan to include all fuel types for this category.

- ❖ DAQ made changes to the final plan.
We revised the plan for eligible public projects to include (a) projects submitted by local, state, and tribal government organizations, (b) projects submitted by public or private nonprofit organizations and (c) projects submitted by public-private partnerships where the lead applicant represents a public sector, public or private nonprofit entity.

Airport Equipment

We received comments from airport authorities indicating that the language in the draft plan was unclear about whether replacing Ground Service Equipment (GSE) was allowed under the "public projects only" provision.

- ❖ DAQ made changes to the final plan.
We revised the plan for eligible public projects to include airport ground support equipment under the clean heavy-duty off-road equipment program. We will consider projects submitted by public-private partnerships where the lead applicant represents a public sector, public or private nonprofit entity.

Electric Cooperatives (Co-ops)

The DAQ received comments requesting inclusion of nonprofits in the first phase of the plan. Commenter's suggested including private nonprofit organizations like electric co-ops would help incentivize the ZEV infrastructure of the state.

- ❖ DAQ made changes to the final plan.
We revised the plan for eligible public projects to include (a) projects submitted by local, state, and tribal government organizations, (b) projects submitted by public or private nonprofit organizations and (c) projects submitted by public-private partnerships where the lead applicant represents a public sector, public or private nonprofit entity.

Environmental Groups

The DAQ received comments from two environmental groups requesting inclusion of nonprofits in the first phase of the plan. They also suggested allowing only electric vehicle replacements be allowed for school buses and transit buses.

❖ DAQ made changes to the final plan.

We revised the plan for eligible public projects to include (a) projects submitted by local, state, and tribal government organizations; (b) projects submitted by public or private nonprofit organizations; and (c) projects submitted by public-private partnerships where the lead applicant represents a public sector, public or private nonprofit entity. The DAQ decided not to make changes that would change the overall direction or balance of the Phase 1 plan for this category. We continue to support all eligible fuel types for School Bus and Transit Bus replacement projects in Phase 1. We will consider larger changes to the program for Phase 2 and 3 based on our experience, number of eligible projects received and additional input from North Carolinians between the phases.

Ferries

The DAQ received one comment for this category requesting that we not limit the plan to public-sector only projects.

❖ DAQ made changes to the final plan.

We revised the plan for eligible public projects to include (a) projects submitted by local, state, and tribal government organizations; (b) projects submitted by public or private nonprofit organizations; and (c) projects submitted by public-private partnerships where the lead applicant represents a public sector, public or private nonprofit entity.

Alternative Fuels

We received one comment regarding alternatively fueled vehicles, specifically advocating for natural gas vehicles (LNG and CNG) for a variety of vehicles like heavy-duty buses, transit buses, refuse trucks, school buses, freight switchers, other locomotives, ferries and ships. The commenter also requested that DAQ not limit the plan to public-sector only projects. Additionally, a recommendation for using the Argonne National Laboratory's AFLEET tool and the new vehicle emissions calculator is used over the US EPA Diesel Emissions Quantifier tool. The commenter noted the US EPA tool is not current in its underlying assumptions and data.

❖ DAQ made changes to the final plan.

We revised the plan for eligible public projects to include (a) projects submitted by local, state, and tribal government organizations, (b) projects submitted by public or private nonprofit organizations and (c) projects submitted by public-private partnerships where the lead applicant represents a public sector, public or private nonprofit entity. The DAQ decided not to make changes that would change the overall direction or balance of the Phase 1 plan for this category. We continue to support all eligible fuel types for projects in Phase 1. We will consider larger changes to the program for Phase 2 and 3 based on our experience, number of eligible projects received and additional input from North Carolinians between the phases. DAQ is investigating appropriate emission calculators and will make a determination prior to releasing Requests for Proposals.

General Comments

We received some comments that did not fit into any other category. One citizen urged DAQ to only fund electric vehicles as eligible replacements for all vehicles. Another noted that the plan did not include a provision for validating actual emission reductions achieved. They suggested that DAQ develop a means to measure emissions before and after projects are awarded to ascertain reductions upon which DAQ can report.

❖ DAQ's response.

The DAQ will consider all vehicle types allowed under each category as described in the Consent Decree. The provisions under the VW consent decree do not include funding for real-world emissions monitoring, rather the funding is to be used on very prescriptive projects related to vehicle replacement, repowering or zero-emission vehicle infrastructure. Estimating reductions in emissions for the purposes of these projects will be calculated using the best modeling algorithms available at the time.