



August 18, 2017

Mr. Danilo Dragoni / Mr. Sig Jaunarajs / Mr. Joe Perreira  
Nevada Division of Environmental Protection  
901 South Stewart Street  
Carson City, NV 89701

**RE: NGVAmerica Comments on the Nevada Draft Beneficiary Mitigation Plan for Using the Funding from the Volkswagen Diesel Emissions Settlement**

Dear Sirs:

Natural Gas Vehicles for America (NGVAmerica), the national trade association for the natural gas vehicle industry, respectfully submits the following comments on how the Nevada Division of Environmental Protection (NDEP) can best use the Environmental Mitigation Trust (EMT or Trust) funds (\$24.87 million) that the state will receive as part of the Volkswagen (VW) diesel emission settlement.

As stated in our VW Comment Letter submitted March third (attached), NGVAmerica believes that natural gas vehicles (both LNG and CNG) offer the best solutions for the projects that will address the goals of the EMT, to reduce the most nitrogen oxide (NOx) for the least cost of an alternative fuel.

From the Nevada Draft Beneficiary Mitigation Plan (Plan), Nevada's goals for the Environmental Mitigation Trust funds are:

1. To efficiently and cost-effectively reduce NOx emissions from areas of the State that bear a disproportionate share of NOx pollution and potentially, other pollutants;
2. To efficiently and cost-effectively reduce NOx emissions from areas of the State where the vehicles subject to the settlement were, are, or will be operated; and
3. To support long-term investments toward a zero-emission transportation sector within the State.

The Plan effectively follows the overall goals of the Volkswagen Diesel Emissions Settlement, especially in the first stated consideration for Eligible Mitigation Actions as follows:

“The selection of eligible Mitigation Actions that will on whole strive to maximize the use of Environmental Mitigation Trust funds in reducing NOx emissions.”

The third goal of moving toward a zero-emission transportation sector is also achievable for Nevada with the near zero natural gas engine for the vehicle types that emit the most NOx – Class 7-8 trucks, refuse trucks and transit. Also, the emissions results are less than zero when renewable natural gas (RNG) is used, because methane that would escape into the air is captured to produce the RNG.

Regarding the anticipated percentages, NGVAmerica recommends that the “truck” designation not be limited to freight or drayage trucks only, but would include refuse and other heavy duty trucks since they have significant emissions. Similarly, the Class 4-7 could be “medium duty trucks.” Freight switchers also use large amounts of fuel and produce significant emissions, so we ask consideration for inclusion.

The following is a list of the recommendations from NGVAmerica’s attached comments:

### Summary of NGVAmerica’s Recommendations for EMT Funding

- ✓ Provide a larger incentive and greater overall funding for medium- and heavy-duty engines that deliver greater NOx reductions than currently required for new vehicles and engines
- ✓ Target funding for technologies that have demonstrated the ability to deliver actual lower in-use emissions when operated in real-world conditions
- ✓ Provide the highest level of funding to applications that produce the largest share of NOx emissions (in most regions this means prioritizing for short-haul, regional-haul and refuse trucks)
- ✓ Prioritize funding for commercially available products that are ready to begin
- ✓ Prioritize funding for clean vehicles rather than fueling infrastructure
- ✓ Scale funding to incentivize the cleanest engines available
- ✓ Ensure that funding incentivizes adoption by both public and private fleets
- ✓ Accelerate the funding in the early years to maximize the NOx reduction benefits
- ✓ Given that the EMT was created because of NOx pollution associated with non-compliant diesel vehicles, we believe that the funding should be set aside for clean, alternative fuel vehicle projects that focus on maximizing NOx reduction for the funds spent

NGVAmerica appreciates the thought and rigor put into the Nevada Draft Mitigation Plan by the Nevada Division of Environmental Protection. Please let me know if we can provide additional information, whether online, through calls or in person. We look forward to continuing to work together.

Sincerely,



Sherrie Merrow  
Chair, NGVAmerica State Government Advocacy Committee