



801 Leesburg Road * Fort Wayne, Indiana 46808 * Phone: 260-432-4977 * Fax: 260-436-7729 * www.fwcitilink.com

September 25, 2018

Indiana Volkswagen Mitigation Trust Program Committee/IDEM Staff:

I participated in the day-long Fort Wayne VW Settlement Mitigation Trust Fund Workshop hosted by NIRCC on February 9, 2018. I have viewed the video from the NIRPC Meeting posted on the IDEM Mitigation Program website, have met with Kellie Walsh and also Kerri Garvin of the Greater Indiana Clean Cities Coalition and have reviewed the documents provided regarding this \$41 million funding opportunity to reduce NOx emissions in Indiana.

I sent comments dated 3/30/18 and am updating the previous letter in response to the **request for comments on the draft Beneficiary Mitigation Plan.**

Eligibility: We appreciate that diesel public transit buses beyond their useful life (2009 model year and older) appear to be specifically listed as eligible for replacement. Vehicle engine retrofit, when appropriate, has also been listed as an eligible expense to maximize the remaining value of the vehicle. Fort Wayne Citilink has eighteen (18) transit buses that meet this criteria with a total replacement cost of over \$9 Million dollars. It has been estimated that replacing these vehicles would reduce NOx by **83 tons/year**; a total of 830 tons over the useful life of the vehicles. This is significantly higher than the IDEM estimated average of 34.73 tons/year for the Onroad Equipment and Vehicle group. Further, there will be additional emission reductions in PM, HC, CO & CO₂.

Per the INDOT Public Transit Annual Report, Indiana urban public transit systems have approximately 386 transit buses that meet the replacement criteria with a replacement cost of over \$270 Million. While there are some FTA funds allocated each year, it is not sufficient to keep up with replacement needs and local match of at least 20% is required to access these dollars.

Allocation: We request that a significant portion of the VW Trust funds be allocated to address the need to replace public transit vehicles. It appears that the Onroad Equipment and Vehicle group percentage was increased by 8% (\$23.78M) with \$9.51M set-aside for school buses and \$14.27M remaining for all other class 4-8 trucks and buses. While we recognize that property tax caps have placed a significant strain on school system's ability to replace school buses, this same constraint has affected all of Indiana's 67 public transit systems as well. Further, public transit vehicles are in service all day throughout the year and provide the potential for maximum improvement in NOx levels; especially during the summer months when the risk of Air Quality Action Days is the highest.

Priority: The list of preferences include non-attainment areas, high population/density, bus terminals, etc. Investment in urban public mass transit infrastructure will not only reduce pollution in high risk communities but will also maximize benefit to taxpayers and leverage/replace the need for tax generated funds to maintain essential public services. Investment of a portion of the VW

Trust funding could help substantially reduce the vehicle replacement backlog for Indiana public transit systems.

Prioritizing investment impact on air quality is also recommended; for example, public transit buses are on the road all day, every day and have the added benefit of reducing emissions & congestion by replacing single occupancy vehicles. Further, alternative fuel technology (hybrid, CNG, fuel cell, propane, electric, etc.) available in new public transit buses reduce air (NOx) and noise pollution significantly over older diesel engines and require less/no fossil fuel. In addition, vehicle purchase is a relatively quick and simple process and would create a significant impact within 2-3 years of grant award. As an added incentive, many small transit buses and major components of larger buses are manufactured in Indiana. Getting Hoosiers to work building, driving & riding buses.

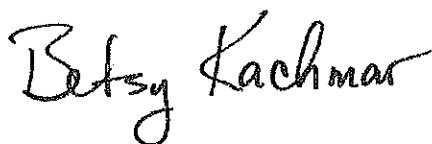
Administrative Costs: We suggest priority be given to coordinated regional or statewide applications to minimize the number of individual grantees IDEM must monitor and to encourage collaboration & coordination. Utilizing a portion of the proposed 3% (\$1.23M) administrative set-aside to help support to these collaborative efforts, either via sub-contract through IDEM or with IDEM staff providing support, would help assure that collaborative efforts were supported.

Match: We appreciate that government owned eligible buses are eligible for up to 100% match for repower or replacement. It is especially helpful that funding from federal & state programs that require a local match can be leveraged using 'private' VW settlement funds. This flexibility will help public agencies take advantage of an opportunity benefit that would free up tax dollars that would otherwise be used for vehicle replacement and allow limited resources to help cover ever increasing operating expenses &/or other essential infrastructure investments.

Disposition: Creative options to meet vehicle disposition requirements would help maximize the value of existing resources while still maintaining a commitment to pollution reduction. Suggestions might include; donating vehicles to fire departments for evacuation training, schools for mechanic training, etc. Further, allowing coordinated regional applications to calculate a net improvement could allow an agency to decommission two very old vehicles so that another agency could keep one that is still in relatively good shape. Incorporating vehicle retrofit as an option also helps maximize available funding and maintain required fleet size.

Thank you for the opportunity to comment on the proposed Volkswagen Mitigation Trust Program as you develop the implementation plan for fund distribution. Please feel free to contact me if you have questions or require additional information.

Sincerely,

A handwritten signature in black ink that reads "Betsy Kachmar". The signature is written in a cursive, flowing style.

Betsy Kachmar,
Assistant General Manager

SEALS, SHAWN

From: Glenn Pratt
Sent: Wednesday, September 26, 2018 2:24 PM
To: SEALS, SHAWN
Subject: Fwd: Suggest note to send to IDEM today

**** This is an EXTERNAL email. Exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email. ****

FROM: Glenn Pratt

RE: Comments on August 2018 draft Indiana Beneficiary Mitigation Plan

The set-asides and goals in the August 2018 BMP are not a transformative use of the VW Fund.

This facilitates DERA-philosophy of just replacing dirty diesel with "clean" diesel.

All of the money should be given to changing Indiana short haul fleets from diesel to cleaner alternative fuels and electricity.

The ease with which Volkswagen fooled government regulators for nine years by disconnecting its diesel exhaust treatment in its cars gives me no confidence that diesel aftertreatment systems will be maintained or even remain connected in Indiana.

The fact that Cummins chose to recall all of its first six years of SCRs (500,000) because California emission testing showed they degraded to failure after several years, instead of degrading after ten years means that diesel treatment technology is not adequate except in states like California that test vehicle emissions annually to receive tags for vehicles.

Another priority in the BMP should be to promote cleaner fuel in neighborhoods of people of color. These people have borne a disproportionate share of air pollution burden.

IDEM could be a leader in the State to help improve the Indiana environment and the economy by using the Fund to facilitate that transformation from diesel.

SEALS, SHAWN

From: Mark Knesek <mknesek@highland.in.gov>
Sent: Wednesday, September 26, 2018 12:26 PM
To: IDEM VWTrust
Subject: Gas vehicles

**** This is an EXTERNAL email. Exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email. ****

Would like to see the older gas vehicles included and replaced by a clean burning diesel engine.
Most older gas vehicles run rich and create pollution.

Mark Knesek
Operations Director
Town of Highland
219-972-5083

SEALS, SHAWN

From: Dennis Shock
Sent: Wednesday, September 26, 2018 1:10 PM
To: IDEM VWTrust
Subject: \$41 million vow fund

**** This is an EXTERNAL email. Exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email. **** _____

I am submitting a comment in favor of using all the \$41 million from the vow trust fund for investing in an Indiana fast charging network for electric vehicles. Most car companies are investing in electric vehicle production and Indiana needs to be prepared for something that is happening very fast. I know our next vehicle will be electric.

Investing in "clean diesel" makes no sense as that is not the direction car companies are taking. No matter what we do to clean up diesel it was always be dirty.

Dennis Shock
Carmel, IN.

Sent from my iPad

SEALS, SHAWN

From: Stuursma, Melanie <melaniestuursma@ozinga.com>
Sent: Wednesday, September 26, 2018 10:39 AM
To: IDEM VWTrust
Cc: DeBoer, Rich
Subject: Volkswagen Comments
Attachments: VK Comments.docx

**** This is an EXTERNAL email. Exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email. ****

Shawn Seals,

Please see the attached comments on the Indiana Volkswagen Draft Beneficiary Mitigation Plan.

Thank you,

Melanie Stuursma | Operations Administrator
Ozinga Bros., Inc. | Energy

19001 Old LaGrange Road, Ste 300 | Mokena, IL 60448
P [708.326.3762](tel:708.326.3762)

OZINGA

09/26/2018

Shawn Seals
Senior Environmental Manager
Indiana Department of Environmental Management
VWTrust@idem.IN.gov

RE: Comments on the Indiana Volkswagen Beneficiary Mitigation Plan Draft Framework

Dear Mr. Seals,

Ozinga Energy LLC, a member of South Shore Clean Cities (SSCC), is pleased to submit these comments on the Indiana Volkswagen Beneficiary Mitigation Plan (BMP) Draft Framework. South Shore Clean Cities is a 501(c)(3) organization under the U.S. Department of Energy's Clean Cities program. The coalitions are designed to reduce petroleum consumption in the transportation sector by advancing the use of clean fuels and vehicles, idle reduction technologies, hybrid electric vehicles, fuel blends and fuel economy while reducing dependence on imported oil.

Ozinga Energy, LLC concurs with SSCC that the amount of funds allotted to the Diesel Emissions Reduction Act (DERA) option in the BMP should remain at 10 percent as originally proposed in the draft framework. As you know, SSCC and its parent company Legacy Environmental Services, Inc. conducted Indiana Volkswagen Mitigation Roadshow workshops throughout the state in partnership with the Indiana Department of Environmental Management, with you presenting details on the program and SSCC and Legacy Environmental Services presenting details on how they can help public, private and nonprofit entities throughout the state become grant-ready through fleet audits.

In meeting with stakeholders and members throughout the state and conducting fleet analyses for them, it became abundantly clear to SSCC that the benefits of the program would be maximized by increasing the DERA option back to the 10 percent as originally proposed. Doing so would increase the number of eligible projects, thereby increasing the diesel emission reductions across the state and maximizing the benefits of the trust funds.

In addition, Ozinga Energy, LLC offers the following comments on the Indiana Volkswagen Beneficiary Mitigation Plan Draft Framework:

Government owned school buses receive up to 100% funding repower or replacement regardless of fuel type, and privately owned school buses receive up to 25%-75% funding depending on fuel type. We would like to comment that alternative fuel should be treated equal, regardless if it is going into a publicly or privately owned bus.

We would also like to request DERA funding % to rise. DERA funding is important because it encourages infrastructure projects to fuel the increased number of alternative fuel vehicles.

Thank you for this opportunity to participate in this public process.

Sincerely,

Rich DeBoer
Ozinga Energy, LLC.

SEALS, SHAWN

From: Tom Probasco
Sent: Wednesday, September 26, 2018 10:09 AM
To: IDEM VWTrust
Subject: Indiana Volkswagen Mitigation Trust comment

**** This is an EXTERNAL email. Exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email. ****

A fellow citizen and supporter of Citizens Climate Lobby sent the following letter to the editor of the Indianapolis Star recently, and I wholehearted agree:

Indiana's share of Volkswagen's diesel emissions scandal settlement is \$41 million. Indiana's Department of Environmental Management (IDEM) has released its latest draft plan for public comment by September 28 (see IDEM.org). It calls for much of the funding to go for "cleaner" diesels. Instead, these funds should be used primarily to improve Indiana's fast-charging infrastructure for electric vehicles (EVs), to maximize the benefit to Indiana's air quality and Hoosiers' health, our overall environment and our economy. This clean-energy infrastructure would enable EVs of all types to be "refueled" quickly and conveniently, utilizing truly non-polluting, cost-effective solar, wind, and other renewable electricity produced in Indiana. Even the cleanest diesels emit unhealthy smog-forming gasses, fine particulate matter and, perhaps worst of all, carbon-dioxide. As shown by Indiana's Climate Change Impact Assessment, conducted by scientists at Purdue, IU and other Indiana universities, carbon-dioxide has been accumulating in our atmosphere, trapping more solar radiation gradually overheating our atmosphere and oceans, increasing sea level and acidity, and causing more extreme weather and other increasingly costly stresses to Indiana's environment, infrastructure, property and our lives. To reduce these emissions, Volkswagen and other vehicle manufacturers are shifting rapidly to electric propulsion. To facilitate the shift here in Indiana, IDEM should obtain a waiver on the 15% (\$6 million) limit assumed in the settlement, so Indiana can use most of its \$41 million to stimulate additional private sector investment needed to grow Indiana's Fast-Charging Network along our interstate and state highways, connecting with similar fast-charging networks developing in other states.

SEALS, SHAWN

From: SEALS, SHAWN
Sent: Wednesday, September 26, 2018 11:03 AM
To: IDEM VWTrust
Subject: FW: Volkswagen mitigation percentages

For the record...

From: Mike Dejong [mailto:MDejong@welschrm.com]
Sent: Wednesday, September 26, 2018 10:54 AM
To: SEALS, SHAWN <SSEALS@idem.IN.gov>
Subject: Volkswagen mitigation percentages

**** This is an EXTERNAL email. Exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email. ****

Dear Mr. Shawn Seals,

I am a 20 year resident of Northwest Indiana with 6 children attending private nonprofit Christian schools in our area. I have served as Vice President, and President of Crown Point Christian School in the last 5 years and I am currently the assistant Treasurer on the executive Committee of Illiana Christian High School located in Dyer, IN and also on the Board of Trustees, the finance committee, and other committees at the school. Both our Christian grade school and high school are run on a very tight budget in order to keep tuition affordable for families and in fact our grade school has no school buses at all but all families arrange for rides for our kids to and from school. Crown Point Christian has over 750 kids now so you can just imagine how long our carpool lines are! Illiana Christian currently operates 3 buses for high school and potentially could use a couple more to shorten routes but our budget does not allow it.

I have seen the proposals for percentages for alternate energy vehicles for non-government owned buses vs. government owned buses and frankly would like the program to be more beneficial to the private sector than it currently is. The 100% for all vehicles for government buses is great but I would like to see at least 75% for all of the non-government owned buses regardless of energy type. I am not that familiar with the difference in the energy types but electric being 75% is not fair to the CNG and propane options. I am also the President of Welsch Ready Mix, Inc. in Illinois and so we have 80+ ready mix trucks in our fleet and have begun looking at CNG trucks from McNeilus since we know that those types of vehicles have been successful in our industry. As much as I would like to see the non-government buses be 100% I am a realist and know that this most likely will not happen but I think it would be rational and fair to make 75% the reimbursement amount for all alternate energy buses and their charging stations needed. I am rather confident that if this happens that we will be looking to convert some if not all of our fleet to one of these alternate energy vehicles in the very near future!

Thanks for your consideration!



Recently Added our 8th location in Summit

Michael J. DeJong
President
Welsch Ready Mix, Inc.

4243 W. 166th Street
Oak Forest, IL 60452
Office 815-464-2000
Fax 815-464-4743

SEALS, SHAWN

From: >
Sent: Wednesday, September 26, 2018 8:53 AM
To: IDEM VWTrust
Subject: Electric vehicle charging infrastructure

**** This is an EXTERNAL email. Exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email. ****

I have been a Tesla owner for over 3 years and believe that electric vehicles are and should be the future. A widely available public charging infrastructure network is essential for the early wide spread adoption of electric vehicles. Level 1 and 2 charging is simply too slow. DC fast charging at 50kw to 125kw is needed.

I sincerely hope that you will do all you can to see that Indiana obtains a robust network of DC fast charging stations at the earliest possible date.

Thanks,

Carter Boyd

SEALS, SHAWN

From: Donald.Snemis@icemiller.com
Sent: Wednesday, September 26, 2018 9:12 AM
To: PIGOTT, BRUNO; SEALS, SHAWN; IDEM VWTrust
Subject: IEA's Comments on the August 2018 VW Draft Beneficiary Mitigation Plan
Attachments: IEA__Second_VW_BMP_Comment_Letter-FINAL-09262018-c.pdf

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Bruno and Shawn:

I am submitting the attached letter on behalf of Tim Rushenberg and the Indiana Energy Association (IEA). The letter contains IEA's comments on IDEM's August 2018 "Draft Indiana Beneficiary Mitigation Plan" for the Volkswagen Environmental Mitigation Trust Fund.

IceMiller LLP

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Thank you.
ICE MILLER LLP

Indiana ENERGY Association

1600 ONE AMERICAN SQUARE, BOX 82065 INDIANAPOLIS, INDIANA 46202 317-632-4406 FAX 317-262-4940 www.Indianaenergy.org

September 26, 2018

Commissioner Bruno L. Pigott
Shawn Seals, Office of Air Quality
Indiana Department of Environmental Management
Indiana Volkswagen Mitigation Trust
VWTrust@idem.IN.gov

Re: IDEM's Draft Framework of the State's Beneficiary Mitigation Plan - Comments of the Indiana Energy Association

Dear Commissioner Pigott and Mr. Seals:

On March 29, 2018, the Indiana Energy Association and its members ("IEA") submitted comments in response to IDEM's Request for Information regarding its October 2017 "Draft Framework of the State's Beneficiary Mitigation Plan" for the Volkswagen Environmental Mitigation Trust Fund. On August 29, 2018, IDEM published its revised "Draft Indiana Beneficiary Mitigation Plan" and again requested comments. Per that request, we are submitting the following supplement to our previous letter.

1. The Indiana Beneficiary Mitigation Plan Should Allow Funding for Electric Vehicle Charging Infrastructure Costs.

The Revised Draft BMP states that "IDEM does not intend to fund fleet specific, heavy duty, electric infrastructure costs" for projects that seek to repower or replace on-road or off-road equipment and vehicles. No particular justification is given for that policy, and it is inconsistent with that section of the Revised Indiana BMP that specifically sets aside \$2.85 million for electric school bus projects. Any school that converts its diesel-powered bus fleet to an all-electric fleet will clearly require charging infrastructure.

We believe IDEM should reconsider its position. The Indiana BMP should allow Trust Funds to be used not only for the cost of repowering or replacing diesel-powered vehicles with electric versions, but should also allow Trust Funds to be used for the cost of purchasing and installing the charging equipment necessary to power those vehicles.

Such costs are clearly allowed by the terms of Appendix D-2 of the Trust Agreement. Category #1 (Class 8 Local Freight Trucks and Port Drayage Trucks) states that Trust Funds can be used to pay for up to 75% of the cost of charging infrastructure associated with new non-government owned all-electric vehicles, and up to 100% of the cost of charging infrastructure for government-owned all-electric vehicles. The same language appears in Category #2 (buses), #3 (freight switchers), #4 (ferries/tugs), #6 (class 4-7 local freight trucks), #7 (airport ground support equipment), and #8 (forklifts and port cargo handling equipment).

THE VOICE FOR INDIANA ENERGY

Ed Simcox, President Emeritus
Mark T. Maassel, President
Timothy J. Rushenber, Vice President
Boonville Natural Gas Corp.
Citizens Energy Group
Community Natural Gas Co., Inc.
Duke Energy
Fountaintown Gas Co., Inc.
Indiana Michigan Power
Indiana Natural Gas Corp.
Indianapolis Power & Light Company
Midwest Natural Gas Corp.
Northern Indiana Public Service Co.
Ohio Valley Gas Corp.
South Eastern Indiana Natural Gas Co., Inc.
Sycamore Gas Co.
Vectren Energy Delivery of Indiana, Inc.

We understand that, on a case-by-case basis, IDEM might choose not to pay for electric charging equipment associated with a particular project. Also, under Appendix D-2 of the Trust Agreement, charging infrastructure is subject to the same matching fund percentages as the vehicles the infrastructure will serve. IDEM could require additional matching funds for charging infrastructure based on its assessment of the value of the project or the financial need of the applicant. However, adopting a blanket policy against such funding is likely to discourage governmental and non-governmental entities from proposing projects for the wholesale conversion of diesel-powered fleets to all-electric fleets, including school districts that may otherwise propose converting to electric school buses.

For these reasons, we urge IDEM to reconsider this policy and allow itself the flexibility to fund electric vehicle charging infrastructure in appropriate situations, and at appropriate levels.

2. **IDEM Should Not Require Higher Matching Funds for Projects Involving Electric-Powered Vehicles.**

The Revised Draft BMP states that “IDEM intends to use the Volkswagen Mitigation Trust funds to reimburse both non-government and government owned fleet and equipment owners at a lower level (require 5% more cost-share from applicant) for electric-powered equipment and vehicles.” As noted above, the Revised Draft BMP seems to be both encouraging the proliferation of all-electric vehicles (by setting aside \$2.85 million for electric school bus projects) and discouraging such projects (by declining to fund charging infrastructure and adding 5% to the required matching funds for electric vehicles). Nothing in the Revised Draft BMP explains this inconsistency or provides any justification for disfavoring electric vehicles in this manner.

Because Hoosiers and Hoosier businesses should be encouraged to convert to electric on-road and off-road vehicles, we urge IDEM to reconsider this policy and require the same matching funds for electric vehicles as it will for vehicles powered by diesel, natural gas, or other alternative fuels.

3. **IDEM Should Clarify How Matching Funds Will Apply to Light-Duty Electric Vehicle Infrastructure.**

The Revised Draft BMP states that IDEM will use trust funds “to reimburse non-government owned” infrastructure at the levels specified in Appendix D-2, and “to reimbursement government-owned” infrastructure “at the same level as non-government-owned equipment.”

However, Appendix D-2 of the Trust Agreement does not base its matching fund requirements on whether the infrastructure is “government-owned” or “non-government-owned.” Rather, reimbursement rates are tied to (a) whether the equipment is publicly available, (b) whether it is located on government-owned property, and (c) whether it is at a workplace or multi-unit dwelling. Specifically, Appendix D-2 states that Trust Funds can be used for light duty electric vehicle supply equipment at the following levels:

Commissioner Pigott
Mr. Seals
September 26, 2018
Page 3 of 4

- 100% if the equipment is available to the public on government-owned property
- 80% if the equipment is available to the public on non-government owned property
- 60% if the equipment is at a workplace or multi-unit dwelling and not available to the public

Because the language of the Revised Draft BMP does not match the language of Appendix D-2 on this point, we would urge IDEM to rewrite and clarify that particular section of the document.

4. NOx Reduction Quantification Tools

The Revised Draft BMP states that project outcomes will be quantified with the U.S. EPA's Diesel Emissions Quantifier (DEQ) "or other appropriate methodology" but that "IDEM determined that the best model for calculating emission reductions for this program is the U.S. EPA's DEQ model." (Revised Draft BMP, pp. 5, 8).

IEA believes there are other quantifiers that are at least as good as, and perhaps superior to, the DEQ. For instance, the Argonne National Laboratory developed a tool to examine the environmental and economic costs and benefits of alternative fuel and advanced vehicles. The result was the Alternative Fuel Life-Cycle Environmental and Economic Transportation (AFLEET) tool. Argonne National Lab then used AFLEET to create a tool specifically tailored to calculating NOx reductions for purposes of the Volkswagen Trust. Details about AFLEET can be found at: https://greet.es.anl.gov/afleet_tool.

Further, AFLEET can be used freely and anonymously, whereas EPA's DEQ requires companies to register for an account. Some individuals or companies may prefer not to submit their emissions data to EPA.

For these reasons, we suggest that the BMP refrain from expressing a preference with regard to a NOx reduction quantification tool at this time and acknowledge that other tools, such as AFLEET, are a viable alternative.

5. Protection of Confidential Documents and Information

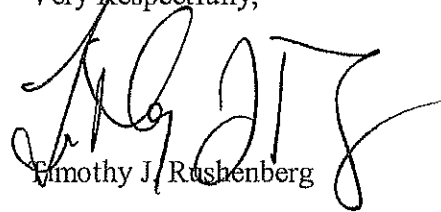
Indiana's Access to Public Records Act, Ind. Code § 5-14-3 *et seq.*, generally provides that documents submitted to governmental agencies such as IDEM may be accessed by the public. However, in the course of submitting proposals, it may be necessary for some individuals or businesses to submit information or materials that include trade secrets or that are subject to other confidentiality laws or requirements. APRA exempts many such records from public disclosure. *See*: Ind. Code § 5-14-3-4(a).

IEA proposes that the Final BMP include a short statement indicating that any material submitted by a project applicant marked "confidential" and submitted pursuant to one of APRA's exclusions, will be kept confidential and will not be made public, subject to the right of any person to challenge the exclusion pursuant to APRA's procedures for judicial review. *See*: Ind. Code § 5-14-3-9.

Commissioner Pigott
Mr. Seals
September 26, 2018
Page 4 of 4

IEA appreciates the hard work that IDEM and the Indiana Volkswagen Environmental Mitigation Trust Fund Committee have done with regard to this issue. Also, thank you for the opportunity to comment upon the State's revised Draft Indiana Beneficiary Mitigation Plan. We would be happy to answer any questions you may have regarding our original comment letter or this supplement.

Very Respectfully,



Timothy J. Rushenber

SEALS, SHAWN

From: Asia Lockett-Morse <asia.l-m@ADOMANIELECTRIC.COM>
Sent: Tuesday, September 25, 2018 4:15 PM
To: IDEM VWTrust
Subject: ADOMANI Comments on Indiana's Use of Volkswagen Settlement Funds
Attachments: 2018.09.25 - ADOMANI Comment Letter to Indiana.pdf

**** This is an EXTERNAL email. Exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email. ****

Dear Mr. Seals & Pigott,

Please review the attached comment letter from Jim Reynolds, CEO of ADOMANI, Inc.

Respectfully Submitted,

Asia Lockett-Morse, Executive Assistant
Asia.L-M@ADOMANIElectric.com

ADOMANI

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www.ADOMANIElectric.com
NASDAQ: ADOM



Submitted via VWTrust@idem.IN.gov

September 25, 2018

Shawn Seals and Bruno Pigott
Indiana Department of Environmental Management
100 North Senate Avenue
Indianapolis, IN 46204

RE: ADOMANI Comments on Indiana's Use of Volkswagen Settlement Funds

Dear Mr. Seals and Pigott,

The Environmental Mitigation Trust (EMT) and more than \$40.9 million it will yield for Indiana represents an unprecedented opportunity to support long-term investments toward a zero-emission transportation sector while simultaneously prioritizing children and clean air. As the President and CEO of ADOMANI, Inc. (ADOMANI), I have outlined recommendations that addresses how Indiana can modify its Draft Mitigation Plan to better support innovative and transformative all-electric vehicle projects, which will reduce nitrogen oxide (NOx) and greenhouse gas (GHG) emissions, deliver air quality benefits to disadvantaged communities and areas disproportionately affected by diesel pollution, and reduce our dependence on petroleum fuels.

ADOMANI commends Indiana for including a \$2.8 million appropriation for electric school buses, which reflects the State's overall environmental leadership in environmental issues, and a commitment to replacing aging diesel school buses. In order to fully empower school bus operators to take advantage of these incentives and contribute to the state's emission reduction goals, we strongly recommend Indiana include charging station hardware and installation as eligible costs. ADOMANI bases this recommendation on its extensive experience working with schools to successfully implement electric school bus projects.

ADOMANI manufactures the zero-emission All American rear engine (RE) electric bus chassis for the Blue Bird Corporation, which is part of our premier product line of medium and heavy-duty all-electric vehicles. Our All American RE school bus offers battery capacities between 100 kWh and 150 kWh, with an expected 80- to 100-mile range on a single charge. ADOMANI has demonstrated experience in the new and conversion markets, which helps our customers cost-effectively repower to all-electric or hybrid drivetrains. As a testament to our team's long-standing industry leadership, ADOMANI takes pride in our relationships with trusted service partners to address customers' specific needs.

The market for advanced transportation technologies has grown steadily in recent years and we hope to support and continue this trend with the deployment of all-electric vehicles. Further, our recommendations align with and support state legislative and utilities' efforts to implement long-term funding to transition Indiana to electric vehicle use, expand the state's EV charging infrastructure, delineate a clear role for electric companies, and draft carbon pollution-limiting policies focused on transportation sources.

Help Yellow Go Green!™



The EMT Provides Indiana with the Opportunity to Fund Electric Vehicle Chargers for School Buses

As noted in by the U.S. Environmental Protection Agency's latest National Emissions Inventory Data for Indiana, on-road diesel transportation accounts for fifty-six percent of the state's mobile source NOx emissions.¹ In other words, over half of settlement-eligible diesel emissions came from on-road vehicles. By directing funds towards projects that reduce these emissions sources, Indiana can most effectively mitigate these emissions' harmful air quality and health impacts.

Though some medium- and heavy-duty fleets have turned to gaseous fuels, such as compressed natural gas (CNG) and propane autogas, to help mitigate NOx emissions — these, however, are temporary solutions or, as President Barack Obama referred to them in his 2014 State of the Union address, a “bridge fuel.”² Fortunately, that bridge has since been crossed and there are now commercially available all-electric and hybrid-electric medium- and heavy-duty vehicles available to fleets. Recent electric vehicle technology advancements have provided fleet operators an increased selection of zero-emission and hybrid options from which to choose.

In like kind, states across the U.S. have taken strides to fund the advancement of clean transportation solutions. Incentive programs, such as California's Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) and the New York Truck – Voucher Incentive Program (NYT-VIP), catalyze the growth of the electric vehicle market, while providing significant air quality and climate benefits. ADOMANI encourages Indiana to recognize the merits of these programs and recommends that you support the proliferation of zero-emission electric vehicles by creating a similar program with your state's allocation of Volkswagen funds.

All-Electric School Buses Improve Air Quality and Public Health for Children and Adults via Unparalleled NOx Reductions

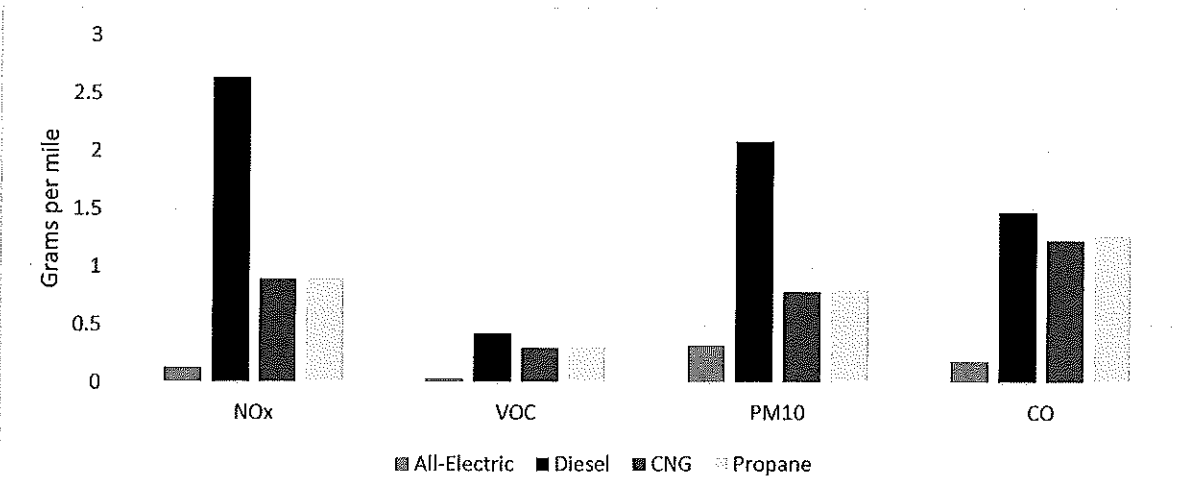
By supporting the conversion of school bus fleets to all-electric operations, ADOMANI will support your state's efforts to dramatically reduce NOx emissions. ADOMANI's school buses deliver immediate NOx and GHG emissions reductions, thus improving air quality for child passengers and adult vehicle operators, which are otherwise exposed to respiratory irritants on a regular basis.

Most relevant to the Volkswagen funds, we find it important to first focus on the settlement's main objective: reduce NOx emissions. Figure 1 below compares the performance of various fuel types in heavy-duty school buses, which makes clear that electric vehicle technologies should be a top priority.

¹ “2014 National Emissions Inventory (NEI) Data”. United States Environmental Protection Agency. <https://www.epa.gov/air-emissions-inventories/2014-national-emissions-inventory-nei-data>.

² “President Barack Obama's State of the Union Address”. The White House, Office of the Press Secretary, January 28, 2014. <https://obamawhitehouse.archives.gov/the-press-office/2014/01/28/president-barack-obamas-state-union-address>.

Figure 1: Emissions Benefits (grams per ton) of All-Electric Heavy-Duty School Bus vs. Other Fuel Types³



These emissions reductions correlate directly with air quality and public health benefits. According to the EPA’s Diesel Emissions Quantifier, the replacement of just one diesel school bus with an all-electric model will generate \$20,000 in public health benefits each year.⁴ These benefits represent the dollar value of health benefits generated from reducing the population’s exposure to PM2.5 emissions and include the reduction of premature mortality, chronic bronchitis, asthma attacks, non-fatal heart attacks, and other health problems. In school bus applications, these emissions reductions are particularly important, given that children’s exposure to harmful air pollutants may be 5-15 times higher inside the bus.⁵

A recent study by the University of Delaware evaluated the costs and benefits associated with a V2G-capable electric school bus compared to a traditional diesel school bus.⁶ The study reviewed a variety of data points and metrics to compare the fuel types in a school bus application and found that diesel school buses created public health costs of \$0.08 per mile. This is 800% more expensive than the public health costs of an all-electric bus, which is just \$0.0149 per mile.

Indiana Should Prioritize Projects that Deliver Total Cost of Ownership Benefits to State School Districts

All-electric school buses deliver total cost of ownership benefits that far exceed any of its conventional and-alternative fuel competitors. We have provided the infographic below to demonstrate these benefits.

³ Figure 1 contains the best available current data from seventeen different studies and air emission analyses, including emissions data reported by the U.S. Environmental Protection Agency, U.S. Department of Energy, and Argonne National Laboratory.

⁴ “Diesel Emissions Quantifier.” U.S. Environmental Protection Agency, <https://www.epa.gov/cleandiesel/diesel-emissions-quantifier-deq>. Analysis assumes MY 2000 diesel school bus; annual diesel fuel consumption of 1,360 gallons, annual VMT of 14,084, and 107 idling hours per year (these are EPA DEQ default values).

⁵ “Electric School Buses Feasibility in Vermont”. Vermont Energy Investment Corporation, May 2016. <https://www.veic.org/docs/resourcelibrary/veic-electric-school-bus-feasibility-study.pdf>, page 6.

⁶ Noel, L. and McCormack, R. “A Cost Benefit Analysis of a V2G-Capable Electric School Bus Compared to a Traditional Diesel School Bus”. University of Delaware, 2014. <https://www1.udel.edu/V2G/resources/V2G-Cost-Benefit-Analysis-Noel-McCormack-Applied-Energy-As-Accepted.pdf>.

[PLACEHOLDER FOR INFOGRAPHIC]

As shown above, Indiana has the opportunity to provide incentive funding capable of generating tremendous annual cost savings for school districts throughout the state. In other words, for every dollar invested in all-electric school buses, Indiana can mitigate public health concerns for the most susceptible of disadvantaged communities, generate cost savings for budget-constrained school districts, and support the advancement of innovative clean transportation technologies.

One of the main barriers to entry for electric vehicles is the relatively high up-front cost— which includes both the vehicle and infrastructure. Though operating electric vehicles saves fleet operators money in the long term, it is difficult for organizations with already limited funding – such as school districts and public transit agencies – to source the initial incremental cost. In order to make a meaningful impact on a fleet’s decision to deploy zero-emission in the state rather than deploying a higher emitting technology, incentives for all-electric buses need to cover all or a significant portion of the incremental cost, rather than a few-thousand-dollar discount. For example, an investment of \$150,000 or more would properly incentivize fleets to deploy zero-emission technologies and as demonstrated above, will pay dividends over the life of the vehicle as fleets recognize the fuel and maintenance cost savings of the vehicle.

Indiana Should Account for the "Beyond Transportation" Benefits of All-Electric and Hybrid-Electric Vehicles

All-electric vehicles provide benefits beyond emissions reductions and safe transportation. These vehicles’ battery systems serve as a valuable and reliable energy resource that can be exported from the vehicles. In other words, ADOMANI’s all-electric vehicles can provide utilities and homeowners with access to power during emergencies or peak demand. Indeed, recent research has shown that vehicle-to-grid (V2G) systems can decarbonize transportation, support load balancing, and increase revenues for electricity companies and create new revenue streams.⁷ V2G and other strategies, including vehicle-to-load and off-grid storage, will play a key role in your state’s energy infrastructure future. We hope to support that future with ADOMANI’s all-electric and hybrid vehicle technologies.

Conclusion – Prioritize our Children and Clean Air

The market for all-electric and hybrid vehicles has grown steadily in recent years due to technology advancements and greater private sector involvement. Furthermore, production costs continue to decrease and battery capabilities have improved.⁸ Thanks to the successes of existing state incentive programs, we anticipate that the demand for these vehicles will continue to grow as further advancements drive down prices.

ADOMANI work closely with industry leaders to develop technologies that meet consumer needs and exceed their expectations. The team behind the design, development, and deployment of our vehicles has decades of experience in the school and transit bus and commercial vehicle industries. Importantly, we

⁷ Sovacool, B. et al. "The Future Promise of Vehicle-to-Grid Integration: A Sociotechnical Review and Research Agenda". Annual Review of Environment and Resources, Volume 42, 2017. <http://www.annualreviews.org/doi/abs/10.1146/annurev-environ-030117-020220>.

⁸ Schlosser, N. "Can Electric School Buses Go the Distance?" School Bus Fleet, May 23, 2016. <http://www.schoolbusfleet.com/article/713421/can-electric-school-buses-go-the-distance>.

ADOMANI

have relationships with key school and electric utility officials in Indiana, which will allow the ADOMANI team to work hand-in-glove with local school transportation officials to ensure their drivers and maintenance personnel are fully trained on the successful operation and ownership of these technologically advanced vehicles. We are also able to work with the local electric utility to advise on any needed vehicle charging infrastructure. Our goal is nothing less than 100% satisfaction for our customers and a seamless integration of these vehicles into local fleets.

Recognizing the need for Indiana to reduce NOx emissions, generate economic benefits, and deliver environmental justice benefits while also providing fleets with total cost of ownership benefits, ADOMANI commends Indiana for including electric school buses in its Draft Plan. However, in recognition of the capital limitations faced by many school districts, ADOMANI recommends that the state revise the funding guidelines to include the purchase and installation of vehicle chargers and installation as eligible costs.

We offer our support in the rollout of the Environmental Mitigation Trust funds and, towards that end, we request the opportunity to meet with you to discuss our recommendations further. Should you have any follow-up questions please contact us at the information below.

Sincerely,



Jim Reynolds
President & CEO
ADOMANI, Inc.
4740 Green River Rd. Ste. 106
Corona, CA 92880
951-407-9860 / jim.r@adomanielectric.com

Help Yellow Go Green!™

SEALS, SHAWN

From: Jim Martin >
Sent: Tuesday, September 25, 2018 11:26 PM
To: IDEM VWTrust
Subject: Tesla Owner Thank you in advance

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Thank you In advance for investing the funds on DC Fast Charging.
This is good will benefit all citizens of Indiana as our citizens adopt electric cars to make our company stronger and more independent.

Sent from my iPhone
Jim Martin
Fishers Indiana

SEALS, SHAWN

From: Vincent Griffin <vgriffin@aee.net>
Sent: Wednesday, September 26, 2018 7:48 AM
To: IDEM VWTrust; SEALS, SHAWN
Subject: AEE comments

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Indiana Advanced Energy Economy (IAEE) submitted extensive comments on the VW Trust in the original comment period and appreciates the opportunity to comment on the revised BMP.

We will not restate our original comments but would like to stress some key points.

- 1) IAEE supports allocating the 15% maximum for light duty charging infrastructure. This is critical to support the expansion of electric vehicle travel throughout our state.
- 2) IAEE supports the carve out for electric school buses.
- 3) IAEE fully appreciates and supports the proposed diesel repowering work but offers that we do not want to miss the strategic opportunity to leverage these funds in a focused way to accelerate electrification efforts.

Thank you,

Vincent L. Griffin

Senior Advisor
Indiana Advanced Energy Economy (IAEE)
The business voice of advanced energy

Email: vgriffin@aee.net | Mobile: 317.550.6600
Web: www.AEE.net | Twitter: [@AEEenet](https://twitter.com/AEEenet)

Use PowerSuite to identify and manage energy policy risks and opportunities. Legislative and Regulatory. State and Federal. One tool. [Learn more >](#)

SEALS, SHAWN

From: Leah Thill <lthill@macog.com>
Sent: Friday, September 21, 2018 2:30 PM
To: IDEM VWTrust
Subject: MACOG Comments on BMP
Attachments: MACOG Comments on Volkswagen Draft Beneficiary Mitigation Plan_9.21.2018.pdf

**** This is an EXTERNAL email. Exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email. ****

Good afternoon,

Please find attached comments from the Michiana Area Council of Governments (MACOG) regarding the draft Indiana Beneficiary Mitigation Plan.

Thank you,
Leah

--

Leah Thill | Environmental Planner

Michiana Area Council of Governments
227 W. Jefferson Blvd. | Rm. 1120 | South Bend, IN 46601
t: [574-287-1829](tel:574-287-1829) ext.801 | c: [812-653-9730](tel:812-653-9730) | www.macog.com



September 21, 2018

Shawn Seals
Senior Environmental Manager
Indiana Department of Environmental Management
VWTrust@idem.IN.gov

RE: Comments on the Indiana Volkswagen Draft Beneficiary Mitigation Plan

The Michiana Area Council of Governments (MACOG) thanks the Indiana Volkswagen Environmental Mitigation Trust Fund Advisory Committee and the Indiana Department of Environmental Management for considering our previous comments on the draft framework document submitted in March 2018.

Regarding the final draft of the Beneficiary Mitigation Plan, we specifically appreciate the inclusion of historic areas of air quality concern in the description of areas with sensitive populations on page 9 of the Plan. St. Joseph and Elkhart Counties in our region have a history of non-attainment of ozone standards and future attainment of the 2015 National Ambient Air Quality Standard for ozone continues to be a concern. This incentive for cleaner transportation options is one component that will help maintain cleaner, healthier air in our communities over the long term.

MACOG has one minor clarifying question about the phrasing of the school bus set-aside under Onroad Equipment and Vehicles on page 6. The set-aside is described as “for diesel and/or electric school buses.” We wish to clarify if the intent is for only diesel and electric fuel types to be included in the 40% school bus set-aside or if other Alternate Fuel types, including propane, CNG, and diesel-electric hybrid will qualify, as specified on page 3 and page 11 in Appendix D-2 of the settlement.

We appreciate the opportunity to provide input throughout this process and look forward to the positive impacts that this funding may have on our environment, health, and economy.

Sincerely,

A handwritten signature in black ink, appearing to read "James Turnwald", with a stylized flourish at the end.

James Turnwald
Executive Director

SEALS, SHAWN

From: Bill Everhart <seydpw@cinergymetro.net>
Sent: Wednesday, September 19, 2018 11:08 AM
To: IDEM VWTrust
Subject: BMP public comments

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To whom it may concern,

After reviewing the draft of the Indiana Beneficiary Mitigation Plan of August 2018, I understand that 40% of the onroad group funding is to be "set aside" for school buses. I hope that this amount would be reconsidered for the following reasons:

1. School buses, as a group, do not operate a full 52 weeks of the year.
2. School buses, as a group, do not operate as many hours per day as other groups of trucks such as municipal trash trucks.
3. Most school corporations may not be financially ready to meet the 25% match to complete the purchase of new buses.
4. Replacement of diesel powered school buses will not have the same reduction of NOx emissions as other categories of trucks such as municipal trash trucks.

I would like to respectfully suggest that the 40% set aside for school buses be reduced to 25% with the other 15% redirected to municipal trash trucks.

Sincerely,
Bill Everhart

--
Bill Everhart
City of Seymour
Director, Department of Public Works
865 F. Ave. East
Seymour, Indiana 47274
812-524-1100

SEALS, SHAWN

From: Kate Teodosio <KTeodosio@Proterra.com>
Sent: Monday, September 17, 2018 3:56 PM
To: IDEM VWTrust
Cc: Eric McCarthy; Kent Leacock
Subject: Proterra Comments on Indiana's Draft BMP
Attachments: Proterra Indiana Response to Indiana BMP.pdf

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Good afternoon,

Please find Proterra's comments attached.

Thank you,



Kate Teodosio
Executive Assistant

O: [864.438.2394](tel:864.438.2394) | M: [864.371.9200](tel:864.371.9200) | kteodosio@proterra.com
www.proterra.com | 1 Whitlee Court Greenville, SC 29607





September 17, 2018

Indiana Volkswagen Mitigation Trust
Indiana Department of Environmental Management
VWTrust@idem.IN.gov

Re: Proterra's Response to Indiana's VW Draft Beneficiary Mitigation Plan ("BMP")

Dear IDEM:

Proterra, the leading U.S. manufacturer of electric, zero-emission transit buses, appreciates the opportunity to provide comments on the draft spending plan, which describes Indiana's overall intentions and plan for spending ~ \$41M of Indiana's VW allocation funding.

The proposed BMP appropriately prioritizes projects that reduce NOx emissions efficiently and cost-effectively throughout the state. Further, the BMP is focused on reducing emissions from heavy-duty on-road vehicles, which includes Class 8 public transit buses. Proterra strongly supports the suggested 58% allocation of funds for on-road equipment and vehicles. But it urges the state to make the following changes to its proposed spending plan:

- The current plan does not allocate a specific funding percentage for a transit bus replacement program. Proterra strongly supports funding for the replacement of Class 4-8 trucks and buses, including school buses. But it urges the state only to fund the purchase of *zero-emission, battery-electric* buses. And it requests that the state allocate the \$14.27M of its VW funding for a public transit bus replacement program, which will advance the electrification of public transit buses in those geographical areas and emission sectors that have the greatest impact on Indiana's overall mobile NOx emissions.
- The current plan leaves open the possibility of replacing diesel buses with new diesel buses. But diesel buses, no matter how new, are not "clean." They still emit harmful PM emissions. They still emit harmful Greenhouse Gases. And they still emit harmful Nitrogen Oxide and Carbon Monoxide. Electric buses do not. Rather than merely replacing current buses with new buses with *lower* emissions, we urge the state to replace current buses with new buses with *zero* emissions so that they can serve EJ neighborhoods and reduce vehicle pollution in these areas.

Proterra certainly agrees with the statewide focus on achieving significant reductions in diesel emission exposures in priority air quality areas and areas that receive a disproportionate amount of air pollution from diesel vehicles. The state can accomplish both by investing heavily in battery electric buses, just as it has proposed to do with an allotment for electric school bus projects. Replacing diesel buses with electric buses is simply one of the best investments the state can make to help electrify transportation and improve ambient air quality throughout Indiana. This approach will help spur the adoption of a greater number of electric buses among transit agencies, airports, universities and school districts.

www.proterra.com



PROTERRA

Thank you for the opportunity to provide comments on the draft spending plan. Please feel free to contact me directly about these comments or Proterra's initial project proposal titled *The Public Transit Electrification Project: Sustainable Mobility for Indiana*. I can be reached at 864-214-2668 or emccarthy@proterra.com.

Sincerely,

Eric J. McCarthy
SVP, Government Relations, Public Policy and Legal Affairs
Proterra Inc.

www.proterra.com

Headquarters
1815 Rollins Road, Burlingame, CA 94010

East Coast Manufacturing
1 Whitlee Court, Greenville, SC 29607

West Coast Manufacturing
393 Cheryl Lane, City of Industry, CA 91789

SEALS, SHAWN

From: Jim Bernhardt <JimBernhardt@MacAllister.com>
Sent: Monday, September 10, 2018 2:23 PM
To: IDEM VWTrust
Subject: Comment submission by MacAllister Transportation
Attachments: MacAllister VW comments submitted Sep 2018.docx

**** This is an EXTERNAL email. Exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email. ****

For your consideration.

Jim Bernhardt
Division Manager
MacAllister Transportation
317-591-9907 O
317 431-2009 C
jimbernhardt@macallister.com

The committee should consider what incremental impact the VW funds could have on NOx reduction. If 900 school buses are purchased in a year with VW funds available, this equals the average annual number of buses purchased without VW funds and no noticeable impact would be recognized. Unless a larger number of the 900 buses are converted to propane, electric, or CNG.

The most cost-effective school bus to reduce NOx emissions is a propane powered bus. It has the lowest cost per ton of NOx reduction compared to any other school bus option. And the infrastructure cost to add propane fueling to a school is modest with many propane suppliers providing assistance with this cost. Beyond the environmental benefits, a propane powered bus can provide the lowest overall cost of ownership. Recognizing this and providing VW funding that is more generous toward a propane bus would provide more incentive for a school to switch from a diesel bus to a propane bus. This would maximize the impact on NOx reduction in Indiana. Option 3 below shows a slight modification of Option 2 with an incentive toward propane.

		School %	VW %	School \$	VW \$	No of Buses
Option 3 Recognize Propane value						
Electric Funding	\$2,850,000					
Average Electric Bus Cost	\$400,000	30%	70%	\$120,000	\$280,000	10
Non Electric Funding	\$6,666,000					
Ave Propane Bus Cost	\$107,000	60%	40%	\$64,200	\$42,800	156
Ave Diesel Bus Cost	\$100,000	75%	25%	\$75,000	\$25,000	267
Ave CNG Bus Cost	\$170,000	75%	25%	\$127,500	\$42,500	157

With this example there could still be 170 to 280 new school buses purchased over the term of the VW funds but the mix toward propane would be greater in Option 3 vs. the other options. MacAllister is recommending that Option 3 be implemented to maximize the effectiveness of the VW funds toward NOx reduction within the school bus group.

In summary, the proposed match for school bus purchases as identified in Option 1 would have a modest impact on school bus purchases and the resultant reduction in NOx. It would also result in many more requests for funding from schools with only a small number of these requests being approved. Changing the match to Option 2, or ideally Option 3, would result in 2.8 times more buses from the VW fund and a much more significant impact on NOx reduction in Indiana. If the committee started with Option 2 or 3 and didn't receive the number of requests for funding that was anticipated, they could always change to a funding model like Option 1 in a subsequent year.

If there are questions or further discussion that the committee would like to have, you can contact

Ryan Campbell
 MacAllister Transportation
 317-591-9925 Office
 317-448-6991 Mobile
RyanCampbell@macallister.com

Thank you for the opportunity to submit our recommendations.

MacAllister Transportation response to the request for public comment

September 2018

For consideration by the VW Trust Fund Committee through the RFI, MacAllister Transportation, a division of MacAllister Machinery and a dealer for Blue Bird School Buses in Indiana, would like to submit the following comments. These comments are focused on the School Bus sector of the On-Road group and the proposed 2.85 million for electric buses and 6.67 million for non-electric buses.

MacAllister agrees with the electric vs non-electric funding as proposed. MacAllister's request is to reconsider the proposed match requirements for government and non-government owned non-electric school buses (75% Grant/25% Grantee match). Given the funds allocated and the match requirements proposed, the result from the VW funds would be about 60 to 100 new school buses put into service in Indiana removing older diesel-powered school buses. This is summarized in the Option 1 chart below. For example, if all the non-electric buses purchased were diesel buses, at an average of \$100,000 per bus with 75% funded by VW, then 89 diesel buses would be purchased using the \$6.7 million funding. Add to this the 10 electric buses, the total impact of the VW funds would be 99 buses. If all the non-electric buses were CNG buses, then 62 total buses would be purchased (52 CNG plus 10 electric). Spread this out over 3 years, it results in 20 to 33 buses purchased per year with VW funds. As a point of reference, there are about 900 new school buses purchased per year in Indiana.

		School %	VW %	School \$	VW \$	No of Buses
Option 1 proposed by IDEM						
Electric Funding	\$2,850,000					
Average Electric Bus Cost	\$400,000	30%	70%	\$120,000	\$280,000	10
Non Electric Funding	\$6,666,000					
Ave Propane Bus Cost	\$107,000	25%	75%	\$26,750	\$80,250	83
Ave Diesel Bus Cost	\$100,000	25%	75%	\$25,000	\$75,000	89
Ave CNG Bus Cost	\$170,000	25%	75%	\$42,500	\$127,500	52

If the match percentage is flexible and could be reversed between VW and the school *for the non-electric buses*, the result from the VW funds could be about 170 to 280 new school buses put into service in Indiana or 56 to 93 buses per year for a 3-year term. This is summarized in Option 2 as shown below.

		School %	VW %	School \$	VW \$	No of Buses
Option 2 Reversed IDEM proposal						
Electric Funding	\$2,850,000					
Average Electric Bus Cost	\$400,000	30%	70%	\$120,000	\$280,000	10
Non Electric Funding	\$6,666,000					
Ave Propane Bus Cost	\$107,000	75%	25%	\$80,250	\$26,750	249
Ave Diesel Bus Cost	\$100,000	75%	25%	\$75,000	\$25,000	267
Ave CNG Bus Cost	\$170,000	75%	25%	\$127,500	\$42,500	157

SEALS, SHAWN

From: ndandrea@ups.com
Sent: Thursday, September 06, 2018 7:30 AM
To: IDEM VWTrust
Cc: rdrake@ups.com
Subject: Comments on Indiana VW Draft Mitigation Plan
Attachments: IN Draft Comments.docx

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To Whom It May Concern:

Thanks for the opportunity to provide the attached comments on the Indiana Draft Mitigation Plan.

Nick

Nick D'Andrea
UPS
Vice President, Public Affairs
1400 N. Hurstbourne Pkwy
Louisville, KY 40243
(502)329-6760 office
(502)873-8204 cell

September 6, 2018

To Whom It May Concern:

Thank you for the opportunity to provide comments to be used in crafting the VW Settlement Mitigation Plan.

UPS was founded almost 110 years ago as messenger service and has turned into one of the largest package delivery companies in the world. We currently operate in 220 countries and deliver over 4.7 billion packages each year. With a fleet of over 110,000 vehicles, efficiency is key to our operational success. At the same time, UPS is committed to reducing greenhouse gas emissions. UPS began with electric vehicles in New York City in the 1930s. We have now grown to over 8,000 alternative fuel vehicles that run on compressed natural gas, liquefied natural gas, propane, electric and even e-bicycles. To date our alternative fueled vehicles have driven over 1 billion miles. These vehicles don't just reduce greenhouse gas emissions but ensure UPS is being more efficient; thus, more sustainable.

The VW Settlement provides an opportunity for UPS and other carriers to make an investment in alternative fuel technologies because the funds will help drive down the cost differential for the equipment. While equipment prices have come down some, natural gas and electric vehicles are sometimes two or three times the cost of a gasoline or diesel vehicle. This is why the VW Settlement funds will provide much needed incentives to those wishing to switch to a cleaner burning vehicle.

UPS recommendations on Indiana's VW Settlement Mitigation Plan:

Recommendation #1: Funding for government entities should be the same as those for non-government entities.

UPS believes that states can have a bigger impact, dollar for dollar, by deploying as many low emitting vehicles on the road as possible. If government entities use all of the funds, the impact will be muted as opposed to allowing more cost-share and maximizing vehicles deployed.

Recommendation #2: While the VW Settlement states electric vehicles can receive up to 75% reimbursement and 25% for natural gas, that doesn't mean it can't be negotiated.

UPS and other carriers who can make a large impact on air quality and have the capital to deploy large quantities of vehicles should have the ability to negotiate with the State of Indiana on an arrangement that benefits the state and the private companies wishing to make the investment. For example, a company that wants to deploy both natural gas vehicles and electric vehicles could negotiate with the state for 50% reimbursement on electric vehicles and a 20% reimbursement for natural gas or some other variation. This would allow for the Commonwealth to fund large scale projects while preserving money for other smaller projects. This would also be more manageable than providing a generic number and being held to it for all projects. Projects that have the biggest impact and reduce the most amount of NOx, per dollar spent, should get the largest amount of incentives.

Recommendation #3: Entities who have experience with alternative fuel vehicles should be given first priority for funding.

Entities who already have deployed alternative fuel vehicles such as natural gas and electric vehicles understand how to maximize their efficiency. Many have also worked out the issues with bringing online a new fleet of vehicles. In addition, many of these entities already have the infrastructure in place making those "shovel ready" projects which can be executed more quickly over those entities who are non-experienced.

Thanks again for the opportunity to provide comments and we look forward to working with the State of Indiana to use these funds in a manner that will reduce the most amount of NOx while maximizing Indiana's settlement funds.

Sincerely,

Nick D'Andrea

Vice President, Public Affairs

UPS

SEALS, SHAWN

From: laurie.a.elliott
Sent: Wednesday, September 05, 2018 8:52 AM
To: IDEM VWTrust
Subject: VW Mitigation Fund Suggestion

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I think this fund could be used for a large anti-idling program. Semi tractor-trailers could have a restriction that they cannot idle more than two minutes. Same with delivery trucks.

For cars, there could be an advertising campaign educating drivers about the ill-effects of idling and let them know exactly how much gas they could save by turning off their engines.

Schools, airports, etc., could be encouraged to establish anti-idling policies in the pick-up lines, with small grants to establish these policies and buy signs (which could be standardized and available to a variety of businesses and establishments who met certain criteria).

Pennsylvania has an anti-idling law. I don't know how good it is, but you could review it for ideas.

Laurie A Elliott

Terre Haute, IN. 47802
Cell

Sent from my T-Mobile 4G LTE Tablet

SEALS, SHAWN

From: Keith R. Roehr
Sent: Monday, September 03, 2018 6:57 PM
To: IDEM VWTrust
Subject: Comments by Keith Roehr, Vigo Co.

**** This is an EXTERNAL email. Exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email. ****

A great idea to get public opinion & suggestions on diesel emissions (if the State is Sincere). This should be a 'no-brain-er' if some common sense were applied!

I'm a retiree from Hoosier Energy REC with other experience in the Steel & farming industries (all including a lot of diesel fuel usage, yet no 'Expert' title.

I don't see any practical use in any 'NEW equipment, devices, rules or regulations' for diesel vehicles or equipment without FIRST some 'Effective & Enhanced Enforcement' of existing policies & laws (based upon 45+ years of experience).

Fore-most, the State & Local governments THEMSELVES are HUGE users of diesel fuel & that use is increasing as more large vehicles & equipment is implemented (including all the contractors for State & gov. projects). As the old saying goes "Clean up your own house first, before worrying about everybody else"! Newer 'efficiency' & 'productivity' policies need be implemented by our gov. units rather than all the rush for 'politically correctness' & 'expansion projects'. Even today I observed a 'too big of tractor & too big of a bat-wing mower' trying to navigate the obstacles of the narrow side of a state hi-way where a mower & tractor 1/2 the size would be much more 'sensible' & 'diesel fuel efficient'. This scenario plays out virtually daily along Ind. roadways (I do realize there are SOME places that the HUGE equipment is viable). Then too, there are also all the 'gov.' vehicles racing down the roadways like some 'law-immune hot-shots' (school corp. vehicles included). Ind. speed & safety laws should be 'especially' enforced upon gov. employees & that should be a good example to others. Not the way it seems to be lately, with reckless immunity & 'blind eyes' to gov. employees - not good examples to the public! I'm familiar enough with diesel vehicles & equipment to know that 'Lead-Foot' & 'Bully' driving is very 'non-fuel efficient'. Tougher law enforcement upon gov. employees is NEEDED as well as the public!

I grew up in farming families, yet I do not understand this 'ego' & 'bigger & badder' attitude of so many of today's Ind. farmers (always trying to out-do the neighbors & dis-regard of the law). And why, because they can! Seldom are they cited (or prosecuted) for offenses of environmental abuse & public road-way violations. Big-ole 'polluting', 'fuel-inefficient', 'super big' & 'nasty smelling' diesel trucks (on the short haul) & especially 4X4's are a scourge in Ind. The law is ignoring & turning a 'blind eye' to farmers offenses (because they are a business, supposedly). Seldom in Ind., is this 'over-weight', 'over-sized' & 'over-polluting' equipment necessary or even 'efficient' or 'practical' for use & too many roadways & bridges are not designed to handle them. Clarification & stricter enforcement of the law is required. Axle weight limit regulations need revised & enforced. Once upon a time in Ind. there were 'limited access roadways', what happened to that practice?

So in conclusion, If a large portion of this \$2.7 bil. fund could go to increased law enforcement & more 'speed control' for hi-way patrols (especially the State Motor Carrier crews) & expansion to more rural hi-ways, that may be a first & more effective way to curb some of the diesel pollution!

That seems a more 'sensible' & 'effective' plan of action, However I realize that's not how our current administration thinks or works! Too bad! 🙄

Ole Barndog, Keith Roehr out!

SEALS, SHAWN

From: Allison Wurtz <awurtz@kewconsultants.com>
Sent: Thursday, August 30, 2018 6:04 PM
To: IDEM VWTrust
Subject: Draft BMP Comment

**** This is an EXTERNAL email. Exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email. ****

Please address the following on page 7 of the Draft BMP.

1. It should be noted that IDEM does not intend to fund fleet specific, heavy duty, electric infrastructure costs.

Comment: The trust explicitly states that for an all-electric freight switcher, the cost of the associated electric charging station (an essential and necessary component for proper equipment operation) is included in the allowable ask of 75%. IDEM's amended note specifically overrides an existing trust directive thus resulting in a disadvantage for electric vehicle/equipment applicants. Please reconsider your intentions to fund heavy duty EV charging equipment.

2. Lastly, IDEM intends to use Volkswagen Mitigation Trust funds to reimburse both non-government and government owned fleet and equipment owners at a lower level (require 5% more cost-share from applicant) for electric-powered equipment and vehicles.

Comment: This is another provision that proves burdensome for anyone who wants to purchase an all-electric piece of equipment. Conversely, the trust fund offers higher funding percentages for all-electric vehicles than for other power. Both examples 1 and 2 above work in direct opposition of the trust by effectively penalizing an electric equipment applicant with higher cost shares directed at one specific type of power.

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Allison Wurtz
Principal Grant Writer | Partner
e: awurtz@kewconsultants.com
c: 815.530.3083



SEALS, SHAWN

From: Steve Hoke <SteveH@des.direct>
Sent: Thursday, August 30, 2018 5:36 PM
To: IDEM VWTrust
Subject: PM Reduction Projects

**** This is an EXTERNAL email. Exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email. ****

I wanted to offer our services on any PM reduction projects. We have completed over 17,000 emission reduction device installations (DOC,DPF) in North America since 2006. We are the state contractor for the State of Idaho and State of Utah currently and can do service work in your state as well. If you would like more information on types of projects we could help with please feel free to call me.

Thanks,

STEVE HOKE

President

Diesel Emissions Service

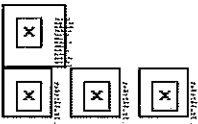
p: [530.241.3950](tel:530.241.3950) m: [530.524.5361](tel:530.524.5361)

f: [530.241.0870](tel:530.241.0870) n: [888.792.2922](tel:888.792.2922)

a: 17011 Clear Creek Rd.

Redding, CA 96001

w: www.des.direct e: steveh@des.direct



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SEALS, SHAWN

From: aaron.alexander@globalmrv.com
Sent: Thursday, August 30, 2018 2:12 PM
To: IDEM VWTrust
Cc: david.gardner@globalmrv.com
Subject: Reduce the amount of nitrogen oxide (NOx) emissions from diesel-powered vehicles

**** This is an EXTERNAL email. Exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email. ****

Hello,

There are many ways to reduce NOx from diesel vehicles but why not HAVE ZERO EMISSIONS.

Let me explain what I feel is the best way.

Long term: convert to electric

There are no good reasons children's school buses still need to run off diesel. Poor kids have to breathe this in and the poor people stuck in traffic behind them. Now multiply that state or country wide. How far does a bus need to travel on one charge or tank? Electric buses are a huge part of the solution. When harmful chemicals are introduced to a life from during the early stages of development it will have a huge impact. Public transportation would be where I would start. This would mathematically be the best solution to offsetting damage from Volkswagen.

$40,000,000$ (budget) / $250,000$ (cost of electric bus) = 160

160×180 school day per year $\times 2$ (pickup and drop-offs) = 57,600 trips per year with zero emissions

Now find your highest emitter buses and trade them with the electric ones.

Below is data showing that buses on average will produce high NOx and 5mph, so stop and go will make high NOx:

<https://www.arb.ca.gov/planning/tsaq/eval/evaltables.pdf>

Found this company below, they have electric buses:

<https://thelionelectric.com/en/grants>

Short term: convert Diesel engines to CNG but still not pure.

I work for a company called Global MRV. We specialize in vehicle emission testing. Please let us know if there is anything we can assist you with.

<https://www.globalmrv.com/>

We have equipment that will measure pollutants (NOX, CO₂, CO, HC's, O₂) so if you need help determining whether someone's technology is emission reducing or not. We have the equipment for the job and on average 1/3 the cost of our certified competitors.

Thank you,
Aaron Alexander

SEALS, SHAWN

From: Michael Rhoads
Sent: Wednesday, August 29, 2018 6:40 PM
To: IDEM VWTrust
Subject: Idea for Use of VW Trust

**** This is an EXTERNAL email. Exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email. ****

Dear IDEM Trust Employee:

My name is Michael Rhoads. I know how we can best reduce diesel emissions in the state of Indiana with the \$41M in the trust.

Use \$41M to buy clean diesel QSK38 Clean Diesel Engine from Cummins and other clean diesel technology engines and retrofit all State of Indiana trucks with this technology.

This could be used to retrofit the state's nearly 3,400 medium and heavy trucks. If funds are left over, retrofitting could be performed on other state cars or new cars could be focused on electric/hybrid cars.

Let's lead by example and be the answer to the problem.

Best,
Michael Rhoads

SEALS, SHAWN

From: frank@medicaire.net
Sent: Wednesday, August 29, 2018 10:49 AM
To: IDEM VWTrust
Cc: blavelle@medicaire.net
Subject: Public Input: VW Beneficiary Mitigation Plan

**** This is an EXTERNAL email. Exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email. ****

Beneficiary Mitigation Plan for Volkswagen Settlement – Medidock Ambulance Idling Reduction System

Comments: August 29,2018

Use of Volkswagen settlement funds for Medidocks to advance Ambulance/Emergency Vehicle Idle Reduction: Idling of ambulances is a significant contributor to air pollution, particularly as the majority of the idling occurs adjacent to healthcare facilities with their sensitive populations exposed. Reducing this idling provides a direct air quality improvement. Problematic to not idling the ambulance is the fact that interior temperatures and medical equipment must be maintained in a state of readiness, requiring power. My firm's product, the Medidock, provides a real solution to this problem by allowing an ambulance to remain 'mission-ready' without idling.

Our system is a kiosk, installed at Emergency Departments and other medical facilities and at remote locations where ambulances are 'posted' to improve response times and improve air quality. The Medidock requires no special equipment to be installed onboard the vehicle – any & all ambulances can use it. In addition to electrical power for the onboard emergency medical equipment it also provides vehicle interior climate control - without the need to run the engine. Our units ease of operation encourages EMT's to actually use the machines, resulting in fuel and maintenance savings for the vehicle operators and environmental benefits for everyone. On our website www.medicare.net you will find a study done by the Ozone Transport Commission (OTC) which indicates a significant NOx reduction as noted from sites in VT & NH.

Medidocks are presently successfully operating in northern New England and locations in the Midwest.

While vehicle idle reduction is not specifically indicated in the settlement, augmentation of DERA is, allowing a pathway for funding this important public health/air quality improvement.

I urge you to consider earmarking funding for the Medidock in the final Beneficiary Mitigation Plan. Thank you for your consideration.

Frank Podgwaite
MedicAire, LLC
Medidock
North Haven, CT 06473
203-887-0209 cell
frank@medicaire.net
www.medicare.net

"The ambulance idle reduction solution"
"Exclusive Distributors of the Medidock"

SEALS, SHAWN

From: Mary Snyder <canneltonmayorusa@gmail.com>
Sent: Wednesday, August 29, 2018 11:38 AM
To: IDEM VWTrust
Subject: Trust

**** This is an EXTERNAL email. Exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email. ****

For the State of Indiana, this seems like a good time to help the small cities and towns. Under served communities should be open to grants without matches.