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Submitted via email: [paula.wilson@deq.idaho.gov](mailto:paula.wilson@deq.idaho.gov) and  
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**RE: Final Draft Beneficial Mitigation Plan for VW Settlement**

Dear Ms. Wilson and Mr. Brown:

Thank you for the opportunity to provide input on the development of IDEQ's Beneficial Mitigation Plan (BMP), a requirement of the Volkswagen (VW) Settlement Environmental Mitigation Trust Agreement.

Since 1973, the Idaho Conservation League has been Idaho's leading voice for clean water, clean air and public lands—values that are the foundation for Idaho's extraordinary quality of life. The Idaho Conservation League works to protect these values through public education, outreach, advocacy and policy development. As Idaho's largest state-based conservation organization, we represent over 25,000 supporters, many of whom have a deep personal interest in protecting Idaho's air quality.

Our detailed comments are provided following this letter. Please do not hesitate to contact me at 208-345-6933 ext. 23 or [ahopkins@idahoconservation.org](mailto:ahopkins@idahoconservation.org) if you have any questions regarding our comments or if we can provide you with any additional information on this matter.

Sincerely,

Austin Hopkins  
Conservation Associate

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## **Stakeholder Engagement during Project Selection Process**

We encourage the IDEQ to engage stakeholders during the review of applications and decision-making process. We propose that the IDEQ create a stakeholder group similar to OEMR's stakeholder group tasked with reviewing applications for EV charging stations throughout the state. Stakeholder groups such as these are important to collect a diverse set of opinions on a proposal during the review of proposed projects.

## **Project Evaluation – Cost Effectiveness Criteria**

Cost effectiveness is one of the four heaviest weighted categories in the project evaluation matrix (Table 1), worth up to 25 points. We encourage IDEQ to provide more detail to the methods and inputs used to determine the cost effectiveness of a project. Some issues to consider are:

Included costs – Because a vehicle requires both fuel and maintenance, IDEQ must include both the fuel costs as well as any differences in operations and maintenance costs between the original and proposed project.

Timeline – To capture all relevant costs IDEQ must consider the full-expected lifespan of the project.

Benchmark – Cost effectiveness implies that projects will be measured against some objective criteria. The benchmark should be total pounds of NO<sub>x</sub> reductions per the “net cost” of the project. The “net cost” accounts for both the cost of the conversion as well as any differences in fuel and operations and maintenance costs between the original and proposed project. Focusing on total NO<sub>x</sub> reductions per “net cost” will help achieve the BMP goal of maximizing the amount of diesel emissions reduced each year per dollar spent.

Quantifying Emissions Reductions – Quantifying the emissions reductions is essential to achieving the goal of the Idaho's BMP. The VW Settlement specifically allows for conversion from diesel to electric power. ICL supports DEQ's proposal to use the EPA Diesel Emissions Quantifier because it is publicly available tool that does not require the user to have expertise in modeling emission reductions. We note the EPA Diesel Emissions Quantifier tool includes assumed benefits of emissions reductions at the county level. We recommend IDEQ review these assumptions and provide applicants guidance on more accurate values if necessary.

## **Project Evaluation – Population Impacted**

We are pleased to see the IDEQ include environmental justice concerns as part of the “population impacted” criteria within the project evaluation matrix. We also agree with

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the IDEQ's allocation of 25 points for this criterion. However, we recommend that the IDEQ expand the impacted population criteria in the project evaluation matrix to independently evaluate and assess the impacts to broad populations (i.e. – number of people impacted) and target populations (i.e. - sensitive or underrepresented groups). Air quality has a disparate impact on children, elderly, and those with respiratory ailments. We recommend IDEQ subdivide the population-impacted category to include both total numbers and provide additional points for addressing emission reductions for especially vulnerable populations.

In terms of evaluating the impacts to sensitive and/or underrepresented communities, we recommend the IDEQ advise applicants to use the EPA's environmental justice online tool, known as ejscreen<sup>1</sup>. Ejscreen is a free, map-based database that facilitates the analysis of a number of demographic and environmental indicators. Demographic indicators include: minority population, low income population, linguistically isolated, less than high school education, under age 5, and over age 64. Germane environmental indicators include, but are not limited to: PM2.5, ozone, diesel PM, and traffic proximity. Further, ejscreen presents this information using census block data, providing information useful in assessing a projects localized beneficial impact.

### **Project Evaluation – Voluntary Funding Match**

We support providing additional points to projects that bring matching funds. The VW Settlement encourages cost sharing and ICL believes this can expand the pool of available funding for this important program. We encourage IDEQ to allow the matching funds to be contributed over a series of years instead of only in a lump sum. Allowing applicants to contribute over time aligns better with budgeting practices and fiscal reality.

### **Electrification Advertisement**

We support the electrification of transportation to the greatest extent possible. To truly maximize the benefit of electrification though it's important to advertise this change to highlight the capability of EVs. For projects seeking to electrify vehicles, we suggest that the IDEQ require that the vehicle include signage denoting that it is an EV. This type of advertisement normalizes EVs on our roadways and will expedite their widespread adoption by the general public. Widespread adoptions of EVs will not only further reduce NO<sub>x</sub> emissions but will also serve to improve overall air quality through reduction of other transportation related air pollution.

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<sup>1</sup> Available online at: <https://www.epa.gov/ejscreen>

## **Support of 15% Towards Charging Infrastructure**

We again wish to stress our support of utilizing 15% of the mitigation funds to develop light-duty electric vehicle (EV) charging infrastructure throughout Idaho. We hope to see these funds used to develop DC fast charging stations along major traffic arteries throughout the state. As stated during the public meeting, widespread development of EV infrastructure will reduce the “range fear” that many potential EV owners cite as a primary reason against EV ownership. Alleviating potential EV owners from this fear and promoting the adoption of EVs will lead to an even greater reduction in NO<sub>x</sub> emissions.

However, we encourage DEQ to refrain from hastily allocating the 15% of the VW funds to charging infrastructure projects. There are a number of lingering questions that need to be answered before an effective charging network should be constructed. Most notably, it remains unclear how charging stations will be billed by utility companies for the electricity used, and how much of those costs will be passed on to the consumer. Under current rate structures, charging stations will trigger large demand costs (up to \$1,000) due to the high, instantaneous demand required to charge a vehicle in approximately 30 minutes. If only one or two vehicles utilize a charging station over the course of the month, this expensive demand charge must either be absorbed by the business or dispersed among customers, with both potential cases being uneconomical.

This is just one example of the hurdles that must be overcome regarding a statewide network of charging stations. While not insurmountable, we simply raise these issues to encourage DEQ to proceed at a reasonable pace when allocating funds, providing sufficient time for the regulatory/utility pricing components to keep pace with construction and utilization of a charging network.

## **Public Notification of Selected Projects**

We request that the IDEQ devise a plan for notifying the public when projects are selected to receive funding. The IDEQ’s listserv currently notifies the public when certain municipalities receive grants or loans for drinking water infrastructure improvements. We believe this framework could be replicated for this program as a means to notify interested parties when final selections have been made.

## **NO<sub>x</sub> Reduction Estimates**

The IDEQ repeatedly cites estimates of NO<sub>x</sub> reductions due to implementation of projects throughout the final draft BMP. We are curious as to how the IDEQ calculated these estimates. It would be helpful if the final BMP included an appendix detailing the IDEQ’s calculations.

## **Truck Refrigeration Units**

We are curious if the eligible mitigation action “forklifts and port cargo handling equipment” includes retrofits to truck refrigeration units (TRUs). The electrification of TRUs will likely be less apparent to the public relative to the electrification of a bus or truck; however, we recognize that many communities heavily impacted by air pollution are often collocated with industrial facilities, thus TRU retrofits could have a profound impact at minimizing pollution in communities with sensitive populations or that have been historically disproportionately effected. In any case, we want to ensure that TRU retrofits are included for consideration as part of the final BMP.

## **Allocating Funds to DERA Projects**

The IDEQ is proposing to allocate approximately 15% of these funds to projects that are also eligible for funding under the Diesel Emission Reduction Act, or DERA. We feel that funding full electrification retrofits is the best investment for the VW settlement money, both in terms of monetary value and air quality reductions, and thus should be prioritized. This BMP is currently the sole opportunity to partially fund fully electric retrofits, whereas projects that would qualify for DERA already have a designated funding source. It does not make sense to us to use all funding sources on a specific type of project (i.e. – DERA retrofit), when greater air quality benefits can be achieved through better dispersal of available funding (i.e. – BMP for electrification, DERA for diesel retrofits).